

# AI-driven ADM Services

Evaluating application service providers' AI-enabled offerings, capabilities and differentiators



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Application development and maintenance (ADM) services are evolving as enterprises integrate AI and GenAI deeply into software delivery. The selective adoption of AI-enabled tools has shifted to a broad use of AI in development, testing and application operations, shaping the way software is designed, built and maintained. Enterprises expect providers to apply AI to improve efficiency and embed it into scalable, governed delivery models to ensure consistent outcomes.

Providers increasingly use AI for requirement analysis, architecture design, coding, testing and optimization. Agent-assisted development, predictive analytics and automation reduce manual efforts and accelerate delivery cycles. Enterprises recognize that tools alone cannot create value; success would depend on delivery discipline, a strong engineering foundation, platform consistency and controlled use of AI in established processes.

As AI adoption matures, governance, security and quality assurance will become critical, requiring transparency, traceability and control over AI-assisted outputs for risk management and reliability across application landscapes. Managed services have also evolved with providers applying AI to monitoring, diagnostics and remediation to improve stability and responsiveness without compromising on accountability.

This ISG Provider Lens® AI-driven ADM Services 2026 study evaluates the way providers respond to enterprise expectations and highlights differences in delivery maturity, AI integration and the ability to translate AI adoption into measurable improvements. It would help enterprises identify partners aligned with their software engineering priorities.



The study covers providers' **AI-enabled capabilities** across ADM, managed services and quality assurance.

Simplified Illustration Source: ISG 2026



**The ISG Provider Lens® AI-driven ADM Services study offers the following to business 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 markets in the U.S., Europe (including a Germany-specific quadrant), Brazil and APAC

Our study serves 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.



## Application Development Outsourcing

### Definition

This quadrant evaluates providers delivering large-scale application development outsourcing services, where they apply AI across the software development lifecycle (SDLC) through disciplined delivery models. They support multi-year engagements, covering development, enhancement and modernization of complex application landscapes. Provider differentiation depends on the way they embed AI into engineering operating models, including agent-assisted development, automated code analysis, documentation and intelligent backlog management. Leading providers combine delivery governance with platform engineering foundations, secure CI/CD pipelines and AI-ready development frameworks. They modernize legacy applications using GenAI-assisted analysis and refactoring, while enforcing security, compliance and quality controls in AI-enabled delivery. This quadrant is aimed at enterprises seeking strategic partners that can scale product engineering, improve productivity and mitigate delivery risks.

### Eligibility Criteria

1. Have the ability to manage **large-scale outsourced delivery** with over 20 squads or more than 1,000 developers
2. **Rapidly scale delivery capacity** to meet fluctuating demands
3. Offer a comprehensive **application development framework** covering Agile delivery, integration and modernization
4. Use **AI and GenAI across SDLC**
5. Demonstrate **agent-assisted development capabilities** to improve engineering productivity
6. Have **platform engineering or internal developer platform capabilities** to support standardized delivery
7. **Show AI governance and secure SDLC controls** for all artifacts
8. **Employ certified experts** in Scrum, Kanban, Lean development or other Agile methodologies



## Application Development Projects

### Definition

This quadrant evaluates providers delivering project-based application development and modernization services, where they use AI to accelerate delivery and improve outcomes. Engagements typically focus on building new applications, making major enhancements or undertaking transformation initiatives with defined scope and timelines. Providers are distinguishing themselves through AI-first solution design, including GenAI-assisted requirement analysis, architecture definition, code generation and documentation.

Competent providers apply AI to modernization programs such as application decomposition, refactoring and technology migration, while maintaining project governance, security and quality discipline. Beyond speed, enterprises increasingly expect clear impact on time-to-market, costs and business outcomes. This quadrant is aimed at enterprises seeking partners that combine delivery execution with modern AI-based engineering practices in discrete transformation initiatives.

### Eligibility Criteria

1. Have experience in **project-based application development or modernization engagements**
2. Use **AI or GenAI to accelerate project delivery and** not just as tools for pilots
3. Can design applications and solutions where **AI is foundational** to the architecture
4. Show **clear project governance, security and quality assurance** practices in line with Agile methodologies
5. Demonstrate **measurable project outcomes** such as cycle time or quality improvement
6. Offer **industry- or platform-specific accelerators**
7. Ensure ongoing **AI training and talent development** for project teams
8. **Have certifications** in Agile methodologies such as Scrum, Kanban or Lean development; cloud-native data analytics; AI application development; low-code/no-code development; system architecture; and CX design
9. Can show certifications in **software specialties and niche development areas** such as security, legacy modernization, AI, ML or dedicated industry expertise
10. **Have business expertise** or offer development accelerators for CRM, e-commerce, ERP or industry-specific technologies



### Definition

This quadrant evaluates global system integrators (GSIs) delivering application managed services for large, complex application portfolios. Their services include support, enhancements, upgrades and lifecycle optimization in production environments. Managed services now go beyond reactive support for AI-driven and increasingly autonomous operations. Leading providers use AI for predictive monitoring, intelligent ticket handling, impact analysis and remediation, while maintaining stringent operational governance. They embed AI into release management, change control and modernization planning, without compromising on stability, security or compliance. Provider differentiation is in the ability to industrialize AI-enabled operations at scale and deliver outcomes beyond cost reduction to include, among others, benefits such as improved resilience, high service quality and improved application performance.

### Eligibility Criteria

1. Offer **service platforms** for performance and defect management, including troubleshooting, application tickets and service requests
2. **Employ certified experts** in packaged e-commerce, ERP or CRM (at least one of these commercial applications)
3. Offer strong support for **Microsoft and Oracle technologies**, Java programming and relational databases; mainframes; and other technologies
4. **Can integrate more than two service platforms**, such as Atlassian Jira, SAP Solution Manager and ServiceNow, as well as application platforms, such as AWS, Google Anthos, IBM Rational and Azure
5. Offer broad **application managed services coverage** for large and complex application portfolios
6. Use **AI-driven automation beyond incident and alert management**
7. Demonstrate capabilities in **AI-assisted remediation, diagnostics and impact analysis**
8. **Use AI or GenAI** to maintain applications and deliver substantial benefits
9. Offer strong **operational governance and change control** for AI-enabled managed services
10. Can integrate **multiple service management and application platforms**
11. Show proof of **continuous optimization and modernization** as a part of managed services delivery
12. Demonstrate **global capacity** and clientele to qualify as a GSI



### Definition

This quadrant evaluates specialists delivering application managed services with deep expertise in specific technologies, platforms, regions or industry domains. These providers manage application portfolios in production, delivering support, enhancements, upgrades and operational optimization, tailored to client requirements. Provider differentiation depends on the effective use of AI to improve service responsiveness, diagnostics and operational efficiency, without relying on scale-driven industrialization. Leading providers use AI-based automation, domain knowledge assets and targeted accelerators to enhance incident resolution and change management and foster continuous improvement. Their services focus on clear accountability, industry-aligned processes and compliance awareness. This quadrant is aimed at enterprises seeking focused managed services partners that combine technical depth with practical AI-enabled operations and measurable service outcomes.

### Eligibility Criteria

1. Have expertise in a **specific technology or industry** and proven cases to demonstrate service depth
2. **Deploy and operate service platforms** for performance and defect management, including troubleshooting, application tickets and service requests
3. **Employ certified experts** in packaged e-commerce, ERP, HCM, SCM or CRM (at least one of these commercial applications)
4. **Have knowledge of service platforms** such as Atlassian Jira, SAP Solution Manager and ServiceNow, as well as application platforms such as AWS, Google Anthos, IBM Rational and Azure
5. **Offer AI-based automation tools** to cover a client's entire application landscape and extend beyond incident and alert management (the ability to use GenAI tools with proven benefits is an advantageous qualification)
6. Show contracts based on **fixed service fee or outcomes**, providing clients with options as well as innovative pricing models to deliver benefits for clients
7. Offer continuous and effective **cost optimization** and control mechanisms that cover end-to-end application management
8. Have the ability to meet **compliance requirements**



## Application Quality Assurance

### Definition

This quadrant evaluates providers delivering quality assurance and quality engineering services across an application lifecycle, covering quality strategy, test design, execution, analytics and managed quality services. The market is increasingly leaning toward AI-driven quality engineering, with predictive analytics, AI-generated test design and automated defect detection complementing the established practices. Providers also address quality challenges in AI-enabled applications, including validation of development outputs, where leading players integrate quality controls directly into engineering pipelines and use production data to continuously improve reliability, performance and security. The quadrant is aimed at enterprises seeking application release confidence and engineering quality in environments increasingly seeing AI integration.

### Eligibility Criteria

1. Have **centralized quality engineering** or quality assurance capabilities with a defined framework, covering standards, governance, planning, execution, monitoring and continuous improvement
2. Use **AI-driven testing and analytics** for the purpose of defect prediction and quality assurance in AI-based applications and outputs
3. **Have a consulting team** focused on analyzing business demands and ensuring development and delivery as per business requirements
4. Ability to apply **log analytics and AI** to monitor results and continuously improve quality
5. **Offer differentiation with proprietary tools**, vendor partnerships for quality monitoring, application performance and testing tools
6. **Enable training and education programs** for developers, testing personnel and operators to develop a quality excellence mindset and ensure that overall products or services meet the desired quality



## Continuous Testing Specialists

### Definition

This quadrant evaluates providers specializing in continuous testing services for modern CI/CD environments. These providers ensure that frequent code changes do not introduce regressions or functional, performance or compliance risks for enterprises. Continuous testing has evolved into continuous verification, going beyond functional testing to include the validation of AI-assisted development outputs. Leading specialists use AI to optimize test coverage, generate and maintain test cases, and detect risks early in the delivery pipeline. They support a broad range of tests and enable close collaborations between development and testing teams. Providers assessed in this quadrant improve application release confidence, shorten testing cycles and help enterprises sustain quality in high-velocity and increasingly AI-enabled software delivery environments.

### Eligibility Criteria

1. Have the ability to **improve collaboration** between quality assurance and development teams, ensuring they are responsive to changes and focused on feature-driven testing
2. **Employ qualified professionals** for test-driven development (TDD), behavior-driven development (BDD) and other approaches
3. Have the capability to **handle large-scale testing** and continuous integration demands of complex systems, such as ERP and e-commerce, with many test cases
4. **Offer a portfolio of consulting services** that include automated testing, which can be integrated with clients' development and DevOps tools and help optimize continuous testing performance to reduce overall testing time
5. **Have a portfolio of ongoing services**, including testing data and test coverage assessments, enabling automated testing across many continuous integration pipelines
6. Use **AI-driven test automation and optimization**
7. Have the ability to support **verification of AI-assisted development outputs**
8. **Replicate and reuse testing artifacts** in multiple projects



## Quadrants by Regions

As a part of this ISG Provider Lens® quadrant study, we are introducing the following six quadrants on AI-driven ADM Services 2026:

Quadrant	APAC	Brazil	Europe	U.S.
Application Development Outsourcing	✓	✓	✓	✓
Application Development Projects		✓	Germany	✓
Application Managed Services — GSIs		✓		✓
Application Managed Services — SIs	✓	✓	✓	✓
Application Quality Assurance		✓		✓
Continuous Testing Specialists	✓	✓	✓	✓



The research phase falls in the period between April and May 2026, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in September 2026.

<b>Milestones</b>	<b>Beginning</b>	<b>End</b>
Survey Launch	April 13, 2026	
Survey Phase	April 13, 2026	May 11, 2026
Sneak Preview	July 2026	
Press Release & Publication	September 2026	

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Please refer to the [ISG Provider Lens® 2026 research agenda](#) to view and download the list of other studies conducted by ISG Provider Lens®.

**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!

**Buyers Guide**

ISG Software Research, formerly “Ventana Research,” offers market insights by evaluating technology providers and products through its Buyers Guides. The findings are drawn from the research-based analysis of product and customer experience categories, ranking and rating software providers and products to help facilitate informed decision-making and selection processes for technology.

In the course of the AI-driven ADM Services IPL launch, we want to take advantage of the opportunity to draw your attention to related research and insights that ISG Research will publish in 2026. For more information, refer to the [Buyers Guide research schedule](#).

**Research Production Disclaimer:**

ISG collects data for the purposes of conducting 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 Voice of the Customer concept. ISG has designed the Star of Excellence program 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 are 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 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.

Our vision for the Star of Excellence is to become acknowledged 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 "Nominate (for Providers)" 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:  
[star@cx.isg-one.com](mailto:star@cx.isg-one.com)



**ISG Star of Excellence**



## Methodology & Team

The ISG Provider Lens® 2026 – AI-driven ADM Services study analyzes the relevant software vendors/service providers in the global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

**Study Sponsor:**

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**Lead Analysts:**

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and Pedro L. Bicudo Maschio

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The research and analysis presented in this study will include data from the ISG Provider Lens® program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

All revenue references are in U.S. dollars (\$US) unless noted.



## Contacts For This Study

### Study Sponsor



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**Pedro L. Bicudo  
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**Lead Analyst –  
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**Vartika  
Rai**  
**Research  
Analyst**



**Kellem  
Azevedo**  
**Research  
Analyst**



**Akshay  
Rathore**  
**Data  
Analyst**



**Krishnanunni  
Payyappilly**  
**Senior Project  
Manager**



### 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 consultant advisors participate as part of each study's quality and consistency review process. The consultant advisors ensure 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 consultant advisors' group and contribute at different levels depending on their availability and expertise.

The consultant advisors:

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

## ISG Advisors for this study



**Dr. Matthias Paletta**

**Director**



**Pierre Moulin**

**Director**



**Brandon Provost**

**Principal Consultant**



**Susanta Dey**

**Director**



## Invited Companies

**If your company is listed on this page or you feel 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\*

ACL Digital

Act Digital

adesso SE\*

Agile Inc

All for One Group

Allgeier\*

Amdocs\*

Apexon\*

AppSphere

ArcTouch

Arvato Systems\*

Aspire Systems\*

ATEA

Atos\*

Auditeste\*

Avanade

Axians\*

Bahwan CyberTek\*

Base2\*

Basis

Bechtle\*

Birlasoft\*

BRQ\*

BT

BTC\*

Cadmus

CANCOM

Capgemini\*

Cast group\*

CBYK Consultoria

Cegeka\*

Central IT

CGI

CI&T\*

Cigniti

Cisco

Cocus

Coforge\*

Cognizant\*

Compass UOL\*

Computacenter\*

Concentrix\*

Connectis

CTC (Connectcom)

CWI\*

Cybage\*

Cyient

DATAGROUP\*

Datainfo

Datamatics\*

Datum\*

DB

DBC Company

Deal\*

Deloitte\*

Deutsche Telekom MMS\*

Devoteam\*

DISYS (Digital Intelligence Systems, LLC)

DXC Technology\*



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e-Core*	Globant*	Infogain	Mastek*
ed*	Happiest Minds*	Infosys*	Materna*
Elumini Outdoing IT	HCLTech*	Inmetrics*	Math Group*
Encora*	Hexaware*	Innominds*	Meta*
Endava	Hitachi Digital Services*	Innova Solutions	Minsait*
Engineering do Brasil	HPE	Ioasys*	Mirante tecnologia
Ensono	HTC Global Services*	ITC Infotech*	Mouts TI
EPAM Systems*	IBM*	Iteris (Globant)	Mphasis*
FCamara*	Ignitho	Jade Global	msg systems*
Fóton	iLab*	Keeggo*	MTP*
Foursys	ilegra*	Kyndryl*	NAVA*
FPT Software*	Ilia Digital	Levva*	N-iX*
Fujitsu*	Indium Software	Logicalis*	NTConsult
GFT*	Inetum	LTM	NTT DATA*
GlobalLogic	Infinite Computer Solutions*	Marlabs*	Objective*



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\* Rated in previous iteration

OpenText	Radix	Stefanini*	Unisys*
Orange Testing*	Reply	Sutherland*	UST*
Orion Innovation	SEMPRE IT*	Syntax*	V8.Tech
P3*	Senacor*	Taking*	Valuelabs
PCG*	SIS IT	TCS*	Venturus
Persistent Systems*	SLK, an Altimetrik company	Tech Mahindra*	Vericode*
Pitang	Sofist*	Testing Company*	Version1
Planit*	Softdesign*	TestingXperts*	Virtusa*
Prime Control*	Softtek*	Testrig*	Vivicta*
Probrand Limited	Solutis	ThoughtWorks*	WIIT*
Publicis Sapient	SONDA*	TIVIT*	Wipro*
q.beyond*	Sopra Steria*	TQI*	Xoriant
QA Consultants (ALTEN)*	Spassu*	Trigent*	Yaman*
Qualitest*	Spread	T-Systems*	YASH Technologies*
Quinnox*	Squadra Digital	UDS	Zalpy Digital



## 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. 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](#).

## ISG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: [Public Sector](#).

For more information about ISG Research™ subscriptions, please email [contact@isg-one.com](mailto:contact@isg-one.com), call +1.203.454.3900, or visit [research.isg-one.com](http://research.isg-one.com).

## ISG

ISG (Information Services Group) (Nasdaq: III) is a leading global AI-centered technology research and advisory firm. A trusted partner to more than 900 clients, including 75 of the world's top 100 enterprises, ISG is a long-time leader in technology and business services sourcing that is now at the forefront of leveraging AI to help organizations achieve operational excellence and faster growth.

The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.

For more information, visit [isg-one.com](http://isg-one.com).





**APRIL, 2026**

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