Everest Group PEAK Matrix® for Analytics and AI Services Specialists Service Provider 2021

Focus on Fractal Analytics
December 2021

Background of the research

Enterprise adoption of outcomes-based advanced analytics and AI initiatives is rapidly rising. However, organizations are still unable to achieve the full benefit of these initiatives due to data-related challenges, shortage of analytics and AI talent in the market, and lack of organizational readiness to adopt new technologies. They are looking for service providers that have good domain knowledge and expertise in advanced technologies. Analytics and AI services specialists are well-positioned to help enterprises adopt and scale initiatives due to their proactive investments in data engineering capabilities, in-depth experience in catering to domain- or industry-specific analytics requirements, and investments in acquiring and upskilling advanced analytics and AI talent.

In this research, we present an assessment and detailed profiles of analytics and AI services specialists featured on the Analytics and AI services specialists PEAK Matrix®. Each service provider deep dive provides a comprehensive picture of its services focus through a snapshot of its key strengths and limitations, as assessed by Everest Group. The assessment is based on Everest Group's annual RFI process for calendar year 2020 and 2021 H1 (January-June), interactions with leading analytics and AI services specialists, client reference checks, and an ongoing analysis of the analytics and AI services market.

This report includes the profiles of the following 15 leading analytics and AI specialists featured on the Analytics and AI services specialists PEAK Matrix®:

- **Leaders:** Fractal Analytics and Mu Sigma
- **Major Contenders:** Affine Analytics, Axtria, BRIDGEi2i, Course5 Intelligence, LatentView Analytics, Quantiphi, Quantium, TheMathCompany, Tiger Analytics, and Tredence
- **Aspirants:** Convergytics, Merilytics, and Quantzig

Scope of this report:

Geography
Global

Service providers
15 analytics and AI services specialists

Services
Analytics and AI services (refer to page 10 for scope of the research)

Analytics and AI Services Specialists PEAK Matrix® characteristics

Leaders:

Fractal Analytics and Mu Sigma

- Leaders have inter-disciplinary capabilities across areas including design thinking, behavioral sciences, data science, and data engineering. They take a holistic approach to problem-solving through their in-depth domain expertise and focus on acquiring and developing talent
- They have actively focused on organic and inorganic investments to bridge the portfolio gaps and achieve full analytics and AI services play and build domain capabilities
- Leaders have significant focus on talent development and have invested in extensive internal training programs to build talent with advanced skill sets. They have also invested in building talent pipeline through joint curriculum development with academic institutions
- They are also actively building a strong suite of data engineering, advanced analytics, and AI IP through acquisitions and in-house investments
- Their ability to provide support for pointed analytics use cases focused on driving business impact and long-term value, quality of solutions delivered, and good account management have further differentiated them in the market

Major Contenders:

Affine Analytics, Axtria, BRIDGEi2i, Course5 Intelligence, LatentView Analytics, Quantiphi, Quantium, TheMathCompany, Tiger Analytics, and Tredence

- Major Contenders have shown high confidence in their sweet spots within the analytics and AI services stack including cloud, data engineering, and custom AI solutions
- These providers are steadily building their data engineering and cloud capabilities. Some of them have also started investing in niche areas such as MLOps to help enterprises scale their AI initiatives
- Major Contenders are also investing in talent development programs, developing IP, and technology vendor partnerships

Aspirants:

Convergytics, Merilytics, and Quantzig

- Aspirants have strengthened their capabilities in key analytics and AI focus areas and domains
- The majority of their investments are directed toward upgrading and improving the features of their flagship analytics solutions

Everest Group PEAK Matrix®
Analytics and AI Services Specialists PEAK Matrix® Assessment 2021 | Fractal Analytics positioned as Leader

Everest Group Analytics and AI Services Specialists PEAK Matrix® Assessment 2021[1,2,3]
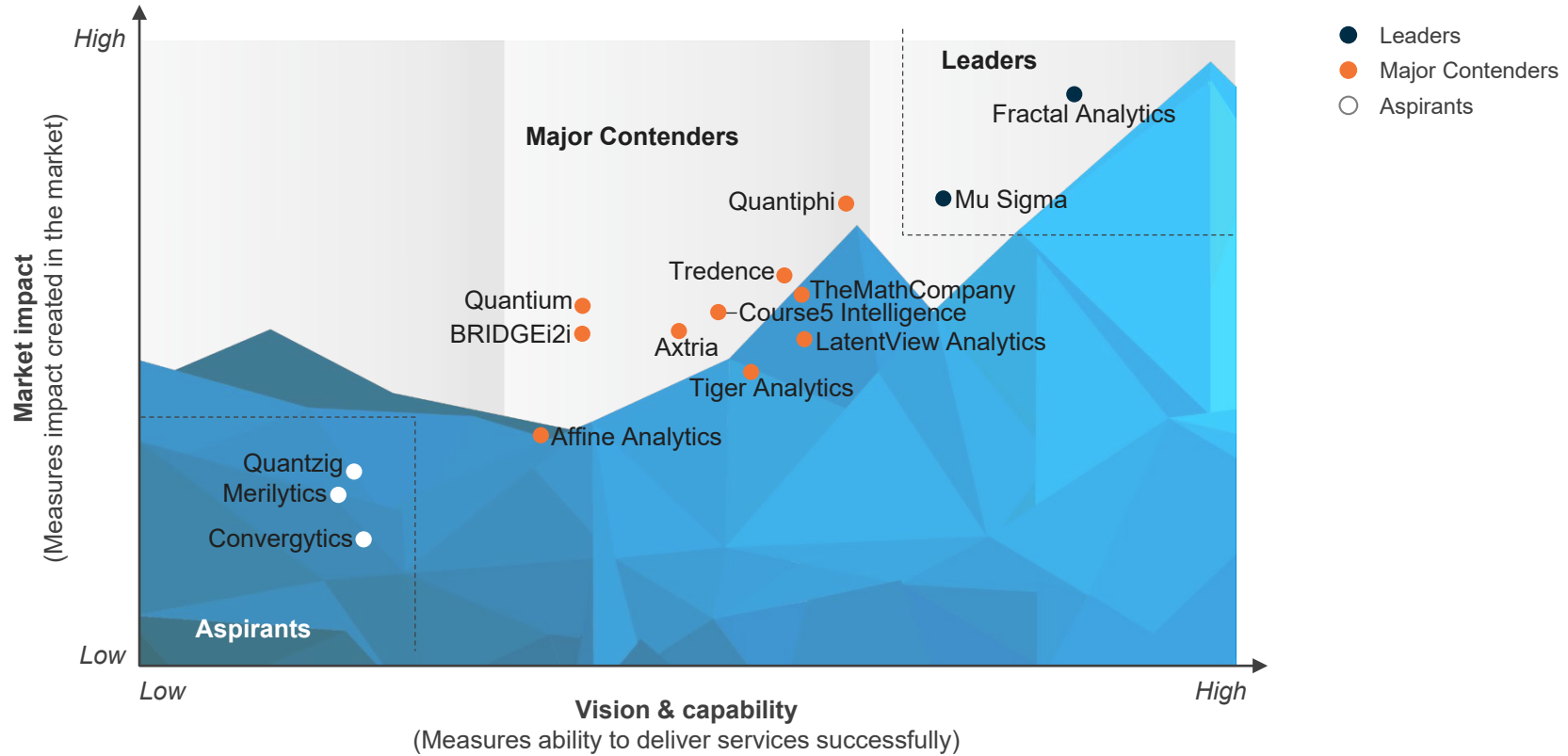
1   Assessments for Affine Analytics, Axtria, Convergytics, LatentView Analytics, Merilytics, Quantium, Quantzig, Tiger Analytics, and Tredence exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers. For these companies, Everest Group's data for assessment may be less complete.
2   Assessment based on data collected for CY2020 and 2021 H1.
3   BRIDGEi2i is assessed based on data collected for CY2020 and 2021 H1. Accenture has completed acquisition of BRIDGEi2i as of November 2021.
Source: Everest Group (2021).

Fractal Analytics | analytics and AI services profile (page 1 of 5)
Everest Group assessment – Leader

Measure of capability: ◔ Low ● High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◕	●	◔	◕	◕	◔	◕	◑	◔

Strengths

- Fractal Analytics has built inter-disciplinary capabilities with skill sets across behavioral sciences, design thinking, data science and AI, and cloud engineering, which differentiates it in its ability to take a holistic approach to problem-solving. For example,
  - Further to its acquisition of a behavioral architecture firm Final Mile in 2018, Fractal Analytics continued to build niche skill sets through internal investments
  - It strengthened its data engineering and cloud capabilities through partnerships with companies such as AWS, Azure, GCP, Snowflake, and Databricks
- It focused on inorganic investments to further strengthen its existing strong suite of advanced analytics and AI IP with acquisitions such as – Samya.ai (for revenue growth management capabilities) and Zerogons (for AI and cloud engineering capabilities)
- It also actively focused on research and development with investments in emerging areas such as quantum computing (partnership with AWS), AI Ethics, and AI community building (investment Analytics Vidhya – a data science community and knowledge portal)
- Buyers see it as a preferred partner for high-end analytics use cases and appreciate its focus on business impact and long-term value creation

Limitations

- It has a concentrated portfolio with the majority of its analytics engagements from CPG & retail. It has plans to strengthen its presence in other industries such as BFSI and healthcare & life sciences. Enterprises outside its core industries need to evaluate its capabilities carefully
- Most of its delivery base is in India; clients with greater onshore presence requirements need to evaluate such constructs upfront
- Some of the reference buyers cited that though Fractal Analytics has invested in multiple products, bringing connectivity to these products more consciously can help it see the big picture vis-à-vis its current point solutions-based approach
- Its emphasis on expanding the scope of existing engagements with clients received mixed responses from referenced clients. While some appreciated efforts for value creation across the enterprise, others perceived it as aggressive and overwhelming

Fractal Analytics | analytics and AI services profile (page 2 of 5)
Overview

Company overview

Fractal Analytics is an AI firm that provides AI, engineering, and design services to its clients. It leverages data science and advanced analytics tools to help enterprises improve decision-making processes. The company's clientele spans several industry verticals including retail & CPG, HLS, technology, media, and telecom.
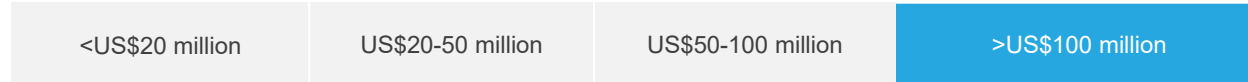
Key leaders
- **Srikanth Velamakanni:** Co-founder, Group Chief Executive and Vice Chairman
- **Pranay Agrawal**: Co-founder and Chief Executive Officer

Headquarters: New York, USA

Website: https://fractal.ai

Analytics and AI services revenue (2021)

<US$20 million	US$20-50 million	US$50-100 million	>US$100 million
			>US$100 million

Analytics and AI offerings

- Fractal's capabilities include data engineering, scaling analytics and AI for enterprises, finance analytics, behavioral science, end-to-end (E2E) data solutions platform (StreamFlux), and various analytical capabilities across customer experience and supply chain functions. The company also offers solutions centered around forecasting, revenue growth management, image and video analytics, and text analytics, among others. Fractal's AI framework includes five AI products – Crux Intelligence, Senseforth.ai, Samya.ai, Qure.ai, and Eugenie.ai

- The company recently invested in the cloud AI business by partnering with cloud providers – AWS, GCP, and Azure. It invested in building its AI capabilities by acquiring cloud AI provider, Zerogons and revenue growth management firm, Samya.ai. It also invested in its design & behavioral Sciences arm and in data engineering capabilities such as text mining and machine vision. Additionally, it has invested in the conversational AI firm, Senseforth.ai and in the data science and analytics community, Analytics Vidhya

Legend: ▢ Low (<10%) ▢ Medium (10-20%) ▢ High (>20%)

Client portfolio by industry

BFSI	Energy and utilities	Technology
Healthcare and life sciences	Telecom, media, and entertainment	Retail, distribution, and CPG
Public sector	Manufacturing	

Client portfolio by buyer group

Small (annual revenue < US$1 billion)	Medium (annual revenue = US$1-5 billion)	Large (annual revenue > US$5 billion)
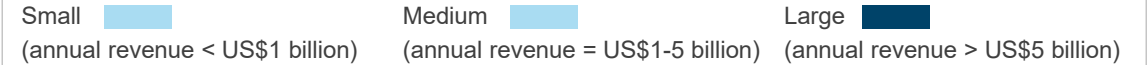
Client portfolio by geography

Source: Everest Group (2021).
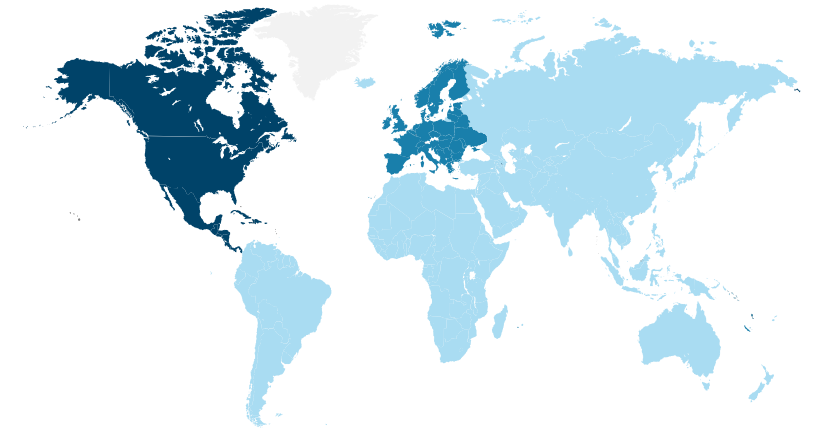
Fractal Analytics | analytics and AI services profile (page 3 of 5)
Key delivery locations

- London
- Frankfurt
- Geneva
- Kyiv
- Toronto
- US (20+ locations)
- Gurgaon
- Shanghai
- Mumbai
- Bangalore
- Singapore
- Sydney

Source: Everest Group (2021).

Fractal Analytics | analytics and AI services profile (page 4 of 5)
IP and partnerships

IP overview
• Fractal's AI framework provides solutions for problems involving areas such as algorithmic decision making, model development & governance, machine vision, conversational AI, and augmenting intelligence through unstructured new data sources and RPA
• Fractal launched its Ideas2Business program that currently includes over eight software solution platforms and four AI companies – Crux Intelligence, Qure.ai, Theremin.ai, and Eugenie.ai

Analytics and AI services IP (representative list)	
Solution	**Details**
Crux Intelligence	It empowers users who are non-data scientist to do data scientist level of analysis and discovery to make decisions in a self-reliant manner.
Eugenie.ai	Eugenie.ai uses AI to improve the reliability and environmental sustainability of heavy machinery; this is done by two patented products – Ray-Finn and Papillon; Papillon processes the data ingested by Ray-Finn with AI algorithms to predict machine performance anomalies, failures, and remaining useful life. This product is incorporated with unsupervised ML, deep neural networks, generative adversarial networks. explainable AI, real-time predictive analytics, and prescriptive analytics.
Qure.ai	Qure.ai solutions, enabled with deep learning technology, provide interpretations of radiology scans. Qure.ai's chest X-ray automation and interpretation solution, qXR, interprets chest X-rays to help automatically generate chest X-ray interpretation reports, detect tuberculosis, chronic obstructive pulmonary diseases, lung malignancies, and other medical emergencies.
Theremin.ai	Theremin.ai uses ML to drive quantitative investment strategies for the India market. This deep reinforcement learning platform identifies investment opportunities in financial markets by incorporating conventional and alternate data.

Partnerships (representative list)	
Partner name	**Details**
Amazon Web Services	Fractal is an AWS advanced technology & retail competency partner and a member of the AWS Accelerate Program. Through this partnership, Fractal and AWS deliver scalable solutions for clients in combination with business & technical support across industries.
Google Cloud Platform	Fractal is a build & services, data, and AI partner with Google. Through this partnership, Google and Fractal, jointly offer capabilities in cloud, AI, ML, and data science to their clients.
Microsoft Azure	Fractal is a Gold-certified partner with Microsoft. Through this partnership, Microsoft and Fractal, jointly offer capabilities in AI, ML, and data science to their shared customers.
Nielsen	Fractal is a member of Nielsen Connect. This partnership helps activate Fractal's products and services to its clients.

Source: Everest Group (2021).

Fractal Analytics | analytics and AI services profile (page 5 of 5)
Client engagements and recent investments

| Recent analytics and AI engagements (non-exhaustive)			
Client	**Year of signing**	**Geography**	**Engagement details**
A beverage company	Not disclosed	Not disclosed	Fractal used its integrated business planning and performance solution to simplify the reporting-led complexity in the processes of the client's organization. The solution leveraged predictive insights, exception reporting, and adoption through behavioral nudges and led to a 50% reduction in the team responsible for the work post implementation.
An insurance company	Not disclosed	Not disclosed	The client needed an enterprise-wide coordinated care platform to manage members' health proactively, provide appropriate care whenever needed, and enhance preventative care management. Fractal built an E2E care platform that enabled personalized and coordinated care to Medicare members with urgent needs and created a member prioritization model using semi-supervised learning techniques to prioritize members for interventions. This solution impacted member NPS engagement positively.
A technology company	Not disclosed	Not disclosed	The client was facing a leakage in sales opportunity as the conversion rates hovered between 0.8-1.2% and the omnichannel purchase was low. Fractal leveraged its patent pending AI technology, AIDE, to identify the root causes of the problem and provide improvements to the client. This solution led to a 25% increase in digital conversion rate leading to a US$1 billion in annual incremental customer lifetime value, a 50% increase in client revenue via surgical initiation of chats during customer journey, and an improvement in the digital self-serve rate leading to a 12% reduction in overall call volume.

Investments (representative list)	
Partner name	**Details**
Acquisition	In 2021, the company acquired Zerogons, a self-service enterprise AI solutions platform for citizen data scientists. In the same year, it also acquired Samya.ai, a provider of enterprise revenue growth management solutions. In 2018, the company acquired the behavioral architecture firm, Final Mile. Fractal also invested in conversational AI platform Senseforth.ai & Analytics Vidhya – world's largest community of data science and analytics.
Innovation Lab	Fractal Dimension is a unit that enables co-creation of frameworks jointly with the clients and solves problems using intelligence, emotion, speed & scale with AI, engineering, behavioral science, and design.
Talent	The company started Edu Tech, a Fractal certified data scientist program to upskill talent.
CoE	Fractal partnered with AWS to create a Quantum Computing CoE at Fractal.
Partnership	Fractal entered a partnership with IIT-Madras to jointly work on computational neuroscience.

Source: Everest Group (2021).

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
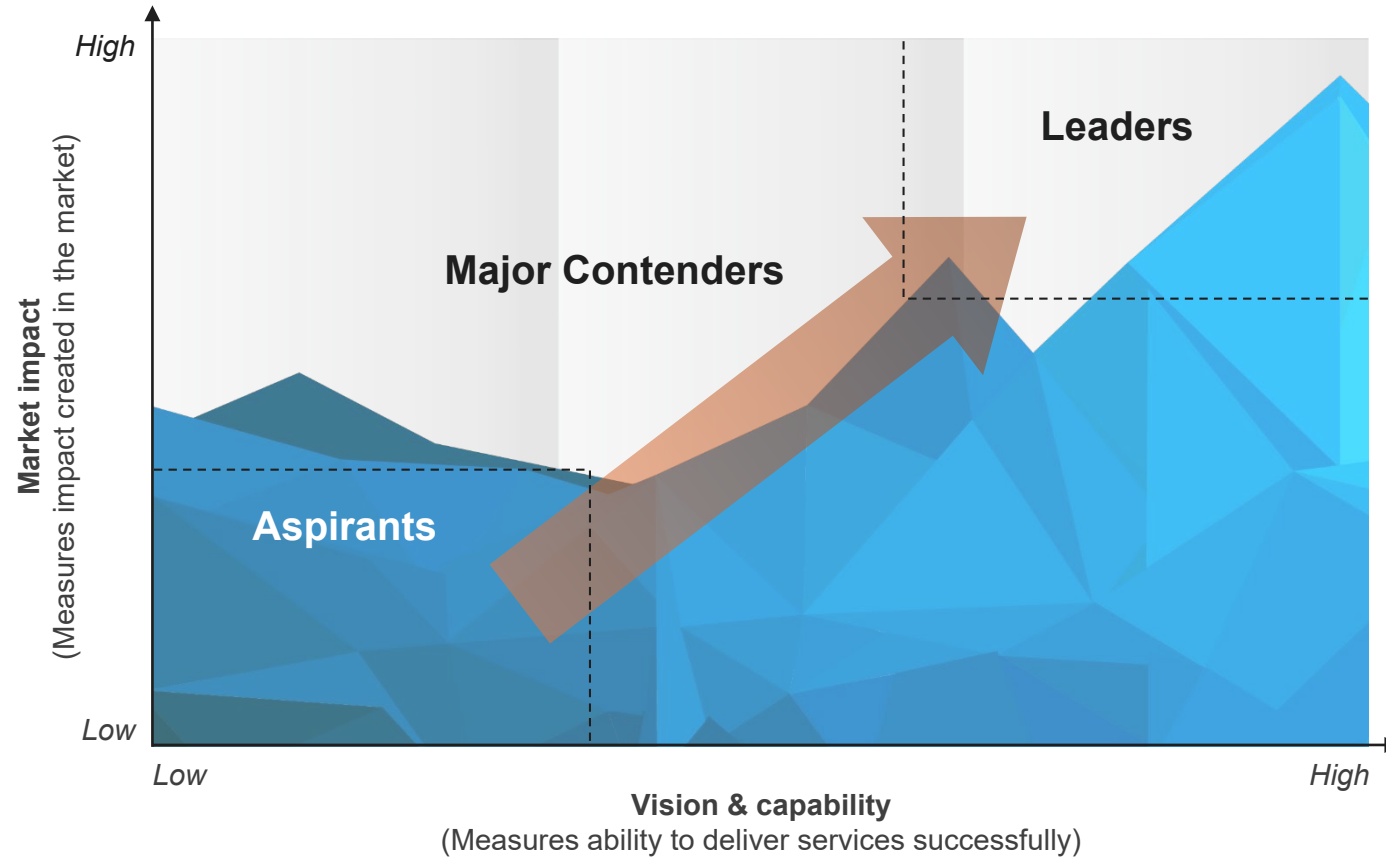
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market –
captured through three subdimensions

Market adoption
Number of clients, revenue base, YOY growth, and deal value/volume

Portfolio mix
Diversity of client/revenue base across geographies and type of engagements

| Value delivered |
| --- |
| Value delivered to the client based on customer feedback and transformational impact |

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability
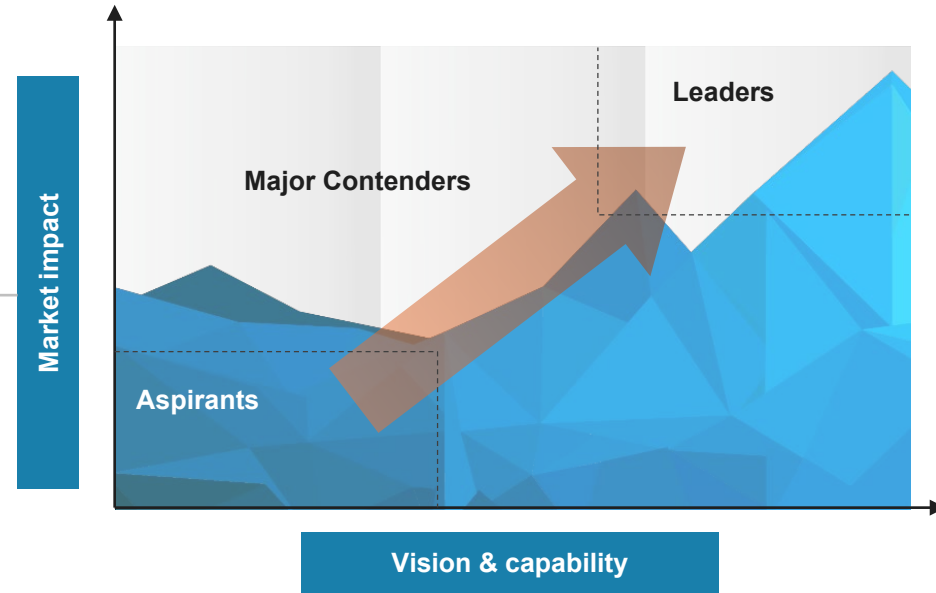
Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint
Vision for the client and itself; future roadmap and strategy	Depth and breadth of services portfolio across service subsegments/processes	Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.	Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology
Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix
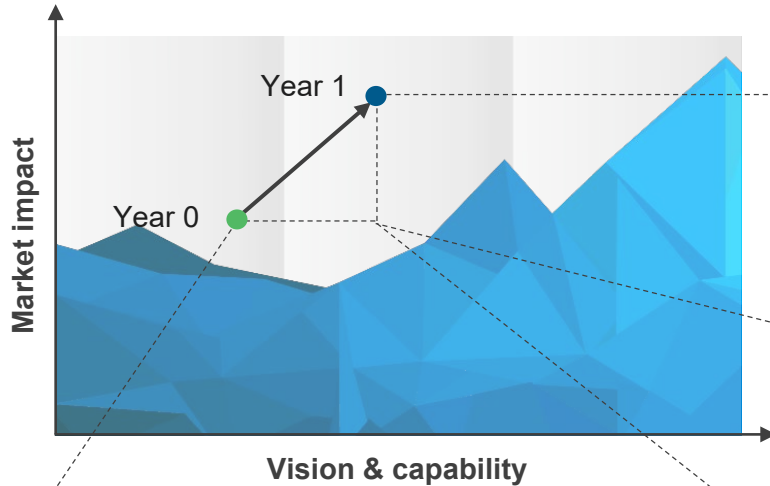
In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

Everest Group®

With you on the journey

Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global companies, service providers, and investors. Clients use our services to guide their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at **www.everestgrp.com**.

Stay connected

Website
everestgrp.com

Social Media

🐦 @EverestGroup

in @Everest Group

f @Everest Group

▶ @Everest Group

Blog
everestgrp.com/blog

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-647-557-3475