Everest Group®

Everest Group Application Development Services for AI Applications PEAK Matrix® Assessment 2025

Focus on Cognizant

September 2025

PEAK MATRIX®

Introduction

Enterprises are increasingly embedding AI capabilities directly into the architecture of business applications to enable dynamic decision-making, intelligent automation, and personalized user experiences. This marks a shift from traditional software builds toward AI-native application design, where machine learning, Large Language Models (LLMs), and data-driven intelligence are core to functionality, not add-ons. Whether it is automating underwriting decisions in insurance, powering real-time recommendations in retail, or optimizing asset operations in manufacturing, AI-powered applications are rapidly reshaping enterprise digital strategy.

This evolution is also reshaping the services landscape. Service providers are no longer just offering AI as a discrete capability; they are infusing it into their application development offerings, from use case discovery and prompt design to LLMOps, model integration, and ongoing optimization. At the same time, client needs have matured. Buyers now expect providers to deliver not only functional applications, but also governance-aware, scalable, and business-aligned AI systems with clear outcomes. As organizations expand experimentation into enterprise-grade rollouts, service provider differentiation increasingly hinges on delivery maturity, domain-specific solutioning, partner ecosystem depth, and talent readiness across AI-native development workflows.

The research provides a comparative view of the leading service providers based on their capabilities, investments, and demonstrated success in building and scaling AI-infused enterprise applications. It helps enterprise buyers identify the right partners to meet their evolving AI development needs and supports providers in benchmarking their own positioning in a rapidly evolving, innovation-driven market.

The full report includes the profiles of the following 35 leading application development services providers featured on the Application Development Services for AI Applications PEAK Matrix® Assessment 2025:

- **Leaders:** Accenture, Capgemini, Cognizant, Deloitte, HCLTech, IBM, Infosys, LTIMindtree, NTT DATA, TCS, Tech Mahindra, and Wipro
- **Major Contenders:** Apexon, Bits in Glass, CI&T, Damco Solutions, Datamatics, Encora, FPT Software, GlobalLogic, HTC Global Services, Innominds, Kyndryl, Mastek, Mphasis, Nous Infosystems, Orion Innovation, Sonata Software, and VVDN Technologies
- **Aspirants:** 3i Infotech, Dexian, Intellias, Microland, SOUTHWORKS, and Visionet Systems

Scope of this report

Geography: global

Industry: all industries

Services: application development services

Use cases: AI-powered applications

Scope of Research | Application Development Services for AI Applications

[NOT EXHAUSTIVE]

Definition - AI-powered applications

An AI-powered application is an application that leverages artificial intelligence models and algorithms to enhance functionality, automate decision-making, and provide intelligent, data-driven insights. Unlike traditional applications, which rely on rule-based logic, AI-powered applications continuously learn and adapt based on real-time data.

Characteristics of a best-in-class AI-powered application

- Integration with diverse sources
- Performance tuning for scalability
- Edge and distributed intelligence
- Adaptive user interfaces
- Real-time personalization
- Continuous improvement
- Explainable and compliant
- Autonomous decision-making

Services scope

Advisory and Governance
Application development use case identification, solution architecture, development maturity assessment, security and compliance assurance, cloud-native application strategy

Implementation
End-to-end application development, AI model integration, application architecture, API development, UI/UX design, performance optimization, testing & deployment

Capabilities for delivering AI-powered applications

- AI-ready application developers
- Deep integration expertise
- Partnerships with AI app dev providers
- AI application strategy and consulting
- Next-gen commercial constructs
- Continuous testing and governance

Use cases [ILLUSTRATIVE]

Efficiency and optimization
Applications that automate repetitive tasks, optimize business processes, and enhance operational efficiency

Growth and innovation
Applications that unlock new business opportunities, enhance revenue streams, and drive innovation

User experience
Applications that help enhance user engagement, improve interaction quality, and provide personalized, and immersive experiences

Exclusions

- In case of an existing application – replatforming, refactoring to remove technical debt or improve functionalities, or lift-and-shift to a cloud infrastructure
- Ongoing management, maintenance, and support of applications
- Development, training, fine-tuning and refinement of AI/gen AI models

Application Development Services for AI Applications PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, Deloitte, HCLTech, IBM, Infosys, LTIMindtree, NTT DATA, TCS, Tech Mahindra, and Wipro

- Leaders are characterized by comprehensive AI engineering and consulting capabilities, strong domain integration, and sustained investments in building reusable IPs, partner ecosystems, and end-to-end application development frameworks
- These providers bring strong vertical coverage, a breadth of reusable IPs, and end-to-end capabilities across the AI app life cycle, from discovery and design to orchestration, observability, and compliance
- Leaders stand out for their robust partner ecosystems (including hyperscalers, LLM providers, and enterprise software providers), deep domain integration, and consistent ability to deliver complex AI apps at scale across geographies

Major Contenders

Apexon, Bits in Glass, CI&T, Damco Solutions, Datamatics, Encora, FPT Software, GlobalLogic, HTC Global Services, Innominds, Kyndryl, Mastek, Mphasis, Nous Infosystems, Orion Innovation, Sonata Software, and VVDN Technologies

- Major Contenders are a mix of engineering-driven and vertical-focused players with growing capabilities in AI-native application development
- While they have made credible investments in gen AI engineering, AI delivery frameworks, and vertical solutioning, their presence is often more concentrated by region, industry, or engagement type
- Many of these providers are building domain-specific IPs, strengthening partner programs, and expanding delivery scale to compete more effectively with Leaders in enterprise-wide AI engagements
- A few are also differentiating through agility in execution, stronger co-innovation narratives, or deeper focus on horizontal functions such as operations, IT, or finance

Aspirants

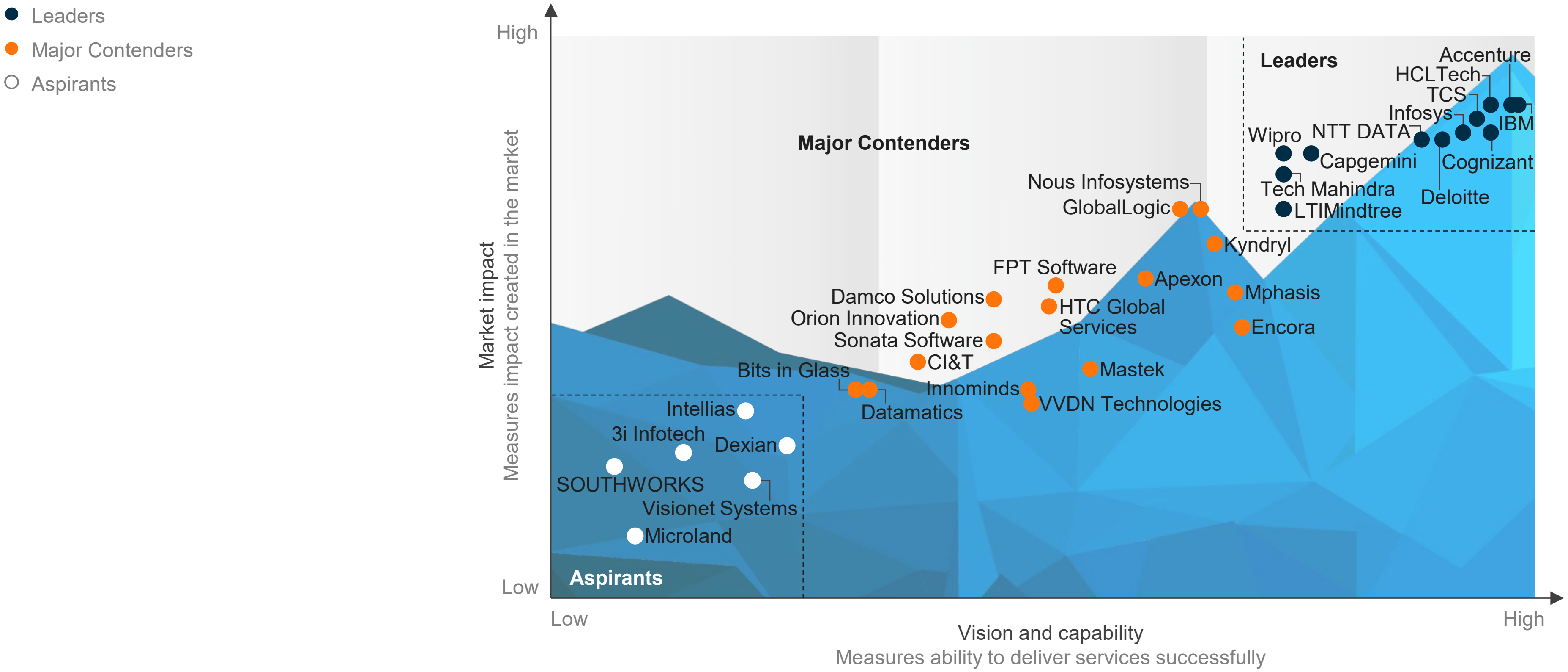
3i Infotech, Dexian, Intellias, Microland, SOUTHWORKS, and Visionet Systems

- Aspirants are emerging players with focused capabilities in specific industries or solution areas, often delivering value through agility, innovation, and strong engineering talent
- While they may lag larger peers in terms of delivery scale or ecosystem depth of larger peers, they are making targeted investments in gen AI training, tooling, front-end accelerators, and nearshore/offshore delivery expansion
- Their ability to scale talent, deepen vertical alignment, and evolve their GTM strategies will be critical to move up the value chain and gain traction in larger AI application development programs

Everest Group PEAK Matrix®

Application Development Services for AI Applications PEAK Matrix® Assessment 2025 | Cognizant is positioned as a Leader

Everest Group Application Development Services for AI Applications PEAK Matrix® Assessment 2025[1,2]



1 Assessments for Accenture, Capgemini, Deloitte, Infosys, TCS and Wipro 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 IBM, Intellias, Kyndryl and NTT DATA includes partial inputs from service providers, and is based on Everest Group's estimates leveraging its proprietary data assets, service provider public disclosures, and interaction with buyers
Source: Everest Group (2025)

Cognizant

Everest Group assessment – Leader

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

- Cognizant demonstrates industrial-scale maturity in AI-powered application development with platforms such as Flowsource (for gen AI-assisted SDLC) and Neuro (for agentic AI, decisioning, orchestration, and domain-specific AI)
- Cognizant's partnerships with players such as NVIDIA and Tabnine support enterprise AI application development through agentification, domain-specific LLMs, and AI-powered coding assistance
- Cognizant has demonstrated breadth across HLS, manufacturing, BFSI, and RCPG, underscoring its ability to deliver AI-native solutions across key domains

Limitations

- Cognizant's customer base is highly skewed toward large enterprises with annual revenue >US$5 billion, making it a less suitable partner for small and midsize businesses
- Lack of proof points where it has leveraged innovative commercial constructs, such as outcome-/output-based models makes it a less suitable partner for enterprises looking for business value-led engagements
- While Cognizant has a strong delivery presence in North America, enterprises in EMEA and LATAM seeking onshore delivery should assess it closely, as its footprint in these regions remains comparatively limited

Market trends

Application development services for AI apps are growing due to rising enterprise demand for embedded intelligence, agentic workflows, and industry-specific AI solutions

Market size and growth

- The overall application development services market stood at US$50-55 billion in 2024, growing at a 1-2% CAGR
- Enterprise spending on generative AI apps is set to grow, marking a shift from pilots to real-world deployments
- The application development services market for AI applications stood at 65-70% of the overall application development services market

Key drivers for application development services for AI applications

Productivity via gen AI	Rapid gen AI adoption is accelerating development activity, as enterprises embed AI tools to boost productivity, with rising AI spend and broad plans to scale fueling demand for AI application development.
Adoption of agentic AI architectures	Enterprises are increasingly embedding autonomous agents and multi-agent systems into applications, driving demand for development models that support context-aware, AI-driven task orchestration.
Industry-specific solutions	Demand is rising for industry-specific applications as enterprises prioritize domain expertise and compliance, especially in regulated sectors such as finance and healthcare.
Focus on customer and employee experience	Enterprises are prioritizing customer and employee experience in app development, driving demand for intelligent applications that blend intelligence with personalization, accessibility, and intuitive UX

Opportunities and challenges

Surge in agentic AI	The rise of agentic AI is fueling enterprise investment across use cases, creating strong demand for providers to deliver tailored solutions.
Domain-specific LLMS	Rising demand for industry-specific solutions is creating opportunities for providers to deliver solutions tailored to sectoral challenges.
Talent and skill gaps	Talent shortages in AI and cloud-native technology were the top challenge in 2024, limiting project delivery and forcing firms to invest in upskilling, automation, and partnerships.
Governance and security concerns	AI-powered, cloud-based applications face adoption hurdles from data governance, as privacy risks and unmet value expectations slowdown progress, discouraging enterprises from investment.
Budget constrains and economic uncertainty	Macroeconomic uncertainty and tighter IT budgets are putting pressure on AI investments, particularly for large-scale application development programs.

Provider landscape analysis

Out of the 35 players assessed, Accenture, Capgemini, Cognizant, Deloitte, IBM, Infosys, NTT DATA, TCS and HCLTech constitute the largest share of revenue in Application Development Services for AI Applications market

Market share analysis of the providers[1]

2024; Percentage of overall market of Application Development Services for AI Applications

Provider YoY growth in Application Development Services for AI Application Revenue[1]

2023-24; increase in percentage of YoY

1 Providers are listed alphabetically within each range

Key buyer considerations

Buyers want technically strong, steady teams that can deliver domain-aligned AI applications with flexibility, innovation, and real-world gen AI expertise

Key sourcing criteria

High

Priority

Low

Technically proficient resource pool

Providers that offer technically proficient resources with cross-stack expertise and a stable, scalable talent pool are better positioned to meet evolving enterprise needs.

Innovation and Value Addition

Providers that demonstrate innovation through accelerators, agentic design frameworks, and reusable components are favored for their ability to shorten development cycles and deliver differentiated AI applications.

Proven AI / Gen AI expertise

Providers with proven gen AI expertise, especially in LLMs, content generation, and chatbots, stand out through strong case studies and hands-on experience.

Industry and domain understanding

Providers that infuse industry context into AI design to deliver domain-aligned solutions that drive more relevant outcomes.

Flexibility and commercial agility

Clients expect flexibility in engagement models, resourcing mix, and commercial terms, especially in AI projects that involve experimentation and change.

Summary analysis

Buyers prioritize AI expertise supported by live case studies and a proven ability to deliver real-world use cases.

They expect steady access to technically proficient, cross-skilled resources that can sustain AI application delivery across changing project needs.

Strong technical stack understanding and ability to apply the right cloud, platform, and integration tools is key to provider selection.

Providers that act as educators and co-innovators, not just implementers, are viewed more favorably.

A growing number of buyers want providers that understand their industry context and tailor AI apps accordingly.

Key takeaways for buyers

Providers are playing an increasingly strategic role for app development of AI applications, helping enterprises define use cases, modernize application stacks, and scale AI adoption responsibly. Buyers are encouraged to assess provider capabilities beyond technical execution, focusing also on architectural foresight, delivery models, and innovation co-ownership.

AI execution maturity is now a core differentiator

Buyers should gauge providers' ability to deliver live AI use cases, as production ready delivery drives business success.

Innovative commercial models are gaining more traction

Providers are increasingly exploring innovative commercial models, such as outcome-based pricing and value-linked contracts, as a key differentiators in AI application development engagements.

Trust and compliance matter more than ever

Buyers prioritize explainable, secure, and governed AI, especially in regulated use cases, favoring providers that embed responsible AI to earn long-term trust.

Co-innovation and agility are emerging as key expectation

Buyers value partners who go beyond delivery, offering education, POCs, and iterative co-creation, to accelerate time to value and maximize RoI.

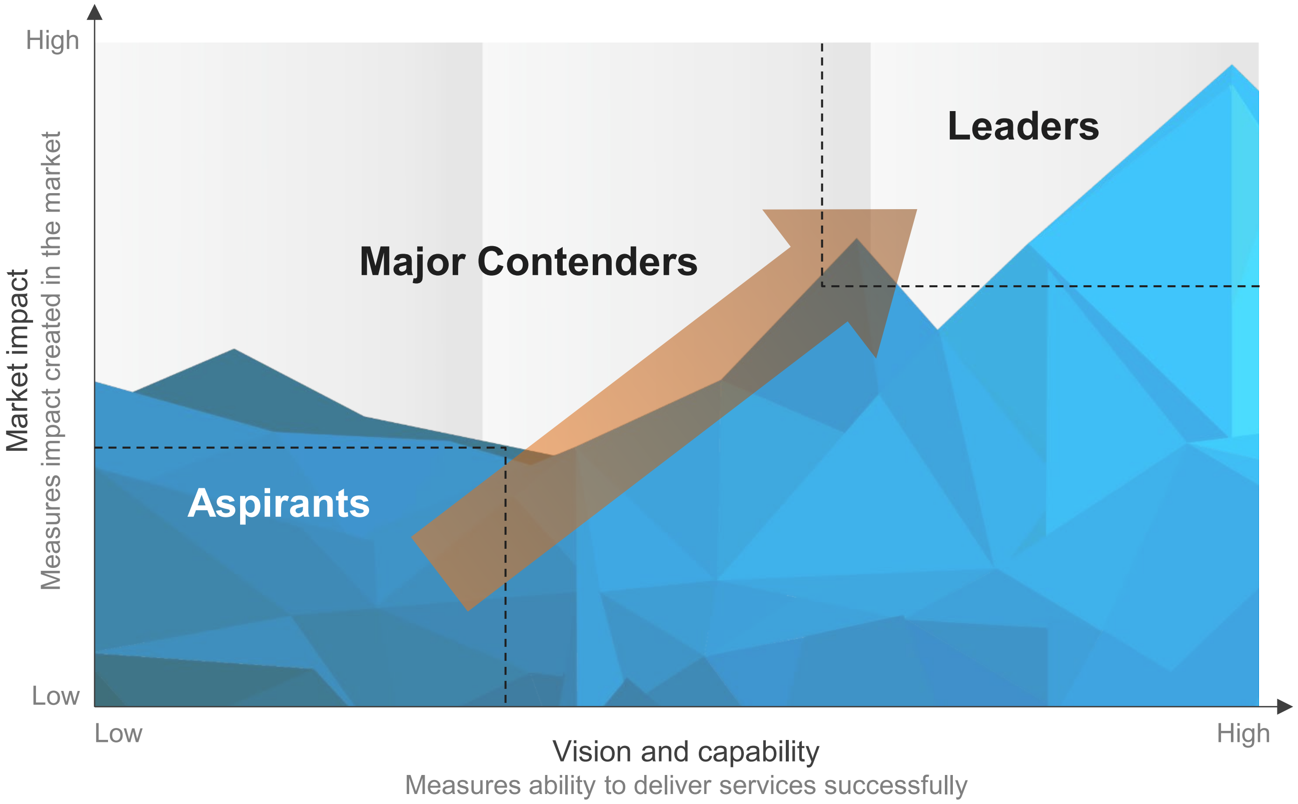
Appendix

PEAK Matrix® framework

FAQs

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

Everest Group PEAK Matrix



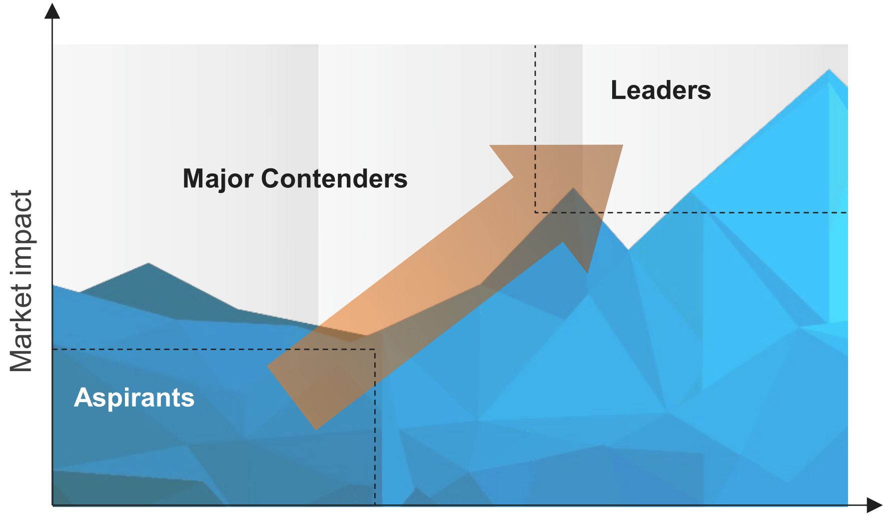
Services PEAK Matrix® evaluation dimensions

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



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

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.

Stay connected

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
+1-214-451-3000

Website
everestgrp.com

Blog
everestgrp.com/blog

Follow us on

Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at **www.everestgrp.com**.

Everest Group®
With you on the journey