



NIIT Tech Cloud Advisory, Assessment and Migration Services

**Vendor Assessment
Report Abstract**

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**By David McIntire
IT Services
Research Director
NelsonHall**

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Who Is This Vendor Assessment For?

NelsonHall's Cloud Advisory, Assessment and Migration Services Vendor Assessment for NIIT Tech is a comprehensive assessment of NIIT Tech's cloud advisory, assessment and migration services offerings and capabilities designed for:

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

Key Findings & Highlights

Noida, India headquartered NIIT Technologies (NIIT Tech) was founded to provide software and IT services. Initially part of NIIT, the largest IT training company in India, in 2004 NIIT Tech was spun off as an independent public company, to pursue the IT services industry.

NIIT Tech services clients in travel and transportation, banking and financial services, insurance, manufacturing, and media verticals. It offers services including application development and maintenance, infrastructure management, and business process management.

In 2009, NIIT Tech announced that it was partnering with Hitachi Information Systems to begin offering cloud services. The offering, rolled out in spring 2010, leveraged an NIIT Tech managed data center located in Bangkok, Thailand. Initially, the arrangement offered cloud services to Hitachi's Japanese client base, ultimately moving ~100 clients to the cloud.

Later in 2010, NIIT Tech expand into the domestic Indian market, primarily offering SaaS products across banking and procurement. It followed this by expanding its offerings into cloud environment migration and management. In 2012, it introduced a PaaS offering.

Initially, cloud offerings were solely included in broader multi-tower outsourcing arrangements; as recently as 2016, NIIT Tech estimated that ~15% of cloud services were sold on a standalone basis. The firm has since made a concerted effort to expand its cloud services footprint, building out its cloud service line organization, strengthening partnerships with cloud providers, and developing sales targets.

In CY 2017, NIIT Tech reported revenues of ~\$479m. NelsonHall estimates that cloud services revenues account for ~18% of its total revenues (~\$86m). Of this, NelsonHall estimates that ~30% (~\$25.9m) of these cloud revenues are associated with advisory and migration.

NIIT Tech provides end to end cloud services including advisory, migration, and management and operations. It is increasingly seeing clients engage earlier in the lifecycle as the objectives for migrating to cloud evolve. Replacing a primary focus on reduced infrastructure operating cost, it is now focusing on cloud to support digital transformation, application modernization, and cloud native development.

NIIT Tech has ~400 employees in its cloud service line. Its advisory services are delivered by a small team (NelsonHall estimates ~30

employees), which is split ~40% onshore and 60% offshore. Its migration services are delivered by a NelsonHall estimated 120 employees. This team is primarily located in delivery centers, with ~85% of its migration services delivered remotely.

This team is augmented by a broader set of resources to address specific needs. These resources sit in other areas of the organization such as industry verticals and application services. NIIT Tech estimates ~300 incremental resources can support cloud advisory, migration and cloud development services from outside the cloud service line.

NIIT Tech has increased its focus on cloud services recently, later than many of its competitors. However, a significant focus on expanding from its existing client relationships has driven growth in its cloud services, which accounted for ~18% of its revenues in 2017.

To facilitate this growth, it continues to invest in its capabilities, building out a dedicated cloud services organization and expanding its offerings. Its primary focus for cloud automation investment, to date, has been its CloudPixy cloud management platform.

NIIT Tech's advisory and migration tool strategy has focused on the use of partnerships with commercial tool providers. Expanding this approach to include more proprietary offerings such as incorporating capabilities from its Tron A.I. platform, would provide it with a strong, differentiated foundation for its consulting initiatives.

NIIT Tech's broad delivery footprint provides it with geographic diversity in delivering to clients, though its total headcount remains concentrated in India. With the infrastructure in place, it needs to continue to grow its consulting capabilities in proximity to its client bases. Identifying core hubs in the U.S., the U.K., and Spain is the right first step, which will provide it with the opportunity to build targeted hubs of cloud and digital capabilities.

Its client base has a heavy concentration within the travel and transport, insurance, and financial services industries. While travel and transport may be an overlooked industry vertical among other providers, it can also be an economically cyclical industry, so continuing to expand its offerings and capabilities for other industries would help to reduce NIIT Tech's risk.

Scope of the Report

The report provides a comprehensive and objective analysis of NIIT Tech's cloud advisory, assessment and migration 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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Report Author

David McIntire

david.mcintire@nelson-hall.com

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