



# Everest Group PEAK Matrix™ for SCM Service Providers

Focus on TCS  
May 2017



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Everest Group recently released its report titled “[Supply Chain Management \(SCM\) – Service Provider Landscape with PEAK Matrix™ Assessment 2017](#)”. This report analyzes the changing dynamics of the SCM landscape and assesses service providers across several key dimensions.

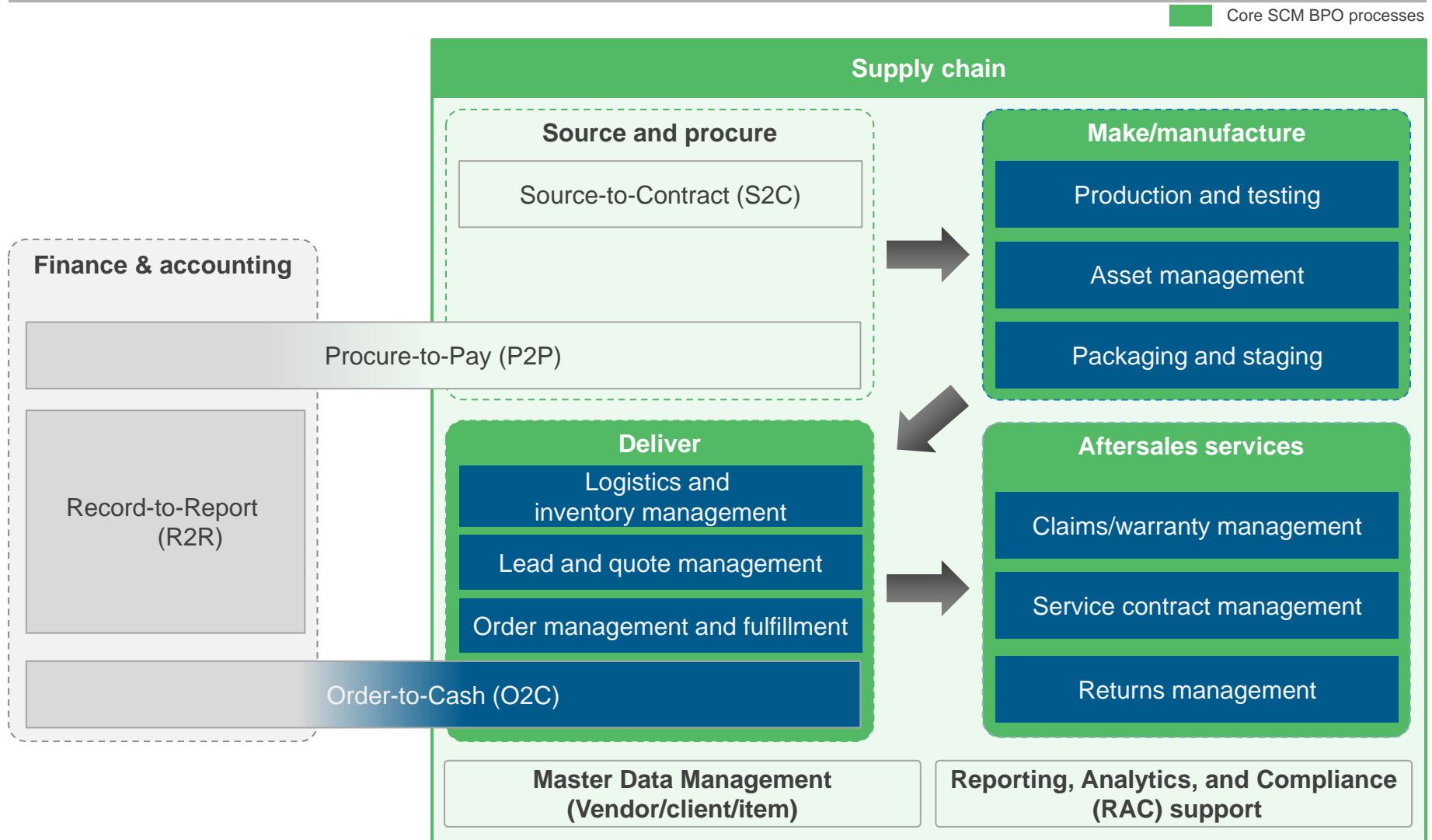
As a part of this report, Everest Group updated its classification of 11+ service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for SCM into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of SCM service providers based on their absolute market success and delivery capability.

Based on the analysis, TCS emerged as a Leader. This document focuses on TCS’s SCM experience and capabilities. It includes information on:

- TCS’s position on the SCM PEAK Matrix in 2017
- Detailed SCM profile of TCS

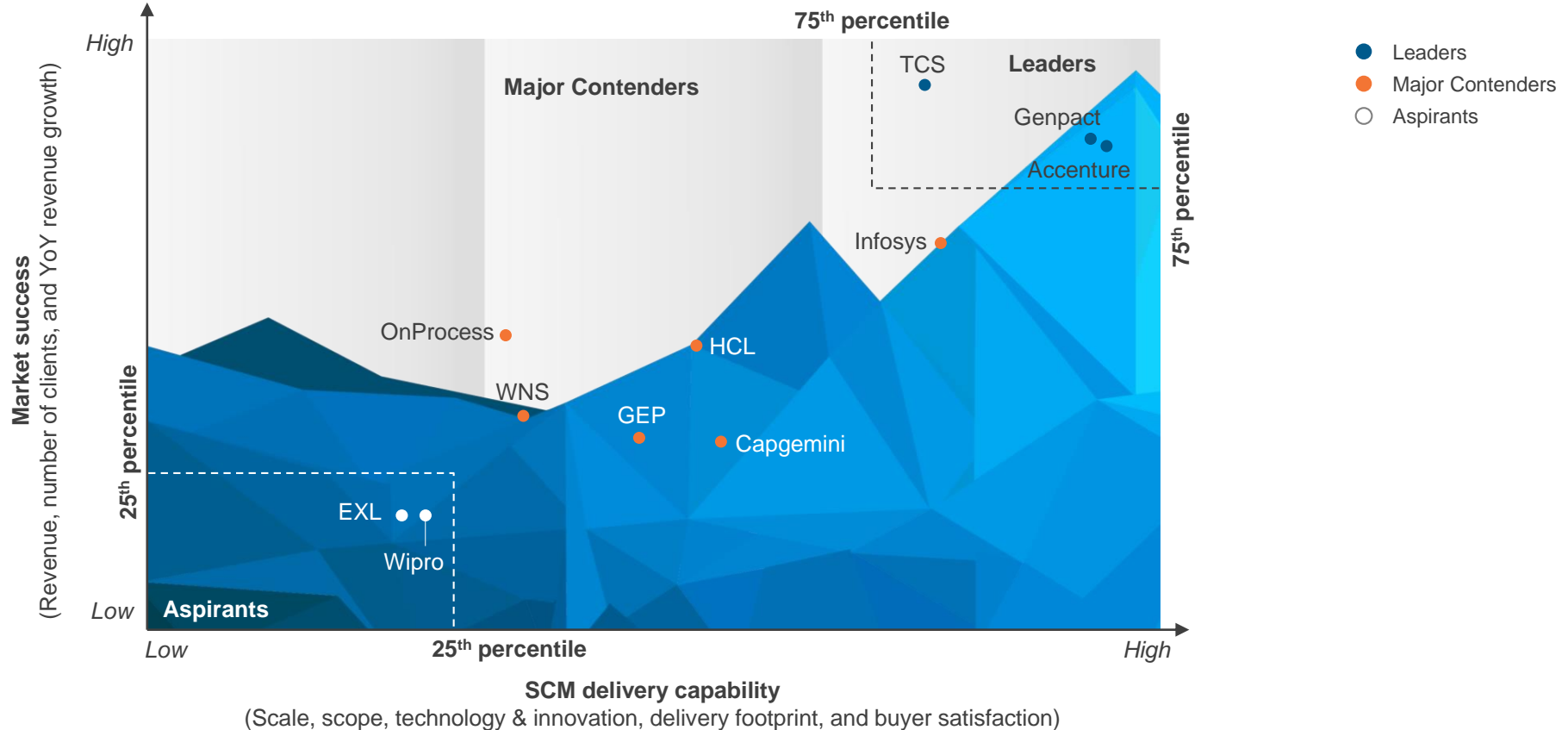
Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service provider’s relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

# SCM has significant overlaps with Finance and Accounting (F&A) and procurement processes



# Everest Group PEAK Matrix – 2017 SCM market standing

Everest Group PEAK Matrix<sup>TM</sup> for SCM<sup>1,2</sup>



1 Assessment for Wipro excludes complete service provider inputs on this particular study and is based on Everest Group's estimates which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of Wipro's public disclosures, and interaction with buyers

2 Service providers scored using Everest Group's proprietary scoring methodology

Source: Everest Group (2017)

# TCS (page 1 of 5)

## SCM service capabilities

### Key SCM leaders

- Dinanath Kholkar, Global Head, TCS BPS
- Syed Rizvi, Global Head, Enterprise Services, TCS BPS
- Prashant Arora, Head, SCM BPS

### SCM service suite

TCS' supply chain management services provide solutions to help customers transform their business. Their SCM services simplify supply chain processes and improve business outcomes with enhanced sourcing, accurate demand forecasting, and improved order fulfillment. TCS' ValueBPS<sup>TM</sup> approach drives proactive partnerships to propel growth and outcomes on strategic business metrics.

TCS' SCM service suite includes:

- **Sourcing & procurement:** strategic sourcing, category management, operational procurement, contract management, supplier performance management, and procurement helpdesk
- **Supply chain operations:** supply chain planning and scheduling, which encompasses production, replenishment, RM & packaging, contract manufacturing, and inventory management
- **Order management:** sales order management, logistics fleet management, and warehouse management
- **After market services:** warranty management, spares management, and return material authorization
- **Other services:** supply chain analytics, customer interaction management, and master data management
- TCS Robotic Process Automation (RPA) deploys effective machine learning and actions to perform complex processes that need judgment and execution.
- TCS analytics platform helps clients gain access to enhanced capabilities for procurement data analysis with a multi-tenant, integrated solution

### Partnerships

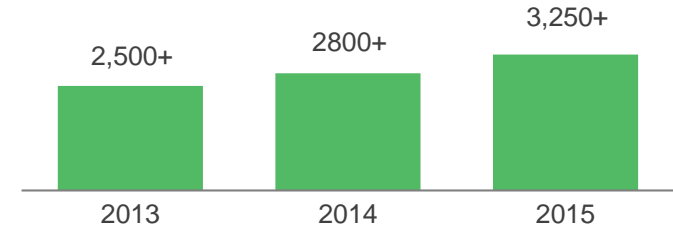
- Technology providers including JDA, Kinaxis, and E2Open
- Partnership with Blue Prism for automation
- SAP and Oracle – enablers for S2C and S2C platforms
- GE - first all-women business process services center in Riyadh

Note: 1 Does not include order management (that are common to Finance and Accounting), source & procure, and MDM FTEs

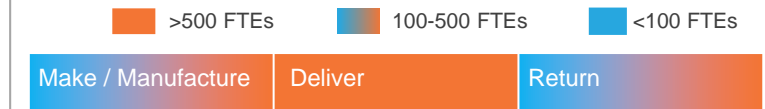
Source: Everest Group (2017)

### Scale of operations<sup>1</sup>

Number of SCM FTEs over time



### FTE mix by process scope



### Key SCM-related developments

- Year 2016: invested in RoBIDS<sup>TM</sup> – a logistics management solution to optimize logistics capabilities of clients
- Year 2016: invested in TAP<sup>TM</sup> Purchasing – a cloud-based, integrated solution that makes firm's buying experience easier
- Year 2015: developed ignio<sup>TM</sup> – world's first neural automation platform that automates and optimizes global operations
- Year 2015: invested in iON Energy – a service-based energy solution for commercial and industrial customers offered on the iON Energy platform
- Year 2014: developed TCS analytics platform – helps clients gain access to enhanced capabilities for procurement data analysis

### Number of clients

More than 100

# TCS (page 2 of 5)

## SCM client portfolio

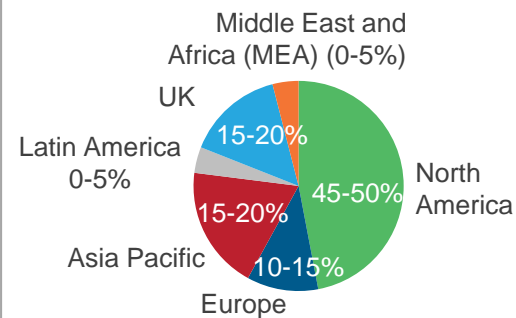
### Major SCM clients

Global 500 telecommunication company, leading research company, top 10 global shipping & container company, fortune 50 manufacturer, fortune 50 conglomerate - healthcare unit, U.S. based telecom company, top 5 software products provider, largest global petroleum and chemicals enterprise, global 500 electricity & gas distribution company, leading American chemical company, fortune 50 retailer, US-based S&P 500 packaging company, Europe-based leading pharmaceutical company, mid size exploration and mining contractor, and US based large automotive manufacturer

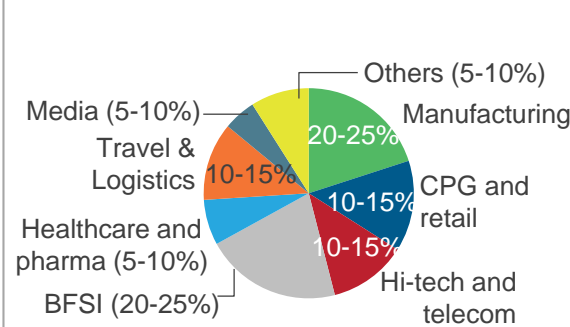
### Recently-announced multi-process SCM engagements

Time of signing	Client	Contract details
2016	Global beverages & brewing company	TCS to provide order management, MDM, and S2P services in multi-year contract
2016	U.S. - based health insurance company	Multi-year contract to provide contract management and other SCM services
2016	Europe based leading pharmaceutical company	TCS to provide MDM and other SCM services in multi-year contract
2016	Global 100 financial services firm	Multi-year contract to provide SCM services

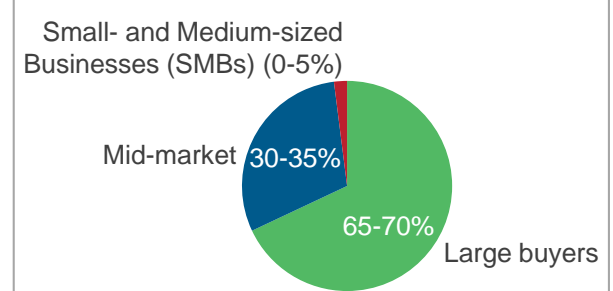
### SCM revenue geography mix<sup>1</sup> (2016)



### SCM industry mix<sup>1</sup> (2016)



### SCM revenue buyer size mix<sup>1</sup> (2016)



Note: 1 Data as of June 2016  
 Source: Everest Group (2017)

# TCS (page 3 of 5)

## SCM delivery locations



Source: Everest Group (2017)

# TCS (page 4 of 5)

## SCM technology solutions

### Solution description

#### TCS TRAPEZE<sup>TM</sup>

- *TCS TRAPEZE<sup>TM</sup> SCM suite*: It is an eProcurement solution specifically designed for supply chain processes and requirements

#### TCS TAP<sup>TM</sup> Purchasing

- It is a cloud-based, integrated solution that simplifies a firm's buying experience

#### RoBIDS<sup>TM</sup>

- It is an independent solution framework for large-scale guided BI implementations in road-based logistics companies

#### TCS Analytics Platform

- It is a comprehensive business intelligence, analytics, and performance management solution

### Process scope

- It provides multiple benefits for supply chain processes automation outside ERPs, ERP integration, automated approval workflow, quick reporting, PO generation & supplier interaction, and integration with F&A processes

- It enables augmentation of spend under management, facilitates compliance with purchasing policies, and promotes better collaboration with suppliers

- It covers the core operational function based analytics such as pickup management, terminal productivity, empty miles analysis, delivery management, and broker analytics amongst others

- It includes sales, marketing, customer, human resources, finance, supply chain, and procurement functional areas and is available in specific industry variants such as retail and manufacturing

### Technology leveraged

- JAVA, .NET, and MVC

- TCS Proprietary

- RFID interface-based middleware

- TCS analytics platform is powered by Oracle

### Delivery model and pricing

- Bundled services / flexible pay-per-use pricing with minimal upfront investment



# TCS (page 5 of 5)

## Everest Group assessment

Measure of capability: ● Best-in-class ● Not matured □ Leaders □ Major Contenders □ Aspirants

Delivery capability <sup>1</sup>						Market success <sup>1</sup>
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	

### Strengths

- Within the SCM competitive landscape, TCS leads the scale of operations, both in terms of revenue as well as FTEs
- TCS has a very balanced client portfolio in terms of its geographic coverage (spread evenly across North America, Asia Pacific, UK, and wider Europe) as well as buyer segments (good traction both in the mid-market and large buyer categories)
- It has strong industry expertise in the traditional sectors of manufacturing and hi-tech & telecom, as well as in niche sectors such as travel & logistics
- Strong suite of technological capabilities and tools around analytics and automation (both in-house and partnerships) integrated through their proprietary BPaaS-based TRAPEZE<sup>TM</sup> solution
- Clients appreciate TCS' ability to support them during difficult times, and also for addressing and resolving issues

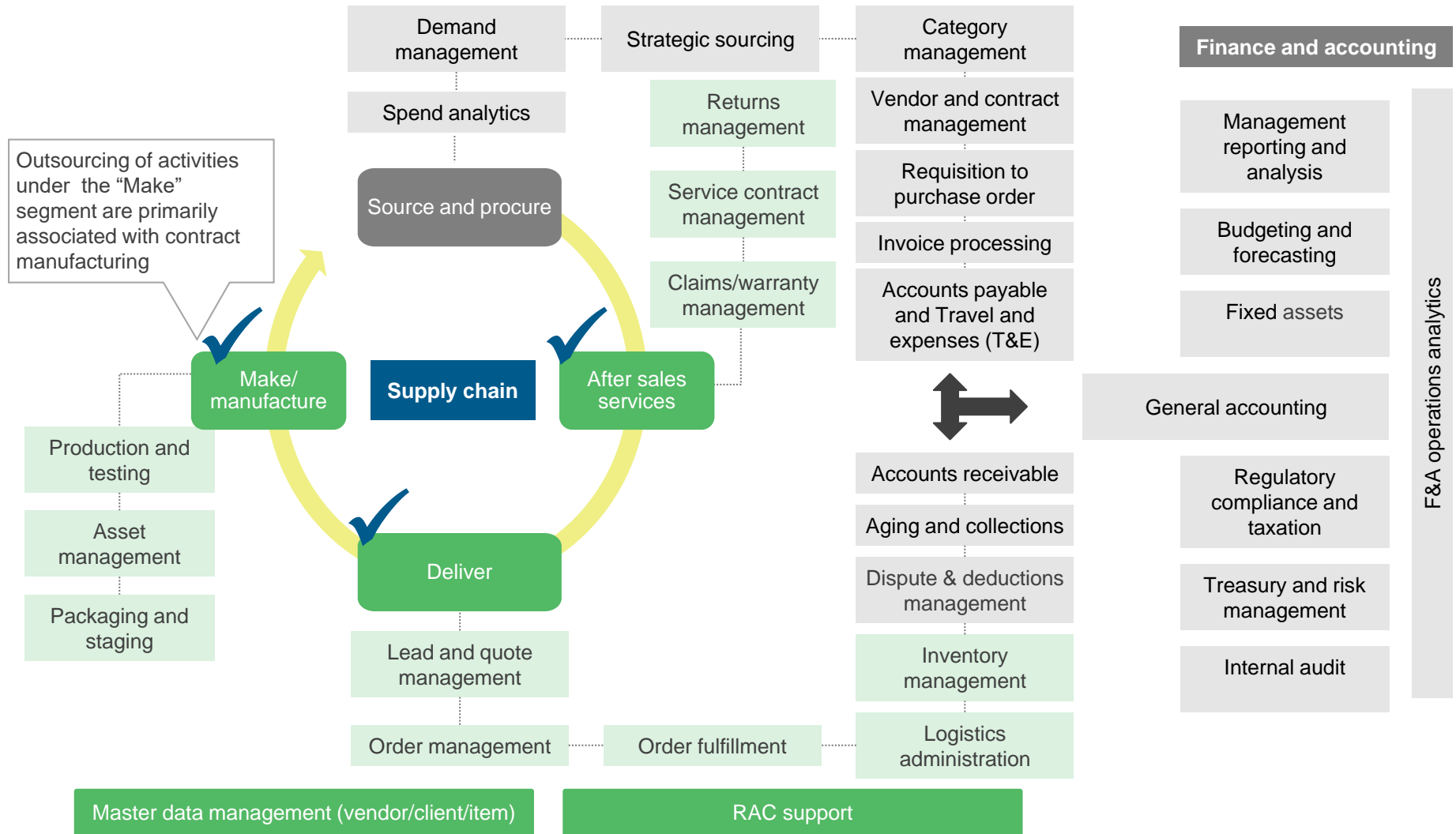
### Areas of improvement

- While TCS is a Leader in the SCM landscape, with strong capabilities across the value chain, a major chunk of its services are focused on the delivery process, more specifically within the order management function, resulting in scope for capability expansion in the make/manufacture and after sales services processes
- TCS leverages a heavily offshored model, which is suitable to provide services within the delivery process. It should focus on developing onshore and nearshore delivery capabilities
- Some of the areas of improvement as noted by clients include:
  - Taking a more proactive approach to identify and address issues rather than a reactive one
  - Improving the transition management process

1. Based on contractual and operational information as of June 2016  
 Source: Everest Group (2017)

# Appendix

# However, Everest Group's research is guided by a framework that clearly distinguishes supply chain from F&A and procurement processes



# Detailed definitions of SCM segments in the scope of this report

## Lead and quote management

- Lead generation & management
- Obtain & respond to Request for Proposal (RFP) / Request for Quote (RFQ)
- Quote generation

## Order management

- Install base & contract management
- Order receipt, validation, and entry
- Customer helpdesk
- Follow-up on overdue order
- PO / Invoice / Advanced Service Notification (ASN) matching

## Order fulfillment

- Schedule product receipt
- Consolidate & ship order
- Shipping document management
- Track & trace shipment
- Receive & verify product receipt
- Expedite/substitute

## Logistics administration

- Optimize warehouse network
- Coordination with logistics provider
- Transport scheduling/management
- Reverse logistics

## Inventory management

- Inventory planning
- Inventory optimization
- Vendor Managed Inventory (VMI) support
- Monitor inventory levels
- Manage internal warehouse movement

### Deliver

Lead and quote management

Order management

Order fulfillment

Logistics administration

Inventory management

### After sales services

Claims/warranty management

Service contract management

Returns management

## Claims/warranty management

- Warranty contract registration
- Claims receipt & verification
- Claims processing
- Claims service helpdesk

## Service contract management

- Asset and contract management
- Partner and service network management
- Contract compliance assurance
- Service helpdesk

## Returns management

- Returns authorization
- Return/repair documentation
- Problem assessment & categorization
- Returns tracking and scheduling
- Returns expedition & follow-up

## Vendor/item/customer master

- Data cleansing
- Data migration
- Codification/classification
- Error resolution/reconciliation

### Master Data Management (MDM)

Vendor master

Item master

Customer master

### RAC Support

Reporting

Supply chain analytics

Compliance support

#### Reporting

- Weekly/monthly reporting
- Ad hoc reports
- Exception reports
- Dashboards

#### Supply chain analytics

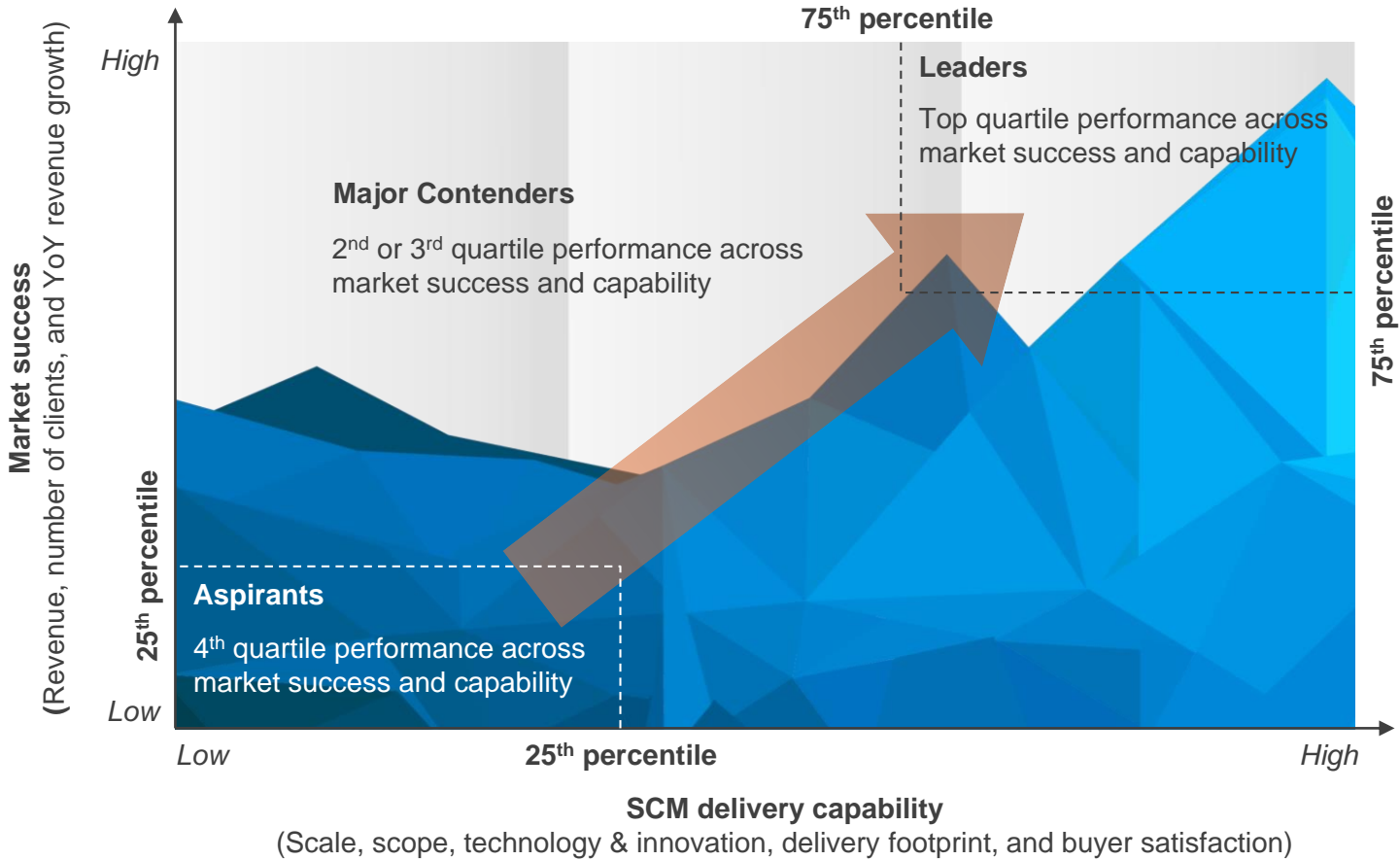
- Demand forecasting
- Route/network analysis
- Supply variability
- Usage variance analysis
- Carrier sourcing analytics
- Freight analytics
- Root cause analysis

#### Compliance support

- Legal compliance
- Environmental/social compliance
- Trade compliance
- Financial compliance
- Product compliance
- Process/contractual compliance

# Everest Group classifies the SCM service provider landscape into Leaders, Major Contenders, and Aspirants on the Everest Group PEAK Matrix

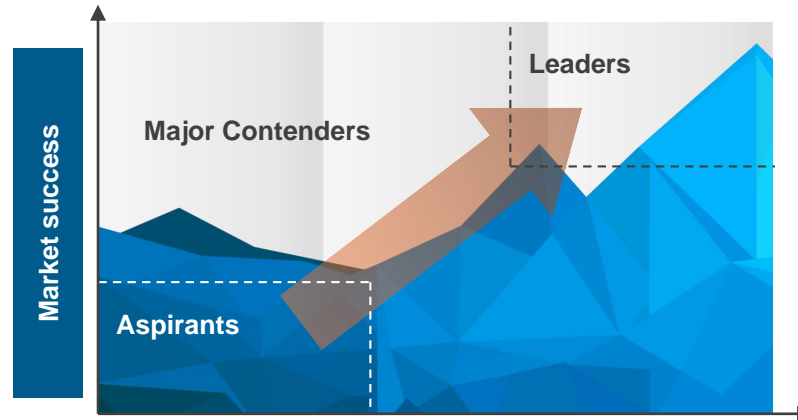
Everest Group PEAK Matrix<sup>TM</sup> for SCM service line



1 Service providers scored using Everest Group's proprietary scoring methodology described on next page  
 Source: Everest Group (2017)

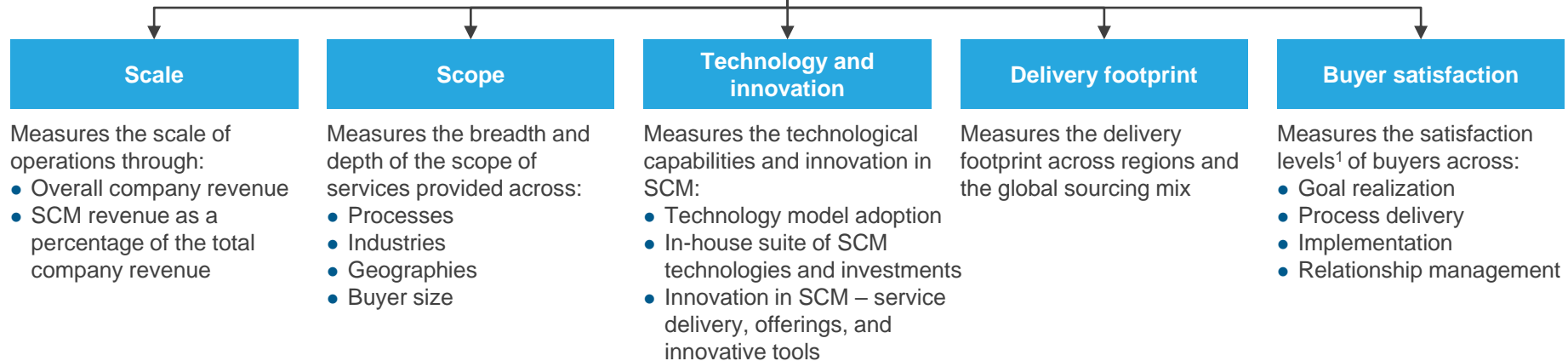
# Service providers are positioned on the Everest Group PEAK Matrix based on the evaluation of two key dimensions

Measures success, which is captured through SCM revenue, number of current SCM clients, and YoY revenue growth



## Delivery capability

Measures ability to deliver services successfully. Captured through five subdimensions



<sup>1</sup> Measured through the responses from two/three referenced buyers for each service provider

Source: Everest Group (2017)

## **Does the PEAK Matrix assessment incorporate any subjective criteria?**

- Everest Group's PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider briefings

## **Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?**

- No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical services area. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

## **What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?**

- PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric level assessment and associated commentary is helpful for buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

## **What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?**

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

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### **What is the process for a service provider to leverage their PEAK Matrix positioning status?**

- Providers can use their PEAK positioning rating in multiple ways including:
  - Issue a press release declaring their positioning/rating
  - Customized PEAK profile for circulation (with clients, prospects, etc.)
  - Quotes from Everest Group analysts could be disseminated to the media
  - Leverage PEAK branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- **The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group**





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