



# Research Summary May 2020

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

<b>KEY</b>	<span style="color: green;">■</span> Foundation Service	<span style="color: orange;">■</span> PublicSectorViews	<span style="color: teal;">■</span> FinancialServicesViews
	<span style="color: orange;">■</span> Tech Insights	<span style="color: blue;">■</span> Available in all streams	<span style="color: purple;">■</span> Tech User Programme



## Salvino circles the wagons as DXC's decline accelerates

DXC Technology has released full year results reflecting heavy losses and a sharp fall in revenue, in the face of ongoing customer attrition. For the year ended 31 March 2020 the company recorded a net loss of \$5.4bn, whilst headline revenue was down by 5.7% to \$19.6bn. DXC's decline accelerated in the final 3 months of the fiscal, with the company's Q4 losses reaching \$3.5bn and GlS recording an 18.8% decline in revenue.



## COVID-19 Vulnerability and Resilience: Top 20 SITS Suppliers

This analysis covers the largest Top 20 providers of Software and IT Services to the UK market, according to UK SITS Supplier Rankings 2019 (July 2019). It is a snapshot of how these suppliers rate versus the eight key characteristics for prospering during the economic fallout of the COVID-19 pandemic.



## COVID 19: Impact on UK Tech Suppliers – A TechMarketView Snapshot Survey

A month or so into lockdown, TechMarketView took the pulse of the UK tech sector to see how suppliers were coping with impact of COVID-19 on their business. Some of our findings may surprise you!



## Fujitsu FY19: Improved customer connections and revenue mix

Fujitsu's FY19 figures show global revenue was down 2.4% to 3,857.8 Yen. The firm "exceeded" profit targets in the Services business, excluding the impact of "business model transformation expenses". Higher bonuses also impacted operating profitability. The firm is targeting a medium-term operating margin of 10% (it was 5.9% in FY19) and still believes this is achievable, even under the current circumstances.



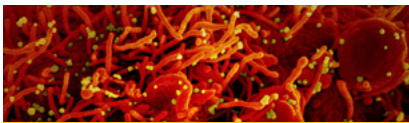
## Digital Marketplace Dashboards P12 2019-20

Monthly dashboards of the key sales data from the G-Cloud and Digital Outcomes & Specialists (DOS) frameworks. March 2020 (P12 in the government fiscal year 2019-20).



## Target B and The Mortgage Hub - designing a digital mortgage experience

The current imperative to embrace technology enabled business change within Financial Services has been felt most acutely and for longest in banking, where industry-wide transformation is already well underway. The established banks are seeing their traditional business models challenged by a wave of tech-enabled new entrants. Despite banking's relative digital maturity, the mortgage market remains a laggard.



Dale Peters/Georgina O'Toole | Report | 4-May-20

### COVID-19: The impact on UK public sector software and IT services

This report assesses the impact COVID-19 has had on central government, local government, health, defence, education and police. It also includes TechMarketView's predictions for the impact over the remainder of 2020 and longer term, as well as our recommendations for software and IT services suppliers operating in the public sector.



Richard Holway | UKHotViewsExtra | 1-May-20

### Share Indices for April 2020

It seems quite surreal to read headlines like 'US stocks have biggest monthly rally since 1987' or 'UK blue chips in a bull market'. Surely we are in the very midst of the worst health crisis to hit in our lifetimes? Isn't every analyst suggesting we are on the verge of (in the midst of?) one of the worst recessions - maybe depressions - ever? NASDAQ was up an amazing 13.2% in Apr - erasing almost all of the losses in 2020 YTD. It wasn't quite so good outside of tech though.



Tola Sargeant | UKHotViewsExtra | 30-April-20

### Just the Tikit for Advanced

At the end of March, Advanced acquired Tikit from BT. The deal was Advanced's fifth acquisition in twelve months and its first sizeable deal since BC Partners joined forces with existing backers Vista Equity Partners and invested £2bn in the UK-headquartered business in August 2019. We caught up with CEO Gordon Wilson and Doug Hargrove, Managing Director of Legal at Advanced, as the acquisition completed to learn more.



Georgina O'Toole | UKHotViewsExtra | 4-May-20

### 2iC develops novel malaria detection and control strategy

We should remember that other diseases which existed pre-Covid are still problematic during this pandemic. Recent analysis by WHO and partners show severe disruptions to insecticide-treated net campaigns and antimalarial medicines. Recently, UK SME 2iC has been partnering with an academic research institute to develop a novel malaria detection and control strategy using technology originally developed for military use.



Kate Hanaghan | Report | 30-April-20

### Cloud and Infrastructure Services Supplier Prospects 2020 and Beyond

In "Cloud and Infrastructure Services Supplier Prospects 2020 and beyond", we look at the Top Ten leading players (by revenue) in the UK Infrastructure Services market, and assess what they will need to do to be successful this year and beyond. We also provide our analysis of the potential hurdles that will prevent suppliers reaching their potential in the short and mid-term.



Jon C Davies | Report | 30-April-20

### UK Financial Services SITS "Prospects for a Post COVID-19 World"

The disruptive impact of the coronavirus pandemic has leapt to the top of the corporate agenda, as the number one factor testing established business models and technology ecosystems alike. However, despite the unprecedented nature of the current crisis, all is far from doom and gloom for the SITS market within UK financial services.



Anthony Miller | Report | 3-May-20

### IndustryViews Corporate Activity Q1 2020

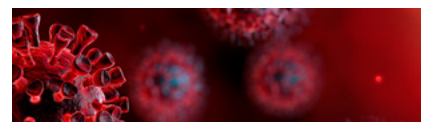
Merger and acquisition activity in the UK software and IT services (SITS) sector was seemingly unaffected by the COVID-19 pandemic during Q1 2020, with only a small decrease in deal flow, well within the bounds of the usual quarterly variations. Download the latest edition of IndustryViews Corporate Activity for our quarterly review of the UK software & IT services M&A scene for more detail.



Marc Hardwick | UKHotViewsExtra | 30-April-20

### Capita Scaling Partner and a "Distributed" approach to outsourcing development

We have been following the progress of Capita's scale-up development unit Capita Scaling Partner (CSP) for the last couple of years and we caught up recently to discuss its latest venture with co-founder John Downes, as well as Callum Adamson the CEO of new CSP partner - Distributed. CSP has become a minority shareholder in "future of work" player Distributed, and we wanted to understand the rationale behind the deal.



Dale Peters | UKHotViewsExtra | 28-April-20

### UK takes centralised approach to contract tracing

Over the last month there have been many twists and turns in the world of contact tracing. The convoluted path towards developing national systems for informing those potentially exposed to COVID-19 has been fraught with tension between government, academia and business—at the heart of these disagreements is the privacy of citizens. NHSX is leading the development of the UK's contact tracing technology.



Marc Hardwick | Report | 28-April-20

### Experience by Design

User experience continues to be at the heart of digital transformation and is one of the biggest single areas of investment in the tech space. Customer experience transformation has captured the headlines but has matured to encompass the citizen, employee and now supplier network. An outstanding digital experience is a prerequisite for all aspects of operations. Getting this right is all about great design. This report looks at the role service design plays in developing and delivering digital services in both the public and private sector.



Marc Hardwick | UKHotViewsExtra | 24-April-20

### TCS looks beyond Covid-19

Following on from TCS's annual results we caught up recently with UK & Ireland Head, Amit Kapur, to discuss the UK results for FY 2020 and in particular how the Group and its clients are dealing with COVID-19. The UK remains one of TCS's largest markets and the Group still posted very respectable double-digit year-on-year growth for the UK of 10.4% (22% in FY19). This translated into total UK revenue for the year of £2.76bn (£2.5bn in FY19).



Angela Eager | Report | 22-April-20

### Graph Databases: Weaving frictionless business; accelerating AI/ML

As organisations re-evaluate their software estates in the light of lessons learned during the COVID-19 pandemic and assess what they need to do to recover and re-ignite growth, certain technologies will emerge as enablers that justify a share of hard-pressed IT budgets. This report examines the technology, use cases, supplier landscape, and opportunities for surrounding Software and IT Services suppliers.



Duncan Aitchison | UKHotViewsExtra | 28-April-20

### Capgemini stays healthy despite Covid-19

Capgemini weathered the initial impacts of the coronavirus pandemic to deliver Q120 turnover in line with expectations. Revenue for the three months ended 31st March 2020 increased by 2.3% yoy on a constant currency basis to €3.55b. Outgoing CEO, Paul Hermelin cited the group's early mobilisation in February ahead of many of the COVID-19 driven lockdowns as having played a part in sustaining the health of the company through the latter part of Q120.



Duncan Aitchison | Report | 24-April-20

### Covid-19 An ill wind to fan the flames of the Fourth Industrial Revolution

This document seeks to explore whether one of the by-products of Covid-19 crisis will be to change materially the trajectory and velocity of the shift to the Enterprise 4.0 era. It therefore focuses on the shape of "Complex" digital services demand as we entered the pandemic, assesses the factors that had been conditioning its progress, and considers how these may now be altered going forward.



Georgina O'Toole | UKHotViewsExtra | 22-April-20

### Atos Q1 gives Covid-19 impact insight

Atos' Q1 results to end March give a useful insight into the impact of COVID-19 on different areas of the market. They also serve to highlight how a detailed analysis of companies' financial strength, its business mix, its types of client relationship, and its contractual arrangements, is necessary to determine the likely impact of the pandemic on future performance.



Georgina O'Toole | Report | 27-April-20

### NTT Data: Delivering on UK Government's Vision

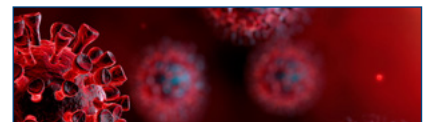
In the course of our usual PublicSectorViews research, we have often called out NTT DATA as 'one to watch' in the UK public sector market. The company's UK public sector revenues have grown by 20%+ for the last five years. We caught up with Chris Jones, NTT DATA's VP, for Central Government, to find out how the corporate changes have affected its Whitehall progress and its prospects for growth.



Martin Courtney | Report | 24-April-20

### SD-Wan: UK Market Update 2020

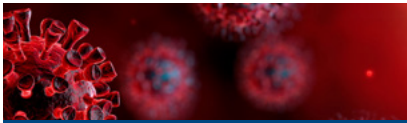
This report provides a snapshot of recent customer deployments of software defined wide area network (SD-WAN) solutions in the UK and Ireland. It goes on to discuss how suppliers and service providers are shifting focus away from the delivery of improved bandwidth and cost savings on existing client connectivity contracts towards secure, reliable access to cloud-hosted applications and services from distributed locations.



Angela Eager | UKHotViewsExtra | 21-April-20

### Tackling Covid-19: the acceptable face of data repurposing?

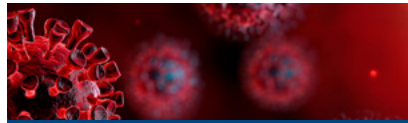
Data is central to understanding COVID-19, the measures and timing to tackle it, and how effective they are. In pursuit of these objectives, tech is there front and centre, including an emerging new role for tech and data able to provide insights into the spread of the coronavirus and related behavioural change across populations, aided by the use of AI/Machine Learning.



Jon C Davies | UKHotViewsExtra | 21-April-20

### Pricing the pandemic - how technology is transforming risk

Technology is increasingly providing insurers and other large organisations with the ability to assess realistic disaster scenarios relating to storm, flood, war, terrorism, industrial accident or global pandemic. Pricing the pandemic - how technology is transforming risk explores how advanced analytics, IoT and machine learning are transforming insurance processes, by helping insurers to accurately underwrite large risks and assess their exposure to major events.



Marc Hardwick | UKHotViewsExtra | 20-April-20

### Why Covid-19 will not break the internet

One of the most impressive sub plots to COVID-19 and a big "feather in the cap" of the tech industry has been the relative ease with which huge swathes of people have shifted to working, studying and socialising from home. Whilst it's sadly true that the health, social and economic consequences of the virus will be catastrophic, had COVID struck just 20 years ago the outcome could have been so much more disruptive.



Kate Hanaghan | Report | 15-April-20

### Pulsant: leaner & more resilient in uncertain times

We caught up with Pulsant CEO, Rob Coupland, just as the UK came to the end of week two in lockdown. The firm moved early, conducting a risk assessment in early March and ensuring support staff were able to provide continuity of customer service once the government guidance came into play. This report analyses some of the actions taken to improve operational capabilities and ready the firm for improved growth.



Anthony Miller | Report | 14-April-20

### Virus hits SITS stocks

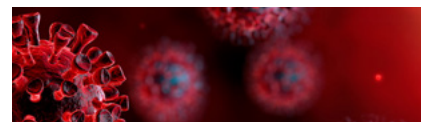
Our quarterly review of the UK software and IT services quoted sector scene with comparative share price performance against leading international software and IT services stocks.



Anthony Miller | Report | 13-April-20

### Offshoreviews Extra: Covid-19 and IPPs

This special edition of OffshoreViews serves as a scene-setter on the impact of COVID-19 on the India-centric IT services industry (the so-called Indian Pure-Plays or IPPs), ahead of the publication of their quarterly (and in many cases, full-year) financial results. The Indian reporting season starts week beginning 13th April 2020. We will present a fuller analysis of the financial impact of COVID-19 in the next edition.



Dale Peters | UKHotViewsExtra | 09-April-20

### Covid-19 contact tracing apps: privacy and freedom

Lockdown measures appear to be proving effective at flattening the curve of new COVID-19 cases, but this obviously comes at a huge social and economic cost. No country has yet devised an effective long-term exit strategy. Contact tracing apps have been suggested as part of the solution but how much of our privacy are we willing to give up in return for greater freedoms?



Dale Peters | Report | 03-April-20

### Digital Marketplace Dashboards P11 2019-20

Monthly dashboards of the key sales data from the G-Cloud and Digital Outcomes & Specialists (DOS) frameworks. February 2020 (P11 in the government fiscal year 2019-20).



Jon C Davies | Report | 01-April-20

### UK Financial Services SITS Sub-sector comparison

This report introduces our segmentation and analysis of the main sub-sectors that constitute the UK financial services industry and explores the market for software and IT services (SITS) therein. The document examines the main market segments and explains the various vertical business functions that comprise each of them.



Richard Holway | UKHotViewsExtra | 01-April-20

### Share Indices in Mar 20 and 2020 YTD

March turned out to be the most momentous month in my memory as COVID-19 hit share prices throughout the world. There were some notable gainers with products and services addressing the needs of a world in lockdown. Conversely 90% of the stocks we cover recorded falls in Q1. Some, like Capita, with 80% declines in their share price. The Future? Some tech companies could be the winners once this crisis is over as the world is unlikely to go back to its past ways.



### Early-stage funds still investing but at lower valuations – Anecdotal comments

A straw poll conducted by our very good friends at Corporate Advisory network, ScaleUp Group, suggests that early-stage funds are still investing, although the vast majority expect valuations will be significantly lower than pre-C-19. The poll included both VCTs and non-VCTs. Among the funds who responded, nearly 80% said that C-19 has not stopped them investing in new opportunities or in their existing portfolio.



### AWS: Operationalising AI/ML

This report explores how AWS is approaching the challenges end user organisations face when moving AI/ML-backed projects into enterprise-wide production. It looks at the three layer approach and areas of focus; and how they compare to Microsoft Azure and Google Cloud.



### Telecoms and conferencing rise to remote working challenge

The sudden escalation in use of unified communication and collaboration (UC&C) applications and services precipitated by the COVID-19 outbreak is adding considerable strain to telecommunications networks, whilst simultaneously bringing large numbers of prospective long-term customers into the embrace of willing suppliers.



### Public Sector Supplier Prospects 2020 and Beyond

In Public Sector Supplier Prospects 2020 and Beyond, we look at the Top 20 suppliers in the UK public sector software and IT services market. We review recent progress, look at the key market challenges and assess what suppliers need to do to maximise their potential now and for the future.



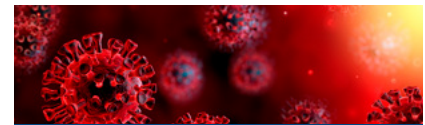
### Getting beyond the hype – RPA adoption and value delivered “on the ground”

Second in a series of case studies looking at how RPA is being adopted, in this research note, we publish an interview with Darren Atkins, Chief Technology Officer at East Suffolk and North Essex NHS Foundation Trust into how automation is gaining traction within the health service.



### Future Growth in RPA

This report looks at where the Robotic Process Automation (RPA) market is today, what the adoption of automation looks like in practice, and what is likely to drive the next wave of growth within the market. It concludes with a range of recommendations for both software vendors and service providers.



### COVID-19: Impact on the tech sector - suppliers, customers & market trends

TechMarketView outlines its current thinking on the impact of the COVID-19 situation on the UK tech market;

- How have IT suppliers reacted?
- What are their customers saying?
- What will be the short-term and long-term impact?
- Who will be the suppliers with the most resilient revenues?



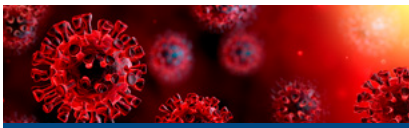
### Getting beyond the hype (Part 2) – RPA adoption within the NHS

To get a true picture of RPA adoption and the real value that the technology is delivering to organisations “on the ground”, we are showcasing this week two case studies outlining how a major insurance provider and an NHS Trust are separately adopting RPA. Here we interview Alastair Robertson, Head of Continuous Improvement and Automation at Zurich UK.



### IndustryViews Venture Capital - Q4 2019 Review

Early stage UK and Irish technology companies received a record level of funding in 2019 according to the latest data from corporate finance firm, Ascendant. The aggregate value of venture capital funding in 2019 was £8.2b, up 28% from the previous year. There were 1,069 funding deals of more than £0.5m announced - just 1% higher than in 2018. See more, including over 30 pages of commentary on selected UK VC tech deals in this issue.



Kate Hanaghan | UKHotViewsExtra | 13-March-20

### COVID-19: Forcing a gear-change in employee workplace experience?

The escalating COVID-19 crisis is taking us into uncharted territory – economically, socially, and of course, health-wise. Drastic measures being taken by organisations to keep employees out of offices and into remote working locations have become increasingly common, where possible. Each organisation has responded in a different way to the protection of their employees and mitigation against the further spread of the Coronavirus.



Dale Peters | UKHotViewsExtra | 12-March-20

### Budget 2020: Public services investment

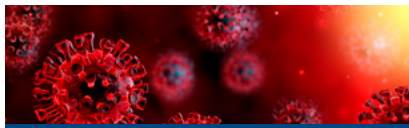
Against the backdrop of the global outbreak of COVID-19, and having been in role for just 28 days, the Chancellor of the Exchequer Rishi Sunak delivered the Government's Budget 2020. In *Budget 2020: Public Services Investment*, we consider the impact of both short-term, COVID-19-related, response to public services investment, and the longer-term commitment to investing in our public services.



Jon C Davies | UKHotViewsExtra | 06-March-20

### "Don't throw the baby out with the bath water" - the perils of business transformation

I recently caught up with a former DXC colleague, George Vitelis, to discuss the evolving technology landscape within financial services and the challenges of conducting business transformation. DXC "wrote the book" on largescale transformation and treated itself as "Client Zero" for many emerging digital technologies and business process trends.



Martin Courtney | UKHotViewsExtra | 13-March-20

### COVID-19 escalates war on digital viruses

Our Tech Insights research usually focusses on a different type of infection, but Coronavirus (COVID-19) is having a significant impact on organisational approaches to cyber security too. COVID-19 escalates war on digital viruses. We've compiled a list of the ways the pandemic is altering the threat landscape and how best enterprise IT departments can prepare to meet those challenges.



Georgina O'Toole | UKHotViewsExtra | 12-March-20

### Budget 2020: Business, innovation and productivity

In this second research note from the Chancellor of the Exchequer Rishi Sunak delivered the Government's Budget 2020, we consider the implications for tech firms in the UK market. In *Budget 2020: Business, Innovation & Productivity*, we look at the announcements from two angles; how will companies benefit from the stimulus and secondly, where are there clear areas where Sunak's investment will drive spending in the tech sector.



Marc Hardwick | UKHotViewsExtra | 05-March-20

### Capita to spend more on restructuring as it looks to the future

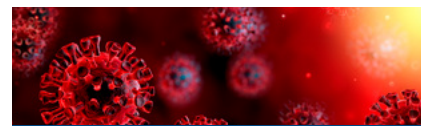
Capita's recent annual results provide a detailed view of where the company sits two-thirds of the way through its ambitious and much needed transformation programme. Headlines this morning will focus on the need to spend more than initially planned on its transformation but there is of course a lot more to it than that!



Kate Hanaghan | UKHotViewsExtra | 12-March-20

### Computacenter breaches £5bn revenue milestone in FY19

Computacenter saw its top line pass the £5bn milestone in 2019 with revenue growing 16.1% to £5.05bn in its FY19. That performance was based on the Technology Sourcing (resale) business growing 20.3% and the Services business growing at 4.7%. Not all of that growth was organic, with 80% of the £732.2m it added in revenue coming from acquisitions. CEO Mike Norris believes 2019 will be hard act to follow.



Dale Peters | UKHotViewsExtra | 10-March-20

### Using AI to fight COVID-19

When a new kind of coronavirus started to emerge from the Wuhan, China in late 2019, amongst the first to notice was Canadian firm BlueDot. The company is one of a number that combine large datasets with artificial intelligence (AI) algorithms to automate infectious disease surveillance, helping medical experts recognise anomalies that may indicate emerging epidemics. In this UKHotViewsExtra article we take a closer look at the role AI is playing in the fight against COVID-19.



Anthony Miller | Report | 04-March-20

### OffshoreViews Q4 2019: The Productivity Challenge

Despite the many productivity initiatives that the Top-Tier 'Indian pure-plays' (IPPs) have been undertaking over the past few years, the effect on revenue per FTE has been at best mixed, and in terms of profit per FTE, a downright disaster. You can see more in this edition of OffshoreViews, along with our regular snapshots of the top-tier players and a round-up of the mid-tier scene.



Martin Courtney | UKHotViewsExtra | 03-March-20

### Vysiiion acquisition swells exponential-e public sector revenue

Exponential-e's acquisition of Wiltshire-based IT communications and solutions specialist Vysiiion Group will add around £19m to the hybrid cloud and network service providers annual turnover and swell its total headcount to over 700 employees. Terms of the deal were not disclosed, but we estimate the merger of the two companies creates a formidable IT communications service provider with a stable and expanding base of public sector customers.



Dale Peters | UKHotViewsExtra | 02-March-20

### NHSX details vision for NHS Tech Plan

NHSX will be engaging on a Tech Plan for health and care throughout Spring and Summer 2020. It is looking for stakeholders to participate in the development of the plan to ensure it supports the health and care system to deliver the ambition set out in the NHS Long Term Plan, NHS Tech Vision, and the forthcoming NHS People Plan.



Angela Eager | Report | 02-March-20

### Introducing Frictionless Fabric: Architecting the ultimate digital entity

This report introduces the Frictionless Fabric, the model for the ultimate digital entity. TechMarketView's Frictionless Fabric is a guide to how software and services are realigning and combining for the digital age and identifies the areas end user organisations and suppliers should be investing in as they architect the ultimate digital entity.

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