Wipro
Application Management

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Application Outsourcing Vendor Assessment for Wipro is a comprehensive assessment of Wipro's application outsourcing offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for application outsourcing services

- Vendor marketing, sales and business managers looking to benchmark themselves against their peers

- Financial analysts and investors specializing in the application services, application support and maintenance sectors.

Key Findings & Highlights

Wipro is a major IT and BPO services vendor headquartered in India.

FY Q1-Q3 2013 revenues were $4.90bn, up 6% y/y. Guidance for FY Q4 2014 is in the range of 1.71bn-$1,75bn, including revenues from acquisitions. This suggests full-year FY 2014 revenues in the $6.61bn-$6.64bn range.

In late 2012, Wipro disclosed its Wipro Forward strategy. Under Wipro Forward, the company is focusing on account management, domain expertise, and sub-process assets.

Broadly-speaking, Wipro is pushing its vertical groups to:

- Build domain capabilities as part of the Business Advisory Services team within each vertical

- Identify process assets and create standardized productized offerings, including sub-vertical offerings, which have a "business value". Examples of sub-process assets include sub-surface reservoir management (oil sector), trade promotions management, and loan origination platform (SaaS offering).

The aim of the company is to position each vertical on its ability to offer clients a service from consulting, through deployment (AD around a specific asset), to management (ITO) and operation (BPO)

Wipro is investing in its core application management offering. AM continues to be a door-opener for Wipro, often forming part of an initial relationship with new clients and providing a basis for further up-selling of services, either as standalone projects or as part of multi-year application outsourcing contracts. A recent example of large contract AM wins is the Philips contract in the Netherlands, awarded in 2012. NelsonHall estimates the contract to have a TCV of ~$200m.

AM tends to be strategic for Wipro, helping the company to sell additional services on top of AM services, such as systems integration, software development and testing, and thus to remain application services-centric.

In response to commoditization of application management services, Wipro has introduced a new offering, called Nextgen Managed Services, now under the ServiceNXT brand, in order to drive differentiation of its service offering.

ServiceNXT is a series of measures and tools to drive internal productivity around AM delivery. ServiceNXT also includes IT infrastructure

management services including cloud and security, with the intention of delivering bundled AM and IT infrastructure management services.

In addition, in several cases, the client is buying application maintenance and support services as part of multi-year contracts, together with the management of the underlying IT infrastructure management, e.g. Thames Water in the U.K.; Pitney Bowes in the U.S.

Other recent multi-tower contracts with TCVs over $100m include:

- A telecom equipment manufacturer headquartered in Europe: services provided include AM and IT IM

- A construction service vendor headquartered in Europe: services provided include AM, IT IM and BPO

- An energy company headquartered in the U.S.: services provided include AM and IT IM.

Wipro has taken one step further by taking a business process approach to several key business processes relevant to each of its clients.

Scope of the Report

The report provides a comprehensive and objective analysis of Wipro's 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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