



NTT DATA Next Generation Application Outsourcing

**Vendor Assessment
Report Abstract**

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Who Is This Vendor Assessment For?

NelsonHall's Next Generation Application Outsourcing Vendor Assessment for NTT DATA is a comprehensive assessment of NTT DATA's next generation application outsourcing offerings and capabilities designed for:

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

Key Findings & Highlights

NTT DATA Communications Systems Corporation was spun off as a separate company from NTT Corporation in 1988, subsequently changing its name to NTT DATA Corporation in 1996. Although now a separate company, NTT Corporation retains a 54% shareholding in NTT DATA and NTT DATA works jointly with other companies in the NTT Group to deliver services to clients.

In March 2016, NTT DATA announced that it would acquire Dell Services for \$3.06bn, with the acquisition closing on November 2, 2016. The two companies appear to have complementary offerings and heritage, with NTT DATA bringing the application experience which Dell Services lacks, and Dell Services expanding NTT DATA's infrastructure services capability. Dell Services also provides NTT DATA with a broader footprint in the North American market.

NTT DATA is incorporating next generation application outsourcing capability including assessment and migration, legacy modernization, application development and application management.

NTT DATA globally has ~80k employees. Of these, NelsonHall estimates that ~30k deliver application outsourcing services. NTT DATA Services adds ~3k agile and DevOps skilled resources.

NTT DATA's acquisition of Dell Services is important to growing its application management footprint in two ways. The first is its ability to grow NTT DATA's North American business by expanding its client base, particularly in industries such as healthcare which are not being targeted heavily today. Secondly, it opens up NTT DATA to a number of tools that support the delivery of modernization services such as the rehosting, rearchitecture, and platform migration suite. While only ~33% of its application services client base today is receiving modernization services, NTT DATA sees this as growing in importance, with standalone application management services shrinking. Unfortunately, other valuable tools such as Boomi integration are remaining with Dell, so a key outcome of the transition will be finalizing an ongoing partnership to access these tools.

Scope of the Report

The report provides a comprehensive and objective analysis of NTT DATA's next generation application outsourcing 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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