Everest Group PEAK Matrix™ for IoT Service Providers 2019

Focus on Atos

January 2019

Introduction and scope

Everest Group recently released its report titled "Internet of Things (IoT) Services PEAK Matrix™ Assessment 2019." This report analyzes the changing dynamics of the IoT Services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 19 service providers on the Everest Group PEAK Matrix™ for IoT services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of IoT service providers based on their absolute market success and delivery capability. Everest Group also identified 5 service providers as the "2018 IoT Services Market Star Performers" based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.
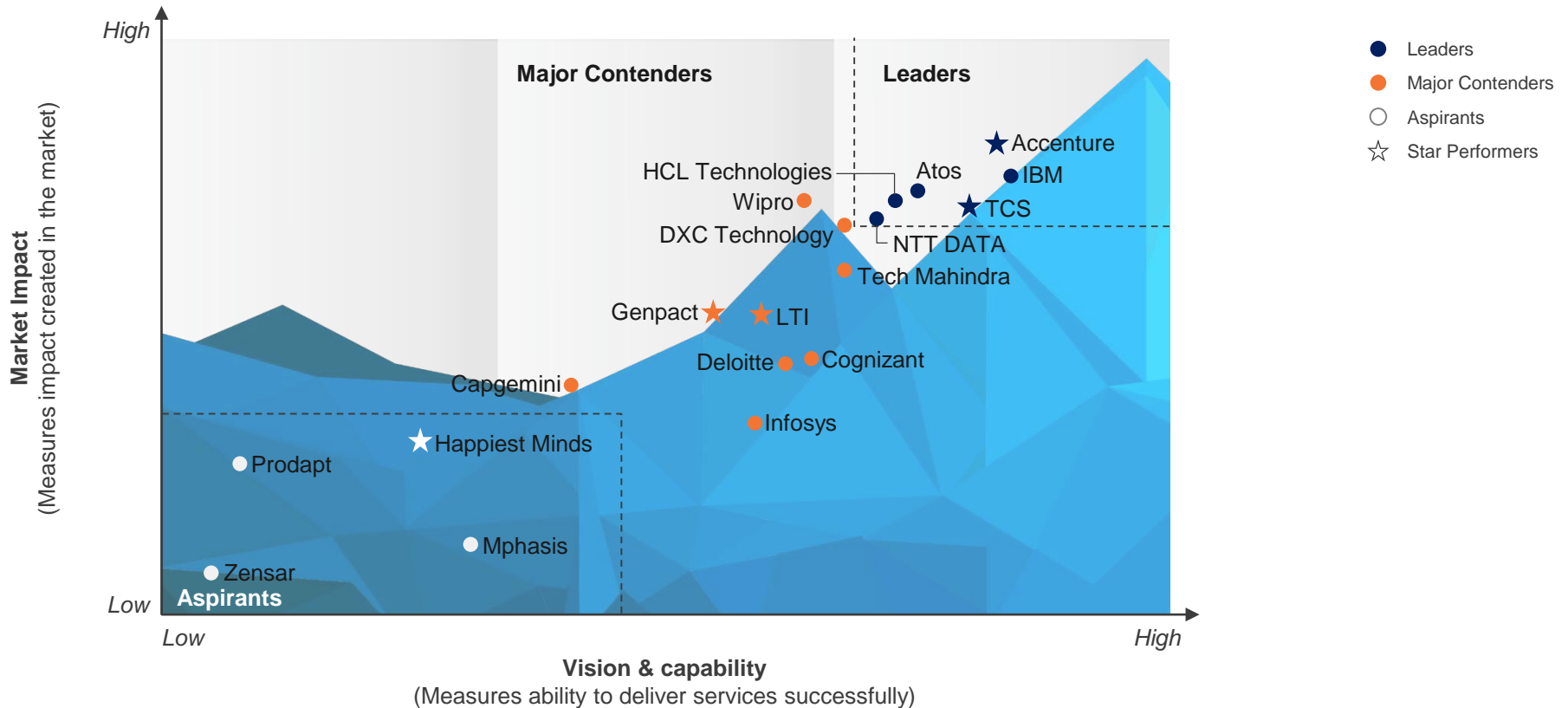
Based on the analysis, **Atos emerged as a Leader.** This document focuses on **Atos's IoT Services** experience and capabilities and includes:

- Atos position on the IoT Services PEAK Matrix
- Detailed IoT services profile of Atos

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2018) unless cited otherwise

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Everest Group PEAK Matrix™
Internet of Things (IoT) Services PEAK Matrix™ Assessment 2019 | Atos positioned as a Leader

Everest Group Internet of Things (IoT) Services PEAK Matrix™ Assessment 2019

Major Contenders **Leaders**

Market Impact
(Measures impact created in the market)

High / Low

Accenture
IBM
Atos
HCL Technologies
Wipro
TCS
DXC Technology
NTT DATA
Tech Mahindra
Genpact
LTI
Deloitte
Cognizant
Capgemini
Infosys
Happiest Minds
Prodapt
Mphasis
Zensar
Aspirants

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

Vision & capability
(Measures ability to deliver services successfully)

Low / High

Note1: Assessment for Capgemini includes partial inputs from the service provider, and is based on Everest Group's estimates that leverages its proprietary data assets, service provider public disclosures, and interaction with buyers

Note2: Assessment for Cognizant, Deloitte, Infosys, and Prodapt excludes service provider inputs on this particular study, and is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, ongoing coverage of the service provider, public disclosures, and interaction with buyers

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information that is contract-specific will be presented back to the industry only in an aggregated fashion

Overview

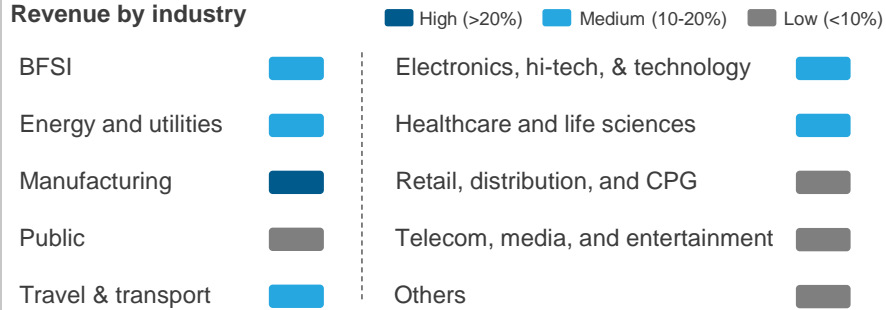| Strengths |
|---|
| • Strong offerings portfolio built in-house and via partnerships with major technology providers and niche startups enables delivery of innovative solutions
• Recent acquisition of Syntel and addition of ConnectOne capabilities have strengthened its position in the NA market |

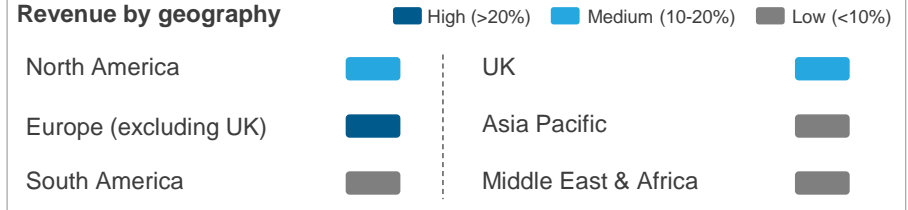| Areas of improvement |
|---|
| • Atos needs to make focused investments in its resource development programs to build a pool of trained talent base
• Atos lags peers in investments in labs and innovation centers for enhancing customer engagement and demonstrating value |

Scope of coverage
The Atos Codex IoT service portfolio covers consultative business transformation, ideation, implementation, integration, security, and operating services. Atos provides accelerators for the horizontal (across process chains) and vertical integration (across all organization levels) through vertical solutions templates and use-case blue-prints. Solutions are often built as combination of Atos own and partner platforms.
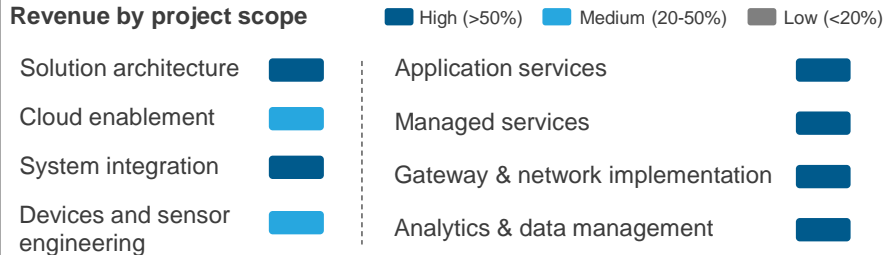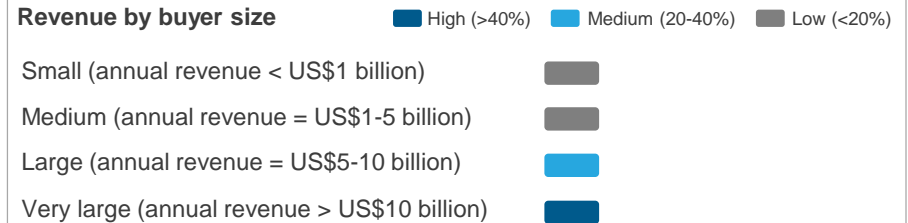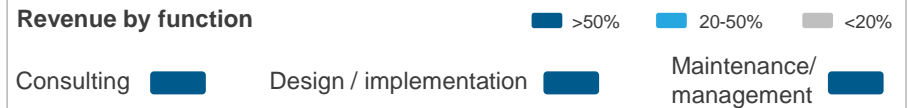
Revenue by industry   High (>20%) Medium (10-20%) Low (<10%)

Industry	Level	Industry	Level
BFSI	Medium	Electronics, hi-tech, & technology	Medium
Energy and utilities	Medium	Healthcare and life sciences	Medium
Manufacturing	High	Retail, distribution, and CPG	Low
Public	Low	Telecom, media, and entertainment	Low
Travel & transport	Medium	Others	Low

Revenue by geography   High (>20%) Medium (10-20%) Low (<10%)

Geography	Level	Geography	Level
North America	Medium	UK	Medium
Europe (excluding UK)	High	Asia Pacific	Low
South America	Low	Middle East & Africa	Low

Revenue by buyer size   High (>40%) Medium (20-40%) Low (<20%)

Buyer size	Level
Small (annual revenue < US$1 billion)	Low
Medium (annual revenue = US$1-5 billion)	Low
Large (annual revenue = US$5-10 billion)	Medium
Very large (annual revenue > US$10 billion)	High

Revenue by project scope   High (>50%) Medium (20-50%) Low (<20%)

Project scope	Level	Project scope	Level
Solution architecture	High	Application services	High
Cloud enablement	Medium	Managed services	High
System integration	High	Gateway & network implementation	High
Devices and sensor engineering	Medium	Analytics & data management	High

Revenue by function   >50% 20-50% <20%

Function	Level
Consulting	>50%
Design / implementation	>50%
Maintenance/management	>50%

Case studies and solutions

Vision: Atos sees IoT as one of the most important technological enablers for digital business and as a major enabler for vertical markets and horizontal integration including big data and data analytics. The company believes that IoT will move increasingly to connected, "federated" IoT platforms that integrate the physical and digital world through "Digital Twins" while connecting different markets (e.g., transportation and insurance) and across different stakeholders (e.g., energy: connecting energy producers, consumers, distribution networks and smart grids).

Case study 1	
Connected coolers solution for Coca-Cola Hellenic	
Business challenge	The customer wanted to improve the retail experience and maximize value of the 1.6 million coolers installed across 28 countries.
Solution and impact	Atos provides end-to-end IoT services for the connected cooler program and will have the first 300,000 coolers connected by the end of 2018. Insights into consumer behavior and retail performance helps improve engagement with consumers, which in turn helps increase sales revenue and operational efficiency. Connecting assets, such as in-store coolers, are a cornerstone of the Coca-Cola System's digital business enabling strategy.

Case study 2	
Remote service platform for Siemens Healthineers	
Business challenge	The customer had challenges such as secure access to customer systems around the world, protection of extremely sensitive data, and rapid connection of new customers and systems.
Solution and impact	Worldline – an Atos company – developed and operates the common remote service platform using "Software-as-a-Service" (SaaS) approach. Service engineers and system experts use a central internet or intranet portal to access functions for monitoring and maintaining remote systems. Overall the solution has improved operational performance with high availability of customer systems, shorter reaction times and faster repairs, cost-effective remote service, and preventive spare parts replacement. For example, first visit fix rate has increased to 70% and remote fix rate is now 37%.

Proprietary solutions (representative list)	
Solution name	**Details**
Verticalised platforms by Worldgrid	Atos Smart Grid Solutions, Lynx – turnkey IoT solutions for Energy & Utilities
Vertialised Platforms by Worlldine	Connected IIOT, Connected Vehicle, Connected Home – providing turnkey IoT solutions
Virtual Device Platform	Platform with the ability to emulate a physical hardware sensor through software, thereby reducing dependency on physical sensors during IoT application development, load testing, and improving development team's productivity
Connected Cooler	A secure cloud-based service to deliver control of and insights into the usage of coolers to improve operational efficiency
Bull Horus	IoT security suite to ensure IoT security at every level
Atos Codex CIS	Atos Worldgrid edge computing solution to enable secured and densely distributed networks of intelligent and communicating nodes

Investments and partnerships

IoT investments (representative list)	
Investment theme	**Details**
Syntel	Acquisition completed in October 2018. Syntel brings a complementary portfolio, customer base, and geographic footprint with 23,000 new employees highly skilled in digital services including a dedicated IoT offering with Connected One and the Atom Digital Platform
Siemens Convergence Creators	Extends IoT expertise in areas of monitoring communication networks, connected satellites and airplanes as well as connected onboard
Global R&D Program	Atos invested 300 million Euros in R&D. Its technology roadmap is focussed on seven themes, of which IoT is one
AR / VR	Built AR / VR solutions centered around IoT such as AR-based service maintenance to assist the service personnel

IoT services partnerships (representative list)		
Partner name	**Type of partnership**	**Details**
Siemens	Technology partnership	Joint investment into both IoT Core Communication Platform (CCP) as well as into Atos Codex analytics platform. Joint GTM for the MindSphere platform
Google Cloud	Service partnership	Global partnership to deliver secure hybrid cloud, ML, and collaboration solutions to the enterprise. This includes enriching Atos data-driven business solutions with Google AI and data technologies
Jacobs Engineering	Technology partnership	To provide predictive, condition-based maintenance, and field services optimization solutions to clients across industry sectors including water, energy, transport, aviation, nuclear, and the built environment
Bentley Systems	Technology partnership	To create digital twins for owner-operators of industrial and infrastructure assets
Atos also has partnerships with eBest, SAP, Predictronics Microsoft, TellmePlus, Giesecke & Devrient, and Continental among others for delivering IoT services.		

| Recent activities / other investments (representative list)	
Development	**Details**
AI Labs	Opened AI labs in London on July 2018 and plan to set up labs in Paris and Dallas later this year. They are designed to help customers discover how AI can help them improve / reinvent their business. The AI labs are also R&D labs where Atos is investing in MVPs and building and enhancing AI capabilities in cooperation with Google
Vienna Pilot Factory	Run by the University of Vienna with Atos as the lead integrator, in partnership with other companies and covers all things related to Industry 4.0 including predictive maintenance, additive manufacturing, augmented operator, and vertical integration
Drones and Cognitive Services	Syntel invested in drones and other cognitive service to provide solutions across different industry verticals

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Appendix

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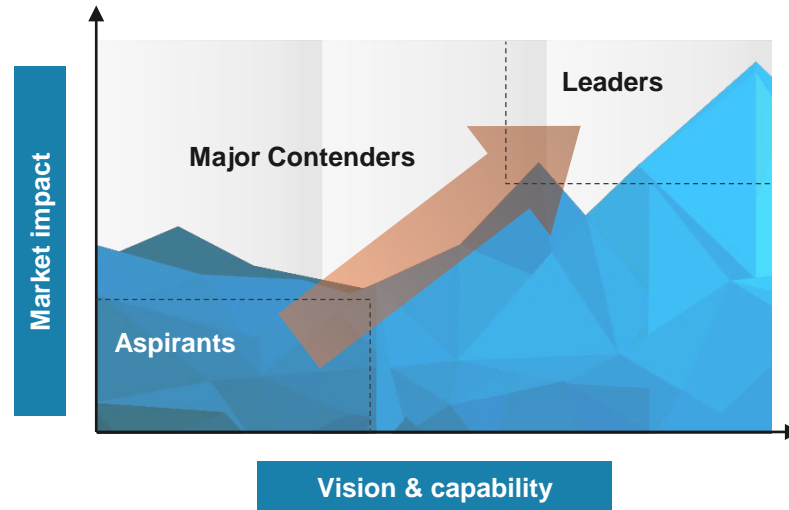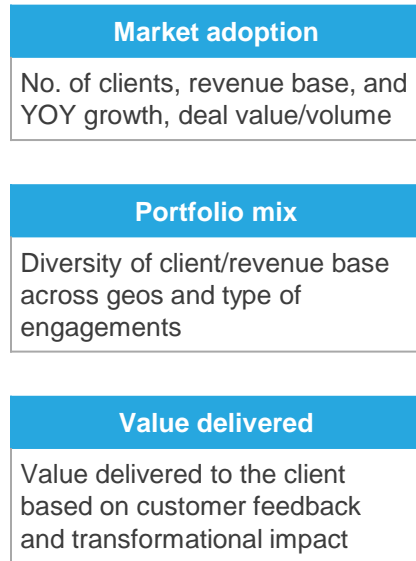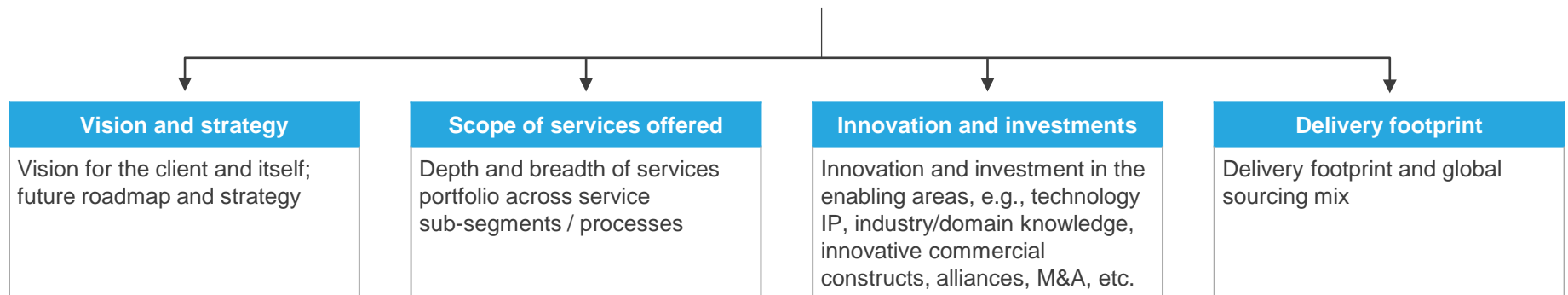
Everest Group PEAK Matrix

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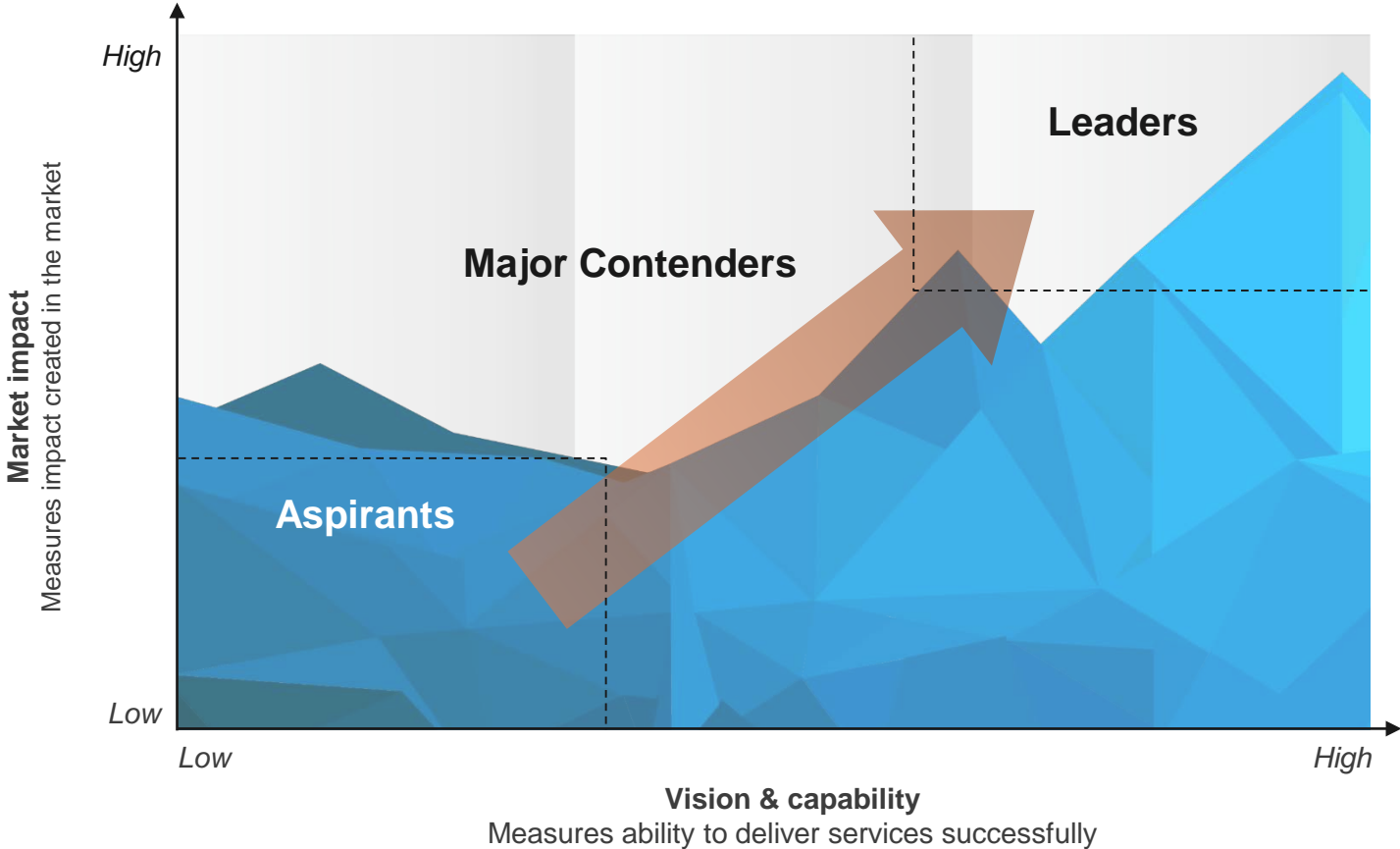
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

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

Market impact

Leaders

Major Contenders

Aspirants

Vision & 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 sub-segments / 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

FAQs

Does the PEAK Matrix™ assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service 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

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
● Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
● Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
● Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
   – Issue a press release declaring their positioning. See citation policies
   – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
   – Quotes from Everest Group analysts could be disseminated to the media
   – Leverage PEAK Matrix 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 the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. 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 as well as serve the future expectations of enterprises

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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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