

# APPLICATION MODERNIZATION SERVICES

COMPETITIVE LEADERSHIP MAPPING , 2019



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# 1 COMPETITIVE LEADERSHIP MAPPING

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## 1.1 MARKET DEFINITION

Application modernization services pertain to the transformation of legacy applications to optimized, modern applications or platforms. The major components of the services include assessment, migration, integration, replatforming, rehosting, recoding, rearchitecting, reengineering, remediation, and replacement and retirement.

## 1.2 MARKET OVERVIEW

The application modernization services market size is expected to grow from USD 6.87 Billion in 2017 to USD 16.67 Billion by 2022, at a Compound Annual Growth Rate (CAGR) of 19.4% during the forecast period. The major drivers of the market include the growing need for business agility and faster time to market, leveraging big data technologies, and adopting cloud computing in the application modernization strategy.

The scope of the report covers the application modernization services market analysis by service, organization size, vertical, and region. The application integration service is expected to have the largest market share during the forecast period, owing to the growing need for integrating the existing legacy applications and databases with new applications, which exploit the internet, eCommerce, extranet, and other new technologies. The application replatforming service is expected to grow at the highest CAGR during the forecast period. The legacy applications do not support new integrations, hence modernizing the applications requires the applications to be deployed on new platforms that offer the required scalability and flexibility for faster application development.

The large enterprises segment is expected to have the largest market share during the forecast period, owing to the need to reduce the high Capital Expenditure (CAPEX) and Operational Expenditure (OPEX). Large enterprises have dedicated in-house IT resources, and with large IT budgets, they can consider a variety of application modernization strategies. The Small and Medium-sized Enterprises (SMEs) segment is expected to grow at the highest rate, owing to the high adoption of the lift-and-shift migration strategy, which enables their businesses to scale and grow faster.

The Banking, Financial Services, and Insurance (BFSI) vertical is expected to have the largest market share during the forecast period, owing to the growing adoption of the digital transformation strategy through implementing new technologies and modernizing the existing applications. The manufacturing vertical is expected to grow at the highest rate, owing to the need to improve the operational process, reduce the cost, and roll-out products in a quick time frame, further eliminating the location barriers.

As per the geographic analysis, North America is expected to hold the largest market share during the forecast period, due to the early adoption of application modernization services and a large number of ongoing application modernization projects in this region. Asia Pacific (APAC) is expected to witness the highest growth rate in the application modernization services market during the forecast period, due to increased spending on improving the infrastructure, and the growing adoption of big data and cloud computing technologies.

The major restraining factor that is limiting the application modernization services market growth is the large investments made on legacy systems. These investments are restricting the deployment of advanced application modernization services technologies. The major vendors profiled in the report include Accenture (Republic of Ireland), Asysco (Netherlands), Atos (France), Bell Integrator (US), Capgemini (UK), Cognizant (US), Fujitsu (Japan), HCL (India), IBM (US), Macrosoft Inc. (US), Micro Focus (US), Oracle (US), Tech Mahindra (India), and UST Global (US).

## 1.3 COMPETITIVE LEADERSHIP MAPPING TERMINOLOGY

### 1.3.1 VISIONARY LEADERS

Accenture, Atos, Avanade, Capgemini, CGI, Cognizant, Dell, DXC, Fujitsu, HCL, Hexaware, IBM, Infosys, Micro Focus, Oracle, Syntel, Tech Mahindra, Virtusa, Wipro, and YASH Technologies have been recognized as the visionary leaders in the application modernization services market. They have a strong portfolio of services and these vendors have been marking their market presence by offering customized services as per the IT requirement of the companies. The growth strategies of these companies have helped them advance consistently in the application modernization services market.

### 1.3.2 INNOVATORS

Advanced Computer Software Group, Asysco, Bell Integrator, Nous Infosystems, and Sensiple are recognized as the innovators in the application modernization services market. These companies possess innovative services to cater to the future mobility demands. They focus on their service portfolio and have the robust potential to build strong business strategies for expanding their business and staying at par with the visionary leaders. These vendors have been consistently offering application modernization services to fulfill customers' demands. The innovators have been at the forefront for deploying their services.

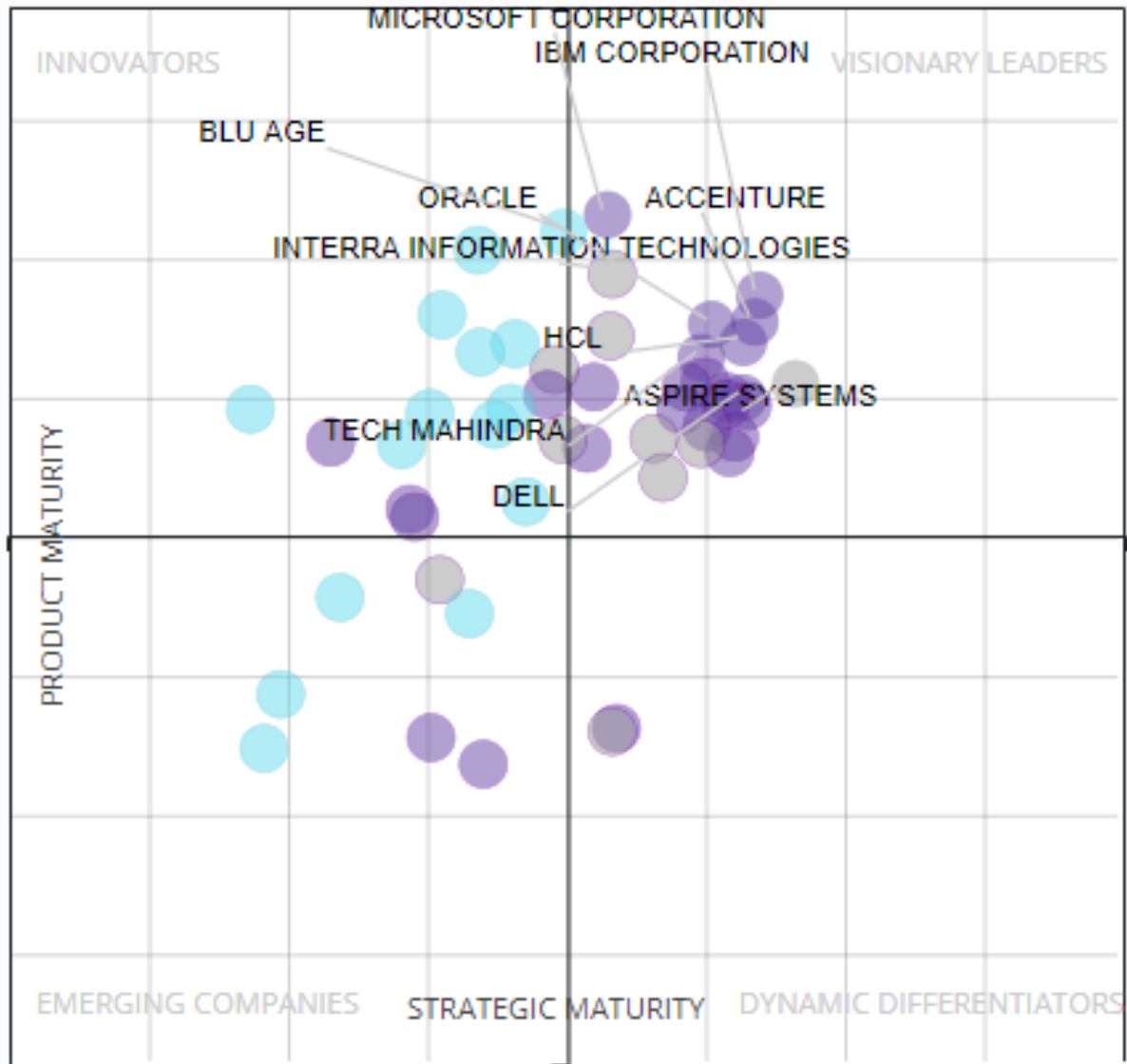
### 1.3.3 DYNAMIC DIFFERENTIATORS

Idexcel and OSSCube have been recognized as the dynamic differentiators in the application modernization services market. These companies have an innovative portfolio of services. They also have an extensive network of channel partners and resellers to increase the deployment of their services across a multitude of verticals. The dynamic vendors have been consistently generating a positive revenue growth in the application modernization services market, and their market position is boosted by their organic and inorganic ventures.

### 1.3.4 EMERGING COMPANIES

Astadia and Cyber Infrastructure (P) Limited are recognized as the emerging companies in the application modernization services market. The majority of the emerging vendors have been undertaking multiple acquisitions to boost their sales capabilities across various regions for offering services to a wide range of clients.

**FIGURE 1** APPLICATION MODERNIZATION SERVICES: COMPETITIVE LEADERSHIP MAPPING, 2019



Source: Press Releases, Expert Interviews, and 360Quadrants Analysis

For more information on vendors providing application modernization services, including reviews and ratings, visit [360Quadrants.com](https://www.360quadrants.com).

## 1.4 PRODUCT PERFORMANCE SCORECARD

Company Name	Features and Functionality	Focus on Product Innovation	Product Differentiation and Impact on Customer Value	Overall
IBM CORPORATION	4.70	2.50	5.00	4.10
ACCENTURE PLC	4.65	1.95	4.40	3.95
ASPIRE SYSTEMS	2.60	4.30	5.00	3.80
HCL TECHNOLOGIES LIMITED	4.75	1.70	4.25	3.80
ORACLE CORPORATION	4.45	2.85	4.10	3.90
MICRO FOCUS	3.65	2.85	3.35	3.35
SOFTSOL	4.85	2.70	5.00	4.40
TECH MAHINDRA LIMITED	4.15	2.15	4.45	3.70
DELL INC	3.65	2.15	4.45	3.40
INTERRA INFORMATION TECHNOLOGIES	3.95	4.30	5.00	4.25
MICROSOFT CORPORATION	4.35	5.00	5.00	4.65
COGNIZANT TECHNOLOGY SOLUTIONS	4.05	1.65	4.15	3.45
DXC TECHNOLOGY	3.05	3.05	5.00	3.40
FUJITSU LIMITED	3.90	2.00	4.40	3.55
<b>BLU AGE</b>	<b>4.70</b>	<b>4.90</b>	<b>3.30</b>	<b>4.50</b>
CAPGEMINI	3.60	1.65	4.20	3.15
INFOSYS LIMITED	4.00	2.15	3.90	3.50
ATOS SE	4.10	1.30	4.20	3.25
HEXAWARE TECHNOLOGIES PVT LTD	2.30	3.45	4.80	3.05
SOFTURA	4.10	2.30	5.00	3.85
WIPRO LIMITED	3.80	2.15	3.90	3.35
YASH TECHNOLOGIES PVT LTD	3.25	2.60	3.45	3.10
ISHIR	3.50	3.95	5.00	3.95
SOFT SUAVE	2.80	2.30	5.00	3.15
VIRTUSA	4.15	2.15	3.80	3.50

Source: Press Releases, Investor Presentations, and 360Quadrants Analysis

## 1.5 BUSINESS STRATEGY SCORECARD

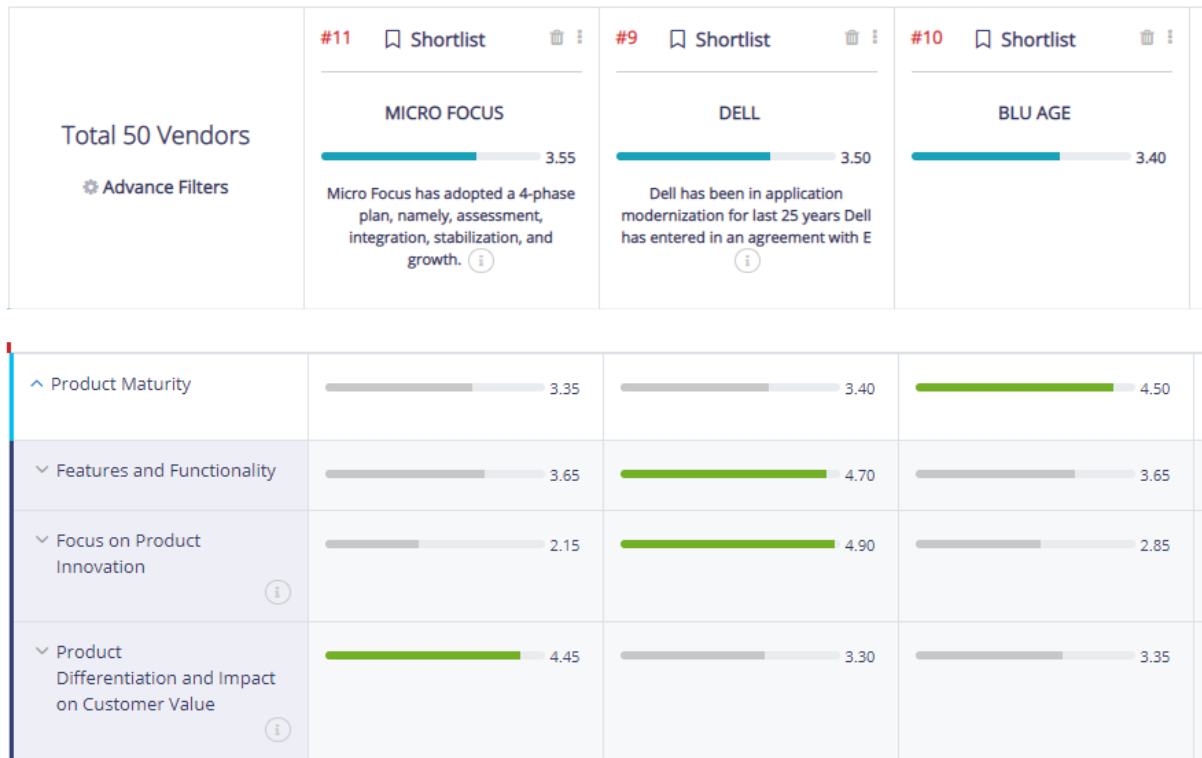
Company Name	Mergers and Acquisitions Strategy	Effectiveness of Organic Growth Strategy	Channel Strategy and Fit	Geographic Footprint	Overall
IBM CORPORATION	2.65	2.50	4.45	5.00	3.70
ACCENTURE PLC	2.60	2.50	4.45	5.00	3.70
ASPIRE SYSTEMS	3.70	3.95	2.50	5.00	3.95
HCL TECHNOLOGIES LIMITED	2.45	2.75	4.05	5.00	3.60
ORACLE CORPORATION	2.55	2.35	3.40	5.00	3.40
MICRO FOCUS	3.45	2.85	2.90	5.00	3.65
SOFTSOL	1.60	1.75	1.75	5.00	1.95
TECH MAHINDRA LIMITED	2.95	2.30	2.80	5.00	3.35
DELL INC	2.55	2.40	4.45	5.00	3.60
INTERRA INFORMATION TECHNOLOGIES	1.60	3.95	2.20	5.00	2.80
MICROSOFT CORPORATION	5.00	2.15	0.70	5.00	2.75
COGNIZANT TECHNOLOGY SOLUTIONS	2.90	2.70	3.05	5.00	3.50
DXC TECHNOLOGY	2.60	2.80	3.15	5.00	3.50
FUJITSU LIMITED	2.40	2.70	3.00	5.00	3.35
<b>BLU AGE</b>	<b>3.25</b>	<b>2.50</b>	<b>3.40</b>	<b>1.50</b>	<b>2.50</b>
CAPGEMINI	2.50	2.75	4.40	4.50	3.55
INFOSYS LIMITED	2.50	2.35	2.80	5.00	3.25
ATOS SE	2.50	2.75	2.80	5.00	3.40
HEXAWARE TECHNOLOGIES PVT LTD	2.60	3.25	2.55	5.00	3.50
SOFTURA	2.45	1.45	3.45	5.00	2.80
WIPRO LIMITED	2.40	2.35	2.75	5.00	3.20
YASH TECHNOLOGIES PVT LTD	3.40	2.75	1.60	5.00	3.35
ISHIR	0.70	3.05	1.35	5.00	1.70
SOFT SUAVE	1.60	3.50	2.85	5.00	3.05
VIRTUSA	2.55	2.15	1.60	3.75	2.70

Source: Press Releases, Investor Presentations, and 360Quadrants Analysis

## 1.6 KEY BUYING CRITERIA

Discover the strengths and weaknesses of the top vendors offering predictive analytics solutions in the market. Compare vendors against their competitors on the basis of several criteria, including scores derived from ratings by buyers, vendors, industry experts, and 360Quadrants analysts. The 'set comparison preferences' option allows you to decide features that are important to you and evaluate vendors while considering these features as your parameters.

### 1.6.1 PRODUCT MATURITY





### 1.6.2 STRATEGIC MATURITY

Total 50 Vendors ⚙️ Advance Filters	#11 <a href="#">Shortlist</a> <b>MICRO FOCUS</b>  Micro Focus has adopted a 4-phase plan, namely, assessment, integration, stabilization, and growth.	#9 <a href="#">Shortlist</a> <b>DELL</b>  Dell has been in application modernization for last 25 years Dell has entered in an agreement with E	#10 <a href="#">Shortlist</a> <b>BLU AGE</b> 
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^ Company Maturity 		
v Mergers and Acquisitions Strategy 		
v Effectiveness of Organic Growth Strategy 		
v Channel Strategy and Fit 		
v Geographic Footprint 		

## 2 COMPANY PROFILE

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### 2.1 BLU AGE

#### 2.1.1 OVERVIEW

Blu Age is a renowned software enterprise founded in 2000. It is an international company with offices in the United States, France, and Morocco. Blu Age is a technology vendor that automates the transformation of legacy business applications into full digital applications that adhere to the latest technological standards. It automatically regenerates applications in the most advanced cloud-native digital architecture with the appropriate programming languages, patterns, and toolchain ecosystems. Blu Age caters to various industry sectors, including healthcare, insurance, retail, government, energy, and telecommunications. In the last five years, Blu Age has focused on architecture-driven modernization and has undertaken more than 80 successful projects. The company has a notable presence in Paris (France), Bordeaux (France), Plano (Texas), Casablanca (Morocco), and Rabat (Morocco). Its expertise lies in Mainframe Cobol, Pacbase, PowerBuilder, Visual Basic, Adabas Natural, Delphi, RPG, PL1, and CoolGen.

#### 2.1.2 PRODUCT PERFORMANCE

The uniqueness of Blu Age solutions stems from the company's expertise in delivering business and cloud value. Its solutions also allow users to exercise complete control over project duration and to slice and decompose monolithic applications into independent components, which enables low coupling between vertical domains as well as recompositing of business processes. Microservices and REST are exposed through gateways combined with events. Blu Age also increases clients' maintainability and ease of operations by keeping impact analysis under control and enabling simple regression testing due to vertical isolation. Automation of the CI, CT, and CD cycles ensures repeatability and traceability.

#### 2.1.3 BUSINESS STRATEGY

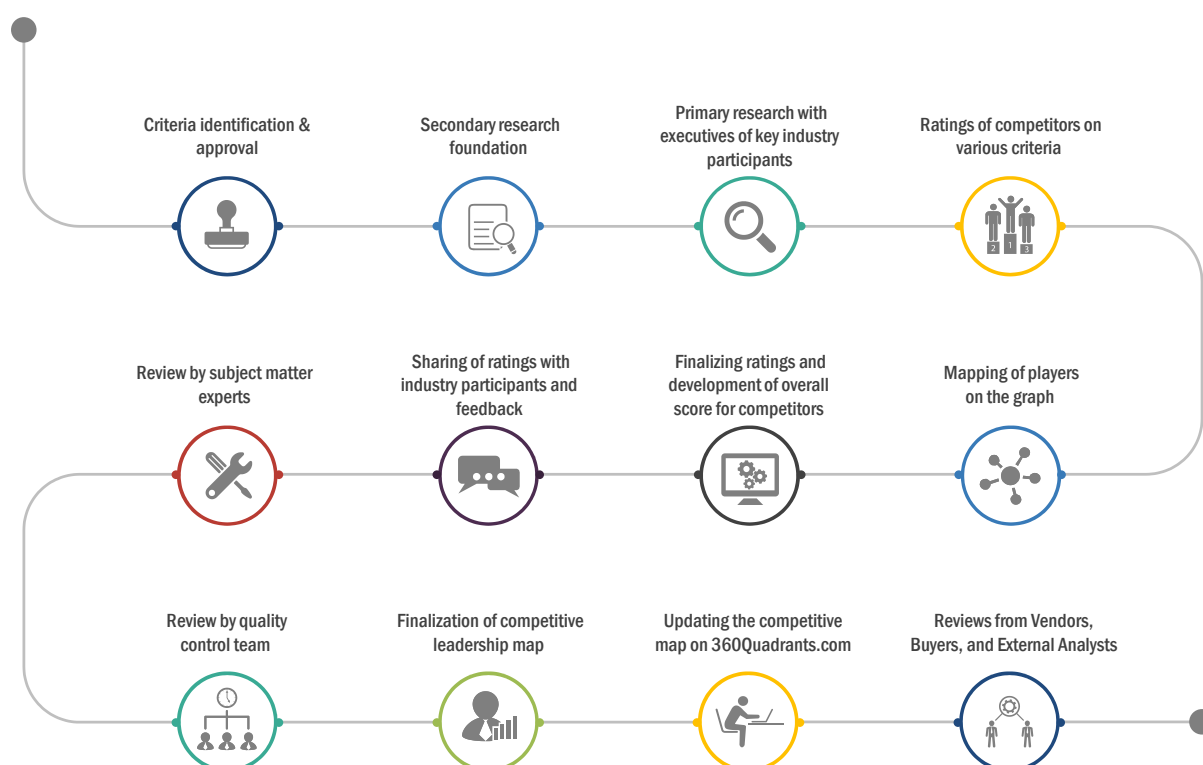
Blu Age develops and delivers processes and tools for business enhancement. The company leverages cloud ecosystems in order to build real value propositions. Its solutions provide key elements that enterprises leverage to achieve greater technological and financial success. Blu Age has a global agreement partnership with Accenture and DXC. Some of its technology partners are Azure, Oracle, and AWS. It has delivered projects involving integrators such as CGI, Capgemini, HCL, Epam, and Perspecta. Blu Age has developed a portal that showcases its product offerings and allows partners to access technical and marketing resources. Blu Age is a renowned provider of build automation, continuous integration & delivery to DevOps, microservice architecture patterns and supporting tools & frameworks, and infrastructure as per client requirements.

Blu Age has developed a Partners Portal through which its product & offering artifacts are available to cover demonstrations, deal qualification, sizing & estimates, value proposition, use cases, pre-sales & sales material, guides & support, publications, and news & events. Blu Age also organizes regular webinars on application transformation topics and use cases. The company convenes regular meetings to review business opportunities and common marketing strategies, such as webinars and on-premise events.

## 3 APPENDIX

### 3.1 METHODOLOGY

The competitive leadership mapping delivered by 360Quadrants is an outcome of ongoing research efforts and our analyst teams' focus on tracking industries through the course of the year for specific markets. The positioning of various competitors in the matrix is derived from a rating-driven quantitative process based on primary and secondary research. The following diagram provides a detailed view of the methodology and processes deployed during research and development for the competitive positioning mapping.



The research team analyzes each competitor in a specific market on a pre-determined list of criteria for each of the following two parameters:

- Business Strategy
- Product Performance

The **Business Strategy** parameter includes criteria such as mergers and acquisitions strategy, effectiveness of organic growth strategy, channel strategy and fit, and geographic footprint, while the criteria for **Product Performance** includes breadth and depth of product offerings, product features and functionality, focus on product innovation, and product differentiation and impact on customer value. Based on the characteristics of the market, the most relevant criteria are considered for Competitive Leadership Mapping.

Competitors are rated on applicable criteria, and an overall score is then generated for each of the two variables. The ratings are a result of an in-depth quantitative and qualitative analysis of markets and competition done by our research team. A complete 360-degree view of competitors is analyzed to arrive at accurate ratings. Primary and secondary research plays a critical role in the overall data collection process, which also utilizes our in-house expertise and industry tracking methods. Executives of major industry participants across the value chain are interviewed to acquire the most accurate and current data.

Quality control is a critical component of our research methodology and comprises several layers of quality checks done by senior consultants, subject matter experts, and our dedicated Quality Control team. Each of these three groups review findings, ratings, and positioning of various players in the graph at various stages of the production cycle. Triple-checking of data and output for accuracy ensures an authentic and accurate representation of companies in the graph.

Once the Competitive Leadership Map is developed, it is shared with companies and industry participants to secure feedback and additional perspectives. Once feedback is received, the research team does a thorough analysis in order to accept or reject it before the matrix is finally cleared to be published as a research deliverable.

## PRODUCT PERFORMANCE COVERS AN IN-DEPTH ANALYSIS OF THE FOLLOWING PARAMETERS

### BREADTH AND DEPTH OF PRODUCT OFFERINGS

- Strength of Service Offering
- Services Offered
  - Application Portfolio Assessment
  - Application Re-hosting
  - Application Re-Platforming
  - Application Migration
  - Application Integration
  - UI Modernization

### PRODUCT FEATURES AND FUNCTIONALITY

- Analytics Capabilities
- Service Deployment Achievement
  - Scalability
  - Application remediation
  - Application re-write
  - Data Protection
  - Non-invasive Integration

### FOCUS ON PRODUCT INNOVATION

- R&D Spend
- New Services in Last 2 Years
  - No. of New Service Upgradations 1 to 2
  - No. of New Service Upgradations 2 to 5

### PRODUCT DIFFERENTIATION AND IMPACT ON CUSTOMER VALUE

- Gaps in Services
- Clientele Base and Testimonials
- Number of projects competed
  - More than 10

## 3.2 AUTHOR DETAILS

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With an experience of over 14 years, Balaji has been associated with ICT research for more than 10 years now. Prior to joining MarketsandMarkets, he has worked with firms like Frost & Sullivan, AMI-Partners, TNS Market Research, and global IT major, IBM, where he worked for more than five years, his last role being Market Segment Manager. He possesses rich experience in the technology sector, working on a number of custom and syndicated research assignments with large multinational organizations.

### **Shrikant Mergu**

*Associate Director,  
360Quadrants*

Shrikant has over 14 years of experience in business research and market research. His core areas of expertise include competitive intelligence, market sizing, database management, and research platforms. He has completed his M.Com. in Taxation and Costing and holds an MBA in Marketing and Finance.

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Shekeb has vast experience in business research & advisory, market intelligence, market research, emerging technology trends, cloud computing, IoT, social media analysis, SKU optimization, benchmarking, market development, sales, and marketing. He has completed his B.Tech in Computer Science from the University Institute of Engineering and Technology, Kanpur; and MBA Marketing from C.S.J.M University.

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**About 360Quadrants**

360Quadrants is the only comparison platform that combines expert analysis with crowdsourced insights. It covers emerging markets and technologies that are yet to be explored in detail. The platform gathers reviews from buyers, vendors, experts, and in-house analysts that influence the criteria used to position the company on the Quadrant.

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