



# Cognizant Application Management

Vendor Assessment  
Report Abstract

May 2014

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16 pages

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## Who Is This Vendor Assessment For?

NelsonHall's Application Outsourcing Vendor Assessment for Cognizant is a comprehensive assessment of Cognizant's application outsourcing offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for application outsourcing services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the application services, application support and maintenance sectors.

## Key Findings & Highlights

Cognizant Technology Solutions is headquartered in Teaneck, NJ. The company is an Indian offshore-centric provider of IT, consulting and BPO services. Cognizant had 2013 revenues of \$8.84bn, up 20.4%. Q1 2014 revenues were \$2.42bn, up 20%. Revenue guidance for 2014 is of at least \$10.3bn, up at least 16.5%.

Since 2008, Cognizant has consistently been the fastest-growing of all tier-one offshore-centric vendors, outpacing competitors TCS, Infosys, Wipro and HCL Technologies.

Cognizant started providing core application outsourcing services 18 years ago, initially working for D&B Corporation, then as a captive.

Application management, e.g. maintenance, support and enhancement, is the foundation service from which many Indian vendors have developed, before expanding to software development, COTS implementation and consulting. Cognizant has managed to maintain its strength on this core activity.

Over time, Cognizant has strengthened its service offering and the way it contracts with clients:

- Between 2000 and 2005, Cognizant offered AM services located in India, providing 24/7 and related support services, based on using CMMi
- From 2006 to 2010, the company expanded its support services by adopting ITIL V3, defining a service catalog based approach and by building L1 support across application and IT infrastructures.

Cognizant calls its application management capabilities "application value management" (AVM) and has an estimated 1k active AM clients, representing 85% of all Cognizant active clients.

Cognizant has developed its Managed Services offering, which is built on a transfer of ownership and accountability from the client to the vendor.

Since 2012, in addition to its Managed Services transition, Cognizant has been moving towards:

- An expanded delivery model
- Business outcomes
- Formalized transformation

- Service management integration.

In the past three years, Cognizant has expanded its traditional focus on the North American and U.K. markets to include Europe. Significant recent contracts include an application management contract with Belgian bank KBC and a renewal of contract with Netherlands-based Rabobank, moving from a subcontractor status (from Ordina) to a prime status.

Along with standalone AM contracts, Cognizant has been active in winning multi-tower AM and IT infrastructure management contracts. The company hints at several wins, but is not able to share names of clients.

## Scope of the Report

The report provides a comprehensive and objective analysis of Cognizant's 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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## Report Length

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