Capgemini Software Testing

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's software testing vendor assessment for Capgemini is a comprehensive assessment of Capgemini's software testing offerings and capabilities, designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for software testing services

- Vendor marketing, sales and business managers looking to benchmark themselves against their peers

- Financial analysts and investors specializing in the software testing sector.

Key Findings & Highlights

In Q3 2009, the Capgemini Group announced its 'Business as Unusual' effort, later renamed 'Top Line Initiative' (TLI), which aims to bring together the capabilities of its different strategic business units (SBU) for service offerings expected to be in demand by clients. 'Business as Unusual' had an objective of €800m in incremental bookings from these SBUs in 2010.

As part of the TLI, Capgemini Group created a testing global service line (TGSL), to:

- Bring together the activities of the Capgemini Group (especially of Sogeti, Applications One (including its Financial Services business), and Applications Two SBUs)

- Coordinate and integrate offerings, delivery and sales activity.

TGSL revenues are split approximately 50/50 between the Sogeti and Capgemini's two Application Services SBUs.

The Capgemini Group has a high growth ambition for the TGSL; in 2012 Capgemini announced that it wanted the business to reach €1bn in revenues by 2015, and in 2013 it reached ~€700m in revenues.

The group has changed its testing profile, having won at least five managed testing services contracts in the past four years, each with a TCV estimated by NelsonHall to be in the ~$100m zone. The five contracts are with:

- A large U.S. insurance vendor: announced in 2013

- A large U.S. bank: announced in 2013

- A large Australian bank: in June 2012 for five years

- A U.K. telecom service provider: in June 2011 for five years, renewed in December 2013

- A U.S. mobile operator: announced in January 2013.

Capgemini Group also won other significant-sized testing contracts in 2013. Examples include T-Mobile USA (a NelsonHall estimated TCV of $41m) and several smart-meter related contracts with EDF Energy (U.K.) and BC Hydro (Canada).

TGSL has 500 active clients. The number of managed testing services clients is ~75, each of which requires a testing personnel headcount in the range of 75 to 800.

Scope of the Report

The report provides a comprehensive and objective analysis of Capgemini's software testing 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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Vendor Assessments Also Available for:

Accenture, Atos, Capgemini, Cigniti, EPAM Systems, HCL Technologies, Maveric Systems, Mindtree, MTP, QualiTest Group, SQS, and Syntel.