Wipro Technologies: Vendor Profile Series for SOA Service Offerings

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IDC OPINION

At the onset of SOA many years ago, Wipro Technologies made a serious commitment to develop its SOA capabilities and related service offerings, viewing SOA to be a strategic imperative for the Fortune 1000 clients that the firm serves. Wipro has become a major services provider in the SOA market, thriving to be among the top 3 leading service players in BPM SOA. IDC finds:

- Wipro believes that the primary reason for implementing SOA for a client is to deliver a business solution that enables business agility. Hence, its initial focus in a client engagement is the creation of a well-defined strategy along with a road map that is aligned with the client's business objectives.

- The firm targets large transformation SOA deals that are more than $50 million in contract value, especially those that allow the company to deploy SOA as a key enabler in large outsourcing deals.

- SOA governance is another strategic focus. In this case, Wipro has developed an SOA governance model, including a four-step governance life-cycle process.

- Wipro has established an SOA center of excellence, including SOA solution center, BPM solution center, and legacy modernization solution center.

- BPM in an SOA environment is considered to be an important opportunity where the firm believes it can apply its distinct capabilities, especially in the areas of business process modeling and service modeling.

- Wipro has developed a unified architecture for BPM in an SOA environment with a flexible design approach to increase process agility.

- From a geographic point of view, Wipro is now eyeing opportunities in the emerging markets, such as in the Middle East and Asia/Pacific where it already has a strong presence, especially in India and Japan.

- Wipro has distinguished itself by moving toward a more risk-reward pricing model, which the firm believes will become increasingly attractive among its SOA clients.
IN THIS INSIGHT

This IDC Insight profiles Wipro by describing the company's capabilities with respect to its service offerings related to SOA. IDC examines Wipro's overall SOA strategy and marketing messages, new developments in 2007 and 2008, SOA services portfolio, major methods and tools used in SOA engagements, key competitive differentiators, strengths, and challenges.

This document is part of a Part I and Part II profile series of major service vendors in the SOA market. In Part I, IDC featured vendors such as Accenture, BEA Systems, Capgemini, CSC, Deloitte, EDS, HP Services, and IBM Global Services that were subsequently published as separate vendor profiles and in a major study (see A Competitive Analysis of Major Service Vendors and Their SOA Service Capabilities: Part I, IDC #213125, July 2008). In Part II, IDC profiles, besides Wipro, large India-based service vendors, such as Tata Consultancy Services (TCS), Infosys, and HCL. Later, IDC will do a competitive analysis of these providers, using a new IDC competitive analysis tool, MarketScape.

SITUATION OVERVIEW

About Wipro Technologies

Wipro Technologies, the global IT services business of Wipro Limited, provides end-to-end technology solutions to large enterprises across the world, primarily in the United States and Western Europe. Its services portfolio consists of a wide range of offerings, including IS outsourcing, business process outsourcing, IT and business consulting, architecture, application development and management, enterprise application, legacy migration, security, testing, IT infrastructure and support, and research and development services. Wipro is one of the largest product engineering and support service providers in the world.

Headquartered in Bangalore, India, Wipro generated a total of $5.3 billion in revenue with a global workforce of almost 97,000 at the end of CY08. The firm enjoyed double-digit growth of 25.3% that year.

SOA Vision and Strategy

Wipro has been a major services provider in the SOA market for many years, viewing SOA to be a strategic imperative for the Fortune 1000 clientele that the firm serves. Its goal is to be among the top 3 leading service providers in BPM SOA. Today, Wipro has nearly 300 ongoing SOA projects and more than 5,000 SOA experts and 12,000 SOA-trained practitioners worldwide. In large enterprisewide SOA contracts, deals range from $5 million to $30 million or more. However, the firm targets large transformation SOA deals that are more than $50 million in contract value, especially those that allow the company to deploy SOA as a key enabler in large outsourcing deals.

The firm's vision and strategic direction are driven by an SOA committee, comprising business leadership of Business Technology Services unit, CTO, Practice Head of the BPM-SOA group, and various domain groups. The SOA committee reports to
Wipro's SOA council, headed by joint CEOs and vertical and horizontal SBU heads and the CTO. The CTO office in turn drives organization-wide initiatives, such as SOA, Web-oriented architecture (WOA), software as a service (SaaS), and cloud computing, and funds new solutions and offerings, developed by the various business units, against a specified plan. In addition, SOA is one of the key priorities for the "Wipro Innovation Cell" with focused investments in key leading-edge SOA solutions from which Wipro expects to generate $100 million in three years.

Wipro has embedded SOA as a core element of its overall strategy, operations, delivery, and execution as well as incorporating it into its training programs and development or innovation activities with partners. SOA is seen as enhancing the firm's service offerings, whether it be in consulting, systems integration, IT or business process outsourcing (e.g., platform BPO), R&D services, or support. Over the years Wipro has built a comprehensive set of services to address the full scope of SOA implementation and ongoing management and the different phases of maturation that clients experience.

Wipro believes that the primary reason for implementing SOA for a client is to deliver a business solution that enables business agility. Hence, its initial focus in a client engagement is the creation of a well-defined strategy along with a road map that is aligned with the client's business objectives. Being able to identify and articulate a business case is considered essential, especially one that is supported by measurable benefits with potential ROI.

SOA governance is another strategic focus. In this case, Wipro has developed an SOA governance model, including a four-step governance life-cycle process, to address issues around people, processes, and tools to enable oversight and management as well as automation of some of the governance processes.

Wipro has established an SOA center of excellence, including SOA solution center, BPM solution center, and legacy modernization solution center for solution building, competency development, asset and business technology alignment, and to provide a foundation for alternative delivery models like SOA platform-based shared services, SaaS platforms (e.g., wSaaS).

**Future Strategic Direction**

- In 2009, Wipro plans to place increased emphasis on building its capabilities further around **SOA consulting and advisory services** (including strategy, governance, reference architecture, and technology evaluation) and SOA operations that address service deployment, service promotion, service testing, service maintenance and support, and service monitoring (e.g., managed SOA test centers). Wipro also plans to expand its offerings with respect to SOA infrastructure and virtualization.

- Other high-priority and growth areas this year are **legacy modernization** and **transformational outsourcing** deals, where SOA serves as a key enabler and even requirement. In the case of legacy modernization, Wipro plans to leverage its comprehensive set of solutions and SOA-enabled services together with strategic partnership and its large pool of practitioners, trained and experienced in this area.
BPM in an SOA environment is considered to be an important opportunity where the firm believes it can apply its distinct capabilities, especially in the areas of business process modeling and service modeling. To this end, Wipro has combined its SOA and BPM offerings and has boosted its sales capacity to sell BPM-SOA services by encouraging strategic practice managers with BPM expertise to join the sales team that is bidding on an SOA contract.

Co-innovation with partners is a key area of focus and will play a significant role in developing new solutions on leading-edge technology platforms; addressing industry-specific needs; going to market; gaining access to vendors' products, education and technical services; and in establishing joint centers of excellence to build new solutions, competency development, and customer demos.

From a geographic point of view, Wipro is now eyeing opportunities in the emerging markets, such as in the Middle East and Asia/Pacific where it already has a strong presence, especially in India and Japan. At present, the firm is engaged in several large-scale greenfield implementation projects in these markets, valued at more than $100 million. According to IDC estimates, Wipro's service revenue in Asia/Pacific grew by almost 48% between 2006 and 2007, faster than its Indian rivals.

Wipro's SOA Marketing Messages

About SOA

"Business Innovation for growth and productivity is a key value derived from a flexible and agile enterprise enabled by SOA. Wipro finds SOA to become pervasive across the enterprise, establishing an environment wherein business, technology, and operations evolve without interdependent constraints and dynamically align to achieve strategic business objectives and address stakeholder needs."

About Wipro and SOA

"Wipro provides comprehensive services to match business transformation initiatives of clients across all phases of SOA adoption maturity. Our industry, horizontal, technology and infrastructure solutions and assets (including proven methodologies, tools, and frameworks) provide innovative and flexible approach in deploying solutions to drive business agility. We consistently drive successful business change through our combined BPM-SOA approach, in-depth process knowledge, technology, and architectural strengths."

Major SOA Investments and New Developments

Wipro has developed a unified architecture for BPM in an SOA environment with a flexible design approach to increase process agility; this approach is enabled by a methodology, the intelligent and adaptive BPM (ia-BPM) methodology, with built-in best practices, developed over many years and that cover various stages of the BPM life cycle to accelerate customer's BPM initiatives and enable them to realize quick ROI.
Wipro offers industry and horizontal solutions as software as a service on its proprietary SOA-based platform SOBay. This shared services platform offers managed services of SOA applications and is capable of containing configurable business applications that can be provisioned to consumers in a multitenant, customizable, and secure environment. It comes with Web services–based integration capabilities and there is flexibility in hosting the business services at both customer locations and on a centralized server. The platform includes the following features: tenant registration, business service configuration, tenant management, metering, and authentication and access control.

Wipro has evolved its engagement models. For example, it now develops "SOA competency center" for customers in order to assist them, especially those that are in the initial stages of adoption and unsure of business requirements, to craft a capacity model to handle fluctuating business needs.

Significant investments have been made in industry, functional, technology, and infrastructure solutions to be able to build a large repository of assets. To this end, Wipro has engaged in initiatives to either co-develop solutions (co-innovation) with customers or with partners, such as SAP, Oracle, IBM, Microsoft, and Cisco. For example, Wipro has established a composite application factory for SAP, referred to as W-CAF.

Besides collaborative innovation, Wipro's partnership strategy also focuses on industry-specific knowledge sharing and technology sharing to get priority access to vendors' products, education and technical services, and joint centers of excellence (e.g., SAP solutions lab for enterprise SOA [ESOA]).

Because Wipro believes that SOA increases the value customers can derive from application migrations, the firm has developed an e-Enabler solution to provide a service-oriented platform and framework for SOA applications development (see further discussion below). Wipro's SOA methodologies are adapted to identify and implement services on a legacy environment as many customers are looking to implement SOA for applications that run on mainframes or AS400.

With respect to SOA infrastructure, Wipro has built capability around monitoring services support across leading SOA product vendors, such as IBM, Oracle, Microsoft, Progress, Amberpoint, TIBCO, and Web Methods.

During the last year, Wipro has also enhanced its service offerings, assets, and solutions-related SOA quality assurance (QA) and testing, providing a complete portfolio of service offerings in this space. It now has a dedicated SOA QA and testing practice. The firm partners with many different testing and governance tools vendors for the purpose of joint go to market or for filling capability gaps. In addition, continued investments are being made in service offerings related to cloud computing, virtualization, SaaS, and WOA.

**Key Service Offerings**

Wipro offers services that embrace the broad range of customers' business, technology, and operations needs in all of the phases in their SOA journey. The firm has an aggressive revenue growth target of about 60% in 2009, which is the same
growth rate it enjoyed during the last year. Increasingly, Wipro has been able to land large contracts of more than $5 million as standalone SOA projects, including some projects that have even exceeded $30 million.

The majority (about 75%) of Wipro's SOA clients are existing customers and most engagements have been business centric in nature; only about 35% of SOA engagements can be considered highly technology oriented.

**Consulting and Business Process Services**

With respect to consulting services, Wipro addresses a wide range of areas, including:

- SOA strategy and road map definition
- SOA business case development
- SOA health check
- SOA maturity model analysis
- SOA governance and change management
- SOA reference architecture deployment
- Legacy modernization

**SOA Applications Adoption Services**

- SOA application rationalization
- Service identification
- SOA application design and development
- SOA appliance enablement
- SOA testing services
- SOA engineering services (SOA development of software products)

**SOA Integration and Middleware Services**

- SOA integration infrastructure implementation
- Integration engineering services (includes integration architecture, integration design, interface definition, data format definition, and product evaluation of middleware products).
- Development of middleware products, SaaS enablement of COTS, and development of clients’ own hosting of SaaS products
- Legacy modernization services
ESOA in Package Application Services
- SOA composite apps integrated with package application
- ESOA for SAP and Oracle environment
- ESOA for heterogeneous environment

Outsourcing
- Platform BPO services (based on proprietary SOA platform, SOBay — see more discussion below)
- SOA operations
- SOA business platform for shared services
- SOA platform for SaaS (single or multitenant)
- SOA R&D services (Develop an SOA version of products or enable SOA for products for product vendors, while deploying the products as SaaS. SOA R&D services also include development of solution and technology accelerators to help customers adopt SOA for their business applications.)
- Managed services for SOA applications (Wipro Center for Integrated Global Management of Applications [CIGMA] is Wipro's next-generation application management platform to leverage a proactive approach, process excellence, real-time transparent governance, and end-to-end business process–level SLAs to deliver business continuity to customers. CIGMA provides input for preparation of business case for SOA, using data on reuse parameters and business criticality; ROI analysis, using service usage patterns and SLA's metrics; and identification of services that need SOA enablement for better reuse and scale.)

Infrastructure Services
- Cloud computing infrastructure as a service (IaaS)
- Virtualization services
- Grid computing services

Training Services
- SOA workshops
- SOA pilot services
- ESOA workshops

Services Delivery
Utilizing a global delivery model, Wipro relies on a combination of onshore, nearshore, and offshore approaches. For example, with respect to enterprise SOA, about 35% of its SOA resources are onsite, whereas the rest of the resources is delivered by nearshore or offshore centers. Implementation services (including SOA testing, service maintenance, and support), and R&D services to develop SOA-
enabled products, are typically delivered remotely. However, SOA consulting together with business process consulting are predominantly done on customer's premise, but consultants will of course leverage Wipro's SOA-relevant IP and assets in India (e.g., SOA center of excellence, architecture, standards, and process models).

Sales Strategy
As mentioned earlier, Wipro has a dedicated team of practice managers who support sales for SOA. While the industry-focused business development managers manage the customer relationship and the sales process, practice managers provide subject-matter expertise, such as in BPM SOA.

Key Tools, Methodologies, and Solutions
Business Solutions
- **Industry solutions**: Intuitive customer experience for banking, pay central solution for banking, accord-based insurance self-service solution, vendor-managed inventory for retail, and so forth
- **Functional solutions**: I-Pro, an eprocurement solution; revenue recognition solution; online brand management solution; and so forth

Service-Oriented (SO) Platforms
- **SOBay** (patent in process), an SOA platform that offers managed or SaaS services of SOA applications
- **W-SaaS** solution for hosting applications to offer on a SaaS model
- **Base)** or SOA-based platform for BPO services, supported by SOBay
- **WiproWebWorks**, a Web 2.0 mashup application platform (It provides business users the flexibility to create new mashup applications or services; provides building blocks and patterns to build and deploy customized application services on demand. This platform is applicable for a single client, multiple users, or for the entire enterprise, using a visual drag-and-drop mashup platform.)

Intelligent and Adaptive BPM for SOA Environment
The ia-BPM methodology supports the business process prioritization, implementation of the right governance, platform selection, and implementation methodology, aligned to SOA concepts. The main premise is that BPM needs to be implemented with focus on information flow, selection of the right processes, enablement of real-time process health check, quick process improvement decisions, and adaptability (flexible and reusable). It spans various stages of the BPM life cycle with the aim to realize quick ROI.

e-Enabler (Two Patents)
e-Enabler is a complete SOA solutions kit that provides a framework, architecture, and solution components for rapid SOA applications development. It provides SOA- and WOA-based integration of applications as well as business flexibility through
componentized IT-enabled business processes. Main features include a reference SOA-WOA architecture, WOA framework to integrate business applications, and an application management solution.

**SOA Methodology for Architecting Real-Time Enterprise**

The SOA methodology for architecting real-time enterprise (SMART) is a consulting methodology that facilitates the planning and strategizing of an SOA project (see Figure 1).

![Figure 1: SMART Methodology](image)

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**Competitive Differentiation**

Coupled with its global delivery model, Wipro has earned a competitive advantage by capitalizing on its full range of functional, industrial, and technological capabilities that can be applied to all the different phases of an organization’s SOA adoption or maturation process and to enable its transformational efforts.
As a SAP Global Partner, Wipro enjoys exceptionally strong leadership with respect to enterprise SOA (ESOA). In 2008, the firm was recognized with SAP’s prestigious Pinnacle Award and is involved with a number of co-innovation initiatives with SAP to develop new solutions as well as composite applications on top of SAP’s NetWeaver platform.

Wipro's assets (methodologies and frameworks) and solutions, which have evolved and matured over time, have proven to provide a competitive edge in bidding for contracts against its competition.

Wipro has also distinguished itself by moving toward a more risk-reward pricing model, which the firm believes will become increasingly attractive among its clients. The firm has already begun to apply this model to many SOA engagements.

According to Wipro, its ability to help clients define and promote their SOA strategy has always been the firm’s “sweet spot.” Along the adoption path, it is actively engaged with clients to identify and demonstrate the benefits of implementing SOA (e.g., through pilots), define the right architecture, select the most appropriate set of tools and technologies, establish the SOA road map, establish governance processes, evangelize SOA within the organization, define individual business cases/projects along the implementation path, execute individual projects, and help manage the new application portfolio.

Testing services for SOA is another area where Wipro excels by providing a complete portfolio of offerings in the SOA quality assurance space. Because SOA testing activities are driven by Wipro’s SOA practice, the firm is able to leverage its SOA skill sets when performing tests for SOA. Moreover, it has gained experience by executing several large SOA testing projects and from partnering with leading SOA testing vendors, such as Parasoft, HP, and ITKO LISA. Wipro has also created ready-made, pre-designed SOA testing assets that can be tailored to clients’ needs.

**FUTURE OUTLOOK**

At the onset of SOA many years ago, Wipro made a serious commitment to develop its SOA capabilities and related service offerings. Its past and present investments in building a service-oriented portfolio, backed up by a whole range of tools, frameworks, and methodologies, are evidence of that commitment. Today, Wipro is able to offer a comprehensive service portfolio with focus on clients’ transformational efforts of their business and/or IT infrastructure. It is able to do so by taking advantage of its industry-specific expertise together with an integrated services offering that includes consulting, implementation, outsourcing, training, and ongoing application support. Hence, Wipro is increasingly becoming a competitive force in large SOA deals.

Wipro has made significant progress in the area of providing a SaaS delivery model for service-enabled applications or business services. Thanks to its SOBay business platform the firm has an opportunity to deliver low-cost services along with greater flexibility to clients — a very appealing value proposition in today's economic climate.
Wipro is wise to leverage its business process capability and software skills by tying BPM to SOA as part of a BPM-SOA services offering. This type of offering is expected to enjoy increasing demand in the future as companies are focusing more and more on business process improvement and management as a cost-optimization measure in their SOA programs.

With respect to consulting, Wipro has long been criticized by the analyst community for not having the necessary talent to guide and advice the C-suite, a weak link in its otherwise comprehensive suite of services. However, with the recent hire of an experienced leader with 22 years of senior leadership in the consulting industry, most recently as president for Consulting Services at Capgemini-Americas, to head Wipro's consulting services this criticism may not be warranted for very long. Yet, Wipro has ways to go before it can close the business consulting capability gap with some of its toughest competitors in this space, such as Accenture, Deloitte, Capgemini, and IBM.

Being a leading IT solutions and services provider for corporations in India is undoubtedly a strong asset. Wipro's domestic leadership will stand the firm in good stead as it could absorb some of the risky exposure it has among its United States–based and European-based banking and capital markets clients (38% of the firm's total revenue). Similarly, Wipro's growing presence in other countries in Asia/Pacific (Japan and Australia), in the Middle East, and in Latin America (acquisition of Enabler in retail solutions with a strong presence in Latin America) might also provide some additional cushion to the financial troubles faced by its North American and European clients.

Besides geographic expansion, industry sector diversification is also essential for Wipro. In particular, it behooves the firm to reduce its exposure to the financial sector, while building deep skills in such promising sectors as energy and healthcare, including life sciences, which are relatively recession-proof and where adoption of SOA is expected to grow during the next few years.

In light of the Satyam scandal that has tainted the Indian high-tech industry, Wipro should highlight the fact that it has a mature and comprehensive governance structure with strict transparency standards that it has followed for years. This is especially critical to a firm like Wipro that prides itself in helping companies establish governance structures and standards as part of their SOA programs. "Walking the talk" around governance is key in today's market.

In this difficult economic situation, it is important that Wipro does not lose its sight for long-term success. This is the time to support strategic investments that will help the firm hone its skills, strengthen its SOA services capability, and build client confidence and trust. In particular, Wipro should be stepping up its innovation and marketing to capture market share from weaker competitors. Studies of the last recession show that those companies that maintained or increased their advertising during that time were also able to significantly improve their market share.