



# DIGITAL ENGINEERING SERVICES

A MARKET SNAPSHOT - CASE STUDY



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# OVERVIEW

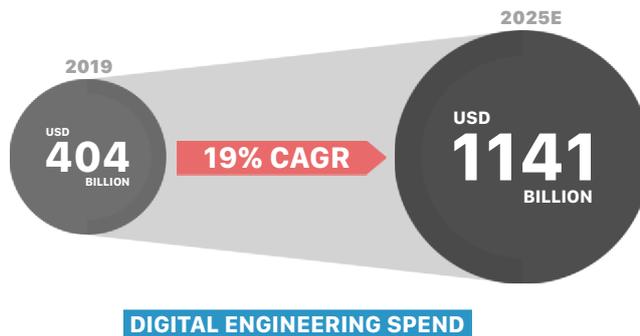
Top R&D spenders are investing in digital enablers to optimize manufacturing processes and new product development/ re-engineering to meet two key business objectives – Customer Experience and Operational Excellence. The application of digital technologies across traditional spend areas is termed Digital Engineering and is poised for growth driven by the convergence of Tech Giants and Digital Native companies.

The underlying Digital Engineering talent among the enterprises has become interchangeable across industries and this has led to cross-sell opportunities for Service Providers. Hence, Service Providers are taking a multi-pronged approach to win more wallet share in Digital Engineering services.

# MARKET GROWTH

The Digital Engineering market spend stood at USD 404 Bn in 2019 and is expected to grow at 19% CAGR and reach USD 1141 Bn by 2025. This spend is largely driven by investments focused on building digital infrastructure and development/re-engineering of products and services. Services-led verticals such as BFSI, Retail, Healthcare are increasing their consumption of technology spend to enable new products and services.

## A SNAPSHOT OF THE GLOBAL DIGITAL ENGINEERING SPEND



## DIGITAL ENGINEERING GROWTH

**19%** CAGR

Driven by the convergence of:

- Tech Giants and Digital Native companies
- Technology innovations
- Business model innovations
- Vibrant global digital ecosystem

# MARKET SNAPSHOT ASSESSMENT

- Competing in the digital era is not an individual contest but a team sport. With growing customer expectations and increasing need for differentiation, digital partnerships have increasingly become a core focus of an enterprise's growth story. Enterprises will have to be open to new ways of operating and exploring business models if they want to form successful digital partnerships with different types of companies.
- This puts Digital Engineering Service Providers in the limelight, as they help enterprises and Digital Natives connect the dots through digital partnerships. These are companies that operate in the sweet spot between traditional IT players like Infosys, Wipro, TCS, etc., and traditional engineering services players like Altran, Alten, Quest, etc.
- Digital Engineering services firms bring core digital skills and expertise across industries to help clients through partnerships. The key Digital Engineering Service Providers include the likes of EPAM, Endava, Infostretch, Global Logic, and Globant who have been able to tackle the technological challenges for customers in this environment and are able to evolve at a rapid pace.

While many are familiar with traditional IT players and traditional engineering services players, fewer people are aware of this new generation of Digital Engineering specialists. For the purposes of this Market Snapshot, we profile Infostretch, a representative Digital Engineering specialist.

# VENDOR SPOTLIGHT

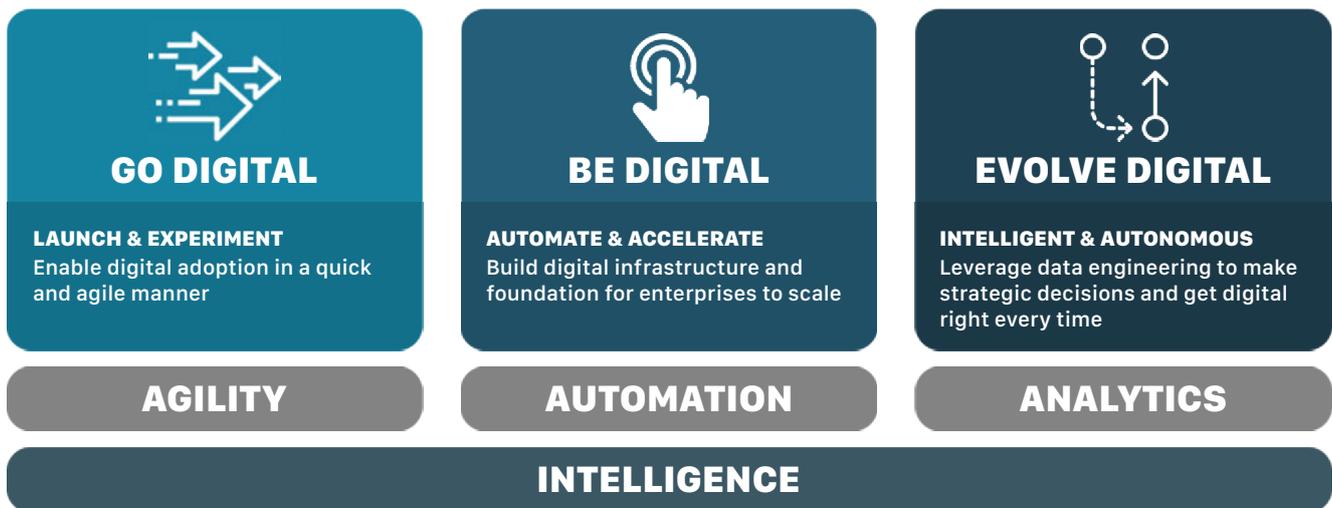
## INFOSTRETCH

Infostretch is a Digital Engineering services firm focused on helping companies accelerate their digital initiatives from strategy and planning through execution. Founded in 2004, the company is headquartered in Santa Clara, CA, and has 1400+ employees, with nearly 25% of the workforce based out of US. The majority of their revenue is driven from BFSI, Healthcare, and Hi-Tech verticals, boasting clients across both enterprises and new-age Digital Native firms.

Infostretch stands to benefit from the Digital Engineering market opportunity, as it has aligned its offerings to market expectations and has continuously added capabilities around digital technologies such as AI/ML, IoT, Analytics, etc., to their repertoire of service offerings in recent years.

Infostretch offers tailored solutions to address the client's specific needs across its digitalization journey. Enterprises understand the increasing need for digital transformation, but are at different stages in their digitalization journey and thus have varying requirements. These needs can be segmented into three distinct stages:

### STAGES IN THE DIGITAL TRANSFORMATION JOURNEY OF AN ENTERPRISE



#### Go Digital

Companies want to adopt digital in a quick and agile manner. Infostretch enables this aspect by helping them launch and experiment pilots and Proofs of Concepts (POCs) in a quick time frame. Companies can realize actual business outcomes in 3 to 6 weeks, rather than waiting for 6 months to measure the impact of their digital investments.

#### Be Digital

In this stage, when a customer wants to scale in the digital space, Infostretch has a relevant offering for this, which helps them develop a strong digital foundation through automation, cloud, and continuous delivery. This enables the client to build a strong technology base to scale further.

#### Evolve Digital

In this stage where Infostretch leverages key data and intelligence across the journey of the customer's digital lifecycle to make continuous improvement to the process. The ability to leverage data engineering to scale the client's system to be intelligent and autonomous helps them in getting meaningful digital outcomes every time.

For example, Infostretch worked with a healthcare company for IoT-based medication delivery and patient monitoring across the three stages of the digital journey. They helped the client with a quick POC of a digital platform (Go Digital), and once it gained traction, they accelerated the go-to-market of the platform by automating the delivery processes using DevOps (Be Digital). They further helped the client to create new efficiencies by creating predictive analytics capabilities (Evolve Digital). As a result, the client was able to reinvent patient care with new digital delivery and monitoring.

As Infostretch works across the various stages of the digital lifecycle with clients, it has developed a comprehensive set of offerings across Cloud Engineering, Data Engineering, Mobile Engineering, UI/ UX, etc. In addition to its technology portfolio, Infostretch has built expertise in implementation methodologies like DevOps and Continuous Delivery. Infostretch has also developed 25+ proprietary frameworks, accelerators, and IP solutions around new-age digital technologies that are deployed across various client engagements.

Additionally, Infostretch applies a proprietary approach called 'Intelligent Lifecycle Methodology,' which is a 5-phase approach to deliver business outcomes across the client's digital journey. During the first ideation phase of any client engagement, Infostretch defines the desired outcomes for the engagement. It defines key KPIs across both business and technology aspects which are tracked throughout the engagement across the 5 distinct phases. These KPIs are used to generate insights to identify the next set of technology features which the client can invest in to enable data-driven development. This enables the continuous digital evolution of the client and makes the system intelligent and self-learning.

## ZINNOV'S TAKE

In the Digital Engineering services market, Infostretch – and companies like them – are creating a niche for themselves by catering to immediate digital needs while generating growth opportunities for their clients. Infostretch focuses deeply on helping clients in their digital evolution journey and accelerate it, wherever they are on the spectrum, and whether they would be considered a digital aspirant or a digital leader. With its founder-led vision and culture at the helm and a strong reputation for technical prowess, the company has witnessed stellar growth till date and is poised to continue to make a significant impact in the Digital Engineering services space.



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