



Virtusa

Low Code Application 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 Low Code Application Services Vendor Assessment for Virtusa is a comprehensive assessment of Virtusa's low code application services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for low code application services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the experience consulting 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 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. The combined entity was temporarily named VirtusaPolaris, but after the integration activities at the end of the fiscal year 2017, the company reverted to the name Virtusa.

In September 2020, Virtusa was acquired by Baring Private Equity Asia at a valuation of ~\$1.6bn. The transaction closed in February 2021. Baring Private Equity Asia also owns 70% of the former NIIT Technologies, now Coforge, and is in the process of delisting Hexaware Technologies.

Virtusa has a long heritage of working directly with software product companies, acting as an engineering services provider. It sees this experience as giving it a unique perspective as low code platforms are introduced - both in its relationship with software providers and in the application of these platforms for its clients. For example, it has held a partnership with Pega since 2003. The relationship started with Virtusa providing support to Pega itself before moving into consulting for clients.

For CY 2020, NelsonHall estimates Virtusa revenues as ~\$1.31bn. NelsonHall estimates that ~50% of these revenues are associated with application services (~\$655m). Of this, NelsonHall estimates that ~10% are associated with low code application services (~\$66m).

Virtusa has based its low code application services on an approach based on four pillars:

- Partnering with low code platforms: Virtusa focuses on training and certifying employees in key platforms, setting up feature teams, and setting up platform-focused CoEs for customers
- Code generators: proprietary offerings to generate code across the layers of customer applications that standardizes and eliminates defects and lowers maintenance costs while increasing the use of automation and reducing FTE needs

- Virtusa platforms: a repository of pre-configured solutions targeting specific domain and functional applications and platforms
- Engineered assets: certified pre-built and engineered assets. These solutions are pre-assembled with source-code made available for clients.

Virtusa has a total of ~22k employees. NelsonHall estimates that this includes ~3.5k employees within its DPA (digital process automation) practice. From a platform perspective, the largest proportion of this team focuses on Pega, including ~700 certifications within its workforce.

Virtusa has used its long-standing relationship with Pega as a foundation to build its low-code platform capability. Virtusa has expanded its partnerships to include other platforms such as Unqork and Outsystems, but its experience to date has remained heavily weighted toward Pega engagements. In part, this has been due to its BFSI client base being heavy drivers of its low code application services to date, which is an area of strength for Pega. Still, Virtusa will need to diversify its delivery experience into other platforms and industries to continue its growth.

Virtusa positions its low code services within its broader application modernization and software engineering capability. This enables it to embed it within broader engagements, utilizing low code platforms parallel with broader application transformation work delivered by development professionals. It has also driven Virtusa to focus its proprietary assets on accelerating application development rather than addressing specific business processes. This provides flexibility in their use but should be supplemented by more pre-configured and proprietary business process automation offerings to ensure that client business buyers recognize their value.

Virtusa has another key offering targeted at client business buyers: enablement of citizen developers. While low code application platforms are frequently positioned as enabling clients to develop citizen developers, Virtusa has built a broader offering that provides it the ability to ensure successful adoption by clients through structured governance, candidate identification, and supporting tools and assets.

Scope of the Report

The report provides a comprehensive and objective analysis of Virtusa's low code application 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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