IDC MarketScape: Worldwide Artificial Intelligence Services 2019 Vendor Assessment
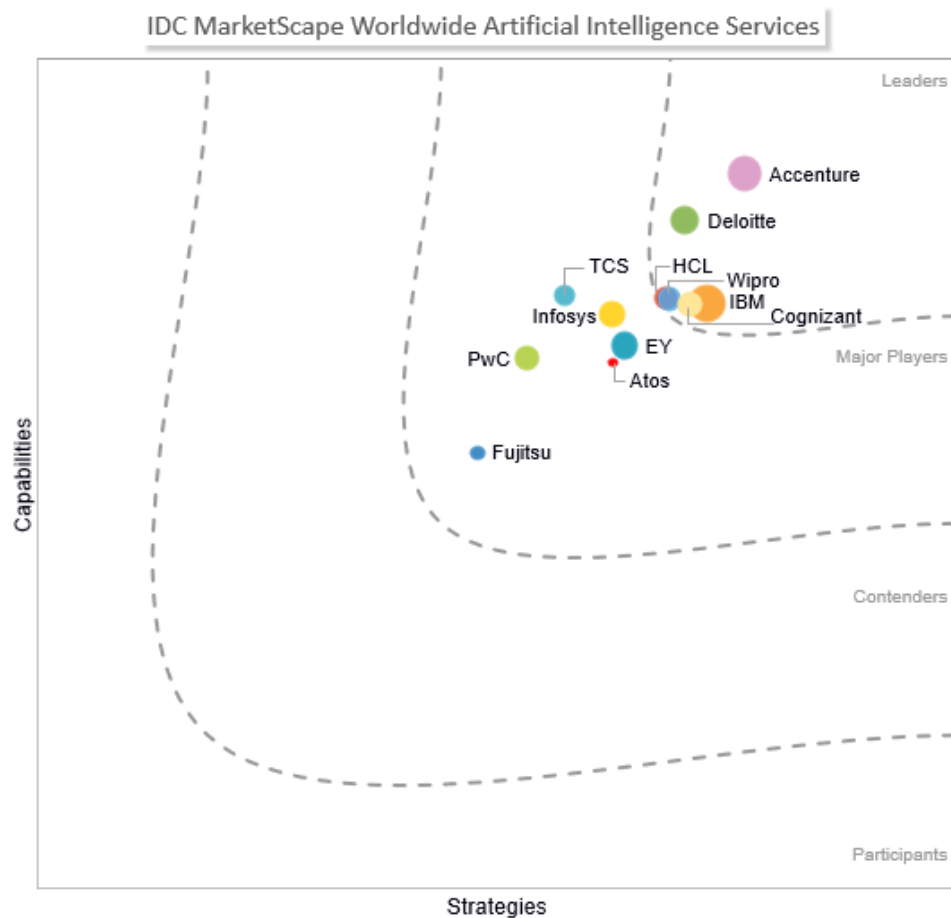
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THIS IDC MARKETSCAPE EXCERPT FEATURES WIPRO

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Artificial Intelligence Services Vendor Assessment

Source: IDC, 2019

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Artificial Intelligence Services 2019 Vendor Assessment (Doc # US44514819). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of the 2019 artificial intelligence (AI) services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain the success of a vendor in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide AI services market. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing AI services in both the short term and the long term. A significant component of this evaluation is the inclusion of the perception of AI services buyers of both the key characteristics and the capabilities of these providers. Buyers were surveyed across all three of IDC's macroregions. Key findings include:

- Across all AI services vendors, three areas of strength were platform strategy, innovation and R&D strategy, and strategy to increase the revenue per employee ratio, as well as the core capabilities of offering breadth, customer service, and growth sustainability.

- Buyers adopting AI services balance multiple, often competing business priorities, including reducing costs and becoming more efficient in operations while investing for tomorrow's business and driving innovation across their organizations. As buyers' top measure of success of an AI services engagement is achievement of their desired business outcomes, it is imperative that vendors align their AI services capabilities to address buyers' top business priorities.

- CIOs/CTOs were the most common sponsor for AI services engagements at just over 24%, but nearly 60% of sponsors were in roles outside the information technology function, such as line-of-business head, chief analytics/data officer, or CEO. Nearly 90% of buyers reported that some or most of their AI services engagements involved some other emerging technology solutions, such as IoT, mobility, social, cloud, or robotic process automation (RPA).

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes analysis of the 12 AI services providers with broad portfolios spanning IDC's research coverage and with global scale. This assessment is designed to evaluate the characteristics of each firm – as opposed to its size or the breadth of its services. Given this approach, Booz Allen Hamilton has been excluded, even though it is among the top 10 AI services vendors based on worldwide revenue, because the bulk of the firm's revenue comes from the U.S. government. The inclusion criteria also dictate at least 10% of revenue and 10% of head count need to be located in each macroregion. In addition, it is conceivable and in fact the case that specialty firms can compete with multidisciplinary firms on an equal footing. As such, this evaluation should not be considered a "final judgment" on the firms to consider for a particular project. An enterprise's specific objectives and requirements will play a significant role in determining which firms should be considered as potential candidates for an engagement.

ADVICE FOR TECHNOLOGY BUYERS

- **Business outcomes.** Consider your desired business outcomes first before deciding whether an AI solution is appropriate, then seek out a services partner that commits to working with you to achieve those business outcomes rather than pushing any technology solution. If AI is part of your solution, be sure you think through the impacts of incorporating AI into business decision-making processes. Successful organizations partnered with AI services providers that helped them achieve their desired business outcomes, delivered explainable and trustworthy AI solutions, and delivered innovation that produced results for them. Select a partner that demonstrates the ability to deploy AI effectively and will put your business needs first in developing a solution.

- **New skill needs.** Select a services partner with a forward-looking skill strategy that evolves along with the AI market. IDC predicts that increasing automation of IT implementation services at a rate of 7% annually will require service providers to shift their talent pools toward more business-oriented skills (see *IDC FutureScape: Worldwide Analytics and Artificial Intelligence 2019 Predictions,* IDC #US44389418, October 2018). AI implementation services are not immune to this trend and, in fact, may be even more ripe for automation as the market scarcity of data science skills has driven innovations in tools and platforms to make it easier for businesses to get started with AI. But data science skills and technologies are not enough to build AI solutions that integrate well into business workflows and deliver explainable and trustworthy decisions and outcomes. Look for service providers to supply expertise around bias, ethics, regulatory compliance, human-centric design, process reengineering, and change management, in addition to core data science skills.

- **Vendor selection.** Use this IDC MarketScape in contract negotiations and as a tool to not only short list vendors for AI services bids but also evaluate vendors' proposals and oral presentations. Make sure you understand where these players are truly differentiated and take advantage of their expertise, technical, industry based, or otherwise.

VENDOR SUMMARY PROFILE

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 the vendor's strengths and challenges.

Wipro

According to IDC analysis and buyer perception, Wipro is a Leader in the 2019 IDC MarketScape for worldwide AI services.

Wipro positions its AI services as a key enabler for its clients in building intelligent enterprises by helping them embed intelligence into business processes and applications. Built upon the outcome-driven STRL (Sense, Think, Respond, and Learn) framework, Wipro's AI services offerings include AI Advisory, AI Design Center for POCs and pilots, AI @ Scale for production deployments, and AI for BizInsights for model management and custom insights. Wipro uses its own IPs such as the Wipro HOLMES Applied AI and Automation platform and the Data Discovery Platform, an insights-as-a-service platform, as well as products from partners such as Amazon Web Services, Google, Microsoft, IBM, SAP, and arago to create AI solutions. To expand its AI services capabilities, Wipro invests in acquisitions such as the design firms Cooper and Syfte; AI start-ups such as Vicarious, Moogsoft, and

Avaamo; and talent initiatives such as the School of Decision Science skilling and learning program and the Top Gear social learning and crowdsourcing platform.

Strengths

Buyers rate Wipro highly for its breadth and depth of IP and tools to deliver AI services and its ability to provide customer service (particularly onsite) and resolve problems or issues related to customer service. Similarly, IDC rates Wipro highly in terms of its strategies around platforms and next-generation tools and methodologies and its breadth of AI services offerings.

Challenges

IDC believes Wipro's go-to-market strategy could be improved by more go-to-market alliances with data providers or other complementary services providers, as well as more joint ventures with existing alliance partners in the AI space. Also Wipro's skills strategy could be improved by investing in a broader variety of skill sets, including social or behavioral scientists, ethicists, and UI/UX designers and developers.

Consider Wipro When

Organizations should consider Wipro when they are looking for high-touch customer service and depth in next-generation tools and methodologies to bring to AI services engagements. Wipro should also be on the short list if you are seeking a partner with a broad range of IP-based platform offerings.

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 size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

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

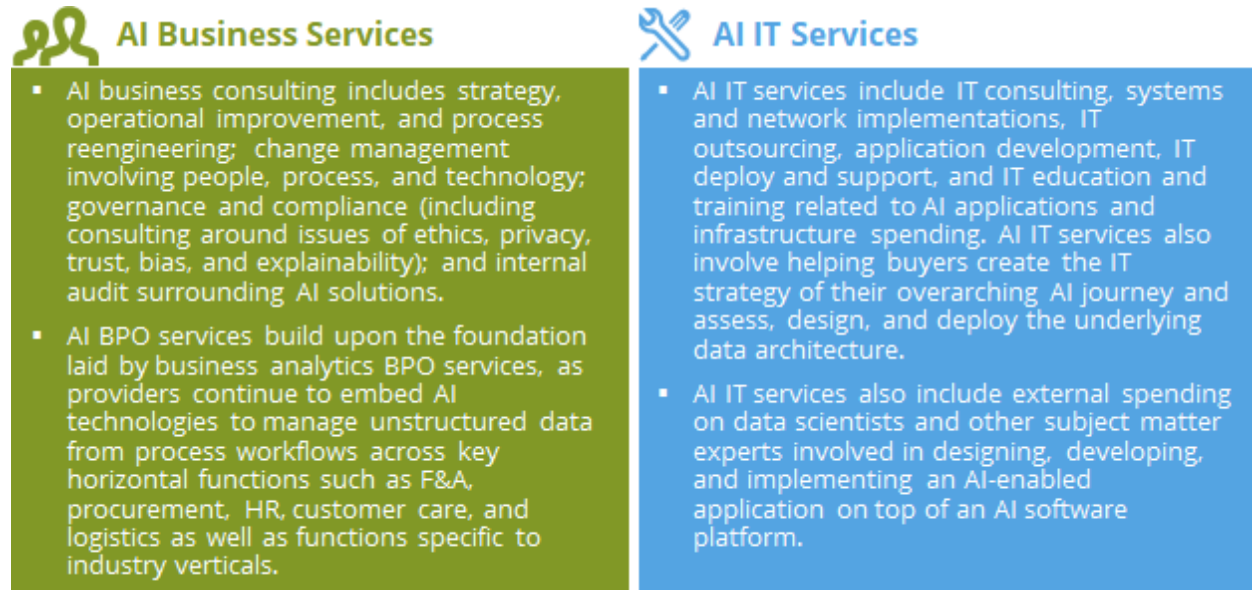AI services are utilized to assess, plan, design, implement, and operate the following:

- AI software platforms provide the tools and technologies to analyze, organize, access, and provide advisory services based on a range of structured and unstructured information.
- AI applications include cognitively enabled process and industry applications that automatically learn, discover, and make recommendations or predictions.
- AI enables the automation of rule-based tasks and processes enabled by software tools that were formerly performed by a human. The machine-based automation can be human supervised or completely autonomous with no human intervention.

In addition, change management, assessment, design, and deployment of underlying information/data management architecture, staff augmentation, process reengineering, and AI platform-enabled services are also considered part of AI services.

This IDC MarketScape covers the full life cycle of AI services (see Figure 2). For a detailed definition of the services markets illustrated in Figure 2, see *IDC's Worldwide Services Taxonomy, 2019* (IDC #US44916019, March 2019).

FIGURE 2

Artificial Intelligence Services

AI Business Services

- AI business consulting includes strategy, operational improvement, and process reengineering; change management involving people, process, and technology; governance and compliance (including consulting around issues of ethics, privacy, trust, bias, and explainability); and internal audit surrounding AI solutions.
- AI BPO services build upon the foundation laid by business analytics BPO services, as providers continue to embed AI technologies to manage unstructured data from process workflows across key horizontal functions such as F&A, procurement, HR, customer care, and logistics as well as functions specific to industry verticals.

AI IT Services

- AI IT services include IT consulting, systems and network implementations, IT outsourcing, application development, IT deploy and support, and IT education and training related to AI applications and infrastructure spending. AI IT services also involve helping buyers create the IT strategy of their overarching AI journey and assess, design, and deploy the underlying data architecture.
- AI IT services also include external spending on data scientists and other subject matter experts involved in designing, developing, and implementing an AI-enabled application on top of an AI software platform.

Source: IDC, 2019

## Customer Perceptions of AI Services Vendors

A significant and unique component of this evaluation is the inclusion of the perceptions of AI services' buyers of both the key characteristics and the capabilities of the vendors evaluated. The buyers participating in IDC's *Artificial Intelligence Services Buyer Perception Survey* have partnered with at least one of the participating vendors directly on an AI services engagement within their company. The survey findings highlight key areas where buyers expect AI services providers to showcase a range of capabilities. The buyers consider these capabilities a must-have for AI services to be able to fulfill the requirements of many business and IT issues that challenge the buyers.

Figure 3 illustrates the top 10 business drivers for AI services projects for the AI services customers surveyed in 2019. Customers cited improving operational efficiency and improving innovation across the organization as the top 2 business drivers for taking on AI services.

FIGURE 3

Top 10 Business Drivers for Artificial Intelligence Services Engagements, 2019

Q.   How important a business priority do you believe each of the following is currently for your company?

n = 56
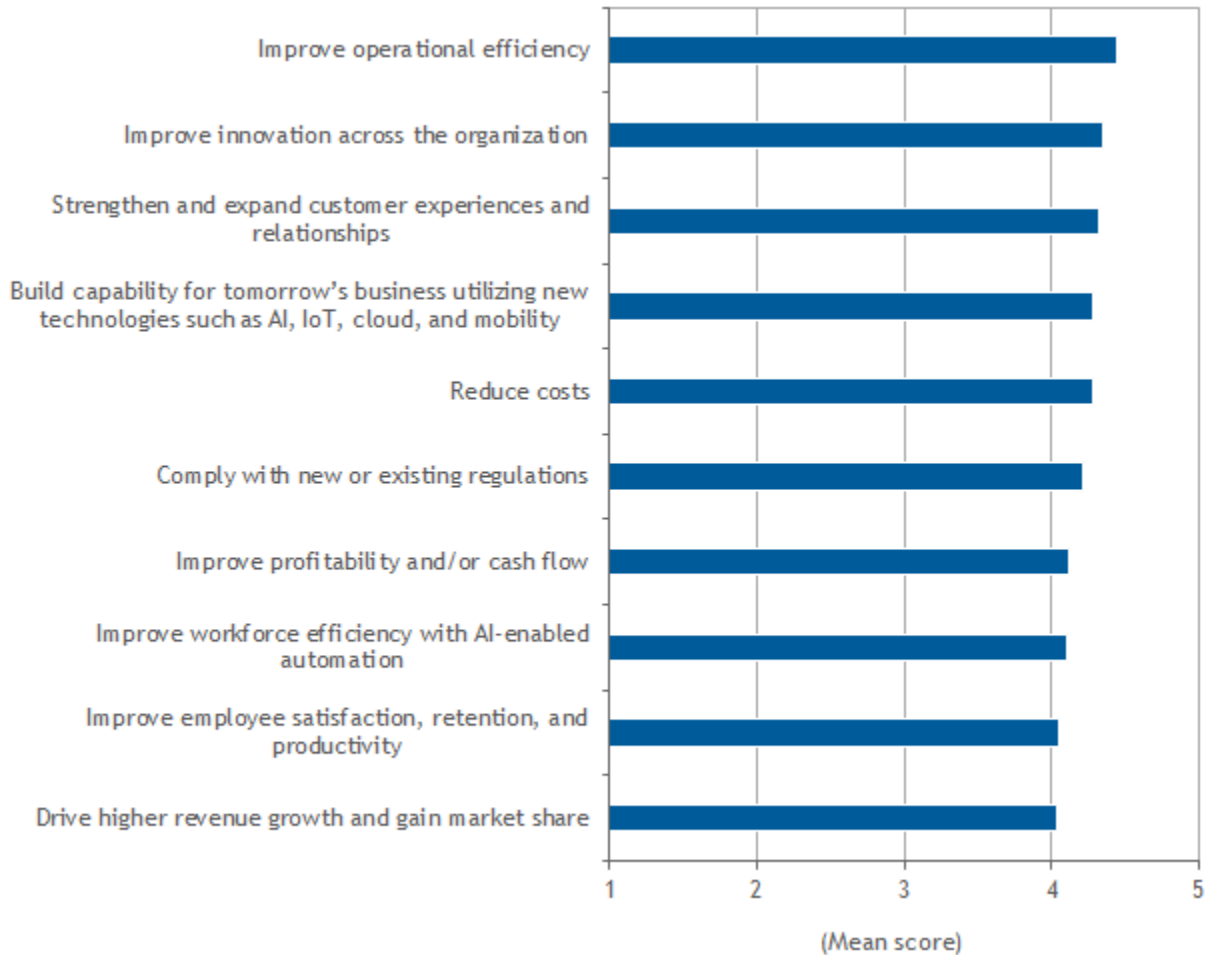
Note: Mean scores are based on a scale of 1-5, where 1 is not a priority and 5 is a critical business priority.
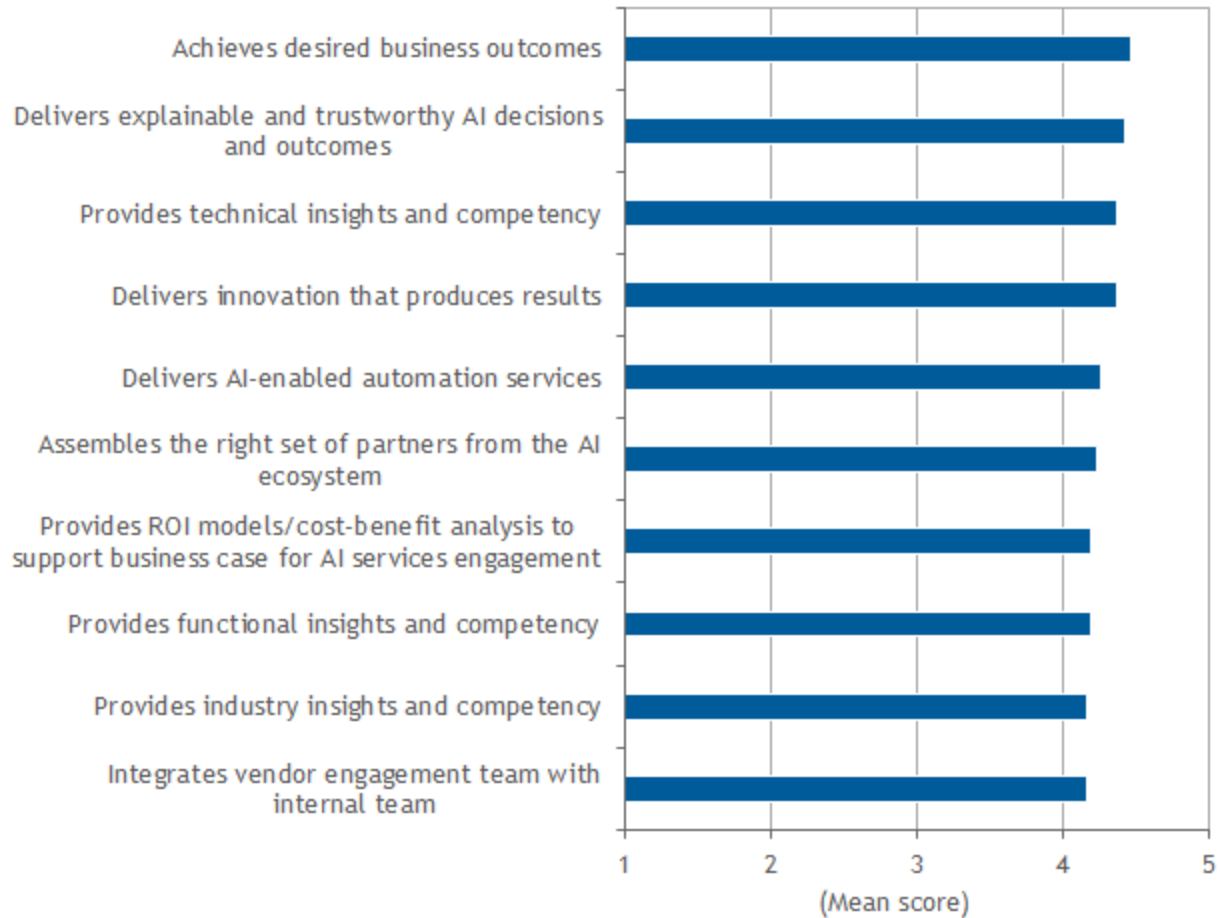
Source: IDC's *Artificial Intelligence Services Buyer Perception Survey,* 2019

Figure 4 illustrates the rank order of factors important for a successful AI services engagement for the AI services customers surveyed in 2019. Survey findings suggest that the ability to achieve desired business outcomes by the consulting and delivery teams working on an AI services engagement is the most critical factor for the successful completion of the engagement. Customers also indicated a vendor's ability to deliver explainable and trustworthy AI decisions and outcomes, technical insights and competency, and ability to deliver innovation that produces results to be among the most critical attributes for an engagement's success.

FIGURE 4

Top 10 Factors for Successful Artificial Intelligence Services Engagements, 2019

Q.   For an AI services engagement to be successful, please indicate the importance of each of the following characteristics.


n = 56

Note: Mean scores are based on a scale of 1-5, where 1 is highly detrimental to success and 5 is essential to success.

Source: IDC's *Artificial Intelligence Services Buyer Perception Survey,* 2019

Figure 5 illustrates the relative proportion of key sponsors for AI services engagements for the AI services customers surveyed in 2019. CIOs/CTOs (24.4%) have the largest share, followed by IT directors/managers (16.3%). Line-of-business heads (15%), chief analytics/data officer (13.1%), and CEO (10.6%) represent the next three top sponsors for AI services engagements.

FIGURE 5

Key Sponsors for Artificial Intelligence Services Engagements, 2019
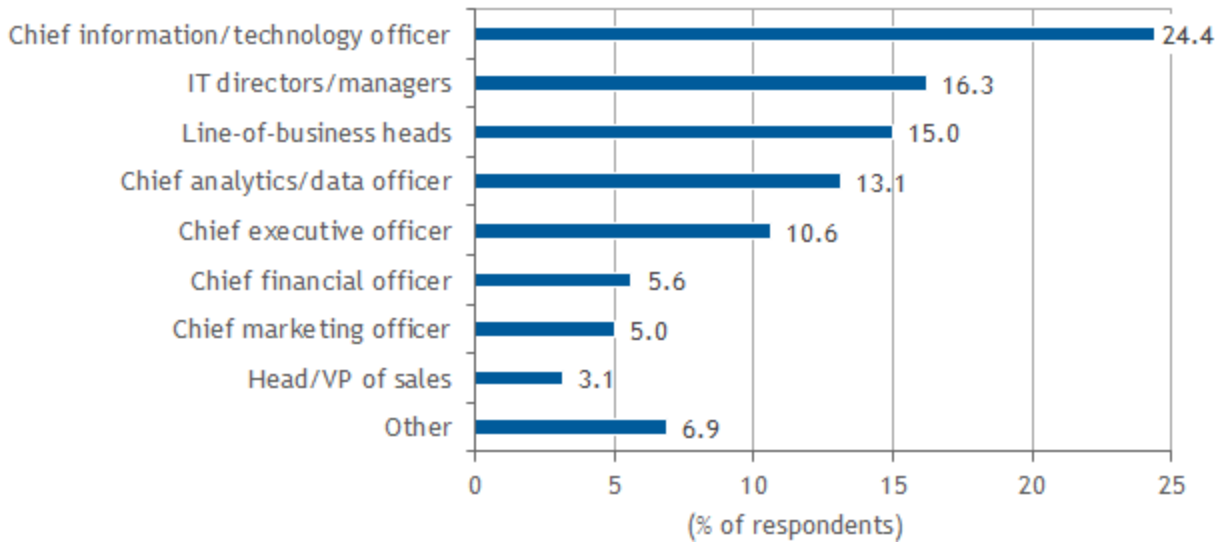

n = 56

Note: "Other" includes chief operating officer, chief digital officer, enterprise operations, chief innovation officer, chief engineering officer, chiefs of departments (doctors) and nurses, product management, head of AI, and president of global business services.

Source: IDC's *Artificial Intelligence Services Buyer Perception Survey,* 2019

The buyer perception survey highlights that when it comes to taking on AI services engagements, only 25% of engagements involve the full life cycle of AI services (from consulting to implementation to managed and support services) most of the time (see Figure 6). This suggests the relative immaturity of the AI services market, with very few AI solutions being deployed in production at enterprise scale requiring end-to-end management. The top service lines included in most AI services engagements, according to buyers IDC surveyed in 2019, were systems integration (33.9%), custom application development (26.8%), and business consulting (25%), reflecting the project-based nature of AI solution POCs and pilots.

FIGURE 6

Solutions Bundled with Artificial Intelligence Services Engagements, 2019
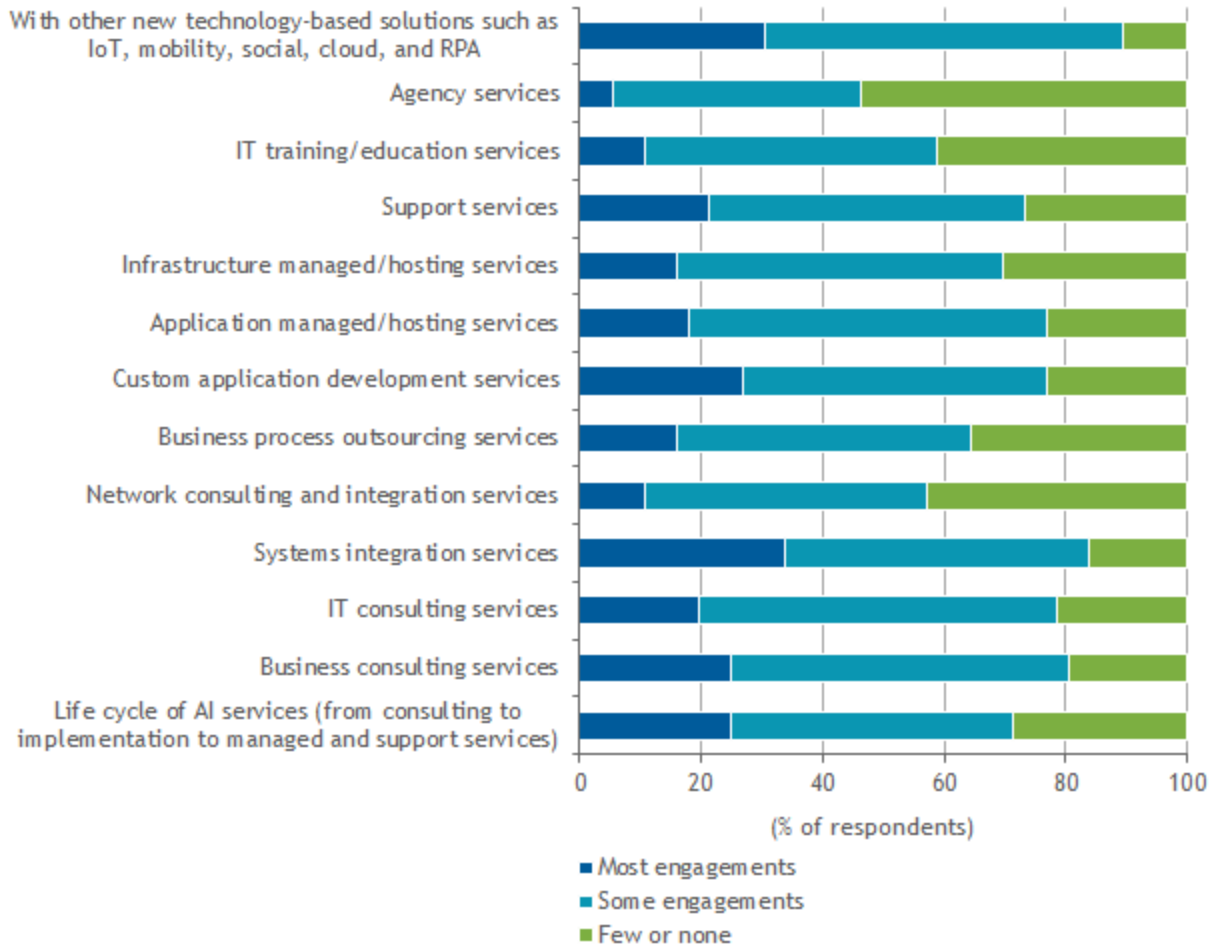
n = 56

Source: IDC's *Artificial Intelligence Services Buyer Perception Survey,* 2019

LEARN MORE

Related Research

- *Top 10 Advanced Analytics Use Case Adoption for IT Project-Based Services* (IDC #US44537519, March 2019)
- *Top 10 Artificial Intelligence Use Case Adoption for IT Project-Based Services* (IDC #US44537619, March 2019)
- *Artificial Intelligence-Based Automation Evolution Framework* (IDC #US44524318, December 2018)
- *Worldwide Business Analytics Services Forecast, 2018-2022* (IDC #US44467318, November 2018)
- *2018 Key Trends for Worldwide Business Analytics Services* (IDC #US44473318, November 2018)
- *IDC FutureScape: Worldwide Analytics and Artificial Intelligence 2019 Predictions* (IDC #US44389418, October 2018)
- *Intelligent Automation Services Value Chain* (IDC #US44127518, July 2018)
- *IDC MarketScape: Worldwide Business Analytics Consulting and Systems Integration Services 2018 Vendor Assessment* (IDC #US43786518, May 2018)

Synopsis

This IDC study represents a vendor assessment of the artificial intelligence (AI) services market through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the AI services market. This IDC MarketScape covers a variety of vendors participating in the AI services space. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"As the AI services market continues to mature, customers will need partners that not only demonstrate expertise in AI-enabling technologies but also develop solutions that achieve customers' business objectives and address the human impacts of AI adoption. Success in this rapidly evolving space will require services providers to continue to invest in skills, IP, and alliance ecosystems to remain competitive," says Jennifer Hamel, research manager, Analytics and Intelligent Automation Services at IDC.

"While the rate of AI adoption is on the rise, concerns around AI ethics and its implication on business processes and people and underlying data challenges such as data curation, migration, governance, and security continue to be key barriers to adoption. Vendors that are addressing these two concerns up front in addition to providing the necessary domain, industry, and technology expertise required to deliver AI solutions for customers will be more successful in helping enterprises take on AI initiatives," says Ali Zaidi, research director, IT Project Based Services at IDC.

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. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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