A Buyers' Guide to Atos

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Atos: Quick Primer

Atos is the product of a 1997 merger between two French IT services organizations, Axime and Sligos, each of which was formed out of earlier mergers. The new entity grew quite fast and by 2000, employed 11,000 staff with revenues of €1.1 billion. Atos has been successful and experienced in effectively integrating the acquisitions so far.

In 2000, Atos merged with a subsidiary of Royal Philips Electronics, Origin, and became known as Atos Origin. In 2002 Atos acquired KPMG's UK and Netherlands consulting businesses – adding consulting scale, and IT/business integration skills. Atos Origin finalized the buyout of Siemens IT Solutions and Services in 2011 and went back to the name Atos.

The service provider has a strong presence in the European IT sector across all major countries in the regions, specially secured high-profile public sector deals in the United Kingdom and other countries in the region.

Atos also is one of the leaders in the IT infrastructure market across Europe and is growing its presence in the United States. Atos is orchestrating an infrastructure value stack through an integrated end-to-end offering, including cloud, cyber security, high-end analytics, and automation solutions. Through the acquisition of Xerox's ITO division (ex ACS), Atos has enhanced its global delivery capability and is no longer seen as just a Europe-focused service provider.

Atos has been developing its own hardware and computing infrastructures, especially in Quantum Learning - The Atos quantum learning machine, or Atos QLM. Atos has also formed an international scientific advisory board for quantum learning machine, chaired by CEO Thierry Breton.

Other Quick Facts about Atos are:

Total number of employees: 98,692 As of September 2017
Geographic Presence (Estimated):
- USA and Canada: ~14,600 (15%)
- France: ~18,500 (19%)
- UK and Ireland : ~11,400 (12%)
- Europe : ~32,900 (33%)
- Middle East and Africa: ~1,100 (1%)
- Asia and ANZ:~4,800 (5%)
- Latin America:~3,600 (3%)
- India: ~11,300 (12%)

Strategy

- Atos follows a three-year plan to reach its maximum potential. Its new three-year plan to reach its 2019 ambition has seven levers:
    1. Continued focus on infrastructure management: It is standardizing its service delivery on ServiceNow, not only for ITSM-centric activities, but across all business functions;
    2. Move up the value chain in consulting & systems Integration that will spur growth and profitability;
    3. Roll out an end-to-end sales process based on a holistic digital transformation offering and industrialize its successful global quality program to increase its wallet share;
    4. Develop Worldline as an undisputed European leader in payments;
    5. Leverage its unique European solutions in big data & cybersecurity to sustain a solid double-digit growth over the period;
    6. Maintain excellence in human resources and CSR;
    7. Continue to participate in IT industry consolidation to expand its customer base and strengthen its technological capabilities.
- The firm has developed its sales model to pool teams, resources, and expertise into verticals that can focus on designing and delivering digital transformation services to clients. The creation of a Chief Commercial Officer role ensures sales effort is aligned to strategy.
- Atos is investing heavily in developing real-time and prescriptive analytics tools, a must-have in the identity and financial fraud sector.
- Atos has consistently placed security as a fundamental element of its strategy, and is making solid investments launching new cyber security operational centers that leverage Atos Big Data analytics and artificial intelligence powered by the bullion servers.
- Atos has built quantum learning machines that are commercially available and capable of simulating up to 40 quantum bits or qubits.
- The big data, analytics, and cyber security services are a separate business unit now. Further investments are underway in sourcing digital talent to support these aims. Big data & cybersecurity is only 6% of total revenues, but is growing in double digits year-on-year.
- With the branded Digital EDGE, Atos is aiming to carve out a clear demarcation between commodity leaders delivering IaaS and offshore capabilities on the one hand, and application-centric leaders around R&D (and Capex) intensive SaaS plays on the other hand.
- To further its sales of the bullion in-memory servers, Atos signed a partnership with three major global IT manufacturers: Cisco, Dell EMC, and Hitachi to fuel the growth of the SAP HANA market.
- Atos is betting big on projects such as migration to SAP HANA, application transformation, and vertical cognitive solutions with the Atos Codex offerings as well as its new-found access to the North American market.
- Atos Canopy Orchestrated Hybrid Cloud is expected to grow from €700 billion in 2016 to €1.7 billion in 2019.
- Targeting the defense segment with a portfolio of defense grade digital technologies: In particular, Atos is depending on its experience and expertise in all application and usage segment of defense and security.
- Atos is focusing on BPO capabilities presence in the financial services and public sector, which it aims to build it further.

Strengths	Weaknesses
• End-to-end workplace solution, including an omnichannel support center, virtual assistant, unified communication, and collaboration services.	• Limited consulting capabilities and wins. Although the ambitions in consulting are aggressive, it will take time to catch the momentum with its key rivals.
• Evolving its business and pricing models to accommodate the role automation plays in modern IT Services.	• The results from client references and surveys indicate there is a disconnect between the firm's capabilities and those perceived by clients. The firm should work to build a stronger narrative in the ADM space to ensure its full capabilities are recognized and understood by current and potential clients.
• 56% of total revenues is managed services, working as a backbone, it provides room for scaling up and a platform to cross-sell.	
• An average contract length is 5-10 years.	
• ~£3 billion worth of UK government contracts win by providing services to renowned organizations such as NHS Scotland, Home Office, Welsh Government, the Ministry of Defence, BBC, etc.	• Atos acknowledges that while its capabilities are global and its portfolio is standard with many options, there are some customers who require more dedicated and bespoke services.
• Proven ability to integrate acquisitions smoothly.	• Limited offshore capability reduces Atos' ability to compete on price with Indian competitors. With an increasing shift to digital business services, this price gap should narrow.
• Access to multiple cross-selling opportunities.	
• Atos' cloud capability such as managed version of Cloud Foundry, Canopy Compose, and Private Cloud.	• Atos is largely service line and country-focused with limited vertical focus.
• Industry-leading products, proprietary technologies, and the necessary talent to implement them to support enterprise clients' transformation activities across IT Services.	• Limited APAC delivery capabilities.
• A full range of pricing models, including more innovative risk and reward and outcome-based pricing structures.	• Negative public perception in the UK after £500m ITO contract failure. Atos received widespread criticism over its failures in the Fit for Work and other UK government deals.
• Extensive knowledge and experience in ADM, especially across the ERP domain.	• Limited BPO portfolio; the majority of Atos' BPO support is in support of the UK public sector.
• Strong footprint in manufacturing; existing deep client relationships in this vertical are strengthened by the Siemens integration and differentiation through PLM and SAP capabilities.	• A challenging position between traditional consultancy firms looking to solidify their position in the space, technology-focused providers, and vendors who are already firmly in position. To compete in this challenging and dynamic marketplace, Atos will need to invest in its branding in the digital strategy and consultancy space.
• Worldline adds payments capability in the financial services segment. This is further enhanced by the Payments Test Lab in Brussels that provides accelerators for issuing and acquiring services in support of payments.	
• Strong presence in SAP backed by 32 years of experience in providing SAP and end-to-end SAP HANA services.	

Service Offerings Grid

IT SERVICES

- APPLICATION TRANSFORMATION AND MANAGEMENT
- ATOS BUSINESS ACCELERATORS
- ATOS CANOPY ORCHESTRATED HYBRID CLOUD

DIGITAL

- ATOS CODEX, INSIGHT-DRIVEN OUTCOMES
- ATOS DIGITAL TRANSFORMATION FACTORY
- ATOS DIGITAL WORKPLACE
- AUTOMATION AND ROBOTICS
- CYBER SECURITY
- DIGITAL CUSTOMER EXPERIENCE
- DIGITAL PAYMENTS AND E-TRANSACTIONS

ENGINEERING

- INDUSTRY 4.0
- OTHER KEY SOLUTIONS

BPO - ATOS WORLDLINE

- MERCHANT SERVICES
- FINANCIAL SERVICES
- MOBILITY & E-TRANSACTIONAL SERVICES

PRODUCTS

- CYBER SECURITY
- DATA CENTER APPLICATIONS & TRANSFORMATION
- DEFENSE & MISSION CRITICAL
- ENTERPRISE SERVERS
- HIGH PERFORMANCE COMPUTING (HPC)
- INTEGRATED SYSTEMS

INDUSTRIES: Aerospace, Automotive, Banking, Central Government, Chemicals, Consumer Packaged Goods, Defense, Discrete Manufacturing, Education, Energy, Healthcare, Hospitality, Insurance, Life Sciences, Local Government, Media, Retail, Sports & Major Events, Telecommunications, Transport, Utilities

Legend

- HfS Blueprint Assessments Highlight These Services at Par Excellence
- HfS Research Sees Tremendous Potential backed by Investments and Traction
- Not Enough Data to Make an Assessment

HfS BLUEPRINT REPORTS

Industry Focus

Banking and Finance

- Atos is working to forge strong links with the financial technology industry, leveraging the community to push innovation across IT services catering to the community such as the firm's FinLab, which drives innovation by anticipating how FinTech services are challenging the status quo.
- The firm is supporting clients from the reinvention of business models to driving improvements in customer experience.

Insurance

- Atos has a sizeable insurance practice, with approximately 9% of IT services revenues coming from insurance clients.
- Similar to its offerings in the banking and financial services space, the FinTech community is front and center as the firm leverages innovations and disruptors in the space-to-fuel solutions.

Healthcare

- Atos has a large healthcare practice that contributes an estimated 28% to overall IT services revenues.
- Supported by compelling client success stories that highlight Atos' drive to develop industry-focused solutions and services.
- For example, Atos clients can access a suite of digital and IT solutions that includes wearable technologies to support its Connected Assistance solution, or leverage Atos' strong analytics pedigree through the Atos Codex Analytics framework for the healthcare vertical.

Telecom

- Telecom clients make up an estimated 20% of Atos' overall IT services revenues, a testament to the considerable resources and offerings the firm makes available to telecom clients.
- Its offerings range from front-office customer experience engagements to industry-tailored data frameworks delivered through Atos Codex.

Utilities

- Atos' clients value its head-on approach to tackling digital, with success stories coming from Atos' customer experience transformation work.
- Atos offers clients support across IT services to bring legacy utilities companies to the forefront of service delivery, with offerings including smart utilities and advanced analytics. For the latter, the firm offers the Atos Codex framework and differentiating analytics in utilities companies.

Public Sector

- Public sector clients have scored Atos well across both execution and innovation, putting the firm in a competitive position on the grid.
- Although its public sector practice contributes approximately 4% to overall IT services revenues, the firm has developed a strong differentiated offering centered on its data service strengths.
- The firm has an enviable public sector client list and is particularly active in Europe.

Manufacturing

- Clients have recognized Atos' abilities across delivery and innovation, noting its coverage across the IT services spectrum.
- Atos recently announced a deeper alliance with Siemens to support and develop its services and solutions across the manufacturing sector, plus joint engagements on key industry value drivers like IoT.
- A strong narrative across the digital transformation piece, particularly its four-pillar digital transformation factory approach.

Travel, Transport, and Logistics

- Atos focuses on transport, particularly the importance of IT services in building sustainable business models.
- Clients value Atos' strength with data solutions, particularly Atos Codex and SAP HANA platform services.
- The firm is pushing a clear marketing message into the industry for the need for intelligent systems as a foundation for digital transformation.
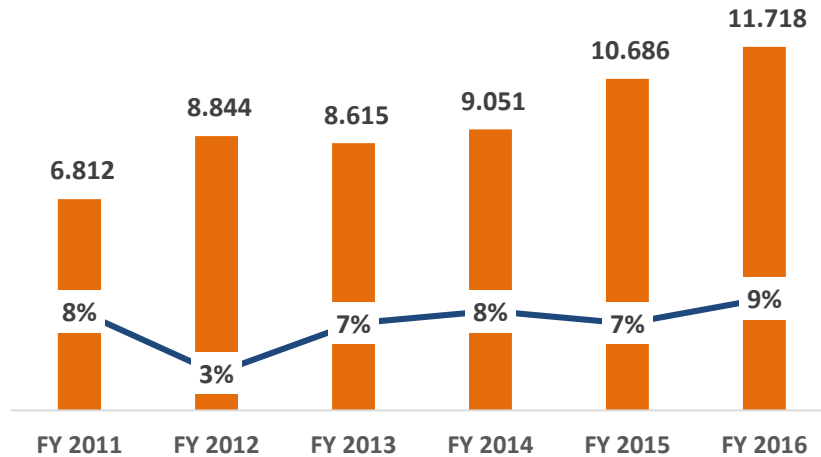
Clients*

Atos has a number of customers across public and private enterprises. The following is a quick representation of its clients mentioned in the public domain.
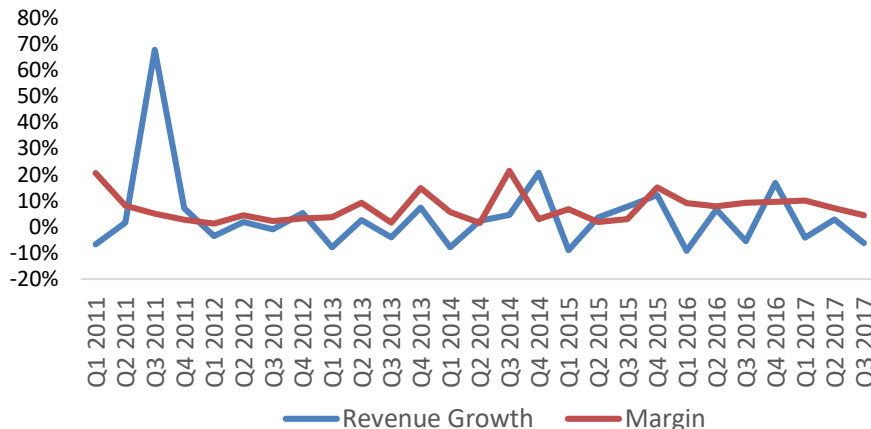
Atos Financial Performance

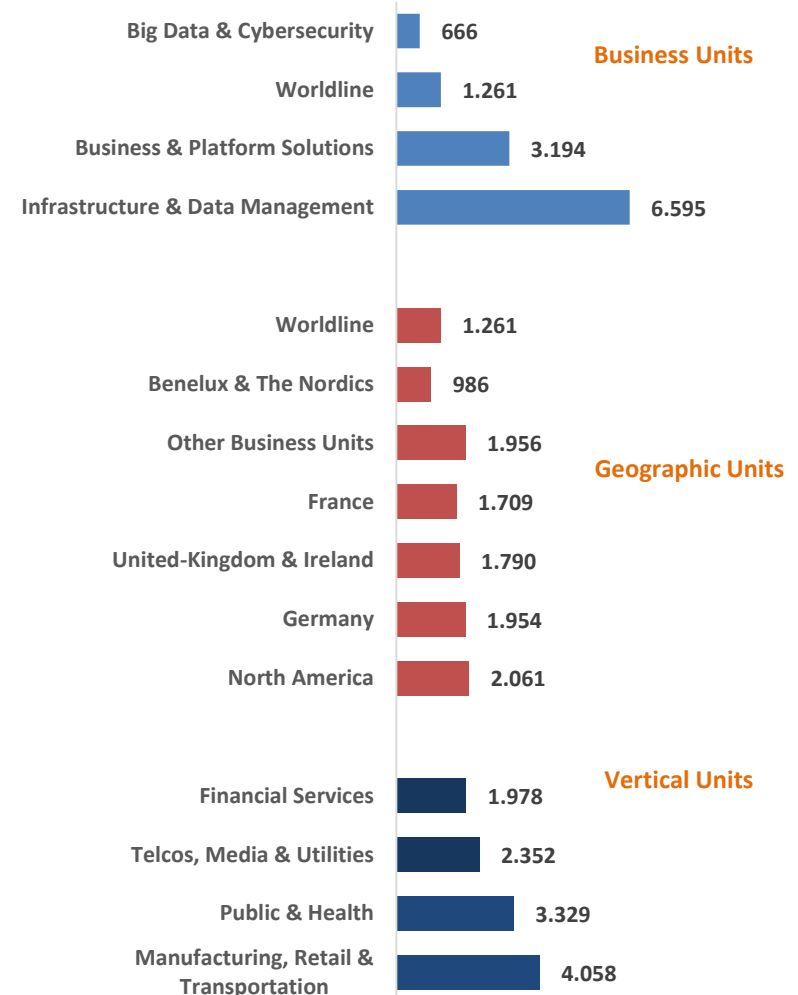## Revenue (US$ Millions) Operating Margin % by Financial Year*

Revenue (US$ Millions):
- FY 2011: 6.812 — 8%
- FY 2012: 8.844 — 3%
- FY 2013: 8.615 — 7%
- FY 2014: 9.051 — 8%
- FY 2015: 10.686 — 7%
- FY 2016: 11.718 — 9%

Growth vs. Operating Margin by Quarterly Intervals

Legend: Revenue Growth — Margin

FY 2017 Revenue (US$ Millions) by Business Divisions and Geography

Business Units
- Big Data & Cybersecurity: 666
- Worldline: 1.261
- Business & Platform Solutions: 3.194
- Infrastructure & Data Management: 6.595

Geographic Units
- Worldline: 1.261
- Benelux & The Nordics: 986
- Other Business Units: 1.956
- France: 1.709
- United-Kingdom & Ireland: 1.790
- Germany: 1.954
- North America: 2.061

Vertical Units
- Financial Services: 1.978
- Telcos, Media & Utilities: 2.352
- Public & Health: 3.329
- Manufacturing, Retail & Transportation: 4.058

Blueprint Performance

Atos Profiles From HfS Blueprints (2014–2017)

This report contains service provider profiles of Atos from eight current HfS Blueprints covering IT, business process and engineering services.

Atos was seen by our HfS Analyst team as:

- *Focused provider offering a complete IT Service portfolio. (Phil Fersht, Jamie Snowdon, Ollie O'Donoghue , IT Services Masters, 2017)*

- *Experienced application service provider offering end-to-end solutions with a focus on next generation services. (Phil Fersht, Jamie Snowdon, Ollie O'Donoghue , IT Services Masters, 2017)*

- *Global system integrator that is pushing the envelope by industrializing IA. (Intelligent Automation 2016– Tom Reuner)*

- *Strong European foothold and industrial background, making investments in innovation to take clients through the Digital journey. (Energy Operations 2016 - Derk Erbe)*

- *Leading global system integrator pushing internal standardization and the SIAM concept. (ServiceNow Services 2016 – Tom Reuner)*

- *A European security leader in identity management and physical/digital security with capabilities in security and business integration. (Trust As-a-Service 2015 – Fred McClimans)*

- *The Siemens alliance, IoT Platform, and capabilities in security make Atos a leading IoT services provider today. (IoT Services 2015 – Charles Sutherland)*

Blueprint Performance Summary
9 Blueprints from 2014 to 2017

Winner's Circle	High Performer	Execution Powerhouse	High Potential
1. IT Services Masters, 2017 2. Digital Technology Strategy and Consultancy Services, 2017 3. IT Infrastructure Management and Enterprise Cloud Services, 2017 4. Utility Operations, 2017 5. IoT Services, 2016 6. Intelligent Automation, 2016 7. IoT Services, 2015 8. Application Testing Services, 2015 9. SAP Services, 2014	1. Application Development and Management Services, 2017 2. Application Testing Services Supporting Digital Transformation, 2017 3. Energy Operations, 2017 4. PLM Blueprint, 2016 5. Energy Operations, 2016 6. ServiceNow Services, 2016 7. Enterprise Mobility Services, 2014		1. Enterprise Mobility Services, 2015

Atos
Winner's Circle

Focused provider offering a complete IT Service portfolio

Blueprint Leading Highlights	Strengths	Challenges
• Worldwide service coverage with a complete set of IT Services • Focused on supporting organisations on their IT and digital transformation journey • Key acquisitions support growth • Comprehensive IT service provision • Invested in deploying automation across IT Services and passing the benefits on to clients • Overhauled sales engine	• **Increased capabilities:** Through a developed acquisition strategy, Atos has built upon its IT service capabilities over the past five years, building capabilities in big data solutions, enterprise service management, and integrated communications. • **Reengineered sales engine:** The firm has developed its sales model to pool teams, resources and expertise into verticals that can focus on designing and delivering digital transformation services to clients. The recent creation of a Chief Commercial Officer role ensures sales effort is fully aligned with overall group strategy. • **Investment in automation:** Atos has a clear commitment to evolving its business and pricing models to accommodate the role automation plays in modern IT Services. This allows Atos to provide consistent, compliant services with increased agility and a lower price point. • **Transformation focus:** The firm uses industry leading products together with proprietary technologies and the necessary talent to implement them to support enterprise clients' transformation activities across IT Services. • **Workplace solutions:** Atos offers an end-to-end workplace solution, including an omni-channel support centre, virtual assistant, unified communication and collaboration services, and the management of the secure work environment.	• **Global structure:** Atos acknowledges that while its capabilities are global and its portfolio is standard with many options, there are some customers that require more dedicated and bespoke services. For these customers, particularly in public sector and healthcare markets, Atos has built bespoke services to compliment its standard solutions in order to meet specific government security or unique customer build requirements. • **Perception challenges:** Atos has grappled with challenging client perceptions of the firm with regard to innovation. However, the firm has a promising roadmap that focuses on digital transformation initiatives supported by a four-pillar digital transformation factory approach. This, supported by continued investment in marketing activities, should see the firm strengthen its presence in existing markets and expand in others.

Relevant Acquisitions / Partnerships	Client Profile	Service Delivery Operations	Proprietary Technologies
Acquisitions since 2014: • 2017: zData • 2016: Engage ESM, Anthelio Healthcare • 2015: Unify, Xerox ITO, Cambridge Technology Partners • 2014: Bull **Partnerships:** • **Global strategic partners:** Siemens, DellEMC • **Cloud:** ServiceNow, Apprenda, EMC, VMWare, AWS, Microsoft Azure, Cloud Foundry.org, Red Hat • **Analytics:** Clickfox • **Monitoring and event management:** BMC, CA • **CSAT:** Rant & Rave • **Virtual agent:** Living Actor Solutions • **Service management:** ServiceNow • **Automation:** IPSoft • **Workplace:** Intel, Genesys, Microsoft, Citrix, Xerox • **Collaboration:** Microsoft, Syncplicity, Unify, Google, Box, Salesforce, ShareFile	Due to its global coverage and scale of operations, Atos provide services and solutions for most industry sectors. However, Atos is structured to support the following industries specifically: manufacturing; retail and transportation; public and health; telecom, media, and utilities; financial services **Key clients include:** • Renault • Volkswagen • Telefonica • Nokia • NHS • DEFRA • NS&I • Deutsche Bank • Siemens • Olympics	Total IT service employees: ~100,000 Global geographic scope with operations in 72 countries. Delivery arranged through global business units (GBU) as follows: • UK and Ireland • Iberia • France • North America • South America • Benelux • Central and Eastern Europe • Germany • Asia Pacific (including Australia) • India, Middle East, and Africa	• **Digital Private Cloud:** Private cloud that can be deployed into a customer data centre or an Atos data centre. Available in converged or hyper-converged configurations. • **Atos Cloud Foundry:** Atos' managed version of Cloud Foundry available on either public or private clouds. • **Canopy Compose:** Provides blueprinting of applications to enable rapid deployment to any cloud platform. • **Help & Interaction Center:** Supports all digital and live contact channels, powered by mobile apps. • **OneContact/OneSource:** For direct access to all end user status and service needs.

Atos
High Performer

Experienced application service provider offering end-to-end solutions with a focus on next generation services

Blueprint Leading Highlights	Strengths	Challenges
- Multiple Centres of Excellence - Comprehensive end-to-end services - Value and outcome oriented pricing models available - Healthy acquisitions portfolio supports future growth in ADM services - Extensive and knowledge in the ADM space - Focused on next generation ADM services	**Range of flexible pricing models:** Atos offers clients a full range of pricing models including more innovative risk and reward and outcome-based pricing structures. **Comprehensive application management services:** The firm provides end-to-end services across the value chain from digital transformation management to industry and sector specific development work. ADM services can be supplemented by other core IT services including Consulting and Infrastructure Management services. **Next generation ADM:** The services offered by Atos seek to transform the application landscape through the provision of robust platforms for all services throughout their lifecycle, while improving cost and quality. **Extensive knowledge and experience in the field:** The firms pedigree in the ADM market can be seen in the scale of the services on offer and the foundation of expert knowledge contained in multiple global Centres of Excellence. The Centres cover a full range of application areas including custom bespoke applications, commercial off the shelf SAP, Microsoft, Oracle and other independent software vendors, legacy mainframe, and SAAS base applications such as Salesforce. **Good use of automation:** Strong use of automation and process transformation technologies for transforming and optimizing legacy ERP services.	**Articulating a stronger narrative:** Atos has a strong vision for the future of application development and management services – supported by examples of extensive knowledge and expertise in the field, and broader initiatives such as the firm's four pillar digital transformation factory approach. However, the results from client references and surveys indicate there is a disconnect between the firm's capabilities and those perceived by clients. The firm should work to build a stronger narrative in the ADM space to ensure the firm's full capabilities are recognized and understood by current and potential clients.

Relevant Acquisitions / Partnerships	Client Profile	Service Delivery Operations	Proprietary Technologies
Acquisitions since 2014: - zData - Engage ESM - Anthelio Healthcare - Unify - Xerox ITO - Cambridge Technology Partners - Bull **Partnerships:** The firm partners with more than 100 independent software vendors including Microsoft, SAP, Oracle, IBM, Amazon Web Services, RedHat, Pivotal, Salesforce, UiPath, DellEMC, etc.	Atos is focused on four key verticals globally: financial services, telecom, media and utilities; public sector and health; manufacturing, retail and transportation. Key clients include: - Siemens - Nokia - Orange (France Telecom) - Telefonica - European Union - Deutsche Telekom - Sanofi - BBVA - La Banque Postale (La Poste)	Total ADM Employees: ~13,000 Global geographic scope with operations in 72 countries. Delivery arranged through global business units (GBU) as follows: - UK and Ireland - Iberia - France - North America - South America - Benelux - Central and Eastern Europe - Germany - Asia Pacific (including Australia) - India, Middle East, and Africa	**Canopy Compose:** A tool that provides blueprinting of applications to enable rapid deployment to any cloud platform. **Liber**: Toolset for automated conversion of legacy footprints resulting in lower cost and risk. **Atos' specialist Bridge service:** For monitoring how IT impacts business-critical processes. **Tools for service transformation and management:** Troux, CAST, and ServiceNow for best practice implementation. **Atos Performance Diagnostic System:** Provides fact-based view of system and business process performance.

Atos
High Performer

Global system integrator with differentiation in testing extreme services and strong footprint manufacturing

AtoS

Blueprint Leading Highlights	Strengths	Challenges
• Experience in delivering industry-specific solutions • Works with clients to provide end-to-end responsibility • Works with clients to guarantee outcomes • Benchmarks maturity and works with clients to transform testing function	• **Testing extreme services for security-sensitive clients:** This is one of Atos' major differentiators. Atos has built leading capabilities for comprehensive testing services of major events (such as the Olympics) and demanding clients (the European Space Agency). Mature clients cite responsive and open relationships with Atos. • **Strong footprint in manufacturing:** The existing deep client relationships in this vertical are strengthened by the Siemens integration and differentiation through PLM and SAP capabilities in manufacturing make Atos a preferred service provider in this vertical. • **Worldline subsidiary:** This business adds key differentiation around payments for extra credibility and capability in the financial services segment. This is further enhanced by the Payments Test Lab in Brussels that provides accelerators for issuing and acquiring services in support of payments. • **Broad set of digital capabilities:** Atos is still early on the journey of supporting digital transformations, but it has a broad set of digital capabilities such as the Codex analytics platform and Atos Virtual Agent (AVA). Thus, it is evolving toward notions of predictive testing, a reference point is the evolving M-Frame automation platform.	• **Expand narrative to experiences rather than tools**: Atos is still early on their journey toward supporting digital transformation. While having a broad set of digital capabilities such as the analytics platform Codex or the AVA Virtual Agent capabilities, it should aggregate those assets around a more experience-centric narrative. This also includes adding process consulting, Design Thinking, and co-innovation as part of that journey. • **Proactivity in suggestion innovation**: Some customers encourage Atos to be more proactive in suggesting innovation while acknowledging Atos strength in delivering BAU capabilities. • **Lack of scale for larger digital transformation projects**: Some customers suggest an issue with scaling out during transformative projects as well as a lack of deeper agile/DevOps capabilities. Atos is starting to mitigate this by building out transformation consulting capabilities.

Plan

Implement

Manage

Operate

Optimize

Relevant Acquisitions/Partnerships	Key Clients	Operations	Technology Tools and Platforms
Partnerships include: • IBM • CA • HP • Microsoft • Neotys • SAP • Infostrech • Tricentis • Odin • Perfecto Mobile • Siemens • Worksoft • MicroFocus	Atos works with clients across industry sectors: • NS&I • OC • Aldermore • GlaxoSmithKline • Ferrovial	**Geographic footprint and scale of the application testing practice:** • Testing professionals: 9,000 • Estimated testing revenues: $750 million • 24 dedicated Global Test Centers • Atos offers a distributed delivery model, which consists of blended team located onsite, onshore, nearshore, and offshore to ensure the right mix of local language skills, cultural alignment, and technical skills while offering a competitive price point. • Clients Engagements are managed by Account Executives, while Projects are supported and led by Service Delivery Managers for specific projects and programs. Thought Leadership and Innovation is shared via Atos Scientific Community, Test Practice Innovation COE's with the account teams. .	• **M-Frame:** While evolving, Atos M-Frame is a proprietary AI testing tool that has the capability to design test cases and execute test scripts and integrate with test reporting engines (open source or COTS). • **A2 automation framework:** Reusable component library • **TEMPPO Model Based Test Automation Tool:** Reduced cost of test case maintenance by 60% • **Shared Service Center:** Integrated Tool Suite, central tool repository of latest HP ALM, Performance Center, Shunra, IBM Rational Suite, CAST, available to customers at low or no cost, resulting in a 90%-95% tool investment savings • **ETL Testing with Dive:** DIVE is web-based solution designed to accelerate the testing of source and target ETL systems, it can test entire datasets in source and target environments by running queries against the databases. Output of DIVE can be exported into spreadsheets for analysis it supports automatic highlighting of duplicates and errors after a test is run. • **TA BOX Digital Assurance Advisory Service**: Requirement analysis and scope identification, mobile test strategy, tool evaluation, and mobile testing road map.

HfS BLUEPRINT REPORTS

Atos
Winner's Circle

Outcome oriented provider with a strong industry focus

AtoS

Blueprint Leading Highlights

- Depth of knowledge in business, industry and technology covering its key service areas
- Value and outcome oriented pricing models available including full financing
- Strong presence in Europe
- Atos is stronger in the technology led projects which also require an implementation partner
- Extensive range of core consultancy services
- Industry vertical specific focus allows the firm to specialize rather than generalize

Strengths

- **Innovation and user experience focus:** Atos has a strategic commitment to innovating and evolving services and solutions and has invested in several innovation and user experience labs worldwide including in Edinburgh (Livingston), Frankfurt, Pune, Vienna, and Zurich.
- **Broad pricing model availability:** As with other core IT services, the firm offers a range of pricing models from the traditional to more innovative outcome focused and risk and reward structures. Atos also has the facility to offer financing for the complete project.
- **Extensive core services:** The firm has the expertise and resources to meet an extensive range of service areas including it strategy and advisory, digital transformation; governance, risk and compliance and business performance improvement..
- **Credibility in IT Services:** The firm has a strong presence across the IT Services spectrum, which supports its consultancy offerings and allows the firm to delivery holistic solutions to business problems.
- **Industry Focus:** The firm has opted to focus on four key verticals – financial services; telecom, media and utilities; public sector and health; manufacturing, retail and transportation – allowing the firm to specialize and build a deeper expertise and experience on particular industries.

Challenges

- **Strong European focus:** Atos has a strong European focus for digital technology strategy and consulting services. while this has enabled the firm to specialize in particular industries and geographies, the firm may find natural growth will lead to expansion into other markets.
- **Competition:** The firm sits in a challenging position between traditional consultancy firms looking to solidify their position in the space, technology-focused providers and vendors who are already firmly in position. To compete in this challenging and dynamic marketplace, Atos will need to invest in its branding in the digital strategy and consultancy space to solidify its reputation for high-quality digital services.

Relevant Acquisitions / Partnerships	Client Profile	Service Delivery Operations	Core Service Coverage
Acquisitions since 2014: - zData - Engage ESM - Anthelio Healthcare - Unify - Xeros ITO - Cambridge Technology Partners - Bull **Partnerships:** - **Cloud –** Microsoft, AWS - **Digital –** Salesforce, PEGA - **IAM –** Gigya - **Automation –** Uipath, Thoughtonomy, Red Hat - **Virtual Agent –** Living Actor - **Service Management –** ServiceNow - **Other –** SAP	Atos is focused on four key verticals globally: financial services; telecom, media and utilities; public sector and health; and manufacturing, retail, and transportation. Key clients include: - Coca-Cola - EU Institutions - NATO - Nestle - Nokia - Orange - Philips - Renault-Nissan - Sanofi - Siemens - Xerox	Total DTSCS employees: ~10,000 Global geographic scope with operations in 72 countries. Delivery arranged through Global Business Units (GBU) as follows: - UK and Ireland - Benelux and The Nordics - France - Germany - Iberia - Central and Eastern Europe - North America - South America - Asia Pacific (including Australia) - India, Middle East and Africa	Atos covers a broad range of Digital Technology strategy and consultancy services including: - Digital Transformation - Customer experience and digital marketing - Digital workplace - Analytics - UX design - Digital technology strategy - DevOps - Governance, risk and compliance; including IT audit and cyber threat management - IT strategy and transformation - Business performance improvement - Automation and robotics

HfS BLUEPRINT REPORTS

Atos

High Performer

Strong capabilities in digitization of assets and industrial environments, cloud transformation and security leveraging European foothold, As-a-Service delivery and industrial background

Atos

Blueprint Leading Highlights	Strengths	Challenges
• Actual delivery of services • Vision for oil and gas market evolution and services • Depth of industry-specific capabilities • Experience delivering to super majors and NOCs • Use of partnerships, alliances and joint ventures • Vision for holistic security of critical infrastructure	• **Account management:** Clients have highlighted the evolution of Atos' account management over the last two years and praise their proactivity, emphasis on innovation, and focus on adding value to the business. • **Strong relationship with Siemens for industrial data analytics platform and expertise**: The industrial focus and background of this relationship gives Atos a good position to help clients in oil and gas move to the digital oilfield by managing assets and workforces, logistics and planning, predictive maintenance, and remote monitoring. • **Cloud transformation capabilities:** Transitioning clients to the cloud, modernizing legacy systems, and migrating legacy environments, as a digital transformation partner and with cloud architecture expertise and capabilities, are key strengths of Atos according to clients and market conversations HfS conducted for this Blueprint. • **Expertise in Industry 4.0:** Atos offers a set of solutions for augmented reality, workforce mobility, IoT, and the IT integrated refinery that enable a digital transformation of core operational processes. • **Footprint in Africa:** Not many service providers have a presence in the oil and gas industry in Africa. Atos serves multiple clients and has delivery capabilities in various African markets • **Extensive experience in Holistic Security:** Atos has a history of delivering military grade security solutions, both cyber security and physical security. Partnerships with Siemens and Cisco have a strong focus on cyber security and security of Operations Technology (OT).	• **Translation of capabilities and innovative ideas to oil and gas:** Atos has to focus on translating innovative ideas it presents to clients to the specific context and use cases of oil and gas, clients expect Atos to be in a better position to be perceived and positioned as an innovation partner when they follow this advice. • **Perception in the market:** Atos has a reputation for being a legacy service provider. This perception doesn't do justice to Atos' capabilities and significant investments in innovation. The challenge for Atos is to alter the market's perception by highlighting innovative case studies with an emphasis on their strengths in Industry 4.0, Industrial Internet of Things, and Holistic Security as well as deep geographic knowledge of markets outside the US.

Value Chain Services Maturity

Upstream
Midstream
Downstream
Cross Value Chain BPO and Engineering
Cross Value Chain ITO

Relevant Acquisitions / Partnerships	Key Clients	Global Operations	Proprietary Technologies / Platforms
Acquisitions: • Bull (2014) for Cloud • Siemens Information Systems (2011) for Industry Expertise • SchlumbergerSema (2004) for Industry Expertise **Partnerships:** • EMC • Intel • Siemens (Industrial Data Analytics Platform)	30 clients globally including: • Integrated super majors – Total, Shell, BP • Integrated Oil and Gas companies – ENI, Petrobras • Leading OFS companies • Leading E&P companies • Midstream companies	**Locations:** 2100 oil and gas FTE in 10 energy operations delivery locations worldwide: • 15% North America • 60% Europe • 10% Middle East and India • 3% Africa • 2% Asia Pacific • 5% Latin America	• *Cloud Industrial System* • *Industrial Data Analytics platform* • *Altao (Data Loading and Quality Control platform)* • *Atos Codex (Business Analytics Platform)*

Atos
Winner's Circle

Systematic approach to client care and providing platform to do business

Atos

Blueprint Leading Highlights	Strengths	Challenges
• Worldwide service coverage with a complete set of IT services • Hybrid IT with client control • Drive to reduce operational cost whilst increasing service quality • Global coverage for infrastructure services • End-to-end workplace solutions offering • Scalability supported by partner ecosystem	• **End-to-end infrastructure services:** Atos offers a holistic range of infrastructure, network, application, and workplace services with capabilities to support businesses from initial technical consultation and design to the building and operation of solutions and services. • **Scalability supported by ecosystem of partners:** The firm has a comprehensive ecosystem of delivery partners including external cloud services Amazon Web Services and Azure. • **Enhanced client control:** The firm's Orchestrated Hybrid Cloud offering allows clients to manage services across private and public clouds through an enterprise portal, offering benefits including enhanced control of cloud spending, scalability of services, and the management of IT governance and security policies. • **Global coverage:** Atos' delivery capabilities support globally standard operations with regional global business units established worldwide to deliver services and solutions. • **Commitment to automation:** With an aim to improve service quality and reduce cost of operations, Atos has a clear roadmap spread across three iterative deployment phases. • **Workplace solutions:** Atos offers an end-to-end workplace solution, including an omni-channel support center, virtual agent, unified communication and collaboration services, and the management of the secure work environment.	• **Innovation Perception:** Atos has a clear vision for the digital future – exemplified by the firms' four-pillar digital transformation factory approach. Although the firm has provided evidence of innovation across processes and technology, this has not been recognized by all clients. Data collected in the client survey for this report indicates there is a disconnect between the firm's capabilities to innovate and client perceptions. The firm should invest time and resources into marketing its capacity to innovate to ensure clients get a full picture of the firm's capabilities.

Relevant Acquisitions / Partnerships	Client Profile	Service Delivery Operations	Proprietary Technologies
Acquisitions since 2014: • zData • Engage ESM • Anthelio Healthcare • Unify • Xerox ITO • Cambridge Technology Partners • Bull **Partnerships:** • **Cloud** – ServiceNow, Apprenda, Dell-EMC, VMWare, Amazon, Microsoft • **Analytics** – ClickFox, Nexthink • **Automation** – IPSoft • **Virtual Agent** – Cognicor • **Collaboration** – Microsoft, Syncplicity, Unify, Google, Box, Salesforce, Sharefile	Atos offers standardized services globally alongside country-specific offerings to meet specific needs such as bespoke cloud services to government organizations. Key clients include: • GasTerra • Government of Western Australia • McGraw Hill Education • Rio 2016 (Olympics) • Safran • Siemens • Société Générale • Solvay • Texas DIR	Total IMS Employees: ~46,800 Global geographic scope with operations in 72 countries. Delivery arranged through Global Business Units (GBU) as follows: • UK and Ireland • Iberia • France • North America • South America • Benelux and The Netherlands • Central and Eastern Europe • Germany • Asia Pacific (including Australia) • India, Middle East, and Africa	• Atos has a global approach to tooling and has developed an in-house tooling framework called the **Atos Technology Framework** (ATF based on ServiceNow) enabling end-to-end service management and orchestration in a hybrid IT environment. • **Digital Private Cloud:** Private cloud that can be deployed into a customer DC or an Atos DC. Available in converged or hyper-converged configurations. • **Atos Cloud Foundry:** Atos' managed version of Cloud Foundry, available on either public or private Clouds. • **Canopy Compose:** Provides blueprinting of applications to enable rapid deployment to any cloud platform. • **Help and Interaction Center:** Supports all digital and live contact channels, powered by mobile apps OneContact/OneSource for direct access to all end user status and service needs.

HfS BLUEPRINT REPORTS

Atos

Winner's Circle

Global Utility Operations expert with a strong European presence, industrial background and partnership ecosystem

Atos

Blueprint Leading Highlights	Strengths	Challenges
• Actual Delivery Of Services • Vision For Utility Market Evolution and Services • Depth of Industry Specific Capabilities • Use of Partnerships, Alliances and Joint Ventures • Vision for Holistic Security of Critical Infrastructure	**European Foothold:** Atos has a big client base in Europe, spread across the continent, and strong expertise and capabilities in local Utility markets. **Strong Relationship with Siemens for Industrial Data Analytics Platform and Expertise**: Atos and Siemens, one of the largest industrial companies in the world, have a global partnership and a € 230 million innovation investment program. This allience brings Atos significant capabilities like in IT/OT convergence, Industry 4.0 snf control systems in power plants, Hydro and Nuclear Operations. **Holistic Security Vision and Experience:** Atos has a history of delivering military grade security solutions, both cyber security and physical security.	**Expanding in North American Market:** The vast majority of Atos Utility clients are in Europe. Expanding the foothold in North America is a next step, and Atos has delivery capability already and a good position in Latin America. North American Utilities can benefit from Atos' experience with European Utilities that are ahead of the curve in many areas. **Competing for High-End Utility Operations Services**: Although Atos has a broad portfolio of services in Utility Operations and deep capabilities, including high-end services, in Utility industry-specific processes and challenges, it isn't as often seen as a provider of high-end, consulting led services by Utility executives HfS spoke with as its capabilities warrant. Messaging and positioning of Atos' high-end services needs to be taken to the next level.

Value Chain Services Maturity

Upstream
Midstream
Downstream
Cross Value Chain BPO and Engineering
Cross Value Chain ITO

Big Data Platform for Utility Use Cases: Atos sees the next frontier for Utilities in business data services. Atos' Codex data analytics platform plays an integral part in its analytics offerings like predictive analytics for demand forecasting, billing analytics and analytics for real-time scheduling and route optimization in workforce management. A high impact example is advanced anti-fraud analytics. For a Spanish Utility, Atos developed a solution and a dashboard to counteract gas theft. On the Codex platform meter data, socio-demographic data, weather data, forecasting data and gas transportation data are analyzed with a cognitive algorithm to pin point suspected locations of gas theft. The probability of detection went from 4% to 20% in the first iteration, to 39% in the second iteration.

Relevant Acquisitions / Partnerships	Key Clients	Global Operations	Proprietary Technologies / Platforms
Acquisitions: Zdata (2017), Engage ESM (2016), Anthelio (2016), Equens (2016), Unify (2016), Xerox ITO (2015), Bull (2014) **Partnerships:** • DellEMC • Microsoft • Pivotal • RSA • SAP • Siemens • vmware	250 Clients globally including: • A2A • Acea • Calpine • E.on • EDF • Enel • Engie • Gas Natural • Iberdrola • REE • Veolia	**Locations:** 124 locations worldwide: • 17% North America • 68% EMEA • 11% Asia Pacific • 4% Latin America	• ADACS (Advanced Data Acquisition and Control System) - for Power Plants: Hydro, Nuclear Operations • Atos Codex - Analytic solutions tailored to the need of Utilities customers (Revenue Protection, Connected Home Multi-sided Market) • Lynx SCADA - for Network Distribution (Water, Gas, Elec) • ASGS - Atos Smart Grid Suite for Smart Metering MDM & HES • eCarga - for EV Charging Station Operations • CIS (Cloud Industrial Supervision) - distributed SCADA solution very well adapted to E&U sector • PTRS - for Energy Trading and Risk Management

Atos

High Performer

A global service provider with strong expertise in Siemens PLM software and manufacturing industry

Blueprint Leading Highlights

- Delivery – High Onshore Presence
- PLM Software Capability - Siemens
- Industry Capability - Manufacturing
- Training
- Acquisition Strategy

| Plan/ Consult |
| Implement |
| Manage |
| Optimize/ Transform |

| Dassault Systemes PLM |
| Siemens PLM |

Autodesk PLM

| PTC PLM |
| Oracle PLM |
| SAP PLM |

Key Acquisitions

- Bull (2014)
- Siemens IT Services (2011)

Strengths

- **Strong Relationship And Expertise On Siemens PLM:** Atos acquired Siemens IT Services in 2011. This acquisition brought in critical mass to augment its Siemens PLM expertise. It has one of the strongest Siemens PLM practices among service providers evaluated for the study. Atos has also worked jointly with Siemens and introduced many industry-first solutions on Siemens PLM platform.

- **Investment In Developing Workforce Capability:** Atos has made a strong investment in developing and enhancing its workforce capability. It has one of the highest rates of training hours per FTE among service providers evaluated for this Blueprint.

- **Manufacturing Expertise And Acquisition Strategy:** In last five years, Atos has acquired Bull & Siemens IT Services. The Bull acquisition has provided the company a best-in-class hardware provider, increasing its value proposition in PLM from consulting to operations and hardware. Earlier it acquired the IT divisions of Philips and Schlumberger respectively which augmented its manufacturing industry expertise and footprint. Atos calls itself a service provider with industrial DNA as it has developed strong expertise in manufacturing by these acquisitions. Atos has leveraged the acquisitions well in offering PLM solutions to the manufacturing industry. Reference clients have acknowledged Atos' manufacturing industry expertise.

- **High Local Presence**: Atos has one of the highest onshore ratio among service providers evaluated for this study. The helps Atos to reduce lead time to scale a team in different locations without visa issues.

Challenges

- **Scaling Up Few Accounts:** Atos has a large number of clients compared to some other service providers of similar size evaluated for this Blueprint, but its FTE/ Client ratio is on the lower side. This indicates both a challenge and an opportunity for Atos as it has the potential to scale up its existing accounts for growth.

- **Geographical Diversification:** Atos's client portfolio is currently Europe-centric which it has the opportunity to diversify. Discussions with Atos's team suggest that they are actively looking for opportunities in other countries and regions including APAC and North America.

- **Marketing And Thought Leadership:** Atos lags behind some of its peers in developing PLM thought leadership. Also with marketing, Atos needs to change the perception that it has expertise beyond Siemens in other PLM software too.

- **Increasing Share Of Few Verticals:** Atos has been traditionally strong in core manufacturing sector of automobile, aerospace, industrial equipment and has opportunity to increase its expertise and share in few other verticals such as retail, apparel, AEC, process, utilities, electronics, medical devices, etc.

- **Increasing Non-Siemens PLM Business:** Atos has the opportunity to increase its business from engagements on other PLM software providers.

Key Clients

Top 100 Manufacturers as Clients: 12

Clients: 90+ PLM Services clients including:
- French Automobile Manufacturer
- German Automobile Manufacturer
- Swiss Pharmaceutical Company
- German Hi Tech Company
- European Aircraft Manufacturer
- German Auto Parts Manufacturer

Global Operations Centers

PLM Services Headcount (In-Scope):
500 - 1000 estimated by HfS

Locations: 5+ major PLM delivery center locations including:
- Europe: France, Germany, Spain
- Asia Pacific: Australia, India

Proprietary Tools / Platforms/ Accelerators/ IP

- *Supplier Connect:* Collaborative platform to enable exchange and co-design with supplier eco-system
- *Perfect Shelf:* 3D visualization of retailers' stores to enable better store management and on-line shopping
- *M4PLM:* PLM library to accelerate processes mapping, maturity models, software customization and implementation

Atos

Winner's Circle

Leading with a deep Siemens IoT platform relationship, security strength, and a broad portfolio of vertical skills

AtoS

Blueprint Leading Highlights	Strengths	Challenges
• Deep IoT credibility and Domain Knowledge • Flexible Pricing Models • Proprietary Delivery Models • Committed Investment Strategy • Strength of Vision for the IoT	• **Foundational Industrial Internet Leader:** Atos has a sophisticated reach to drive emergent IoT developments, backed by strong experience and capabilities. • **Siemens and Other Alliances:** Siemens owns a 15% stake in Atos and continues to invest heavily in IoT R&D and delivery models in a continued close collaboration model. • **True End-to-End Provider:** Atos continues to build on its full range of seamless, contiguous services from "thing" engineering, sensor development, and telecom connectivity to operating the IoT as a service for a client firm. Vertical IoT strategies in multiple markets are driven by innovation efforts with clients. • **Leveraging a Mature IoT Platform to Get Projects Moving and Balance Costs:** Atos is driving client momentum with pricing that can either be all entrepreneurial risk/reward for them or total client ownership, control, and costs, or a sliding scale of the two extremes. • **IoT Security**: Atos has earned a reputation as very disciplined across all aspects and phases of the IoT Services value chain and is highly experienced in securing enterprise-scale IoT initiatives. • **Hugely Influential in Smart Car, Smart Building, Manufacturing, and Industry 4.0:** Atos has foundational technologies and standards leadership that underpin ecospheres and enable development in this industry.	• **Less Focus on Broader Digital:** Although Atos has a very strong pure play in the Industrial IoT, it has less focus on broader digital adjacencies for business data value than some competitors. • **Global Reach, Europe-Centric Culture:** A European powerhouse, Atos slowly continues to gain traction in the US where the company is less well-known. • **Doing Everything Right Around the Industrial Internet:** Atos, however, has little evidence of entrepreneurial strategic business development co-innovation for new products with customers (to be fair, these initiatives are secret until launched and marketed). • **May Not Have Sufficient Agility for More Innovative Projects:** The Atos logical, methodical process approach may not be a good fit for entrepreneurial product development.

IoT Services Offering Maturity:

- IoT Consulting
- IoT Enablement
- IoT Connectivity
- IoT Integration
- IoT Management

Service Delivery Operations	Client Profile	Acquisitions / Partnerships	Proprietary Technologies / Platforms
Innovation **Execution** **Industrial** **Entrepreneurial** **Headcount:** About 200 IoT Strategy; about 800 IoT Delivery **Org Structure:** Two separate business units: IT Services division and Payment and e-Services division (known as Worldline) with IoT **Delivery Network:** 53% Europe; 38% rest of world; 9% US	**Go-to-Market Approach:** Atos continues its go-to-market strategy with two dedicated IoT practices on the same IoT platform. One delivers custom services in consulting and System Integration, the other provides white label IoT capacity as a BPO offering via Worldline. It also goes to market leveraging Siemens in a close partnership. **Target Industries:** Companies of all sizes with custom offerings and B2B2B or B2B2C operations with its Worldline offerings. • Aerospace, Transportation, Manufacturing (Automotive Industry, Machine Builders and Home Appliance Manufacturers), Manufacturer products retailers, Public Sector, Insurance	**Acquisitions:** • Equens (payments) (2016) • Anthelio (healthcare) (2016) • Blue Elephant Systems: (2015) • Bull (2015) • Xerox ITO(2015) • Unify (2015) **Partnerships:** • Strategic: EMC • Payments: Komerční banka , Equens • Telecommunications: Orange, Transatel • Navigation, Location Based Service: HERE • Electronic Consumer Devices: SAMSUNG • Smart Energy Services: EEBUS Alliance • Hardware: Actia, Continental Automotive • Applied Research: Siemens	**Worldline**'s solutions range includes: • WL Connected Vehicle: Fleet Mgmt, In-Vehicle Infotainment, Usage Base Insurance, Vehicle Relationship Mgmt. • WL Connected Home: Home Appliances Monitoring and Control and Remote Diagnostics, Inter-Objects scenarios for Smart Home and Smart Energy • WL Connected Infrastructure: Stolen Assets retrieval, Monitoring and Control, Remote Diagnostics & Predictive Maintenance for Industrial Machines, Vending Machines, City Infrastructure systems • AppShop e-Payment Services, Subscription offerings

HfS BLUEPRINT REPORTS

Intelligent automation, 2016

Winner's Circle

Global system integrator that is pushing the envelope by industrializing IA

AtoS

Blueprint Leading Highlights	Strengths	Challenges
- Tool and platform strategy for IA - Actual delivery of services - Solutions for accessible and actionable data in IA - Approach to apply IA across organizational boundaries - Vision for and investments in IA	**Focus on industrialization of service delivery:** Atos stands out by driving IA at the heart of its service delivery backbone. This includes linking business services and applications orchestration with infrastructure cloud provisioning. A crucial element in this strategy is integrating big data and operational analytics into the automation approach. **Holistic approach to IA:** Atos is driving a holistic IA strategy by integrating a broad set of IA tools, as well as leveraging RPA tools in application use cases. Furthermore, Atos is expanding the use cases to broad cognitive capabilities by deploying Autonomics to transfer knowledge into working procedures and knowledge item graphs. At the same time, use cases are expanded to front-office activities by piloting Virtual Agents. **Driving scale in deployments:** Atos is standardizing its service delivery on ServiceNow, not only for ITSM-centric activities but across all business functions. In line with its positioning, Atos was strongly emphasizing that the need to orchestrate the continuing complexity of legacy environments is not going away any time soon. Second, these orchestration capabilities are directly linked to Autonomics solutions from Arago and IPsoft, including piloting virtual agent technologies, such as IPsoft's Amelia platform to deliver service desk support to replace Level 1+ agents. **Play back of the practical experiences in deploying IA:** Another aspect that stood out in the discussions with Atos was the deep practical experience in evaluating and deploying IA tool sets. The thought process behind the deployments is among the strongest in the industry.	**Overarching thought leadership:** Although Atos's strength is industrializing delivery, HfS would encourage to build out narratives for the direction of travel of process innovation. This should be extended to a broader Future of Work theme leveraging Atos's strength in infrastructure and, in particular, workplace solutions. **Investments in marketing:** Atos is not yet seen as a significant player in the bigger buying decision on IA. Thus, investments in marketing are required to convey Atos's differentiating strategy. **Demonstrating the proof points**: As Atos is pushing the boundaries toward less well-developed and therefore documented use cases, such as application management, operational analytics as well as Virtual Agents, the company needs to demonstrate proof points, metrics, and insights from the early deployments.

PLAN

IMPLEMENT

MANAGE

OPERATE

OPTIMIZE

Relevant Acquisitions/Partnerships	Key Clients	Operations	Technology Tools and Platforms
Partnerships include: - Blue Prism - UiPath - thoughtonomy - ServiceNow - IPsoft - Arago - Pega - Cognicor - Cantoche - Nuance - Worksoft - ServiceTrace - Google	Atos works with clients across industry sectors: - Ministerial Department for Immigration, Security, Law and Order - Retail post office company - Government Healthcare Agency Scotland - Producer of flavors and fragrances - Financial Services in financing, leasing of car manufacturer - Dutch telecommunications company - Germany's largest engineering company in Europe - Finnish multinational communications and information technology company - German multinational automotive manufacturing company Atos is currently implementing Automation and Robotics solutions for their own Service Delivery at more than 65 clients.	**Geographic footprint and scale of the Intelligent Automation practice** Atos has established an Automation and Robotics Factory that delivers the RPAaaS as an Application Service. The factory operates closely with Atos Consulting and System Integration practices worldwide. As part of the RPAaaS Client, specific RPA libraries are fully maintained by the factory. Continuous improvements to the RPAs are led by the client process owners who can manage changes transparently by automated workflows online with the Atos service team. Integration of other technology platforms like Arago, IPsoft, ServiceNow, and cognitive API extensions is fully supported.	**Atos Hybrid RPAaaS Cloud Platform** offers clients a scalable RPA platform based on the latest back-office server and orchestrator technology from UiPath. The platform is fully managed and operated by Atos Automation and Robotics Factory 7x24 in Atos Cloud Infrastructure. Clients can hire small (e.g., single to large-scale) robot configuration as needed to right-size RPA technology investments to the best business outcome and strategy. Pilot RPA solutions can immediately switch into large-scale operation. **Atos Virtual Agent** is based on the LivingActor technology from Cantoche currently delivering to clients like Toshiba, EDF, Naxitis, etc. The agent is cloud based, operates in 6 European languages, and has an integrated Chat solution that includes live translation. Atos has integrated this virtual agent with the RPAaaS Cloud platform and offers a zero-touch transaction service.

Atos

High Performer

Strong European foothold and industrial background, making investments in innovation to take clients through the Digital journey

Atos

Blueprint Leading Highlights	Strengths	Challenges
• Actual Delivery Of Services • Vision For Oil & Gas Market Evolution and Services • Depth of Industry Specific Capabilities • Experience delivering to Super Majors and NOC's • Use of Partnerships, Alliances and Joint Ventures • Vision for Holistic Security of Critical Infrastructure	• **Strong Relationship with Siemens for Industrial Data Analytics Platform and Expertise**: The industrial focus and background of this relationship gives Atos a good position to help clients in Oil & Gas move to the Digital Oilfield by managing assets and workforces, logistics and planning, predictive maintenance and remote monitoring. • **Bull adds firepower in the cloud:** The acquisition of Bull in 2014 has boosted Atos' cloud transformation capabilities and seems to have been integrated well, adding value to Atos' clients. • **Expertise in Industry 4.0:** Atos offers a set of solutions for augmented reality, workforce mobility, IoT and the IT integrated refinery that enable a digital transformation of core operational processes. • **Significant Efforts to Write Off Legacy for Clients:** Technology Transformation Services and big investments in Cloud enable Atos to help clients migrate or write off legacy environments. • **Footprint in Africa:** Not many service providers have a presence in the Oil&Gas industry in Africa. Atos serves multiple clients and has delivery capabilities in various African markets • **Extensive Experience in Holistic Security:** Atos has a history of delivering military grade security solutions, both cyber security and physical security.	• **Bring Innovation to Existing Engagements:** Clients we spoke with mentioned a desire to receive more input on innovation from Atos. More proactivity can bring additional value for clients and Atos as it can open up new opportunities. • **Managing Talent and Attrition:** Turnover of operational employees was cited as a concern by clients because it impacts the build up of company specific knowledge. • **Perception in the Market:** Atos has a reputation for being a legacy service provider. This perception doesn't do justice to Atos' capabilities and significant investments in innovation. The challenge for Atos is to alter the market's perception by highlighting innovative case studies with an emphasis on their strengths in Industry 4.0, Industrial Internet of Things and Holistic Security as well as deep geographic knowledge of markets outside the US.

Value Chain Services Maturity

Upstream
Midstream
Downstream
Cross Value Chain BPO and Engineering
Cross Value Chain ITO

Relevant Acquisitions / Partnerships	Key Clients	Global Operations	Proprietary Technologies / Platforms
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HfS BLUEPRINT REPORTS

Atos

High Performer

Leading global system integrator pushing internal standardization and SIAM concept

AtoS

PLAN
IMPLEMENT
MANAGE
OPERATE
OPTIMIZE

Blueprint Leading Highlights

- Works with Clients to Write off Legacy
- Becoming a Broker of Capabilities for Clients
- Vision and Investments in the Evolution on ServiceNow Services
- Application of Intelligent Automation

Strengths

- **Standardization of it Managed Services BU will deepen domain knowledge:** While Atos is early on the ServiceNow journey, the decision to standardize its internal service delivery of its Managed Services BU on ServiceNow is a bold move, but also a move that carries significant risks. A critical aspect is the link to and the provisioning of Hybrid Cloud
- **Holistic view across service delivery**: By linking ServiceNow with Cloud Orchestration as well as the broad notion of Intelligent Automation, ("Auto Assistant Service Platform") Atos is taking a holistic view on service delivery which provides the company with a clear differentiation.
- **Embracing partner ecosystem**: Atos is one of the few providers being open and transparent about its partner network. Suffice it to day, in parts driven by being late in pushing ServiceNow, Atos is leveraging capabilities of partners to speed up deployments and to broaden its own domain expertise. This allows Atos to focus on higher value activities such building out SIAM frameworks as in the case of its client Nokia.
- **Focus on SIAM**: Atos is at the forefront of SIAM both in terms of thought-leadership as well as deployments, in particular in the UK market. The offering is now standardized on ServiceNow. Clients cite Atos' thought-leadership and capabilities as critical differentiator. The concept is applied even for complex events such as the Olympics.
- **DevOps on ServiceNow:** Atos is building proof of concepts together with ServiceNow around running DevOps based on agile and scrum principles on top of ServiceNow. If successful this would give Atos another strong differentiation.

Challenges

- **Investments in marketing:** As Atos is comparatively late with pushing ServiceNow, it needs to enhance visibility among the industry's stakeholders
- **Broadening of ESM capabilities**: As Atos is still early on its ServiceNow journey, it should broaden its go-to-market with a more succinct depiction of the "future state" in particular around ESM capabilities
- **More consistency in delivery teams:** Atos' ambition to integrate complex multi-tower environments can lead to inconsistencies in team structures and culture as clients point out
- **More proactive stance on innovation**: As with many peers clients would encourage Atos to be more proactive in guiding on and providing innovation

Strategic Positioning	Key Clients	Operations	F
Partner status: - Managed Service Provider and Implementation Partner **Partnerships include:** - Logicalis, Aspediens, Fruition Partners, Solid-servision, Materna **Strategic positioning**: - Standardization of Atos Technology Framework within Managed Services on ServiceNow - Holistic view of service delivery - Drive ServiceNow tooling into SIAM engagements	Atos works with clients across industry sectors: - Nokia - Siemens Healthcare - Pearson - IOC - NIKE - National Health Scotland - City of San Diego - Orange County, California - Mediterranean Shipping Company - Airbus - BBVA	- **CSAT (as reported by ServiceNow customers) not available** - **Geographic footprint and scale of the ServiceNow practice:** Practice contains 300+ FTEs. Teams across: North America, Netherlands, Belgium, Finland, Denmark, Sweden, France, Spain, Germany, Portugal, UK, India, Switzerland, Poland, Hungary.	- **Atos Technology Framework (ATF):** integrated platform to support the execution of Service Management process built on ServiceNow - Atos has created a Cloud orchestration solution with ServiceNow technology. Starting with ServiceNow catalogue, the request, provisioning and registration of cloud environments is completely automated, including approval workflows and feedback to CMDB in ServiceNow

HfS BLUEPRINT REPORTS

Atos

Winner's Circle

The Siemens alliance, IoT Platform and capabilities in security make Atos a leading IoT services provider today

AtoS

Blueprint Leading Highlights	Strengths	Challenges
• Flexible Pricing Models • Proprietary Delivery Models • Acquisition and Investment Strategy • Strength of Vision for IoT	**Siemens Alliance.** Siemens owns 15% stake of Atos and the two companies collaborate closely on a variety of IoT projects. In July 2015, the firms announced an increase in its joint collaboration bringing €150M investment, with much of this going towards R&D around IoT. That coupled with a joint go to market initiatives means it brings a very strong proposition when Siemen's products come into play. **True End To End Provider.** Atos provides a full range of services from device engineering and sensor development all the way through to operating an IoT as a service for a client firm, with reference clients for each. Additionally, Atos is pursuing a vertical IoT strategy developing solutions in 10 clear markets. **Effective IoT Platform To Accelerate Project Initiatives. .** Having made significant up front investments in a building an IoT platform that is easily configurable, Atos can get a project up and running quickly and at lower cost than if it needed to be assembled from scratch. **IoT Security.** Atos approaches the risks of IoT head on and by doing so makes sure it is a consistent thread across all aspects of the IoT Services Value Chain. Coupled with its ability to deliver across all phases means it can ensure a lock tight environment without the challenges that arise during a hand off.	**Delivery In New Areas.** While clients cited Atos's strength in meeting the demands of developing new capabilities it was also said this can lead to underestimating the initial resources that will be required to get the job done on time. However, clients also pointed out that Atos was able to correct this by allocating more FTEs from what is a rapidly growing practice. **Nearshore Delivery.** Atos is very reliant on nearshore based resources for IoT which is a challenge for some clients given the uncertainty and complexity surrounding most IoT projects which often cause clients to want to feel surrounded by on-site teams. To Atos's credit, it seems thought that when this has been an issue so far, Atos was willing to relocate resources onsite to get past the key issues. **European Centric**. Atos has yet to demonstrate the benefits of its Xerox acquisition and partnership in its expansion into the US.

IoT Services Offering Maturity:

IoT Consulting
IoT Enablement
IoT Connectivity
IoT Integration
IoT Management

Business Overview	Go To Market	Relevant Acquisitions / Partnerships	Proprietary Technologies / Platforms
Self-declared FTEs: ~1,000 (plus an additional 3,500 from analytics.) **Org Structure:** Atos is divided into two separate business units – an IT Services division and a Payment and e-Services division known as Worldline. It has IoT offerings within each. **Delivery Centers:** • 28% Onshore (US) • 42% Nearshore (Morocco 5%; Czech Republic 7%; Austria 30%) • 30% Offshore (India)	Atos goes to market with two dedicated IoT Practices sharing the same IoT platform. One delivers bespoke services around consulting and System Integration and the other provides white label IoT capacity as a BPO offering via Worldline. It also goes to market with Siemens. **Target Industries:** Atos actively targets companies of all sizes with its bespoke offerings and B2B2B or B2B2C operations with its Worldline offerings. • Aerospace, Transportation, Manufacturing (Automotive Industry, Machine Builders & Home Appliance Manufacturers), Manufacturer products retailers, Public Sector, Insurance	**Relevant Recent Acquisitions** • Blue Elephant Systems: (2015) **Partnerships:** • Telecommunications: Orange, Transatel • Navigation and Located Based Service : HERE • Electronic Consumer Devices: SAMSUNG • Smart Energy Services: EEBUS Alliance • Hardware: Actia, Continental Automotive • Applied Research: Siemens	Worldline's solutions range includes: • Connected Living Enabler: a dedicated IoT platform • WL Connected Vehicle: Fleet Mgmt, In-Vehicle Infotainment, Usage Base Insurance, Vehicle Relationship Mgmt • WL Connected Home: Home Appliances Monitoring & Control and Remote Diagnostics, Inter-Objects scenarios for Smart Home & Smart Energy • WL Connected Infrastructure: Stolen Assets retrieval, Monitoring & Control, Remote Diagnostics & Predictive Maintenance for Industrial Machines, Vending Machines, City Infrastructure systems, etc. • AppShop, e-Payment services, Subscriptions' offerings.

HfS BLUEPRINT REPORTS

Atos

Winner's Circle

Building capabilities for extreme conditions through testing support of security sensitive clients

AtoS

Blueprint Leading Highlights	Strengths	Challenges
Execution • Actual Delivery of Services • Quality of Customer Relationships **Innovation** • Concrete Plans to Deliver Value Beyond Cost • Continuous Improvement Methodology and Capability	• **Testing extreme services for security-sensitive clients:** This is one of Atos' major differentiators. Atos has build leading capabilities for comprehensive testing services of major events (such as Olympics) and demanding clients (the European Space Agency). • **Strong footprint in manufacturing:** The existing deep client relationships in this vertical together strengthened by the Siemens integration and differentiation through PLM and SAP capabilities in manufacturing make Atos a preferred service provider in this vertical. • **Worldline subsidiary:** This business adds key differentiation around payments for extra credibility and capability in the Financial Services segment. This is further enhanced by the Payments Test Lab in Brussels that provides accelerators for issuing and acquiring services in support of payments.	• **Consistency for global clients:** Atos is on a journey to achieve a global consistency in testing services beginning with a rebranding of testing services in January 2014. The service provider has hired key executives with the mandate to drive this change. Atos demonstrated a convincing roadmap for how it intends to close the gap on the market leaders. • **Low offshore leverage:** In comparison to the leading service providers in the Winner's Circle Atos is trailing in terms of scale of its offshore capabilities. • **Low brand recognition around testing:** Outside its client base the brand recognition for Atos testing services is low. HfS believes that marketing and go-to-market initiatives are required to address this and build greater awareness for these capabilities.

HfS BLUEPRINT REPORTS

Atos

AtoS

| Service Areas	Additional Data points

• Atos has varied experience along the information management and analytics value chain, spanning business analytics consulting, system integration services, and complete managed services. In the last year, along with its partner Siemens, Atos is jointly investing €100 million to develop big data offerings in certain chosen industry verticals with its Data Analytics as a Service (DAaaS) offering.
 	
• Atos' analytics experience from a vertical standpoint is centered around 4 key industry verticals - retail, manufacturing, telecom and energy & utilities. In these four verticals, Atos has invested in developing vertical analytics accelerators. As an example of solution depth, in manufacturing, the service provider has developed a digital assistant solution framework for yield optimization for farm equipment manufacturing, and other solutions for optimizing throughputs in manufacturing plants, reporting on asset liability and availability, energy usage patterns optimization, etc.
 	
• The company's major asset is is its cloud based analytics platform, Canopy. Canopy is the product of a cloud services alliance formed between Atos, EMC and Vmware in 2012 to sell IaaS, SaaS and PaaS services to enterprises.
	• Headcount for analytics practice is 1,500 FTEs
	
	• Delivery presence
	  – India - ~50%
	  – ROW ~ 50% with some presence in France, Poland and Morocco

Atos

Atos

Moving out of the European-centric cage will enable Atos to remain one of the tier-one SAP service providers.

Market Share: 2.70 % Overall Score: 3.63

Innovation

- Score: 3.50
- Atos is leveraging the long-established relationships with SAP to once again position itself a though leader in the SAP ecosystem.

Execution

- Score: 3.75
- Solid capabilities without major weaknesses. A tried and tested tier-one player.

Key Strengths

- Atos has one of the most well rounded SAP Services portfolio across all areas. Atos is capable to provide the full life cycle of SAP Services, starting with consulting and implementation through hosting and upgrades and consolidations.
- Well in the top ten of SAP teams by size, Atos is no longer as European-centric as it used to be.
- Atos is strong in processes and invests heavily in the SAP partnership.
- Atos is also making good progress in becoming an important force in the area of SAP-related services innovation.

Key Challenges

- The size of the SAP team together with the branding and marketing in North America still needs to be improved.
- Although overall client satisfaction is high, a number of clients complained about the perceived high price for standard services.
- Atos is very strong in certain industries, but not across the board. Despite the size and revenue of the SAP practice, it is still not able to satisfy all client requests.

SAP Services Scale

- Market Share: 2.70 %
- Estimated revenues: $ 1,350 M
    - Consulting: $ 1,200 M
    - Hosting: $ 150 M
- Large global player.

SAP Services Coverage

- # of SAP practitioners: 11,000
- Top 3 Verticals: Manufacturing, public sector, consumer products/retail.
- All areas covered with a well rounded portfolio without particular weaknesses.
- Focus industries are particularly well covered.

Customer Satisfaction And Competitive Differentiation

- High level of customer satisfaction.
- Atos is heavily focused on certain industries and there, it is by far and large a great choice across the board of SAP Services.

Atos

High Performer

*Very competent technologist – strong in Europe –
with a robust line of managed services offerings and strong IoT*

AtoS

2014 Mobility Revenue / Growth:
HfS Estimate: $550M (25%)

Relative Strength Across Stages of Mobility Adoption

Stage 3: Transform
Stage 1: Discrete Apps
Stage 2: Integrate
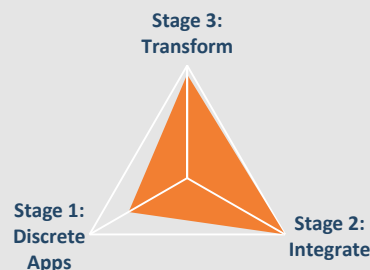
Strengths

- Viewed by enterprise buyers as having a very strong cadre of technical skills that it can tap to solve the hardest of challenges.
- Seen as professional in behavior and not quick to react. It delivers without surprises - on time, within budget and per specs.
- Truly end to end in breadth of capabilities from not only design, build, run but including govern and test makes them a natural partner for transformative projects.
- Strength in App Testing ensures highest quality product will coming out early from the gate.
- Early advocate and an experienced builder of App Factories makes them a go to for solving technical challenges and governance.
- Seen as very strong in requirements – from defining to management – so that even the most complex projects run well.
- Continued to be very strong in IoT during 2014 with a strong proprietary platform play and solid reference clients.
- Deep SI skills in ERP makes them a good fit for enabling these systems for an increasingly mobile workforce.

Challenges

- Some enterprise buyers feel it is not the most competitive in terms of its commercial approach as it appears to rely on standard pricing and packaging. However, it does offer a full range of pricing models including risk-sharing..
- Its messaging can be a bit more focused on technology speeds and feeds and not enough around business needs and opportunities.
- Seen as less aggressive as many competitors in responding to new opportunities and that means lost opportunities.
- Strong professionalism means it can also be a bit slow to react as needs arise and evolve. i.e. Mobile necessitates agility.
- Buyers indicated handoffs been business units can be a bit uneven given the breadth of capabilities and distribution of delivery locations but it is seen as working hard to reconcile and it is still seen as better than if disparate service providers were involved.

Client Industry Verticals

Focus on Key Verticals:
- **Atos IT Services:**
  - Manufacturing (discrete),
  - CPG & Retail
  - Telecom & Media
  - Healthcare
  - Transportation
  - Public Sector
- **Worldline:**
  - Financial Market
  - Retail
  - Manufacturing
  - Government
  - Transportation
  - Telecom

Revenue Mix:
- 70% B2C /30% B2B

Key Clients

Atos goes to market under several brands including Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, and Worldline which stretch across a broad range of services offerings. The company targets both the B2B market (Atos) and the B2B2C market (Worldline). Atos targets organizations with 500- 50,000 mobile users; Worldline targets hundred of thousands / millions of consumers.

Enterprise Mobility Clients Include:

- Siemens, Nokia, Renault, Thyssen-Krupp, Orange, IOC, Osram, Karstadt, ePlus, McDonalds, Societe Generale, BNP Paribas, Renault, BSH, Orange, Shell

Global Operations

Mobility Headcount:
- 3,500 FTEs

Key Delivery Locations:
- Onshore (55%)
- Central & Eastern Europe (25%)
- India (8%)
- Americas (5%)
- Other (3%)

Acquisitions:
- n/a

Technology Offered

Proprietary Platforms & Software:
- **Atos IT services platforms:** Canopy Enterprise Mobility Platform, Contextual Platform Solutions, Push Notification Platform

- **Worldline platforms**: Mobile Payment Wallet, Mobile Merchant Wallet, m-Commerce platform, Mobile Ticketing platform, Mobile Banking platform, M2M platform, Context Broker Platform, Mobile AppStore

Key Partnerships:
- SAP, IBM, Redhat, Infostretch, Kony from a global perspective, plus local / boutique partners.

About the Author

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Overview

Hema Santosh is one of the versatile analysts who enjoys quantitative and qualitative aspects of the research at the same time. Hema is responsible for The Buyers Guides and supports various Data analytics initiatives at HfS Research.

Over the last decade, Hema has worked across all the facets of IT Services and BPO research providing insights that are key to taking strategic decisions. She understands the nuances and dynamics of the BPO and Technology industry. Her experience ranges from custom research, competitive analysis, outsourcing deals analytics, location assessments, quantitative studies to qualitative research. She has held senior research positions in organizations such as, Information Services Group, Accenture, NTT DATA and ITFinity Solutions.

Academically, Hema holds an MBA specializing in Marketing from Manipal University, a full time 'Management Program for Women Entrepreneurs' from Indian Institute of Management (IIM), Bangalore and a Bachelor's degree in Commerce from the University of Mumbai.

Apart from HfS Research, Hema has one more full time job and that is, rearing her three young sons. Her sojourn is travelling to wild-life sanctuaries and solving a SuDoKo puzzle whenever she can grab some free time.

HfS: Revolutionizing the Industry

HfS' mission is to provide visionary insight into the major innovations impacting business operations: automation, artificial intelligence, blockchain, digital business models and smart analytics. We focus on the future of operations across key industries. We influence the strategies of enterprise customers to develop operational backbones to stay competitive and partner with capable services providers, technology suppliers, and third party advisors.

HfS is the changing face of the analyst industry combining knowledge with impact:

- ThinkTank model to collaborate with enterprise customers and other industry stakeholders
- 3000 enterprise customer interviews annually across the Global 2000
- A highly experienced analyst team
- Unrivalled industry summits
- Comprehensive data products on the future of operations and IT services across industries
- A growing readership of over one million annually

The "As-a-Service Economy" and "OneOffice™" are revolutionizing the industry.

Read more on HfS and our initiatives here.