Research Summary November 2020

Welcome to our rolling monthly research round-up. To read more, simply click through.

**KEY**
- Foundation Service
- PublicSectorViews
- TechSectorViews
- Available in all streams
- FinancialServicesViews
- Tech User Programme

**Transforming Britain’s Building Societies “Keeping the Dream Alive”**

Jon C Davies | Report | 30-Nov-2020

This report explores the challenges facing the UK building society sector as changing market dynamics have put the long-term survival of the sector under threat. The analysis examines why the traditional building society business model has left the sector vulnerable to modernisation elsewhere and discusses the factors inhibiting the adoption of new technologies.

**UK Health Supplier & Market Analysis**

Dale Peters | Report | 25-Nov-2020

This report provides TechMarketView’s view of the UK health software and IT services (SITS) market from a market and supplier perspective. PublicSectorViews subscribers will find TechMarketView’s Top 10 health SITS rankings for 2019, as well as our view of those suppliers that are ‘On the Rise’ and ‘Ones to Watch’. Subscribers will also find our latest forecasts for the UK education SITS market.

**Spending Review 2020: Driving forward the reform agenda**

Georgina O’Toole | UKHotViewsExtra | 25-Nov-2020

In his 2020 Spending Review announced yesterday, Chancellor Rishi Sunak presented some sobering figures on the economy. However, the technology sector has been more resilient than most and the UK public sector SITS market has been particularly protected from the shock. We take a closer look at Sunak’s announcements and consider how the funding decisions are likely to impact those tech suppliers targeting Whitehall and the wider public sector.

**Top 3 emerging BPS buying trends: 2021-23**

Marc Hardwick | Report | 24-Nov-2020

This report looks at how COVID-19 is changing end-user requirements in terms of what buyers need, and prioritise, from their business process service (BPS) providers. Having received a lot of comment and feedback from BPS end-users we have picked out three major emerging buying trends that we expect to play increasingly important roles in decision making in 2021 and beyond.

**Market Outlook Update Trends and Forecasts 2020-2023**

Duncan Aitchison | Report | 25-Nov-2020

This year, with the unprecedented impact of COVID-19, TechMarketView provided two distinct sets of projections in our UK SITS Market Trends and Forecasts 2020-2023 report published in July. Four months down the line, we now have a much clearer picture of how the advent of the C-19 era has affected, and is affecting, the UK SITS provider community. TechMarketView has therefore revisited its forecasts to provide a better-informed view of the market outlook.

**The Building of The Access Group**

Angela Eager | UKHotViewsExtra | 24-Nov-2020

Back in 2010 The Access Group was a £25m provider of ERP software to the UK mid-market with EBITDA of £4m that was trotting along nicely but struggling to stand out. Ten years, a PE-backed MBO plus three PE investment rounds, and over 40 acquisitions later, it has expanded and balances a dual horizontal and vertical focus. It has been successful to date, delivering profitable growth despite its rampant M&A programme. But can it continue?
**Kimble: reflecting on its (first) 10 years**

10 years ago when Kimble sprang into life, it launched into a different world to the one we’re experiencing today but the essence of its proposition has only become more relevant. Read the full analysis of the evolution of Kimble, rising market demand for services and resource management, and growth lessons from this successful UK tech startup in Kimble: reflecting on its (first) 10 years.

---

**Atos launches Atos OneCloud**

In a similar vein to Accenture’s recently announced Cloud First initiative, Atos has launched Atos OneCloud. The announcement sees Atos combining a range of services, supported by previous investments in a range of assets, under one roof within the organisation. The aim is for clients to see a ‘one stop shop’, designed for maximum impact and efficiency, that will allow them to accelerate their journey to the cloud.

---

**SCC’s Oworx brand is clever cloud pivot**

As a privately-owned firm, SCC has always been able to invest in IT Services as it sees fit. Earlier this year, SCC launched Oworx, which very much caught our eye. As a separate brand, Oworx is focused on helping organisations scale in the public cloud. And, while it is early days, we believe its proposition will be well received amongst its existing mid-market clients.

---

**Salvino steers DXC into calmer waters**

Since his appointment in September 2019, DXC Technology’s CEO, Mike Salvino, has quickly stamped his mark on the company with a series of significant changes. After just over a year in the role, we take a look at the impact of some of the measures that Salvino has implemented and explore how these are helping to turn the company’s fortunes around.

---

**IBM and NewCo: The hard work starts here**

In October, IBM announced it would create a new company (NewCo) to be spun-off as an independent entity and listed on the stock exchange. It is a major move and part of a broader strategy to remodel the firm and position it away from low growth, heritage markets. This research note looks at some of the challenges IBM and NewCo face and some of the issues they will need to address.

---

**IndustryViews Venture Capital Q3 2020 Review**

Following the COVID-induced fall in Q2, there was a modest 4% qoq increase in the number of venture capital investments in UK and Irish technology companies in Q3. In Q3, a total of £1.85b was invested in 241 companies in the sector by 327 investors. This latest edition of IndustryViews Venture Capital has more detail, along with some 50 pages of succinct commentary on UK tech venture funding deals.

---

**Level**

Capita’s new scaling Partner - Level and its financial wellbeing platform

We’ve been following the progress of Capita’s scale-up development unit Capita Scaling Partner (CSP) for the last couple of years. I recently caught up with team members Matt Bunn and Jess Bonner as well as Stephen Holloway the CEO and founder of new CSP partner - Level. I recently caught up with Matt Bunn, Jess Bonner and Level CEO and founder, Stephen Holloway to discuss CSP’s latest venture.

---

**Share Performance in Oct 20**

I write this review of Share Performance in Oct 20 on a dismal weekend of rain and wind. I write it after one of the worst weeks on the markets this year. I write it as I listen to the PM announce another period of draconian lockdown restrictions. I write it not knowing the outcome of the US Presidential Election on Tuesday. I write it not knowing whether the UK can agree some kind of deal on BREXIT to avoid an exit with ‘No Deal’ in just two months. I could go on. But I am too depressed already.
IndustryViews Corporate Activity Q3 2020

Merger and acquisition activity in the UK software and IT services (SITS) sector appeared to bounce back strongly in Q3 according to the latest data from technology investment bank, Silverpeak. See more in this edition of IndustryViews Corporate Activity, our quarterly review of the UK software & IT services M&A scene.

End User Insights: How COVID is Changing Manufacturing

The initial COVID-19 wave had a profound effect on UK manufacturing at a time when it was already dealing with Brexit uncertainty and the possibility of a ‘no deal’ scenario. It is far from being out of the woods but there are signs that the sector is reviving. This report provides insight into how technology helped manufacturers navigate the first COVID shock wave and where they are planning to go next.

Defence SITS Supplier Trends & Forecasts 2020-2023

This report provides TechMarketView’s view of the UK defence software and IT services (SITS) market from a market and supplier perspective. You will find our Top 20 defence SITS rankings for 2019, as well as our view of those suppliers that are ‘on the rise’ and threatening to unseat the leading players, and a handpicked selection of suppliers that are worth keeping a close eye on, due to their renewed interest in the sector, recent successes, or differentiated approach.

Financial Markets Transformation 2020

This report discusses the ongoing transformation of the UK’s financial markets sector. The analysis explores the internal and external factors driving change and examines the disruptive impact of digital technologies on established processes as well as the increasing influence of technology-driven business models. The report also takes a look at a varied cross-section of the specialist SITS vendors active in the financial markets sector.

UK Local Government Supplier & Market Analysis

This report provides TechMarketView’s view of the UK local government software and IT services (SITS) market from a market and supplier perspective. You will find our Top 10 local government SITS rankings for 2019, as well as our view of those suppliers that are ‘On the Rise’ and ‘Ones to Watch’. Subscribers will also find our latest forecasts for the UK local government SITS market.

IndustryViews Quoted Sector Q3 2020

Our quarterly review of the UK software and IT services quoted sector scene with comparative share price performance against leading international software and IT services stocks.

UK Operations Market Trends and Forecasts 2020

The UK Operations Market Trends and Forecasts 2020 report brings together TechMarketView’s research across Infrastructure, Applications and Business Process. It includes market data, analysis of the important trends impacting the market and recommendations for suppliers.
Mortgage Collections Post-Covid
The customer profile of those requesting payment holidays is very different post-Covid than it would be in more “normal” circumstances. Many mortgage holders who are unable to make their payments, would have had no prior history of arrears or financial hardship. Here we discuss how lenders can best prepare themselves for a spike in demand as payment holidays come to an end.

S|three and the ‘perennial challenge’
It was not part of the plan that Mark Dorman would celebrate the first anniversary of his appointment as CEO of UK-headquartered, international ‘STEM’-focused recruiter, S|three, the very week that the UK went into lockdown! I met up (virtually) with him again recently. Dorman has broadly got to grips with the dynamics of the recruitment marketplace, and has continued his predecessor’s strategy of sharpening S|three’s focus on STEM skills.

The quiet evolution of Liberata
There are many positive developments happening “under the bonnet” at business process operations specialist Liberata, that have yet to grab much attention outside of the firm itself or their partners and clients. Liberata has been making structural investments into its core business in both 2019 and 2020 and plans to do more of the same next year. Investment has included process standardisation across client contracts as well as the deployment of automation technologies.

The app that Zühlke built
Zühlke Engineering has been operating in the UK for 20 years, but its most high profile project to date commenced this year when NHSX enlisted the business to help develop their contact tracing technology. TechMarketView caught up with Wolfgang Emmerich, CEO of Zühlke UK, to discuss the business and its role in developing the NHS COVID-19 app.

Accelerated Cloud adoption boosts Advanced
UK-headquartered Advanced is one supplier benefiting from the shift to the cloud as UK businesses and public sector organisations move into the ‘business recovery’ phase of the pandemic. The PE-backed software and services provider has had a strong Q2 despite Covid-19, with growing demand for its cloud software services. CEO Gordon Wilson told us he was pleasantly surprised by the strong Q2 performance.

Technology is both the problem and the solution as TSB cuts highlight retail banking’s challenges
It is no coincidence that the recent news of TSB closing 164 of its UK branches, came in the same week that the OBIE revealed a significant upturn in open banking activity. As our shopping habits and the economics of retail have changed, so has customer behaviour with increasing numbers of us banking online and utilising digital methods to complete transactions and access services.

Application Operations Market Trends and Forecasts 2020
This report contains TechMarketView’s latest market size and forecast data along with an analysis of the trends shaping the UK Applications Operations market. It is the companion to the UK Application Operations Supplier Ranking 2020 report which provides our analysis of the leading players in the Application Operations market and the Supplier Prospects 2020 report.
Not sure how to access the research? Contact Client Services for details email info@techmarketview.com

UK DEPTH GLOBAL TRENDS

Business Process Operations Market Trends and Forecasts 2020
This report contains TechMarketView’s latest market size and forecast data along with an analysis of the trends shaping the UK Business Process Operations market. It is part of a series of reports assessing market and supplier performance that includes the Business Process Operations Supplier Rankings 2020 and Supplier Prospects reports.

Enterprise Software Market Trends and Forecasts 2020
This report contains the latest market trends and forecast data for the UK Enterprise Software market for the 2020-2023 period. It reflects the impact of COVID-19 on buy-side activity and the flow through to software suppliers in the near and longer term. The sector is not immune to the negative impact but the situation is far from dire for suppliers.

Infrastructure Operations Market Trends and Forecasts 2020
This report contains TechMarketView’s latest market size and forecast data and analyses trends shaping the market. This year, in light of the impact of COVID-19, TechMarketView has provided two distinct sets of forecasts for the UK Software and IT Services markets. This report explains the Scenarios for the Infrastructure Operations market, and how progress to cloud might be impacted.

Solutions Market Trends and Forecasts 2020
Solutions services are usually conducted on a project basis and include activities such as custom systems development, platform/package software implementation, application deployment, systems renovation, testing and training. In light of the unprecedented impact of Covid-19, we have provided two sets of forecasts for the UK SITS market in our Solutions Market Trends and Forecast report for 2020.

Central Government Software & IT Services: Suppliers, Trends & Forecasts 2020-2023
This report provides TechMarketView’s view of the UK central government software and IT services (SITS) market from a market and supplier perspective. It contains the Top 20 central government SITS rankings for 2019, as well as our view of those suppliers that are ‘on the rise’ and threatening to unseat the leading players, and a handpicked selection of suppliers that are worth keeping a close eye on, due to their renewed interest in the sector.

Security, remote working and automation fuel Juniper Networks progress
Flat first half sales and revenue suggest a tough year ahead for network infrastructure supplier Juniper Networks, but management have cause for optimism in router and switch bookings growth and strong demand for security, automation and remote working solutions.

Hot 10 UK UCaaS Providers
This TechSectorViews research profiles ten UK providers of unified communications as a service (UCaaS) solutions which are seeing strong demand from public and private sector organisations looking for a more flexible cloud-based approach to telephony, conferencing, collaboration and messaging provision to fit the fundamental changes in working practices precipitated by Coronavirus lockdown restrictions.
Accenture Q4 & FY20: Continued UK declines

Accenture delivered FY20 (to end August) revenues of $44.3bn, an increase of 4% year on year in local currency; growth would have been 1% higher had it not been for a reduction in revenues from reimbursable travel costs. The executive team pointed to the resilience of the business due to the diversity in its operations and the discipline throughout the organisation.

DXC.technology

Has DXC begun the “end-game” as Saleh sails away?

On 1st October, DXC Technology parted company with its US healthcare operations in the latest of a string of recent disposals by the ailing US technology company. You can learn more about what the latest DXC divestment signifies by downloading Has DXC begun the “end-game” as Saleh sails away? which also contains our perspective on the simultaneous exit of the company’s longstanding CFO.

Getronics

Getronics looks to next chapter

Following on from the announcement that Getronics was to be sold again, we caught up with Kenton Fine, Executive Chairman and CEO. In July, strategic investor, GSH Private Capital Ltd, took ownership of the Getronics business in Europe, Asia Pacific and Latin America in a deal worth €200m. GSH had previously been a minority investor and has now committed to supporting Getronics in the long term following what has been a very difficult period.

Sopra Steria: Targeting ‘Net Zero’ ahead of the curve

Sopra Steria has announced its commitment to reaching “net zero” emissions by 2028. That means that any Greenhouse Gas (GHG) emissions normally generated across the organisation’s value chain are reduced by emission reduction initiatives and the residual emissions are compensated by the purchase of “carbon removal” carbon offsets to make the net emissions to zero.

Fujitsu Q1: Building trust during lockdown

I recently caught up with Paul Patterson, Fujitsu’s CEO for Northern and Western Europe, to hear more about how the company fared through its first quarter, which coincided with the UK’s national lockdown. In terms of financial performance, the UK business put in a solid performance. Fujitsu also benefited from incremental work from the installed base to support home working.

UK’s National Data Strategy: Framing an ambitious agenda

The UK Government recently published its awaited National Data Strategy (NDS). It is described as “an ambitious, pro-growth strategy that drives the UK in building a world-leading data economy while ensuring public trust in data use.” It’s a chunky document extending to over 30,000 words, and it certainly seeks to tackle some difficult issues, but if you were expecting it to have all the answers at this stage, you’ll be disappointed.
Sopra Steria: Acting on the importance of Digital Ethics

Digital Ethics has scaled the agenda of those implementing technology solutions over the last couple of years. Most often, the need to consider the ethical implications of technology has been associated with artificial intelligence (AI ethics). Sopra Steria has moved its thinking on and its approach looks more joined up than many other suppliers, acknowledging that it is about more than the technology.

Business Process Operations Rankings 2020

This report contains the Top 20 supplier rankings (by revenue) for the UK Business Process Operations market. Given that COVID has accelerated the shift towards digital services, BP Operations providers must adjust their offerings, shift focus, and consider changing their delivery models to meet client demands. Change management and continuous improvement will be key to driving adoption and scaling activities within contracts.

Infrastructure Operations Supplier Rankings 2020

This report contains the Top 20 supplier rankings (by revenue) for the UK Infrastructure Operations market. For several years, the Top 3 positions have been the domain of established data centre and end user services players – namely DXC, Fujitsu and IBM. But as a reflection of the radical change in how services are being consumed in the market, AWS has grown to become the largest provider of Infrastructure Operations.

Applications Operations Supplier Rankings 2020

This report contains the Top 20 supplier rankings (by revenue) for the UK Applications Operations market. The report looks beyond the numbers to explain some of the market trends that are impacting supplier performance, providing advice on how players – large and small – can tackle the challenges and thrive during these difficult and extraordinary times.

Enterprise Software Supplier Ranking 2020

The latest Enterprise Software ranking is a stark illustration of the disruption and degree of change the top suppliers to the UK market are dealing with. It shows that the increasingly complex IT environments that have emerged as organisations tread digital pathways are causing software spend to stutter. Including top 20 ranking data, top 20 suppliers, and lessons to take through to 2020 and beyond, this report is essential reading for buyers and suppliers.

Operationalising AI/ML: ECS Partner Perspective

The latest in a series on how to take AI/ML-enabled projects into production and manage ML model lifecycles at what is a pivotal point on the adoption curve. This report explores the AI/ML partner opportunity through the approach taken by ECS Group. It provides insight into the role of MLOps in tackling complexity and driving at scale deployments and addresses lesser known issues such as stale data and data drift.

Consulting Supplier Rankings 2020

The resulting business and economic impacts from COVID-19 are likely to take a disproportionately heavy toll on consulting sector, at least in the short term. This report contains a view on the performance of each of the suppliers in the Consulting Top 20. It includes the ranking table showing estimated revenue and growth, provides insight into the dynamics shaping this market and highlights the up and coming suppliers.
Share performance in August 2020

August 2020 proved to be one of the most successful months on record for tech stocks. The S&P 500 had its best performance for 30 years. The Dow had its best month in 36 years! As every month passes and Big Tech continues to soar, I get more and more nervous. I’ve been reluctant to liken the present situation to the dot.com madness of 1999/2000 but I think we might have entered the ‘Irrational Exuberance’ stage.