Everest Group®

Everest Group PEAK Matrix™

Overview Document
2018

Everest Group
PEAK MATRIX™

Background and introduction

Background: The global services market evolved significantly over the years and so did the complexity related to comparison and evaluation of various service and technology providers. While new providers continue to enter the market, established providers are trying to increase their market share and build new capabilities through various organic and inorganic routes. In such a dynamic landscape, it is important for buyers to have a fact-based understanding of the providers' capabilities and their ability to translate that into market impact

Introduction to Everest Group's PEAK Matrix™:

- Everest Group's PEAK Matrix provides an objective, data-driven comparative assessment of service and technology providers based on their overall capability and market success across different global services markets
- While the overarching PEAK Matrix framework remains consistent for different global services market, given the nuances of the various markets (for example, IT services, Business Process Services, Robotic Process Automation (RPA), and Engineering Services), few evaluation dimensions vary
- This document explains the PEAK Matrix concept, the overall framework, and the underlying methodology

Note: Buyers can use PEAK Matrix to identify and evaluate different service providers in a particular market segment. This helps them understand the providers' relative strengths and gaps along the key delivery dimensions. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements and match them against service provider capability to meet their specific requirements

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Everest Group has four supply side PEAK Matrix™ assessments

Name of assessment	Coverage
Services PEAK Matrix™	Assessment of service providers for specific service lines (e.g., IT, business process, and engineering services)
Solutions PEAK Matrix™	Assessment of service providers for solutions (i.e., (products + services) portfolio around technology themes – e.g., automation, BPaaS)
Products PEAK Matrix™	Assessment of Independent Software Vendors (ISVs) for specific technology areas
Locations PEAK Matrix™	Assessment of locations for specific type of global services

- All the supply-side assessments from Everest Group fall under the purview of PEAK Matrix. Therefore, earlier assessments such as, FIT or MAP, are now part of the PEAK Matrix family of assessments
- This document provides details on Service PEAK Matrix, Solutions PEAK Matrix, and Products PEAK Matrix

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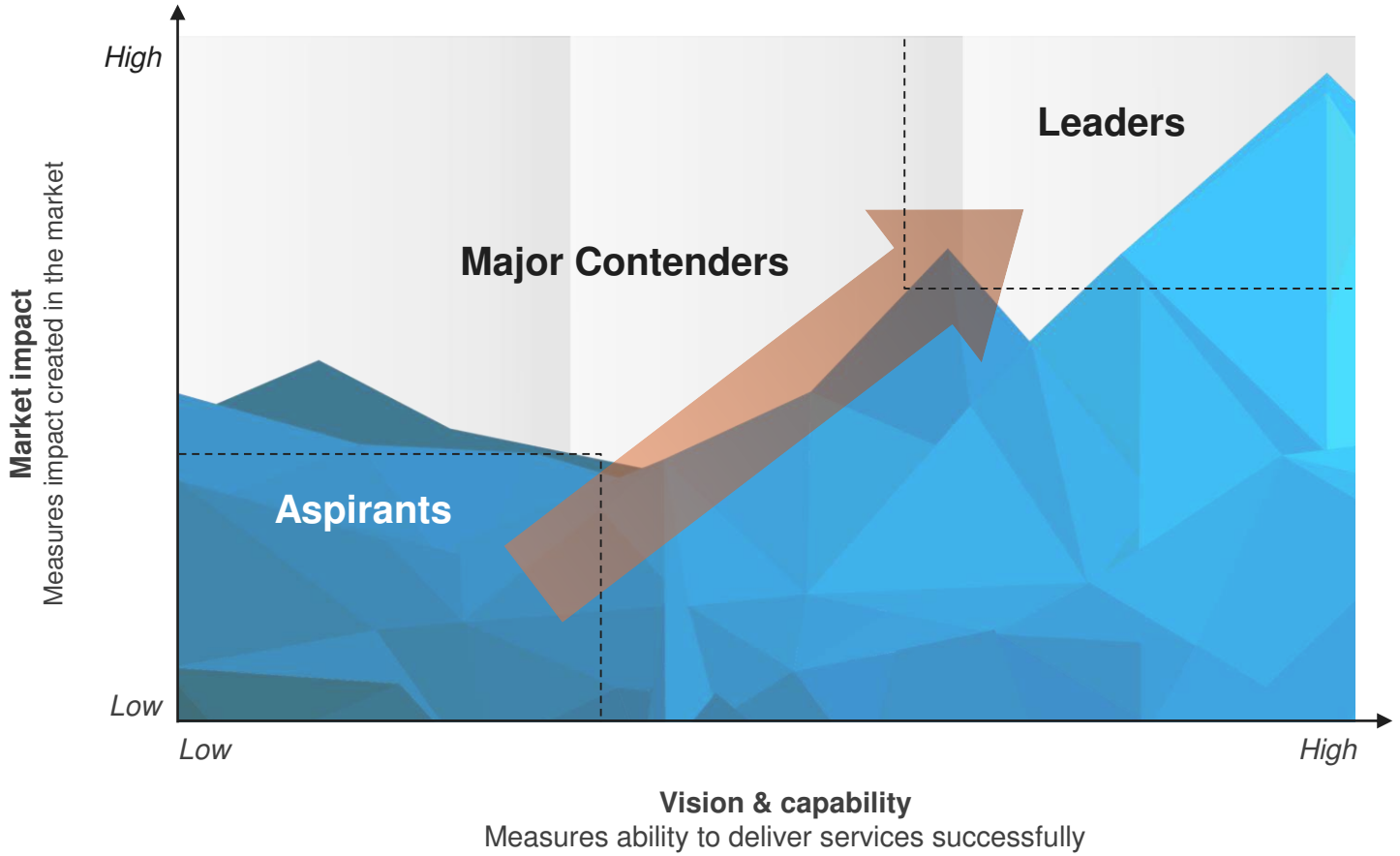
Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix



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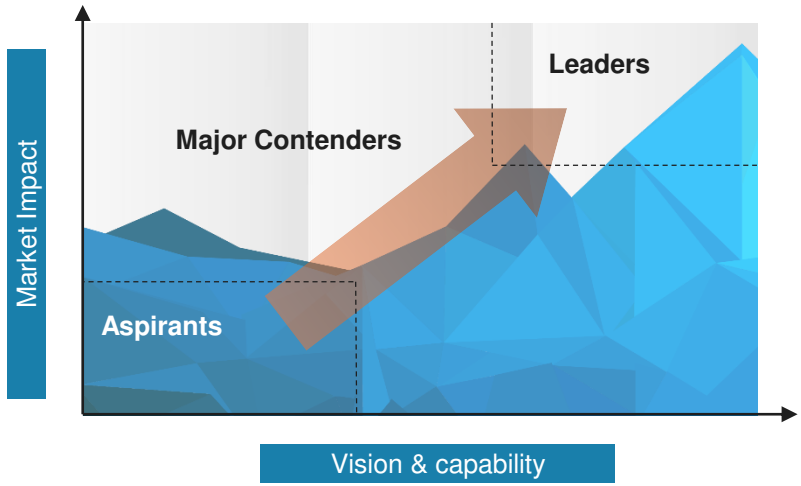
Services PEAK Matrix™ evaluation dimensions

ILLUSTRATIVE EXAMPLE FOR SERVICES PEAK MATRIX

Measures impact created in the market – captured through multiple subdimensions*

- Subdimension 1*
- Subdimension 2*
- Subdimension 3*



Measures ability to deliver services successfully. This is captured through four subdimensions*

- Subdimension A*
- Subdimension B*
- Subdimension C*
- Subdimension D*

* Vertical and horizontal axis subdimensions vary by PEAK Matrix assessment. Please see the specific assessment for an explanation of all subdimensions.

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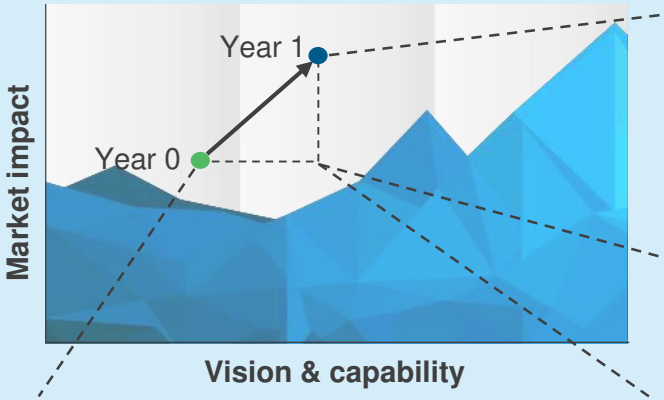
Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix™

ILLUSTRATIVE EXAMPLE FOR SERVICES PEAK MATRIX

Methodology

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix



In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:

- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:

- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

Star Performers are identified by top quartile performance improvement on the X and Y axes for each segment

The Star Performers title relates to YOY performance for a given service provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

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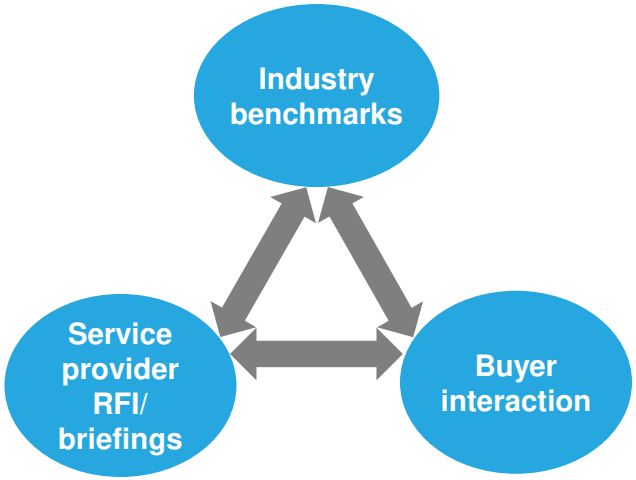
Everest Group adopts a fact-based, data driven approach for the PEAK Matrix and "Star Performers" evaluation

1 Service provider RFI

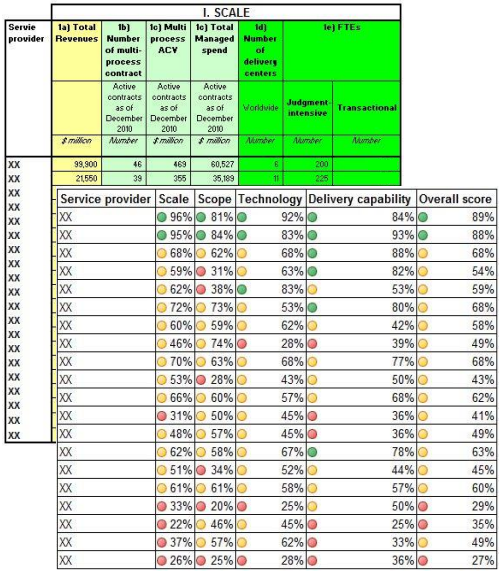
Annual RFI with service providers to collect following data

- **Deal-level information**
  - Buyer detail, including industry, size, and signing region
  - Contract details, including TCV, ACV, term, start date, and pricing structure
  - Scope, including coverage of buyer geography, and process
  - Enabling capabilities leveraged
  - Global sourcing, including delivery locations and level of offshoring
- **Operational capability**
  - Key leaders
  - Major clients and recent wins
  - Revenues – Overall and service line
  - Recent acquisition/investments
  - Revenue-split by geography, industry, and client size
  - Delivery locations
  - Service suite
  - Enabling capabilities

2 Data validation/triangulation



3 Evaluation framework



Servie provider	I. SCALE					
	1a) Total Revenues	1b) Number of multi-process contract	1c) Multi process ACV	1e) Total Managed spend	1d) Number of delivery centers	1e) FTEs
		Active contracts as of December 2010	Active contracts as of December 2010	Active contracts as of December 2010	Worldwide	Judgment intensive / Transactional
	$ million	Number	$ million	$ million	Number	Number / Number
XX	99,900	46	469	60,527	6	200
XX	21,550	39	355	35,189	11	225

Service provider	Scale	Scope	Technology	Delivery capability	Overall score
XX	96%	81%	92%	84%	89%
XX	95%	84%	83%	93%	88%
XX	68%	62%	68%	88%	68%
XX	59%	31%	63%	82%	54%
XX	62%	38%	83%	53%	59%
XX	72%	73%	53%	80%	68%
XX	60%	59%	62%	42%	58%
XX	46%	74%	28%	39%	49%
XX	70%	63%	68%	77%	68%
XX	53%	28%	43%	50%	43%
XX	66%	60%	57%	68%	62%
XX	31%	50%	45%	36%	41%
XX	48%	57%	45%	36%	49%
XX	62%	58%	67%	78%	63%
XX	51%	34%	52%	44%	45%
XX	61%	61%	58%	57%	60%
XX	33%	20%	25%	50%	29%
XX	22%	46%	45%	25%	35%
XX	37%	57%	62%	33%	49%
XX	26%	25%	28%	36%	27%

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FAQs (page 1 of 2)

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

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

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

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

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FAQs (page 2 of 2)

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?

- Providers/vendors can use their PEAK Matrix positioning and/or "Star Performer" positioning in multiple ways including:
  - Issue a press release declaring their positioning. See citation policies: https://www.everestgrp.com/research/peak-matrix/peak-matrix-citation-policy/
  - Circulate customized PEAK Matrix profile with clients, prospects, etc.
  - Disseminate quotes from Everest Group analysts to the media
  - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider/vendor must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

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Everest Group's PEAK Matrix™ citation and logo use policy

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- Everest Group's PEAK Matrix™ provides an objective, data-driven comparative assessment of third-party global service providers specific to a market segment
- Everest Group's PEAK Matrix assessments are included in Everest Group research reports that are part of our subscription services
- We request that subscription services' clients adhere to the following guidelines when quoting Everest Group's PEAK Matrix reports and using the Everest Group and Everest Group's PEAK Matrix logo

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Everest Group's PEAK Matrix™ citation and logo use policy

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How to seek Everest Group's approval

After reading the guidelines that follow, send an email to info@everestgrp.com with the subject line: "Request PEAK Matrix Citation Approval." Provide the full citation and context for your request. Please include a draft copy of any press releases and other marketing materials. We will reply by email within two business days.

Citation and logo use policy

- All citations of Everest Group's PEAK Matrix must be attributed in the following manner: Report Title, Everest Group, Date
- All citations must be limited in scope. Full reproduction of Everest Group's PEAK Matrix assessments (and/or the reports in which they are contained) is prohibited
- All citations of Everest Group's PEAK Matrix must have been published within the past 12 months
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- Citations that negatively portray another company and/or its services or compares one company and/or its services with another may not be used. Please request Everest Group's PEAK Matrix logo for inclusion in presentations, website and other collateral. We will provide the logo in the appropriate file format, size, etc.
- Press release titles and headers and/or sub-headers should use the words or "Everest Group's PEAK Matrix" or "Independent Research Firm" rather than "Everest Group" when referring to findings

Changes

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