Everest Group®

Everest Group Application Management Services PEAK Matrix® Assessment 2026

Focus on Kyndryl
October 2026

PEAK MATRIX®

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Introduction / Research background

Enterprise application estates are becoming more complex, distributed, and business critical as organizations manage legacy systems, packaged applications, and cloud-native platforms while increasingly embedding AI into applications and the business processes they support. In this environment, Application Management Services (AMS) is no longer limited to keeping applications stable through reactive support. It is evolving into a business-centric, AI-native model that combines resilience, operational intelligence, continuous enhancement, and transformation across the application portfolio.

Enterprises are increasingly looking for AMS providers that can embed observability, predictive intelligence, automated runbooks, AI-led operations, and AI-led corrective actions into day-to-day operations. The objective is to move from ticket-centric execution to proactive, insight-led application management that improves operational efficiency while also creating business value simultaneously. As generative AI, agentic AI, and intelligent automation mature, AMS operating models are also changing. Providers are investing in AI-led delivery, platform-focused AMS constructs, run-and-evolve models, telemetry-driven estate intelligence, and productivity-linked commercial models.

In the research, Everest Group assesses 35 leading AMS providers on their ability to deliver across the core run-and-sustain scope, while also enabling the next wave of AMS evolution through structural shifts in technology, scope, solutions, and engagement models.

The full report includes the profiles of the following 35 leading application management services providers featured on the Application Management Services PEAK Matrix® Assessment 2026:

- **Leaders:** Accenture, Capgemini, Cognizant, Deloitte, HCLTech, IBM, Infosys, TCS, and Wipro
- **Major Contenders:** Altimetrik, Birlasoft, Brillio, Coforge, Datamatics, DXC Technology, Everforth Quinnox, FPT Software, Hitachi Digital Services, HTC Global Services, Kyndryl, LTM, Mphasis, NTT DATA, Softtek, Sopra Steria, Sutherland, Tech Mahindra, Virtusa, and YASH Technologies
- **Aspirants:** Aspire Systems, Crest Data, Dexian, Innova Solutions, ITC Infotech, and Mastek

Scope of this report

Geography: global

Industry: all industries

Services: application management services

Use cases: multiple

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Scope of the evaluation

The research assesses the evolution of AMS beyond reactive maintenance toward AI-augmented, proactive, run-and-evolve services



Application development

- Greenfield application development and product engineering
- New application / feature build and implementation
- Development-led transformation programs



Quality Assurance

- Stand-alone testing and quality engineering services
- Test strategy, execution, and automation
- Independent validation and assurance engagements

Focus of research



Application management

- Alerts, incidents, requests, and knowledge management
- Root-cause correction, defect prevention, and application sustainment
- Continuous improvement, minor enhancements, and proactive remediation



Application transformation

- Stand-alone application modernization
- Large-scale re-platforming, refactoring, and migration
- Transformation programs outside ongoing AMS engagements

The research assesses the evolution of AMS beyond reactive maintenance toward AI-augmented, proactive, and value-led run-and-evolve services

Included in scope

- Event / alert intake, incident, request, and knowledge management
- Root-cause analysis, defect fixing, recurrence reduction, and performance remediation
- Patch, version, configuration, environment, and compliance management
- AMS-led minor enhancements and micro-transformation
- Observability, AIOps, predictive intelligence, and automated runbooks
- Continuous improvement and multi-tower AMS consolidation

Excluded from scope

- Stand-alone service desk operations
- Greenfield application development
- Stand-alone application modernization/transformation

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Application management services PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, Deloitte, HCLTech, IBM, Infosys, TCS, and Wipro

- Leaders are characterized by broad AMS scale, mature global delivery models, and strong experience in managing complex, multi-region estates across custom, packaged, SaaS, cloud-native, and legacy applications
- They stand out for embedded and commercialized platform-led AMS investments spanning AIOps, observability, Site Reliability Engineering (SRE), automated runbooks, agentic workflows, knowledge automation, and proactive remediation
- Leaders are increasingly shaping run-to-evolve AMS through integrated application infrastructure ownership, outcome-linked commercials, partner ecosystems, and business-aligned transformation roadmaps

Major Contenders

Altimetrik, Birlasoft, Brillio, Coforge, Datamatics, DXC Technology, Everforth Quinnox, FPT Software, Hitachi Digital Services, HTC Global Services, Kyndryl, LTM, Mphasis, NTT DATA, Softtek, Sopra Steria, Sutherland, Tech Mahindra, Virtusa, and YASH Technologies

- Major Contenders demonstrate credible AMS depth across select industries, platforms, geographies, and engagement types, often supported by strong domain focus and client intimacy
- They are actively investing in AI-led operations, observability, automation, AMS-specific IP, and flexible commercial models, although maturity and adoption vary across portfolios
- Major Contenders compete through targeted differentiation, agility, and value orientation, while continuing to build broader global scale, multi-tower ownership, and enterprise-wide proof points

Aspirants

Aspire Systems, Crest Data, Dexian, Innova Solutions, ITC Infotech, and Mastek

- Aspirants are typically emerging or focused AMS providers with more concentrated propositions across specific buyer segments, regions, platforms, or service niches, often competing through responsiveness, cost agility, and fit-for-purpose talent access
- Their capability evolution is more selective, with investments centered on targeted building blocks such as AI-assisted L0/L1 support, knowledge automation, observability, security-led operations, packaged application support, and co-innovation studios
- Aspirants are expanding from focused AMS strengths toward broader managed services relevance, with future progression linked to stronger repeatability, wider portfolio coverage, and deeper governance models

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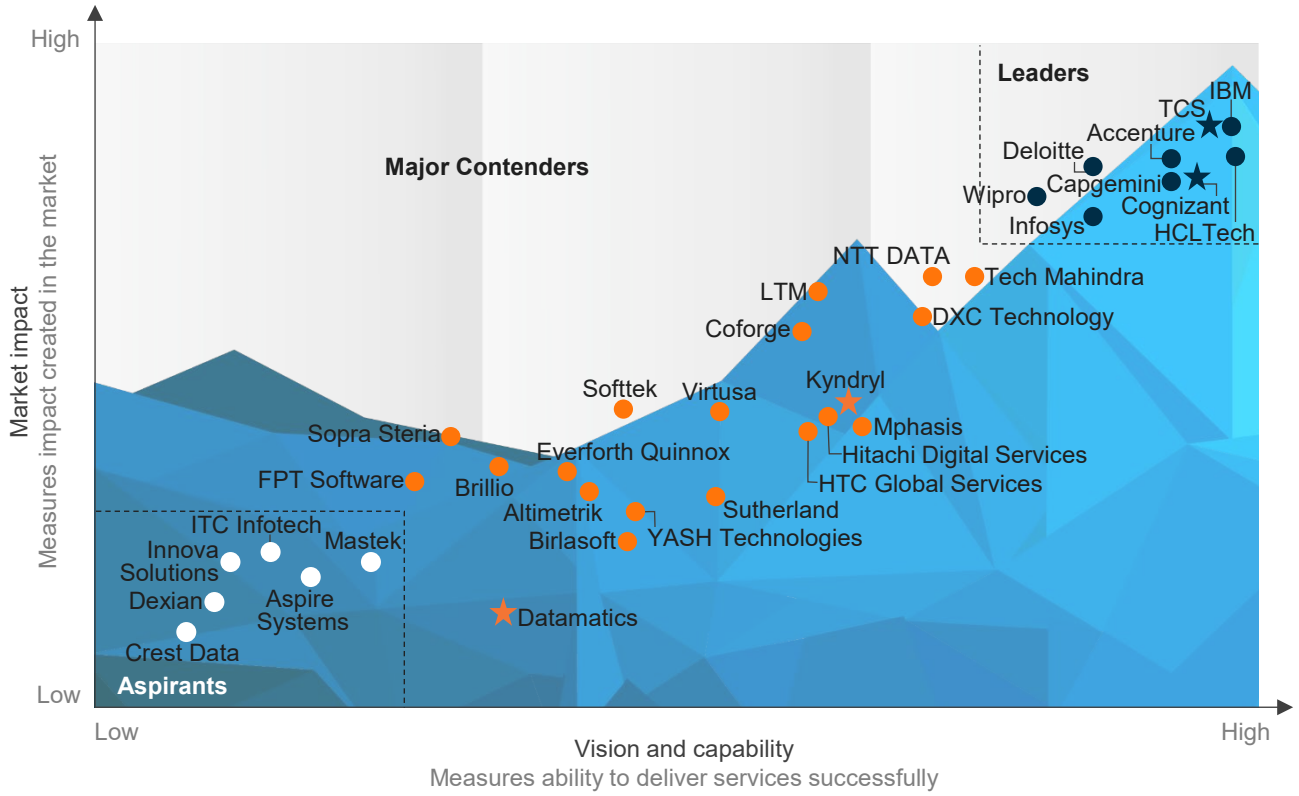
Everest Group PEAK Matrix®

Application Management Services PEAK Matrix® Assessment 2026 | Kyndryl is positioned as a Major Contender and a Star Performer

Everest Group Application Management Services PEAK Matrix® Assessment 2026[1,2]

- Leaders
- Major Contenders
- Aspirants
- ☆ Star Performers



1 Assessments for Accenture, Deloitte, DXC Technology, and Infosys exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with buyers
2 Analysis for Crest data AI, Hitachi digital services, Mphasis, and NTT DATA includes partial inputs from the service provider, and is based on Everest Group's estimates leveraging its proprietary data assets, service provider public disclosures, and interactions with buyers
Source: Everest Group (2026)

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Kyndryl

Everest Group assessment – Major Contender and Star Performer

Measure of capability: Low High

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

Strengths

- Kyndryl's automation and AI-insights foundation, supported by proprietary assets such as Kyndryl Bridge, Operational Platform as a Service, and Kyndryl Data and AI Console, strengthens its AMS proposition by enabling observability-led operations, actionable insights, and automation-led productivity gains across complex managed environments
- Enterprises seeking modernization-led AMS will benefit from Kyndryl's advisory-led approach, which uses application telemetry to identify transformation opportunities across AMS, application transformation, and mainframe environments
- Its AI Innovation Labs enable clients to validate agentic AI use cases in AMS through diagnostic-led and co-creation-led engagement models before broader adoption
- Its deep COTS and domain specialization across SAP, Oracle, and other enterprise platforms, supported by proprietary tooling and platform-specific CoEs, strengthens its ability to manage complex application estates

Limitations

- While Kyndryl has advanced its agentic AMS capabilities, enterprises should assess the maturity and scale of production adoption, as deployment is currently concentrated in select accounts with broader rollout still underway
- Buyers should validate the fit of Kyndryl's outcome-based pricing with their procurement model, as enterprises prioritizing effort-based commercials may require clearer baselines, value metrics, and scope governance

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Market trends

AMS is shifting from reactive run support to AI-enabled run-to-transform models

Market size and growth

- The global application management services market reached US$88-90 billion in 2025, growing at a modest CAGR of 2-3%
- Growth is shifting from scale-led support to run-and-transform scope, including lifecycle sustainment, enhancements, defect prevention, automation, and continuous improvement
- Provider differentiation is moving from labor scale to AI-led platforms, observability, automated runbooks, reusable assets, and measurable business outcomes

Key drivers for application management services

Cost and productivity pressure	Enterprises expect AMS providers to transform the cost base, reducing run spend through automation, simplification, and productivity gains, and reinvesting the released savings into modernization and continuous transformation.
Resilience and continuity expectations	Enterprises are moving beyond traditional Service Level Adherence (SLA) reporting to measuring AMS by service reliability through metrics such as higher application availability, faster recovery, and continuity of business-critical workflows.
Hybrid estate complexity	Fragmented legacy, cloud-native, SaaS, and packaged applications are increasing complexity and support needs.
Need for proactive, low-touch AMS	Enterprises are seeking to reduce manual support effort, prevent recurring incidents, and accelerate Root Cause Analysis (RCA) and remediation by embedding AIOps, observability, generative AI, and agents into AMS delivery.

Opportunities and challenges

AI expectations and trust	Enterprises increasingly expect AI-enabled AMS to automate triage, RCA, knowledge reuse, and remediation, while ensuring explainability, governance, and human oversight for high-impact decisions.
Observability-to-action	Telemetry and RCA insights turn AMS into a live improvement backlog for automation, defect prevention, performance tuning, and technical debt reduction.
Value-linked AMS commercials	Enterprises expect AMS providers to commit to business-aligned outcomes; however, ownership remains difficult to define, baseline, and attribute across multi-vendor/multi-tower environments.
Scope consolidation	Enterprises expect providers to unify fragmented applications and platform support to improve stability; however, accountability becomes harder to govern as AMS overlaps with other towers.

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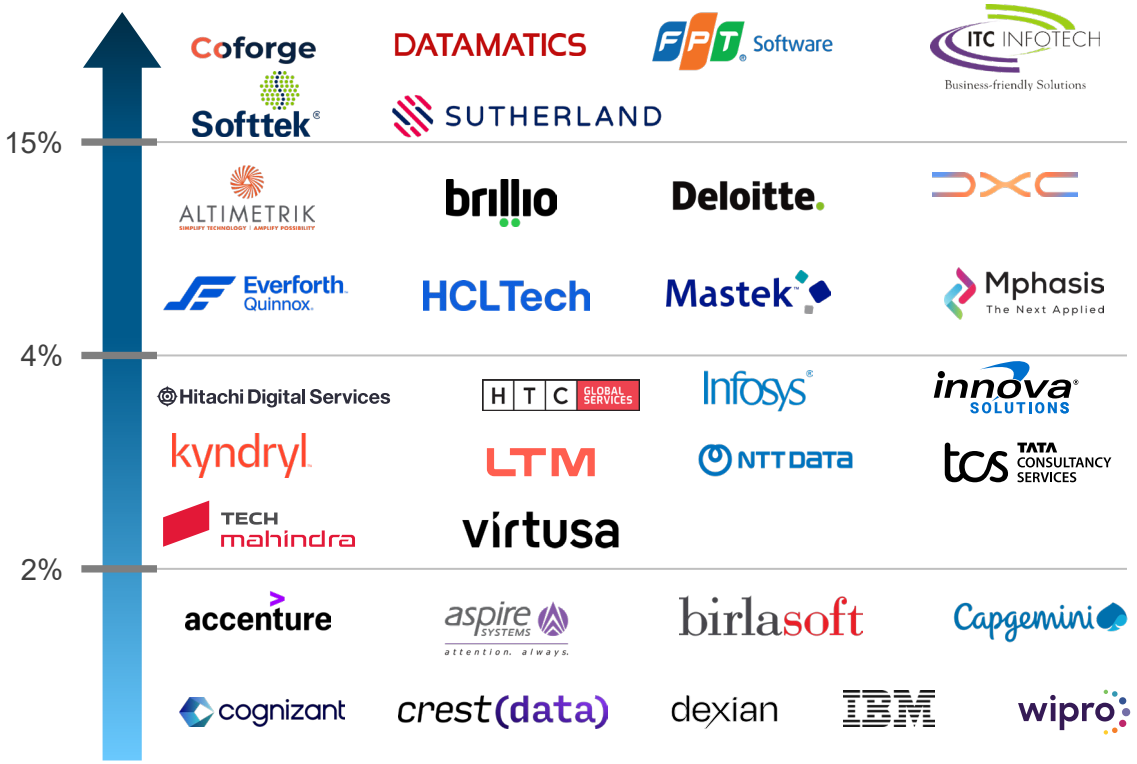
Provider landscape analysis

Out of the 35 players assessed, Coforge, Datamatics, FPT Software, ITC Infotech, Softtek, and Sutherland achieved highest Year-on-Year (YoY) growth in application management services revenue

Market share analysis of the providers
2025; percentage of overall market of AMS



Provider market share by YoY growth
2024-25; increase in percentage



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Key buyer considerations

AMS buyers prioritize reliable run delivery and right-fit talent today, with AI-led productivity emerging as the next source of differentiation

Key sourcing criteria

High

Priority

Low



Run reliability and delivery ownership

Stable operations, faster incident/defect resolution, SLA performance, and accountability for service continuity



Domain expertise and right-fit talent

Deep application context, niche skills, senior resource access, domain understanding, and team continuity across complex estates



Partnership, flexibility, and responsiveness

Providers that act as an extension of IT – flexible, transparent, responsive, and willing to adapt to changing priorities



Cost efficiency and commercial value

Competitive pricing remains critical, but buyers expect productivity gains, faster turnaround, and automation-led savings



AI-led automation and productivity

AI / Generative AI expectations are rising across triage, testing, RCA, knowledge reuse, and remediation, though adoption remains uneven

Summary analysis

Buyer feedback shows that AMS sourcing remains anchored in fundamentals: stable operations, delivery quality, skilled resources, and ownership of commitments.

The next expectation is proactive run-to-improve delivery, where providers use operational insights to reduce recurrence, improve release quality, and drive continuous improvement.

AI is the fastest-rising differentiator; however, buyers are looking for production-grade impact, not pilots alone, especially around productivity, automation, cost reduction, and safer delivery.

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Key takeaways for buyers

AMS buyers should recalibrate sourcing toward providers that can combine reliable run ownership with AI-led productivity, proactive improvement, and measurable business-aligned outcomes.



Shifts in provider capabilities

Prioritize providers that move beyond SLA-led delivery to translate estate intelligence into business outcomes, shape transformation roadmaps and modernization investments, and inform architecture and strategy decisions



Differentiation across provider types

Use broad-based providers for multi-tower, global, integrated AMS needs; use specialists/challengers where niche platform depth, flexibility, or cost agility is critical



Key innovations

Prioritize production-grade AI, AIOps, observability, automated runbooks, and reusable IP that demonstrably reduce effort, tickets, MTTR, and manual dependency



Governance and value realization

Shift vendor management from ticket metrics to outcome metrics: reliability, change success, automation impact, cost takeout, user experience, and transformation backlog conversion

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Appendix

PEAK Matrix® framework

FAQs

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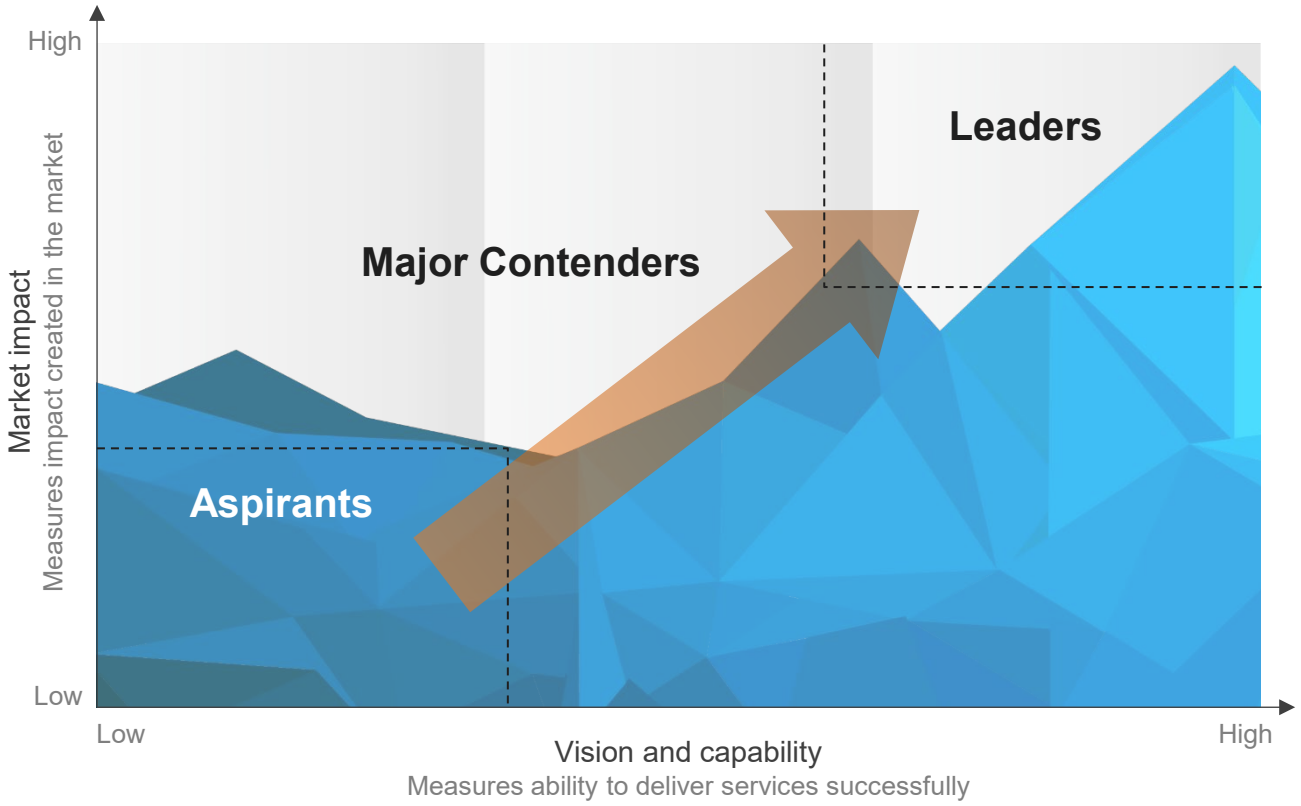
Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision and capability

Everest Group PEAK Matrix



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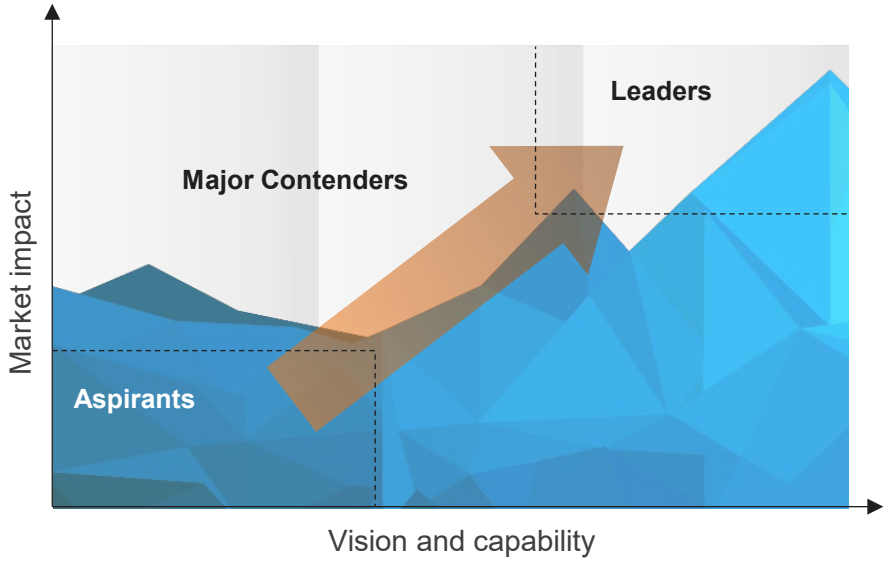
Services PEAK Matrix® evaluation dimensions

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



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

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

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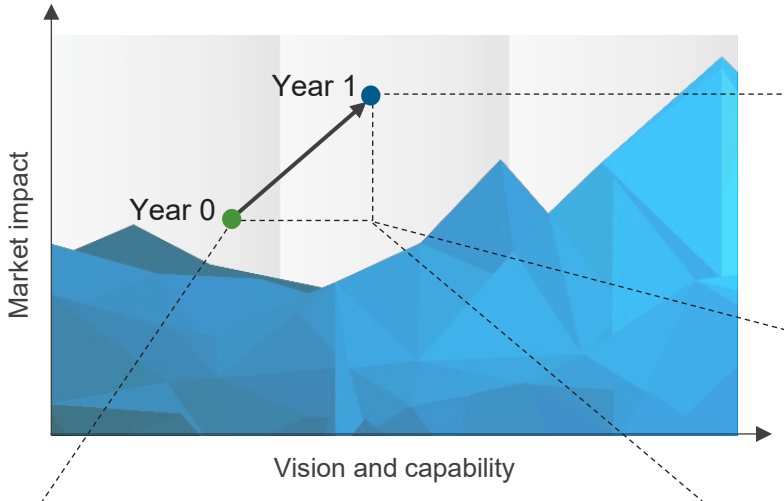
Everest Group confers the Star Performer title on providers that demonstrate the most improvement over time on the PEAK Matrix®

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 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 in **vision and capability**, we evaluate each 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 providers whose improvement ranks in the top quartile and award the Star Performer rating to those 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 Performer title relates to YoY performance for a given provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

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FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: No. The PEAK Matrix highlights and positions only the best-in-class 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.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

Q: What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

A: Enterprise participants receive summary of key findings from the PEAK Matrix assessment

For providers

- The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
- In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

Q: What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:

- Issue a press release declaring positioning; see our citation policies
- Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
- Use PEAK Matrix badges for 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 Everest Group; please contact your CD or contact us

Q: Does the PEAK Matrix evaluation criteria change over a period of time?

A: PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.

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