



EPAM Digital Testing

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Software Testing Vendor Assessment for EPAM is a comprehensive assessment of EPAM's digital 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

EPAM Systems (EPAM) is a Newtown, PA headquartered, Central and Eastern Europe delivery-centric IT services vendor. It was founded in 1993 in New Jersey, with its first offshore development center located in Minsk, Belarus.

EPAM had 2016 revenues of \$1.2bn, while guidance for 2017 is for growth of ~21% (therefore to ~\$1.4bn). It has a market cap of \$4.2bn. EPAM's headcount as at the end of Q1 2017 was 22.4k; it is the largest of the Eastern/Central Europe/Russia nearshore IT service vendors.

Software testing is the second largest line of EPAM Systems' business, having crossed a headcount of ~5.0k testers in 2016.

The company initially started providing standalone testing services through a localization and internationalization contract for Brio Software (now part of Oracle); it set up its testing practice in 1999.

This background in technology and software products means that, from a testing perspective, EPAM has long been exposed to agile development and continuous testing, working for companies such as Google.

EPAM's testing offering has expanded from technology vendors to enterprises in adjacent sectors; these include online travel agencies or information providers which provide their services based on a central software application, e.g. Expedia, Thomson Reuters. These adjacent sectors have similar requirements to ISVs for handling volumes, e.g. volume of transactions for online travel agencies.

Its main testing clients include Google, SAP, UBS, Barclays, the Coca-Cola Company, Wolters Kluwer, Vicacom, and Mastercard.

EPAM is shifting its testing portfolio towards agile and specialized testing services, and is assessing how delivery is provided, how the role of TCoEs will evolve, how it should promote development skills within its testing personnel; and how to increase its number of software developers in test (SDETs, with a focus on collaborating with developers on introducing static code analysis, and unit testing early in the agile development process), while increasing its investment in testing automation (e.g. building a continuous delivery pipeline).

With this approach, EPAM services Mastercard, Google, Expedia, and J&J.



Scope of the Report

The report provides a comprehensive and objective analysis of EPAM's digital 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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