Cognizant's platform-based approach for data-driven BigDecisions

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The company is an experienced provider of business intelligence and reporting services, but new pressures in the market are validating its BigDecisions analytics platform.
Cognizant has several analytics services available that use a platform approach. In the digital marketing area – for the pharmaceutical industry, as an example – it has a trial management platform and ecosystem to deliver analytics as part of business process outsourcing (BPO) contracts that have been operational for the past four years. The company also offers managed analytics as a service (MAaaS) around sales force compensation and incentivization in the pharmaceutical industry. Cognizant’s stated strategic direction for 2020 is to further advance this platform-based approach to service delivery.

THE 451 TAKE
Cognizant was one of the first IT service providers to get to market with a platform-based approach to providing advanced analytics service capabilities for clients when it launched BigDecisions Platform in 2012. Consequently, the company’s approach is proven in the market in several sectors, but it is probably in healthcare and life sciences where it has used the technology to create the most clearly differentiated offerings. Its closest competitors are catching up with the launch of their own MAaaS platforms, so the company must maintain its momentum to ensure it benefits from its first-mover advantage.

CONTEXT
Cognizant is a $12.4bn offshore service provider that is headquartered in New Jersey. In terms of verticals, 40% of revenue comes from financial services and insurance, 29% from healthcare, 19% from manufacturing/retail and 11% from other sectors. Geographically, revenue is split roughly 78% North America, 16% EMEA (where the UK is the largest country market) and 5% Asia-Pacific.

Cognizant has been operating in the managed analytics market for the past eight years, and is now doubling down on this capability for its 2015-20 strategy, which is underpinned by its platform-based approach for next-gen IT services. Its analytics capabilities span consulting services, managed IT services and BPaaS platforms. This report focuses on its platform-based approach to analytics via its BigDecisions offering.

BIGDECISIONS
Cognizant’s BigDecisions platform has a set of components that are pre-integrated, and is taken to customers fully built. In this way, the company can quickly turn data into insight, acting as a type of insight broker for customers. To do this it provides data management, data integration and data quality services, as well as pre-packaged assets that are pre-defined and repeatable.

The BigDecisions platform is cloud-based and available on multiple cloud environments. Cognizant has its set of data connectors (called SmartConnectors) that it configures for the size and scale of the users in the customer’s scenario. The data management layer of the capability is driven via multiple technologies (including Hadoop, NoSQL, relational and columnar databases) to create apps using structured and unstructured data. To do this, Cognizant has tested Hadoop distributions and BI visualization tools to offer as part of the service.

Cognizant’s accelerators for analytics typically take the form of workbenches (such as the data integration workbench with SmartConnectors and open source plug-ins) that provide a framework and assets so that it can use ETL tools to load data into data lakes. Cognizant also has data-governance and -quality workbench accelerators that are pre-defined.

On top of this, Cognizant provides three different types of analytics apps: vertically focused, cross-industry (where, for example, sentiment analysis can be applied to a patient in healthcare or a consumer in retail) and custom apps. For custom apps, customers can use the platform to build their own application, or Cognizant can do the build.

Cognizant can provision the end-to-end environment in one day and showcase an app in a day to a week. Cognizant typically undertakes a four-week engagement to configure and tweak the prebuilt app for the customer, and offers a 12-week cycle to deliver the desired custom outcome that the customer is buying. With BigDecisions, Cognizant is providing a tested technology backbone and over 30 apps, of which around eight are digitally focused.
Cognizant’s digital business applications include:

- SightPrism – an integrated customer journey analytics capability.
- ONERetail – an integrated enterprise information platform for the retail sector.
- Fleetmatics – a BI analytics capability for the auto sector to help it understand vehicle performance and efficiency parameters.
- Sales Analytics – a cloud-based platform BI offering to help pharmaceutical and biotech companies improve their agility around product launches, sales force compensation and market movement indicators.

SERVICES

Its flagship BigDecisions platform, which supports both the delivery of PaaS and business apps, powers Cognizant’s managed-analytics-as-a-service capability. BigDecisions has been available for nearly four years, and is the company’s main way to go to market in this area.

The level of customization provided varies. So, for example, with BigDecisions Sales Analytics, Cognizant provides the data models and data integration with external sources, but gives customers the option to customize the app.

With its BPaaS offerings Cognizant can operate at either end of the services spectrum – it can provide a platform with a white glove professional service wrapper that is customized, but it can also offer more of a pure SaaS model. In life sciences, with its TriZetto acquisition, Cognizant has a pure-play SaaS capability, and it is learning from its own center of excellence around Salesforce to replicate best practice for delivering services around the SaaS model.

The platform can be delivered via public cloud and on-premises, using private cloud capabilities depending on industry or geography. For example, banks always want their platforms put on private clouds because of regulatory pressure.

Cognizant is driven by customer opportunity, and often begins with a consulting engagement around business applications, and then introduces the BigDecisions platform as one of the options for delivery, helping the customer to understand what the platform can bring to their business. Alternatively, customers may put an RFI out, and then Cognizant can use its BigDecisions with an existing data lake to provide a faster way to get a project started and deliver the results more quickly. Depending on the business problem the customer has, Cognizant can either use its own platform or select a partner platform upon which to provide a vertical offering.

Contracts typically last for three to five years. At the end of the contract, Cognizant brings both the app and the data back to the customer’s environment (on-premises or to an alternative cloud), and the licenses are transferred to the customer.

The pricing of the offering depends on the data platform and connectors required, as well as the level of users in the target landscape. This is combined with a price for the IT app, and then the services component involved for builds is factored in. Contracts are typically provided via fixed price or ‘time and materials.’ A sandboxing environment might cost hundreds of thousands of dollars, while delivering an application for three to five years will typically cost several million dollars.

STRATEGY

BigDecisions is a strategic imperative for Cognizant – it is making a bet on the platform approach as part of its 2020 plan. The company sees the market moving in this direction, in terms of Google and Amazon coming into the market with the next generation of business apps that take this platform analytics approach, as well as with buyers looking for more of an exploratory approach to triangulate answers to business questions, rather than taking the old BI confirmatory approach.

With BigDecisions Cognizant is typically selling to business architects in a functional area, such as supply chain, or to the corporate CIO wanting to create a platform as a backbone for operational models. Other examples include selling to the chief analytics officer (a role more prevalent in the healthcare sector) or to a chief data officer taking a governance angle in financial services.
Customers usually take a PaaS capability, using the platform and the app without having to source the infrastructure. Line-of-business buyers tend to simply take the apps, or Cognizant can deliver the application and the insight directly to end users. Each of these as-a-service models is enhanced by Cognizant’s demonstrable managed service competency.

Cognizant can use different components of the platform approach to deliver to different types of end users: It can establish a sandboxed area for data scientists to play in, or deliver to business users or to technology teams. With its Behavioral BI capability, it can personalize insight to cater to changing decision-making behavior, as well as helping users understand the business context and data lineage by providing both the information and its related meta data in the same view, making it much easier to share information.

Cognizant is currently integrating this Behavioral BI capability with BigDecisions so that it can push out reports that are important to individuals and their peer groups. The company is continuing to invest in the MAaaS area by developing more business applications in digital-process areas for vertical sectors and by enhancing the platform with new technology elements, such as Kafka for IoT use cases.

**COMPETITION**

For its MAaaS capabilities, Cognizant’s competitors include traditional consulting-led companies, such as Accenture, Deloitte and EY; IT service providers, such as Capgemini, Infosys and Wipro; and platform product vendors, such as Hewlett Packard Enterprise, IBM and Teradata. Aside from the usual global suspects, the MAaaS market includes many new entrants, since the entry cost is low because there is no need to invest up front in infrastructure assets. Players such as Cloudwick Technologies, Avalon Consulting, Search Technologies, Data Intensity and Trace3 are all in a position to win business.

However, given Cognizant’s strength in combining application services with analytics and BI with its BigDecisions platform, its closest competitors are likely to be Accenture with AIP; Capgemini with its Insights-as-a-Service and Insights 360° offerings; IBM with its PureData for Analytics system, and its BigInsights and BigSQL capabilities; Infosys with its Aikido strategy, which embraces platforms and analytics; and Wipro with its Data Discovery Platform.

**SWOT ANALYSIS**

**STRENGTHS**

Cognizant draws on a decade of analytics expertise, and was one of the first service providers to develop a platform approach for MAaaS, allowing it to claim a first-mover advantage, having launched BigDecisions in 2012. Because of this, it has more experience in MAaaS than the majority of its competitors.

**WEAKNESSES**

Cognizant needs to keep on track with a fast-paced technology roadmap for its platform approach, and probably needs a clearer articulation of how its evolving SaaS offerings fit with the PaaS approach it is also offering.

**OPPORTUNITIES**

Cognizant has a large opportunity for MAaaS as a natural evolution for its existing application-services customer base to take, as well as to appeal to new digital service opportunities. As the market matures, moving from one-app test projects to enterprise-wide use cases, its BigDecisions platform and services operating model will help it grow.

**THREATS**

It is early for the MAaaS market, but it is becoming clear that there will be as many insight platforms and prepackaged IP vendors as there are IT service providers in this space. Cognizant will have to work hard to distinguish itself among larger and noisier players with deeper marketing pockets.