

NEAT EVALUATION FOR CAPGEMINI:

Learning Services

Market Segments: Overall, Geographic Footprint & Scalability

Introduction

This is a custom report for Capgemini presenting the findings of the 2023 NEAT vendor evaluation for *Learning Services* in the *Overall* and *Geographic Footprint & Scalability* market segments. It contains the NEAT graphs of vendor performance, a summary vendor analysis of Capgemini for learning services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering learning services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, those with specific capability in service innovation, technology innovation, and skilling (including reskilling and upskilling), and those with the best geographic footprint and scalability.

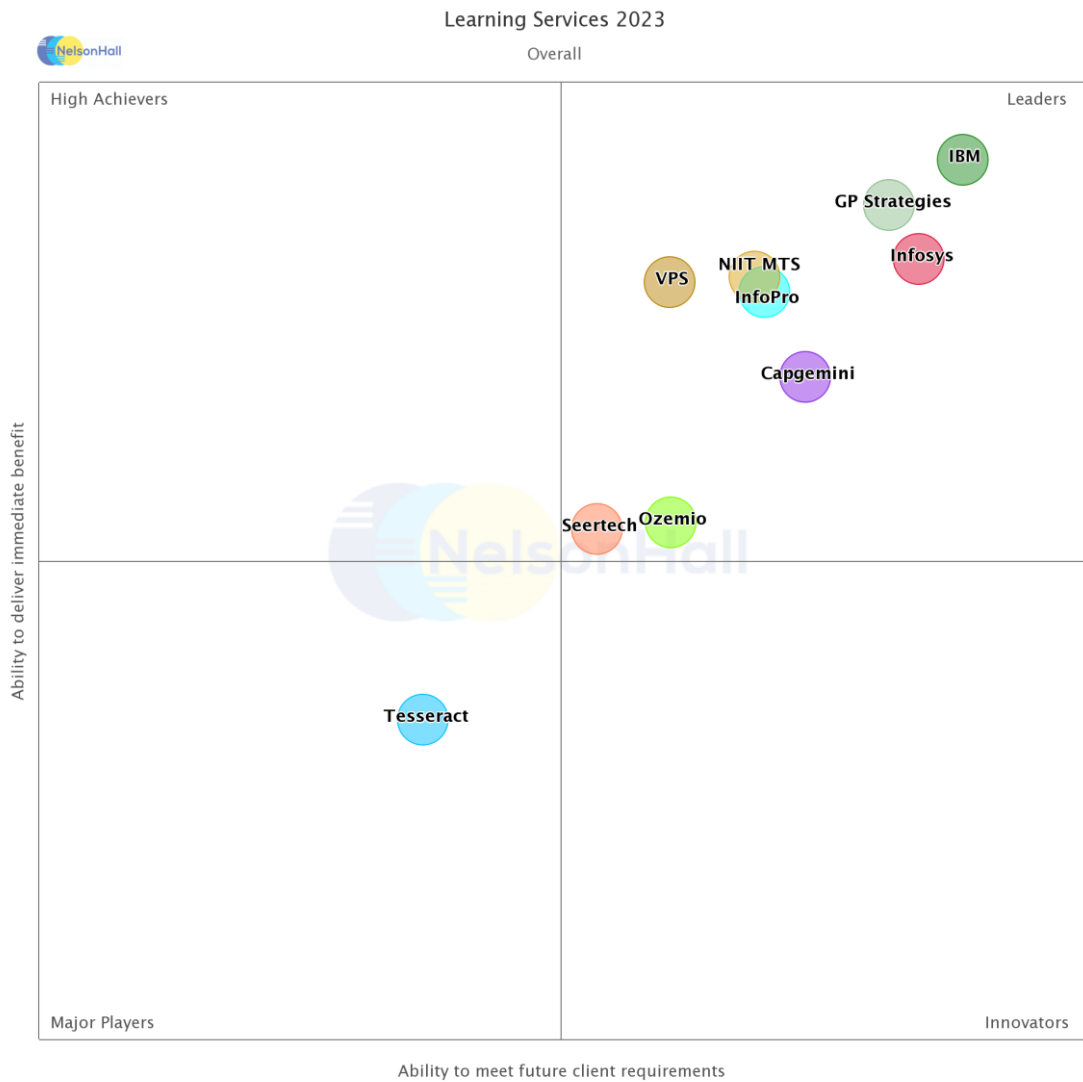
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Capgemini, GP Strategies, IBM, InfoPro Learning, Infosys, NIIT, Ozemio, Seertech, Tesseract Learning, and VPS.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: Learning Services (Overall)



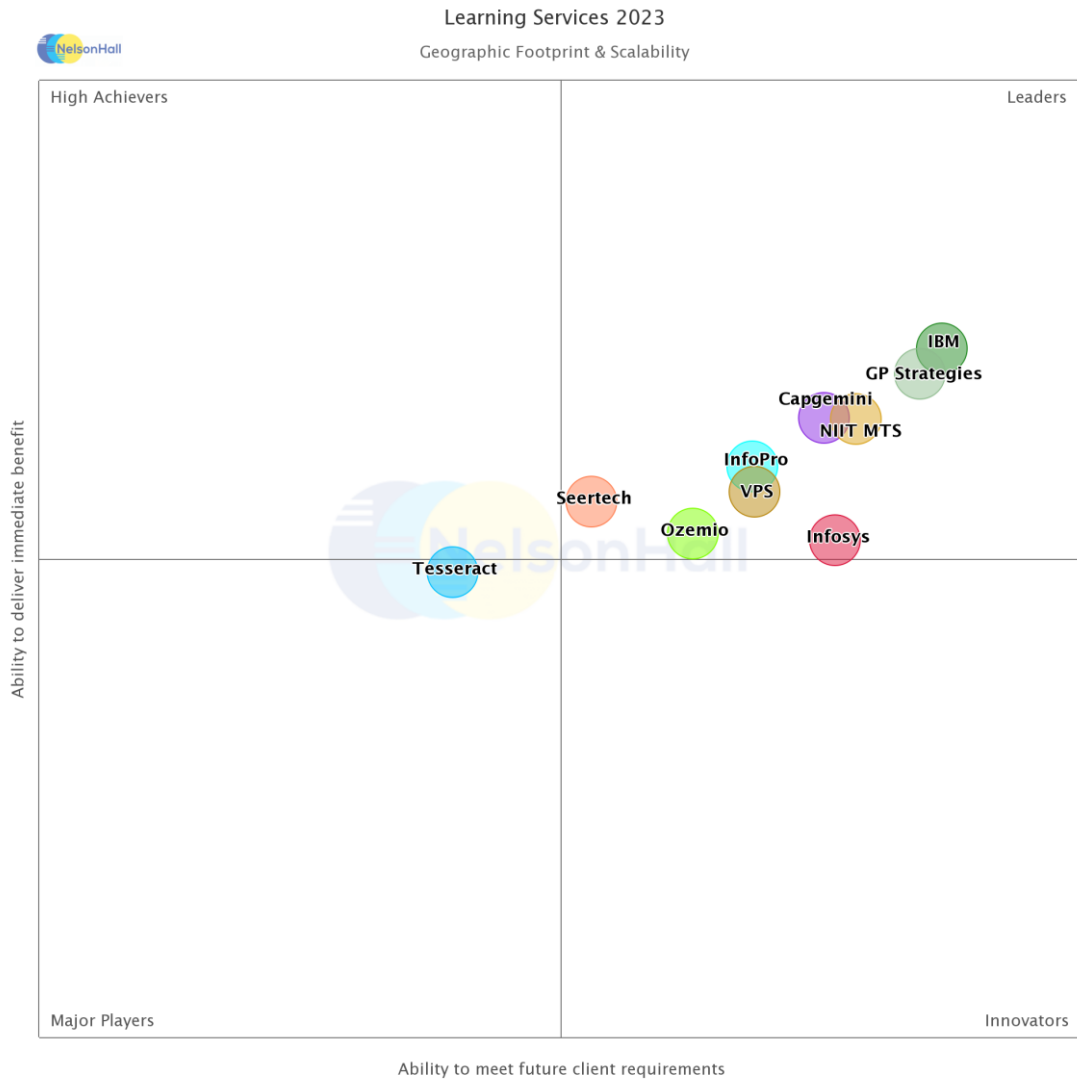
NelsonHall has identified Cpgemini as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Cpgemini’s overall ability to meet future client requirements as well as delivering immediate benefits to its learning services clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *Learning Services* NEAT tool (*Overall*) [here](#).



NEAT Evaluation: Learning Services (Geographic Footprint & Scalability)



NelsonHall has identified Capgemini as a Leader in the *Geographic Footprint & Scalability* market segment, as shown in the NEAT graph. This market segment reflects Capgemini’s ability to meet future client requirements as well as delivering immediate benefits to its learning services clients based on its geographic footprint and ability to scale geographically.

Buy-side organizations can access the *Learning Services* NEAT tool (*Geographic Footprint & Scalability*) [here](#).



Vendor Analysis Summary for Capgemini

Overview

Founded in 1967 and headquartered in Paris, France, Capgemini provides IT consulting, outsourcing, and professional services. It entered the BPS market in 2003 and began providing HR BPS services in 2006. Capgemini focuses on nine essential business offerings, one of which is its Business Services division, which includes Intelligent People Operations (IPO), comprising end-to-end support for HR operations from Hire to Retire, including help desk, Intelligent Learning Operations (ILO), process automation, and HR analytics.

Capgemini's offerings comprise learning content, delivery, admin, tech, and consultancy services.

The company has aligned its offerings to the "Future of Work" built around driving a "People Experience" for upskilling a remote/geographically dispersed workforce, leveraging digital technologies and embracing a continuous learning culture. Offerings are also personalized, consumerized, immersive, social, and aligned to business goals. It prioritizes five critical differentiators: onboarding, engagement, development, progression, and adoption.

Capgemini's new age immersive learning has been introduced for its early career talent programs. For example, it is training new graduates in the metaverse, with the entire Capgemini experience delivered in AR/VR, designed around being fun, social, and engaging. The internal success of this onboarding experience is being taken to its clients. A learner can access the onboarding program anytime, anywhere, and can revisit it later, tailored to the learner's needs. Immersive onboarding enables new hires to see and navigate physical areas even if they are not there physically.

The success of Capgemini's digital skills and sector-specific academies continues. It continued developing such programs for six different competence levels in 2022 and has been developing additional academies in 2023; for example, expanding into sustainability, which has significant interest from the BFSI sector.

It has also created several other innovative programs besides onboarding, to bring its highly-distributed global workforce together, which it may take to external clients when they are ready to embrace them. Such programs focus on professional communities, DEIB, and managing in the new world of work.

Capgemini continues to work on its proprietary tech roadmap for Next, Academy, Cloud Campus, and RISE. The primary focus is on its People Experience HUB, developed on MS Viva, to enable digital learning in the flow of work. The platform offers a viable alternative for organizations unable to invest in an LXP. It will be trialed internally with its U.K. workforce and will determine whether to roll it out to all employees globally. Capgemini continues to watch the market to see what learning vendors are doing and how technology is evolving, especially around generative AI.

In 2023, Capgemini's focus is on three core geographies: North America, the U.K., and Germany, due to its target accounts and the economic situation being stronger in these countries. It is targeting large and mid-sized businesses.



Financials

NelsonHall estimates that Capgemini's 2022 Learning Services revenue was ~\$51.46m.

Strengths

- Capgemini's global footprint (U.S., U.K., Europe, APAC, and LATAM) with digital transformation capabilities (including for learning) at scale
- Its regularly updated, broad, and deep range of sector-, subject-, and future skills-focused academies at multiple competence levels to enable long-term workforce career progression
- Capgemini's various internal programs (Time 2 Grow, Avancer X, and Connected Manager) with proven success that it can showcase and upsell to external organizations
- Development of its People Experience HUB, built on MS Viva, to bring in-the-flow-of-work learning to the masses (as 97% of organizations use MS O365 day-to-day).

Challenges

- With Capgemini's deep knowledge of its mature and less mature client mix, it is imperative to determine which of its offerings are best suited to meet their specific needs and when others could be introduced to entice them to take further steps towards future-of-work transformation
- It may have to re-prioritize its roadmap based on how quickly its new tech enhancements and offerings gain market traction to maximize its market opportunities, especially where they offer something unique.

Strategic Direction

Capgemini has the following strategic priorities:

- Continuing to provide solutions to drive top quality "People Experience" to overcome its clients' learning and broader talent challenges: including evolving its innovative internal people programs
- Focusing on MS Viva learning through the development of its centralized People Experience HUB: embedding simulated learning and nudges in the flow of work
- Further developing its onboarding offering with immersive 3D virtual office environment experiences and using VR for skilling in safe and controlled environments
- More use of intelligent automation and AI, and partnerships with third-party providers of curated content.



Outlook

Capgemini will actively encourage its clients and other organizations to develop their workforces in the skills needed for the future of work while ensuring their longevity through continuous learning which is engaging and fit-for-purpose. It will also incorporate its five critical differentiators, where appropriate, through specific services or technology.

As organizations must improve their onboarding processes to avoid candidate drop-out and improve retention, Capgemini will be keen to showcase its internal and external use cases on the value of good onboarding. It will demonstrate the variety of forms that onboarding can take, using different modalities depending on the audience and end goal.

Since it has extended the depth of its offerings for ten core industries, with programs and academies geared for different competence levels to enable long-term career progression, it will encourage organizations within the ten sectors to take up those extra programs as part of the drive to aid employee retention and avoid quiet quitting. It will also promote its new academies focused on themes deemed to be essential for talent attraction and retention, such as sustainability, other ESG, DEIB, etc. Capgemini might find it timely to promote some of the programs it rolls out internally to external clients, such as Time 2 Grow and Avancer X.

It will also support those organizations yet to embrace a hybrid or remote working culture with programs aimed to skill workers in areas that will simplify those working models. While Capgemini's research identified that middle managers have historically received less development than other cohorts, this could present an opportunity to slowly roll out its Connected Manager program to some clients.

Digital skilling remains a top priority for promotion to all existing clients and those acquired from Altran (now Capgemini Engineering), as the demand will continue for years to come, with Cloud Campus remaining central to digital skilling.

The growing focus on workforce performance and associated business outcomes will continue to drive Capgemini's exploration of using technology in the flow of work. Its People Experience HUB, built on MS Viva, is crucial to Capgemini's plans (and expanding that to the SAP suite). The proprietary tech roadmap for Next, Acemy, RISE events and others, plus its third-party tech investments, will continue at pace.

Capgemini will continue to consult with organizations on optimizing their tech platforms while economic circumstances squeeze their budgets. It will also help them navigate the plethora of learning data and analytics to help strategize long-term learning services needs. Capgemini will continue to focus on the currently-buoyant markets of North America, the U.K., and Germany, targeting large and mid-sized businesses.



Learning Services Market Summary

Overview

Skills and broader talent shortages, alongside unpredictable, ever-changing external market forces, will be the dominant challenges organizations and Learning Services vendors will face for the foreseeable future.

Learning is vital to organizations' future success in attracting, developing, and retaining talent, and is critical for long-term business survival. More organizations of all sizes lack the internal know-how to become or remain future-fit, and many do not have basic, essential visibility of their workforce's current skills to help them move forward.

Learning Services vendors offer sophisticated services covering learning content, administration, delivery, technology, and consultancy, which have evolved in step with the maturity of their clients' learning functions. These have developed to give more forward-thinking organizations a competitive edge. But gaps in that provision, notably helping businesses embrace a skills-first model, learning around specific skills clusters, and services aimed at SMBs, are becoming glaringly apparent as the complexity of challenges intensifies for all sizes of organization. Learning and skilling must focus on all skills required by client organizations for the future of work regardless of employee seniority or career stage, and significant consultancy support must be given to get the basics of skilling in place so organizations can build on those foundations and plug their gaps in knowledge. Alongside, vendors must keep pace with the rapid evolution of technology via expert internal teams or partnerships to prove their ROI worth, while investing in generative AI, which is likely to be revolutionary in its potential usage for Learning Services in years to come, based on successful use cases undertaken in 2023 .

Leading vendors, while providing sophisticated learning services and tech, are also offering new solutions to plug those glaring gaps in market provision, and are reaping the rewards for doing so. Market awareness, deep client understanding, operational agility, flexibility, and adaptability are vital for Learning Service vendor success in a VUCA world.

Buy-Side Dynamics

With attention on skilling workforces to be future-fit, many buy-side organizations need basic support in identifying existing skillsets before determining future skill needs, the gaps, and how to close them. Until they undertake this work, they cannot make the learning function fit for purpose. Those organizations further along their learning transformation journeys, with a clearer view of their internal skills, seek to move to the next level (where learning impacts talent attraction and retention). Based on business priorities, such work encompasses linking skills to learning content, working with other talent teams to determine which skills to buy, borrow, or build, and relating skills-based learning to performance, recognition, and career progression (internal mobility). Buyers want to make an impact at the onboarding stage, as the initiation phase to long-term strategic career-based learning.

The appetite for learning analytics and insights grows, but buyers are increasingly frustrated with relevant data sitting in multiple systems, not knowing how to access it. There is much demand for support in accessing that data quickly. Buyers are frustrated at having disparate systems, and are seeking help to consolidate them to save time and money, fueled by the current economic constraints. Buy-side organizations are thinking about how technology can support their businesses as they move to more flexible (remote and hybrid) working models, and are seeking advice for mobile and applied learning. There is excitement about generative



AI, but few organizations understand it, and even fewer know how it could be used to their advantage.

Buyside organizations want help in driving highly personalized learning experiences and seek vendors offering a broader tactical and strategic portfolio covering all skillsets for their entire workforce. Yet, amid the economic challenges, their priorities focus on maximizing cost savings, efficiency, and workforce productivity.

Market Size & Growth

The global economic uncertainty is impacting Learning Services growth, but with skilling a C-suite priority, the future of the Learning Services market looks solid. The Global Learning Services market was worth ~\$4.4bn in revenue in 2022 and will grow at 3.6% in 2023, gradually increasing year on year, averaging 6.7% per annum to reach ~\$5.7bn in 2027.

The North American market will show the most substantial revenue growth at 7.5%, followed by the other regions: LATAM (5.8%), APAC (5.3%), CEMEA (4.8%), and the U.K. (4.5%). Healthcare, Energy, Pharmaceuticals, BFSI, Retail, and Manufacturing/Engineering are the most buoyant sectors.

Challenges & Success Factors

There remains limited provision of Learning Services for the SMB market, despite these organizations facing the same challenges around skills and talent. With more organizations seeking external advice on all aspects of learning, Learning Consultancy only represents ~6% of the services portfolio in 80% of the vendors. While vendors are increasing the sophistication of their service/tech offerings, a disproportionate amount of organizations have not got the learning essentials in place to contemplate enhancing their learning provision to be future-fit, so a rethink is required in basic consultancy provision.

As organizations seek breadth and depth in vendor offerings to cover learning/skilling across their entire workforce, many vendors still offer limited portfolios; for example, being heavily focused on digital skills, so needing provision from other third-party providers for soft, job-related, or functional skills. Vendors must leverage technology expertise from their broader corporate group or partner with third-party experts to ensure tech strategy evolves and is future-fit from a compliance perspective, especially as generative AI becomes prevalent and is expected to be transformative.

Success factors include aligning learning service sub-categories proportionately to match client demand and honing specific products to meet individual organizations' current challenges. For example, market traction has proven robust when consultancy is in the top three services a vendor offers. Offering basic bundles of learning consultancy (skills, content, data, and tech), similar to content bundles, to SMBs would help them navigate their learning services challenges (attracting and retaining employees), and prevent them from falling further behind. Content adapted for the future of work (for example, remote digital working, leading a remote or hybrid team) to aid reskilling/upskilling is essential to engage all learners, irrespective of their organization's learning maturity. Also, successful vendors will be those who can have expert discussions around technology evolution with like-minded tech experts internal to client organizations.



Outlook

Despite the current market challenges, which will likely prevail for several years (and vary by geography and sector), we anticipate a gradually improving and growing Learning Services market. The skilling and talent challenges will not go away, so organizations must determine their learning/skilling priorities to ensure longer-term business survival. Vendors will have to carefully align their strategic priorities to these ongoing client challenges.

Merger, acquisition, and divestiture activity will likely continue as learning/skilling requirements become increasingly intertwined with broader talent requirements and vendors seek to maintain or grow their market shares.

While vendors prioritize their core country and sector markets, market forces will remain less predictable. Learning Services vendors must be open-minded about which markets to pursue at any given time and stay agile to pivot at short notice. However, there will be some predictability regarding where to focus efforts, notably in those sectors that are already transforming (energy, automotive manufacturing, etc.).

Intelligent technology will continue to evolve quickly, and learning vendors must invest in it, whether by partnership or within their own teams. Newer modalities such as VR/AR/MR platforms will continue to be prevalent as the learning function prioritizes ever-more collaborative and hyper-personalized outcomes for learners. The scope of generative AI is likely to be revolutionary based on 2023 progress: we have seen PoCs and use cases in content curation/creation, curriculum development, learning analytics, personalized feedback, and digital assistants. Vendors must be central to its ongoing development.

The complexity of market challenges globally, prevalent since 2020, has shown that Learning Services vendors can survive adversity by being flexible, agile, and resilient. Those qualities must remain central to Learning Services vendors' priorities as other PESTLE factors (notably regional political and social) take the main stage. Vendors must continue to support organizations that want to save costs while providing solutions to meet their changing needs. It will remain a delicate balancing act to provide a win-win situation for clients and vendors.



NEAT Methodology for Learning Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

‘Ability to deliver immediate benefit’: Assessment criteria

Assessment Category	Assessment Criteria
Offering	Learning content creation/development services Learning content curation services Skills content mix Content optimization (relevant, fit-for-purpose) Range of modalities Skills practice modalities Learning administrative services (range, sophistication, pivot) LMS/LXP (+ other learning tech) services Other broader tech/tools services Learning consultancy services (core) Strategic Learning consultancy services (learning roadmap strategy, future skills, insights, data/analytics, etc.) Specialist services (Sourcing Talent as a Service, etc.) New + Adapted Services (includes broader talent) Reskill Upskill
Delivery	Global North America U.K. Continental Europe Middle East/Africa APAC LATAM Traditional learning facilities Digital learning facilities Range of suitable/adapted learning modalities (delivery) Safe spaces for skilling Provision of skilled instructors, etc. for learning (reskilled/upskilled) Delivery support mix (onshore, nearshore, offshore, etc.) Application of service automation Flexibility, scalability, agility in service delivery Range/sophistication of LMS, LXP, + other learning platforms (XR, content creation) Platforms/modules for skilling Use/sophistication of advanced analytics, RPA, AI, ML, VR, AR, etc. AI + gen AI fed skilling functionality Learner experience (personalized, mobile, self-service) Personalized, mobile, self assessed skilling Next Gen Services Innovation Next Gen Tech Innovation

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Presence	Size Mix Large Organizations Mid-size Organizations Small Organizations North America U.K. Continental Europe Middle East/Africa APAC LATAM Single Country Multi-country (One Region) Multi-region Global
Benefits Achieved	Cost savings Accelerated time to learner competence Improved (digital) learning content Improved delivery agility/flexibility/ scalability Improved learner satisfaction/ engagement Improved adoption rate/usage of training Improved compliance Using latest learning technology Perceived ROI/value for money Improved overall learning outcomes

Exhibit 2

‘Ability to meet future client requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Ability to Meet Future Learning Needs	Ability to Reimagine Service Offerings (aligned to market/global trends) Shift to Skills Based Learning Vendor Knowledge and Expertise Future Skills Knowledge and Expertise Best Caliber Personnel (includes proactiveness) Strength of Partnership Flexibility of Approach Ability to Scale/Pivot at Speed (Agility) Digitalization/Transformation Capability Continuous Improvement Mindset Recommendation

continued...



<p>Ongoing Offerings Development</p>	<p>Overall future learning needs</p> <p>Future-fit content (created or curated) services for reskilling/upskilling</p> <p>Future-fit learning admin services (digital, data, analytics)</p> <p>Future-fit learning delivery (digital, blended, eLearning, modalities)</p> <p>Future-fit skills-specific delivery</p> <p>Future-fit learning consultancy (future of work learning, tech)</p> <p>Future-fit tech services (Learning platforms, tools, for new era of learning)</p> <p>Advanced learner data/analytics for Informed Insights</p> <p>Advanced skilling data/analytics</p> <p>Deployment of intelligent tech/tools to enhance learning (RPA, AI, ML, etc.)</p> <p>Deployment of intelligent skilling tech</p> <p>Future-fit service delivery</p> <p>Mechanisms in place to drive innovation in services</p> <p>Mechanisms in place to drive innovation in tech/tools</p> <p>Mechanisms in place to drive personalized learning experiences</p> <p>Mechanisms in place to support on the future of learning (emerging trends)</p> <p>Mechanisms in place for the future of skilling</p> <p>Mechanisms in place to drive service delivery/ operational excellence</p> <p>Mechanisms in place to drive the journey to future learning transformation</p> <p>Roadmap in place to evolve appropriate tech/tools strategy</p> <p>Future holistic talent journey (strategizing for future workplace/workforce skills needs)</p>
<p>Market Momentum</p>	<p>Learning Services Market Momentum</p>
<p>Financial Rating</p>	<p>Financial rating</p>

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com

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