

IDC MarketScape: Worldwide Industry Cloud Professional Services 2024 Vendor Assessment

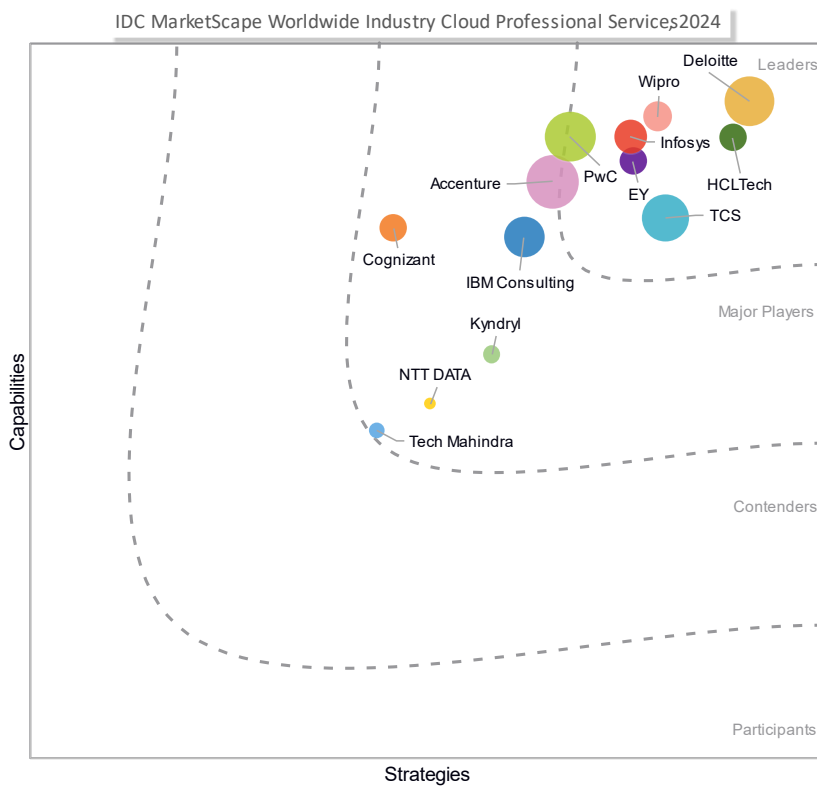
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THIS IDC MARKETSCAPE EXCERPT FEATURES DELOITTE AS A LEADER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Industry Cloud Professional Services Vendor Assessment



Source: IDC, 2024

See the Appendix for detailed methodology, market definition, and scoring criteria.

ABOUT THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Industry Cloud Professional Services 2024 Vendor Assessment (Doc # US51036624).

IDC OPINION

In the two years since the last edition of this IDC MarketScape, the industry cloud professional services (CPS) space has matured significantly. Many new vendors entered the market, and most of the existing vendors expanded into new industries and verticals. Most importantly, all professional services vendors participating in this year's assessment demonstrated a new level of streamlined, efficient, industry cloud operations that have enabled them to innovate faster, infuse AI and generative AI (GenAI) into their industry solutions, and leverage their partner ecosystem strategically to expand into new markets.

The key factor that has made this possible is the evolution of the digital platform model, which brings all processes related to specific business functions, along with their applications and data, into a single ecosystem grounded in integrated technology layers. The open architecture and modular, API-based design of these platforms enable professional services teams to quickly assemble highly integrated yet customizable industry-specific solutions for their clients. Relevant data models and templates, compliance to industry standards and international security and data governance standards, and prebuilt connectors to key industry ecosystem partners are also included, resulting in vastly improved operational efficiency and business performance.

The emergence of internal or client-facing storefronts for technology assets, code libraries, APIs, and similar technical components is another new development supporting the move to a more streamlined and flexible industry cloud practices. It seems that professional services vendors, along with their ISV and cloud provider partners, have figured out how to deliver the best of both worlds — a suite of services with built-in industry compliance and security standards that also offers best-of-breed and use case-specific solutions for clients to choose from based on their unique organizational needs.

Thus it is not a surprise that enterprise buyers — especially from highly regulated industries such as banking, insurance, healthcare, pharmaceuticals, medical devices, and utilities as well as from retail, manufacturing, media and entertainment, and other industries — are increasingly adopting the industry solutions offered by their professional services providers (SPs), even if they do not typically refer to them as

"industry clouds." While the term remains better known to IT buyers, the advantages of the industry cloud model are widely recognized by the business buyers and industry professionals who use them. Nearly all the clients of the professional services firms profiled in this study spoke enthusiastically about their partner's industry expertise, technical skills, and innovative solutions for highly complex use cases that touch the heart of their businesses.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

Using the IDC MarketScape model, IDC studied 13 organizations that offer industry clouds and related services. The evaluated vendors had to meet the following criteria to qualify for this vendor assessment:

- The vendor performs professional services as their primary business model.
- The vendor's services were purchased within a recent industry cloud deal.
- The vendor had a minimum of \$100 million in annual CPS revenue in 2023.
- The vendor has revenue in at least two geographic regions.
- The vendor has established expertise in at least three industries or verticals.

Only vendors that perform professional services as their primary business model were included. Vendors that primarily provide technologies such as software and hardware were excluded, despite having professional services arms that may engage in industry cloud-related projects.

ADVICE FOR TECHNOLOGY BUYERS

Industry CPS vendors such as those profiled in this study can help you choose or build a solution that works best for you. By using their industry expertise, rich catalogs of vertical assets, deep project management experience, and close partnerships with major cloud providers, these services providers can advise, implement, and orchestrate projects for companies in just about any industry or any stage of digital transformation. Some other factors to consider include the following:

- Select vendors with expertise in the right verticals or microverticals, then evaluate their ability to provide industry-specific data models, AI and machine learning (ML) tools, and compliance with international and regional standards. Other factors such as team alignment, leadership expertise, partnerships, and project experience are also important.
- Consider your organization's current software licensing and cloud commitments and ensure that your professional services vendor can leverage as much of these

preexisting arrangements as possible to ensure optimal consumption convenience and savings.

- If your organization needs sustainability/ESG tracking and reporting or data residency/sovereignty arrangements, ask how your vendor can accommodate these requirements. Most vendors today offer their own solutions or integrations with their cloud SP partner's sustainability and sovereignty solutions.
- Plan for the future evolution and expansion of your technology environment by selecting vendors that have an industry cloud strategy and road maps compatible with yours.

While the 13 vendors evaluated in this IDC MarketScape have mature and comprehensive industry cloud portfolios and practices, other professional services firms — including Capgemini, DXC, EPAM, KPMG, and LTIMindree — are also active in this cloud technology area and may be worth considering, depending on your needs.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Deloitte

IDC has positioned Deloitte in the Leaders category in this 2024 IDC MarketScape for worldwide industry cloud professional services, based on a close evaluation of the company's strategy and capabilities as well as client and partner feedback.

With more than 20 years of experience in building industry-specific solutions, Deloitte has extensive offerings of industry clouds and a large base of satisfied clients. Notwithstanding the early success, the company has continued to vigorously invest and innovate within the industry-focused cloud model. Deloitte's "engineering for business advantage" theme emphasizes combining business acumen with technical and engineering skills to deliver faster, scalable, and impactful solutions for financial services, healthcare, life sciences, consumer goods, media and entertainment, and energy, resources, and industrials, among other sectors.

Central to the development of Deloitte's industry solutions is the Converge platform, which Deloitte has extended into ConvergePROSPERITY, ConvergeHEALTH, ConvergeCONSUMER, and related offerings that meet its clients' technology needs. These offerings are built on a secure, industry-compliant, and modular foundation. Converge by Deloitte for Sports, for example, leverages fan data to personalize

engagement. The platform has been instrumental in helping sports organizations acquire, engage, and retain fans with content that matters to their audiences. With the data platform and data-driven engagement strategy teams, Deloitte's clients have been able to unlock record-breaking digital engagement.

Deloitte continues to make strategic investments and acquisitions to deepen its capabilities, including a \$2 billion IndustryAdvantage program for developing talent, capabilities, assets, and partners that can build innovative solutions to solve mission-critical issues affecting clients' core business.

Another multiyear commitment, which leverages a key partnership with NVIDIA, aims to accelerate the development of intuitive, AI-driven applications and embed GenAI across various industry solutions, including 300+ industry-specific GenAI accelerators. It will reference Deloitte's Generative AI Dossier, which highlights 60 of the most compelling use cases for Generative AI across six major industries.

With many cloud technology delivery center locations and qualified teams around the world and with over 1,000 preconfigured assets and accelerators, Deloitte is a trusted partner for clients who speak highly of the company's business expertise, unique sector knowledge, and strong engineering capabilities.

Strengths

Deloitte effectively combines extensive technology capabilities and experience in cloud, AI/ML, GenAI, and other areas with well-articulated perspectives and thought leadership on the future of select industries. At the same time, the company's wide network of partners, innovation hubs, and delivery centers make it easy to orchestrate large-scale, multistage projects for its many enterprise clients. This balanced approach empowers its teams to deliver industry solutions from a POC to global deployments at scale.

Challenges

Competing priorities — such as fast-moving technology trends, a multi-industry focus, growing competition, and the need to upskill and/or hire talent — may be significant challenges for Deloitte in the near future. Deloitte will need to stay laser focused on updating its large assets portfolio and investing strategically to hold on to its competitive advantage.

Consider Deloitte When

Deloitte's show-versus-tell approach, which leverages prototypes, demos, and similar hands-on methods, is perfect for clients who want a partner that can guide them through the continuous challenges of technology modernization, including today's choppy GenAI market. The company is a proven end-to-end transformation partner for

many large enterprises in the world today. Its dedicated sector leaders and teams are highly experienced in delivering industry-specific use cases and solutions that improve the core business of its clients.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The sizes of the individual vendor markers in the IDC MarketScape figure represent the market share of each individual vendor within the specific market segment being assessed (refer back to Figure 1).

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

IDC defines industry clouds as cloud-based platforms, applications, or services providing industry-specific information, technology, or operational capabilities. Industry

clouds are distinct from traditional clouds because of their vertical integration, modularity, collaboration options, and ability to generate network effects.

IDC defines professional services as the combination of project-oriented services (e.g., business and IT consulting, systems integration, and custom application development), managed services (e.g., application management, IT outsourcing, BPO, and hosting infrastructure services), and support services (e.g., hardware and software deploy and support and IT training).

LEARN MORE

Related Research

- *IDC ProductScape: Worldwide Cloud Service Provider Industry Cloud Offerings, 2024* (IDC #US52224924, September 2024)
- *IDC Innovators: Industry Clouds, 2024* (IDC #US52224824, September 2024)
- *Enterprise Digital Platforms* (IDC #US52592324, September 2024)
- *IDC Market Glance: Industry Cloud, 3Q24* (IDC #US51722024, August 2024)
- *Industry Clouds from Professional Services Vendors and Their Alignment to the Six Pillars Framework* (IDC #US50761524, May 2024)
- *Industry Cloud Directory — Semiannual Update, 2Q24* (IDC #US50761424, May 2024)

Synopsis

This IDC study provides an assessment of the market for industry cloud professional services and how some of the major professional services firms are engaged in the space. Using the IDC MarketScape model, we have identified what criteria are important for companies selecting a service provider for an industry cloud-related project and how the vendors in this study performed against these criteria overall. Interviews and surveys conducted with the vendors' industry cloud clients and partners provided additional feedback and details for the evaluations.

"Cloud professional services vendors and global systems integrators have significantly expanded and matured their industry cloud initiatives. Established vendors and more recent entrants in the space are now successfully leveraging AI, GenAI, and other technical blueprints and assets to deliver highly customizable and competitive industry cloud solutions," said Nadia Ballard, senior research manager for Industry Clouds and SaaS at IDC. "We are excited to offer buyers an objective assessment tool that can help them make better decisions when selecting their professional services partners."

ABOUT IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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