

Everest Group PEAK Matrix® for Industry 4.0 Service Provider 2022

Focus on Capgemini
September 2022



Background and introduction of the research

Industry 4.0 is revolutionizing the manufacturing and operations ecosystem by converging the digital world with the physical world, integrating emerging technologies with physical systems. Enterprise outlook toward Industry 4.0 has changed post the COVID-19 pandemic, as early adopters realized significant benefits via enhanced operational efficiencies, improved asset utilization and labor productivity, and increased visibility and inventory tracking. Industry 4.0 enables cost savings, increased revenues, and the development of new platform-based business models; and as a result, enterprise investments in technologies enabling Industry 4.0 have increased across the value chain.

Engineering service providers are playing a critical role in accelerating enterprise adoption of Industry 4.0 by offering a wide range of services revolving around consulting and design, development and Verification & Validation (V&V), deployment and system integration (SI), and managed services and support.

This research is the second edition of [Everest Group's Industry 4.0 Services PEAK Matrix® Assessment](#), wherein we have evaluated 22 engineering service providers featured on the PEAK Matrix®. This assessment is based on RFI responses from providers, interactions with their Industry 4.0 leadership, client reference checks, and an ongoing analysis of the engineering services market.

The full report includes the profiles of the following 22 leading engineering service providers featured on the Industry 4.0 PEAK Matrix

- **Leaders:** Accenture, Capgemini, Cognizant, HCL Technologies, LTTS, TCS, and Wipro
- **Major Contenders:** Bosch SDS, Cyient, eInfochips, Globant, Happiest Minds, HARMAN DTS, Microland, Mindtree, SoftServe, Softtek, Tech Mahindra, and UST
- **Aspirants:** GS Lab, Incedo, and Onward Technologies

Scope of this report



Geography
Global



Providers
22 leading broad-based and pure-play engineering service providers



Services
Industry 4.0 Services

Industry 4.0 Services PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCL Technologies, LTTS, TCS, and Wipro

- The Leaders for Industry 4.0 Services have a strong portfolio of clients across all major geographies and verticals, and have developed a strong suite of capabilities spanning all four Industry 4.0 Service functions – consulting and design, development and V&V, deployment and SI, and managed services and support
- While several Leaders have taken the inorganic path to achieve growth, Leaders have also been able to successfully grow organically by forming partnerships with hardware and software vendors and by making investments in developing labs, CoEs, and innovation centers in next-generation technologies such as IoT, analytics, AI/ML, AR/VR, and robotics
- Service providers in the Leaders segment are recognized for their ability to offer large-scale engagements leveraging their robust delivery capabilities across the globe
- These players are extensively focusing on putting their skin in the game and shifting beyond traditional pricing models toward emerging commercial constructs such as outcome-based, revenue sharing, and risk-reward models

Major Contenders:

Bosch SDS, Cyient, eInfochips, Globant, Happiest Minds, HARMAN DTS, Microland, Mindtree, SoftServe, Softtek, Tech Mahindra, and UST

- The Major Contenders comprise both IT-heritage and pure-play engineering service providers
- These players are actively making investments in establishing CoEs and developing IP and solutions in areas such as AI/ML, cloud, analytics, IIoT, edge computing, and blockchain for enhancing their capabilities and presence and bridging capability gaps across service functions that have hitherto not been a major focus
- Major Contenders have a strong focus across service functions – however, their delivery footprint and technology expertise are often not as comprehensive as that of Leaders

Aspirants:

GS Lab, Incedo, and Onward Technologies

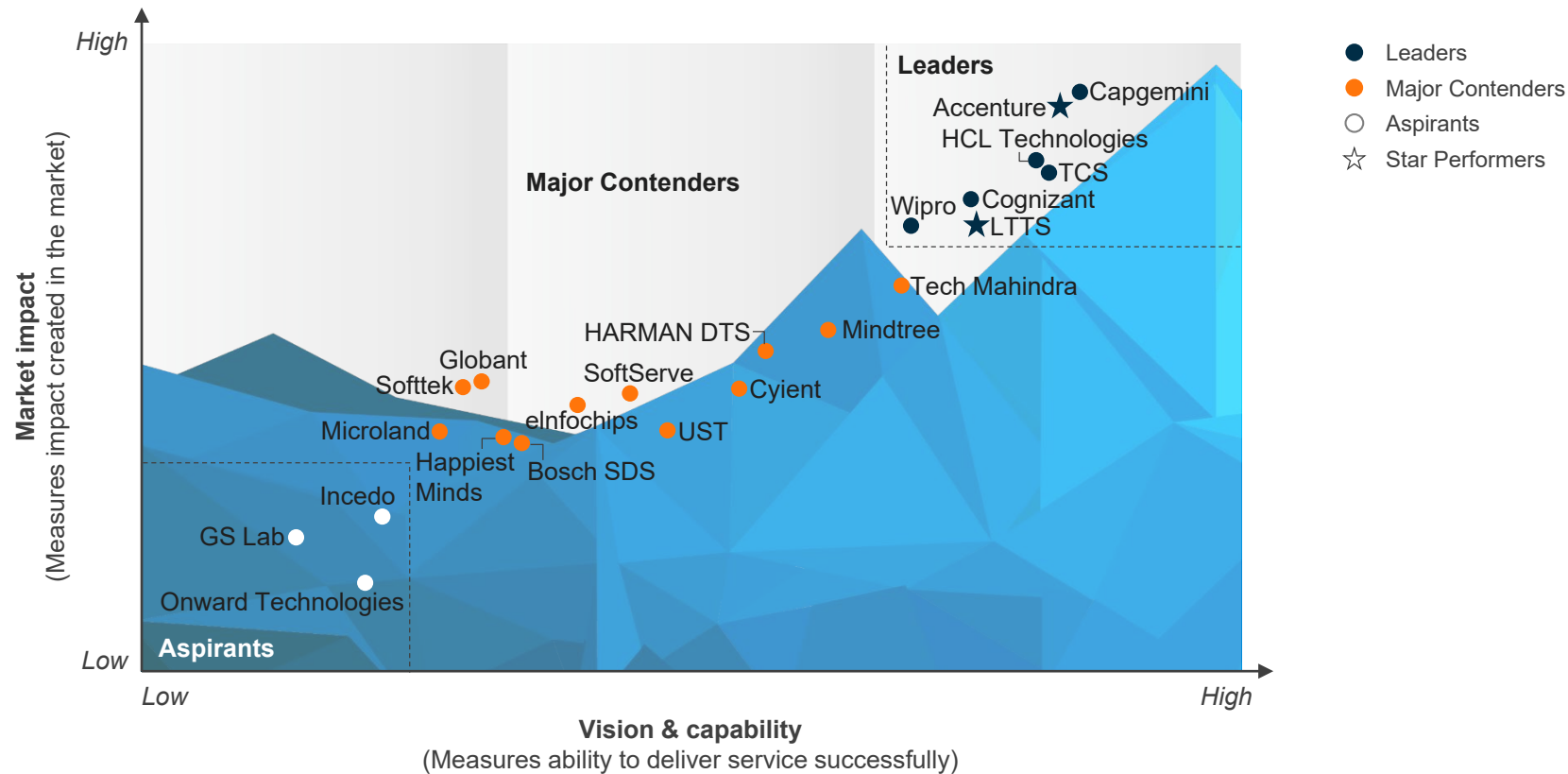
- Aspirants are at a relatively nascent/initial stage in terms of their Industry 4.0 Service offerings and have limited experience of dealing with large enterprises
- These firms are primarily focused on one or two service functions and are expanding and building broader capabilities to enhance their play in more service functions
- Although Aspirants are actively training and upskilling their engineering talent, their investment in labs, CoEs, and partnerships is limited

Everest Group PEAK Matrix®

Industry 4.0 Services PEAK Matrix® Assessment 2022 | Capgemini positioned as Leader



Everest Group Industry 4.0 Services PEAK Matrix® Assessment 2022












Source: Everest Group (2022)

Capgemini | Industry 4.0 Services profile (page 1 of 4)

Everest Group assessment – Leader

Measure of capability:  Low  High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
								

Strengths

- Capgemini has invested heavily in partnerships and CoEs to strengthen capabilities in technologies such as IoT, analytics, robotics, AR/VR, and simulation
- It has a strong solutions portfolio, with multiple IP/solution accelerators for AI/ML, IIoT, analytics, cybersecurity, additive manufacturing, simulation, and blockchain
- It has experience in serving customers of all sizes, spanning key industry verticals
- Clients appreciate Capgemini for its competitive pricing and domain expertise in areas such as manufacturing and MES, as well as the flexibility provided in terms of adding capacity quickly

Limitations

- While Capgemini has a strong focus on providing Industry 4.0 Services across operations and logistics segments of the industrial value chain, there is further headroom to improve presence in the procurement and after-sales segments
- While it has a strong presence in Europe, its customer footprint in the APAC and North America regions is limited compared to other Leaders
- Capgemini has limited presence in providing managed and support services to clients vis-à-vis peers

Capgemini | Industry 4.0 Services profile (page 2 of 4)

Overview

Vision and strategy

Capgemini’s vision is to take the Intelligent Industry approach for businesses to unleash innovation across manufacturing operations by means of intelligent products and systems, intelligent operations, and intelligent support and services. The company aims to reduce time-to-market of products, improve the flexibility of industrial assets, and optimize the performance of end-to-end operations to improve revenue and RoI for its clients. Capgemini's Industry 4.0 Services cover the end-to-end value chain of manufacturing industries, from client requirements to after sales services, across design/development (product and plant/assets), sourcing/procurement, operations, distribution, and services.

The company aims to achieve this vision by helping clients in their manufacturing transformation at scale by leveraging its multi-disciplinary technological expertise (architecture, simulation, AI, IT/OT etc.) and domain knowledge (industrial processes & performances) to build interoperable, connected systems. Capgemini also helps deliver change in clients' operations by implementing solutions and running the day-to-day operations of their transformation programs while focusing on sustainability goals.

Industry 4.0 Services revenue

<US\$150 million	US\$150-450 million	US\$450-750 million	>US\$750 million
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Revenue by service function			
Low (<15%) Medium (15-30%) High (>30%)			
Consulting & design	Development & V&V	Deployment & system integration	Managed services & support

Revenue by geography			
Low (<10%) Medium (10-30%) High (>30%)			
North America	South America	Japan	Rest of the World
UK	India	Rest of APAC	
Europe	China	MEA	

Adoption by industry		
Low (<10%) Medium (10-20%) High (>20%)		
Healthcare and life sciences	Automotive	Energy & utility
Aerospace & defense	CPG/FMCG	Oil & gas
Manufacturing & mining	Hi Tech	Others

Revenue by buyer size		
Low (<15%) Medium (15-30%) High (>30%)		
Small (annual revenue < US\$1 billion)	Medium (annual revenue US\$1-5 billion)	Large (annual revenue US\$5-10 billion)
Very large (annual revenue US\$10-20 billion)	Mega (annual revenue > US\$20 billion)	

Revenue by value chain function		
Low (<15%) Medium (15-30%) High (>30%)		
Design & development	Procurement	Operations
Logistics	After sales	

Capgemini | Industry 4.0 Services profile (page 3 of 4)

Case studies and solutions

Case study 1	Helped a client implement MES accelerated roll-out program
Business challenge The client was following different business processes and practices at different manufacturing sites. The processes involved complex paper batch records of about 400 pages requiring around 1,000 manual data entries and reviews. This was leading to increased risk of human error from manual entry, duplication, and falsification of information.	
Solution Capgemini helped the client by simplifying and standardizing around 25 business processes and creating a master batch record across sites. The provider designed and built a core MES model with dynamic standard libraries (400 blocks) and technical functional specification to accelerate MES deployment at local sites. This resulted in 20+ standardised processes across 40 sites and 200+ dynamic, ready-to-use standard blocks to accelerate MES deployment at local sites. This helped the client secure adherence to standards and GxP compliance while improving right-first-time ratio and review by exception.	
Case study 2	Helped a client to define and deploy its Industry 4.0 roadmap
Business challenge The client was looking for solutions to reduce production losses, leverage Industry 4.0 capabilities for creating cash for next-generation products development, ramp-up new products industrialization and production, maximize output for high runner products, and optimize flexibility for low runners (high diversity production).	
Solution Capgemini helped the client by conducting an Industry 4.0 maturity assessment, creating PoV factory standards definition, PoV execution and scale-up, predictive quality and maintenance of multi-variate correlation engine, flow simulation aided improvements, smart scheduling for capacity and agility, data cataloguing and standardization, machine specifications for “intelligent manufacturing ready” equipment standards and AI HVAC Control roll-out. The solution helped the client save 2 M€ / year for the first identified quality issue solving, 1 M€ / year as the estimated benefits for predictive maintenance, 20% on utilities bills for AI HVAC roll-out, and +5 % throughput / -20% lead-time as the estimated benefits of smart scheduling.	

Proprietary solutions (representative list)	
Solution	Details
Solution	An agile execution model supporting digital transformation programs during all phases, relying on change management, business transformation, and technical accelerators.
Drive & Connect	An agile execution model supporting digital transformation programs during all phases, relying on change management, business transformation, and technical accelerators.
PCT	A plant control tower solution to enhance real-time, contextual, data-driven decision-making and provide integrated visibility from planning, supply chain, and manufacturing.
CAPF	CAPF (Couch DB, AngularJS, Python, and Flask) EDGE Framework that provides the abilities needed in an IoT system.
DemAndy 3D	An immersive remote assistance solution with AR/VR/MR features. The solution is based on sharing video and audio streams of the scene and endorses features where virtual elements are integrated into the filmed scene.
X-IoT	A packaged, industrialized, secured, end-to-end, and connected solution to fit with digital transformation journey challenges and act as an ongoing Innovation-as-a-Service (IaaS) platform.
Jarvis	A chatbot-enabled, image processing and log analytics solution to assist product support teams address customer issues.
Capt'ain platform	A solution composed of mobile application and IoT framework offering digital services for smart building management.
PredictEAP	A cloud-based analytics framework for asset health prognostics that enables condition-based asset maintenance and production scheduling.
Autopulse	A solution using device and device-related data to provide a reliable prediction of remaining economic life of the components and assets in operation.
IOP	A set of operations functions deployed as flexible services to derive decisional insights from physical assets, integrating the decisions back into operations system.
Migration Factory	A suite of processes, tools, and people to help customers migrate from one platform to another in an efficient, cost-effective, and risk-controlled manner.

Capgemini | Industry 4.0 Services profile (page 4 of 4)

Investments and partnerships

Key alliances and partnerships (representative list)	
Company	Details
AWS	A partnership in consulting and managed services to deliver the expertise and assurance that businesses need to leverage the AWS Cloud. AWS competencies including SAP, financial services and migration competency
Dassault Systems	A partnership leveraging an integrated multi-disciplinary team of PLM experts with a deep knowledge of technologies such as Dassault Systèmes solutions (ENOVIA, 3DS, CATIA)
Intel	A partnership to leverage Intel's IoT platform to deploy edge sensors, gateways, and analytics with embedded security to make buildings and industry more energy efficient and asset wise
Microsoft	A partnership to bring new and innovative solutions to clients using Microsoft's software tools
PTC	A technological partnership to maximize the breadth of the ThingWorx platform and tools including the complementary portfolio of products that covers Product Life cycle Management (PLM), Augmented Reality (AR) / Virtual Reality (VR) and Computer Aided Design (CAD)
SAP	A partnership to help enterprises manage applications, platforms, and transformation
Schneider/Aveva	A partnership to provide integrated consultancy services using high-end digital transformation services around SMART Factory that includes operations, engineering, and performance intelligence
Siemens	A partnership to integrate data, processes, business systems, and people in an extended enterprise by using Siemens' PLM software

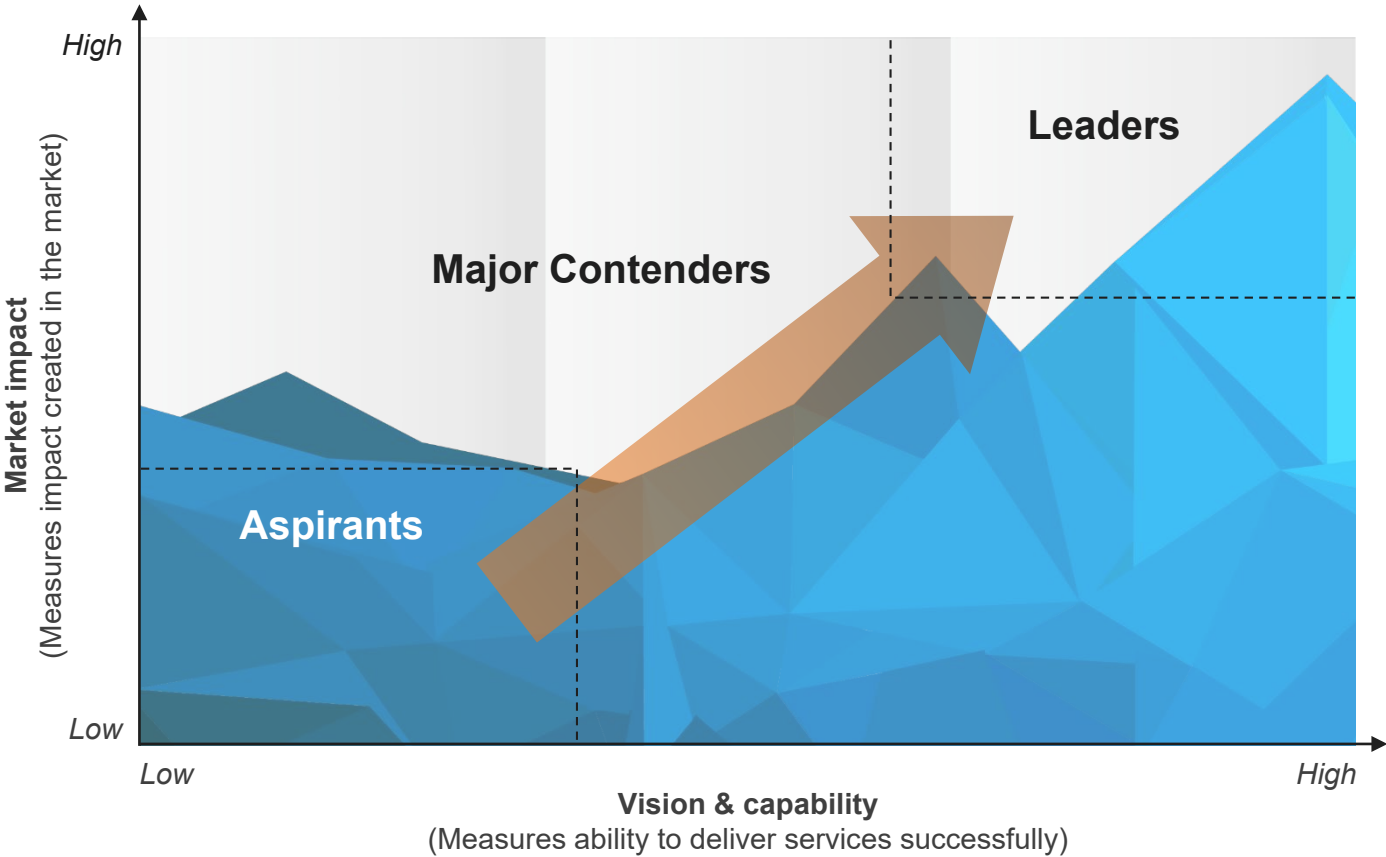
Recent Industry 4.0 Services investments/acquisitions (representative list)	
Investment/target	Details
Cambridge Consultants	An acquisition that brings together engineers, scientists, mathematicians, and designers to help develop breakthrough products, create and license intellectual property, and provide business consultancy in technology-critical issues for clients worldwide
frog	An acquisition providing access to a larger network of over 35 design and innovation studios around the world
GlobalEdge	An acquisition of an India-based product engineering company specializing in embedded software and IoT solutions
I4LABS	An investment to build a platform to demonstrate smart factory use cases for Industry 4.0 transformation, such as personalized products, adaptability to unpredictable demand, and flexibility to customer requirements, for manufacturing operations management system
Idean	An acquisition of a global design agency that focuses on digital User Experience (UX), Customer Experience (CX), and digital strategy enabling the design of next-generation, IoT-enabled products across sectors
LiquidHub	An acquisition of a digital customer engagement company to serve as a platform for digital businesses in North America, a key part of which is IoT applications

Appendix

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



Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

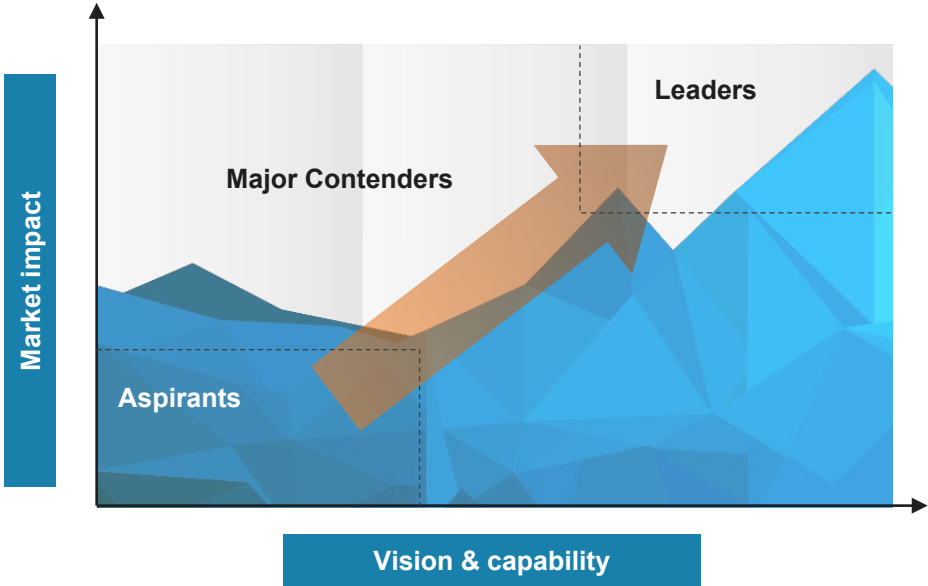
Number of clients, revenue base, YoY growth, and deal value/volume

Portfolio mix

Diversity of client/revenue base across geographies and type of engagements

Value delivered

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



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 subsegments/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.

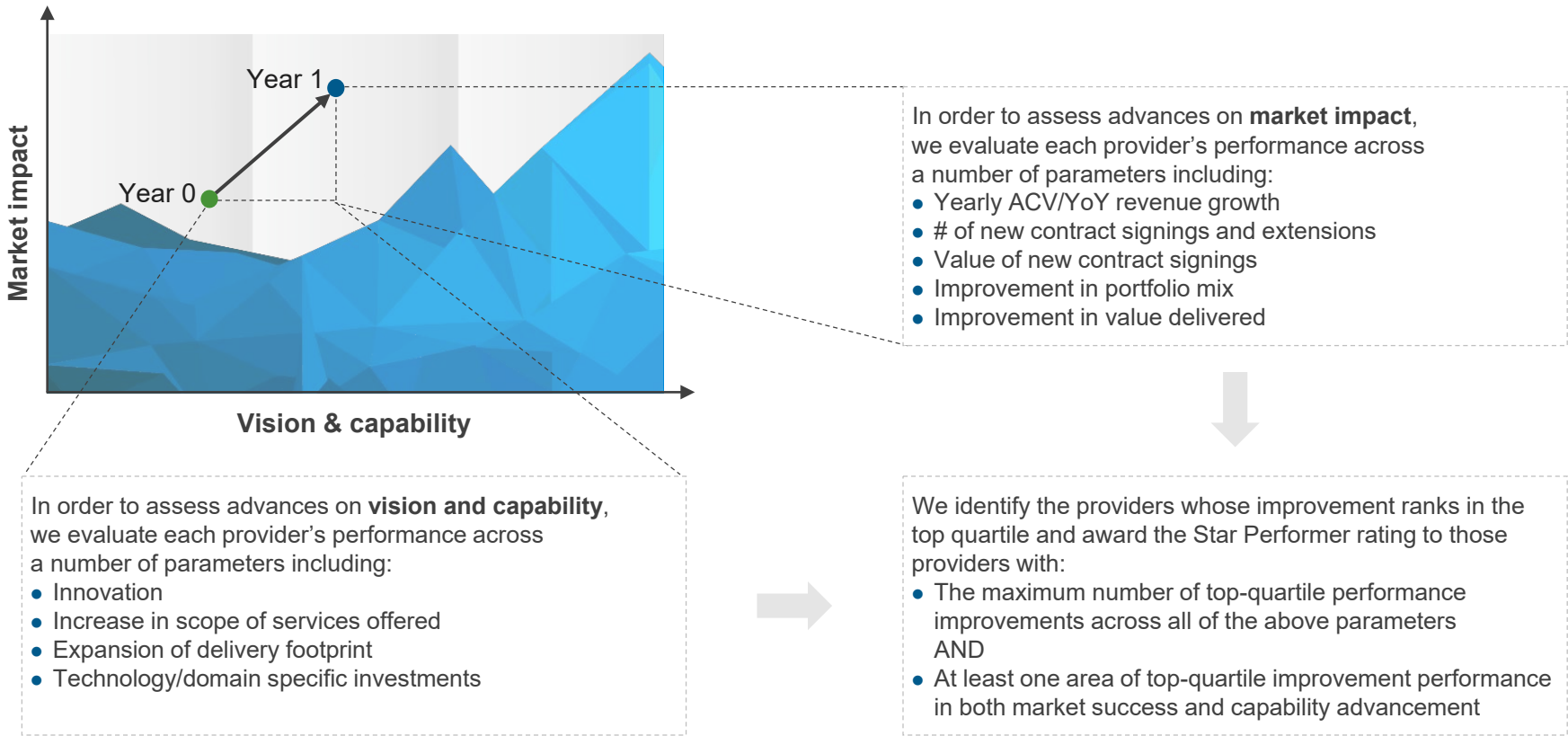
Delivery footprint

Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix



The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results 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 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 the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
 - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
 - In addition, it helps the provider/vendor organization gain brand visibility through being included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
 - Issue a press release declaring positioning; see our [citation policies](#)
 - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
 - Use PEAK Matrix badges for 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 Everest Group; please contact your CD or [contact us](#)

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.



Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our research also covers the technologies that power those processes and functions and the related talent trends and strategies. Our clients include leading global companies, service and technology providers, and investors. Clients use our services to guide their journeys to maximize operational and financial performance, transform experiences, and realize high-impact business outcomes. Details and in-depth content are available at www.everestgrp.com.

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Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto

canada@everestgrp.com
+1-647-557-3475

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