

NEAT EVALUATION FOR WIPRO:

Big Data & Analytics

Market Segment: Overall

This report presents Wipro with the NelsonHall NEAT vendor evaluation for Big Data & Analytics services (Overall market segment). It contains the NEAT graph of vendor performance, a summary vendor analysis of Wipro in Big Data & Analytics, and the latest market analysis summary for Big Data & Analytics. An explanation of the NEAT methodology is included at the end of the report.

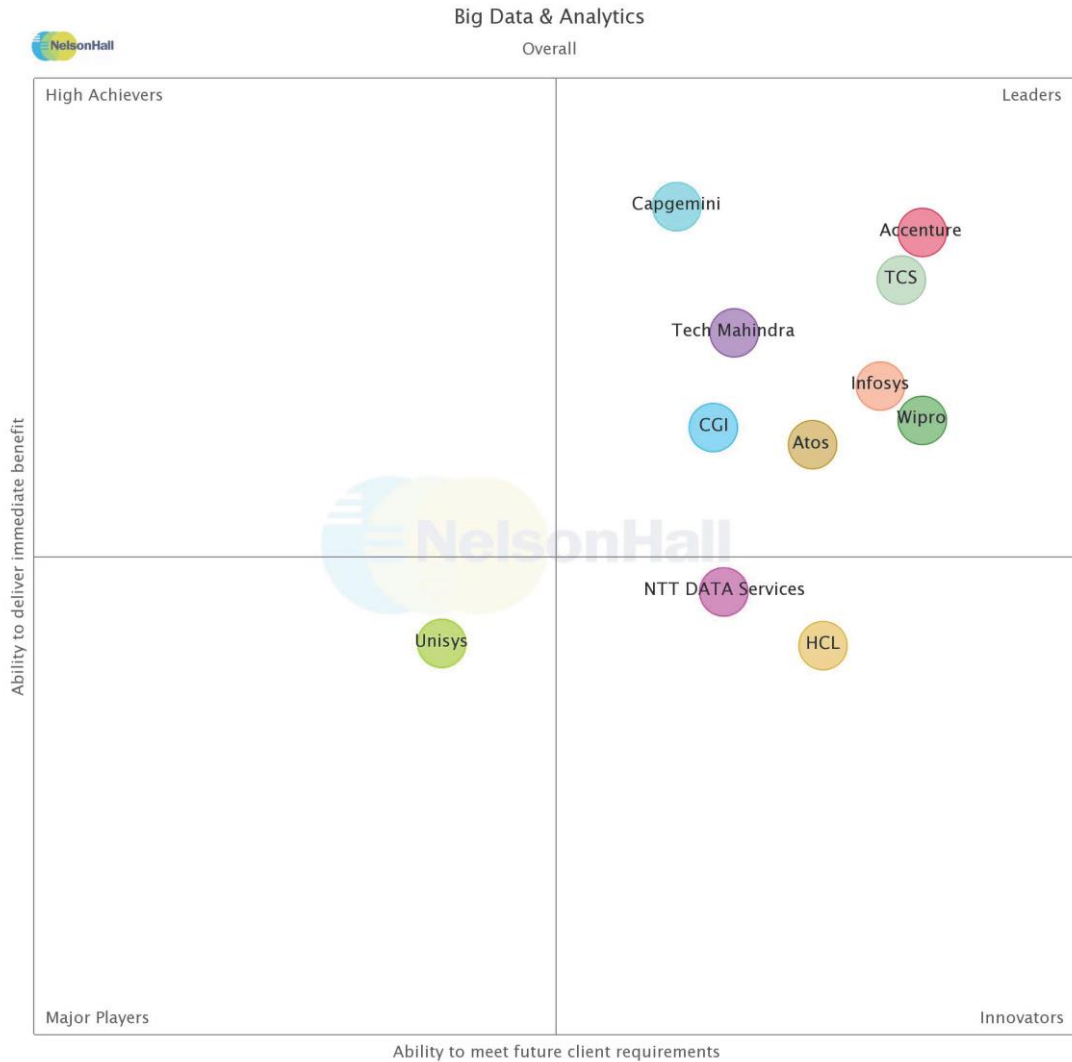
The vendors evaluated are: Accenture, Atos, Capgemini, CGI, HCL Technologies, Infosys, NTT DATA Services, Tata Consultancy Services, Tech Mahindra, Unisys, and Wipro.

Introduction

NelsonHall has assessed and evaluated Wipro's proposition against demand for Big Data & Analytics services, and has identified Wipro as one of the leaders in the *Overall* market segment, as shown in the NEAT graph on page 2.



NEAT Evaluation: Big Data & Analytics (Overall)



The *Overall* market segment reflects Wipro’s overall ability to meet future client requirements as well as delivering immediate benefits to clients of its Big Data & Analytics services.

Buy-side organizations can access the Big Data & Analytics NEAT tool (Overall) [here](#).

Vendor Analysis Summary for Wipro

Overview

Wipro has consolidated most of its big data and analytics (BDA) capabilities into one main service line, Wipro Analytics (WA). WA is a horizontal service line, with its own P&L and responsibility over delivery. It offers a wide range of data-related services from database-related services to analytics, big data, and new database services. WA has a headcount of ~10k.

WA is structured into several units including Big Data Analytics (~800 personnel), Advanced Analytics (200), and Platforms & Solutions.

Wipro also provides BDA services through different units, e.g. its BPS organization, its SAP/Enterprise Applications and its testing unit. In total, the company estimates that an additional 5k employees provide BDA services, outside of WA.

Wipro Analytics emphasizes that it is taking an engineering approach to BDA. The practice highlights its background in product engineering services providing it with the experience to solve IT challenges related to large data volumes such as processing speed, security, and resilience.

Wipro Analytics provides a wide range of data-related services ranging from traditional services around RDBMS, data warehousing, BI, and data quality to services around new technologies, e.g. big data, noSQL databases, advanced analytics (around software products such as SPSS and SAS), and data visualization.

Wipro Analytics focuses on newer offerings, particularly around advanced analytics, data visualization, and on platforms and accelerators.

Advanced Analytics (AA) is one of the fast-growth sub-practices within Wipro Analytics. It is still relatively small in scale: it has ~200 analytics consultants, representing ~2% of Wipro Analytics' headcount. Personnel in AA includes six PhDs, optimization consultants, and data scientists.

Data visualization is the fastest growing offering within Wipro Analytics, which helps client organizations replace their traditional dashboards and reports (based on technologies provided by IBM Cognos, Oracle, and SAP BO) with end-user friendly visualization products (provided by ISVs including TIBCO Spotfire, Tableau Software, QlikView).

Wipro's Analytics business created the Data Discovery Platform (DDP) for capturing and managing data, and providing analytics services. It is based on an as-a-service usage and pricing model, and includes apps, namely a verticalized use case (Insights as a Service).

Wipro's Analytics Business has used this platform based service for a client for seven years. It expanded this platform approach in 2015 by creating its own platform, a repeatable asset that can be used across clients. DDP was officially launched in June 2016.

Since its launch, DDP has helped to increase client awareness of Wipro's big data capabilities.

Financials

In its financial reporting to investors, Wipro announced that its Wipro Analytics practice accounted for 7.1% of Wipro revenues (~\$544m in FY16, ending March 31, 2016).



NelsonHall estimates the revenues of Wipro Analytics to be:

- CY 2015: \$534m
- CY 2016: ~\$590m.

By the end of CY H1 2016, Wipro Analytics had a headcount of ~10k, representing ~6% of its total headcount. Revenue per head was ~\$54,000.

For FY16 in analytics, information management, and big data (including activities from Wipro Analytics and across other business units), Wipro estimates the following:

- Approximately \$1,205m in revenues, or 17% of revenues
- Involved ~15k personnel, all employed full-time in roles related to analytics, information management, and big data. This represents 9% of Wipro's total headcount
- Revenue per head was \$80,000.

Strengths

- Scale
- An Indian delivery model
- Has a big data platform with Data Discovery Platform, and has developed verticalized use cases
- Continued investments in other platforms, e.g. Data Platform Engineering and Digital Service Hub
- Management sponsorship through M&As and investment in start-ups.

Challenges

- Wipro's service portfolio mix transformation is not yet completed, as reflected by the low numbers of personnel in data visualization and advanced analytics
- Marketing is less convincing than capabilities: NelsonHall thinks that Wipro's stress on convergence/overlap of IT services with R&D services is overstated, as happened in the past with the convergence of telecom and IT services. Similarly, the effectiveness of releasing the software code of Big Data Ready Enterprise to open source (to get contributions from the open source community) is questionable
- Lack of local personnel.

Strategic Direction

Overall, a key strategy for Wipro Analytics is to develop into platforms. Key elements of this platform strategy include its Data Discovery Platform and the further pushing of its verticalization efforts.

In addition, Wipro Analytics is working on other platforms including Data Platform Engineering (DPE) and Digital Service Hub (DSH).

The high-level goal of DPE is to make use of Wipro's background in product engineering services, initially in the telecom sector and then in chip/semi-conductor design, mobile device and OS, and ISVs, e.g. Teradata. Wipro believes argues that IoT and the industrial internet/industry 4.0 are driving a convergence, or an overlap, of IT services and product engineering services, in the form of embedded systems, connectivity, and telecommunications.

Another investment which Wipro overall is making is its Digital Service Hub (DSH), a cloud computing hosting orchestration and analytics accelerator. DSH targets SaaS ISVs, e.g. Workday, or any organization with centrally hosted applications such as ADP. DSH has four elements:

- Orchestration, based on SFDC, through a single portal
- Hosting on AWS and Microsoft Azure
- Support functions such as metering, chargeback, and monitoring
- Analytics, e.g. security compliance.

Wipro is currently working on allowing private cloud hosting. It has a great deal of faith in DSH, as it sees connected devices (and IoT in general) as its main use case.

One client is a U.K. company which needed a self-service portal for its Hadoop clusters; another client is a telecom service provider.

Wipro Analytics, through Wipro overall, is also looking at complementing its capabilities through M&As, looking as a priority at automation; perceptual analysis, AI and data science; and verticalization.

As part of this approach, Wipro has invested in several companies, through minority investments:

- Talena: for the management of unstructured data. Other investors are Intel Capital, Onset Ventures, and Canaan Partners
- Vicarious: for AI algorithms. Multiple other investors include Mark Zuckerberg, Jeff Bezos, Elon Musk, Marc Benioff, and Jerry Yang
- Opera Solutions: pre-built big data models and tool kit
- Alitzon: an IoT platform (Datomis software product). Other investors are Lumis Partners, The Hive, Infuse, and Persistent Systems
- Emailage: fraud prevention through risk assessment based on email addresses.

Wipro and Wipro Analytics intend to incorporate the technology from these start ups in their platforms or service offerings.



Outlook

Wipro Analytics has set its course towards the development of platforms and accelerators, and NelsonHall expects Wipro Analytics to continue in this direction. Since many competitors now have a platform, continued investment in additional automation remains a high priority for Wipro.

The profile of Wipro Analytics may evolve somewhat, with one potential M&A. NelsonHall expects a software or technology acquisition rather than a service acquisition.

Big Data & Analytics: Market Summary

Buy-Side Dynamics

Four main client profiles dominate the market:

- “Operation improvement organizations”: the largest client segment (representing ~35% of spending). They focus on operations and improving their digital operations
- “Efficiency focused clients”: represent 30% of client spending. Their primary objective is to achieve cost savings
- “Regulated clients”: the smallest client segment (~20% of big data and analytics spending) and originates from clients in the banking, insurance, life science and U.S. healthcare sectors
- “New business model organizations”: look to reinvent their business models, and require guidance, consulting, and workshops.

Market Size & Growth

The big data and analytics services market is a dynamic market with solid market growth in the years ahead (2016-2020 CAGR of 7%). Spending growth will be relatively homogeneous across geographies. Looking in detail:

- North America is fast adopting big data technologies, therefore phasing out previous investment in EDW and BI software and appliances. It is rebalancing its budgets towards analytics and insights
- In the U.K., the uncertainty caused by Brexit will lead to slow spending growth during the 2017-2019 period, then rebounding to ~7.0%-9.0% from 2020 onwards
- Growth in Continental Europe and Japan will be relatively muted, reflecting continued momentum in Germany and more mixed growth across France, Italy, and the Netherlands
- In APAC, India will lead growth, along with China.

From a service perspective:

- Spending on BI and EDW is declining quickly for two reasons: adoption of open source software tools (Apache Hadoop ecosystem) and work offshoring. CAGR for the 2016-2020 period is a negative 6.5%, reaching ~\$10.7bn by 2020
- Big data spending is growing fast, from a low amount (\$2.1bn in 2010). CAGR for the period is ~+30%
- Spending growth on data quality, preparation, and MDM is solid (CAGR of 9.2%), reaching ~\$12.1bn by 2020
- Data science is the smallest of all big data and analytics service lines, currently a \$2.1bn market (in 2016) and growing by a CAGR of 30% during 2016-2020.

Outlook

Over the next few years, the main challenges of the big data and analytics services industry are:

- Continuing to invest in automation, initially investing further in IoT platforms (that group together open source software and COTS), initially through the development of proprietary use cases based on algorithms
- Balancing delivery presence onshore, for consulting and data science activities, offshore for technology/IT services
- Experimenting with AI and ML to drive insights.



NEAT Evaluation for Big Data & Analytics

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements
- **High Achievers:** vendors that exhibit a high ability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

*Exhibit 1***'Ability to deliver immediate benefit': Assessment criteria**

Assessment Category	Assessment Criteria
Offering	<ul style="list-style-type: none"> Range Of BDA Capability BDA Consulting BDA Implementation Capability Analytics Operations Capability BDA Capability In Support Of Customer Insight And Revenue Optimization BDA Capability In Support Of Operations Effectiveness And Efficiency IoT Analytics Capability
Delivery	<ul style="list-style-type: none"> BDA Delivery Capability In Support Of U.S. BDA Delivery Capability In Support Of U.K. BDA Delivery Capability In Support Of Continental Europe BDA Delivery Capability In Support Of APAC BDA Delivery Capability In Support Of Central And Latin America Automation: Big Data Platform Automation: Vertical And Horizontal IP Automation: Standalone Technical Accelerators Automation: Other Important Platforms/IP Willingness To Take Over Client Operations
Customer Presence	<ul style="list-style-type: none"> Scale Of Overall BDA Services Presence Scale Of Overall BDA Services Clients Supported By Geography: U.S. Scale Of Overall BDA Services Clients Supported By Geography: Europe Scale Of Overall BDA Services Clients Supported By Geography: RoW
Benefits Achieved	<ul style="list-style-type: none"> Level Of Cost Savings Achieved Increase In Revenues Achieved Reduction In Fraud Increase In Compliance Improvement In Data Quality Reduced Time To Information / Go To Market Pricing Approach



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Services Investment	<ul style="list-style-type: none"> Investment In BDA Services Overall Investment In BDA In Support Of Customer Insight And Revenue Optimization Investment In Support Of Operational Effectiveness And Efficiency Investment In Support Of Risk And Compliance Investment In Support Of IoT Investment In AI And Cognitive Analytics Investment In Analytics Operations
Market Momentum	New Client Wins
Ability to Deliver Innovation	<ul style="list-style-type: none"> Mechanisms In Place To Deliver Client Innovation Extent To Which Client Perceives That Innovation Has Been Delivered Suitability Of Vendor To Meet Future Needs Of Client Perception Of Suitability For Analytics Operations Perception Of Suitability To Apply Analytics Tools
Financial Security	Financial Security

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



research.nelson-hall.com

Sales Enquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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