



Research Summary August 2020

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

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



Georgina O'Toole | UKHotViewsExtra | 26-Aug-2020

Leidos: Establishing an innovation mindset

It's been 11 months since Simon Fovargue took the helm at Leidos UK. His time, so far, as UK CEO, has confirmed the views of Leidos he formed while qualifying the role: "more entrepreneurial, more collaborative, more agile, more inclusive". In this latest UKHotViewsExtra, we look at Leidos' recent performance and the actions he has taken to establish an innovation and growth mindset within the company.



Tola Sargeant | UKHotViewsExtra | 19-Aug-2020

Medical imaging moves to cloud with Sectra deal

A consortium of five NHS Trusts has signed a new contract with Swedish medical imaging and cybersecurity firm Sectra. Known as SWASH, the consortium is a long-term customer of Sectra and includes Portsmouth Hospitals NHS Trust, Isle of Wight NHS Trust, Salisbury NHS Foundation Trust, Southern Health NHS Foundation Trust and University Hospital Southampton NHS Foundation Trust. Read the detail here, examining the benefits for the Trusts of moving to a single regional PACS and cloud-based VNA.



Marc Hardwick | UKHotViewsExtra | 18-Aug-2020

Capita's challenging H1

2020 was the year that Capita was supposed to return to revenue growth - then came Covid. The BPO leader's trading update from the end of June gave us a "heads up" on what to expect in the first half results, that show adjusted revenue declined by 9% to £1.652m (H1 2019 £1,816m), impacted by 2019 contract losses and of course Covid. In response to this, Capita has taken the decision to sell some software assets that it deems "non-core", to shore up the balance sheet.



Anthony Miller | Report | 17-Aug-2020

OffshoreViews Q2 2020 Review

Now in a new 'presentation-style' format, OffshoreViews includes our regular summary of the top tier and mid-tier Indian Heritage Provider (IHP) reporting season, along with insightful charts showing aggregate 3-year trends for the Top Tier players.



Dale Peters | UKHotViewsExtra | 14-Aug-2020

A world beating approach to contact tracing

The Department of Health and Social Care has launched a new NHS Test and Trace app for England and Wales. It will provide users with the ability to check the level of coronavirus risk in their postcode district. Like the original app it uses Bluetooth to help log the time a person has spent in close proximity with another app user. The new app appears to address many of the issues raised by the first app, but it's not without issue.



Angela Eager | Report | 12Aug-2020

Priority Software for COVID-19 Business Recovery

As we move into COVID-19 business recovery mode, organisations are exploring the technologies that will help their operations assume the 'new normal' and help employees find the confidence to return to the workplace. This report provides insight into immediate areas of investment - from screening and biometrics to touchless tech and IoT - to supply-side opportunities, and some of the suppliers to watch.



Workday challenging Oracle & SAP in large Whitehall departments

Worldwide, the HR, financials and planning cloud pure-play boasts revenues of \$3.6b in its last financial year (to end January 2020). In the UK, our estimates put its turnover somewhere sub \$500m. Here, we take a look at Workday's existing presence in the UK public sector market, UK Government's current attitude towards the company and its offering, and Workday's ambitions.



The Rise and Rise of TCS

At 2nd place in the TechMarketView SITS Rankings 2020, TCS is now one of the world's largest and most respected tech companies. This report traces the history of TCS in the UK, highlighting some of the key milestones that saw the company grow to become one of the most successful players in the UK SITS market. This report includes insight from interviews with all TCS UK Managing Directors since 1999.



IndustryViews Venture Capital Q2 2020 Review

Venture capital investment in UK and Irish technology companies was down 22% by value and 17% by volume in Q2 compared with Q1, according to latest data from corporate finance firm Ascendant, but this is seen as an understandable virus-induced correction rather than an existential crisis. The latest edition of IndustryViews Venture Capital has more detail, along with 50 pages of succinct commentary on UK tech venture funding deals.



Scotland chooses NearForm's contact tracing tech

The Scottish Government recently revealed it is developing a contact tracing app to support NHS Scotland's COVID-19 Test and Protect system. This confirms Scotland as the latest country to adopt the app technology developed by Irish digital solutions business NearForm. NearForm was founded by CEO Cian Ó Maidín in Tramore, County Waterford, in 2011. Learn more about NearForm here.



Share Indices in July 20

July 20, yet again, turned out to be 'A Tale of Two Economies'. Tech – particularly BIG TECH - has continued to soar. Conversely, the FTSE100 dived another 4.4% in July making it an equally massive 21.8% DECREASE YTD. The UK FTSE IT Index was up 6.7% in July but is still down 7.5% YTD. The FTSE SCS Index - which most closely tracks the UK publically quoted software and IT Services companies that we track at TMV – was also up 5.6% in July but down 10.1% YTD.



The Panoply: Strong FY continues into Q1

The Panoply, which positions as an alternative provider of digital transformation to the public sector, is bullish in its financial year results announcement (to end March 2020). Its confidence is based on a strong performance in FY20 but also a positive Q1. In FY20, revenue increased 43% to £31.5m. Though difficult to determine, due to the buy and build nature of the business, organic revenues look to have been in the region of about 3%.



Covid-19 accelerates automation adoption for HCL's Digital Process Operations (DPO)

It's likely that one of the biggest beneficiaries from changes to the workplace post-covid will be automation technologies. The need for cost reduction, speed, consistency, reducing physical contact are all likely to help drive up adoption rates. To understand these trends, I spent time recently with the automation team at HCL to get a feel for how their automation proposition is being deployed.



IndustryViews Corporate Activity Q2 2020

UK software and IT services (SITS) sector merger and acquisition activity in Q2 fell back to the level last seen in Q1 2018 as COVID-19 restrictions took effect. Download the latest edition of IndustryViews Corporate Activity for our quarterly review of the UK software & IT services M&A scene for more detail.



Cobots and the rise of tech-enabled care

COVID-19 has shone a spotlight on the challenges facing the care sector in the UK but it's also shown the potential for technology to help improve outcomes and the quality of care received. We've seen rapid growth in the adoption of technology by the care sector and also the first use of collaborative robots - or cobots - in the UK care sector.



UK SITS Market Trends and Forecasts 2020

In such an extraordinary year, defined by the COVID-19 pandemic and the associated global lockdowns, TechMarketView's expert analyst team has created market forecasts for the next four years based on two market scenarios. Scenario A is based on our most optimistic view of prospects for the UK SITS market. Scenario B takes a far more cautious view of the prospects for future growth and is based on the UK SITS market experiencing a sharp decline during 2020.



IndustryViews Quoted Sector Q2 2020 Review

After being caught in the huge stock market sell-off during the first quarter due to concerns about the impact of the COVID-19 coronavirus on the global economy, tech stocks have led the recovery. Indeed, the aggregate value of quoted UK software and IT services (SITS) companies was 14% higher in Q2 2020 than the prior quarter although still 17% down on the value at the end of 2019.



Accenture to make up to 900 UK staff redundant

Accenture is to cut between 700–900 UK jobs, equating to between 6–8% of its 11,000 employees in its offices across the UK. The news was picked up by the Guardian, which saw an internal note to staff. The internal note highlights that the company already had an overcapacity when the pandemic hit and over the last period, additional strain has been felt due to lower demand and reduced natural attrition.



Huawei ban creates UK telecommunications headache

The total ban on Huawei equipment in the UK's fifth generation (5G) networks will have profound repercussions for the telecommunications industry, businesses and consumers alike while potentially pulling the UK into a trade war with China. Read more about its impact on 5G and full fibre network rollouts and what it might mean for Huawei's future in the UK.



Harrow Council looks to the future with Version 1

For the last 15 years Harrow London Borough Council has been running its IT services via large-scale outsourcing contracts. This year it is taking a different approach to support its IT estate. It has recently appointed Version 1 as its partner to support its ambitions to transform services through digital technology.



Share Indices - June 20

My self-managed Holway Portfolio is divided into Tech and Non Tech holdings. The Holway Tech Portfolio is UP 26% YTD. The Non Tech Portfolio is DOWN 23% YTD. Fortunately my Tech portfolio is 4x bigger, although when I started my own portfolio 20 years ago they were equal. This is reflected in Share Indices YTD to end June. For an extensive review of share performance in June and YTD, see Share Performance in June 20 on UKHotViewsExtra.



Government announces additional Future Borders funding

Recently, UK Government announced another £705m of funding to ensure that the country's border systems are fully operational when the UK takes back control of its border on 1st January 2021. Around £115m of that funding is destined to be spent on IT systems. Here we look at the progress of the Future Borders programme to date, where the funding is set to go, and what Government is looking for from its suppliers.



Mastering the Art of Practical Innovation

The innovation lifecycle blends pain points and purpose, with a splash of serendipity, and the incentive to produce something that is both different and makes a positive difference to business and consumers. The challenge is building a framework to support ongoing innovation without stifling it. This research note explores how Atos approaches the task.



UK SITS Supplier Ranking 2020

TechMarketView's authoritative annual keynote report ranking the leading suppliers of software, IT services and business process services to the UK market. The report contains our Top 60 ranking of suppliers, which has been compiled following detailed research into over 200 publicly quoted and privately held companies. 2020 of course looks very different to 2019 in light of the pandemic, and TechMarketView continues to closely track and analyse the corporate and financial performance of the tech industry.



Digital Marketplace Dashboards P02 2020-21

Monthly dashboard of the key sales data from the G-Cloud and Digital Outcomes & Specialists (DOS) frameworks. This dashboard covers May 2020 (P02 in the government fiscal year 2020-21).



Wirecard collapse hits UK fintechs

The collapse of German payments provider, Wirecard, has had a major impact on the UK fintech ecosystem. The firm's sudden bankruptcy and the arrest of its CEO amid fraud allegations, have resulted in the services of a number of prominent providers being crippled. Without notice, UK regulator the FCA, has suspended Wirecard's UK operations. Whilst the full impact of Wirecard's collapse is still to emerge, there are potentially longer-term ramifications.



Digital Marketplace Dashboards P01 2020-21

Monthly dashboard of the key sales data from the G-Cloud and Digital Outcomes & Specialists (DOS) frameworks. April 2020 (P01 in the government fiscal year 2020-21).



IndustryViews Venture Capital – Q1 2020 Review

There was a substantial increase in funding for early stage UK and Irish technology companies during Q1 2020. A total of £2.44b (up 10% on Q1 2019 and up 4% on Q4 2019) was invested in 279 companies in the sector by 399 investors during Q1 2020 with a slight reduction in March after a very busy January and February. See more, including over 30 pages of commentary on selected UK VC tech deals in this issue.



Market Readiness Index Supplier Profiles: Individual Profiles

TechMarketView's Market Readiness Index (MRI) is designed to help end user organisations determine the readiness of their information and communications technology suppliers to support them as they seek to digitally transform their organisations. The MRI models TechMarketView's understanding of how advanced suppliers are when it comes to being able to help create more intelligent and more automated organisations for their customers.



Digital tech from DXC transforms mental health services

Mental health and well-being is an increasingly high priority in the UK and one of the areas where we expect to see increased investment as part of the 2019 NHS Long Term Plan. The personalisation of healthcare – with more 'self-service' through digital tools and portals – and digitalisation of services such as prescribing, also feature prominently in the Plan.



Saving time and improving patient experience

Earlier this year Research Director, Marc Hardwick, interviewed NHS Robotic Process Automation (RPA) evangelist Darren Atkins – the Chief Technology Officer at East Suffolk and North Essex NHS Foundation Trust on how automation has been gaining traction within the Health Service. Read about what he found out from his meeting here.



OffshoreViews Q1 2020 Review

Capgemini ex-Joint COO Thierry Delaporte will take the reins as Wipro's first non-Indian CEO next month to try to boost growth and profitability. Read the latest edition of OffshoreViews to see why TechMarketView Managing Partner Anthony Miller believes the cards will be stacked against him succeeding where his predecessors have failed. OffshoreViews also includes our regular summary of the Indian heritage Provider (IHP) reporting season.



Accelerating NHS digital transformation during the pandemic

London North West University Hospital Trust (LNWH) was amongst the first in the UK to treat COVID-19 patients and one of the hardest hit by the pandemic. TechMarketView spoke to Glenys Lawson, Digital Matron at LNWH, about the role technology has played in helping the Trust respond to the crisis.



Brit and Google Cloud accelerate London Market transformation

Leading commercial insurer, Brit, has announced plans to launch a new AI-based Lloyd's syndicate in collaboration with Google Cloud. Scheduled for its London Market launch in 2021, the algorithmically driven incubator "Ki" is being backed by Brit, Fairfax and other private capital investors. The business will be a stand-alone venture, run by a dedicated team reporting to Brit's Group CFO, Mark Allan.



Methods passes £100m turnover milestone

Methods Group has passed the £100m turnover mark. Result for the year to 30th April 2020 reveal turnover of £101.5m. The year started slowly with business negatively impacted by Brexit paralysis. However, things soon picked up and demand has continued to be strong over the last quarter. Read about performance across the different businesses and prospects for the year ahead in this UKHotViewsExtra article.



Share Indices for May 20

So we are in the midst of the most serious pandemic. The world, including the UK and US, is facing the worst recession - maybe even depression - seen in our lifetime. But if you look at the RH column of our Share Indices table you will see that EVERY one of the indices we follow was in 'positive territory' in May. Indeed, NASDAQ is now up 4.6% YTD. As I wrote on 9th May 20 Big Tech seems to be having a good COVID-19...



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