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MARKET PULSE

# AI Global Services: Infosys Topaz

**Responsible Approach to AI and a Rich Partner Ecosystem Help Customers With Business Value**

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**constellation**
R E S E A R C H

# MARKET DESCRIPTION

Artificial intelligence (AI) services firms work with clients to design, build, train, manage, and operate AI capabilities for organizations. These firms can be systems integrators (SIs), AI services providers, or agencies bringing solutions together to provide an overall digital transformation capability. They work with all functional departments, such as marketing, sales, customer service, supply chain, ecommerce, IT, finance, HR, procurement, and back-office systems.

AI services firms bring highly skilled resources to the table, including expertise in programming languages, data engineering, data analysis, model creation, model training, and security. Key resources include AI developers, AI architects, machine learning (ML) engineers, data scientists, model ops engineers, and security engineers.

Constellation believes that this market will grow to $73.8 billion by 2030.

## TRENDS

Customer checks from the BT150 and AI150 alumni show the following buyer trends:

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| 📈 | **Budgets open up for AI, but at the expense of other projects.** | As the top boardroom issue for 2024, AI projects finally have funding. Unfortunately, overall budgets have not increased, so AI projects are taking money from other departments and projects. |
| 📈 | **POC-to-project conversion is increasing.** | About 19% of proof of concepts (POCs) convert to a project. Moreover, converted projects lead to additional investments. |
| 📈 | **Successful use cases emerge.** | Code development, procurement, customer experiences, internal HR guidelines, and supply chain optimization bubble to the top. Organizations operating in regulated industries with defined rules and stricter regulatory requirements report more success. |
| 📈 | **Projects remain in stage 1 and 2 of maturity.** | In conversations with 47 AI leaders, most projects focus on augmentation and acceleration of existing processes (see Figure 1). |
| 📈 | **Staffing for AI defies conventional wisdom.** | The conventional wisdom that teams should be staffed more by ML engineers is turned upside down as early-adopter clients staff for more applied-math PhDs. Successful teams have fewer engineers and more computational linguistics as well as fewer AI specialists and more gen¬¬eral full-stack engineers. |
| 📈 | **Generative AI (GenAI) is just the beginning.** | Most organizations have beefed up their data strategy capabilities or sought AI services firms to assist. Data integration, data governance, and data quality have now come back into vogue. Organizations hope to fund both probabilistic and deterministic approaches to AI. |

## Threshhold Criteria

Constellation considers the following criteria for vendors to be considered in the category of AI global services. Most vendors must demonstrate eight out of the 12 criteria:

- ☑ Data management and data quality
- ☑ Data governance
- ☑ Data integration
- ☑ AI/ML ops
- ☑ Model formation
- ☑ Algorithm creation

- ☑ Algorithm training
- ☑ Robust capabilities in programming languages
- ☑ GenAI services
- ☑ Responsible AI and AI ethics policies
- ☑ Security
- ☑ Solution accelerators

## VENDOR UPDATE

Infosys is one of the key vendors in the Constellation ShortList™ for AI global services.[1] Infosys Topaz is a portfolio of services, solutions, and platforms powered by GenAI technologies. Constellation received an update from Infosys in July 2024. Here are some key highlights:

- **Infosys Topaz Responsible AI Suite launched in February 2024.** The suite addresses data privacy, security ethics, and bias in AI. Using a Scan, Shield, and Steer framework, a set of more than 10 offerings monitor and protect AI models and systems from risks and threats.

## Figure 1. The Five Stages of AI Majority
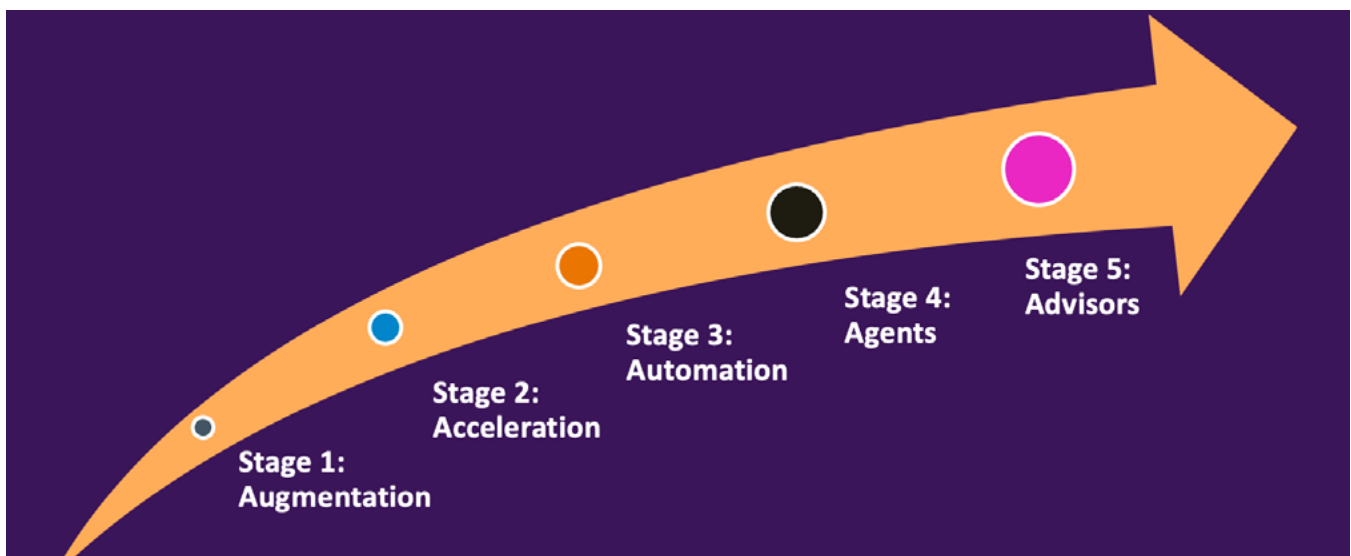


**Source:** Constellation Research

- **Infosys Aster launched in June 2024.** The AI-amplified marketing suite includes more than 400 assets and an ecosystem of more than 50 partners delivering brand and business outcomes for B2B and B2C organizations. The offering provides AI capabilities in brand experience, marketing efficiency, and digital effectiveness. Users can expect to reduce time to market for campaigns across multiple channels in a global environment.

- **ISO 42001:2023 certification.** Infosys is the first company to achieve this international standard on AI management systems. The certification was bestowed to Infosys for implementing an AI management system (AIMS) framework for responsible AI practices and adherence to regulatory requirements.

- **Infosys-Intel partnership.** The expanded partnership announced in April 2024 helps global enterprises in accelerating their AI journeys. The partnership helps developers with competitive TCO and time-to-value solutions on Intel Xeon and Gaudi accelerators for GenAI use cases.

- **Infosys-Nvidia partnership.** Announced in September 2023, this expanded collaboration aims to provide expertise and technology needed to drive productivity gains with GenAI applications and solutions across industries.

## OFFERING ANALYSIS

With more than 30 global players in AI services, customers are challenged in choosing a trusted partner. Here are the strengths and weaknesses of Infosys' Topaz offering:

## Highlights

As a leader in AI in the previous wave, Infosys offers more than 12,000 AI assets, more than 150 pretrained AI models, and more than 10 AI platforms. Infosys is one of the largest adopters of GitHub Copilot globally and has generated over 3 million lines of code using GenAI large language models (LLMs). The offering has a platform-based approach with more than 50,000 reusable services. As of June 2024, Infosys is working on more than 225 GenAI programs for clients.

Infosys Topaz' poly-AI approach gives clients the flexibility to bring their own model, whether a general LLM and/or specialized models. Many prospects and clients are attracted to Infosys' strong stance on delivering responsible and ethical AI. Of note, Infosys has been leveraging Topaz for its own transformation by reinventing its own services and creating an AI-first workforce. This "lead by example" approach has won over many customers along with strong partnerships with hyperscalers.

## Opportunities for Improvement

As with many technology services vendors, Infosys will need to show more POCs and POC conversion rates to establish its market presence. Constellation hopes to see more partnerships with specialty AI vendors. As customers seek use cases and AI metrics, prospects will want more case studies and proof points.

Note: Full SWOT analyses for this category are available as an advisory call for research-unlimited clients.

# Buying Considerations

Based on Constellation's reference checks, customers and prospects choose Infosys Topaz for the following reasons:

- Global footprint and capability

- Existing clients who seek a trusted partner

- Clients who expect a rich, responsible AI framework

- Industries such as financial services, manufacturing, and retail

- Strong data and analytics teams looking to build on GenAI

- Customers and prospects who seek a business value–oriented approach

- Customers and prospects who seek faster time to value with a wide variety of prebuilt and pretrained assets

# RECOMMENDATIONS

Constellation's Executive Network of CxOs from the AI150 and BT150 lists recommend the following best practices:

**Start with a viable POC.**
Agree on the business objectives and outcomes ahead of time. Determine what sources of data are required to achieve what level of precision needed for the business objective.

**Choose vendors with strong partnerships.**
AI is in its infancy. Expect to try different models to find an optimum result. Find vendors whose partners align with your company's business objectives. Test startups via partnerships with services firms.

**Double down on your data strategy.**
AI cannot exist without data. Every AI project begins and ends with a solid data foundation.

**Invest in internal baseline capabilities to augment your services partner.**
Hire a few math PhDs, invest in linguistics professionals, and add more general full-stack engineers.

**Build for security by design.**
Apply best practices to prevent data corruption. Develop policies that protect source data. Secure systems to prevent any data leakage.

**Don't wait to start your POC.**
Time is of the essence. Fail fast and learn faster. Organizations that have completed many POCs have built memory muscle and stronger internal capabilities for deploying AI-first solutions.

# ENDNOTES

[1] *Ray Wang, "Constellation ShortList™ AI Services: Global," Constellation Research, August 23, 2023.*
*https://www.constellationr.com/research/constellation-shortlist-ai-services-global*

# R "Ray" Wang

## Founder and Principal Analyst

R "Ray" Wang is founder, chairman, and principal analyst of Constellation Research and the author of the popular enterprise software blog A Software Insider's Point of View. He previously was a founding partner and research analyst for enterprise strategy at Altimeter Group.

A background in emerging business and technology trends, enterprise apps strategy, technology selection, and contract negotiations enables Wang to provide clients and readers with the bridge between business leadership and technology adoption. Wang has been recognized by the prestigious Institute of Industry Analyst Relations (IIAR) as Analyst of the Year, and in 2009 he was recognized as one of the most important analysts for enterprise, SMB, and software. In 2010 Wang was recognized on the ARInsights Power 100 List of Industry Analysts and named one of the top influential leaders in the CRM Magazine Market Awards.

Wang graduated from Johns Hopkins University with a B.A. in natural sciences and public health. His graduate training includes a master's degree from Johns Hopkins University in health policy and management and health finance and management.

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# ABOUT CONSTELLATION RESEARCH

Constellation Research is an award-winning, Silicon Valley—based research and advisory firm that helps organizations navigate the challenges of digital disruption through business model transformation and the judicious application of disruptive technologies. Unlike the legacy analyst firms, Constellation Research is disrupting how research is accessed, what topics are covered, and how clients can partner with a research firm to achieve success. Over 350 clients have joined from an ecosystem of buyers, partners, solution providers, C-suites, boards of directors, and vendor clients. Our mission is to identify, validate, and share insights with our clients.

Organizational Highlights

· Institute of Industry Analyst Relations (IIAR) New Analyst Firm of the Year in 2011 and #1 Independent Analyst Firm for 2014 and 2015
· Experienced research team with an average of 25 years of practitioner, management, and industry experience
· Organizers of the Constellation Connected Enterprise—an innovation summit and best practices knowledge-sharing retreat for business leaders
· Founders of Constellation Executive Network, a membership organization for digital leaders seeking to learn from market leaders and fast followers

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