



Accenture Next Generation Application Outsourcing

Vendor Assessment
Report Abstract

February 2017

By David McIntire
IT Services
Research Director
NelsonHall

10 pages

research.nelson-hall.com





Who Is This Vendor Assessment For?

NelsonHall's Next Generation Application Outsourcing Vendor Assessment for Accenture is a comprehensive assessment of Accenture's next generation application outsourcing offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for cloud infrastructure migration and management services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the cloud infrastructure migration and management sector.

Key Findings & Highlights

Accenture became a public company in July 2001, having separated from Andersen Worldwide in the January of that year. Accenture provides management consulting, technology, and outsourcing services and solutions, targeting Fortune 1000 organizations and large public sector agencies. While much of its activity remains focused on consulting and projects, outsourcing now contributes 46% of Accenture's total revenues.

Accenture is focusing heavily on next-generation capabilities, or "The New", as Accenture calls it, which is digital, cloud and security related services, supported by new technology. This includes expanded use of automation capabilities internally. In FY 2016, Accenture invested ~\$930m in acquisitions, on top of ~\$800m in FY 2015. Approximately 70% of these investments in acquisitions have been in "The New".

In the four quarters ending February 29, 2016 (Q2 FY 2016), Accenture posted total revenues of ~\$31.6bn and ~\$14.7bn in outsourcing revenues (including application outsourcing, infrastructure outsourcing and business process outsourcing services).

NelsonHall estimates that across these revenue segmentations, application services including systems integration, application development and maintenance (ADM) services account for ~58% of Accenture's total revenues, or ~\$18.2bn. Of this, NelsonHall estimates that ~46% of application services revenue is associated with next generation application outsourcing, totaling ~\$8.4bn over the same period.

Accenture's next generation application outsourcing spans two of its business units: Digital, which includes digital transformation as well as dedicated vertical and horizontal focused offerings; and Application Services, primarily focused on embedding analytics and intelligent automation within application management delivery; and targeted on delivering new application development through agile development as well as leveraging DevOps principles.

Scope of the Report

The report provides a comprehensive and objective analysis of Accenture's next generation application outsourcing offerings, capabilities and market and financial strength, including:

- Analysis of the company's offerings and key service components
- Revenue estimates
- Identification of the company's strategy, emphasis and new developments
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.



Contents

- | | |
|----|--------------------------------------|
| 1. | Background |
| 2. | Revenue Summary |
| 3. | Key Offerings |
| 4. | Delivery Capability and Partnerships |
| 5. | Target Markets |
| 6. | Strategy |
| 7. | Strengths and Challenges |
| 8. | Outlook |

Report Length

10 pages

Report Author

David McIntire

david.mcintire@nelson-hall.com

Forthcoming Profiles

Atos, Capgemini, Infosys, Luxoft, NIIT Tech, NTT DATA, TCS, Tech Mahindra, Unisys and VirtusaPolaris.