



TCS

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 TCS is a comprehensive assessment of TCS' 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

Tata Consultancy Services Ltd. (TCS) was formed in 1968 and is headquartered in Mumbai, India. It is part of The Tata Group, India's largest private business conglomerate. TCS became the first Indian heritage IT service provider to reach a market cap of ~\$100bn in 2018. Its headcount at March 31, 2019, was ~424k.

As digital transformation has grown as a key business objective, TCS has re-positioned its offerings to support evolution to what it calls "Business 4.0". These services look to embed intelligence, agility, automation, and cloud across the enterprise. To address this, TCS is positioning its offerings along three broad themes:

- Cognitive business operations: includes BPS, application operations and IT infrastructure services
- Digital transformation services: includes new practices focusing on various elements of the digital service stack, such as cloud, analytics, IoT, blockchain, and TCS Interactive.
- Consulting and services integration.

Business 4.0 includes two key delivery priorities:

- Enterprise agile including design-thinking, consulting-led and continuous transformation through research and innovation
- Machine-first philosophy through analyzing all activities with a bias toward automating them.

TCS has for some time now expressed its ambition to be "Enterprise Agile by 2020": as of July 2019, it estimates it has trained ~85% of its employees on agile and claims that being seen as a thought leader in agile is helping it win work in the innovation and transformation spends of its clients. Agile also brings more proximity to the client's business and deepens domain knowledge.

TCS is also seeing demand by clients to support them in their own move to adopt agile at scale, for example in moving towards flat structures, reorganized along customer journeys, and around products and value streams. It has been engaged in consulting projects to help clients adopt Agile methods, both vertically across teams, programs and portfolios, and horizontally across business functions (e.g., HR, Finance, Marketing).

For CY18, TCS reported total revenues of ~\$20.5bn. NelsonHall estimates that CY18 total application development and maintenance revenues are ~34% of this or ~\$6.9bn. Of this, NelsonHall further estimated that ~70% of this application development and maintenance revenue (~\$4.8bn) is delivered through the use of agile development and DevOps capabilities.

TCS's agile development and DevOps service catalog is comprised of four offerings:

- Agile transformation
- DevOps
- Next Gen ADM
- Agile for business.

TCS' headcount at the end of October 2019 was ~477k.

TCS has ~395k agile trained employees. Other skilled teams supporting these services include:

- ~17k scrum masters
- ~1.1k agile coaches
- ~300 dedicated agile/DevOps researchers.

Across its global delivery center network, TCS is building out dedicated agile development center spaces to drive its location-independent agile delivery. As of July 2019, it has opened ~1k locations globally and is in progress building out ~500 more.

Building agile capabilities is a top corporate priority, and the company is looking at the adoption of agile broadly; not just in application development but in all aspects of service delivery. This has driven significant investment and focus on agile: training nearly all of its ~424k employees on agile principles, launching Jile toolset, and developing agile for business offerings. Putting agile at the core of the enterprise and its Business 4.0 business strategy enables the company to demonstrate to clients its commitment and capabilities.

This overall commitment is translated into its delivery capabilities. Investments in Jile and MasterCraft, defined processes and methodologies that balance rigor and flexibility and a geographically broad skilled workforce provide TCS with a compelling delivery capability that can be adapted to specific client needs. The only challenge for TCS could result from the focus on tooling in its Machine First Delivery Model. With components of MasterCraft and Jile providing similar capabilities, it will be imperative for TCS to clearly articulate the use cases of each of its tools.

While TCS possesses significant large, distributed agile client delivery experience, it is still growing and investing in its client-proximate innovation center and consulting capabilities. As agile and DevOps initiatives are increasingly interwoven with broader modernization and transformation initiatives, ensuring that clients have the broad, local digital consulting support available to meet diverse needs.

Scope of the Report

The report provides a comprehensive and objective analysis of TCS' 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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