THE IOT C&SI SURVEY 2020

A teknowlogy Group survey

STUDY REPORT
– EXECUTIVE SUMMARY -

This document presents an overview and analysis of the most important findings from The IoT C&SI Survey 2020.

teknowlogy GROUP

Introduction

The IoT C&SI Survey 2020 is teknowlogy's benchmark study on the global landscape of IoT consulting and system integration (C&SI) providers, which was created based on a comprehensive survey among client companies of IoT-related services, conducted in the second half of 2019.

With a sample of almost 2,000 evaluations, The IoT C&SI Survey 2020 offers an unsurpassed level of user feedback on 32 leading IoT service providers. In addition to the top-tier vendors, the IoT C&SI Survey report also evaluates a large number of less well-known service providers – which in many cases were found to offer excellent value as well.

The survey's results provide an invaluable resource to companies in the process of identifying a suitable service provider fitting their strategy, organization, and business requirements, as well as to providers wishing to understand the needs of the market.

The Key Performance Indicators (KPIs)

The results of The IoT C&SI Survey 2020 are displayed in the form of KPI dashboards to provide the reader with precise information at a glance. The KPIs are all based on the following rules:

- We chose only those parameters found to be of the greatest importance to customers.
- KPIs may be based on one or more parameters from The IoT C&SI Survey 2020.
- Only providers evaluated by at least 20 respondents are included. This applies to each of the questions that feed into the KPIs.
- KPIs are converted to a scale of 1 to 10 (worst to best).
- A linear min-max transformation is applied, which preserves the order of, and the relative distance between, providers' scores.
- In case two or more providers have the same score, their ranks are determined based on the next decimal place.

The IoT C&SI providers

- Accenture
- Actemium
- AKKA
- Alten
- Assystem
- Atos
- Capgemini (incl. Altran)
- CGI
- Cognizant
- Computacenter
- Deloitte
- DXC
- EY
- Fujitsu
- HCL
- HPE
- IBM
- Infosys
- KPMG
- MHP
- NTT DATA
- Orange Business Services
- PwC
- Reply
- Sopra Steria
- T-Systems
- TCS
- Tech Mahindra
- Telefónica
- Tieto
- Vodafone
- Wipro

KPI overview

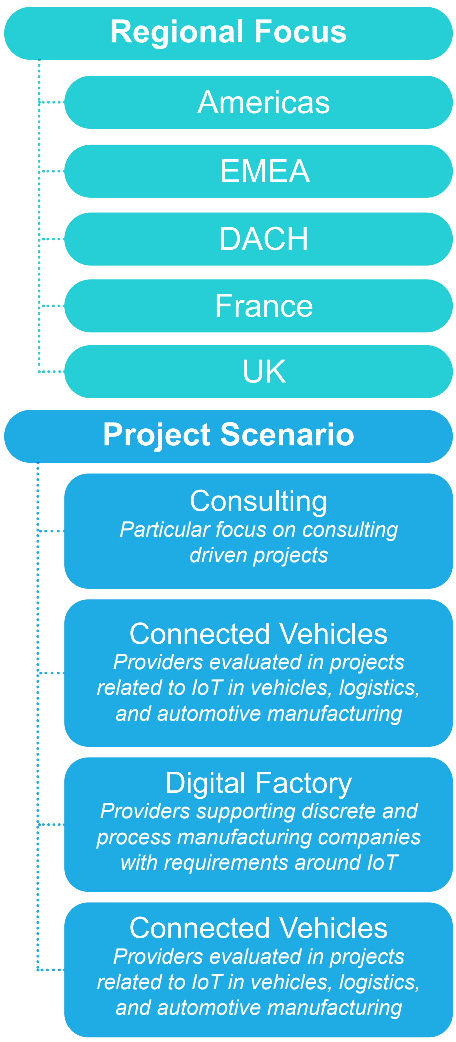
Competitiveness	
Reputation	"Reputation" refers to how frequently a provider is considered for IoT-related projects.
Partner of Choice	"Partner of Choice" is based on the number of wins in competitive evaluations.
Consulting Skills	
Strategic IoT Advisory	"Strategic IoT Advisory" refers to the perceived capabilities in IoT strategy development and execution.
Industry Expertise	"Industry Expertise" reflects the industry-specific knowledge.
Business Process Know-how	"Business Process Know-how" refers to the perceived know-how about business process development and management.
Change Management	"Change Management" refers to the satisfaction with capabilities in change management strategies and advisory.
Implementation	
Implementation Timeline	"Implementation Timeline" is based on how long the implementation process takes compared to expectations.
Implementation Skills	"Implementation Skills" reflects the perceived expertise in implementation activities.
Solution Building	
Solution Development	"Solution Development" measures the development performance based on several IoT-specific use cases, such as remote monitoring and control, track and trace, predictive maintenance, and fleet management.
IoT Technology Expertise	"IoT Technology Expertise" refers to the perceived technological capabilities, distinguishing providers that have accumulated deep and broad expertise from those whose know-how is in some cases too narrow or superficial.
Collaboration	
Working Culture	A provider can only be a true partner if collaboration is possible. "Working Culture" takes the soft factors around the partnership into account and measures how easy a provider is to work with.
Flexibility	"Flexibility" refers to the perceived flexibility of a provider; for instance, it evaluates the handling of change requests to allow adjustments to new challenges.
Proactivity	"Proactivity" indicates how proactive a provider is in driving a project forward successfully.
Customer Satisfaction	
Price to Value	"Price to Value" measures clients' satisfaction with the pricing model.
Recommendation	"Recommendation" indicates the share of users that say they would recommend a provider to others.
Business Value	
Efficiency	"Efficiency" refers to the extent to which a provider manages to stay within or even under budget.
Effectiveness	"Effectiveness" is based on how well a provider supports customers in meeting their business objectives.

Peer group description

The IoT C&SI Survey 2020 features a range of different types of providers, which is why we use peer groups to help identify competing services. The groups are essential to allow a fair and useful comparison of providers likely to compete. The peer groups were defined by teknowlogy's analysts drawing on their experience as well as customer responses, since a provider needs a minimum of **20 answers per peer group** in order to compete. The segmentation is based on two key factors:

- **Regional focus:** Companies in EMEA and the Americas were asked to share their opinions on their IoT C&SI partners, so if a provider competes in a regional peer group, only the responses from that region count towards their rank.

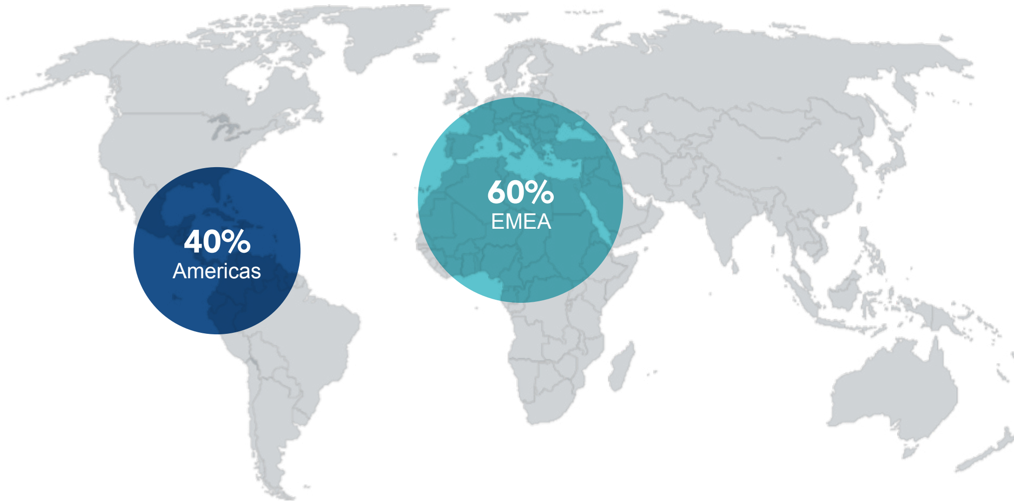
- **Project scenario:** Depending on the context of the projects as well as the industries the customers represent, providers can further compete in usage-related groups driven by the responses from the respective clients.



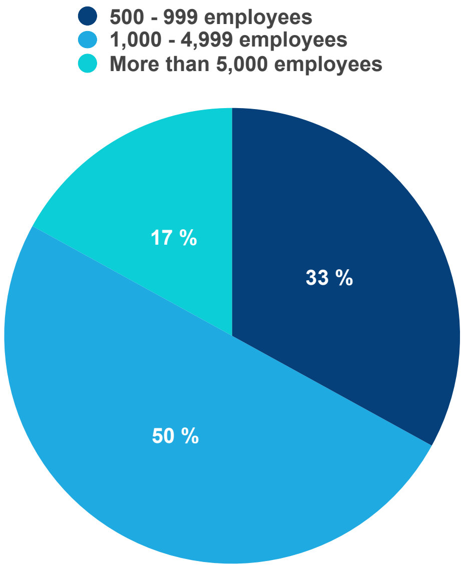
User demographics

In The IoT C&SI Survey 2020, we had 1,976 evaluations from clients of IoT service providers with the following breakdown:

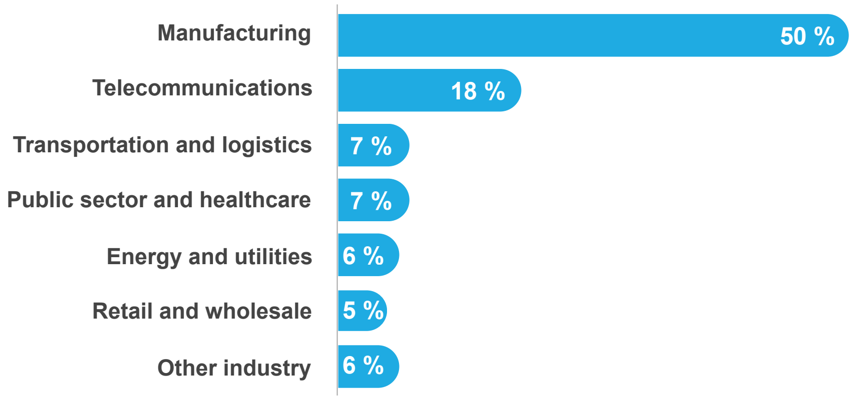
Geography



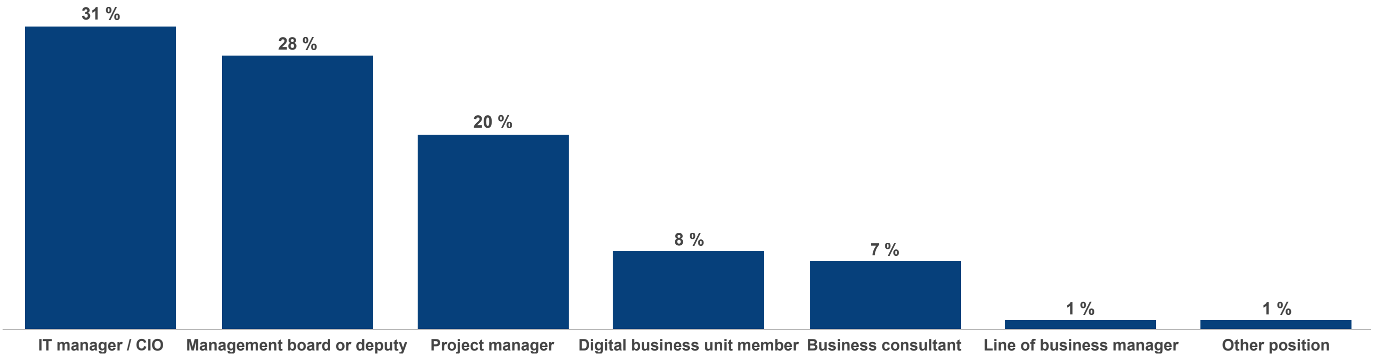
Company Size



Industry Sector



Job Title



Key Findings

Overall insights by peer groups

By reviewing different peer groups of C&SI providers that made it into the IoT survey, we can discern some specific characteristics of these groups and of individual providers.

The Indian vendors make customers happy in IoT

Overall, customers are very happy with the work that “Indian pure players” (IPP) are doing in the IoT space. One finding is a bit surprising though – despite the fact that their market position is much stronger in the Americas than in Europe, customer satisfaction with the IPPs is higher in EMEA than in the Americas. However, none of them reached the minimum number of responses needed to be included in DACH, France, and the UK.

The ”Big Four” are not big in IoT

The big auditing firms, called the ”Big Four”, are not able to convince their customers when it comes to IoT, except for a few KPIs. The only one that made it into the first half of the peer groups is Deloitte.

The telcos are a little disappointing

The results for the telcos and their subsidiaries indicate that their IoT capabilities are much more related to connectivity and operations management than to consulting and system integration. The only exceptions are Orange Business Services in the Americas and across nearly all peer groups when it comes to the Collaboration KPI, and T-Systems in Germany for some KPIs, such as Competitiveness, Working Culture, and Implementation.

French engineering companies are strong local players

All the engineering consulting companies – Alten, Altran (evaluated as Capgemini because of the merger), Assystem, and Akka – made it into the peer group for France. Apart from Akka, they were able to convince their customers in a broad spectrum of KPIs (especially Industry Expertise, Implementation, and Customer Satisfaction). Their strong engineering and embedded software capabilities are especially helpful for clients around all IoT use cases where local intelligence plays an important role.

Reply and MHP are hidden champions in IoT

In the German peer group, two smaller providers (compared to the global players), Reply (Italian-headquartered C&SI provider) and MHP (a Porsche subsidiary), made it into the top positioned companies. They were even able to win in several KPIs against the big players. In addition, these vendors also achieved strong results in their key vertical peer groups: MHP in Connected Vehicles and Reply in Digital Factory.

Fujitsu has many faces – in the UK they are a local hero in IoT

Overall, customers are very happy with the work that "Indian pure players" (IPP) are In the UK, one special finding was the strong performance of Fujitsu. We observe that Fujitsu is a different company in the UK than in the rest of Europe. In the UK, Fujitsu has stronger consulting, vertical, and implementation skills compared to other countries in Europe, where Fujitsu is mainly a technology and infrastructure services provider. In the US, Fujitsu was also able to achieve better results in this survey.

Insights by KPIs

Analyzing the IoT C&SI providers by KPIs provides some interesting insights.

Competitiveness – the IoT market in Europe is special

The competitive situation around IoT in the French market is very special; even big vendors find it challenging to gain a strong IoT footprint. We see two big local heroes in France, Atos and Capgemini, with a very high score in Competitiveness. Also, Expleo (former Assystem) and Alten are strong local competitors in the French IoT market. We observe the same situation in DACH with Reply and MHP, and in the UK with Fujitsu, HPE, and CGI. The competitive situation for C&SI services across Europe differs from country to country, and IoT is no exception here.

Consulting Skills – Cognizant and Atos have a weak spot in DACH

While users from the UK and France evaluated the consulting capabilities of vendors in a quite similar way, we observe that users from the DACH region evaluated some vendors a bit differently. They gave more negative evaluations, especially to Cognizant and Atos, but also to Capgemini, than the users in the two other regions. Cognizant's weaknesses are related to strategic IoT advisory and industry expertise, while Atos was ranked extremely low in Change Management and Business Process Know-how.

Implementation – Accenture and IBM are top, but not in all KPIs

Accenture and IBM are clearly the vendors of choice for IoT implementation projects in the Americas, but not necessarily in Europe. Their scores still look OK for EMEA, but other vendors are rated better or at least equal and can often provide their IoT implementation services at lower prices. It seems that HPE and Fujitsu are top specialists for IoT implementation projects in the UK, while Capgemini is in France and DACH.

Solution Building – vendors have achieved a high level of maturity

Across the top vendors in this space, IoT solution building is a global competence with limited variations. Many vendors have already achieved a high level of maturity in IoT solution building. The times of locally developed and highly individual IoT solutions are over. All vendors have developed IoT platforms, blueprints, and best practices on a global level to realize client-specific solutions for different IoT use cases in an efficient way. The challenge for providers is to strike the best possible balance between standardization and individualization in solution development.

Collaboration – the aim is a global culture of co-innovation

In general, many of the key vendors evaluated in this survey have a highly consistent company culture across the globe. The participants in the survey very often note similar positive patterns for the collaborative behavior of individuals and their respective organizations as a whole across the Americas and EMEA. However, the user feedback for Deloitte, Infosys, and HPE shows that these vendors are clearly struggling in the Americas.

Customer Satisfaction – surprising differences

CGI and Capgemini are two of the top vendors as regards customer satisfaction in this survey, but with a surprising footnote. CGI, as a Canadian vendor, got better customer satisfaction ratings in EMEA than in its Americas home region. For Capgemini, it is the other way around. The French vendor got better customer satisfaction ratings in the Americas than in its EMEA home region.

Business Value – there are clear differences by IoT topic

No vendor achieved top ratings across the three topics evaluated –digital factory, smart cities, and connected vehicles. Capgemini and Accenture got the best overall user feedback for delivering business value across these three topics. TCS got outstanding user feedback for delivering business value for the digital factory. Reply also achieved strong ratings in the same space.

About teknowlogy Group

teknowlogy Group is the leading independent European research and consulting firm in the fields of digital transformation, software, and IT services. It brings together the expertise of two research and advisory firms, each with a strong history and local presence in the fragmented markets of Europe: CXP and PAC (Pierre Audoin Consultants).

We are a content-based company with strong consulting DNA. We are the preferred partner for European user companies to define IT strategy, govern teams and projects, and de-risk technology choices that drive successful business transformation.

We have a second-to-none understanding of market trends and IT users' expectations. We help software vendors and IT services companies better shape, execute and promote their own strategy in coherence with market needs and in anticipation of tomorrow's expectations.
Capitalizing on more than 40 years of experience we are active worldwide with a network of 150 experts.

For more information, please visit www.teknowlogy.com and follow us on Twitter or LinkedIn.

teknowlogy GROUP

FRANCE

1, Boulevard des Bouvets
92000 Nanterre
France

GERMANY

Holzstr. 26
80469 Munich
Germany

ROMANIA

Neustori 12
023953 Bucharest
Romania

UNITED KINGDOM

15 Bowling Green Lane
EC1R 0BD London
United Kingdom

UNITED STATES

55 East 50th Street, 9th Floor
10022 New York
USA