







Digital Maturity in GLCs | Pinnacle Model™ Analysis 2018 Overview

Pinnacle Model™ Report Overview – June 2018

Background of the report

Digital relates to next-generation technologies focused on enhancing user experience, improving operational excellence, and achieving transformation

Key digital segments		Services	
	Social & interactive	<ul style="list-style-type: none"> • Social media monitoring • Social strategy and consulting • Social application development (front-end) • Social content and web development 	<ul style="list-style-type: none"> • Social analytics • Others (e.g., social commerce & content, social media marketing, and digital marketing platforms)
	Mobility	<ul style="list-style-type: none"> • Mobility testing • Mobility strategy, consulting, and platform development • Mobile device management – software management, network management, and security management 	<ul style="list-style-type: none"> • Mobile applications – development and maintenance • Others (e.g., API management, mobility UX design, and connected device engineering / embedded software)
	Analytics ¹	<ul style="list-style-type: none"> • Core analytics (industry-standard analytics tools such as Statistical Analysis System (SAS) and Statistical Package for the Social Sciences (SPSS)) • Data architecture & management – data architecture, master data management, and data migration 	<ul style="list-style-type: none"> • Data visualization and visualization implementation • Big data analytics and consulting • Analytics platform implementation
	Cloud	<ul style="list-style-type: none"> • Application development, migration, and deployment: Developing greenfield apps with cloud features, migration of apps to cloud platform/implementation, customization, and integration of cloud apps • Cloud consulting/advisory services 	<ul style="list-style-type: none"> • Infrastructure build – designing and building cloud infrastructure/customization and implementation) • Infrastructure management and orchestration: management of cloud assets, lights-on/helpdesk, orchestration, and other related activities
	Automation	<ul style="list-style-type: none"> • Robotic Desktop Automation (RDA) • Robotic Process Automation (RPA) 	<ul style="list-style-type: none"> • Cognitive automation / Artificial Intelligence (AI) – includes Machine Learning (ML) and Natural Language Processing (NLP)
	Cybersecurity	<ul style="list-style-type: none"> • Identity and access management • Network security • End-point security • Cloud security 	<ul style="list-style-type: none"> • Security analytics • IoT security • Security automation & orchestration

¹ Traditional business intelligence and data warehousing excluded from definition of analytics used in the research

**Definition
of Pinnacle GICs™**

Pinnacle GICs™ are those GICs that are achieving superior business outcomes because of their advanced capabilities. The journeys of these best-of-the-best companies provide insights into the key enablers needed to achieve desired outcomes and point to the investments required for the greatest speed to impact. Whether companies are wanting to make incremental changes or achieve major transformations, Pinnacle GICs exemplify the way to success.



**Define the
topic**

We evaluate multiple topics to identify hot topics that will resonate globally with sourcing leaders. We work with internal and external SMEs to define the topic and set boundaries



Survey GICs

We use surveys, RFIs, and other data collection methods to gather information from GICs on capabilities and outcomes associated with GIC digital maturity



**Interview
participants**

We then conduct interviews/roundtables with a subset of participants to gain deeper perspectives on their experiences, challenges, and journeys



**Form
hypotheses**

We form an emerging point of view on the correlations between capabilities and outcomes, adoption trends, and key success factors



**Validate and
refine**

A cross-section of SMEs from various practices debates and refines the emerging hypotheses



**Publish and
educate**

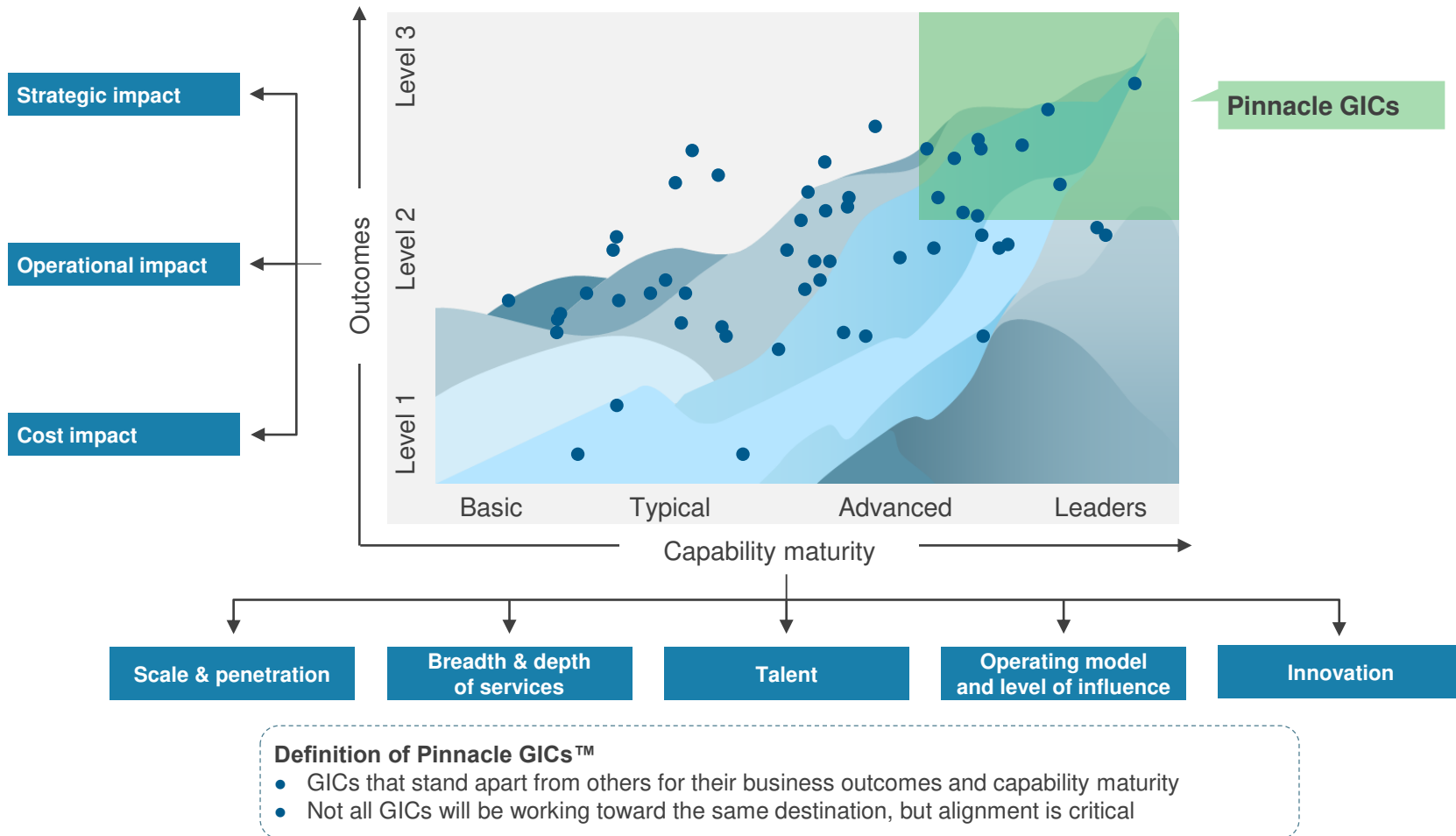
We compile and share final results with participants, our members, and other stakeholders in the global services sector. Participants also receive a high-level customized analysis



In the current Pinnacle Model™ analysis, we look at **GIC digital maturity** patterns to compare outcomes with associated capabilities

We identified digital Pinnacle GICs™ based on their focus on business outcomes and capability maturity

Everest Group recently assessed GIC digital maturity on the Pinnacle Model™ based on a study with 54 GICs



Pinnacle GICs™ significantly exceed other GICs across three key impact areas

Cost impact



Pinnacle GICs generated **53% ROI** from digital initiatives, while **44%** of other GICs are yet to achieve ROI

Operational impact



Pinnacle GICs achieved **46% improvement** in operational metrics, compared to **19%** by other GICs

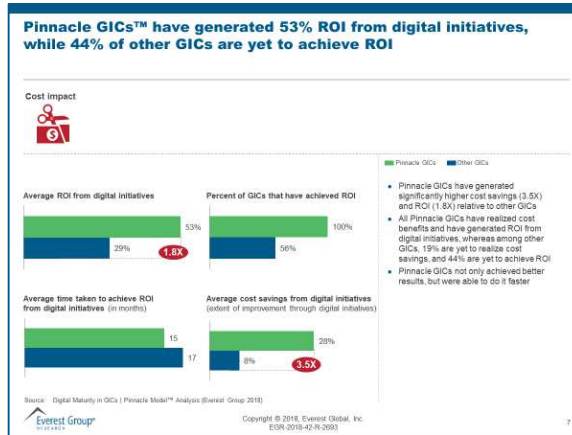
Strategic impact



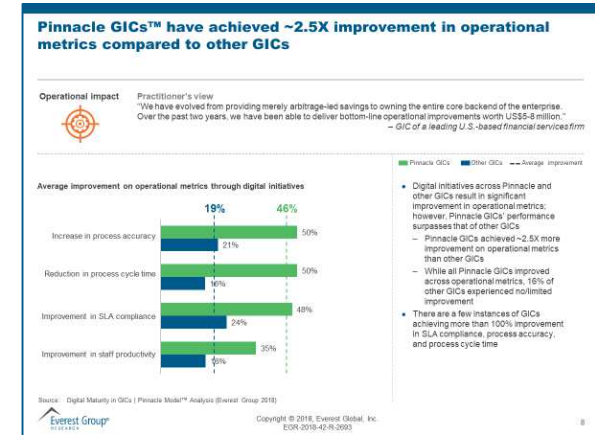
68% Pinnacle GICs generated significant strategic impact, compared to **37%** other GICs

Pinnacle GICs™ significantly exceed other GICs across three key impact areas

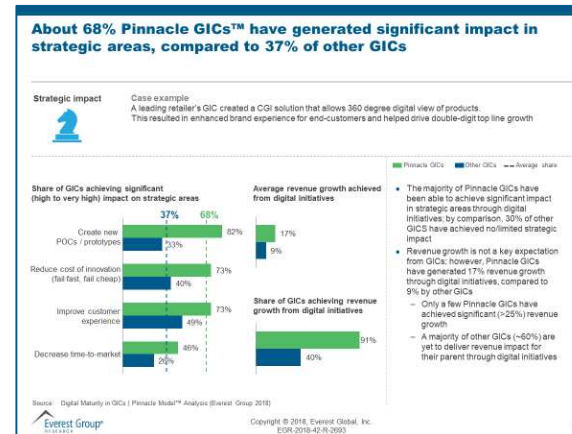
Cost impact



Operational impact

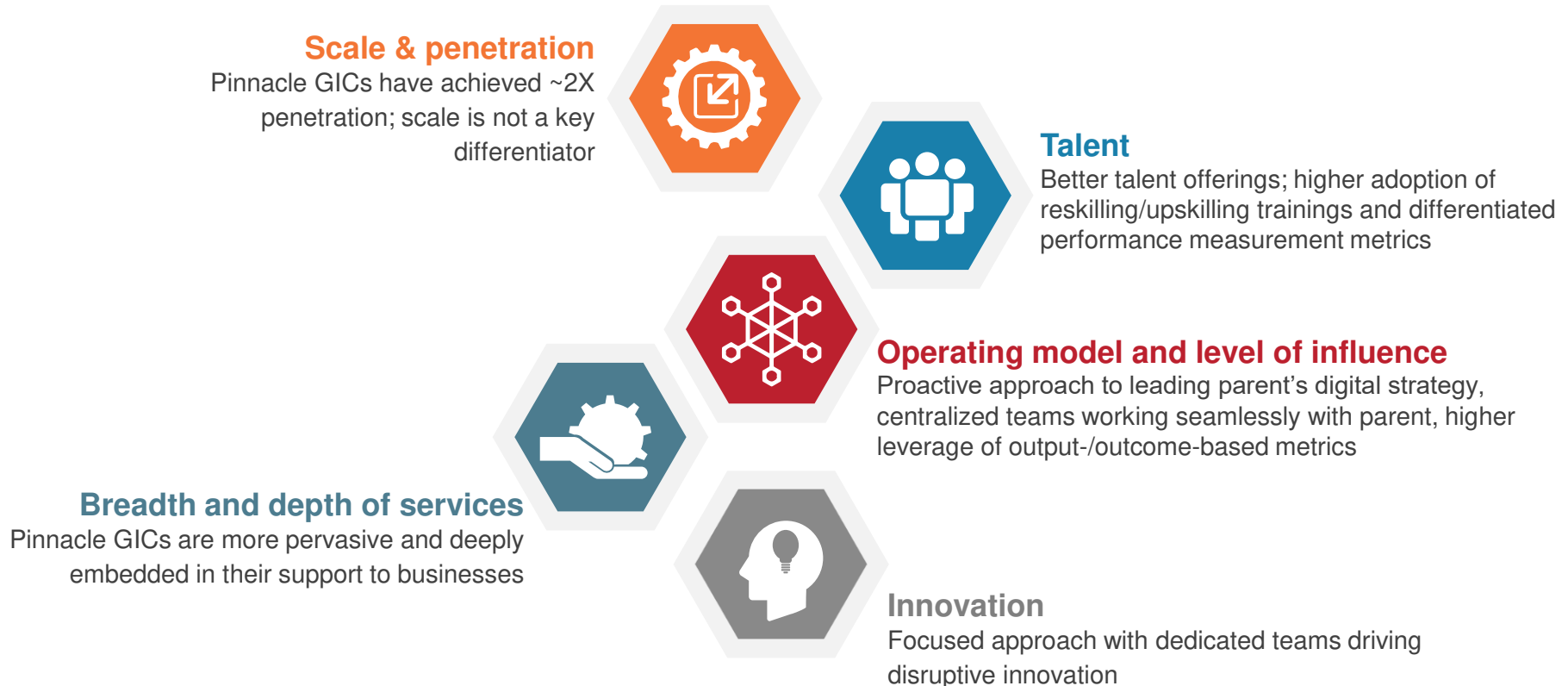


Strategic impact



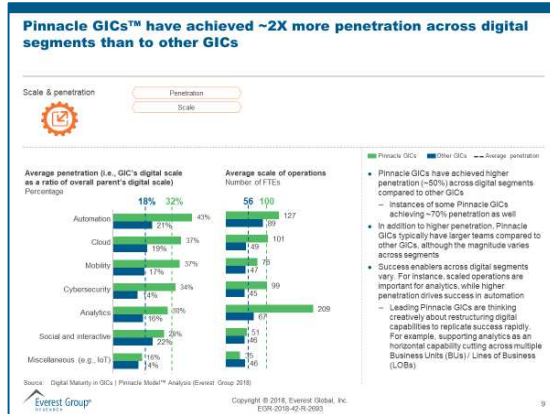
Pinnacle GICs™ have developed differentiated capabilities through digital initiatives

GIC digital capability maturity comparison

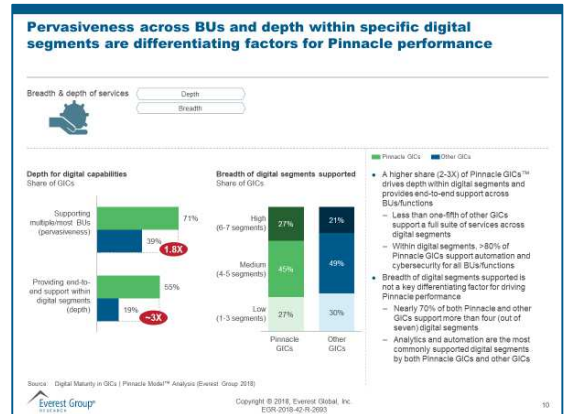


Pinnacle GICs™ have developed differentiated capabilities through digital initiatives

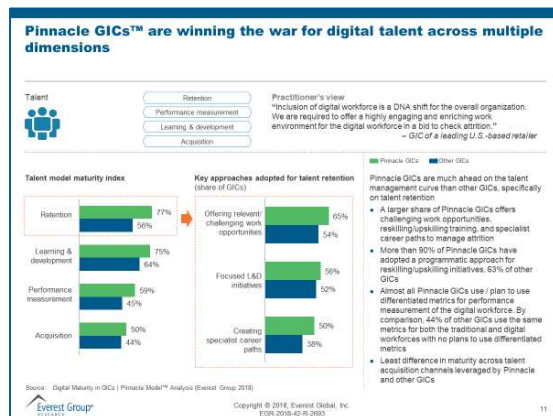
Scale & penetration



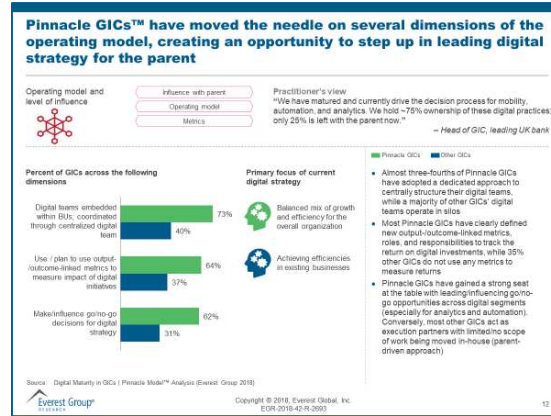
Breadth and depth of services



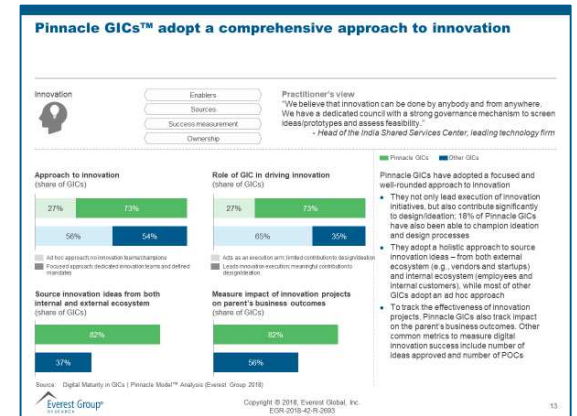
Talent



Operating model and level of influence



Innovation



Key implications for GICs



Embracing digital is an imperative, not an opportunity

View digital technology adoption as an enabler to drive operational effectiveness and enhance employee/customer experience

Reengineer the organization's cultural DNA to cultivate innovation

Breaking functional barriers is paramount to achieving truly breakthrough results

Leverage ecosystem partnerships to capitalize on the digital opportunity and develop best-of-breed solutions

Source: Digital Maturity in GICs | Pinnacle Model™ Analysis (Everest Group 2018)

Key implications for enterprises



**Digital investments in GICs may not provide instant gratification!
An open-minded and long-term approach is important**

Dedicated leadership support, coupled with a continuous participative approach, will help accelerate GICs' digital journeys

Propagating a GIC-first philosophy across the organization is vital

Speed of digital adoption is critical to derive maximum impact

There is no one-size-fits-all approach

Source: Digital Maturity in GICs | Pinnacle Model™ Analysis (Everest Group 2018)

Learn more insights from our Digital Maturity in GICs Pinnacle Model™ Analysis

Additional topics covered in our report (85+ pages)

- Differentiators for Pinnacle Enterprises™
 - Outcome differentiators
 - Capability differentiators
- Key implications for GICs
- Key implications for enterprises
- Accelerating your digital journey
- Analysis of capability maturity
 - Scale and penetration
 - Breadth and depth of services
 - Talent
 - Operating model and level of influence
 - Innovation
- Analysis of impact created
 - Cost impact
 - Operational impact
 - Strategic impact

Contact our analysts

Michel Janssen

Chief Research Guru
Research Practice,
Everest Group
Michel.Jansenn@everestgrp.com

H Karthik

Partner
Research Practice,
Everest Group
H.Karthik@everestgrp.com

Aditya Verma

Vice President
Research Practice,
Everest Group
Aditya.Verma@everestgrp.com

Parul Jain

Senior Analyst
Research Practice,
Everest Group
Parul.Jain@everestgrp.com

[Access the full report](#)



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-804-276-4533

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

www.sherpasinblueshirts.com