



Capgemini Next Generation Application Outsourcing

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's next generation application outsourcing vendor assessment for Capgemini is a comprehensive assessment of Capgemini'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

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

In January 2002, Capgemini launched Sogeti, a localized professional services specialist unit. Sogeti is a separate entity within Capgemini with its own route to market and operating structure. It targets 'transaction' based business in the form of T&M, very often as staff augmentation services in the areas of application, infrastructure and R&D services. This enables Capgemini to pursue smaller engagements outside of its core business of large consulting, SI, or outsourcing engagements.

Capgemini is one of the largest four application management vendors in Europe. It has grown from full IT outsourcing contracts with embedded application management work. While Capgemini won few of the large standalone contracts awarded in the U.K. and Netherlands in recent years, relying more on sub-€50m contracts, this is now changing.

In late 2010, Capgemini reorganized its applications services units, merging its regional Technology Services units with the application management arm of Outsourcing Services. The reorganization, a response to clients tending to buy applications services as a whole rather than software development or application management separately, was intended to help secure a larger proportion of multi-year application outsourcing contracts combining maintenance and support with SI work.

In CY 2015, Capgemini reported overall revenues of ~€11.9bn (~\$13.1bn). Its Application Services (AS) segment accounted for ~€9.4bn (\$10.4bn).

NelsonHall estimates that ~56% (~\$5.75bn) of Capgemini's AS revenues are associated with next generation application outsourcing services.

At the end of H1 2016, Capgemini had ~185k global resources. Capgemini's global delivery network has 101,546 employees, representing ~55% of the total group headcount. Of this, 90,539 are located in India (~49% of the total headcount).

Scope of the Report

The report provides a comprehensive and objective analysis of Capgemini'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.



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