



DXC Technology Agile Development & DevOps Services

**Vendor Assessment
Report Abstract**

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Who Is This Vendor Assessment For?

NelsonHall's Agile Development and DevOps Services Vendor Assessment for DXC Technology is a comprehensive assessment of DXC Technology's Agile Development and DevOps services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for Agile Development and DevOps services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the Application Development services sector.

Key Findings & Highlights

In May 2016, Tysons, Virginia-based CSC announced that it was acquiring the Enterprise Services (ES) division of HPE. As of April 1, 2017, when the merger was completed, CSC and HPE Enterprise Services re-branded as DXC Technology (DXC). DXC Technology operates 31 strategic delivery centers and 91 data centers in ~70 countries, servicing ~6k clients. 55% of its labor force operates in low-cost geographies in 21 global delivery centers. Of CSC and HPE's top 200 accounts, there was a less than 15% overlap in the revenue streams.

In January 2019, DXC announced its intention to acquire Luxoft (the acquisition closed in June). Luxoft expands DXC's application and product engineering capabilities, including expanding its agile development footprint, bringing a significant Eastern European delivery presence and providing U.S.-based IoT, analytics, and blockchain capabilities. The companies are still in the process of fully integrated their agile operations but view Luxoft's upfront development and engineering capabilities as complimentary to DXC's operational and infrastructure strengths.

DXC Technology is also using partnerships to expand its capabilities. This includes partnering with PwC consulting on some OCM, process, and culture change initiatives and AWS and Microsoft Azure for cloud offerings.

DXC reported 2018 revenue of ~\$21.8bn while Luxoft reported 2018 revenues of ~\$905m, giving the combined entity of ~\$22.7bn in calendar year 2018 revenues.

NelsonHall estimates that 10% of DXC's revenues and 80% of Luxoft's revenues in 2018 derived from agile development and DevOps services, \$2.9bn combined.

DXC has four key focus offering families where it applies agile development and DevSecOps capabilities:

- Digital Application DevSecOps
- Application Development
- Testing and digital assurance
- Application management services.

DXC Technology has ~170k FTEs globally, with ~22k possessing agile and DevOps skills. NelsonHall estimates that Luxoft brought in ~10K agile and DevOps skilled employees as part of the acquisition.

DXC Technology has developed three families of delivery centers:

- Client Briefing Center: Client-facing centers to demonstrate capabilities or conduct planning and strategy workshops
- Digital Transformation Center: centers to conduct design thinking sessions, co-create and develop prototypes, develop MVPs and scale outputs for production
- Digital Innovation labs: innovation incubation labs co-located with partners and universities to experiment with new technologies, incubate new solutions and conduct prototyping

With the introduction of the Bionix delivery model in 2018 and the acquisition of Luxoft in 2019, DXC is placing significant focus on the adoption of agile and DevSecOps principles. While it is still in progress on the enterprise-wide adoption of these capabilities, having a significant priority being places on them demonstrates the commitment it is making both to its employees and its clients. It also provides a strong reference point when DXC looks to transform its large enterprise client base.

This reference will be important to facilitate adoption among its clients and expand DXC relationships that are heavily tilted toward operations and infrastructure activities today. The acquisition of Luxoft also helps shift the conversation between DXC and its clients, providing new and demonstrable capabilities. However, as with all acquisitions, the current integration process is going to take time and resources, potentially acting as a distraction on the continued evolution of these offerings.

Scope of the Report

The report provides a comprehensive and objective analysis of DXC's Agile Development and DevOps 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.



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