

Next-Gen ADM Services

Evaluating application development providers' capabilities, go-to-market strategies and differentiators



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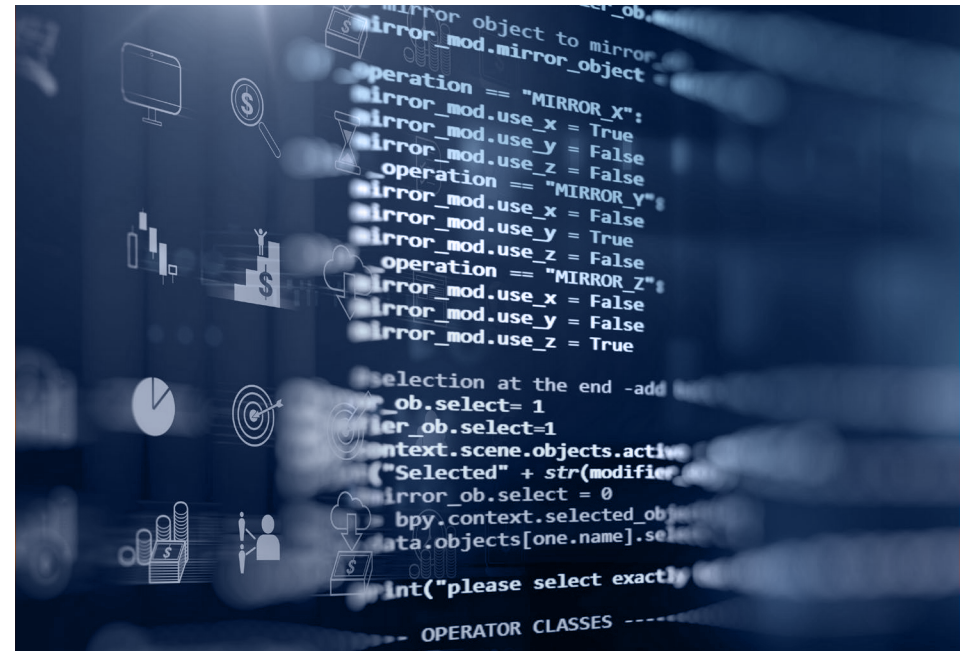
Leveraging software capabilities to integrate all business layers, create new data sources and gain enterprise agility is an indispensable requirement for modern application outsourcing.

Next-Gen ADM services include consulting, design, custom development, packaged software integration, application management and operations, quality assurance, security services and testing.

Cloud-based computing and the rising demand for automation and AI drive the market for cloud-native application development and give it a new focus. Service providers emphasize Agile methodologies and the continuous, secure delivery and automation of software development processes with DevSecOps. Tailor-made roadmaps combine digital, operational and technology goals to meet clients' objectives.

Service providers enable organizations to automate routine tasks and gain deeper insights into their application development processes using AI. This has led to the development of new tools and platforms that incorporate automation and AI capabilities to accelerate development cycles; ensure security, threat detection and vulnerability management; and improve end-user experience; this, in turn, helps deliver intuitive, engaging and personalized applications.

This study focuses on the recent developments that have taken place across the application development, application management and quality assurance markets. Simultaneously, ISG is launching the 2023 ISG Provider Lens™ Next-Gen ADM Solutions - Low-Code/No-Code Development Platforms 2023 study to offer clients a broader understanding of the application solutions market.



Five quadrants cover the **key capabilities** in planning, development, quality control and deployment of software applications.

Simplified Illustration Source: ISG 2023



The ISG Provider Lens™ Next-Gen ADM Services 2023 study offers the following to businesses and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness
- Focus on different markets, including Brazil, Europe and the U.S.

ISG studies serve as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential engagements.



Agile Application Development Outsourcing

Definition

This quadrant assesses service providers that offer ADM expertise with the use of different technologies, spanning the complete application development and management landscape and most industry verticals, in outsourcing deals that are based on the delivery capacity for a specific time frame (three- to five-year contracts, renewable).

ADM outsourcing offers capacities, regardless of the number and size of projects and programming languages, to support clients' application portfolios or business units. It covers large and highly complex application landscapes that can span multiple geographic locations, lines of businesses and organizational entities. One of its roles is to break up silos in both organization and technologies, create unified technology platforms for the application development landscape, and thus allow faster and more innovative go-to-market on a large scale.

This study evaluates how service providers use project management tools, platform as a service (PaaS), software as a service (SaaS), low-code/no-code platforms or other accelerators to elevate clients' application development and management capabilities.

A typical service provider in this quadrant has extensive consulting expertise and high-end technology partnerships to implement CI/CD pipelines, application testing and DevOps to enable clients to achieve high performance while reducing time to market.

Eligibility Criteria

1. Management of more than 20 squads for a single client or being able to **scale up to more than 1,000 developers**, working simultaneously on several projects
2. Ability to **rapidly scale up or down** and add more than 100 developers in a week to meet the demands of a client as necessary
3. **Comprehensive Application Development Platform** that covers resource allocation, portfolio management, backlog prioritization, Agile methods, Waterfall methods, system integration, application modernization, cloud-native application development and other services to optimize development teams
4. **Certified to transform and deploy Agile** teams under frameworks such as Scaled Agile Framework (SAFe) and Large-Scale Scrum (LeSS)
5. **Certified experts** in Scrum, Kanban, Lean development or other Agile methodologies



Agile Application Development Projects

Definition

This quadrant evaluates service providers that offer Agile application development in deals that include clear scope definitions for project outcomes, specific application development skills, business goals or squad capacity.

Typical service providers in this quadrant offer expertise to ensure successful business outcomes for each Agile project. Deals can include a fixed number of team members per squad or flexible models measured by application feature delivery or other pricing methods. Project engagements can vary from small mobile applications to large solution implementations. Typical engagements take less than 18 months. Large projects are exceptions and most likely have staggered releases or more sprints.

Service providers in this quadrant are also responsible for the full management of their delivery teams. The ability to engage many squads to support a client is considered, but application staff augmentation services are excluded from this quadrant. Providers should manage the squad size and offer experts according to throughput targets.

These service providers add specific knowledge and skills required by squads or projects and can differentiate themselves by offering business expertise; highly specialized expertise in dedicated industries, business environments or technology areas; or expertise in development accelerators. The commercial business model centers on the provision of squads for client-managed application development units.

Eligibility Criteria

1. **Projects are typically measured** by the number of squad members, user stories delivered, deployment rate/frequency, defect count, time to market and business-related indicators, such as shared business outcomes
2. **Certified experts** in Agile methods, such as Scrum, Kanban or Lean development; cloud-native data analytics; low-code/no-code development; system architecture; and CX design
3. **Proof-of-delivery capacity** with client references; they should not be startups or recently established companies
4. Talent acquisition programs, training programs, **knowledge management processes and the provision of** a healthy work environment to retain top talent
5. **Business expertise or development accelerators** for CRM, e-commerce, ERP or industry-specific technologies



Application Managed Service

Definition

This quadrant assesses service providers responsible for managing clients' defined application portfolios (applications in production). It does not include niche application specialists. Application managed services (AMS) comprise application support, enhancements, platform upgrades, application security, bug fixing, troubleshooting, and merging enhancements and development backlogs under Kanban or similar methodologies. The leading service providers in this quadrant offer application monitoring, release management, version control, defect identification, and resolution and database query performance.

Typical service levels include the time taken to resolve an incident or service request, service availability, the defect rate, user satisfaction or Net Promoter Score (NPS), and user experience. Service transition and client onboarding should

include application documentation, service ticket records, knowledge transfer and expert transfer/hire optionally. Continuous service delivery starts after the transition period ends and often includes quality improvement programs and service knowledge refresh.

Large, long-term ADM contracts may include AMS in application outsourcing deals comprising Agile development, application modernization and quality assurance services. This quadrant specifically focuses on the AMS services offered by providers.

Eligibility Criteria

1. **Deployment and operation of service platforms** for performance and defect management, including troubleshooting, application tickets and service requests
2. Employment of **vendor-certified experts** in packaged e-commerce, ERP or CRM (at least one of these commercial applications)
3. Clearly supports **Microsoft and Oracle technologies**, Java programming and relational databases (such as MySQL, Oracle Database, PostgreSQL and SQL Server); mainframe and other technologies can add to a provider's rating but are not required for inclusion
4. **Integration of more than two service platforms**, such as Atlassian Jira, SAP Solution Manager, ServiceNow and application platforms, such as AWS, Google Anthos, IBM Rational and Microsoft Azure
5. Contracts are based on **fixed service fees or outcomes**, providing clients with options; staff augmentation is an accepted exception



Application Quality Assurance

Definition

This quadrant assesses service providers that offer comprehensive quality assurance (QA) programs, including assessments, design, implementation and quality assurance managed services. Service deliverables include setting methods for effort estimation, project planning, documentation, sprint execution timelines, criteria for a product to be deemed complete, and testing strategies to identify bugs or defects in a product.

Service providers in this quadrant can design processes to attain the desired product or service quality at project and business levels, ideally covering a client's complete application portfolio. They leverage quality frameworks to support application code quality improvements, infrastructure resiliency, digital testing, security and quality assurance artifacts, and products and vendor tools.

The quality assurance service should include training and education to help clients mature their software engineering capabilities. A quality assurance program should involve all the development teams, including experts from the outsourcing companies working for clients.

This quadrant also assesses how a provider leverages production logs to extract insights for improved application quality and performance and how the provider integrates application performance management tools with AI and ML for data monitoring to predict the quality of new applications.

Eligibility Criteria

1. **Centralized QA unit** that lays down quality standards for clients' projects
2. Comprehensive technical **QA framework**, which includes planning, implementation, monitoring, review and improvements
3. **Consulting team** focused on analyzing business demands and securing development and delivery according to the specific business requirements
4. Applying **technology to perform analytics** over logs and AI for continuous improvement in results
5. **Differentiation with proprietary tools** and multiple vendor partnerships for quality monitoring, application performance tools and testing tools
6. **Training and education** offering for developers, testers and operators to develop a **quality excellence** mindset and ensure that the overall product or service meets the desired quality



Continuous Testing Specialists

Definition

This quadrant assesses providers of continuous testing services. Continuous testing is the process of automatically testing software changes as they are made to ensure that new features and code changes do not introduce regressions or break existing functionality. Providers execute application testing, including defining the testing strategy, scope, methods and scripts. They also can differentiate the best approach to manual testing before consuming automation resources in test execution. These providers have the skills to deploy automation, execute testing cycles and produce the necessary evidence to support compliance auditing.

Continuous application testing focuses on delivering quality in tandem with the speed of Agile development. In terms of technology, it encompasses various aspects of automated testing, such as shift-left and end-to-end automation across testing phases, in every phase of the continuous delivery process.

This discipline goes beyond automation-based testing regarding people and processes; it accomplishes better collaboration between the quality assurance and development teams in sprint cycles, besides feature-driven testing and responsiveness to changes. Providers' portfolios may include unit testing, system testing, regression testing, compliance testing, performance and load testing, user acceptance testing and smoke testing. The most comprehensive portfolio gets a better appraisal.

Eligibility Criteria

1. **Qualified professionals** for test-driven development (TDD), behavior-driven development (BDD) and other approaches
2. Capability to handle **large-scale testing** and continuous integration demands of complex systems, such as ERP and e-commerce with many test cases
3. **Consulting services** that include test automation implementation, which can be integrated with clients' development and DevOps tools and help clients optimize their continuous testing performance to reduce the testing time
4. **Continuous services**, including testing data and test coverage assessments, enabling automated testing across many continuous integration pipelines, and managing testing artifacts for the significant reutilization of such artifacts
5. **Replication and reuse of testing artifacts** to use in multiple projects



Quadrants by Region

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following five quadrants on Next-Gen ADM Services 2023:

| Quadrant | Brazil | Europe | U.S. |
|---|--------|--------|------|
| Agile Application Development Outsourcing | ✓ | ✓ | ✓ |
| Agile Application Development Projects | ✓ | | ✓ |
| Application Managed Services | ✓ | ✓ | ✓ |
| Application Quality Assurance | ✓ | ✓ | ✓ |
| Continuous Testing Specialists | ✓ | | ✓ |



The research phase falls in the period between April and July 2023, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in September 2023.

| Milestones | Beginning | End |
|-----------------------------|----------------|---------------|
| Survey Launch | April 19, 2023 | |
| Survey Phase | April 20, 2023 | June 02, 2023 |
| Sneak Preview | August 2023 | |
| Press Release & Publication | September 2023 | |

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2023 research agenda

Access to Online Portal

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

Research Production Disclaimer:

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.



ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of “Voice of the Customer.” The Star of Excellence™ is a program, designed by ISG, to collect client feedback about service providers’ success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence™ [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

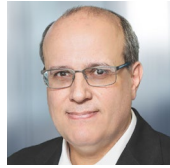
Here is the email address:
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ISG Provider Lens™ Advisors Involvement Program

ISG Provider Lens™ offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three advisors participate as part of each study's quality and consistency review team (QCRT). The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,
- Advise on service provider inclusion, participate in briefing calls,
- Give their perspectives on service provider ratings and review report drafts.



If your company is listed on this page or you think your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

* Rated in previous iteration

| | | | |
|----------------------------|----------------|---------------------|----------------------|
| Accenture* | CAST Software* | Deal* | Hexaware* |
| ACL Digital* | Cegeka* | Deloitte* | HTC Global Services* |
| AlgoWorks | CGI* | DXC Technology* | IBM* |
| Amdocs | CI&T* | e-Core* | Ignitho |
| Andersen | Cigniti* | Elumini Outdoing IT | iLAB* |
| Apexon | Coforge* | Endava* | ilegra* |
| Applause App Quality, Inc. | Cognizant* | EPAM* | Ilia Digital |
| ArcTouch | Compass UOL* | Ewave* | Indium Software |
| Aspire Systems* | Computacenter* | Fast Soluções | Infinite* |
| Atos* | Concentrix* | FCamara* | Infinity Group |
| Auditeste* | Connectis* | Fujitsu* | Infosys* |
| Base2* | CTC* | Getronics* | Inmetrics* |
| Birlasoft* | CWI* | GFT* | Innominds* |
| BRQ* | Cybage* | Globant* | loasys |
| Cadmus | Datum | Grupo HDI | ITC Infotech* |
| Capgemini* | DBC Company | HCLTech* | Iteris* |



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|---------------------|-----------------|------------------|--------------------|
| keeggo* | QA Consultants* | Taking* | UST* |
| Kyndryl* | Qintess* | Tavant* | Vericode* |
| LTIMindtree* | Reply* | TCS* | Virtusa |
| Mastek | RPerformance* | Tech Mahindra* | WarmUP |
| Meta* | SEMPRE IT* | Techedge | WIIT* |
| Minsait* | Senacor* | Testbirds* | Wipro* |
| Mphasis* | SIG* | Testing Company* | Yaman* |
| MTP | SLK Software* | Thoughtworks* | Yash Technologies* |
| N-iX* | Sofist* | Tietoenvy* | Zensar* |
| NTT DATA* | Softserve | TIVIT Lambda3* | |
| Objective | Softtek* | TIVIT* | |
| Orange Testing | Sonda* | TMIntelligence* | |
| Perficient | Sopra Steria* | TO THE NEW* | |
| Persistent Systems* | Stefanini* | Trigent Software | |
| Planit Testing | SVLabs* | T-Systems* | |
| Prime Control* | Syntax Systems* | Unisys* | |



ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this [webpage](#).

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Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit isg-one.com.





APRIL, 2023



REPORT: NEXT-GEN ADM SERVICES