



NIIT Technologies Agile Development & DevOps Services

**Vendor Assessment
Report Abstract**

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**By David McIntire
IT Services
Research Director
NelsonHall**

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research.nelson-hall.com





Who Is This Vendor Assessment For?

NelsonHall's Agile Development and DevOps Services Vendor Assessment for NIIT Technologies is a comprehensive assessment of NIIT Technologies' 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

Noida, India headquartered NIIT Technologies (NIIT Tech) was founded to provide software and IT services. Initially, part of NIIT, the largest IT training company in India, in 2004 NIIT Tech was spun off as an independent public company, to pursue the IT services industry. In April 2019, Barings Private Equity Asia acquired a majority ownership stake in NIIT Tech from NIIT and other investors. The total investment by Barings is ~\$709m for 56% ownership of NIIT Tech.

NIIT Tech services clients in travel and transportation, banking and financial services, insurance, manufacturing, and media verticals, offering services including application development and maintenance, infrastructure management, and business process management.

NIIT Tech has supported clients' digital transformation journeys since the early 2000s, but Digital Services was formed as a horizontal unit in 2015.

In May 2015, NIIT Tech acquired a 51% stake in Incessant Technologies for \$17m. At the time, Incessant had ~350 employees including ~300 consultants across India (HQ and most employees are in Hyderabad), Australia, Canada, U.K. and the U.S. serving ~20 clients and a number of partnerships including Pegasystems (the main area of expertise) and Appian. Incessant Technologies provides BPM consulting and automation and integration of back end systems.

In May 2017, NIIT Tech acquired a 55% interest in RuleTek. Headquartered in Meridian, Idaho, RuleTek served customers in the US, with ~65 employees prior to the acquisition. RuleTek is a BPM architecture services company specializing in providing architectural leadership to Pega BPM projects.

In calendar year 2018, NIIT Tech reported ~\$568m in revenues. Of this, ~67% (~\$381m) derived from application development and maintenance services.

NelsonHall estimates that agile development and DevOps services revenues account for 55% of NIIT Tech's total CY 2018 ADM revenues (~\$209m). NelsonHall further estimates that 2019 agile development and DevOps services revenues will rise by ~11% to ~\$232m.

NIIT Tech positions its agile and DevOps services in support of clients facing significant industry disruption, primarily through accelerated time to market, adding greater business value through the use of IT and reduce risk.

NIIT Tech has ~10.3k FTEs as of June 2019. Of this headcount, ~82% (~8.4k FTEs) is focused on application development and maintenance activities. Within this team, there are ~2.8k employees focused on delivering agile development services, of which ~20% possess certifications.

NIIT Tech utilizes 14 delivery centers for its ADM and product development services. Seven of these are located in India and seven are located outside of India.

NIIT Tech's agile and DevOps services have been growing rapidly over the last several years and now represents a majority of the application development and maintenance revenues. This has been driven by its defined scaled, distributed agile model and a portfolio of DevOps frameworks that combine flexibility in its core framework to adapt to specific client needs and tailored frameworks for unique application environments such as AS400 and Duck Creek. It also primarily operates in industries that have been aggressive in agile adoption such as travel and transport and financial services.

While this growth appears to be sustainable, a limiting factor may be the proportion of NIIT Tech's ADM workforce, with only one-third of the team primarily focused on delivering agile and DevOps engagements. This team is also heavily weighted to offshore, which limits its ability to address the needs of clients with limited appetite for a diversified delivery model.

NIIT Tech's close relationship with Pega and Appian provides it a solid low code/no code delivery capability and its portfolio of proprietary offerings and tools demonstrate its understanding of these technologies. In addition to its Pega, Appian, and DevOps offerings, NIIT Tech has also invested heavily in building open source automation tools across the application development and maintenance lifecycle.

Scope of the Report

The report provides a comprehensive and objective analysis of NIIT Tech'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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Report Author

David McIntire

david.mcintire@nelson-hall.com

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