



Key Vendor Profile

Key Vendor Assessment

Kyndryl

KVA Abstract

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43 pages

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Who is this Vendor Assessment for?

NelsonHall's Key Vendor Assessment on Kyndryl is a comprehensive assessment of Kyndryl's offerings and capabilities, designed for:

- Marketing, sales, and business managers developing strategies to target service opportunities within the BPS/IT services markets
- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for IT services
- Consultants advising clients on vendor selection
- Vendor marketing, sales, and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the BPO/IT services sector.

Key Findings & Highlights

IBM spun off the Managed Services part of its GTS organization (now Kyndryl) on November 3, 2021. IBM GTS was a low-growth unit, with revenues impacted by the adoption of public cloud and IT infrastructure service price pressure.

Kyndryl is headquartered in NYC. Its FY24 revenues, ending March 31, 2024, will be \$16-17bn. The company has ~90k employees and ~4k clients, of which 75% are Fortune 100 and 50% are Fortune 500 organizations. Its top 10 clients account for 15% of its total revenues.

The company is the largest IT infrastructure service vendor globally, significantly larger than other tier-one competitors such as DXC, Atos Tech Foundations, Fujitsu, and T-Systems. It manages 25k SAP and Oracle systems, 750k virtual services, 270k network devices, and 2m terabytes of storage.

Kyndryl specializes in run services, i.e., IT infrastructure management/managed services contracts. These contracts are multi-year engagements, lasting three to five years, as part of relations older than ten years.

It is still a company under transformation, with three main initiatives under its 3As approach, around Alliances, Advanced Delivery, and Accounts. Kyndryl is looking to expand its addressable market (and increase revenues) while lowering its cost base and renegotiating its IT outsourcing contracts.

Scope of the Report

The report provides a comprehensive and objective analysis of Kyndryl's offerings, capabilities, and market and financial strengths, including:

- Identification of the company's strategy, emphasis, and new developments
- Analysis of the company's strengths, weaknesses, and outlook
- Revenue estimates

- Analysis of the profile of the company's customer base, including the company's targeting strategy and examples of current contracts
- Analysis of the company's offerings and key service components
- Analysis of the company's delivery organization.

About The Author

Dominique Raviart is the IT Services Practice Director at NelsonHall, with global responsibility for IT Services research programs. He also leads the VIP program that covers tier-one IT service vendors.

Dominique covers IT Services research in the areas of Software Testing/QA. Dominique has been part of NelsonHall's IT Services analyst team since 2007, providing comprehensive and insightful coverage of IT services markets in the world. In particular, he is widely known for his extensive knowledge and coverage of software testing, having recently examined digital testing and DevOps/continuous testing. Dominique assists both buy-side and vendor organizations in assessing opportunities and supplier capability across IT service lines.

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About NelsonHall

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We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com.

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