Everest Group Digital Workplace Services PEAK Matrix® Assessment 2024 – North America

Focus on **Cognizant**

September 2024

Introduction

Aftermath a period of substantial growth, the digital workplace market has witnessed a period of slowdown largely in turn to the prevalent global macroeconomic conditions which has accelerated the cycle of realization among enterprises who are now striving toward realization of their prior investments. However, the upcoming years are poised to witness a resurgence in enterprise investment trends. Notably, this resurgence will be marked by a heightened emphasis on a strategic combination of cost optimization and transformative initiatives. At the forefront of this paradigm shift stands the integration of generative artificial intelligence (Gen AI), signifying a pivotal force driving change within the organizational landscape.

In North America, existing economic headwinds have prompted enterprises to scrutinize their spend and intensify their focus on business value outcomes and value creation throughout their workplace transformation journey. At the same time, there is a growing interest in industry-specific workplace solutions, generative AI-driven innovations, and product-oriented approaches. SPs are focusing on strengthening their capabilities to aid enterprises in their workplace engagements.

In the European digital workplace market, while there has been an increased focus on cost optimization, improving Employee Experience (EX) remains the top priority, with added focus on maintaining an ideal mix of global and local service delivery to deal with the cultural nuances. While also dealing with increasing regulatory and compliance restrictions, dynamic sustainability mandates, and complex vendor landscapes.

The full report includes the profiles of the following 31 leading digital workplace providers: Accenture, Atos, Bell Techlogix, Birlasoft, Brillio, BT Group, Capgemini, Cognizant, Compucom, Computacenter, DXC Technology, Fujitsu, GAVS Technologies, HCL Tech, Infosys, Kyndryl, Lenovo, LTIMindtree, Microland, Milestone Technologies, Mphasis, NTT DATA, Pomeroy, Stefanini, TCS, T-systems, Unisys, UST, Wipro, Zones, and Zensar.

Scope of this report

Geography: North America and Europe

Industry: 31 leading digital workplace service providers

Services: Digital workplace services

Digital workplace services PEAK Matrix® characteristics

Leaders

Cognizant, HCLTech, Infosys, NTT DATA, TCS, and Wipro

- Leaders continue to showcase high expertise and experience in delivering end-to-end workplace engagements, while maintaining client satisfaction through their balanced portfolio, coherent vision, and robust suite of agnostic and contextualized IP and solutions, supported by skilled talent and strong delivery capabilities

- Further, these providers have been able to effectively leverage next-generation themes such as Copilot and generative AI backed by their expansive partnerships with technology vendors, niche providers, and start-ups to co-create solutions and engage in joint Go-to-market (GTM) in this space to deliver quick business outcomes to enterprises

- However, despite this Leaders face tough competition from Major Contenders in both retaining and winning new deals and must continue enhancing their capabilities to offer clients unique benefits

Major Contenders

Accenture, Atos, Bell Techlogix, Capgemini, Compucom, Computacenter, DXC Technology, Fujitsu, Kyndryl, Lenovo, LTIMindtree, Milestone Technologies, Mphasis, Pomeroy, Stefanini, Unisys, and Zones

- While these providers continue to strive to augment their broader workplace capabilities with targeted investments in developing their suite of IP and technology, delivery capabilities, and partnership ecosystem, their end-to-end workplace services capabilities continue to have some visible gaps

- Despite building meaningful capabilities across workplace segments, their portfolio and delivery capabilities are not as balanced as Leaders', reflecting in their relative market success

- However, these providers are making targeted investments in talent skills, delivery frameworks, internal IP, and partnerships to address capability gaps, positioning themselves as strong contenders to Leaders in workplace services

Aspirants

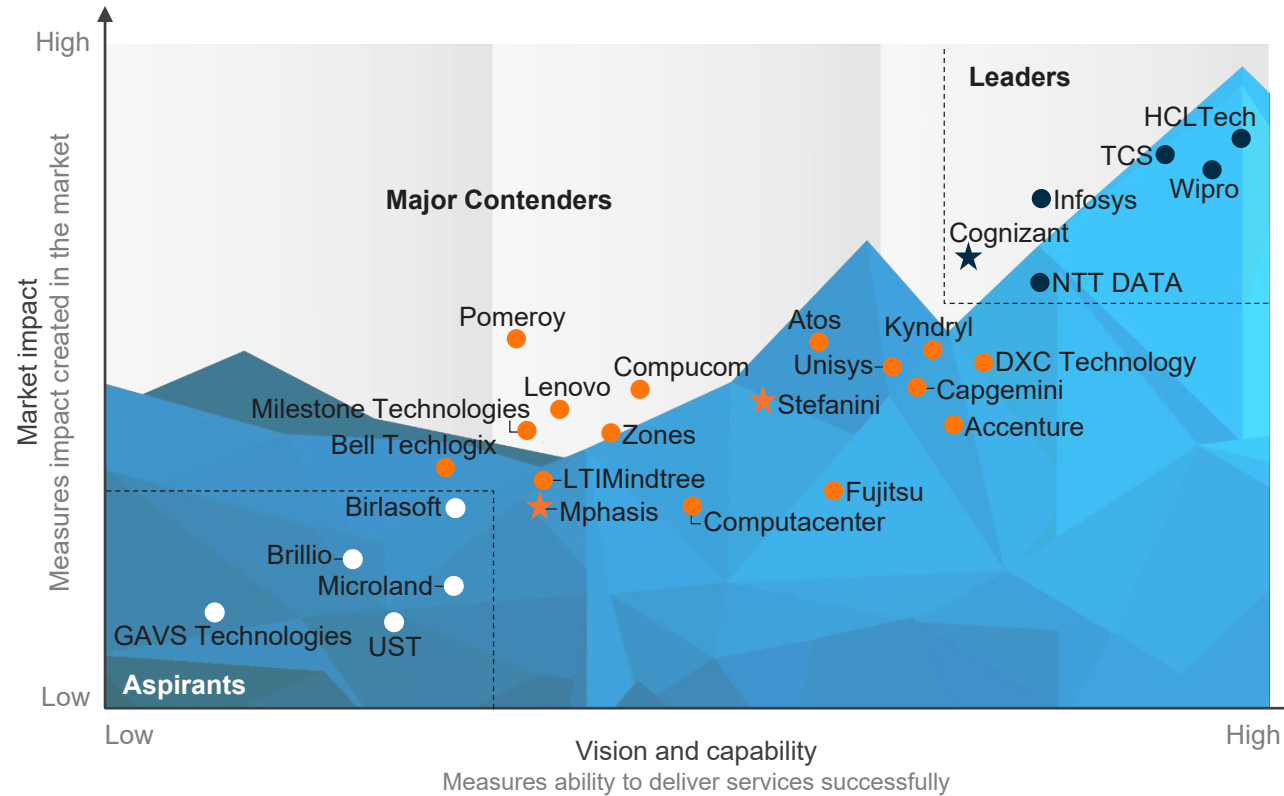Birlasoft, Brillio, GAVS Technologies, Microland, and UST

- Aspirants' workplace services show gaps in service scope, internal IP maturity, and coverage across industry verticals and geographies

- However, these provides are focused on expanding their workplace capabilities through investment in service flexibility, experience-centricity, and technology partnership to strengthen to help generate major workplace revenue and improve market positioning

Everest Group PEAK Matrix®

Digital Workplace Services PEAK Matrix® Assessment 2024 – North America | Cognizant is positioned as a Leader and a Star Performer

Everest Group Digital Workplace Services PEAK Matrix® Assessment 2024[1] – North America

- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Market impact
Measures impact created in the market

High

Leaders

HCLTech
TCS
Wipro
● Infosys
Cognizant ★
● NTT DATA

Major Contenders

Atos
Kyndryl
Compucom
Unisys
● DXC Technology
Lenovo
★ Stefanini
● Capgemini
Milestone Technologies
Zones
● Accenture
Bell Techlogix
LTIMindtree
Pomeroy
Fujitsu
★ Mphasis
Computacenter

Birlasoft
Brillio
Microland
GAVS Technologies
UST

Low **Aspirants**

Low   Vision and capability   High
Measures ability to deliver services successfully

1 Assessments for Accenture, Brillio, and Microland excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with insurance buyers
Source: Everest Group (2024)

Cognizant profile – North America (page 1 of 5)
Overview

Digital workplace services vision

Cognizant's vision is to help customers achieve total experience and experience reliability driven by a resilience-first mindset and shift to preventive support that will maximize return on experience as a key outcome. Cognizant aims to help its customers focus on three key imperatives, i.e., re-imagining experience, modernization of services, and investment in the next-generation workforce, thereby improving their return on the experience percentage.

Digital workplace services revenue (CY 2023)

<US$200 million	US$200-500 million	US$500 million-1 billion	**>US$1 billion**

Digital workplace revenue mix (CY 2023)

● Low (0%)   ● Medium (10-20%)   ● High (>20%)

By industry

● BFSI	● Energy and utilities	● Manufacturing
● Electronics, hi-tech, and technology	● Healthcare and life sciences	● Telecom, media, and entertainment
● Public sector	● Retail and CPG	● Travel and transport

By buyer size

● Small (annual client revenue <US$ 500 million)	● Mid (annual client revenue US$500 million-1 billion)	● Medium (annual client revenue US$1-5 billion)
● Large (annual client revenue US$5-20 billion)	● Mega (annual client revenue >US$20 billion)	

By IT services segment

● Asset management	● Deskside support	● Enterprise mobility
● Desktop management and virtualization	● IT service management	● Unified Communication and Collaboration (UCC)
● Service desk	● Smart workplace	● Gen AI in the workplace

By geography

● United States	● Canada	● Mexico

Cognizant profile – North America (page 2 of 5)

Solutions

Proprietary solutions for digital workplace services

Solution name	Details
Cognizant WorkNEXT™ Suite	• WorkNEXT™ Experience @ Engineering Stack solution encompasses unified endpoint management, device Lifecycle Management (LCM), IT Asset Management (ITAM), print, ESG, virtual workspaces, OS engineering, app packaging, directory services, workplace productivity solutions, UC and collaboration, smart office solutions, and customer engagement solutions • This solution provides offerings in gen AI, GPU-enabled AI, AR/VR/MR, metaverse, DigiHub intuitive self-help, Digital Experience (DEX), workplace analytics, and automation bots • This solution encompasses service desks, specialty desks, deskside, field support, warehouse and VAR, and Digital Experience Operations (DexOps)
WorkNEXT™ CARE Knowledge	• This is a codeless AR-enabled knowledge solution that uses AR technology for providing an interactive experience to end-users and field service technicians with 3D models, videos, audio, labels, and buttons • This solution enables ease of creation and deployment of knowledge bases through a no-code platform, which eliminates the efforts required to build comprehensive knowledge bases as well as shorten the lead time for consumption
WorkNEXT™ Digihub	• This solution is an intuitive UX platform helping end-users through digital assistants on mobile, web, and collaboration platforms • It provides a digital e-commerce and uber-like experience for driving better end-user consumption, adoption, knowledge enhancements, request fulfillment, and zero-touch resolutions
WorkNEXT™ Sustainability Acceleration Suite	WorkNEXT™ Sustainability Acceleration Suite is built on Microsoft cloud for sustainability and is designed to significantly help accelerate the implementation of sustainability data acquisition and visualization • Smart Office solution enables work-from-anywhere through BYOD, digital collaboration, and cloud workspace • Flexi Work solution enables hybrid worker office scheduling and hoteling • Smart Building solution provides solutions for optimal environment conditions, IoT-based real-time alerts, centralized monitoring, and dashboards
WorkNEXT™ Intelligence	• This solution uses a full-stack intelligence-first approach to prevent issues and additionally provide proactive resolutions • It is platform-agnostic and uses multiple technology stacks including ServiceNow DEX, Microsoft Intune, Microsoft Azure AI stack, GoTo Resolve AI, and more

Other digital workplace solutions include Cognizant WorkNEXT™ INTELLIFactory, WorkNEXT™ AI, and WorkNEXT™ AR.

Cognizant profile – North America (page 3 of 5)

Recent investments

Digital workplace services investments

Investment name/theme	Details
Acquisitions	• Acquired Thirdera for ServiceNow competency to provide end-to-end ServiceNow solutions and delivery capabilities • Acquired Mobica, OneSource Virtual, Servian, and Quick Left, Inc. to enhance IoT software engineering services • Acquired Linium for ServiceNow competencies • Acquired New Signature and 10th Magnitude for Microsoft competencies

Investments	• Invested in an innovation lab for desktop management accelerator testing and R&D
	• Invested in Cognizant Bluebolt™ Innovation program, which brought 8,000+ digital workplace practice SMEs to co-create and innovate solutions, accelerators, and services
	• Invested in a ServiceNow experience studio in Bangalore, India
	• Invested in WorkNEXT AI Labs in India
	• Invested in the setting up of WorkNEXT™ in action experience center in Bangalore, Mesa, AZ, and the US
	• Invested in the expansion of Halifax and Guadalajara delivery centers for nearshore multilingual support
	• Invested in CoEs for:
	  – HDI and ITIL certifications
	  – Developing multi-VDI skills, accelerators, competencies, and innovations
	  – ServiceNow CoEs in Canada, US, and India locations
	  – Service desk soft skills CoEs for voice, accent, and communication training, testing, and certification

Talent development	• Invested in talent upskilling and cross-skilling across the digital workplace practice with solutions built on Microsoft, Google, ServiceNow, Cisco, GoTo, and Nexthink technologies and products • Launched a program to empower 100,000 employees with gen AI tools and technologies • Cognizant's Microsoft Business Group (MBG) invested in training and certification for employees on the M365, MS Teams, AVD, and Azure Open AI platforms

Cognizant profile – North America (page 4 of 5)
Partnerships

Digital workplace services partnerships

Partner name	Details
Microsoft	• Leverages this partnership as Microsoft Azure Managed Services Provider (MSP) for digital workplace engineering, productivity, mobility, automation, bot, AI, analytics (Power BI), and unified collaboration services • Leverages this partnership through Microsoft 365, AVD Incubation program, and the fast-track program to create joint offerings around Microsoft modern workplace products
AWS	• Leverages this partnership as an advanced AWS premier consulting partner, channel reseller, Migration Acceleration Program (MAP) partner, marketplace reseller, MSP, service delivery program partner, and digital agency partner with AWS • Leverages AWS for cloud solutions (AWS Workspace) and enterprise apps on the cloud
Google	• Leverages this partnership to utilize Google's productivity and cloud solutions for providing digital workspace services to its clients • Leverages its strategic partnership with Google to develop AI labs in London on GCP and workspaces
VMware	Leverages this partnership in professional services, elite technology alliances, premier solutions, and unified workplace services that include identity, virtual desktop, application store, and mobility services
Citrix	Leverage this partnership for unified workplace services that include identity, virtual desktop, file share and sync application store, and mobility services
Cisco	Leverages this partnership for telephony and UC solutions
NexThink	Leverages this partnership for end-user analytics, sentiment monitoring, and experience monitoring solutions
Flexera	Leverages this partnership to provide asset management solutions
Palo Alto	Leverages this partnership to provide endpoint protection
ServiceNow	Leverages its gold-certified sales partnership and gold-certified services partnership to provide its customers with enterprise service management, asset management, automation services, business service management, custom HR case management, and intelligent bot services
ESP Global	Leverages this partnership for providing services such as handling IMACDs, break-fix, device refresh, and user onboarding

Other digital workplace partnerships include A&O IT, Bit Defender, Lakeside, Hemmersbach Happy Signals, Medallia, Nanoheal, and Nexidia.

Cognizant profile – North America (page 5 of 5)

Everest Group assessment – Leader and Star Performer

Measure of capability: ◔ Low ⬤ High

	Market impact				Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◕	◕	◔	◕	◔	⬤	◔	◑	◕

Strengths

- Enterprises looking for industry-specific solutions can benefit from its extensive portfolio of verticalized workplace solutions such as mResolve for RCPG providers and AR-enabled Auto Annotation for the energy and utilities sector

- Enterprises seeking a consulting-led approach will find value in Cognizant's One-Cognizant approach, which delivers consulting solutions for workplace deals

- Mid-market clients will benefit from partnering with Cognizant, owing to its strategic focus in this segment highlighted by its Workplace as a Service offering

- Enterprises seeking an experience-centric workplace would benefit from Cognizant's strong focus on delivering value via their IP WorkNEXT, focused on employee experience

- Enterprises seeking strong ServiceNow expertise would benefit from Cognizant's focus on this space, highlighted by its acquisition of Thirdera and a dedicated ServiceNow CoE

Limitations

- Cognizant's workplace pitch seems to be behind the curve compared to agile peers with limited emphasis toward sustainability and Experience Level Agreements (XLAs)

- While Cognizant has experienced notable growth in the workplace space recently, it lacks enterprise mindshare and thought leadership in the North American region compared to some of its peers

- Clients have expressed concerns about Cognizant's over-reliance on subcontract workers, leading to talent not being project-ready and having higher attrition rates

- Some clients have also expressed concerns about Cognizant's lack of innovative pricing constructs

- Client have indicated the need for Cognizant to bolster its local delivery presence and outreach in North America, as evidenced by the absence of new delivery centers
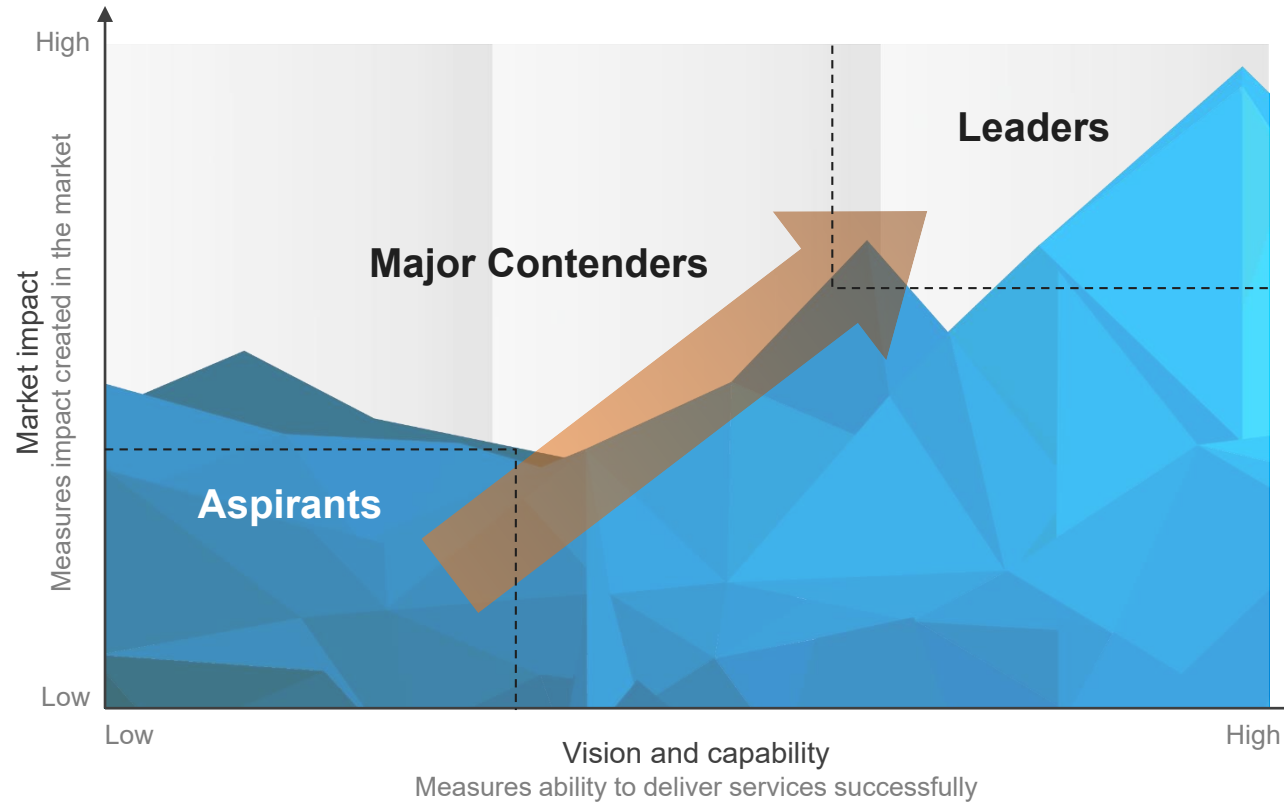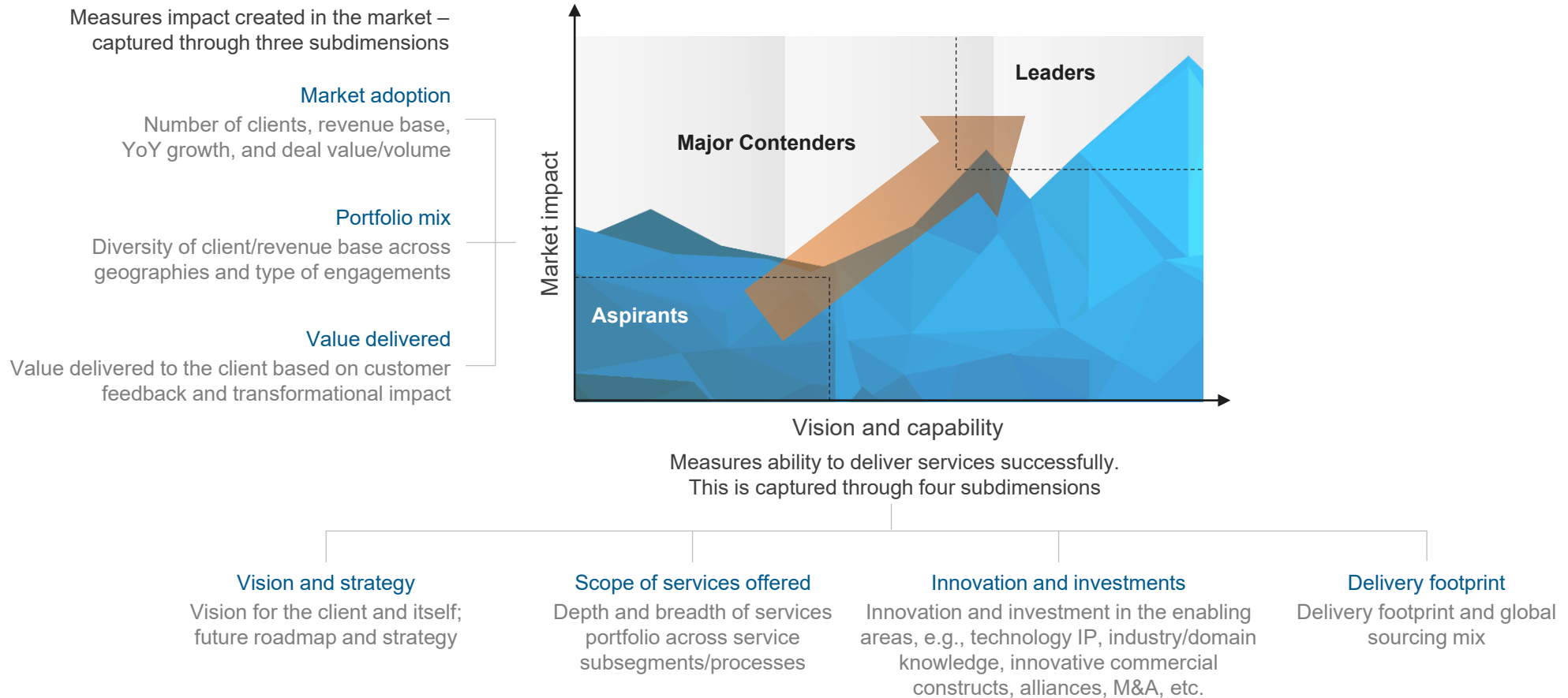
Appendix

PEAK Matrix® framework

FAQs

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision and capability
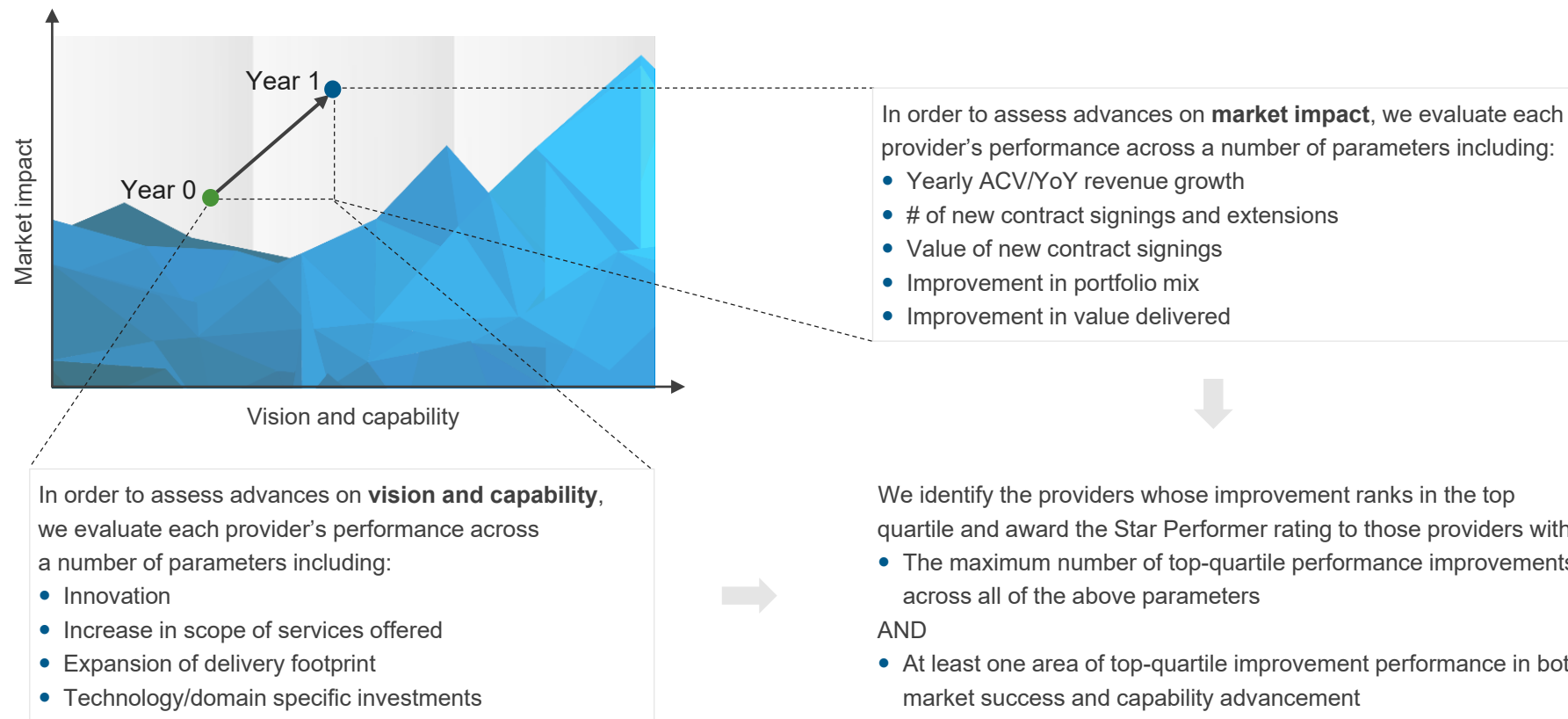
Everest Group PEAK Matrix

Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

Number of clients, revenue base, YoY growth, and deal value/volume

Portfolio mix

Diversity of client/revenue base across geographies and type of engagements

Value delivered

Value delivered to the client based on customer feedback and transformational impact

Leaders

Major Contenders

Market impact

Aspirants

Vision and capability

Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy

Vision for the client and itself; future roadmap and strategy

Scope of services offered

Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments

Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint

Delivery footprint and global sourcing mix

Everest Group confers the Star Performer title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology
Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix

Year 1

Year 0

Market impact

Vision and capability

In order to assess advances on **market impact**, we evaluate each provider's performance across a number of parameters including:
- Yearly ACV/YoY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters

AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performer title relates to YoY performance for a given provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

Q: What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

A: Enterprise participants receive summary of key findings from the PEAK Matrix assessment

For providers

- The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries

- In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

Q: What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:

- Issue a press release declaring positioning; see our citation policies

- Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR

- Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)

The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Q: Does the PEAK Matrix evaluation criteria change over a period of time?

A: PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

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