

PRESS RELEASE

PAC INNOVATION RADAR on AI-related services: Strong ratings for top five providers, but specialists make their mark

Munich, September 17, 2020 – Market research and consulting firm PAC has published the PAC INNOVATION RADAR “AI-related Services in Germany 2020” today. For this evaluation, PAC analyzed the services related to artificial intelligence (AI) offered by nearly 30 providers. A total of 21 organisations made it into the final assessment. The overall results rate five providers as “Best in Class”: Accenture, Deloitte, DXC, IBM, and TCS. Detailed evaluations in a total of seven business process-related segments show that when selecting a suitable service partner, user companies are well advised to also consider second-tier providers and specialists.

The overall evaluation of the PAC INNOVATION RADAR “AI-related Services in Germany 2020” is based on a catalogue of general criteria such as breadth of services, local delivery capability, and investments made in AI-specific solutions and methods as well as in the further training of employees. The evaluation of all available information produced the following results:

- **The number of AI experts remains relatively small.** The base of local experts with special AI know-how (programming, consulting, etc.) accounts for a very small share of overall staff, generally in the single-digit percentage range. An exception are specialists such as Alexander Thamm and pmOne, where large parts of the workforce are involved in AI- and data science-related projects on a regular basis.
- **Providers are making substantial investments in training.** It does not come as a surprise that training in AI plays a big role for all service provider. After all, this is an area characterized by enormous growth potential and a pronounced skills shortage. There are varying approaches. Some providers rely on regular webcasts, online training, and exchanges in virtual work groups. Others opt for structured face-to-face training at internal and external academies. A large share of training is also provided through the hyperscalers’ certification programs.
- **Most providers pursue a clear AI strategy.** The seriousness with which service providers pursue the topic of AI is reflected by how firmly it is embedded in their own corporate strategy. Where there are clear objectives, processes, methods, and a common understanding of the significance of AI, it is easier to justify investments and commitment to a business that still offers relatively limited market and project volumes. PAC’s evaluation points out various different approaches in this context. Many providers have defined AI as a central element of their business strategy, others prefer a rather tactical approach to AI projects.



PAC INNOVATION RADAR „AI-related Services in Germany 2020 – Overall Results“, PAC, 2020

The catalogue of general evaluation criteria tends to favor large providers because they boast a broader portfolio or more local capacities (see RADAR graph). However, the detailed evaluation presents a somewhat different picture, assessing providers' services according to experience, references, and portfolio in the following seven business process areas:

- Human resources/human capital management (HR/HCM)
- Sales, service, marketing (often subsumed under the term 'customer experience', CX)
- Production/IoT
- IT operations
- Logistics and supply chain management (SCM)
- Governance, risk, compliance (GRC)
- Financials and procurement

These RADARs yielded good ratings not only for large players such as T-Systems and Atos, but also for small and midsize providers with specialist know-how; examples are adesso in the segment GRC, Arvato Systems in the areas of logistics/SCM and sales/service/marketing, as well as Reply for projects in logistics/SCM, production/IoT and sales/service/marketing.

“We were able to assess a large number of reference projects. There are a lot of very impressive solutions which service providers have implemented together with their clients,” points out Joachim Hackmann, AI Analyst at PAC. *“Most of the projects aim at automation in production and improved customer relations. We see a lot of potential in segments such as financials/procurement and GRC. On the whole, our main impression is that when it comes to the deployment of AI in business processes, companies are still in the early stages.”*

For further information on the PAC INNOVATION RADAR “AI-related Services in Germany 2020”, please go to <https://www.sitsi.com/ai-related-services-germany-2020>.

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