



Luxoft 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 Luxoft is a comprehensive assessment of Luxoft'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

Luxoft was formed in 2000 as a spin-off from Russian engineering firm IBS. It went public in June 2013. At this time, it was heavily centered on Eastern European delivery, with ~80% of its delivery pool located in the Ukraine and Russia. As it has grown and expanded, its delivery capability has also grown, and only ~31% of its delivery was in the Ukraine as of March 31, 2016.

With a focus on application development and digital solutions as well as aggressive growth plans, Luxoft has undertaken a series of acquisitions to expand its capabilities, offerings and focus industries.

Luxoft is currently focusing primarily on building its application development capabilities to support the newest technologies rather than maintenance and support of legacy technologies.

Luxoft estimates that in 2003, 80% of its headcount was located in the Ukraine and Russia. By 2013, when the firm underwent an IPO, it was down to 50%. At the end of FY16, Luxoft reported that the Ukraine represented ~31% of its workforce.

Building on its heritage in product engineering, Luxoft maintains a focus on transformational offerings including analytics, IoT, data management and visualization, and developing embedded software. This targeted focus on transformation is both a positive and negative relative to its competitors. It demonstrates a differentiated focus and deep investment in these capabilities. But at the same time, competitors can leverage legacy application management relationships to generate savings to fund transformational efforts which they are positioned to deliver.

Scope of the Report

The report provides a comprehensive and objective analysis of Luxoft'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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