Syntel
Software Testing

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Software Testing Vendor Assessment for Syntel is a comprehensive assessment of Syntel's software testing offerings and capabilities, designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for software testing services

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

- Financial analysts and investors specializing in the software testing sector.

Key Findings & Highlights

Syntel is a Troy, Michigan headquartered vendor of Indian IT and KPO services. It was founded in 1980 and floated on the U.S. NASDAQ in 1997. The company has a market cap of ~$3.5bn. Syntel had 2013 revenues of $824m and an income from operations margin of 32.4%. Q1 2014 revenues were $220m, up 16%.

Syntel's testing practice was created in 2004 and reached a headcount of 3.5k in 2012; by Q1 2014 it was representing ~14% of Syntel's overall headcount. It is a horizontal line within Syntel, providing full-time testing personnel for client engagements.

Syntel has structured its testing service offering around two main principles:

- It is rather far-reaching in scope, expanding from core manual testing to specialized services, e.g. software, ERP testing, and model-based testing

- Each service offering, especially in specialized testing services, is to be underpinned by an IP or accelerator. IP creation is a key priority for the company, as it is meant to drive automation and to be a differentiator to the competition.

Syntel has divided its testing service offering into two main categories:

- Traditional testing activities, ranging from functional testing (manual testing and test automation) to non-functional (performance testing and security testing) and QA services (including test process improvement). These services account for ~75% of Syntel's testing revenues

- Specialized offerings including ERP testing, mobile application testing, BI and data warehousing, and test support activities. These services represent 25% of Syntel's testing revenues.

Consistent with Syntel's overall strategy, the testing practice is developing its own IP around each offering.

Syntel's main IP is iTAP, which is a superseding tool that incorporates a number of Syntel accelerators, ranging from model-based testing to test case repositories. Syntel also has a number of standalone tools including mobile application testing and browser compatibility testing.

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One of Syntel's major actions in 2013 was to finalize the restructuring of its IPs into standalone accelerators; as a result, most of its clients do not use iTAP (see below) as a whole, but specific components or features.

Scope of the Report

The report provides a comprehensive and objective analysis of Syntel's software testing 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.

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Vendor Assessments Also Available for:

Accenture, Amdocs, Atos, Capgemini (including Sogeti), EPAM Systems, HCL Technologies, Infosys, Maveric Systems, Mindtree, MTP, QualiTest, SQS, Tech Mahindra.