TCS
Digital Experience Consulting Services

Vendor Assessment
Report Abstract

March 2020

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13 pages

Who Is This Vendor Assessment For?

NelsonHall's Digital Experience Consulting Services Vendor Assessment for TCS is a comprehensive assessment of TCS's digital experience consulting services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for digital experience consulting services

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

- Financial analysts and investors specializing in the experience consulting services sector.

Key Findings & Highlights

As digital transformation has grown as a key business objective, TCS has re-positioned its offerings to support evolution to what it calls "Business 4.0". These services look to embed intelligence, agility, automation, and cloud across the enterprise. To address this, TCS is positioning its offerings along three broad themes:

- Cognitive business operations: includes BPS, application operations and IT infrastructure services

- Digital transformation services: includes new practices focusing on various elements of the digital service stack, such as cloud, analytics, IoT, blockchain, and TCS Interactive

- Consulting and services integration.

TCS has developed a multi-layered delivery approach to support its focus on Business 4.0. In addition to client account teams and geographic units, it has developed market advisory groups to pursue new initiatives with new clients, in particular, targeting new buyers within organizations such as CFO or CMO. This group has been growing since early 2018, beginning with a pilot in the European market. These client-facing groups are supported by individual business & technology services (B&TS) organizations with specific digital transformation focus areas such as IoT, cybersecurity, and intelligent automation. This group includes TCS Interactive, the core of its experience capabilities.

In 2016, TCS began to centralize and formalize its design and creative capabilities. In February 2016, it launched its first Digital Reimagination Studio in Santa Clara to provide clients a dedicated location to conduct design thinking sessions and focus on user experience design as well as build a TCS creative presence in Silicon Valley.

Following this, in mid-2017, the company formed TCS Interactive to concentrate the design and creative capabilities it has been growing globally in support of client digital transformation. TCS Interactive spans the following services:

- Design: experience, service and interaction design

- Digital marketing: marketing automation, enterprise marketing management, data analytics, and decisions, data management platform

- Digital commerce: search and navigation, promotions and personalization, purchase process

- Digital content: content authoring and creation, digital asset management and content delivery and distribution

- Digital advertising: programmatic advertising, personalization, measurement, video advertising, micro-moments capture and guidance.

- Inclusivity: inclusive audit, design, testing, remediation, and operations.

In November 2018, TCS acquired London-based W12 Studios. The digital design studio focuses on consumer-facing media, content and branding; its name is in reference to the postal code of BBC headquarters. TCS is allowing W12 to remain primarily autonomous, maintaining its workspace and branding. TCS does bring W12 to collaborate on specific, complex engagements.

The TCS Pace brand was introduced in November 2018 as a consolidator of disparate capabilities: a brand identity encompassing its research, innovation, and digital transformation capabilities, applied within a business framework. Beyond the brand, TCS is also integrating its delivery capabilities to offer a more seamless service for digital transformation engagements that span multiple offering areas. In a full services play, TCS is also building close integration for capabilities that have not been formally brought under the Pace umbrella. And there are specialized CoEs dedicated to specific emerging technologies such as blockchain and IoT as well as TCS Interactive.

For CY18, TCS reported total revenues of ~$20.5bn. Of this, NelsonHall estimates that digital engagements accounted for ~28% (~$5.9bn). NelsonHall further estimates that ~15% ($885m) of this is derived from TCS Interactive's digital experience consulting services.

NelsonHall further projects that TCS 2019 digital experience consulting revenues will be ~$1,025m.

TCS Interactive is focusing on pivoting its client discussions from either being customer (B2C or B2B) or employee (B2E) focused on what it calls B2H (business to human). The goal is to look holistically at customer interactions and all of the internal delivery capabilities, including employees that support them. This expands the scope of engagements into the back office and middle office in addition to the front office. TCS has defined both customer and employee actions across the entire customer buying journey.

TCS Interactive has a total of ~9.9k employees across its locations spanning skills including design thinkers, service designers, creative directors, experience designers, content strategists, copy editors, videographers, 3D specialists, augmented intelligence/mixed reality engineers, digital marketing platform engineers, and UI/UX engineers.

NelsonHall estimates that this team is split with ~55% (~5.4k) of the employees based in a location in India and the remaining 45% (~4.5k) based in locations globally.

The core of TCS Interactive capabilities is housed in a network of Digital Reimagination Studios globally. These centers are focused on offering design thinking and creative space to deliver specialized experience services.

TCS opened the first Digital Reimagination Studio in Santa Clara, CA in 2016. Since TCS has opened more Digital Reimagination Studios in the following locations:

- London

- Chennai

- Tokyo

- Sydney.

TCS is planning to open additional locations in both the U.S. and Europe though is in the process of pivoting to a model in which the processes, tools, and approaches leveraged within Digital Reimagination Studios can be applied across both client and TCS locations.

TCS Interactive is planning to open a new W12 TCS Interactive studio at New York.

In parallel with the growing focus on Business 4.0, TCS has made significant investments in expanding its consulting and experience capabilities, both organically and with the acquisition of W12, inorganically. The growth of these capabilities has recently begun to include expansion of locations, opening digital reimagination studios. The global growth allows for better alignment with client needs but will increase the need for internal alignment for TCS - both maintaining standardized delivery in each location as well as close collaboration across related internal groups, such as TCS Pace Ports. Building a solid foundation before expansion and limiting inorganic growth to W12, mitigates the risk.

TCS has been able to leverage its legacy business and new and emerging capabilities to take a holistic view of experience engagements, looking at the experience of both external parties (customers, partners) and internal employees together as a single experience challenge. TCS is also seeking to apply its overall machine-first delivery model to experience design by developing tools that leverage intelligence to accelerate the delivery of services.

While it grows these creative services, it is also ensuring that broader TCS strengths are not abandoned. The ROI-by-design offering builds a quantitative model to support investment in UX, similar to traditional IT investment business cases. It also is building a more industrialized delivery model to help optimize the cost for clients once new engagements stabilize.

Scope of the Report

The report provides a comprehensive and objective analysis of TCS's digital experience consulting 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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