Capgemini
Agile Development & DevOps Services

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Agile Development and DevOps Services Vendor Assessment for Capgemini is a comprehensive assessment of Capgemini's Agile Development and DevOps services offerings and capabilities designed for:

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

Key Findings & Highlights

Founded in Grenoble in 1967, Capgemini is the largest European headquartered IT services provider, serving all major European markets. Following the completion of its IGATE acquisition in 2015, North America is now its largest market.

In 2015, Capgemini acquired IGATE, significantly expanding its offshore delivery capability. Capgemini now has over 108k employees in India. It will also be able to use IGATE's corporate university in Pune to quickly onboard and training resources. The acquisition also helps drive growth in the BFSI sector, as IGATE brought in some large financial institutions including RBC, UBS, and Metlife.

In a major portfolio development, in September 2018 Capgemini launched a new global service (GSL), Capgemini Invent. The GSL combines the group's digital innovation, consulting and transformation capabilities across several units, Capgemini Consulting, and a series of recent acquisitions including LiquidHub, Fahrenheit 212, Idean, U.K. design agency Adaptive Lab, Backelite, and Prosodie. Altogether at its launch, Capgemini Invent had >6k personnel and 11 creative studios from Idean. The unit has since expanded in Europe with two acquisitions: Italian digital agency, Doing and French digital agency June 21.

Capgemini's calendar year 2018 revenues were €13.2bn or ~$14.5bn. Capgemini reports that that ~64% of this is associated with application services (~$9.2bn). NelsonHall estimates that ~20% of this application services revenue is associated with agile development and DevOps services or ~$1.85bn.

Capgemini categorizes its next-generation application development service offerings into three groups:

- Transformation Services, including:
  - Agile and DevOps maturity assessment
  - Transformation roadmap design and execution
- Agile and DevOps implementation services
  - Accelerated Delivery Center
  - Agile playbook; DevOps repository
  - Agile and DevOps program delivery and management

- Outcome-based operating model design
  - Outcome-based target operating model design and implementation
  - POD-based distributed agile service delivery and measurement.
- Transformation and delivery metrics measurement services
- Organization change management

Capgemini has ~211k employees as of the end of 2018. It estimates that ~55% are trained in digital skills.Within this workforce, Capgemini has ~21.5k agile skilled resources and ~5k DevOps skilled employees.

Capgemini maintains ~60 deliver centers globally. Under the 3-year AgileWork@Cap plan which commenced in 2016, Capgemini has been rationalizing, consolidating and enhancing its traditional offices to make these more flexible spaces that enable collaboration and co-creation (agile corners, mini-auditoriums, collaborative furniture, more meeting rooms, virtual conferencing tools, etc.). When all come into service by the end of 2019, they will be able to host 83k seats. The rest of the portfolio will be upgraded progressively.

As the largest European IT services vendor, Capgemini is positioned well and investing in building both its digital capabilities and the agile delivery and DevOps capabilities necessary to deliver digital solutions. It has a broad geographic delivery footprint allowing it flexibility in delivering agile in the form requested by its clients (on client premise, globally distributed, etc.). However, with only ~10% of its workforce currently possessing agile and DevOps skills, this is an area where the company still needs to invest. To its credit, its investments in the Skill2Lead initiative reflect its understanding and commitment to address this.

This broad geographic footprint is also reflected in its current agile and DevOps client base and has driven Capgemini's efforts to transform existing delivery centers around the globe to support agile opportunities. It has also driven the opening of its AIE network in key client locations to allow clients to collaborate with Capgemini in design thinking and ideation that build the backlog of agile engagements.

This investment in building broader digital skills extends beyond building locations to also acquiring digital capabilities. Many of these design and digital acquisitions form the core of the Capgemini Invent group that plays a central role in consolidating digital, creative and consulting skills. As this is a fairly new group (launched in mid-2018) and acts as the "tip of the spear" on many digital engagements that will utilize agile and DevOps for delivery, it is imperative that Capgemini has a defined and integrated end to end capability spanning from initial design thinking to development to production. Close collaboration with the OCM capability housed in Capgemini Invent is a good example of the close coordination required across the organization. While there is no reason to doubt this integration is occurring, as the time passes that is required to enable these capabilities to coalesce, it is imperative that client delivery doesn't suffer.

Scope of the Report

The report provides a comprehensive and objective analysis of Capgemini's Agile Development and DevOps service 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.

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