



Virtusa UX-UI Services

**Vendor Assessment
Report Abstract**

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Who Is This Vendor Assessment For?

NelsonHall's UX-UI Consulting and Implementation Services Vendor Assessment for Virtusa is a comprehensive assessment of Virtusa's UX-UI consulting and implementation services offerings and capabilities designed for:

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

Key Findings & Highlights

Virtusa was founded in 1996 and is headquartered in Massachusetts, U.S. Initially, it focused on working with product companies, providing product development services and incorporating an engineering mindset into application development.

In March 2016, Virtusa closed its acquisition of a majority stake in Chennai based Polaris for ~\$270m. This acquisition combined Polaris' banking and financial services application development and management business with Virtusa's banking and financial services industry segment experience; Virtusa expects to realize over \$100m in revenue synergies in the three years following the close of the acquisition.

In March 2018, Virtusa completed the acquisition of eTouch Systems Corp (eTouch). Headquartered in Fremont, CA, for ~\$140m. eTouch provides mobile application development, digital marketing, cloud, analytics, and data security solutions, primarily to technology companies.

The acquisition of eTouch expands Virtusa's digital engineering footprint and broadens its digital service offerings. It also establishes an innovation hub for Virtusa in Silicon Valley and allows Virtusa to address the needs of tech companies.

Virtusa has been focused on building its UX-UI services capabilities since ~2014 as it has seen the requests from its clients evolve from specific development activity to a broader request to transform an overall capability. It views its technical engineering heritage, encompassing digital development and legacy integration, combined with design and strategy capabilities as giving it a unique position in a market where a breadth of vendors come from different points of view with different strengths.

For CY 2017, NelsonHall estimates Virtusa's revenues as ~\$961m. It is forecasting its FY19 revenues (ending March 31, 2019) to be in the range of \$1.235bn to \$1.265bn.

NelsonHall estimates that UX-UI design and development services accounted for ~4% of this or \$38m in CY 2017 revenues.

Virtusa focuses its Customer Experience offerings around the following areas:

- Customer insights: using analytics to gain a better understanding of the customer base, including customer segmentation and customer profitability

- Omni-channel: building capabilities that address how customers interact, including the potential for a single interaction to cross multiple channels
- Self-services: the use of bots with conversational and NLP skills to aid, in particular, the adaptation of Amazon Alexa type capabilities to business needs
- Personalization: the tailoring of experiences to specific customer needs, using customer insights gained through analytics
- Ease of experience: removing friction from customer journeys and reimagining interactions. For example, where traditionally a retail financial service customer can't open an account without physically visiting a location, Virtusa is looking to enable a fully digital transaction.

NelsonHall estimates that ~3k of its headcount is focused on digital transformation services. NelsonHall estimates that ~150 of these employees are focused on UX-UI design and development services.

The UX-UI design and development team is split roughly equally between Asian delivery centers and the rest of the world. The Asia team is primarily located at delivery centers in India and Sri Lanka and focused on UI development.

Virtusa has a strong portfolio of clients that it is using to grow its UX-UI design and development footprint, particularly in the financial services and insurance sectors. These long-term relationships have correlated to significant experience as both industries are looking to expand the use of digital for customer relations, and in parallel expanding the needs for UX-UI services to ensure digital offerings meet client needs.

Virtusa has developed an agile methodology for delivery of UX-UI design and development to enable delivering designs, prototypes and final developed products quickly to enable iterating with stakeholders for refining the deliverables. Virtusa also places significant focus on usability testing methodologies to ensure that user inputs are given equal weight to client stakeholders.

Virtua's greatest challenge may lie in its strategy of not developing local design studio spaces, relying on client space or standard Virtusa office space to deliver these services. While working with its current client base, it is able to deliver services onsite without the use of traditional design thinking workshops, new clients may place greater emphasis on collaborative design thinking in addressing its strategy and user needs. With an investment already in building out unique xLab spaces, Virtusa could look to modify these spaces to incorporate design thinking spaces.

Scope of the Report

The report provides a comprehensive and objective analysis of Virtusa's UX-UI 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 and examples of current contracts

- Analysis of the company's strengths and weaknesses.



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