A Buyers' Guide to DXC Technology (CSC/HPE/Xchanging)

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Table of Contents

TOPIC	PAGE
Why DXC Technology (CSC/HPE/Xchanging)	3
Financials	10
Blueprint Performance	16
About the Authors	56

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Why DXC Tech

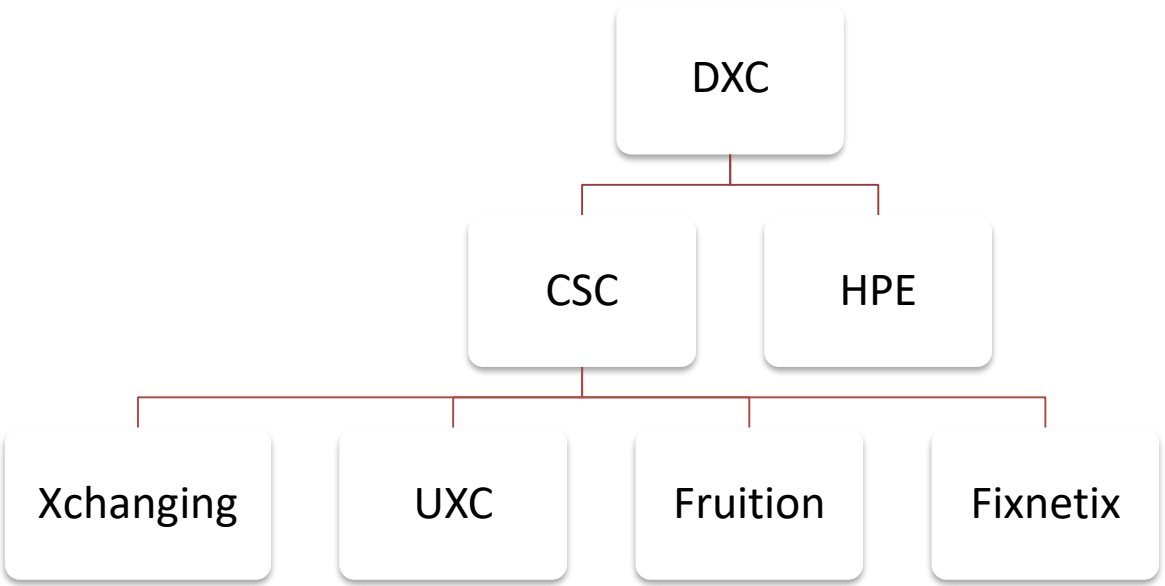


DXC – Consolidation of Service Providers

A Big Entity

Two Big Competitors

History of Niche Acquisitions



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DXC Technology: Overview

In April 2017, DXC Technology was formed with the merger of CSC and HP Enterprise Services (HPES). The new company has the tagline "New. But not born yesterday," contrasting the company's recent creation with its long legacy heritage.

The aim of the new organization is to become the "world's leading independent, end-to-end IT Services company," prioritizing its role as a change agent with its clients, driving technology-driven business transformation by investing in its current legacy skills base, and improving operational efficiencies.

The new company has a mammoth task of generating a differentiated and relevant service portfolio that attracts a wider base of clients. The new company remains largely infrastructure-led. DXC Technology has to work on balancing its portfolio with investments in building strong consulting capabilities and innovation. To start, DXC has decreased its combined offerings from 370 (HPES's 230 offerings and CSC's 140) to 84 offerings that sit within nine streamlined offering groups.

DXC Technology is going to market with its new operating model "build, sell and deliver." The first stop for this new operating model is the current base of 6,000 clients with which the company wants to maintain a close relationship. At the same time, this model will be applied to the new businesses.

DXC, has to hit the ground running and start to attract and retain clients across its service lines. However, the biggest risk to its success is not external, it must successfully integrate with cost and operational efficiencies.

Other Quick Facts about DXC are:

- Total number of employees: 170,000 are part of its Global Delivery Network as of March 2017
- Geographic Presence (Estimated)
  - Onshore (North America (28%), UK and Western Europe (17%)
  - India (Gurgaon, Mumbai, Kolkata, Pune, Chennai, Hyderabad, and Bangalore) – 38%
  - Other APAC (Australia, Singapore, and Japan) – 9%
  - Nearshore (Latin America and Eastern Europe) – 8%

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Clients*



























































* Representative list of publicly referenceable clients Included in HfS Blueprints

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Strategy, Strengths, and Weaknesses

Strategy

- DXC's aim is to grow its Digital practice faster than the core services, which includes workload migration, security services, big data, and mobility that are expected to contribute more than 25% by 2020.
- DXC will make a few tuck-in acquisitions to aid its 3-year outlook for revenue growth. In the first week of July, DXC made its first acquisition with Tribridge.
- DXC has a re-mix strategy: First, the new entity to consolidate its vendors/partners to streamline duplicative contracts and assess clients that will benefit from renegotiating contracts that will consolidate the scale and expand the scope of higher-value next-generation work.
- Cost efficiencies will continue to be of prime importance especially with the balancing of the facilities portfolio and re-assessing of roles and responsibilities to eliminate duplicate roles and silos along with automation.
- In addition to location and delivery talent, the biggest task and priority for DXC is sales force consolidation and clarity on combined offerings to position and pitch a perfect sale. The company already claims a 65% win rate and that the majority of its sales people (92%) are already being trained on the new offerings.
- DXC aims to improve the delivery and operations of traditional processes and use these productivity gains to partially fund clients on their digital transformation journey.

Strengths

- DXC has more end-to-end scale of two competitors merging into one entity that has opportunities to cross-sell and build a partner network to fill in gaps
- Before the merger, both firms had common initiatives for internal transformations and cost cutting, which will help continue the momentum for the merged entity
- DXC has a solid client base in healthcare, public sector, and CPG verticals
- In BPO services, DXC draws strength from its own GBS for F&A, Procurement, and Customer Care to develop a balance between transactional and higher-end services and extend many of these benefits to its clients
- Trust of existing customers: Existing customers are looking forward to combined services and solutions that will benefit them and believe that the integration/merger will work for the larger good
- DXC has a well-planned strategy to embrace change by partnering to win in new Digital areas. For example, the AWS partnership allows its clients to deploy a private or hybrid cloud using AWS architecture. Partnered with HCL in banking and Mphasis for the public sector.

Weaknesses

- Merging synergies from the two companies will need more time and effort due to cultural differences
- It will take major effort and time to re-brand the uniqueness of the new entity
- The restructuring cost of severance payments and infrastructure charges to consolidate data centers and delivery centers and consolidate operations or contract cancellation may adversely affect the bottom line and cost-efficiency initiatives
- The outcome and solutions-led emphasis may overwhelm a few customers, and there lies the risk that they will insource work
- Talent shortage, especially in the Workday services market and other emerging technologies, such as automation
- The competition is already gearing up to position DXC's post-merger synergies as one of the limitations in forthcoming renewals

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Horizontal Offerings - DXC's 9 Global Offering Families

Business Process Services

- Customer Experience (CX) Services
- Digitization Services
- Finance and Administration (F&A) Services
- Human Resources (HR) and Payroll Services
- Cards and Payment Services (C&PS)
- Business Process Services Advisory

Workplace and Mobility Solutions

- DXC MyWorkStyle Digital Workplace
- Mobility & Workplace ManagementProductivity & Unified Communications
- Mobile Apps and IoT
- User Support
- Software Licensing & Management Solutions

Enterprise And Cloud Applications

- Cloud and Mobile Applications Services
- Enterprise SaaS Services
- Microsoft Dynamics Services
- Oracle Services
- SAP Applications
- ServiceNow Services

Security

- Security Advisory Services
- Intelligent Security Operations
- Infrastructure and Endpoint Security
- Threat and Vulnerability Management
- Security Risk Management
- Identity and Access Management
- Data Protection and Privacy
- Cloud Security

Application Services

- Applications Development Services
- Applications Management Services
- Applications Modernization & Transformation
- Testing and Quality Services

Cloud Solutions

- Advisory, Transformation and Migration Solutions
- Enterprise Solutions On Demand
- Brokerage and Integration Services
- Managed Cloud Services
- Data Center, Network and Hosting Solutions

Consulting

- Customer Engagement and Design
- Salesforce
- Digital Commerce
- Marketing Platform

Analytics

- Analytics Advisory
- Analytics And Big Data Platform
- Analytics Solutions And Services
- Artificial Intelligence And IoT Analytics
- Information Governance
- Managed BI And Analytics

Industries is one of the 9 Global Offerings

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Industry Offerings

- U.S. Public Sector
- UK Public Sector
- Solutions for Public Sector

Public Sector/ Government



- Supports 400 energy businesses worldwide across:
- Oil and Gas
- Utilities
- Natural Resources Solutions

Energy and Utilities



- Healthcare Provider
- Government Healthcare
- Lifesciences

Healthcare and Life Science



- Consumer Packaged Goods
- Retail

Retail



- Airlines
- Freight & Logistics
- Railways

Travel and Transportation



- Banking & Capital Markets Solutions
- Insurance

BFSI



- Telecom Providers
- Media and Publishing

Telecom and Media



- Industry 4.0
- Automotive
- Aerospace and Defense

Manufacturing



DXC Has Simplified Horizontal Offerings Across The Industry Groups Mentioned Above

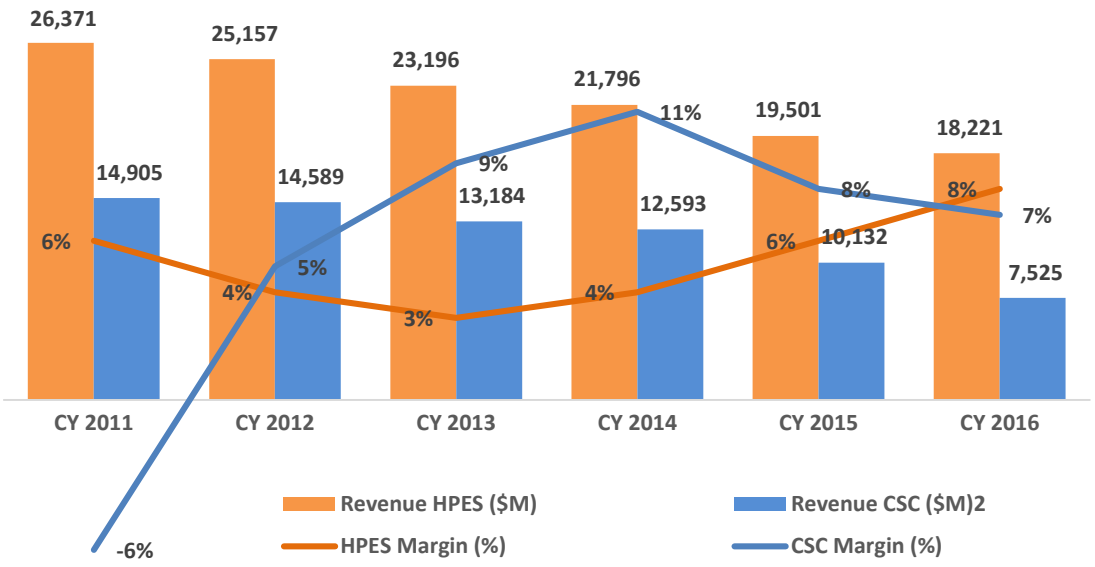
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Financials

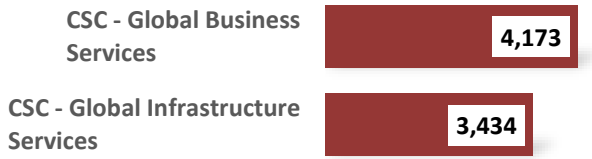


DXC Global Services Financial Performance

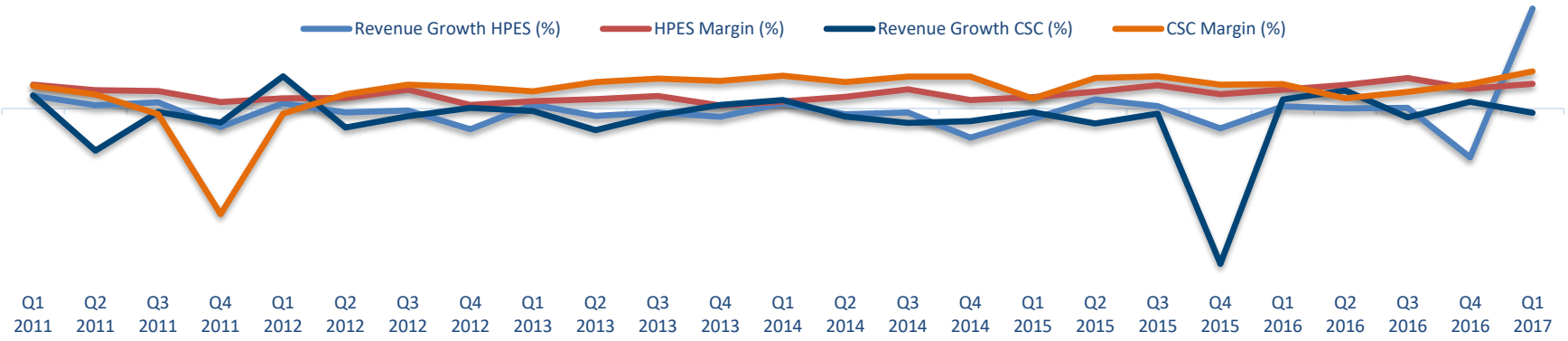
Revenue ($M) / Operating Margin % by Calendar Year



Revenue FY 2016 ($M) by Business Segment



Growth vs. Operating Margin by calendar Quarters



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Delivery Location Compendium, 1

Capabilities	Headcount	Onshore - US and Canada	Nearshore - Latin America	Onshore - UK and Western Europe	Nearshore- Continental Europe	India	Philippines	Other APAC
ServiceNow, 2016 (CSC)	420	45% North America		33% Europe	5% CEMEA	19% Asia-Pacific		Tokyo
Workday Services, 2016 (HPE)	200	US and Canada		Ireland, UK, France, and Germany	Poland: Wroclaw	Bangalore		China, Australia, Japan
Salesforce Services, 2016	214	US	Brazil	France, Spain and Belgium; UK and Ireland; Nordics	Central Continental Europe			
Procurement As-a-Service, 2016 (Xchanging)	1000+	United States: Annapolis; Chicago; Columbia; Columbus; Miami; NYC; Phoenix; Sacramento; Springfield		United Kingdom: Basildon; Bracknell; Edinburgh; Fulwood; Preston; Glasgow; Littlehampton; London; Luton; Newcastle; Nottingham France: Paris; Amiens; Lille	Spain: Barcelona; Madrid			China and Australia

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Delivery Location Compendium, 2

Capabilities	Headcount	Onshore - US and Canada	Nearshore - Latin America	Onshore - UK and Western Europe	Nearshore-Continental Europe	India	Philippines	Other APAC	Others
Finance & Accounting As-a-Service Business Process Outsourcing, 2016 (HPE and Xchanging)	6,000 (HP) 1,350+ (XCh)	5% San Jose, CA Warren, MI (Xch)	– 5% Costa Rica	UK - Preston, Nottingham (Xch)	15% - 20% Continental Europe – Wroclaw and Lodz, Poland	65% to 75% Bangalore, Chennai Shimoga (Xch)			China - Dalian
Healthcare Payer Operations, 2015 (HPE) **(Xchanging)**	7000 800	10% US		10% UK		50% Bangalore			25% Australia

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Tools/Methodology Compendium, 2

Capabilities	Tools/Methods
ServiceNow, 2016	• LIFT Implementation Framework: provides CTI-based "guardrail" best practice implementation, and includes one year of application management via Virtual Admin service • Cybersecurity – ServiceNow-based security operations center • Secure FedRamp hosting of ServiceNow • MyServicePortal is a custom ServiceNow platform application developed to elevate engagement with the customer • HRCM Accelerator: HR Case Management in ServiceNow • ITAM Accelerator: Bolt-on integration capability; preconfigured instance with defined automation
Workday Services, 2016	• Hyperloader: Data conversion tool • TECSYS: Supply chain/warehousing tool • PinPoint: Payroll parallel testing tool • Workday Analyzer and Monitor (WAM): Used in sales, implementation, and post-production sales process
Salesforce Services, 2016	• Omni360 for Utilities: Integration platform for multi-channel customer communications • Omni 360 Insurance Agent Portal Accelerator • Healthcare Accelerator: Community portal for coverage search, selection and purchase • AMA Asset Management Accelerator: Sales and service application for asset managers and service agents

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Tools/Methodology Compendium, 3

Capabilities	Tools/Methods
Procurement As-a-Service, 2016 (Xchanging)	• MM4 • X-Flow (AP) • X-Act • VAULT • Spikes Cavell Spend Analytics
Finance & Accounting As-a-Service Business Process Outsourcing, 2016	• HP Business Process Analytics Tools (BPAT) • Autoflow: ePresentment tools • Phantom: HP Quick Test Pro • Autoflow: Autonomy • HP CARTT • HP e-Solution: tools for document capture • Framework for Innovation & Transformation • HP ES Document Processing Services (DPS): including HP TRIM, digital archiving software

Healthcare Payer Operations, 2015	• InterChange MMIS, with components:
	  • Connections for automated rules based workflow
	  • Healthcare Portal for self-service provider and member enrollment/ management
	  • HP ProDur for drug utilization support
	  • Immunization Registry
	  • Correspondence
	  • Atlantes for care management
	  • HP interChange Business Intelligence and Analytical Reporting
	• HP PASSAR: Preadmission Screening and Resident Review for Long Term Care
	• HP inSight Dashboard
	• HP ALM and PPM for demand management, project management

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Blueprint Performance



CSC/Xchanging Profiles from HfS Blueprints (2014–2017)

This report contains Service Provider profiles of CSC/Xchanging from 34 HfS Blueprints covering business processing, IT and engineering services.

CSC/Xchanging was seen by our HfS Analyst team as:

- *Building on the acquisition of MM4 to drive North American and As-a-Service based growth (Procurement As-a-Service, 2016 – Derk Erbe)*
- *Customer experience "on demand" and omnichannel investments driving digital contact center innovation (Digitally Enabled Contact Center, 2016 – Melissa O'Brien)*
- *A growing practice, with ambition to establish a strong brand as a long-term partner (Workday Services, 2016 – Khalda De Souza)*
- *Inorganic growth drives deep ServiceNow capabilities, broad recognition for pioneering role of Fruition Partners (ServiceNow Services, 2016 – Tom Reuner)*
- *Customer experience "on demand" and omnichannel investments driving contact center innovation (Contact Center Operations Services, 2016 – Melissa O'Brien)*
- *Refreshing its identity and reenergizing its culture with a strong Robotic Process Automation capability incorporated into business process services (Finance & Accounting As-a-Service Business Process Outsourcing, 2016 – Phil Fersht, Barbra McGann and Hema Santosh)*

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Blueprint Index

Blueprint Title	Positioning	Page
Procurement As-a-Service, 2016 (CSC/Xcg)	High Performer	21
Digitally Enabled Contact Center, 2016 (HPE)	Winner's Circle	22
Workday Services, 2016 (HPE)	High Potential	23
ServiceNow Services, 2016 (CSC)	Winner's Circle	24
Contact Center Operations Services, 2016 (HPE)	High Performer	25
F&A As-a-Service Business Process Outsourcing, 2016 (HPE)	High Performer	26
F&A As-a-Service Business Process Outsourcing, 2016 (XCG)	Execution Powerhouse	27
Salesforce Services, 2015 (CSC)	---	28
Trust-as-a-Service, 2015 (HPE)	Winner's Circle	29
Healthcare Payer Operations, 2015 (HPE)	Winner's Circle	30
Healthcare Payer Operations, 2015 (Xcg)	High Performer	31
Insurance As-a-Service, 2015 (CSC)	High Performer	32
Insurance As-a-Service, 2015 (Xcg)	High Performer	33
Application Testing Services, 2015 (HP)	Winner's Circle	34
Application Testing Services, 2015 (CSC)	High Performer	35

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HfS BLUEPRINT REPORTS

Blueprint Index

Blueprint Title	Positioning	Page
Procurement As-a-Service, 2015 (Xcg)	Winner's Circle	36
Workday Services, 2015 (HP)	---	37
Enterprise Mobility Services, 2015 (HP)	High Performer	38
Enterprise Mobility Services, 2015 (CSC)	---	39
Enterprise Analytics Services, 2015 (CSC)	High Performer	40
Enterprise Analytics Services, 2015 (HP)	High Performer	41
Enterprise Analytics Services, 2015 (Xcg)	---	42
Progressive F&A BPO Services, 2015 (HP)	Winner's Circle	43
Progressive F&A BPO Services, 2015 (Xcg)	---	44
SAP Services, 2014 (HP)	Winner's Circle	45
SAP Services, 2014 (CSC)	High Performer	46
Talent Acquisition Service Providers, 2014 (HP)	---	47
Digital Transformation Services, 2014 (HP)	Challenger	48
Digital Transformation Services, 2014 (CSC)	Rising Star	49
Cloud Infrastructure Services, 2014 (HP)	Winner's Circle	50
Enterprise Mobility Services, 2014 (HP)	High Performer	51

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HfS BLUEPRINT REPORTS

Blueprint Index

Blueprint Title	Positioning	Page
Multi-tower HRO, 2014 (HP)	---	52
Insurance BPO,2014 (CSC)	High Performer	53
Insurance BPO, 2014 (Xcg)	High Performer	54

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CSC/Xchanging

High Performer

Building on the acquisition of MM4 to drive North American and As-a-Service based growth

Blueprint Leading Highlights

- Depth of Industry Specific Capabilities
- Flexibility to Deliver Point & End to End Solutions and Integration of Supporting Technology
- Investment in Procurement As-a-Service Plug & Play Digital Services

Value Chain Services Maturity

- Strategic Sourcing
- Contract Management
- Supplier Management
- Technology Management
- Transactional Procurement

Strengths

- **Acquiring Procurement Building Blocks:** Xchanging's acquisition of MM4 has revitalized its presence in North America and provided a base for a more technology enabled, cross-client as-a-service offering. This has been followed by the acquisition of Spikes Cavell in early 2015 for spend analytics capabilities and technology, with a strength in the UK public sector.
- **Procurement As-a-Service Strategy:** In 2014, Xchanging began to build out a distinct offering set for As-a-Service procurement delivery to sit aside traditional contracting and solutioning models. This shows that the service provider has been listening to customer feedback on the needs of enterprise buyers. The addition of Spikes Cavell further enhanced the As-a-Service strategy, with Analytics As-a-Service and Data As-a-Service offerings for spend management joining the portfolio of services.
- **Tail Spend Management**: Xchanging has developed a significant capability to deliver tail spend management As-a-Service which responds to a growing need and interest from the procurement outsourcing buyers.
- **Regulatory Expertise:** Xchanging has a deep history of working with major clients in highly regulated markets and is known for its responsiveness to changing and often highly complex requirements.
- **Analytics:** With the 2015 acquisition of Spikes Cavell Xchanging added a full spend analytics stack to its analytics capabilities, amplifying the ability to offer end-to-end and point solutions to clients.
- **Delivering Procurement to CSC:** One early and tangible result of the acquisition by CSC is Xchanging adding its new parent as a procurement outsourcing client.

Challenges

- **Dealing with Acquisition Impact:** Xchanging has been acquired by CSC in 2015 and will be part of the HPE/CSC 'spin-merge'. HfS identifies the post-merger transition as a challenge for Xchanging's procurement group. The main driver for the acquisition by CSC are Xchanging insurance services. CSC nor HPE has a procurement practice. The challenge for Xchanging will be to find a place within the new organization with priority to invest in talent, geographic growth, technology platforms and advanced analytics for a standalone procurement services group.
- **Retaining Staff:** As in any merger and acquisition situation, it is a challenge to retain staff in an environment with uncertainty. From market discussions HfS learned that Xchanging has offered incentives to key personnel to stay put and Xchanging reports this to be successful.
- **Recovering from Bad FY 2015:** 2015 was a very difficult year for Xchanging's procurement group. It reported a loss and a subsequent program, Split and Fix, that split up the procurement group. Its technology assets (MM4 and Spikes Cavell) became part of Xchanging's technology practice and the procurement services part of the larger business services practice.

Acquisitions and Partnerships

Acquisitions

- 2015: **Spikes Cavell** – data analytics
- 2014: **MM4**

Partnerships

- Oracle
- Blue Prism
- Salesforce
- KOFAX
- Elcom
- Coupa

Key Clients

110+ Clients in Procurement Services including:

- Military Systems Provider
- Global Cosmetics Manufacturer
- European Pharmacy Chain
- Consumer Products Manufacturer
- Security and Facilities Provider
- Australian Banking Giant
- American Family Restaurant Chain

Global Operations

Headcount: ~1,000 FTEs

Locations:

- United Kingdom: Basildon; Bracknell; Edinburgh; Fulwood; Preston; Glasgow; Littlehampton; London; Luton; Newcastle; Nottingham
- France: Paris; Amiens; Lille
- United States: Annapolis; Chicago; Columbia; Columbus; Miami; NYC; Phoenix; Sacramento; Springfield
- Spain: Barcelona; Madrid
- China
- Australia

Proprietary Technologies / Platforms

- **MM4**
- **X-Flow (AP)**
- **X-Act**
- **VAULT**
- **Spikes Cavell Spend Analytics**

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HP Enterprise

As-a-Service Winner's Circle

Customer experience "on demand" and omnichannel investments driving digital contact center innovation

Hewlett Packard Enterprise

Blueprint Leading Highlights

- Ability to Execute Digital Interactions
- Generates Actionable Data
- Omnichannel Investment

Value Chain Services Coverage:

Digital Interactions	
Social Media	SMS
Web Self-Service Including Mobile App and Visual IVR	
Chat	Video Chat
Analytics	Consulting

Highlights

- **Digital Customer Experience Center:** The HPE Global CX Center of Excellence is an environment for designing, prototyping, analyzing, collaborating and reporting on digital customer experiences, while providing advanced analytics and interactive visualization capabilities that can be used for to deliver a personalized customer experience.
- **"CX On Demand" platform:** HPE has 22 clients on its on-demand platform, including a specialty desk for routing across channels.
- **Investment in Omnichannel:** HPE quoted a $45M in omnichannel investment to develop a breadth of digital channels beyond voice. The service provider is using CX analytics and consulting tools and proprietary IP such as HPE Haven/IDOL to first identify customer preferences, then build a Digital Halo which is the overall impression of a person's digital existence. HP's multichannel offerings support social media, SMS, web self-service, chat and video chat. Automated Chat, WebRTC, Proactive Marketing, Agent Video, Virtual Agent and Advanced Routing.

Examples

- **Platform and Chat:** HPE leveraged its CX On Demand platform with application management services for an electronics manufacturer to add a chat channel, reducing phone support from 100% of inquiries to 70%.
- **Analytics:** For another electronics manufacturer, HPE used analytics to eliminate error-prone manual processes and providing more explanatory customer content, absorbing increasing volumes with no increase in customer service calls.

What to Watch

- **Align vision with overall HPE messaging:** HPE's overall strategy seems more aligned to supporting the back office, but the CX leadership's position and messaging is strong around omnichannel.

Relevant Acquisitions/Partnerships

Acquisitions:
- Aruba Networks, 2015, Integration of Mobile CX, Beacons, and Geo-location

Partnerships:
- Major strategic partnership with AVAYA for CX On Demand Cloud Platform

Client Profile

Total number of clients: 300
Key verticals include: All
Key clients include:
- Accor
- GM, GM Financing
- CaixaBank
- Google
- Barclays
- Southwest Airlines, AAA, Nissan, BC Revenue, Toshiba, UK Ministry of Justice

Proprietary Technologies

- *Qfiniti:* Workforce management, call monitoring.
- *IDOL/ Haven*: CX Analytics
- *Aruba Networks*: Mobile Technology
- *HP Explore:* CX Analytics (using Haven, IDOL as engine)

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HP Enterprise

High Potential

A growing practice, with ambition to establish a strong brand as a long-term partner

Hewlett Packard Enterprise

PLAN
IMPLEMENT
MANAGE
OPERATE
OPTIMIZE

Blueprint Leading Highlights

- Quality of Account Management Team
- Geographical Scale and Capabilities
- Investment in Tools

Strengths

- **Steady Growth And Strong Ambition For Workday Services Practice:** HPE has increased both the number of clients and certified Workday consultants during this past year. HPE still represents one of the largest deployments of Workday HCM, and is often called upon to act as a reference client of Workday. This valuable internal experience is helping HPE to gain credibility and new clients. HPE has Workday HCM clients in North America and Europe, and is one of the few Workday services partners with resources in Japan. HPE aims to continue to strengthen its European And APAC business in the next few years. HPE also has access to a global delivery network that can support Workday projects.
- **Management Services Focus:** HPE has identified application management services as a focus growth area this year. Its established experience in application management services in general lends it credibility to deliver this offering to Workday clients. HPE offers a modular offering which includes flexible, ongoing support tailored for the Workday market. HPE has won several application management deals this past year for clients who used a different partner for the deployment, indicating that HPE is succeeding in establishing a brand in this growth market.

Challenges

- **Talent Shortage:** As with all of the service providers in this Blueprint, HPE faces the challenge of talent shortage in the Workday services market. Buyers should check the availability of skills in required locations for engagements.
- **Current Uncertainty with HPE and CSC Merger:** Enterprises may be concerned about any changes to delivery and commitment, after HPE's merger with CSC. Early indicators show a business as usual scenario, and long-term a possible combined Workday services practice would bring additional valuable skills.

Relevant Acquisitions/Partnerships

Partnerships include:

- Appirio
- PWC

Key Clients

HPE targets large, global enterprises across industry sectors.

Geographic Coverage: North America, EMEA, APAC and Japan

Industry Coverage: Manufacturing, Financial Services (Banking and Capital Markets), Technology, Healthcare

Some publicly disclosed clients include:

- Airbus
- HPE
- ING
- Nissan

Operations

- Partner Since: 2013
- Number of Employees in Workday Services Practice: 200
- Number of Certified Workday Consultants: 125
- Average Number of Certifications Per Consultant: 1.7
- Total Number of Clients: 14
- Total Number of Projects/ Ongoing Engagements: 17

Key delivery locations for Workday practice:

- India: Bangalore
- Poland: Wroclaw
- US: Plano (Texas), various locations
- EMEA: various locations

Technology Tools and Platforms

- *DataMorpher: data migration tool*
- *HR Enterprise Portal.* Employee communication tool to facilitate HR service delivery.
- *CloudPay.* Offers third-party cloud solution to extend Workday software payroll capabilities.
- *Test Case Templates.* HP has developed nearly 10,000 scenarios to test Workday implementations and integrations.

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CSC

Winner's Circle

Inorganic growth drives deep ServiceNow capabilities, broad recognition for pioneering role of Fruition Partners

PLAN

IMPLEMENT

MANAGE

OPERATE

OPTIMIZE

Blueprint Leading Highlights

- Actual Delivery of Services
- Geographical Footprint and Scale
- Vision and Investments in ServiceNow Services
- Availability of Enterprise Service Management Capabilities
- Increased Value over Contract Life Cycle

Strengths

- **Broad recognition for the pioneering role of Fruition Partners:** While CSC has expanded the ServiceNow practice beyond the Fruition Partners acquisition, clients reference and value the capabilities and thought-leadership of Fruition Partners, especially in the US market. For many clients Fruition Partners is the reference point for the journey around ServiceNow capabilities. Deep application management capabilities are underpinning this, especially a round the Management -as-a-Service (MaaS) offering.
- **Strong CSAT scores** underline clients' and market's overall impression of the quality of service across the value chain. Clients cite the availability of a broad set of accelerators as key reason to sign with CSC. Account teams support client with roadmaps. When resourcing issues occur, CSC is said to escalate and react quickly.
- **Broad vertical capabilities, in particular Healthcare, Life Sciences and Retail**: examples include an HR Automation engine for the UK NHS with centralized analytics and governance; Service Catalog Factory" to allow for self-service tooling for a Life Sciences client.
- **Driving ServiceNow into security**: The ServiceNow-based security operations center is a reference for the willingness to invest and expand the core functionality of ServiceNow. This is strongly aligned with CSC's historic strength around security capabilities, in particular on a federal level
- **Significant traction in ESM** as more than 30% of revenues are generated beyond ITSM capabilities. This aligned with the way CSC is positioning ServiceNow as a conduit to change mind-sets toward as-a-Service concepts.

Challenges

- **Continuing change management including but also beyond HPE:** The last couple of years for CSC have characterized by cost containment, but with limited expansion and innovation. Continuing change management will lead to more headwinds.
- **Maintaining the culture and mind-set of acquisitions:** danger of dilution and assimilation. CSC's culture is vastly different to most of its acquisitions, though executives at CSC see Fruition Partners as a conduit for change
- **Integration of Intelligent Automation:** CSC is still evaluating how to expand to and integrate Intelligent Automation. Given its strong entrenchment with ServiceNow, HfS would like to see a more proactive role in driving innovation
- **Expansion to notions of SIAM**: A clearer positioning and though-leadership on the notion of SIAM:

Strategic Positioning

Partner Level: Global Strategic

Acquisitions include:
- Fruition Partner (US, Canada, UK,2016)
- UXC Keystone (AUS, NZ2016)
- Aspediens (Switzerland, Germany, France, Spain,2016, pending)

Strategic positioning:
- Pioneer and thought leader on ServiceNow
- Deep capabilities in application management
- ServiceNow as a conduit to change mind-sets toward as-a-Service
- Deep vertical build outs
- Federal/Defense contractor and Cybersecurity

Key Clients

CSC works with clients across industry sectors:

- Delphi Automotive
- Ameriprise Financial
- Aon
- Allianz
- *Materials Manufacturer*
- Vantiv
- Baylor, Scott & White
- Carahsoft Technology Corp
- New York University
- Financial Firm

Operations

CSAT (as reported by ServiceNow customers): : 9.0

Geographic footprint and scale of the ServiceNow practice:

- **North America: 200 FTEs**
- **EMEA 140 FTEs**
- **ANZ: 80 FTEs**

These resources are enhanced by a Global Operate Group of more than 50 FTEs, development centers in Hyderabad , Vietnam and Bulgaria with around 150 FTEs. Furthermore, practice ramp ups in Mexico, Brazil and Nordics,

Technology Tools and Platforms

- **LIFT Implementation Framework**: provides CTI-based "guardrail" best practice implementation, and includes one year of application management via Virtual Admin service
- **Cybersecurity** – ServiceNow-based security operations center
- **Secure FedRamp** hosting of ServiceNow
- **MyServicePortal** is a custom ServiceNow platform application developed to elevate engagement with the customer
- **HRCM Accelerator**: HR Case Management in ServiceNow
- **ITAM Accelerator**: Bolt-on integration capability; preconfigured instance with defined automation

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HP Enterprise

High Performer

Customer experience "on demand" and omnichannel investments driving contact center innovation

Hewlett Packard Enterprise

Blueprint Leading Highlights
• Account Management Incorporates Feedback • Ability to Execute Multi-Channel Interactions • New Thinking to Write Off Legacy • Investing in Omnichannel

Value Chain Services Coverage:

Interaction Management	
Traditional Channels	Digital Channels
Back Office Contact Center Support	
Consulting	Analytics

Strengths
• **"CX On Demand" platform:** HPE teamed with AVAYA in a multi-year agreement to provide cloud-based unified communications and contact center technology. HPE became the delivery vehicle for AVAYA's private cloud, transferring 1100 employees to HPE in support of this initiative. When provided in tandem with agent services, this is a good example of a "plug and play" type of solution, allowing clients to shift from a capex to opex model and help to write off legacy. HPE currently has 22 clients of this service. Included in this platform is a specialty desk for CX regardless of channel, using customer experience based routing. • **Investment in Omnichannel:** HPE quoted a $45M in omnichannel investment to develop a breadth of digital channels beyond voice. The service provider is using CX analytic and consulting tools and proprietary IP such as HP Explore to first identify customer preferences, then build a Digital Halo which is the overall impression of a person's digital existence. HPE's interaction management capability supports digital channels, with a recent substantial focus on substantial investments specific to omni-channel support: Automated Chat, WebRTC, Proactive Marketing, Agent Video, Virtual Agent and Advanced Routing. HPE also recently acquired Aruba to integrate geo-location and beaconing. • **Trustworthy Partner.** Clients comment that they consider their relationship with HPE as a partnership, and are able to put a lot of trust in account management to make decisions on their behalf.

Challenges
• **Size:** HPE's size works against it in some cases, and clients cited HPE's size as a roadblock to getting things done, stating that things could have gone smoother in contract negotiations. Going to market as "One HPE" to bring single scope around all HPE offerings (Security, Cloud and Analytics) can be a strength but in certain cases is likely causing negotiation headaches for clients. Given the nature of "One HPE," the service provider will need to carve out more of a brand for contact center services and bolster its focus in this area. • **Delivery Location Diversification:** HPE is lacking breadth of delivery locations as compared to some competitors, in particular around a heavy India-based delivery and lacks home based agent services, which is still an important element of interaction management services.

Relevant Acquisitions/Partnerships	Client Profile	Service Delivery Operations	Proprietary Technologies
Acquisitions: • Aruba Networks, 2015, Integration of Mobile CX, Beacons, and Geo-location **Partnerships:** • Major strategic partnership with AVAYA for CX On Demand Cloud Platform	Total number of clients: 300 Key verticals include: All Key clients include: • Accor • GM, GM Financing • CaixaBank • Google • Barclays • Southwest Airlines, AAA, Nissan, BC Revenue, Toshiba, UK Ministry of Justice	• Contact Center Operations Headcount: 22,454 • Total Delivery Locations: 100 • Delivery location highlights:34 countries • Languages supported: 51	• *Autonomy/Qfiniti:* Workforce management, call monitoring. • *Autonomy/IDOL/ Haven*: CX Analytics • *Aruba Networksg*: Mobile Technology • *HP Explore:* CX Analytics (using Haven, IDOL as engine)

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HfS BLUEPRINT REPORTS

HP Enterprise

High Performer

Refreshing its identity and reenergizing its culture with a strong Robotic Process Automation capability incorporated into business process services

Hewlett Packard Enterprise

Blueprint Leading Highlights

- Quality of Account Management
- Applying Intelligent Automation
- Use of Technology to Support Business Processes
- Vision for Finance As-a-Service

Value Chain Coverage:

- Procure to Pay
- Order to Cash
- Record to Report
- Finance Transformation
- Analytics

Strengths

- **F&A More Prominent with HPE's New Identity:** HPE as an independent entity has broadened its positioning from the erstwhile "new style of IT" to a "new style of business" to support clients in what HP terms the "idea economy" (bearing some similarities to HfS' notion of the "As-a-Service Economy").
- **Strong Penetration in CPG Vertical**: HPE has an impressive portfolio of large multinational CPG clients and has served them well, stemming from its flagship Proctor & Gamble relationship. There are strong vertical capabilities such as Cash Acceleration for the Consumer Goods.
- **Balancing Traditional and As-a-Service Models with SAP and Salesforce Strengths:** Expertise across SAP-based BPO transformations in F&A and payroll and partnership with Salesforce, in addition to its servicing of the company as an F&A client, is driving "As-a-Service" mentality as well as new capabilities for F&A solutions, extending processes.
- **Impressive Maturity Model for Automation:** Laser focus on building out its automation capabilities with a number of clients. Positive feedback from clients on the use of RPA "from the beginning."
- **Client Interaction:** Commitment and flexibility in HPE's client approach is appreciated by clients. Clients cite that HPE management really listens to them and engages in dialogue about how to proceed, whether it is an issue to resolve or an idea to explore. HPE has introduced the FIT assessment framework and BPAT for operational analytics to augment its transformational-led approach, but it still needs to work on how to incorporate all of it together in a outcomes-focused approach that appeals to clients wanting to break out of the old model.

Challenges

- **Vertical-Specific Platform Offerings**: HPE is in the early days of verticalizing its offerings beyond CPG, for example, educating its industry practice on the business process tools and capabilities such as the FIT framework for benchmarking and journey mapping. As basic transactions are automated, and the market is high competitive, it would serve HPE well to focus on developing unique industry specific capability.
- **Design Thinking, Consulting and Transformational Capability Need Attention:** HfS has heard some feedback indicating that HPE is weaker competitively on bringing thought leadership and transformational guidance to the table to help define and drive change. This area could be one of investment and focus in the coming months. Investing in Design Thinking would be a significant step forward.
- **Improve Its Speed to Action:** HPE tends to move a bit slowly, from what we hear, with too much time taken from discussions with clients to decisions. It's possible that with the separation and focus now, that the organization will streamline its own process and be able to move faster in making decisions and implementing change with clients.
- **Talent Development and Retention:** HPE's F&A turnover is higher than the clients would like to see. HPE has an opportunity to create excitement and engagement in its workforce with its refreshed identity and progressive approach with its use of technology with BPO, particularly with automation.

Acquisitions / Partnerships

Acquisitions:
- NA

Partnerships:
- KPMG and PwC for consulting, advisory and governance
- PwC and Deloitte for specialized accounting services
- SAP for ERP support

Client Profile

40 F&A BPO clients including: AOL, British Columbia Ministry of Revenue, P&G, Molson Coors, Smith & Nephew, Salesforce.com

Target Industries:

Special focus on Consumer Goods, Manufacturing and Transportation

Service Delivery Operations

Headcount: 6,000

Delivery Centers (30+):
- USA – 5% (San Jose, CA)
- Latin America – 5% (Costa Rica)
- Continental Europe – 15% - 20%: (Wroclaw and Lodz, Poland)
- India - 65% to 75% (Bangalore, Chennai)
- China (Dalian)

Proprietary Technologies

- *HP Business Process Analytics Tools (BPAT)*
- *Autoflow*: ePresentment tools
- *Phantom:* HP Quick Test Pro
- *Autoflow*: Autonomy
- *HP CARTT*
- *HP e-Solution:* tools for document capture
- *Framework for Innovation & Transformation*
- *HP ES Document Processing Services (DPS):* including HP TRIM, digital archiving software

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Xchanging

Execution Powerhouse

A Source-to-Pay focused service provider with strong presence in UK specially in the mid-market segment

Blueprint Leading Highlights

- Quality of Account Management
- Incorporating Feedback
- Continuous Improvement
- Use of Technology to Support Business Processes
- Investing in Future Talent and Technology

Value Chain Coverage:

- Procure to Pay
- Order to Cash
- Record to Report

Finance Transformation

- Analytics

Strengths

- **Procurement-focused F&A Practice**: Xchanging's strength is in its Source or Pay functions, which is a result of a focus on outsourcing services for strategic sourcing and procurement; its recent acquisition of Spikes Cavell for spend analytics shows continued commitmentto this space. However it is not the limit of the service provider's capability.
- **Account-Level Engagement:** Xchanging can be very accommodating of requests and willing to invest in accounts, such as sending team members on-site, diagnostics, and amortizing implementation costs over time.
- **Human-Centric Automation:** Xchanging's approach to robotic process automation is ramping up, although seems to move quite slowly as few clients are seeing the impact. However, Xchanging has been featured in the industry as having employees well-engaged in defining and managing RPA, finding opportunities to implement it, and changing jobs and roles to incorporate RPA into their work.
- **Useful Technology Enablement:** Clients appreciate the operational technology enablement, and the ability of the workflow to connect and integrate disparate systems; Xchanging seems to have some sophisticated tools for automated training and support as well.
- **Industry Depth and UK Advantage:** The service provider has industry-specific capability to support real estate, financial services, and healthcare. Xchanging has had success in the UK enterprise and government segment. This can further be leveraged to secure more F&A engagements specially in the mid-market segment.

Challenges

- **Leadership:** Clients and HfS feel a certain lack of authoritative thought leadership on Xchanging accounts. The company needs to expand the leadership team with more industry and transformational leaders who can work with clients, to understand business and industry context for driving relevant and therefore increased value over time. This gap could be addressed through partnerships or hiring.
- **Consistency:** HfS observes that if a client sets high expectations for Xchanging, and push for increased value over time, Xchanging will work to meet those expectations. However if the client expectations are low and sharing of corporate context is low, then Xchanging will focus on simply delivering and not be as proactive with innovation. It's therefore more incumbent on the client, and Xchanging needs to create a better balance and more consistency across accounts (related to the point above about leadership).
- **Operational Analytics:** While the workflow and dashboards bring together and present data, Xchanging is not doing as much as clients would like to see to analyze the data in the context of client requirements and identify trouble spots and opportunities for change. New investments and pending rollouts of CFO Dashboard and Procurement Operations Dashboard should help address this gap.

Relevant Acquisitions / Partnerships

Acquisitions:
- Spikes Cavell (2015) for spend analytics
- Cambridge Solutions (2009)

Partnerships:
- KOFAX, Skelta
- Oracle
- Newgen
- Recall/ Grace
- Windstream

Client Profile

Client base is primarily in the mid market ($5-10B in revenues), however, Xchanging will work with larger and smaller companies as well. The company is expanding beyond its core industry base to target manufacturing, pharmaceuticals, and telecommunications.

20+ F&A BPO clients

Target Industries:

Healthcare, Real Estate, Energy & Utilities, Insurance and Banking, Manufacturing, Pharmaceuticals, Telecommunications.

Service Delivery Operations

Headcount: 1350+

Delivery Centers (6):
- USA – 1% (Warren, MI)
- UK – 2% (Preston, Nottingham)
- India – 97%: (Bangalore, Shimoga, Gurgaon)

Proprietary Technologies

- *CORE, X Flow*: for workflow processing
- *X Pro*
- *Smart Process Automation Suite:*CAAPS / CBRE
- *Corporate Accounting Accounts Payable System – EMEA*
- *NAGE*

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CSC

Strength in healthcare and public sector industries with skills across IT services and technologies

PLAN

IMPLEMENT

MANAGE

OPERATE

OPTIMIZE

Blueprint Leading Highlights

- Quality of Account Management Team
- How Service Providers Incorporate Customer Feedback
- Experience Delivering Industry Specific Solutions
- Partnership Strategy
- Integration of Third Party Capabilities

Strengths

- **Industry Sector Focus, with Particular Strength in Healthcare:** CSC offers targeted Salesforce offerings to the healthcare industry, building on its established reputation in this sector. It partners with Vlocity for its healthcare solution, but further tailors the offerings by adding components and enhancing the user interface. CSC has also built IP solutions for the banking and insurance industries and aims to continue to build industry accelerators.
- **Integrated Approach Focused on Delivering Business Solutions:** CSC focuses on understanding industry and business results rather than pursue pure technical implementation projects. It achieves this by integrating industry and consulting expertise in Salesforce service engagements. In addition the consulting team is well utilized in delivering optimization services.
- **IT Service Capabilities That enhance Salesforce Service Skills**: CSC has skills in hardware, software, service and the data center – all of which can be leveraged to enhance its Salesforce service capabilities. It can integrate Salesforce with other applications such as SAP, and it has capabilities in analytics and IoT, as well as a big focus on change management services.
- **Dependable and Easy To Work With:** Clients commended the high quality of CSC team members, with one saying that they were 'all brilliant people'. They also appreciate CSC's efforts to maintain stable team members for each engagement. Clients also highlighted that CSC met all of their commitments in the engagements.

Challenges

- **Seen as A Technology Partner:** Despite its investment in building consulting services and its understanding of CRM in a holistic way, CSC is still perceived to be more of a technical implementation partner. CSC has opportunities to educate the market on its wider Salesforce capabilities to help it to position as more of a strategic partner for clients.
- **Inadequate Communication of Skills:** CSC is not always the obvious choice for clients making a provider selection short list. For example in Europe it is still not perceived to be a global Salesforce service provider – and yet more than half of its Salesforce service revenue comes from this region. CSC therefore needs to increase its marketing efforts with existing and prospect clients to communicate its Salesforce service capabilities. CSC has a three year strategic intent to grow its Salesforce practice by a factor of ten, and to position itself as a "global leader in integration solutions and services for targeted industries."

Relevant Acquisitions/Partnerships

Partnerships include:
- Vlocity
- Composer
- Docusign
- FinancialForce
- Informatica
- Xactly

Key Clients

CSC focuses on large and medium-size enterprises, specifically in the US , France , Nordics, Brazil, ANZ, UK.

Industry Coverage:
- Insurance
- Healthcare
- Banking
- Public Sector

Some publicly disclosed clients include:
- UK Water Utility
- Biomet Microfixation
- Global Agribusiness
- Nordic Telecommunications Provider

Operations

- Partner Level: Gold
- Fullforce Master Qualifications: N/A
- Fullforce Industry Solutions: N/A
- Salesforce Certified Consultants: 145
- Certified Technical Architects: N/A
- Total number in practice: 214
- Number of projects completed: 145+
- Customer Satisfaction Score: 9.39/10

Key delivery locations for Salesforce practice:
- USA
- LATAM: Brazil
- Europe: South and West (France, Spain and Belgium); UK and Ireland; Central Continental Europe, Nordics

Technology Tools and Platforms

- *Omni360 for Utilities:* Integration platform for multi-channel customer communications
- *Omni 360 Insurance Agent Portal Accelerator*
- *Healthcare Accelerator*: Community portal for coverage search, selection and purchase
- *AMA Asset Management Accelerator*: Sales and service application for asset managers and service agents

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HP Enterprise

Winner's Circle

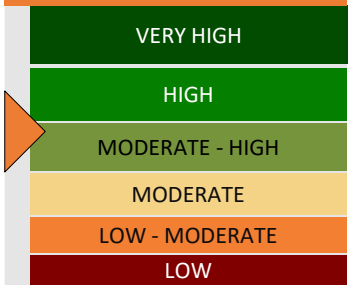
Breaking free of the "legacy" HP with a strong focus on enabling digital trust

Hewlett Packard Enterprise

HIGHLIGHTS

- Execution Ability
- Tools and Platforms
- Expertise and Vision
- Alignment With Digital Trust & Security Framework

DIGITAL TRUST ALIGNMENT



STRENGTHS

- **Business Leadership**: Enterprise Security Services (ESS), including Managed Security Services (MSS), within HPE have brought on significant expertise over the past 12-18 months, adding to the ranks of both executive leaders and operational management.
- **Growth**: MSS is the fastest growing team within ESS, carrying with them both momentum and the support of the other units.
- **Digital Trust Focus**: HPE's MSS team (and their overall ESS focus) deliver solidly on the elements of Digital Trust, including a fast-growing capability in user engagement and behavioral influence.
- **Partner Ecosystem**: HPE has pulled together a very broad ecosystem, setting aside the brand history of HP and moving towards a vendor-agnostic approach (similar to what we see in other hardware-legacy brands).
- **Business Independence**: The recent emergence of HP Enterprise (HPE) as a separate business from the traditional HP brand can only help them differentiate themselves moving forward. Issues of brand awareness aside, the new independent status can only help them keep their focus, and corporate resources, focused on services first.

CHALLENGES

- **Physical/Digital Integration**: HPE must expand their service capabilities with regard to support for jointly tracking physical and digital threats.
- **Shoring Up Underperforming Services**: While its capabilities appear solid, areas such as DLP, Data Protection, Vulnerability Management, and Identity Management need increased visibility within the market and a stronger focus on business-oriented opportunities.
- **MSS Enhancement**: HPE is midway through an effort to rebuild and refocus its core MSS offering.
- **Brand Visibility**: Despite a solid global footprint and extensive service capabilities throughout the ESS organization, it needs to clearly, and quickly, clarify the identity of the new HP Enterprise brand to avoid prolonged confusion with legacy HP.
- **Expansion into North America and Asia-Pac**: The MSS offerings of HPE/ESS are dominated by European clients (60%) – we feel it should be more competitive in the North American and Asia-Pac markets.

INFORMATION

MANAGEMENT

- Art Wong, SVP and Global General Manager, Enterprise Security Services
- Rick Miller, VP and Offering Lead, Managed Security Services

STAFFING

- Est. 1500 Staff, Enterprise Security Services, 600 Staff in Managed Security Services (400 in SOCs)

SOLUTIONS

CORE FOCUS

- Key services focus on blending Technology Solutions, Security Consulting (Risk Management and Compliance), and Managed Security Services

OFFERINGS

- Key MSS offerings include: Security Management, Threat Intelligence, Security Monitoring, Incident Response
- Secondary offerings: Risk Management, App Security, Network Security, Threat Management, IAM, Data Protection & Privacy, Incident Response

DIGITAL TRUST / AS-A-SERVICE

DIGITAL TRUST ALIGNMENT

- Solid support for most elements with good/emerging support for User Engagement and Business Alignment
- Commitment towards an As-a-Service business model

DIGITAL MATURITY SUPPORT

- Standard offerings capable of assisting clients through Level 3 of the HfS Digital Trust & Security Maturity Model

CLIENTS / DELIVERY

CLIENTS

- 500+ Global Clients for Managed Security Services with additional 250+ using custom security services (total of 1,200 ESS clients)
- Europe 60%; NA 30%; AP10%

DELIVERY CENTERS / STATS

- 3 Global SOCs: Plano, TX; Manchester, UK; Sydney, Australia
- 3 Specialized SOCs: Canada; Germany; India
- 4 Global Delivery Centers: Costa Rica; Bulgaria; India; Malaysia
- 1 U.S. Public Sector SOC: Herndon, VA

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HP Enterprise

Winner's Circle

Helping to digitize and automate Government healthcare, with depth of experience and reusable modularized solutions

Hewlett Packard Enterprise

Commercial | Government

Business Operations Maturity: Claims Services | Member Services | Provider Services | Health & Care Mgmt | Admin: F&A, Doc/Print

Blueprint Leading Highlights

- Quality of Account Management
- Delivery Performance and Continuous Improvement
- Pricing and Investment into the Account
- Integration of Technology into Process
- Vision for Healthcare Payer Operations

Path to As-a-Service

HPES has longevity with its clients in the Government healthcare space, as well as with technology. And now they are re-orienting to a business outcome focus. All of this comes together to position them well along the path to As-a-Service. HPES can also re-use solutions due to the lack of competition between state governments. A key area of focus to tie it all together is to ensure talent development stays current as the healthcare market changes, & increase the use of design thinking and analytics.

Strengths

- **Depth of experience in Government and relevant breadth in other industries:** Having worked with Government entities for over 50 years, HPES has a strong capability for an expanding market. In the past year, HPES has also been more proactive about looking into its other industry groups including banking and travel for assets and expertise relevant to healthcare.
- **Componentized, modular approach in shift to "modern" healthcare:** HPES business process services and technology are available on as-needed (plug & play) and/or subscription with InterChange MMIS. The use of this system for eligibility & enrollment took one state online from in-person paper-based processes, and from 20 days for the end to end process to 20 minutes. Now, agents are managing cases versus spending time on enrollment processing.
- **Intelligent Automation at core to changing transaction based systems to performance driven solutions:** Besides using automation for routing and workflow, HPES is increasingly automating transaction processing, such as provider credentialing. Some changes require HPES to help get new legislation passed, such as for digital signatures to be part of the automated process. HPES is also applying cognitive computing to reduce fraud, and incorporating an artificial intelligence approach in call centers to derive sentiment in voices and to identify faces in images.
- **Secure private cloud for Medicaid customers:** HPES has spent the last decade consolidating most of its Medicaid customers into a leveraged, secure private cloud environment and is now working to migrate them into the Helion Virtual Private Cloud for US Public Sector, a FedRamp-authorized, HIPAA-compliant cloud service.

Challenges

- **Build momentum for change:** With HPES experience and client base, HfS believes it could take a more visible and vocal role in sharing thought leadership and stories to help drive take up and change in the Government healthcare sector that can also carry into the Commercial side, especially with Commercial payers extending their support for Medicare. The results and capability of the e-prescribing is an excellent example.
- **Transition from IT led to outcome led with business process and IT enablement, enhanced with analytics:** Hewlett Packard Enterprise Services as a new brand and entity is launching a fresh approach to the market, with an outcome and solutions led emphasis. HP traditionally does a really good job at describing the suite of technology, and now needs to drive towards a more analytics and insight enabled business process services, and continue to invest in talent to enable this approach.
- **Breadth of services yet to extend into population health or care management business process services:** Although HPES has the Atlantes care management platform, the service provider is not yet providing business process services in these areas that can help clients better understand and impact the health and medical outcomes. Recognizing that this will be increasingly critical in the move to fee for performance and stars program ratings, for example, HPES is developing this capability.

Relevant Acquisitions / Partnerships

- 2011, Acquired Vertica with platform for real-time big data analytics
- 2011, Acquired Autonomy for search software

Client Profile

- BPO: Yes
- Platform Based BPO: Yes
- BPaaS: Yes

Including:
AL, AR, CO, CT, DE, FL, GA, IN, KS, MA, NV, OH, OK, OR, PA, RI, TN, VT, WI

Service Delivery Operations

- Health Payer Operations for over 50 years
- Healthcare Headcount: > 7,000; > 10,000 Healthcare IT professionals; ~250 Clinicians
- Specialties: Doctors, Dentists, Pharmacists, Nurses
- Center Locations: U.S.

Proprietary Technologies

- InterChange MMIS, with components:
  - Connections for automated rules based workflow
  - Healthcare Portal for self-service provider and member enrollment/ management
  - HP ProDur for drug utilization support
  - Immunization Registry
  - Correspondence
  - Atlantes for care management
  - HP interChange Business Intelligence and Analytical Reporting
- HP PASSAR: Preadmission Screening and Resident Review for Long Term Care
- HP inSight Dashboard
- HP ALM and PPM for demand management, project management

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Xchanging

High Performer

Focusing on how to best leverage enabling technologies for the health care management process end to end

Commercial | Government

Business Operations Maturity: Claims Services | Member Services | Provider Services | Health & Care Mgmt | Admin

Blueprint Leading Highlights

- Quality of Account Management
- Delivery Performance
- Integration of Technology with Process
- Investing in Future Technology

Path to As-a-Service

Strong investment in development and acquisition of technology to enable as-a-service outcome focused results. However, Xchanging is more reactive when it comes to continuous improvement and best practices, which could addressed through more creative and proactive problem solving like with Design Thinking.

Strengths

- **Options for SaaS, BPaaS or plug into legacy health insurance policy and claims management:** Xchanging acquired AgencyPort Europe to add healthcare plan enrollment and management capability, and integrated it into Xuber (policy management and claims for insurance) for a singe platform with business process support. The resulting OPEN Core Platform: Health solution is hosted by Xchanging and provides online multi-currency and multi-language support. The process covers when a member enrolls, through scheduling and appointments, claims and billing. Clients find this new technology very useful.
- **Responsive account management and quality delivery:** Xchanging staff are appreciated by clients for bringing a thoughtful approach to delivery, leveraging automation and capability to simplify, and then find the right balance of talent and technology for a solution. BPO associates share examples of how robotics creates "team members" who process work directed by the team.
- **Ties reengineering, analytics, and automation together:** As an example, Xchanging worked with a client to diagnose and address a provider coding issue in a worker's compensation scenario to ensure appropriate referrals and treatment. Xchanging has a Workers Compensation Center of Excellence.

Challenges

- **Lack of evident roadmap for sourcing and healthcare beyond technology:** Despite the progress in building in robotic process automation and use of software as a service, clients indicate that recently Xchanging is more reactive with continuous improvement, and they do not see a clear roadmap forward on where Xchanging is investing in the future for BPO + technology.
- **Talent on-boarding, transition, and development:** Turnover tends to drive some slow down in the work effort, per clients. While the capability of the BPO associates is appreciated, contextual training and and on-boarding could be a smoother process. Also, the service provider could promote more unique talent engagement and development programs, like in the Workers Compensation Center of Excellence.

Relevant Acquisitions / Partnerships

- 2014, Acquired AgencyPort Europe for exposure modeling and risk analysis, policy administration, billing and claims business processing in healthcare (& P&C insurance)
- 2013, Acquired MM4 (MarketMaker4) for vendor management

Partnerships:

- Automation: Blue Prism
- Analytics: MyFriday to simplify Big Data as a virtual coach for employees and as a virtual assistant for managers

Client Profile

- BPO: Yes
- Platform Based BPO: Yes
- BPaaS: Yes

Including:

- Payers
- Insurance Organizations
- Medical Service Providers

Service Delivery Operations

- Healthcare Payer Operations for 15 years
- Healthcare Headcount: 800
- Specialties: Nurses, Clinicians, Certified Coders
- Center Locations: India (50%), Australia (25%), U.S. (15%), UK (10%)

Proprietary Technologies

- Open Core Platform:Health web-based, hosted healthcare insurance plan platform
- Xuber for policy administration and claim management
- Xchanging Scheduling for booking appointments between patients and providers
- Digital 360 for workflow management in F&A, with Revenue Cycle Management, Workers' Compensation

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CSC

High Performer

A major BFSI technology solution provider with growing BPO servicing capabilities in the U.S.



Blueprint Leading Highlights

Execution

- How service providers incorporate customer feedback
- Delivery of policy serving
- Delivery of claims administration

Innovation

- Investment in future capabilities
- Vision for insurance-specific solutions
- Incorporating regulatory requirements quickly and proactively

Strengths

- **Comprehensive insurance platform offering has helped create sticky relationships.** CSC's BPS services provide full administration services to clients including a web portal front-end for application submission and policy service, core processing functions via a CSC application engine, management reporting and standard integrations to third parties. Its platform has also helped insurance clientele stick on and thrive as the rest of the company restructures this year.
- **Client proximity has helped delivery team develop domain expertise.** Clients state that CSC has a great understanding of the insurance industry due to its longevity with its onshore presence.
- **Consistent and responsive delivery personnel.** Clients rate CSC's service delivery highly. In particular, its focus on security, domain knowledge across infrastructure, technology and BPO, SLA performance and ability to incorporate client feedback.
- **BFSI industry presence is a well balanced portfolio across a large client base.** CSC has one of the largest client bases of L&A and P&C clients for insurance BPO, predominantly in North America due to its legacy business spanning the last two decades.

Challenges

- **Additional technology value from premium pricing.** Multiple clients state that they are not getting value out of new platform updates, as making upgrades as part of its base platform makes BPO service more efficient. Clients wish they were able to upgrade their platforms as part of CSC's premium pricing.
- **Management style has shifted away from a previous focus on networking.** Clients feel a change in engagement style that has affected day to day account interactions and overall insurance community interactions. They do not see as much collaboration opportunity as in the past (user groups, workshops, etc.). This is due to changes in the leadership position in the last 4-5 years that have cut discretionary spending, which may have had an impact on community engagement. Based on customer feedback and new organizational leadership (Mike Risley), CSC is starting to address this through new networking events, but it is currently a challenge.
- **Further investing in As-a-Service by doubling down on areas such as Digital and IOT** in concert with its rebranding as CSC Global Commercial. There are no clear leaders yet in this space, including in insurance, and CSC will have to take rapid and decisive actions to create its future brand.

Relevant Acquisitions and Partnerships

- 2014: CSC aligned with ISSI, a wholly owned subsidiary of Standard Insurance, to provide Philippine based call center services

Key Clients

- Tennessee Farmers
- Starr Companies
- Florida Penn
- Dongbu
- Accident Fund
- MetLife
- Transamerica Capital Management
- Swiss Re
- Northstar
- Wilton Re
- Starr
- Preferred Management Agency

Global Operations Centers

- **Headcount:** 2,557 FTEs
- **Locations**: Majority of delivery from centers in the U.S. (Nashville, Tennessee, Hartford, CT; Jacksonville, IL; Dallas, TX; Blythewood, SC; Sarasota, FL) and India (Noida, Vadodara).

Small presence in South Africa (Cape Town)

Proprietary Technologies

- CyberLife (policy admin for NA L&A)
- Wealth Management Accelerator (manages both asset accumulation and disbursement)
- Customer Service Accelerator – csA (customer service across channels)
- New Business Accelerator (streamlines new business capture and submission, risk assessment and underwriting automation)
- PerformancePlus (Producer & incentive management)
- AgencyLink (helps agents sell and service P&C policies)
- POINT IN (policy admin for P&C)

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Xchanging

High Performer



Bringing innovation and learning from London market experience to BPO clients

Blueprint Leading Highlights

Execution

- How service providers engage customers and develop communities
- Flexibility to deliver both end-to-end solutions and point solutions
- Quality of account management
- Delivery of policy serving

Innovation

- Incorporating regulatory requirements quickly and proactively
- Investment in future capabilities

Strengths

- **Reputed insurance brand in the London Insurance Market.** Xchanging has one of the largest client bases for insurance BPO, predominantly in the UK and Australia. The service provider has a balanced portfolio of L&A and P&C clients, as well as experience with brokers and reinsurance companies. Clients are confident of working with Xchanging because of its Lloyds Insurance workspace experience and onshore delivery capabilities, and believe that the service provider can run large insurance programs.
- **Strong community development.** Clients get tremendous value from Xchanging's insurance community development, including technology events, BPO and insurance best practice events, access to SMEs and other UK practitioners, and annual conferences.
- **Experienced delivery teams.** Clients felt confident of Xchanging's vertical knowledge and expertise, stating that the majority of employees have been in the industry for a long time and understand the requirements of service or roles to be performed. Clients also appreciated the service provider's delivery capabilities, with consistent performance on core insurance processes.

Challenges

- **Ability to run complex processes.** Clients mentioned that Xchanging excels at executing BPO processes that are transactional in nature. However, its capabilities and scale in complex service areas such as actuarial and catastrophe modeling are not as advanced as major competitors and have not evolved significantly since the last Blueprint.
- **Value adds to BPO.** Clients cited that while Xchanging does add certain technology enablers to add value to its BPO operations, a refresh including more automation on these tool kits would further improve performance. This is something that Xchanging is aggressively investing in (RPA), but will take time to mature as it rolls out to its elective BPO clients beyond the London Market services.

Relevant Acquisitions and Partnerships

- 2014: Acquired Total Objects, a reinsurance software provider
- 2014: Acquired Agencyport to strengthen the Xuber insurance software offerings

Partnerships with:

- Blue Prism for RPA deployment
- Watertrace to build the Binder360 platform - the bordereaux transformation service

Key Clients

- Top 3 insurance broker
- Lloyds London Market utility contracts
- Top 10 insurance broker
- General insurer

Global Operations Centers

- **Headcount:** 985 FTEs
- **Locations**: Delivery roughly equally split between India (Bangalore, Gurgaon, Shimoga, Solan) and the UK (London, Chatham/Folkestone, Romford/Basildon, Leicester)

Proprietary Technologies

- Insurers Market Repository (document management and workflow service)
- Netsett (STP)
- Electronic Claims File (claims processing and work flow for the London insurance market)
- eAccounts (data and document submissions of premiums to the bureau)
- Xchanging Data Hub (B2B gateway)
- ACORD4ALL (B2B gateway)
- Xpresso (claims management mobile app for insurance claims handlers and insurers)
- Binder 360 Services (streamline the binder process, significantly reducing the associated frictional costs)

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HP

Winner's Circle

Leading global service provider, leveraging its strong heritage in testing tools



Blueprint Leading Highlights

Execution

- Geographic Footprint and Scale of the Application Testing Practice
- Actual Delivery of Services

Innovation

- Integration of New Technologies
- Continuous Improvement Methodology and Capability

Strengths

- **Market leadership of HP proprietary testing tools:** HP's leading position in testing tools provides broad mindshare as well as broad prospective client awareness of the brand.
- **Investments in DevOps model:** HP testing services are integrated with the application development and operations life-cycle which in line with the overall service provider focus on DevOps.
- **Strong traction in the Public Sector:** While not always through testing versus as as part of broader application development and management HP is one of the market leaders in supporting public sector clients .

Challenges

- **Penetration of HP proprietary tools are double edged sword for many clients:** HP's strength around tools curtails its ability to provide best-of-breed solutions. Similarly it reinforces perceptions of being technology led for some clients.
- **Not perceived as provider for comprehensive outsourcing:** HP remains confined to project business and limited managed testing engagements. The majority of its revenues comes from bundled application development and management contracts.
- **Lack of industrialized vertical assets:** HP is lagging its leading peers in building out deep vertical assets. Aligned to that is a perception of not being fully embedded into client's business processes.

Staff & Operations

- Testing professionals: 4,300
- Estimated testing revenues ~$450m
- 7 Global delivery hubs: India, Philippines, China, Argentina, Costa Rica, Egypt, Poland; using enterprise testing process for application testing.
- While account executives lead sales, engagements are led by testing programme managers and testing project managers

Technology

- **Proprietary HP Application Life Cycle Manager**, Unified Functional Testing, Performance Center, and Application Security Center tools
- **Regression test packs for some SAP modules,** e.g. FICO (finance and control), HRM (HR management), Order-to-Cash and Procure-to-Pay

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HfS BLUEPRINT REPORTS

CSC

High Performer

Leading global service provider, with differentiating traction in public sector markets



Blueprint Leading Highlights

Execution:

- Actual Delivery of Services

Innovation:

- Vision for Industry Specific Solutions and Application Lifecycle Integration
- Integration of New Technologies

Strengths

- **Presence in the US federal market and the UK National Health Service:** These are anchor markets for CSC in testing and act as are reference points for its ability to meet the specific requirements of these segments, and it should therefore be considered for outsourced testing in these sectors
- **Cloud-based ERP testing capabilities** for SaaS leading vendors such as Salesforce and Workday.
- **Investments in generic disruptive technologies**: HfS believes that CSC is making innovative moves with investments platforms such as Agility Platform, a cloud automation and brokerage platform which can be harnessed to deliver new, flexible testing services.
- **Flexible engagement models** in particular 'Testing as a Service'

Challenges

- **Process standardization**: Client feedback suggests that CSC is lagging peers when it comes to process standardization and rigorous project KPI measurement.
- **Investment in test automation:** CSC is lagging the leading peers in investing in automation for testing ion, but the service provider has prioritised investments for the next fiscal year.
- **Vision for comprehensive outsourcing**: CSC is playing to its strength in project centric or embedded contracts but needs to evolve the narrative to meeting emerging client requirements.

Staff & Operations

- Testing professionals: 9,600
- Estimated testing revenues: ~$550m
- Strong delivery footprint in India through AppLabs acquisition with 60+ Global Test Centers of Excellence

Technology

- **Score methodology** helps clients with typically decentralized testing functions to implement a TCoE by leveraging standardized methodologies such as TMMi, TPI, and Tmap
- **Application Modernization Testing**
- **Next generation testing solutions e.g . Mobile Assure**, an end-to-end solution that ranges in capability from functional testing to platform compatibility

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Xchanging
Winner's Circle

Building on the acquisition of MM4 to drive North American and As-a-Service based growth

Xchanging
inspiring innovation

Strategic Sourcing

Transactional Procurement

Supplier Management

Contract Management

Technology Management

Blueprint Leading Highlights

Execution
- How Service Providers Incorporate Customer Feedback
- Strategic Sourcing
- Technology Management
- Flexibility To Deliver Both End to End and Point Solutions

Innovation
- Integration of As-a-Service Capabilities
- Integration of Technology
- Incorporate Regulatory Requirements

Strengths

- **Successful MM4 Integration.** Coming shortly after our last Procurement Outsourcing Blueprint, Xchanging's 2013 acquisition of MM4 has revitalized its presence in North America and provided a base for a more technology enabled, cross-client as-a-service offering. This has been followed by the acquisition of Spikes Cavell in early 2015 for spend analytics capabilities and technology.
- **As-a-Service Strategy.** In 2014, Xchanging began to build out a distinct offering set for As-a-Service procurement delivery to sit aside traditional contracting and solutioning models. This market setting momentum shows that the service provider has been listening to customer feedback on the needs of enterprise buyers.
- **Strategic Sourcing.** Xchanging has been investing in aggressively increasing the number of North American based strategic sourcing resources since 2014. This is aligned to the needs of large enterprise buyers who are looking for co-located or close proximity capabilities. It also builds on what was already a significant capability for Xchanging in strategic sourcing and category management across indirect spending.
- **Tail Spend Management**. Xchanging has developed a significant capability to deliver tail spend management as-a-service which responds to a growing need and interest from the procurement outsourcing buyers.
- **Regulatory Expertise.** Xchanging has a deep history of working with major clients in highly regulated markets and is known for its responsiveness to changing and often highly complex requirements.

Challenges

- **Becoming More Seamless.** The PO market is in a state of transition to an As-a-Service solution and delivery model. For large clients this means building complete solutions that are seamless in their design and operation. One concern with Xchanging is that they still come across to some prospects as being silo-ed between internal and external components of their largest solutions.
- **Transactional Procurement.** By comparison to most of the other Winner's Circle service providers, Xchanging's transactional procurement delivery is much smaller in scale. A potential strategy to counter act this would be for the service provider to focus on getting the most out of the client's retained transactional staff (especially in shared services) as partners in a complete end-to-end solution.
- **Contract Management.** Competitive offerings and client expectations for contract management are increasingly significant in the current PO marketplace. Xchanging needs to allocate additional attention and investment in this space to keep pace with many of the other service providers in the Winners Circle.
- **Geographic Footprint And Scale.** Because of having a smaller transactional procurement footprint to its peers, Xchanging has not developed the off-shore delivery capability common to almost all of the other service providers in this Blueprint. For certain clients this may be an issue while for others especially in sourcing and supplier management this could work just fine.

Client Industry Verticals

- Manufacturing
- Banking
- Insurance
- Real Estate
- Healthcare
- Energy
- Education
- Logistics
- Consumer Goods, Retail
- Defense, Public Sector

Key Clients

110+ Clients in Procurement Services including:

- Military Systems Provider
- Global Cosmetics Manufacturer
- European Pharmacy Chain
- Consumer Products Manufacturer
- Security and Facilities Provider
- Australian Banking Giant
- American Family Restaurant Chain

Global Operations Centers

Headcount: ~1,000 FTEs over 60+ delivery locations including:

- United Kingdom: Basildon; Bracknell; Edinburgh; Fulwood; Preston; Glasgow; Littlehampton; London; Luton; Newcastle; Nottingham
- France: Paris; Amiens; Lille
- United States: Annapolis; Chicago; Columbia; Columbus; Miami; NYC; Phoenix; Sacramento; Springfield
- Spain: Barcelona; Madrid
- China
- Australia

Technology

Xchanging Proprietary Solutions include:
- MM4
- X-Flow (AP)
- X-Act
- VAULT
- Spikes Cavell Spend Analytics

Key Third Party Solutions Include:
- Oracle
- Blue Prism
- Salesforce
- KOFAX
- Elcom
- Coupa

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HfS BLUEPRINT REPORTS

HP

Touting itself as the largest Workday customer in the world, HP joined the ecosystem in 2013 to capitalize on its experience and platform popularity



PLAN
IMPLEMENT
MANAGE
OPERATE
OPTIMIZE

Blueprint Leading Highlights

- Geographic Footprint and Scale
- Integrate Technology into Business Process
- Vision

Strengths

- **Established brand and skills in IT services and BPO.** HP is a recognized global IT services and business process outsourcing (BPO) player, with skills spanning the IT services lifecycle, functional domains, and industry sectors, and touts its "New Style of IT" capabilities in cloud, social, mobile, and analytics. It has some of the broadest support of the Workday services value chain and can offer a powerful portfolio to take to market. For example, it can leverage its experience in general HR BPO services to offer Workday-specific BPO, as well as general cloud strategy migration services that can be tailored for the Workday environment as it matures.
- **Workday's largest deployment.** HP has globally deployed Workday internally for its 300,000 employees in 170 countries with more than 400 integrations reportedly in 16 months. Following this project, HP has assembled a team to deliver its own Workday services to the marketplace. This personal experience of technical and organizational issues relevant to a large global Workday deployment, and HP's established general IT services capabilities, lend credibility to HP's ability to implement and sustain large, complex global deals moving forward.
- **Workday services strategy commitment**. HP is targeting aggressive growth for its Workday practice, to meet or exceed the growth rate of the Workday market overall. Its depth of capabilities and global customer base provides the company a good opportunity to grow at a rapid pace.

Challenges

- **Actual Workday experience.** As one of the newest members of the Workday partner ecosystem, HP does not have a list of readily available external customer references to offer to prospect customers. HfS research shows clients of the traditional global service providers find that peer connections for comparison and recommendations are a key reason they are chosen and provide valuable experience for customers, so this could prove to be a challenge as HP initially builds its practice. That said, its partnerships, especially with PwC and Deloitte, should help to bring new opportunities to HP, particularly in the BPO areas that those service providers don't want.
- **HRO attention and investment.** While HP executives express strategic intent to continue to offer and in fact lead in the broader human resources outsourcing market, it has not performed as well as others in HfS Blueprint reports in key areas of HR capability such as talent acquisition and payroll and benefits administration in the last year as legacy clients look for and expect more value from initial cost-cutting deals. That said, clients identify HP's willingness and ability to support them globally, particularly with multi-lingual call centers and on-going operational support. HP is winning follow-on business in Workday environments that can help it build out solid application management services offerings as well as exceptional transaction and employee support services around Workday over time.

Relevant Acquisitions/Partnerships

- HP partners with PwC for strategic HR consulting services around Workday.
- Deloitte is a strong general services alliance partner to HP and is likely the service provider that helped HP deploy Workday itself, could lead to joint Workday project work in the future.

Key Clients

- Target market: large, multi-country, HP HRO clients with new Workday deployments or new Workday deployment (no initial outsourcing) as well as existing Workday clients wanting HRO support.
- HP plans to also target Fortune 100 to 500 organizations in the following industry sectors: Retail, Travel/Transportation, Healthcare, Automotive, Government.
- Clients include: IHG and Nissan

Staff & Operations

- Partner since: 2013
- Total number of Workday certified consultants: ~80
- Total number in practice: ~80

- HP reports more than 15,000 professionals in its "Industrialized Delivery System (IDS)" supporting clients, including 2,900 HR & payroll experts worldwide.
- HP has virtual Workday delivery teams supported by 3 regional delivery centers in Plano, Texas (US), Wroclaw (Poland), and Bangalore (India)

Technology Tools and Platforms

- *HR Enterprise Portal.* Employee communication tool to facilitate HR service delivery.
- *CloudPay.* Offers third-party cloud solution to extend Workday software payroll capabilities.
- *Test Case Templates*. HP has developed nearly 10,000 scenarios to test Workday implementations and integrations.
- *Data Migration Tool:* HP Proprietary tool which enables streamlined migration/conversion of data into Workday

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HfS BLUEPRINT REPORTS

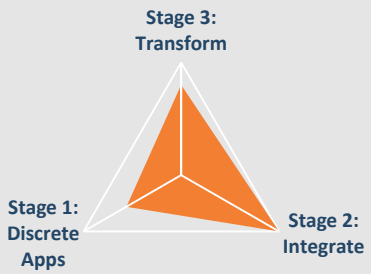
HP

High Performer

Very strong outside the US and with initiatives requiring complex integration and elements of transformation

2014 Mobility Revenue / Growth: HfS Estimate: $625M (150%)

Relative Strength Across Stages of Mobility Adoption



Strengths

- Brings very broad and deep experience across design and technology and able to utilize this mix to drive enterprise transformation making it a top tier High Performer.
- Strong focus on as-a-service offerings and able to price effectively for this type of plug and play technology adoption.
- Robust UX / UI skills that cohesively brings together a mx of art and science
- Very innovative in developing real world applications. Not merely a portfolio of interesting PoCs but truly market tested development.
- True integrated offerings from device through application deployment and infrastructure management that leaves no aspect of mobility environment uncovered within their walls.
- Despite the breadth of its own offerings it demonstrates a readiness to embrace partners to augment areas for greater depth such as its global push around partnering with leading design agencies.

Challenges

- With the pending into two public companies: Hewlett-Packard Enterprise (focused on enterprise hardware, software and services) and HP Inc., (focused on personal computing and printing), some synergies might be lost – though this appears to be driving greater cooperation among the two groups today.
- Stills needs to do a better job of getting the word out around its strengths in application development as it continues to be overshadowed by technology offerings across mobile devices, networks and platforms.
- Though it is getting the message out more around innovation and business transformation – two areas where it has done some solid work - is still not well known for it in the marketplace.

Client Industry Verticals

Focus on Key Verticals:
- Banking and Financial Services
- Consumer Packaged Goods
- Technology
- Oil & Gas
- Airlines

Revenue Mix:
- 25% B2C
- 75% B2B

Key Clients

HP targets large enterprise, multi national corporations in every region and every industry across the globe – primarily Fortune 2000 enterprise companies in excess of $1B in revenue.

Clients Include:
- Mary Kay
- Valentino
- BCI Bank (Chile)
- PKO Bank (Poland)

In addition:
- Major airline
- Global CPG firm
- Logistics company
- Global entertainment & media firm

Global Operations

Mobility Headcount:
- ~2,000 FTEs

Key Delivery Locations:
- 12 Global Delivery centers located across South & Central America, Asia, and Europe
- APJ (75%)
- EMEA (15%)
- Americas (10%)

Acquisitions:
- Autonomy (2011, analytics)
- Fortify (2010, security)
- Eucalyptus (2013, deployment)
- Shunra (2013, testing)

Technology Offered

Proprietary Platforms & Software:
- HP Anywhere, HP Hydra, HP Mobile Center, HP AppPulse Mobile, HP Service Platform, HP Digital Context Aware Platform, HP Enterprise Mobility Platform, HP Enterprise Mobility Gateway, HP Smart Shopper HP Smart Meter, HP Smart Traveler

Key Partnerships:
- Microsoft, Google, Intel, Cttrix, SAP, Kony, Vmware/AirWatch, Critical Mass, DigitasLBi, Organic, Projekt202

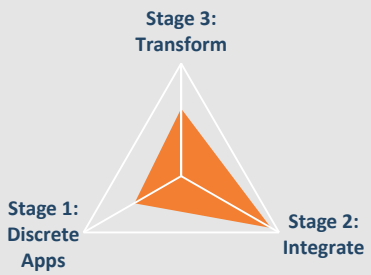
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CSC

An emerging contender with strong partnerships, project management and infrastructure skills makes it a good choice for complex integration.

2014 Mobility Revenue / Growth: HfS Estimate: $120M (150%)

Relative Strength Across Stages of Mobility Adoption



Strengths

- Recently shifted Mobility into the Emerging Business Group alongside Cloud, Cybersecurity, Big Data & Analytics which makes for easier and more robust cross collaboration for transformation.
- Strengthening its relationship with IBM's software division – one of the leading platform providers for all aspects of mobility - which will speed CSC's time to delivery.
- With strong legacy infrastructure services, CSC has a solid footing in the emerging area of IoT and continues to invest around this today.
- Two years into a broader recovery effort, the service provider is infused with new energy and leadership at the top.
- Fairly robust approach to pricing, building and running enterprise App Factories makes it a strong go to for that model.
- Very strong player acting as prime even if not as broad with in house skills. Strong project management that is dedicated.

Challenges

- Given the depth of turnaround required, HfS has some concerns that CSC may yet be broken up or acquired – and this may be leading to seeds of uncertainty for acquiring new logos.
- Enterprise buyers cite its deep history in ITO and federal government as a challenge to its efforts of being viewed as an innovator.
- Clients cite that traditional corporate processes can at times appear to get in the way of contracting for mobile engagements which require a more nimble approach than large IT Outsourcing deals. i.e. The same internal approval appears to be required internally for a multiyear outsourcing deal as it is for a short app development project.

Client Industry Verticals

Focus on Key Verticals:
- Public Sector
- Insurance
- Healthcare
- Finance/Banking
- Manufacturing and transportation

Revenue Mix:
- 5% B2C
- 95% B2B

Key Clients

CSC's Mobility offerings are targeted at any size customer including CSC's existing Fortune 500 customers.

Enterprise Mobility Clients include:
- Large European airline
- UK financial services firm
- Global aerospace firm
- Large shipbuilder
- Global financial services firm

Global Operations

Mobility Headcount:
- ~510 FTE's

Key Delivery Locations:
- DACH (20%)
- France (20%)
- India (20%)
- Vietnam (15%)
- US (10%)
- UK (10%)
- Australia (5%)

Acquisitions:
- n/a

Technology Offered

Proprietary Platforms & Software:
- N/A

Key Partnerships:
- Appcelerator, IBM (WorkLight and MaaS360), SAP (SMP), Citrix, MobileIron, SOASTA, and AT&T

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CSC

High Performer

Combining consulting experience with unique defense & intelligence analytics capability to form a new practice

Blueprint Leading Highlights

- Delivery of Advanced analytics modeling and ongoing decision support
- Concrete Plans to Deliver Value Beyond Cost and Investment into Future Capabilities
- Ability to leverage external value drivers (emerging technologies, security, social media, mobility and cloud)
- Quality of Account Management Team

Strengths

- **A growing practice with corporate commitment.** CSC established a Big Data & Analytics (BD&A) strategic business unit in April 2013 to bring together analytics capabilities from across the organization, including: Big Data Business consulting, Data Science and Analytics consulting, Big Data and Analytics Platform consulting and Big Data and Analytics Subscription and Managed Service Delivery. While strong in consulting for analytics, CSC is now growing a managed services portfolio by investing in verticalized analytics services within its software groups for insurance, banking & capital markets, travel & leisure, media, healthcare and automotive.
- **Unique capabilities around highly advanced risk analytics.** Acquisition of 42Six adds a differentiated capability in defense and intelligence analytics including video analytics, geospatial analysis, advanced risk avoidance modeling, cyber security analytics beyond SIEM and advanced nodal analysis in graph models. The Infochimps acquisition brought in a subscription-based, open source, fully-managed Big Data platform.
- **Perceived as innovative.** Clients were impressed with CSC's ability to consistently deliver innovation specific to analytics, mentioning that the service provider brings a new way of thinking about core business challenges, going above and beyond to understand their unique company environments.

Challenges

- **Perceived as expensive**. CSC's clients commented on pricing relative to the marketplace, perceiving CSC to be expensive in comparison to similar delivery with other global service providers.
- **Scale and geographic spread.** CSC has spent the last two years consolidating its analytics business into a growth practice. While it has organized organic and inorganic assets towards achieving this goal, it has yet to reach the level of scale of the competition across nearshore and offshore delivery locations.
- **Lack of community development.** CSC's clients would like to see a more concerted effort to develop a community to evolve best practices in analytics including access to broader industry experts and client organizations.

Relevant Acquisitions

- 2012, 42Six for advanced analytics, data mining and visualization services to the U.S. defense and intelligence community
- 2013, Infochimps to jumpstart CSC's Next Gen commercial Big Data business with a Big Data Platform as a Service offering

Key Clients

- A leading global provider of vehicle rental services
- A global logistics provider
- A large European railway network
- A global multi-line insurance company
- One of the largest electronics manufacturers

Global Operations Centers

- Headcount: 3,300 FTEs

Proprietary Technologies

- Big Data Platform as a Service
- EZBake – a unified application platform that brings various application and big data capabilities into a single environment and enables data sharing and warehousing to aid in code, data, and logic reuse.
- Amino – a big data analytic platform that analysts use to experiment with new theories, test, discover answers, and progress to the next level of analysis.
- Link Analysis and Visualization tool – correlates and enriches disparate structured and unstructured data streams and enables users to visualize non-obvious relationships between events and entities.

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HP

High Performer

An data and analytics technology provider with a strong corporate agenda to grow managed services

Blueprint Leading Highlights

- How Service Providers Engage Customers and Develop Communities
- Integration of Technology into Business Process
- Pricing

Strengths

- **Corporate commitment to developing analytics services business.** HP recently renamed the practice to Analytics and Data Management, reflecting a corporate focus on growing the analytics services component beyond data infrastructure and management. Aggressively hiring data scientists, building out senior leadership teams and committing to help enterprise clients get more business results from their data by embedding insights into process and applications.
- **BI modernization with a focus on big data.** Working with clients in traditional data warehouse environments to deploy big data technologies into the existing applications and processes. HP's Big Data Discovery Experience is a related solution that helps clients improve decision-making and business processes in ways that are not possible using traditional data technologies.
- **Integration of technology assets into a platform.** HP is increasingly building out managed services on the back of acquired and integrated assets from Vertica and Autonomy. Integration of these technologies has resulted in a powerful platform, Haven, offered "as-a-service" in HP Helion (cloud). Vertica As a Service provides a real-time analytics option.

Challenges

- **Relating analytics results to business context.** A client pointed out HP's challenge in presenting and discussing analytical findings and results in more of a business versus technology context.
- **Talent acquisition for services.** Following on from the previous point, career paths need to be aligned to analytics services rather than large scale technology and product development.
- **Market perception as an analytics technology rather than services firm.** HP will have to develop a brand as a provider of analytics services that impact business value. The majority of HP's business stems from analytics software and infrastructure design, implementation, maintenance, and management. Current marketing investments are intended to demonstrate growing capabilities around analytics projects and managed services to change this positioning.
- **Vertical-specific offerings lack maturity.** HP will need to dig deeper into current engagements and new platforms to develop differentiated and verticalized use cases from which clients can quickly benefit.

Relevant Acquisitions

- 2011, Autonomy Corp., with IDOL now a core component of HP's Haven Big Data Platform
- 2011, Vertica Systems, with the Vertica platform now a core component of HP's Haven Big Data Platform

Key Clients

- Americas: AT&T, CenterPoint Energy, Conservation International, Disney World Parks & Resorts, Dreamworks, NASCAR, Mondelez, Rockwell Collins
- EMEA: Fastweb S.p.A., Eurizon Capital, Flemish Government, Jaguar Land Rover, Norfolk County, Royal Dutch Shell, VW
- APAC: Akshara Foundation, Meridian Energy, Telstra

Global Operations Centers

- Headcount: 5,000 FTEs
- Americas – 18%; key countries are:
  - USA, Argentina, Canada, Brazil
- EMEA – 17%; key countries are:
  - Poland, Italy, Germany, UK
- APJ - India – 65%; key countries are:
  - India, China, Philippines, Australia, New Zealand

Proprietary Technologies

- Haven – a scalable, open, and secure platform for Big Data with capability to handle structured, unstructured, and semi-structured data and securely derive actionable intelligence from that data in real-time.
- HP Visual Display Solution – a display and content management solution enabling management of big data environments. This technology provides an immersive viewing experience, enabling simultaneous presentations of multiple and varied data feeds, and customized multipoint display control of content.

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Xchanging

A procurement analytics specialist with growing capabilities in embedding machine learning for BPO/ITO

Blueprint Leading Highlights

- Advanced analytics modeling and ongoing decision support
- Experience Delivering Industry-Specific Solutions
- Embedding analytics into IT and BPO practices

Strengths

- **Using analytics to differentiate outsourcing service delivery.** The service provider is using analytics as a differentiator for new BPO/ITO wins, instead of developing a standalone business. Xchanging consolidated its analytics talent in mid-2013, and is eyeing analytics + specific vertical/horizontal/product embedding opportunities. As an example, it is improving procurement BPO outcomes by adding predictive analytics, mixing new data sources and using machine learning to do spend analytics and savings categorization.
- **Vertical focus.** Apart from horizontal BPO analytics, Xchanging is exploring vertical-specific analytics opportunities for either BPO, ITO or technology product improvements. E.g. it is working with top insurers to improve claims reserves allocation using machine learning and is helping banks and telcos enrich their customer data profiles using unstructured data for anti-money laundering and KYC processes.
- **Independent joint venture with YTL for next gen analytics.** The service provider started a joint venture with Malaysian telco YTL called Xchanging Malaysia last year. The initiative is integrating data across public and private organizations and applying data analytics and mobile capabilities.

Challenges

- **Scale and networking of operations.** Xchanging has a relatively small analytics team today, and separate groups. It needs to invest in expanding and networking this team to accommodate targeted cross-sales to more BPO/ITO and technology product clients. While it has invested in machine learning R&D, it will need to develop some scale in operations to implement solutions to more clients.
- **Overarching vision and strategy for analytics.** Xchanging is doing some high value analytics work in pockets but lacks a clear message on direction. It will need to decide whether it wants to continue to use analytics to differentiate its existing IT and BPO services portfolio as it claims, or has a long term roadmap for global data analytics and mobile capabilities, given its investment in the Malaysian market with YTL.

Relevant Acquisitions

- 2015, Spikes Cavell Analytic Limited, a British spend analytics technology and services provider mainly to public sector institutions in the UK and higher education authorities in the US, but also increasingly to the private sector
- 2014, Joint venture with YTL Communications, jointly going to market with telecom data and analytics capability to Malaysian enterprises

Key Clients

- Lloyd's of London
- YTL Communications
- Ministry of Education Malaysia
- CHEP Europe (Spend Analytics)
- Godiva Chocolatier, Inc (Spend Analytics)

- Via Spikes Cavell acquisition:
  - Homes for Haringey
  - California State University
  - Washington State Department of Transportation

Global Operations Centers

- Headcount: 80 FTEs

- UK – 25% (London, Glasgow)
- India – 60% (Bengaluru, Gurgaon, Chennai)
- Malaysia – 15% (Kuala Lumpur)

Proprietary Technologies

- XCrawl – Data collection from publicly available data sources
- Xsentiment – Sentiment Analysis
- XKYC – Building 360 profiles of a Person or a Company, for profiling and segmentation of customers
- MM4 Spend Analytics, comprising:
  - MM4 Data Transformation – a managed service for the collection, validation, cleansing, classification, and reporting of procurement expenditure data.
  - MM4 Observatory – a modular suite of analytical tools delivered in the cloud (enabling access from any web enabled device) to analyse spend data.
  - MM4 Measure – an application which enables measurement of savings on procurement spend.

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HP

Winner's Circle

As-a-Service potential and GBS delivery model approach, combined with leading Robotic Process Automation focus

Procure to Pay

Order to Cash

Record to Report

Finance Transformation

Blueprint Leading Highlights

Execution

- Leveraging new technologies, security, social media, etc.
- Integration of technology into business process
- Incorporate regulatory requirements quickly and proactively

Strengths

- **Large enterprise clients**. Has developed an impressive portfolio of F&A BPO clients over the years in the US and Europe, stemming from its flagship Proctor & Gamble relationship. Its international presence outside of the US is a strong plus for the firm.
- **Renewed BPO focus.** BPO organization has adopted it as "new style of BPO" with three core priorities – integration of its Global Business Services with BPO; leveraging technology ecosystem across social media, mobility, analytics, and cloud; and the use of Robotic Process Automation (RPA). Its recent number one rating in the 2015 Robotic Premier League is testament to HP's strong focus in F&A.
- **SAP strengths** put HP in a formidable position to win deals with heavy SAP-based BPO transformations in F&A and payroll.
- **Salesforce.com strengths.** HP's partnership with Salesforce, in addition to its servicing of the firm as an F&A client, is driving "As-a-Service" mentality as well as driving new capabilities for F&A solutions, extending processes.
- **Recent restructuring of HP a positive for F&A.** This has exposed some of the "gold" in the firm to upper management, including the robust F&A business.
- **Historically strong with CPG clients**. Holds an impressive portfolio of these types of clients and has served them well in the past. In addition, HP is focusing on new verticals needing "New style of IT" industry solutions.
- **Recent investments in AutoFlow** show commitment to process automation, specifically for F&A BPO clients. Additionally, HP is focused on reducing redundancies to increase profitability, hence robotics has higher emphasis.
- **Strengths in F&A have been gleaned from its own shared service center.** Has helped develop a balance between transactional and higher-end services and extend many of the benefits of Global Business Services to its clients.

Challenges

- **Can be inflexible**. Not openly aggressive with offering gain share type models. The same goes for point solution flexibility with clients – HP seeks to provide end-to-end solutions.
- **HP's corporate brand deterioration** in recent years is hurting sales efforts. Poor leverage gained from EDS acquisition, workforce reductions, and generally diluted industry focus have combined to weaken HP's position in the BPO service market. However, HfS has seen HP's brand improve over the last year, with improving financials and a positive restructuring of the global services and products portfolios. Meg Whitman's strong leadership and personnel management has been a strong plus for the firm during its difficult era.
- **Lagging vertical-specific platform offerings**. A greater abundance of more vertical-specific solutions would be ideal (as compared to its peers in the F&A space). However, not dissimilar from Capgemini, its strong horizontal capability is a plus for many F&A clients. Additional investment in these areas is much needed
- **Client management** still remains a weakness in terms of execution of delivery, which was exacerbated during its difficult 2012 ad 2013 years. However, HfS has seen some improvement here with its renewed stability at the client account level.
- **Flattening of pyramid.** HP headcount is relatively higher as compared to revenue from handful of F&A clients, due to its focus on clients needing transformation. In order to provide value to its clients, HP needs a trimming of headcount as well as a flattening of the inverse pyramid, in terms of both skill sets and locations.
- **Increase sales engine.** Historically, HP has not been aggressive in new client acquisitions; however, under the leadership of Mike Nefkens, the sales force has got a face-lift, which may see HP F&A BPO winning new logos in near future. 2014 has been a noticeable uplift in competitive performance for HP's F&A business.

Client Industry Verticals

- Communications & Media
- Consumer Packaged Goods
- Transportation
- Financial Services
- Manufacturing

Key Clients

37+ F&A BPO clients across USA, UK, and Continental Europe

- Smith & Nephew
- Proctor & Gamble
- Molson Coors
- Clorox
- Tribune Group
- DHL

Global Operations Centers

- **Headcount:** 11,100+ FTEs
- India: Bangalore, Chennai
- Poland: Worclaw, Lodz
- Costa Rica: San Jose
- Panama: Panama City
- China: Dalian
- Philippines: Manila
- Vietnam: Ho Chi Minh City

Technology

- AutoFlow
- HP's Invoice Automation
- Newgen
- SunGard
- Webcollect
- AssureNET
- ReconNET
- eClose
- Emagia
- HP CART
- Blue Prism
- HP TRIM and Digital archiving tool
- CVG
- Business Objects

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Xchanging

A procurement analytics specialist with growing capabilities in embedding machine learning for BPO/ITO

Procure to Pay

Order to Cash

Record to Report

Finance Transformation

Blueprint Leading Highlights

Execution

- Flexibility to deliver both end-to-end and point solutions

Strengths

- **Procurement-focused F&A practice**. Very strong in the Source or Pay functions as a result of their focus on procurement outsourcing services and, in general, strategic sourcing and procurement.
- **Sustainable delivery**. Has successfully partnered with F&A customers to deliver sustainable business and process improvements.
- **Movement and development into unique and value chain-specific** services in analytics. Some of the most interesting developments surround the spend management and P2P functions.
- **Impressive clients** in the healthcare, real estate, and education verticals.
- **UK advantage.** Xchanging has had success in the UK enterprise and government segment. This can further be leveraged to secure more F&A engagements.
- **Strengthening quality and operational excellence.** Xchanging is keen on differentiating itself from the rest of the pack on operational excellence culture.
- **Focused on technology platform.** Recently developed technology platform underpinning all three towers of P2P, R2R, and O2C – successfully rolled out across ~ 20 countries between USA, Europe, and APAC.

Challenges

- **Developing F&A propositions with industry focus** around Real Estate, Healthcare, Manufacturing, and Insurance industries
- **Presence outside UK**. Has significant footprint in USA through F&A customers, but failed to develop scale in last few years in terms of clients and experience.
- **Slow to capitalize on F&A clients gained from acquisition of Cambridge Solutions in 2009** – has failed to add significant new F&A clients
- **Late entrant to truly innovative, technology-backed operations.** Has made the move to technology-driven transformational solution approach, beyond a lift and shift operation strategy with clients, but behind the market.
- **Unclear F&A strategy.** Unlike procurement, where in 2013 Xchanging acquired MarketMaker4 (MM4), an e-sourcing technology company based in the USA, the inorganic growth of F&A BPO has taken a backseat.
- **Flat revenue and leadership changes.** Had flat revenue growth over the last two years and leadership changes.

Client Industry Verticals

- Banking
- Insurance
- Real Estate
- Healthcare
- Energy
- Education
- Logistics
- Consumer Goods
- Retail
- Public Services & Defense

Key Clients

20+ F&A BPO clients largely across UK and in Europe and Americas

- Defense and aerospace company
- A multinational real estate company

Global Operations Centers

- **Headcount:** 1650+ FTEs
- UK: London, Preston, Glasgow, Manchester
- APAC: Adelaide, Gurgaon, Bangalore, Shimoga, Singapore, Sydney
- Europe: Paris, Frankfurt, Berlin, Barcelona
- US: Chicago, Detroit, New York

Technology

- X-Flow (F&A)
- X-Act
- VAULT
- KOFAX

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HP

Winner's Circle

Successful hardware history in the SAP space is still a competitive differentiator for HP.

Market Share: 3.40 %
Overall Score: 3.60

Innovation

- Score: 3.45
- Good innovation capabilities. Winner of many Pinnacle Awards over the years. Many initiatives based on the HP hardware expertise.

Execution

- Score: 3.75
- At the lower end of the top ten. Still strong in most areas but client satisfaction is going down.

Key Strengths

- Strong global hosting and application management capabilities, highly innovative in the Cloud and big data space. Strong brand awareness as the global market leader for SAP hardware.
- Like IBM, HP can offer the full lifecycle service for SAP and beyond - for hardware and a growing software portfolio.
- Market leading SAP management solution within the HP Software portfolio.
- Highly capable of adopting to global and local client needs. Very customer-focused.

Key Challenges

- Past corporate branding and management issues are having more serious consequences for client satisfaction as expected. Internal coordination within HP – one face to the customer – is still a long way away.
- Size and revenue of the SAP practice is well below the top three market leaders. HP is not in the same league as Accenture or IBM in this market.
- The SAP strategy consulting is an area HP is investing in to broaden its' portfolio, in order to improve revenue, customer feedback and mindshare.
- A number of clients report that HP's SAP solutions are often over-engineered.
- Potential future issues in the SAP partnership through a growing overlap between HP's SAP management solution and SAP's Solution Manager.

SAP Services Scale

- Market Share: 3.40 %
- Estimated revenues: $ 1,700 M
  - Consulting: $ 1,290 M
  - Hosting: $ 410 M
- Large player. Good global coverage with more focus on technology than verticals.

SAP Services Coverage

- # of SAP practitioners: 9,250
- Top 3 Verticals: Manufacturing, consumer products, transportation.
- Good coverage of the entire value chain, with particular strength in operational management and implementation consulting, as well as hosting.

Customer Satisfaction And Competitive Differentiation

- Average level of customer satisfaction. Big drop from 2013.
- HP has traditionally been the number one hardware choice for SAP. This remains a huge branding plus.

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CSC

High Performer

Solid High Performer with few weaknesses but also few true market differentiators.

Market Share: 1.62 %
Overall Score: 3.20

Innovation

- Score: 2.95
- For the past 12 months, CSC has been quiet on the innovation front. The score is now only just average.

Execution

- Score: 3.45
- CSC's execution capabilities are above average. Existing clients are satisfied with the project performance and the global scale.

Key Strengths

- Existing customers are highly satisfied with the services and solutions that are being provided.
- Solid High Performer with well-balanced global coverage. Capable of providing full lifecycle support to clients across the globe.
- One stop shopping solution without the Accenture or IBM overhead.
- Go-to-market by industry which is appreciated by clients.
- Strong push towards cloud by CSC with accompanying investment by the SAP practice with the CSC ServiceMesh Agility Platform and legacy architectures into cloud-based transformation partnership with HCL.

Key Challenges

- Hugely successful in the US public sector. Other industries are lagging by comparison and that can be especially so internationally.
- The involvement in the NSA spying scandal is having a seriously negative effect on the brand in Continental Europe. In general, branding in international markets needs to be improved.
- Behind global competitors in leveraging best practices and lessons learnt.
- Customers report that CSC appears to be less innovative than the market as a whole, with the exception of Cloud.

SAP Services Scale

- Market Share: 1.62 %
- Estimated revenues: $ 810 M
  - Consulting: $ 540 M
  - Hosting: $ 270 M
- Large player. Balanced mix between hosting and consulting.

SAP Services Coverage

- # of SAP practitioners: 8,400
- Top 3 Verticals: Manufacturing, public sector, aerospace and defense.
- Good coverage of all SAP Services.

Customer Satisfaction And Competitive Differentiation

- High level of customer satisfaction, but only average price versus value assessment.
- CSC is going through a rough phase. Corporate issues increasingly influence the SAP practice.

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HP

Tech Titan Targeting Talent and Workforce Support Services

Staff | Source | Engage

Blueprint Leading Highlights	Strengths	Challenges
• Flexibility to Deliver Both End-to-End and Point Solutions • Integration of Technology into Business Process	• **Enterprise system expertise.** HP is betting on its knowledge in SAP, Oracle, and Workday to provide the bedrock of its global human resources services capabilities, including talent acquisition services. As many companies look to preserve their existing applicant tracking and contract labor vendor management systems and want their service partners to interact and integrate with these systems, this area of expertise should serve HP well. • **Business analytics.** Having access to a lot of administrative information around recruiting, hiring, and on-boarding from its existing multi-process HRO clients, in addition to on-going performance and development data as well, HP's HR-related business analytics can help clients' connect the dots between their talent acquisition philosophies, policies, and procedures and workforce performance over time and help clients support workforce decision making and change as well. • **Customer Engagement Management (CEM) capabilities.** As HfS has previously recognized, HP provides employee contact services to nearly all of its HRO clients (claiming capabilities of 28,000 agents supporting 51 languages across 34 countries worldwide) and it has an opportunity to provide similar contact support to enhance the candidate/contractor experiences, from pre-hire through on-boarding and contractor payments. HfS has said before, as worker expectations of employers become the same as consumers, this expertise will be a key differentiator to offering compelling workforce support in a cost-effective	• **Looks good on paper.** As we identified in the last workforce-related Blueprint report, while HP's own business practices, including an established global business services function for HR, do give the firm some credibility to speak to best practices today, HP has work to do to demonstrate it can offer strategy support and compelling candidate and employee experiences built on the latest technologies and service expectations in end-to-end HRO and talent management. • **Technology and talent tension.** Like other leading players with significant ITO businesses, HP is at an inflexion point where it needs to move up market and provide more value added transformational services. It has identified HRO as an area it would like to invest and lead and talent acquisition services must be a part of the offering. Yet is betting heavily on Workday and Workday's recruiting capabilities are very limited, with the first version just being made widely available in April 2014. While it hopes to be able to share its GBS experience and Workday expertise in the marketplace, it will need more to win in the competitive talent acquisition space in the next few years.

Relevant Acquisitions and Partnerships	Key Clients	Global Operations Centers	Technology Offered
• N/A	• Molson Coors • Telstra • Unicredit	• **Headcount:** 50 - 75 FTEs in recruiting and staffing offerings • **Locations:** include Wroclaw (Poland), Costa Rica, Milan (Italy) and Melbourne (Australia)	• Currently technology-agnostic with no proprietary or preferred platforms • SAP HCM/SuccessFactors, Oracle/Peoplesoft, Workday experience • Meta4 (Latin America)

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HP

Challenger

HP's "best-for-the-customer" approach makes it a strong partner for those looking to experiment in Digital.

Our Take:

HP has all the technical capabilities necessary to build robust new digital offerings and its strengths in certain verticals like airlines or oil and gas leaves it well suited to tailor these for specific needs. However, its extreme customer centric focus coupled with standalone operating structure keeps it from fully leveraging synergies from past engagements and may slow some innovation. HP makes a great partner for co-innovation but lacks some ability to leverage synergies from the past.

Relative Strength Across the big MAC



Strengths

- HP's best-for-the-customer approach is working well right now. IT managers trust HP to guide them through the Digital journey.
- As a service provider that can truly provide end-to-end mobile integration, from device through network including app development, HP can meet the needs of any buyer looking to rationalize its mobile infrastructure alongside new enterprise apps.
- HP is one of the few vendors that truly covers all the different services of the whole Cloud Infrastructure Services space on a global level and maintains a robust Cloud network able to "locally" deliver any app.
- It invests aggressively to maintain its relevance by building out a strong portfolio of offerings for the next wave of mobility in 2014 and 2015.
- After HP acquired Vertica and Autonomy, its integration of these technologies has resulted in a powerful platform that handles unstructured data, delivers meaning-based computing and enables real-time analytics. Called Next Generation Information Optimization, this platform is another step for the provider in the big data space, along with HP's Big Data Discovery Experience solution set.
- The provider has a relatively balanced workforce distribution with roughly half of its delivery done from onshore locations in the US, UK and continental Europe.

Challenges

- HP needs to get its message out more around innovation and business transformation where it has done some solid work but is not as well known for it in the marketplace. HP will have to continuously work on branding and marketing.
- Given the great depth of offerings within each area of the firm, it may be difficult to present a truly unified solution to a customer, however the company has been working aggressively to establish an account executive as a single point of contact.
- HP's vertical-specific offerings are not as mature as its competitors. It will need to do more to develop differentiated and verticalized use cases and platforms.
- HP's best-for-the-customer approach makes it difficult to fully realize its revenue potential. HP will typically tailor a solution to the customer's needs, which means that often its automation potential is not fully leveraged, and HP does not extract the maximum revenue from the client. HP needs to strike the right balance here.
- Its traditional strengths in mobile devices, networks and platforms tend to overshadow its activity in application development where it also has some good capabilities.

Key Acquisitions & Partnerships

Acquisitions:
Autonomy, Fortify, 3Com, Palm, Stratavia, 3PAR, Vertica Systems

Strategic Partnerships:
SAP, Kony, Citrix XenMobile, Symantec, Salesforce.com

"Digital" Operating Structure

HP Services is organized around seven practices with Mobility (largely devices), Analytics (largely data management) and Cloud (largely infrastructure) operating alongside "Industry Solutions" as well as other areas like application services.

Proprietary Platforms

Proprietary Platforms & Software:
Aurasma, Autonomy, Anywhere, Vertica, Agile Manager, ALM / Quality Center, LoadRunner, Fortify, HP Anywhere, ArcSight, TippingPoint, Big Data Discovery Experience, Next Generation Information Optimization

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CSC

Rising Star

Will need to operate in double time as it looks to make up years of lost ground.

Our Take:

CSC is on the road to recovery with relatively new management looking to invigorate the entire business – including efforts around the Digital big MAC. An early leader in the Cloud and an acquirer around big data, CSC brings some strengths but will have its work cut out for it as it looks to position itself for the future of Digital Transformation while shoring up its positioning in traditional IT Services markets today.

Relative Strength Across the big MAC



Strengths

- While late in responding to offshore disruption, CSC has been more aggressive in its response to the disruption from Digital having made a couple of large acquisitions last year alone.
- One of the first traditional IT Service providers to embrace the Cloud, it is the fifth largest provider of Cloud Infrastructure Services today.
- CSC demonstrated a commitment to Cloud with its acquisition of ServiceMesh which positions it well to act as services integrator.
- It embraced new rules of co-opetition as it partners with the likes of AWS and HCL to best reach certain markets even as it competes directly with them in others.
- CSC brings strong technology skills within enterprise mobility that position it well for critical offerings such as secure device management.
- The company acquired InfoChimps to build out its big data offerings last fall and continues to build out capabilities there.
- A very pragmatic provider, CSC says it sells what it can deliver today rather than promises what it hopes to provide and in general is very strong in execution.

Challenges

- Management changes and a confused strategy caused CSC to stumble in the past. Future prospects are promising but much work needs to be done at a time when available investment resources are lower than at most.
- CSC is still viewed largely as a managed services provider with deep technology skills that executes well but is not necessarily seen as a leading innovator in business.
- CSC needs to do more to get the word out around its effort to become a business transformation provider rather than a technology implementer.
- Enterprise buyers still largely view its mobility offerings as a technology play rather than one of business enablement.
- With a large part of CSC's business coming from governmental clients whose buyers tend to operate in different circles and often according to different rules, some of CSC's best work does not get the same level of visibility in the commercial market.

Key Acquisitions & Partnerships

Acquisitions:
ServiceMesh, InfoChimps, 42Six, iSoft Group

Strategic Partnerships:
HCL, AWS, AT&T

"Digital" Operating Structure

CSC is in the midst of a large transition phase having recently refreshed its leadership. As such, "Digital" remains an aspirational operating model as it focuses instead on refining operations within its three primary markets – global business services, global infrastructure services and North American public sector. Within each of these are areas of delivery that cut across all elements of digital.

Proprietary Platforms

Proprietary Platforms & Software:
CSC BizCloud, ServiceMesh

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HP

Winner's Circle

Successful network and infrastructure history makes HP one of the best choices for Cloud Infrastructure

Market Share: 6.49 %
Overall Score: 4.53

Innovation

- Score: 4.47
- HP has a stronglegacy in IT infrastructure, but it is also known for its ability to innovate. Both resonate well with clients in the Cloud era.

Execution

- Score: 4.60
- HP has a large global market share. Clients have a high level of trust in HP and are very satisfied with the service they receive.

Key Strengths

- Converged infrastructure has been on HP's agenda for many years. A growth in market share, survey results, and anecdotal evidence show that this is now resonating strongly with clients. Consequently, HP has a strong competitive advantage over most of the competition.
- HP is one of the few vendors that truly cover all the different services of the whole Cloud Infrastructure Services space on a global level. On the Private Cloud side, the company is also capable of leveraging market-leading strength in server hardware.
- HP's best-for-the-customer approach is working well right now. IT managers trust HP to guide them through the Cloud journey..

Key Challenges

- Historical corporate branding and management issues seem to be resolved, but survey results and client conversations show that some potential clients remain skeptical. HP will have to continuously work on branding and marketing.
- HP's best-for-the-customer approach makes it difficult to fully realize its revenue potential. HP will typically tailor a solution to the customer's needs, which means that, often, its automation potential is not fully leveraged, and HP does not extract the maximum revenue from the client. HP needs to strike the right balance here.
- As strong as HP is on the infrastructure and internal IT side, business decision makers are less likely to be aware of HP's strengths.

Cloud Infra Services Scale

- Market Share: 6.49%
- Revenues: $3,355 M
- IaaS: $355 M
- Hybrid Cloud: $1,900 M
- Private Cloud: $1,100 M
- Comment: Well-balanced across all market areas.

Cloud Infra Services Coverage

- # of Employees: 15,800
- All regions and relevant countries covered extremely well. HP is well known for its local footprint.
- HP covers all aspects of the Cloud market..

Customer Satisfaction And Competitive Differentiation

- Clients are very satisfied overall with HP, and they regard the company as a partner rather than solely a supplier.
- The differentiation level is high because of HP's strong legacy, historically high innovation capabilities, and breadth of capabilities.

Scale Explanation: 1 (Low) To 5 (High) –Innovation 50%, Execution 50%

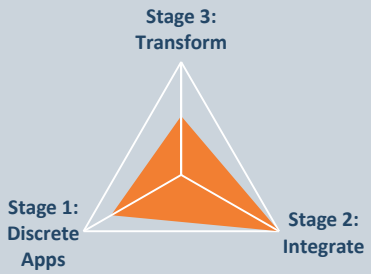
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HP

High Performer

2013 Mobility Revenue/Growth: HfS Est.: $250M (15%)

Relative Strength Across Stages of Mobility Adoption



Strengths

- As a service provider that can truly provide end-to-end integration: from device through network including app development HP can meet the needs of any buyer looking to rationalize its mobile infrastructure alongside new enterprise apps.
- Provides a comprehensive portfolio of hardware, software, services and solutions from HP and its partner ecosystem.
- Provides a robust cloud network on which to deliver any app.
- Extremely broad global footprint that allows "local" hosting in nearly every country today.
- Investing aggressively to maintain its relevance by building out a strong portfolio of offerings for the next wave of mobility in 2014 and 2015.

Challenges

- Its traditional strengths in mobile devices, networks and platforms tends to overshadow its activity in application development where it also has some good capabilities
- Needs to get its message out more around innovation and business transformation where it has done some solid work but is not as well known for it in the marketplace.
- Given the great depth of offerings within each area of the firm, it may be difficult to present a truly unified solution to a customer however the company has been working aggressively to establish an account executive as a single point of contact.

Client Industry Verticals

Focus on Key Verticals:
- Banking and Financial Services
- Consumer packaged goods
- Technology
- Oil & Gas
- Airlines

Revenue Mix:
- 25% B2C
- 75% B2B

Key Clients

HP targets the Global 2000 across all regions.

Clients Include:
- Large multinational bank
- Global technology firm
- A global oil & gas producer

Global Operations

Headcount:
- ~1,000 developers

Key Delivery Locations:
- 12 Global Delivery centers located across South & Central America, Asia, and Europe

Acquisitions and Strategic Partnerships:
- Autonomy
- Fortify

Technology Offered

Proprietary Platforms & Software:
- Aurasma, Autonomy, Anywhere, Vertica, Agile Manager, ALM / Quality Center, LoadRunner, Fortify, HP Anywhere, Fortify, ArcSight, TippingPoint

Key Partnerships:
- SAP, Kony, Citrix XenMobile, Symantec

Core Technologies:
- iOS, Android, Windows 8, HTML5

Scale Explanation: 1 (Low) To 5 (High) –Innovation 50%, Execution 50%

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HP

Market Share: 1.2%

Blueprint Leading Highlights

- Strong Delivery of Payroll (Europe)
- Flexibility to Deliver Both End to- End and Point Solutions
- Integration of Technology into
- Business Process

Strengths

- European stronghold with "German payroll factory." Despite selling off ExcellerateHRO US benefits administration business to ACS/Xerox, HP execs say it is committed to being a Tier 1 player in HRO, building on its strengths in technology, established finance and accounting BPO market share, and success in Europe where it supports dozens of clients in HRO areas.
- Business analytics. Acknowledging the increasing interest of clients to look beyond monetary rewards to help manage wages and retain employees, HP is using its expertise and capabilities in HR business analytics services to accelerate clients' understanding of the possibilities for improved decision making once they have a truly global view of the workforce and the tools to measure the effectiveness of non-monetary programs beyond intuitive guesswork or conventional wisdom.
- Customer Engagement Management (CEM) capabilities. HP reports it provides employee contact services to nearly all of its HR and payroll outsourced clients, with capabilities based on 30+ years of service delivered by 28,000 agents supporting 51 languages across 34 countries worldwide. As employee expectations of employers become the same as consumers, this expertise will be a key differentiator to offering compelling workforce support in a cost-effective way through multiple worker touch points, including mobile.

Challenges

- Looks good on paper. While HP's own business practices, including an established global business services function for HR, do give the firm some credibility to speak to best practices today, discussions with HP employees reveals their experiences of services internally from the firm are far from seamless. HP therefore has work to do to both convince internal leadership to invest in both HR and the HRO practices in the same way it will expect clients to spend money for compelling employee support services built on the latest technologies and service expectations.
- Technology and talent tension. Like other leading players with significant ITO businesses, HP is at an inflexion point where it needs to move up market and provide more value added transformational services and has identified HRO as an area it would like to invest and lead. That being said, it has built much of its existing offering on SAP while it now is implementing Workday itself internally. While it hopes to be able to share its GBS experience and Workday expertise in the marketplace, time will tell the tale.

Relevant Acquisitions/Partnerships

- **Technology**
- **CPG & Retail**
- **Manufacturing**
- **Energy**
- **Telecommunications**
- **Pharmaceuticals**
- **Transportation**
- **Professional Services**

Key Clients

- Molson Coors
- Telstra
- Unicredit
- Coles Group

Global Operations

- **Headcount: 1,900**
- **Locations: Delivery centers primarily in Latin America, Europe, and Asia Pacific.**
- **Key locations: Poland with two sites, Germany with twelve sites, Indian centers, and Melbourne, Australia**

Technology Offered

- **Currently technology-agnostic with no proprietary or preferred platform**
- **SAP HCM, Oracle/Peoplesoft partnerships**
- **KIDCAP (healthcare / public sector Europe)**
- **Meta4 (Latin America)**
- **E-Travel for travel booking and expense reimbursement services**
- **In discussions with Workday and SuccessFactors**

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CSC

High Performer



Market Share: 5.7%

Blueprint Leading Highlights

- Integration of Technology into Business Process
- Quality of Account Management
- Highly Scalable and Global Footprint
- Strong Delivery of Policy Serving
- Strong Focus on Regulatory Compliance and Governance
- Strong Pricing Flexibility

Strengths

- **Onshore Delivery.** CSC has significant service delivery capabilities in the US, giving it a leg up on local knowledge (e.g. regulatory compliance) and client proximity. Clients state CSC has developed industry expertise due to this.
- **Large Client Base.** CSC has one of the largest client bases for insurance BPO, predominantly in North America due to its legacy business in the market over the last two decades. The service provider has a balanced portfolio of L&A and P&C clients.
- **Technology Integration and Offerings.** CSC' BPS services provide full administration services to clients including a Web portal front-end for application submission and policy service, core processing functions via a CSC application engine, management reporting and standard integrations to 3rd parties. Its Life and Annuity BPS offering also encompasses claims administration and annuity payouts.
- **Delivery Excellence.** Clients rated CSC's service delivery highly, citing consistently high service levels and responsiveness to feedback from account management and delivery personnel.
- **Value Adds to BPO.** Clients commended CSC's built-in dashboards that help them track important business-specific metrics (e.g. transactions reports, claims results, financial vs. non-financial abandonment rates).

Challenges

- **Weak in Some Key Client Markets.** CSC has firmly dug its roots in North America, but it needs to expand its presence in key client markets like the UK and continental Europe where it is comparatively weaker. The service provider will need to expand its capabilities in these established markets, and stay on top of the localization efforts for its offerings in these as well as emerging markets.
- **IT Project Management.** CSC has a long track record in the financial services industry, with a host of technology solutions that have dominated the market over the years. However, a client we spoke to felt that the company's BPO operations over the years have been executed with the same IT project management methods. Its challenge is going beyond its historic technology business and gaining more exposure to some of the BPO management practices led by competitors.

Relevant Acquisitions/Partnerships

- CSC recently aligned with ISSI, a wholly owned subsidiary of Standard Insurance, to provide Philippine based call center services

Key Clients

- Tennessee Farmers
- Starr Companies
- Preferred Management Agency
- Florida Penn
- Dongbu
- Accident Fund
- MetLife
- Transamerica Capital Management
- Swiss Re

Global Operations Centers

- **Headcount:** 2,100+
- **Locations**: Majority of delivery from established, integrated centers in the US (Nashville, Tennessee, Hartford, CT, Jacksonville, IL, Dallas, TX , Blythewood, SC , Sarasota, Fla) and India (Noida, Vadodara). Small presence in South Africa (Cape Town).

Technology Offered

- CyberLife (policy admin)
- Wealth Management Accelerator (policy admin)
- Customer Service Accelerator (csA)(customer service)
- New Business Accelerator(New business)
- PerformancePlus (Producer & incentive management)
- Product Accelerator (Product development)
- AgencyLink (Agent Services)
- POINT IN (policy admin)

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Xchanging

High Performer



Market Share: 6.4%

Blueprint Leading Highlights

- Highly Scalable and Global Footprint
- Strong Delivery of Policy Serving
- Strong Delivery of Claims Administration
- Strong Community Development
- Quality of Account Management Team

Strengths

- **Onshore delivery.** Xchanging has significant service delivery capabilities in the UK, giving it a leg up on local knowledge (e.g. regulatory compliance) and client proximity. Xchanging is a UK-listed company and therefore both Lloyd's and the FSA are domestic regulators.
- **Large and diverse client base.** Xchanging has one of the largest client bases for insurance BPO, predominantly in the UK and Australia. The service provider has a balanced portfolio of L&A and P&C clients, as well as experience with brokers and reinsurance companies.
- **Account management.** Clients state that Xchanging has good account management for insurance BPO. The service provider's insurance executives are highly experienced in the space, giving clients confidence in their ability to resolve issues and stay on top of market movements.
- **Vertical expertise.** Clients felt confident of Xchanging's vertical knowledge and expertise, stating that the majority of employees have been in the industry for a long time and understand the requirements of service or roles to be performed. Clients also appreciated the service provider's delivery capabilities, with consistent performance on BPO operations.

Challenges

- **Weak in Some Key Client Markets.** Xchanging has broad market coverage in the UK and Australia. However, it needs to expand its presence in key client markets like the US and continental Europe where it currently does not operate. The service provider will need to expand its capabilities and stay on top of localization efforts for its offerings in these as well as emerging markets.
- **Relevant and impactful innovation.** Clients have cited a very reactive approach to innovation from Xchanging. They believe the service provider needs more drive to bring new ideas to improve processes and affect outcomes; it is currently geared to maintaining the status quo for BPO operations. Xchanging will need to chart out a long term strategy for driving new business in this vertical beyond executing on current engagements.
- **Value adds to BPO.** Clients cited that while the service provider does add certain technology enablers to add value to its BPO operations, a refresh including more automation on these tool kits would further improve performance.

Relevant Acquisitions/Partnerships	Key Clients	Global Operations Centers	Technology Offered
• N/A	• Top 3 Insurance Broker • London Market Utility Contracts • Top 10 Insurance Broker • General Insurer	• **Headcount:** ~2,500 • **Locations**: Significant presence in India and the UK, some presence in Australia	• Insurers Market Repository (document management and workflow service) • Netsett (STP) • Electronic Claims File (claims processing and work flow for the London insurance market) • eAccounts (data and document submissions of premiums to the bureau) • Xchanging Data Hub (B2B gateway) • ACORD4ALL (B2B gateway) • Xpresso (claims management mobile app for insurance claims handlers and insurers)

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About the Author



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Overview

- Hema Santosh is a Principal Analyst at HfS supporting research in finance and accounting and related business services, and global in-house delivery centers. She has held senior research positions for organizations such as, Information Services Group, Accenture, Wipro and ITFinity Solutions. Her journey as a research professional has evolved over 14 years by working across facets of MIS, business planning, market forecast, market analysis, competitive intelligence and large strategic initiatives.
- Hema understands the nuances and dynamics of the BPO and Technology industry. Her experience ranges from custom research, quantitative studies to qualitative secondary research conducted among financial services, government and media & telecommunication industries.

Education

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

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