

IT OUTSOURCING STUDY

EUROPE 2015/2016

MANAGEMENT SUMMARY





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The 2015/2016 European IT Outsourcing Study, conducted by Whitelane Research, investigates more than 4480 unique IT outsourcing contracts held by over 1500 of the top IT spending organisations in Europe. The total combined annual value of the contracts included in this study is more than €40 billion. All industry sectors are represented.

Key findings from the European study include:

1. The outsourcing market will continue to grow. Seventy-eight percent of all respondents in the study confirm that they will continue to outsource at the same rate or more, with 41 percent saying they will outsource more indicating that the European IT outsourcing market still has significant growth potential (Figure 1).
2. Cost reduction (cited by 64 percent) is the main driver for companies planning to outsource more (Figure 2). However, over the past three years non-financial factors such as focus on core business, improvement of service quality and business transformation have all seen significant increases.
3. The service provider community shows a strong overall satisfaction performance with an impressive 89 percent of the clients being satisfied with their outsourcing contract (Figure 3). Still, there are differences between the performances of the 24 IT service providers ranked in this year's study, and our full report contains more detailed information, such as the service providers ranking by IT domain as well as by 9 different KPIs across four dimensions.
4. TCS is ranked first (Figure 4) in the overall service provider satisfaction ranking with a score of 82 percent, followed by Cognizant (78 percent), Computacenter (77 percent), Accenture (75 percent) and Tech Mahindra (74 percent). We have also created rankings by the three main industries: Financial Services, Public Sector, and Other, which is comprised of the rest of all sectors, e.g. manufacturing, utilities, retail, etc. (see Figures 5A-C). The full ranking of the providers by general satisfaction and by industry is included in our European report.

The European study combines all of the data from Whitelane's annual extensive IT outsourcing studies. We interview sourcing executives (CIOs/CFOs) about their outsourcing plans and their opinions on service providers. The study is conducted in 13 different European countries and provides a comprehensive overview of the IT outsourcing landscape in each respective country. The survey also shows the main sourcing trends and positions of the main outsourcing service providers based on different key performance indicators (KPIs) in addition to cloud computing and governance trends.



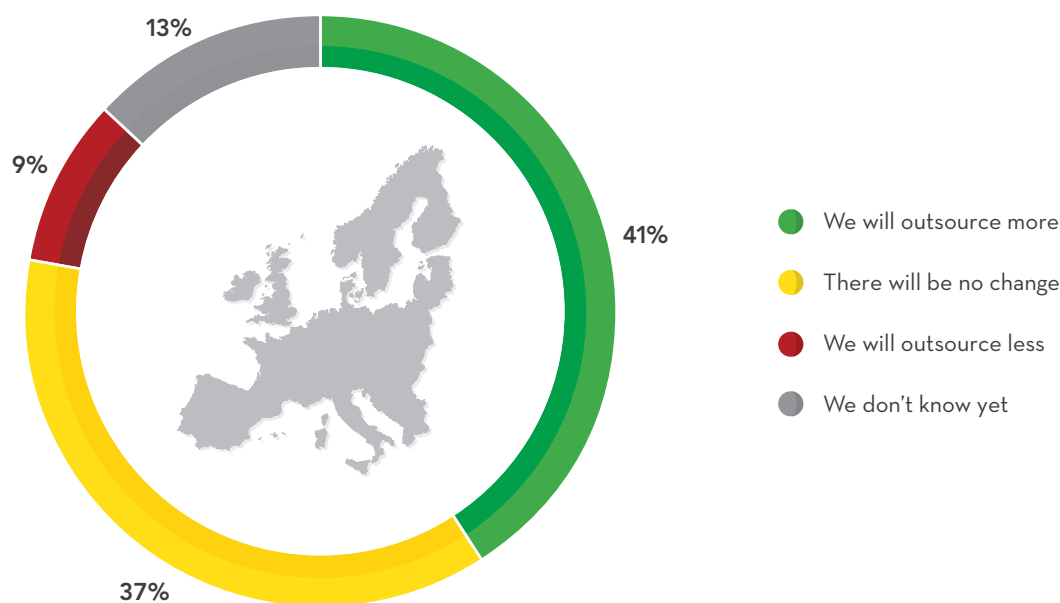
PROFILE OF SERVICE PROVIDERS AND RESPONDENTS

SERVICE PROVIDER PROFILE

Providers included in this study:

- Accenture
- AT&T
- Atos
- BT
- Capgemini
- CGI
- Cognizant
- Computacenter
- CSC
- Fujitsu
- HCL
- HP
- IBM
- Infosys
- Orange Business Services
- Sopra Steria
- TCS
- Tech Mahindra
- Telefónica
- T-Systems
- Unisys
- Verizon
- Vodafone
- Wipro

FIGURE 1: WHAT ARE YOUR ORGANISATION'S PLANS FOR THE NEXT YEARS WITH REGARD TO OUTSOURCING?



N=1505



FIGURE 2: WHAT ARE THE REASONS THAT YOUR ORGANISATION IS PLANNING TO OUTSOURCE MORE?

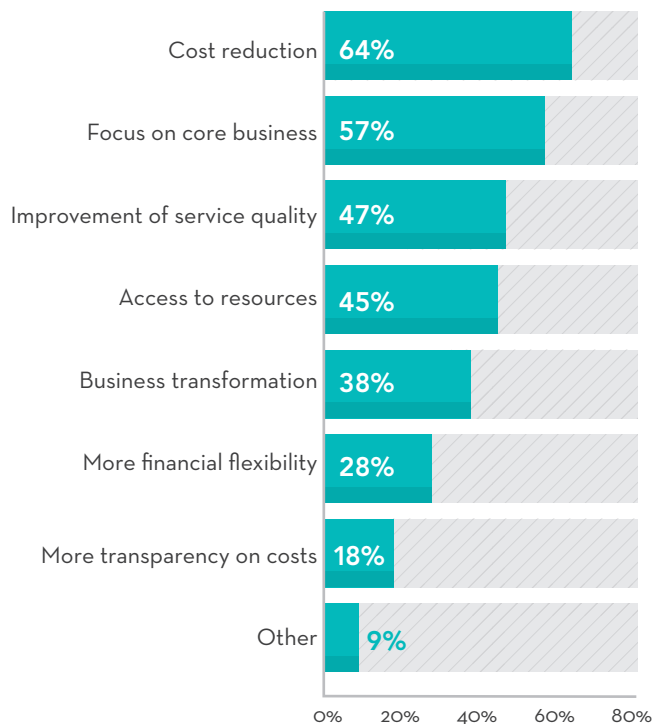


FIGURE 3: GENERAL SATISFACTION ACROSS ALL CONTRACTS (OVERALL)

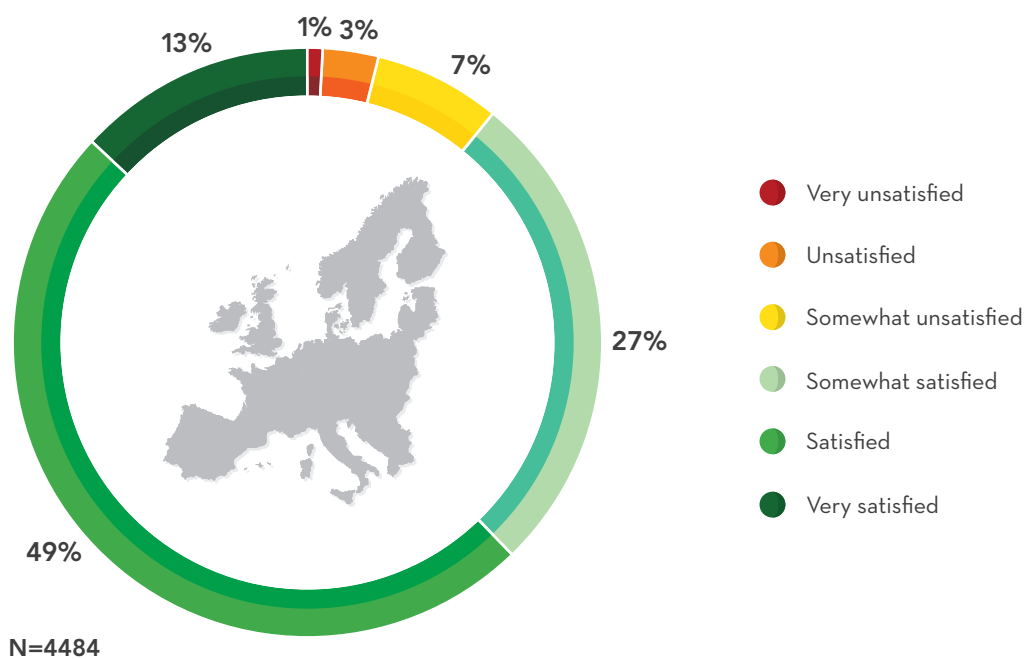
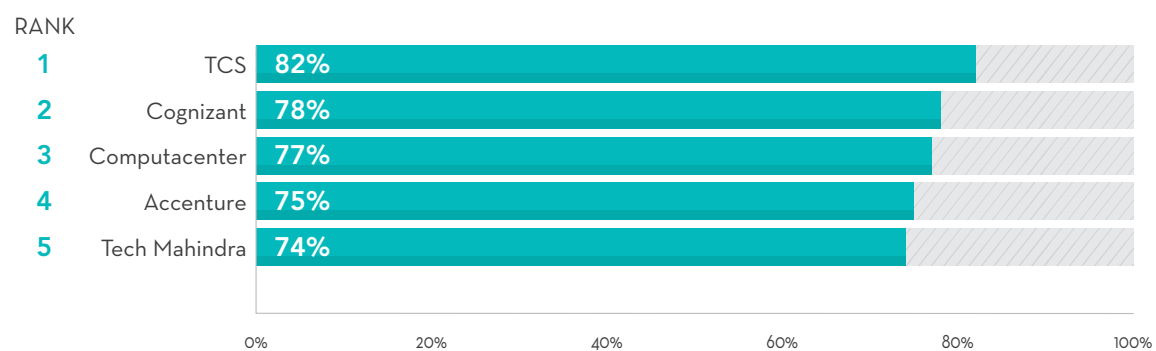




FIGURE 4: GENERAL SATISFACTION WITH OUTSOURCING CONTRACT (TOP 5)





GENERAL SATISFACTION BY INDUSTRY

FIGURE 5A: GENERAL SATISFACTION BY INDUSTRY (FINANCIAL SERVICES)

RANK	TOP 5 - FINANCIAL SERVICES
1	Computacenter
2	TCS
3	Cognizant
3	Infosys
5	Accenture and Capgemini

FIGURE 5B: GENERAL SATISFACTION BY INDUSTRY (PUBLIC SECTOR)

RANK	TOP 5 - PUBLIC SECTOR
1	Accenture
2	CSC
3	Sopra Steria
4	HP
4	T-Systems

FIGURE 5C: GENERAL SATISFACTION BY INDUSTRY (OTHER)

RANK	TOP 5 - OTHER (INCLUDING MANUFACTURING, UTILITIES, RETAIL, ...)
1	TCS
2	Cognizant
3	Computacenter
4	Tech Mahindra
5	HCL and Accenture



RESEARCH METHODOLOGY

This study is conducted with senior-level executives with influence over corporate IT strategy and IT sourcing decisions. Both organisations with large IT budgets as well as organisations that have outsourced a significant amount of their IT processes, receive an invitation to participate in our research. Once respondents have approved their participation in our research, they receive a URL to access the online questionnaire.

Whitelane Research is completely independent organisation. Whitelane Research was responsible for the selection of the participant database, but the IT service providers featured in this study have been evaluated and ranked based on the opinion of their clients (not on the opinion of Whitelane Research). The research findings are solely based on the data received in the market study from the respondents surveyed. The evaluated contracts are not weighted by any deal characteristics such as the annual contract value.

Participation in the study is on the basis of complete confidentiality and anonymity and as such only aggregated data is used to present the research findings.

At least 30 evaluations with an annual value of at least \$1 million dollars are required for an individual service provider to be included in the general satisfaction ranking and at least 15 evaluations are required for an individual service provider to be included in the satisfaction by IT domain rankings. The minimum number of contracts required for each service provider guarantees that the service provider scores reflect the opinion of a representative sample group.

About Whitelane Research

Whitelane Research is an independent organisation that is uniquely focused on and dedicated to (out)sourcing research and events. We conduct extensive IT outsourcing research studies in the following countries:

- Austria
- Belgium
- Denmark
- Finland
- France
- Germany
- Luxembourg
- Netherlands
- Norway
- Spain
- Sweden
- Switzerland
- United Kingdom

End-User/Service Provider Events

The objective of our events is to exchange ideas between end-users and service providers about different outsourcing themes and how to achieve better (win-win) sourcing relationships.

Best Practices Groups for End-Users

A forum exclusively for corporate executives who use sourcing as a significant part of their business strategies, allowing them to confidentially share ideas and information about their sourcing relationships.

About Whitelane's Research Programme

Whitelane's unique and extensive annual IT outsourcing studies survey CIOs of the largest IT spending organisations in different countries about their opinion on their outsourcing plans and service providers. Total confidentiality and anonymity is guaranteed for all participants of this study. Based on this feedback, an extensive report (free for participants) is created and covers the following topics:

- Overview of the IT outsourcing landscape
- Main sourcing trends
- Positioning of the main outsourcing service providers based on different key performance indicators (KPIs)
- Ranking of the service providers by segment (applications/infrastructure) and by country



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