

Research Note

PAC's view on TCS' cloud offering and vision in Germany

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1. INTRODUCTION

The rapidly increasing digitization of all company divisions requires unprecedented agility and flexibility. Companies are facing the challenge of transforming their established businesses significantly. The development and adoption of new products and services, their marketing through a variety of channels, more intensive networking with customers, partners and suppliers, as well as growing internationalization and greater mobility of employees all require IT solutions usable throughout this rapidly accelerating change.

Companies of all sizes and sectors are now more dependent on available, agile, secure and cost-efficient IT infrastructures than ever before. The cloud model has long been recognized as a prerequisite for a successful transformation of businesses, but today successful transformation is often hampered by outdated IT infrastructures and legacy applications that do not provide the required agility, flexibility and time to market.

This bears the risk of either losing competitiveness or being faced with an increasing complexity of the supporting IT environment, including security and compliance issues. At the same time, there are more options for optimization, transformation and sourcing of IT infrastructures than ever before.

IT services and cloud transformation partners should thus not only accompany their clients on their journey towards a future-ready IT landscape. They should also have a deep understanding of the business and its required transformation and be ready to take over responsibility for ongoing operations, optimization and transformation.

Tata Consultancy Services (TCS) is a full service provider in the IT infrastructure, applications and business process transformation space, with a global delivery network for cost-efficient production, intelligent tools for migration and automation, as well as comprehensive capabilities, both regarding technology, processes and verticals.

This report analyzes and evaluates TCS' cloud services portfolio and positioning in Germany.

2. TCS IN GERMANY

TCS, the IT arm of global conglomerate Tata Group, is one of the leading global IT service providers, with a workforce of over 380,000 employees in 45 countries across the globe. It ranks among the top 5 IT services companies worldwide and among the top 10 in Europe in terms of revenue.

TCS has been active in Europe since 1975. However, in the past few years, TCS has rapidly emerged as one of the leading end-to-end IT service providers for the European market. TCS has evolved from an ADM provider with a prime focus on offshore delivery to an end-to-end service provider with the capability of accompanying its customers' IT and digital transformation. The company has reached a significant size in its local focus markets, including Germany, and is now able to start large projects with a high share of onsite resources.

Today, TCS has a very comprehensive and integrated product and service portfolio including services such as consulting, system integration, outsourcing, business solutions, business process outsourcing, engineering and industrial services, as well as software assets for companies in the insurance, health, and life science sectors.

In Germany, over 8,000 TCS associates provide services to 95 customers (incl. 14 DAX companies), with 1,300 professionals based at customer site or in 7 local offices. German clients are served through an established delivery model of onsite (customer site/Düsseldorf), nearshore (mainly Budapest) and offshore delivery resources.

In PAC's vendor rankings, TCS ranks among the top 25 IT services providers and among the leading 15 cloud-related consulting & systems integration (C&SI) suppliers in Germany.

3. TCS' INFRASTRUCTURE SERVICES BUSINESS & VISION

With revenues close to USD 3 billion, infrastructure services have been the fastest-growing service line for TCS globally as well as in Germany. Over 39,000 associates are working for more than 400 clients worldwide.

TCS' infrastructure services vision is based on 4 major pillars:

- **Hyper-scale capacity**

TCS offers support with regard to realizing an agile, scalable and cost-efficient cloud infrastructure; depending on the client's needs, such can be based on a private cloud architecture (built and managed on premise or hosted by TCS), on major public clouds such as from AWS or Microsoft, or on a hybrid cloud model.

- **Industrialized IT**

Increasing service automation is an important element of an industrialized IT operation, besides an established global delivery network with standardized processes and tools. TCS has launched the service automation solution "Ignio™ for IT Operations", which promises improved efficiency, resilience and customer experience through cognitive, context-aware and autonomous processes.

- **User experience**

TCS' "Digital Desk & Workplace" concept focuses on the transformation and management of a company's work environment and service desk processes, including e.g. enterprise self-help elements based on innovative solutions like chatbots, moderated communities or live chats, or the "AnyTime, AnyWhere IT" mobile IT approach.

- **Business integration**

TCS aims to distinguish itself not only through technological and process excellence but also in-depth domain expertise that allows the establishment of a strictly business-aligned service delivery as well as metrics driven by business KPIs and SLAs. The goal is to position itself as a "Digital Business Integrator" with a focus on the business value of IT through facilitating e.g. data analytics across IT and business or IT & OT convergence.

4. TCS' CLOUD SERVICES BUSINESS & VISION

In accordance with the overall positioning, TCS' approach to cloud computing is highly comprehensive and business-oriented.

The company has been investing heavily in its cloud capabilities, including the establishment of new data centers around the world, partnerships with major public cloud vendors and a still massively growing workforce of today already more than 10,000 cloud engineers, who are also trained in digital technologies.

TCS offers end-to-end cloud lifecycle services that range from cloud strategy & design over cloud migration & integration, cloud infrastructure services and hybrid cloud, cloud security services and cloud assurance & DevOps to cloud managed services.

Services typically start with a workload analysis, i.e. a cloud readiness check and concepts for migration, consumption model, etc. TCS' migration framework is based on a proven factory model, decision & priority engines and test automation that support the realization of hybrid cloud architectures based on service catalogues, analytics-driven automation, application re-platforming and the integration of public cloud platforms. The management of these cloud architectures is provided by certified service teams based on TCS' cloud delivery model.

All processes, from assessment and recommendation to migration, integration and automation, are supported by established tools.

The vendor's cloud-related "plan-build-migrate-manage" services offering spans infrastructures, applications and business processes:

- **Enterprise Hybrid Cloud Infrastructure**

TCS' approach to cloud infrastructures has been to enable customers to choose a deployment model that matches their individual needs best. Apart from traditional data center services, TCS' offerings thus include its own private cloud architecture as well as the orchestration and integration of major public clouds such as from AWS, Microsoft and other public cloud providers. Around 7,500 certified or trained resources across many public cloud partners are working with TCS at global level. TCS' private cloud can be established on premise or can be hosted by TCS. The vendor runs data centers in India, North America, Japan, Sweden and UK, and since 2016 also in Germany, and plans further investments in Australia and Canada.

- **Application Platform Cloud**

TCS' approach to cloud computing is not limited to providing just the infrastructure platform. The company has long-standing experience in application re-engineering, re-platforming and migration. At worldwide level, TCS has migrated over 10,000 applications to the TCS Cloud Fabric. These applications range from platform solutions to major business application software

from SAP, Oracle, etc. and are partly offered in a software as a service (SaaS) model. In addition, services around industrialization, service management, automation and security are an integral part of the offering.

- **Business Cloud**

Based on proprietary software and SaaS solutions for specific industry sectors such as retail or financial services, TCS' portfolio comprises business process as a service offerings, i.e. TCS not only provides the IT platform but takes over responsibility for the processing of business transactions.



*We realize the cloud architecture that is best for the customer.
Be it on premise, hosted, public or hybrid.”*

Manav Sadana,

Head - Infrastructure Services, Central Europe at TCS

5. PAC EVALUATION

With its comprehensive suite of services and solutions, TCS is able to address the entire value chain of IT transformation and operations for its customers, covering infrastructure modernization as well as application re-platforming and migration.

The established global delivery network and the increasing application of tools for service automation allow a cost-effective delivery, while innovative digital technologies and concepts promise increased user experience.

Furthermore, TCS not only draws on its extensive technology and service competency but also its industry-specific domain knowledge in various verticals that are increasingly imperative given the growing pressure of change on the part of their clients. This contextual knowledge of customers and their business is a unique differentiator for TCS in the ever growing commodity market of cloud and related services.

Alliances with a wide range of leading technology vendors, including the major public cloud suppliers, complete TCS' capabilities and ensure vendor-neutrality and variety of choice for their clients.

From a geographic perspective, TCS' positioning across Europe is still unbalanced, with a particular strong presence in the UK market. However, the company remains one of the fastest growing IT services providers in Germany and has been able to steadily increase local awareness and reputation of its brand over the past years. Some of the engagements undertaken by TCS across different industry verticals in Germany are quite unique and complex, which is a reflection of the confidence of German customers in TCS's capabilities & collaborative approach.

TCS has clearly recognized that German clients have specific demands with regard to their IT providers and has invested significantly in further localization. Meanwhile, TCS can count on a significant number of onsite professionals that complement its global delivery capacities.

With the establishment of data center capacities in the Frankfurt/Main region at the end of 2016, with multimillion Euro investments, TCS fills an important gap to major competitors, as local data storage capabilities are seen as a key factor by many companies that are subject to specific regulations or that simply prefer to keep their data within the country. And given the particularly strict German data privacy law, these facilities may even serve as a hub for other Continental European countries.

ABOUT PAC

Founded in 1976, Pierre Audoin Consultants (PAC) is part of the CXP Group, the leading independent European research and consulting firm for the software, IT services and digital transformation industry.

The CXP Group offers its customers comprehensive support services for the evaluation, selection and optimization of their software solutions and for the evaluation and selection of IT services providers, and accompanies them in optimizing their sourcing and investment strategies. As such, the CXP Group supports ICT decision makers in their digital transformation journey.

Further, the CXP Group assists software and IT services providers in optimizing their strategies and go-to-market approaches with quantitative and qualitative analyses as well as consulting services. Public organizations and institutions equally base the development of their IT policies on our reports.

Capitalizing on 40 years of experience, based in 8 countries (with 17 offices worldwide) and with 140 employees, the CXP Group provides its expertise every year to more than 1,500 ICT decision makers and the operational divisions of large enterprises as well as mid-market companies and their providers. The CXP Group consists of three branches: Le CXP, BARC (Business Application Research Center) and Pierre Audoin Consultants (PAC).

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