Sopra Steria
Digital Experience Consulting Services

Vendor Assessment
Report Abstract

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9 pages

Who Is This Vendor Assessment For?

NelsonHall's Digital Experience Consulting Services Vendor Assessment for Sopra Steria is a comprehensive assessment of Sopra Steria's digital experience consulting services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for digital experience consulting services

- Vendor marketing, sales and business managers looking to benchmark themselves against their peers

- Financial analysts and investors specializing in the experience consulting services sector.

Key Findings & Highlights

Sopra Steria is a France headquartered IT services company primarily focused on delivering IT services within the European market. In CY 2019, Sopra Steria had revenues of €4.4bn, and its headcount at the end of 2019 was ~46k.

Sopra Steria has a federal organizational structure, and its operations (countries and its various software product units) have prime P&L responsibility. Within major Sopra Steria geographies, Consulting and Systems Integration (C&SI) has structured its delivery organization by major vertical. In addition to services, Sopra Steria also offers software products, primarily in Banking, HR, and Real Estate. Its organizational structure is aimed at supporting Sopra Steria's objectives of 1. empowering personnel at the operations level, and 2. driving client intimacy through a largely onshore presence.

Sopra Steria initiated its experience design services in approximately 2011, as an outgrowth of supporting Spanish banks that were pursuing digital transformation initiatives. This drove southern Europe as an early focal point of Sopra Steria's digital experience consulting services. At the time, the company made the strategic decision to not acquire capabilities, but rather build them in-house. This led to three individual business units becoming the core of the company's capabilities, located in Oslo, Paris, and Madrid.

While the three locations evolved in parallel to focus on clients in proximity, the company has invested to standardize methods, processes, and tools across each.

In March 2020, given significant strategic priority placed on experience-related services, Sopra Steria pivoted its organic growth strategy and acquired cxpartners. Established in 2004, cxpartners has ~50 employees in London and Bristol, U.K. It's client base includes companies in hospitality, automotive, insurance, technology, and the public sector.

Going forward, cxpartners will maintain its brand in the market, existing ways of working, and focus areas. The two companies will identify opportunities to collaborate as well as use cxpartners delivery mechanisms within the broader Sopra Steria delivery capability.

In CY 2019, Sopra Steria had revenues of ~€4.4bn (~$4.9bn).

With the addition of cxpartners, NelsonHall estimates that ~2% of these 2019 revenues would be comprised of digital experience consulting services (~€90m / $99m).

2

Sopra Steria positions its digital transformation work as engagements that move beyond the digitization of existing processes to reimagine how to achieve business outcomes. It works with its clients to shape digital transformation by employing three complementary functions:

- Digital champions with industry-vertical knowledge

- Technology champions with a focus on specific digital solution areas

- Design thinking/UX capabilities.

Sopra Steria focuses its UX and design services on helping clients in two key areas: the design of all services impacting user - business interactions and the impacts of new and emerging technologies on user experience. As an example, its Norway group is focusing on developing virtual reality and mixed reality offerings.

Sopra Steria has a total headcount of ~46k currently, with ~60% of these located in France and U.K., and the remaining 40% spread across Europe and in India as a remote delivery capability.

NelsonHall estimates that Sopra Steria has ~300 total digital experience consulting employees across Europe. In addition to the ~50 cxpartners employees in the U.K., Sopra Steria has ~70 experience designers in Norway and ~120 designers in Spain.

In addition to the design studios in London, Oslo, Paris, and Madrid, Sopra Steria also has a digital factory network across France, Spain, Norway, and India, adding system engineering and front-end development capabilities to experience design services.

Sopra Steria also has a broad DigiLab network. DigiLabs are client and demo centers and offer 120 use cases across sectors. As of the beginning of 2020, Sopra Steria has 24 DigiLabs.

Until its recent acquisition of cxpartners, Sopra Steria had built its experience design and consulting services organically, building out capabilities derived from early adopting client bases. This had led to strong capabilities and footprints in geographies such as France, Spain, and Norway, which made up the core of its capabilities before cxpartners added its U.K. based capability.

This provides an advantage in these geographies, bringing experience, knowledge, and a collaborative network to add value. Sopra Steria's challenge is to ensure that these capabilities are shared across the rest of the group in any location for any project. Sopra Steria's DigiLabs & digital factory network helps alleviate the need for client-proximate locations but doesn't help address the limited capacity and limited experience working with each culture. The addition of cxpartners adds both to the opportunities for these services and the challenges of integration. Leveraging cxpartners' brand and dedicated delivery capabilities and weaving together these capabilities with the legacy Sopra Steria experience consulting services provides Sopra Steria with a broad, mature, comprehensive offering but will require a focused integration effort.

Sopra Steria and cxpartners have complementary focuses on sectors. They also have similar focuses on offering service design and emerging technology-based experience offerings which position the combined company well to address two rapidly growing areas of experience consulting services.

Scope of the Report

The report provides a comprehensive and objective analysis of Sopra Steria's digital experience consulting service offerings, capabilities and market and financial strength, including:

- Analysis of the company's offerings and key service components

- Revenue estimates

- Identification of the company's strategy, emphasis and new developments

- 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 strengths, weaknesses and outlook.

Sales Enquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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Contents

Report Length

9 pages

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