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Everest Group PEAK Matrix™ for IoT Service Providers 2019

Focus on NTT DATA

December 2018

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PEAK MATRIX™

Introduction and scope

Everest Group recently released its report titled "Internet of Things (IoT) Services PEAK Matrix™ Assessment 2019". This report analyzes the changing dynamics of the IoT Services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 19 service providers on the Everest Group PEAK Matrix™ for IoT services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of IoT service providers based on their absolute market success and delivery capability. Everest Group also identified 5 service providers as the "2018 IoT Services Market Star Performers" based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.
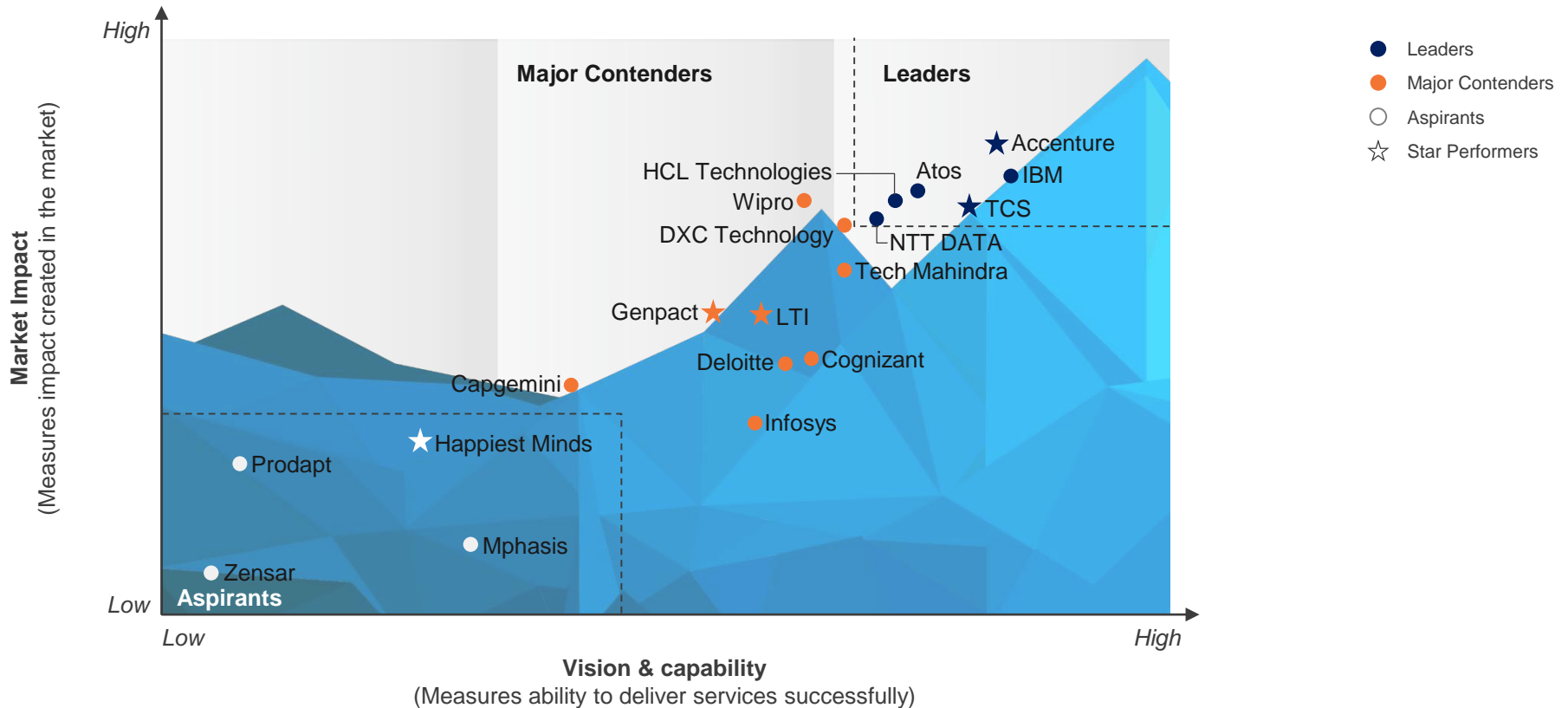
Based on the analysis, **NTT DATA emerged as a Leader.** This document focuses on **NTT DATA's IoT Services** experience and capabilities and includes:

- NTT DATA position on the IoT Services PEAK Matrix
- Detailed IoT services profile of NTT DATA

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2018) unless cited otherwise

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Everest Group PEAK Matrix™
Internet of Things (IoT) Services PEAK Matrix™ Assessment 2019 | NTT DATA positioned as Leader

Everest Group Internet of Things (IoT) Services PEAK Matrix™ Assessment 2019

Overview

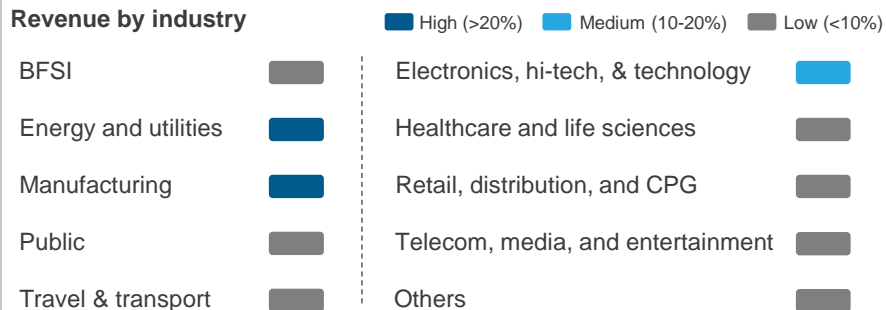| Strengths |
|---|
| • NTT DATA strength lies in its strong client alignment and flexible approach enabling client-oriented service delivery |
| • With strong futuristic technology stack including edge capabilities and trained talent pool, NTT DATA drives efficient end-to-end solution delivery |

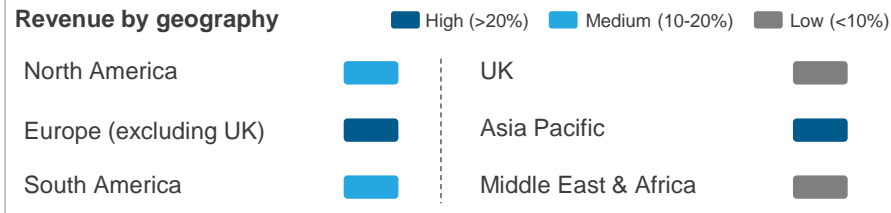| Areas of improvement |
|---|
| • NTT DATA needs to focus on strengthening managed services capabilities with innovative engagement constructs to enable clients' movement from POCs to large scale implementation stage |
| • NTT DATA has scope to expand its partner ecosystem and collaborate with niche startups to refine and differentiate solutions |

Scope of coverage
NTT DATA has regional business divisions focused on IoT and professionals distributed around the world who are skilled in electronic circuit design, manufacturing supervision, mobility, analytics, cloud, social, and AI. Global one initiative and CoE drives innovation through collaboration, and a vertical go-to-market approach ensures solutions crafted to provide business outcomes.
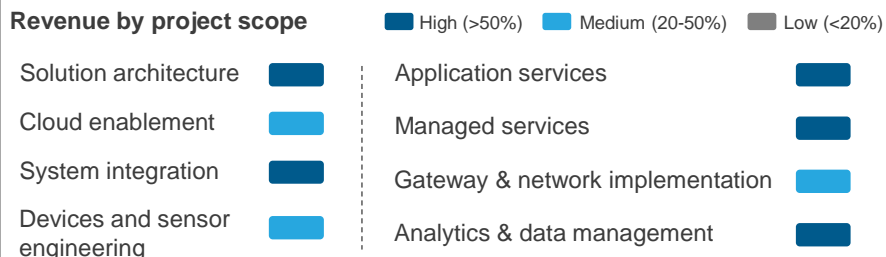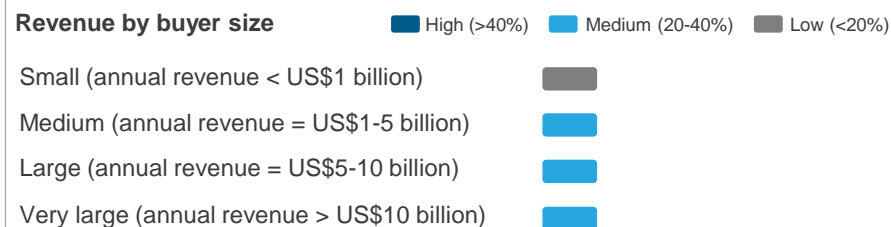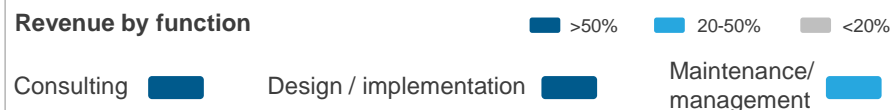
Revenue by industry High (>20%) Medium (10-20%) Low (<10%)

BFSI	Low	Electronics, hi-tech, & technology	Medium
Energy and utilities	High	Healthcare and life sciences	Low
Manufacturing	High	Retail, distribution, and CPG	Low
Public	Low	Telecom, media, and entertainment	Low
Travel & transport	Low	Others	Low

Revenue by geography High (>20%) Medium (10-20%) Low (<10%)

North America	Medium	UK	Low
Europe (excluding UK)	High	Asia Pacific	High
South America	Medium	Middle East & Africa	Low

Revenue by buyer size High (>40%) Medium (20-40%) Low (<20%)

Small (annual revenue < US$1 billion)	Low
Medium (annual revenue = US$1-5 billion)	Medium
Large (annual revenue = US$5-10 billion)	Medium
Very large (annual revenue > US$10 billion)	Medium

Revenue by project scope High (>50%) Medium (20-50%) Low (<20%)

Solution architecture	High	Application services	High
Cloud enablement	Medium	Managed services	High
System integration	High	Gateway & network implementation	Medium
Devices and sensor engineering	Medium	Analytics & data management	High

Revenue by function >50% 20-50% <20%

| Consulting | >50% | Design / implementation | >50% | Maintenance/management | 20-50% |

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Case studies and solutions

Vision: NTT DATA is convinced that the future growth of economy and productivity will be driven by the connected world. IoT is no longer regarded as a stand-alone service but a core capability for improving business processes and redesigning business models, which needs to be fully aligned with other digital capabilities such as Big Data, AI, and Blockchain. To establish this, the mid-term focus will be on simplifying IoT platform services (e.g., multi-standard support, mass onboarding and maintenance, heavy edge computing, connectivity, and security), on automation and autonomous processing, and on seamless integration with front-end experience.

Case study 1	
E-SMART 4.0 – a new eBike rental system for top hotel chains	
Business challenge	The customer wanted to achieve below objectives by implementing IoT solutions: • Provide a new service to 5-star hotel guests allowing them to visit tourist sites and local attractions in an eco-friendly way • Ensure a flawless and easy to use cycling experience • Provide digital access that enables the guest to book / fetch / use / lock and unlock their bikes, while operators monitor the state of the fleet; e.g., position or battery level
Solution and impact	Solution was implemented to ensure connected eBikes are managed using an AWS-based IoT back-end enabling guests to have access to new and exclusive tourist experiences with an integrated web console and mobile app. Project is live at four hotels in Italy with 10 additional hotels to be activated in 2019

Case study 2	
Major international airport – resolving airport parking using IoT sensors	
Business challenge	In preparation for the 2020 Olympic and Paralympic Games a major international airport in Japan wanted to deploy a solution that would help to alleviate airport parking congestion and, therefore, improve citizen safety.
Solution and impact	A sensor system utilizing NTT DATA's IoT was introduced to guide vehicles smoothly and safely to empty spaces that resulted in a significant reduction in congestion and improved citizen safety, generating high client satisfaction. As part of next steps, looking to install the sensors in the highway parking area and leveraging new technology to recognize vehicle size, ensuring more accurate reports of available space

Proprietary solutions (representative list)	
Solution name	**Details**
iMobilty	Three mobilty solutions in one portfolio for charging station control, Mobility Marketplace, and a development platform for smart mobility solutions
AllWaste	Platform to control waste collection, door-to-door, and on road, based on different kind of devices; smartphones, telematics units, UHF RFID readers, and volumetric sensors to monitor, in real-time, containers' filling levels and provide alerts. Provides route optimization that reduces yearly fuel cost by up to 30%
iQuatro	Solution allows the client to see data across the supply chain and oversee the entire supply chain for planning and management purposes

Investments and partnerships

IoT investments (representative list)	
Investment theme	**Details**
IoT platform services	Companies are facing a very diversified and non-standardised landscape of services available from all types of providers. NTT DATA is building a multi-vendor, multi-protocol, mass onboarding IoT platform that simplifies and standardizes IoT platform regardless of the type of sensors, services, and protocols used. This includes standardized services for connectivity, edge computing, and security.
IoT and AI	Connected services are increasingly sold as an integrated package that includes IoT. The most important shift is from automation to autonomous. For this, NTT DATA will be investing in combining IoT capabilities with their in-depth knowledge of machine learning and deep learning to build new solutions for autonomous driving, autonomous flying drones, earthquake building protection, and indoor security
IoT-based industry-specific solutions	NTT DATA has increased focus on the productization of connected services. Clear examples are market-ready solutions such as AllWaste, iQuatro, iMobility, Fanuc, and Smart Carrier

IoT services partnerships (representative list)		
Partner name	**Type of partnership**	**Details**
SAP	Services partnership	NTT group and SAP have recently signed a contract for global partnership on digital and IoT services. The co-innovation activities will be performed by NTT DATA and Dimenson Data, focusing both on open innovation as well as building accelerator products
Gipstech	Technology partnership	GiPstech is one of the examples of a start-up collaboration. Gipstech provides a close proximity indoor positioning based on geo forces which can be utilized in any moving object or person in an indoor environment
MIT Media lab	Technology partnership	NTT DATA works closely with universities across the globe. The major collaboration is with MIT Media lab to deliver solutions. Jibo, the new standard in conversational devices, is a start-up originated from this collaboration and NTT DATA is constantly working together in projects to provide seamless user experiences.
NTT DATA also has partnerships with SKuChain, Fanuc, and RWTH Aachen University, among others, for delivering IoT services.		

| Recent activities / other investments (representative list)	
Development	**Details**
Global innovation hub	For fiscal year 2018, there are eight global R&D projects supported by the global IoT community to further improve IoT-related capabilities or improve the current assets for global go-to-market

Appendix

Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability
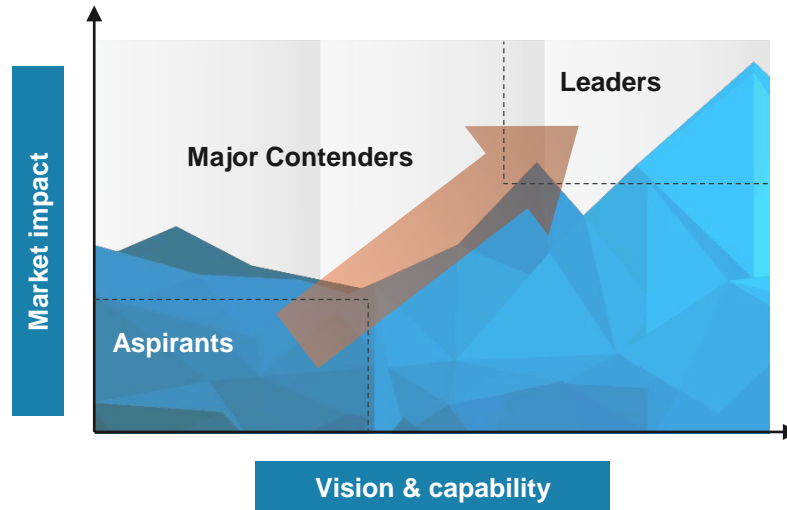
Everest Group PEAK Matrix
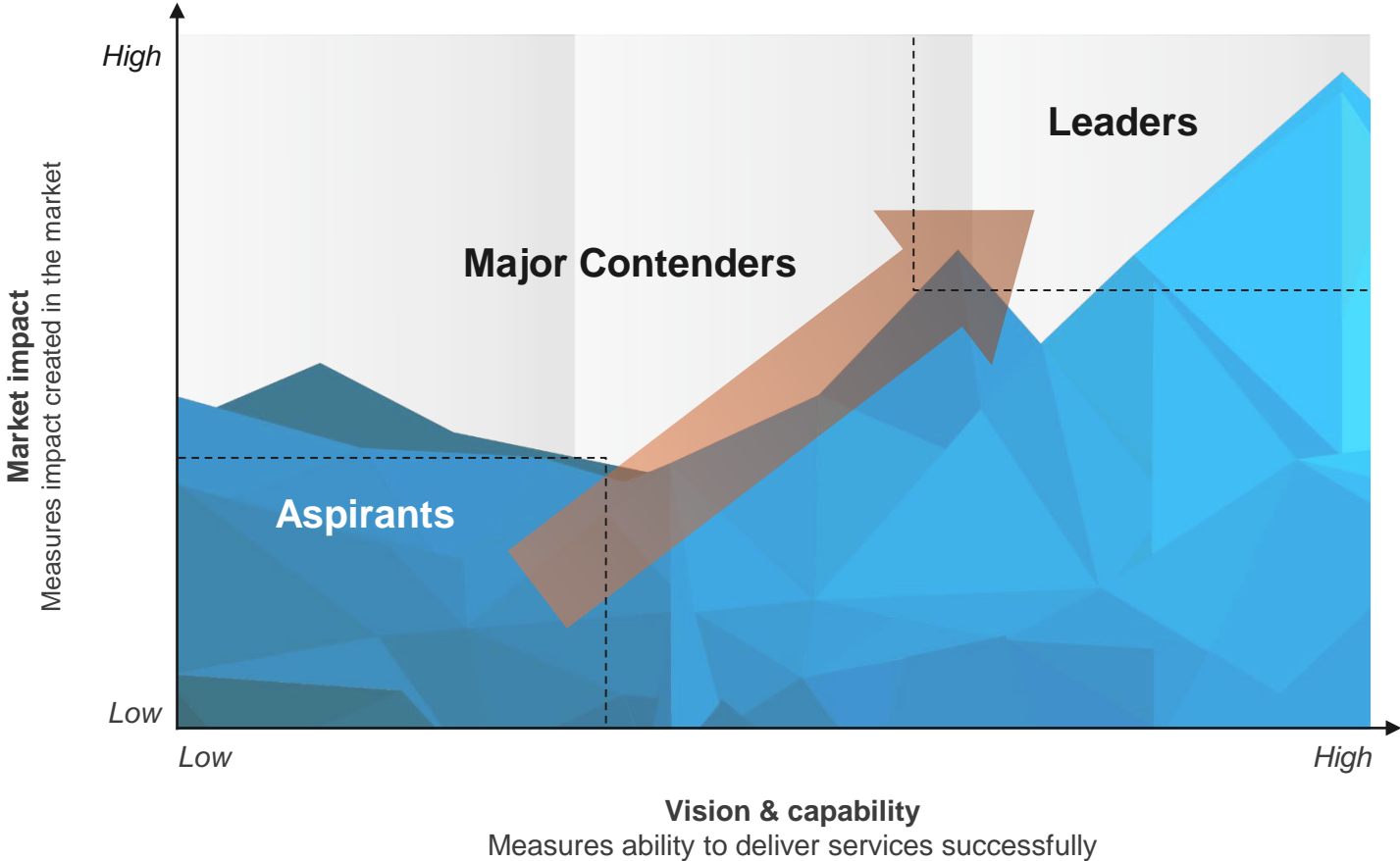
Services PEAK Matrix™ evaluation dimensions

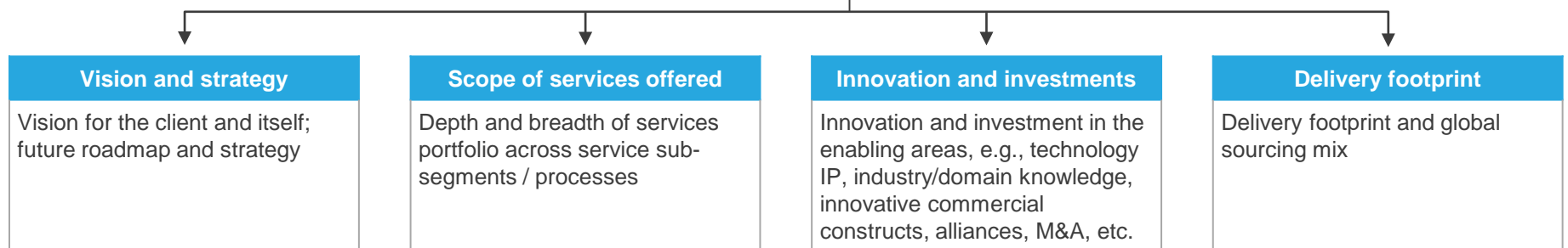Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability
Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service sub-segments / processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

FAQs

Does the PEAK Matrix™ assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
● Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
● Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
● Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
● The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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