



HORIZONS REPORT

Legacy Application Modernization Services, 2025

**An assessment of the leading service providers in legacy app
modernization and their innovations**

Authors:

Hansa Iyengar, Practice Leader
Srini Vaddepalli, Practice Leader
Mayank Madhur, Practice Leader

Excerpt for EY

“

Legacy isn't about age—it's about constraint. The cost of legacy is missed growth: AI that can't scale, products that can't evolve, and capital trapped in run costs. The winning providers stop modernization theater, systematically remove architectural data and operational bottlenecks to unlock AI at scale, accelerate time-to-market, and monetize existing products and platforms to deliver resilient, measurable business outcomes.

”



Hansa Iyengar
Practice Leader,
HFS Research

“

Despite flashy promises from service providers of 50% faster modernization and saving millions using AI accelerators, most enterprise leaders are still in gridlock. The real issue isn't tech—it's a failure to reinvent commercial models and bridge critical skill gaps. Until providers start co-owning outcomes and co-innovating with the right tools, legacy will continue to strangle enterprise agility and customer relevance.

”



Srini Vaddepalli
Practice Leader,
HFS Research

“

The legacy application modernization (LAM) market is shifting toward more elastic, scalable, cost-efficient, cloud-native, AI-driven, and microservices-based architectures. Future evolution will be on hybrid environments automation, and sustainability, realizing legacy value through composable, modular systems for ongoing innovation and shifting digital business needs.

”



Mayank Madhur
Practice Leader,
HFS Research

Table of contents

	Page
SECTION 01	
Introduction and research methodology	04
SECTION 02	
Market dynamics	13
SECTION 03	
Horizons results: Legacy application modernization services, 2025	20
SECTION 04	
EY profile: Legacy application modernization services, 2025	23
SECTION 05	
HFS Research authors	25

1

Introduction and research methodology

Introduction

- Legacy application modernization is the strategic transformation of systems that constrain business agility, scalability, and innovation. It often involves re-architecting legacy systems into modular, scalable, and adaptive solutions using cloud-native technologies, APIs, automation, microservices, and DevOps practices.
- The "**HFS Horizons: Legacy application modernization services, 2025**" report is designed to assess vendor capabilities, innovation, and value potential across the value chain based on a range of dimensions to understand the *why, what, how, and so what* of their service offerings across three distinct horizons:
 - **Horizon 1:** The ability to drive digitized processes to improve business outcomes such as cost reduction, speed, and efficiency across the application modernization value chain elements. The focus is on lift-and-shift, API wrappers, and basic DevOps/GenAI. Success is measured by TCO reduction, SLA adherence, and compliance.
 - **Horizon 2:** Horizon 1 + enablement of the OneOffice model of end-to-end organizational alignment across the front, middle, and back offices to drive an unmatched stakeholder experience. The emphasis is on platform-led and IP-led delivery with agentic SDLC. Faster releases, resilient ops, and regulatory confidence define success.
 - **Horizon 3:** Horizon 2 + the ability to drive **OneEcosystem** impact via collaboration across multiple organizations, with common objectives around driving completely new sources of value. Players here deliver AI-native, event-driven products with ecosystem co-creation. The ability to drive new revenue, CX/PX gains, and continuous modernization are measures of success.
- The report evaluates the capabilities of 32 service providers, including global system integrators, domain-specific app modernization providers, and start-ups, across the HFS legacy application modernization services value chain.
- It highlights the value-based positioning of each participant across the three distinct Horizons. It also includes detailed profiles of each service provider, outlining their provider facts, strengths, and development opportunities.
- The report is global in scope and offers critical insights for enterprises of all shapes and sizes, service providers offering modernization services, and ecosystem partners navigating the rapidly evolving threat landscape.

Executive summary (1/2)

Enterprises are moving from migration-led “lift-and-shift” to AI-native, platform-engineered modernization that ties directly to outcomes (speed, cost, resilience, and new revenue). Providers are standardizing on hybrid-cloud architectures, agentic AI across the SDLC, and ecosystem delivery with hyperscalers and ISVs. The implication: modernization requires the provider to enable business model transformation, not just upgrading applications.

- 1 The app modernization leaders**

HFS assessed 32 global service providers across value propositions, execution and innovation capabilities, go-to-market strategies, and market impact criteria. The 13 Horizon 3 leaders are Accenture, Amdocs, Capgemini, Cognizant, EY, HCLTech, Hitachi Digital Services, IBM, Infosys, Publicis Sapient, TCS, Tech Mahindra, and Wipro. These providers consistently modernize and transform enterprise IT applications, infusing artificial intelligence (AI) and generative AI (GenAI) through platform-driven services. This approach delivers better outcomes, makes the systems efficient at low cost with innovative commercial models, and leverages the OneEcosystem approach. Common characteristics among the leaders include deep domain expertise, advanced AI capabilities, strong global delivery models, co-innovation with clients and partners, and robust ecosystem partnerships.
- 2 Agentic AI has become an integral part of the SDLC**

Legacy application modernization is now “AI with human-in-the-loop.” Significant parts of the most tedious and complicated processes of modernization—discovery, assessment, code conversion, and testing—are embedded with AI, eliminating any guesswork from the critical processes of extracting documentation, business logic, interdependencies, and converting codebases (such as C# and Fortran) into modern, modular applications.
- 3 AI and data governance shift left**

As AI and data move to the core, buyers are asking for secure-by-design patterns: model governance, explainability, privacy, lineage, and zero-trust controls spanning apps, data, and platforms. Providers are formalizing frameworks to meet regulatory expectations while scaling AI to deliver faster adoption with auditability.
- 4 The differentiation lies in delivering industry-specific, AI-driven accelerators**

Industry-specific playbooks (BFSI, telecom, healthcare, manufacturing, energy, public sector) are now decisive: domain controls, regulatory patterns, and data models accelerate safe change and reduce program risk, even across OT/edge footprints. Contextual solutions that embed best practices and are reusable are preferred over generic tooling.

Executive summary (2/2)

- | | | |
|---|--|---|
| 5 | Talent strategy as a competitive lever | Vendors are scaling AI-skilling and modernization academies, expanding near/on-shore for proximity and compliance, and formalizing cross-skilling across cloud, data, security, and product engineering—turning talent continuity and specialization into differentiators. Capacity, not just capability, wins. |
| 6 | Modernization is becoming platformized | Modernization is increasingly delivered through integrated platforms, accelerators, and factories that compress time-to-value and enable outcome or unit-based pricing. Enterprise buyers are moving toward value-stream management, DevSecOps/site reliability engineering (SRE), and evergreen modernization rather than one-off programs. Service providers are responding by pairing platform ops with autonomous remediation and observability. This helps address buyer demand for predictability, measurable outcomes, and the ability to track business impact. |
| 7 | Continuous modernization is finding a footing | The idea that modernization has an end state is considered obsolete in an era where technology and business needs are changing faster than IT can keep pace. Enterprises and service providers see legacy modernization as an ongoing exercise rather than a one-time program, shifting the paradigm for how modernization is planned and delivered. |
| 8 | Emerging technologies reshape modernization foundations | Modernization roadmaps increasingly incorporate agentic AI across SDLC and operations, event-driven and serverless patterns, micro-frontends, low-code for “around-the-core” work, data mesh and streaming, observability with FinOps, and green-cloud baselines. Together, this delivers greater modularity, lower run costs, and faster feature velocity. |
| 9 | Voice of clients and partners | Clients want transparent roadmaps, faster time-to-benefit, co-creation with hyperscalers/independent software vendor (ISVs), and flexible commercial models (self-funding, outcome/gain-share). Providers that combine dependable execution with thought leadership and ecosystem orchestration earn long-term trust. |

The HFS legacy application modernization value chain, 2025

Assessment and strategy	Planning and design	Execution	Testing and deployment	Post-modernization
<ul style="list-style-type: none">Legacy estate and constraint analysisCloud readiness and ROI alignmentModernization opportunity mapping (not just a roadmap)Cost-benefit analysis tied to transformationAdvisory-led visioning for platform modernizationConsulting	<ul style="list-style-type: none">Architecture redesign for modularity and scaleCloud-native and API-first design principlesDependency and technical debt mappingReengineering strategyBusiness-aligned competency and capability planningCommercial structuring for transformation-led delivery	<ul style="list-style-type: none">Intelligent code refactoring (GenAI-enabled)Modular re-architecture with automation and IP reuseReplatforming from legacy core to scalable stacksAccelerators for domain-specific modernizationCloud-native enablement (containers, serverless)DevOps pipelines and modernization frameworks	<ul style="list-style-type: none">CI/CD pipeline integrationPerformance optimizationSecurity validation including zero-trust frameworksAutomated testing, governance and compliance testing	<ul style="list-style-type: none">Managed services with proactive platform optimizationScalable architecture monitoring and feedback loopsOutcomes tied to CX, PX, agility, and ROICustomer validation (beyond “referenceability”)Delivery flexibility: agile SLAs, co-managed operationsValue creation beyond SLAChange management
Enabling technologies				
Cloud AI/ML GenAI Agentic AI Analytics Automation SaaS				
Horizontal IT processes				
ADM Applications modernization Cybersecurity Foundational data modernization IT operations				
KPIs				
ROI Scalability Speed to market Productivity Efficiency Business agility and adaptability				

Sources of data

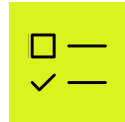
This Horizons research report relies on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the service capabilities of participating organizations covered in our study. The sources are as follows:



Briefings and information gathering

HFS conducted detailed **briefings** with each vendor's legacy app and data modernization leadership from service providers.

Each participant submitted a specific set of **supporting information** aligned to the assessment methodology.



Reference checks

We conducted reference checks with **50+ active clients and 40+ active partners** of the study participants via surveys and interviews.



HFS Pulse

Each year, HFS fields multiple demand-side surveys with detailed vendor questions.

For this study, we leveraged our fresh-from-the-field HFS Pulse study data featuring **305 enterprise leaders**.



Other data sources

Public information such as news releases and websites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

Vision around the role of legacy application modernization

The future of enterprise apps

Describe how your roadmap redefines the application landscape toward composability, AI-native architectures, and future business model enablement.

Transformation

Clarify how your approach goes beyond infrastructure shifts to address architecture, engineering culture, service delivery, and business alignment.

Innovation

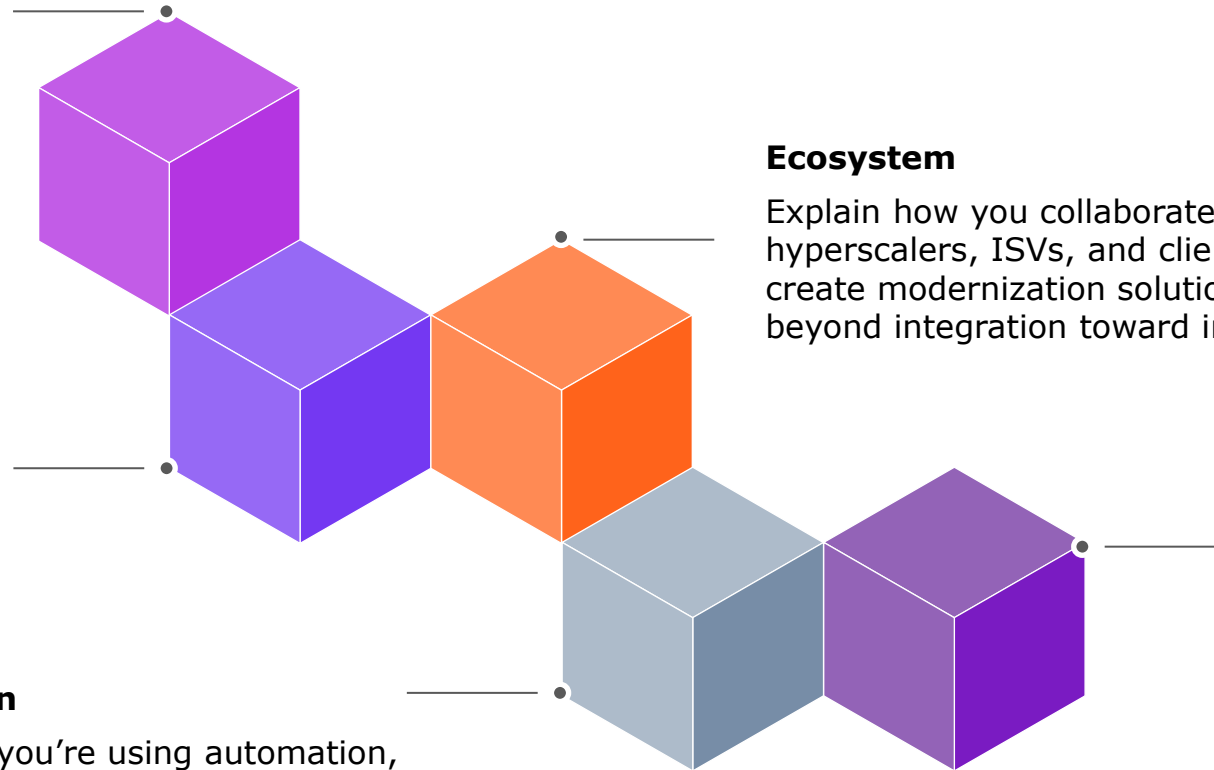
Show how you're using automation, GenAI, agentic AI, and other emerging technologies—not just for enablement, but for continuous reinvention and differentiation.

Ecosystem

Explain how you collaborate with hyperscalers, ISVs, and clients to co-create modernization solutions at scale beyond integration toward innovation.

Outcome mindset

Going beyond operational KPIs—demonstrate how your modernization programs drive resilience, agility, stakeholder experience (CX, PX), and measurable business growth.



32 service providers were evaluated in this report

accenture

AKKODIS

a. amdocs

ASCENDION
Engineering to elevate life

Atos

birlasoft

brillio

Capgemini

Coforge

cognizant

EY
Shape the future
with confidence

FUJITSU

HCLTech

Hitachi Digital Services

IBM

Infosys

LTIMindtree

Mphasis
The Next Applied

NuSumermit

Persistent

Prodapt

publicis
sapient

rhino.ai

Softtek

SONATA
SONATA SOFTWARE

tcs TATA
CONSULTANCY
SERVICES

TECH
mahindra

THIS
TERRY HARRIS INTEGRATION SOLUTIONS

unisys

unqork

virtusa

wipro

Note: All service providers are listed alphabetically.

Horizons assessment methodology: The best service providers of legacy application modernization services in 2025

This research evaluates the capabilities of service providers across a range of dimensions to understand the **why, what, how, and so what** of their service offerings supporting the app-modernization business. Our assessment is based on inputs from clients and partners and augmented with analyst perspectives. The following illustrates how we assess their capabilities.

← Distinguishing service provider characteristics →

Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Value proposition: The why (25%)	Strategy for the app-modernization market, vision for the future, and alignment to business needs	<ul style="list-style-type: none"> Focus primarily on digitizing specific functions and legacy optimization Limited industry nuance or future ambition 	<ul style="list-style-type: none"> Horizon 1 + enablement of the “OneOffice” model for end-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience 	<ul style="list-style-type: none"> Horizon 2 + ability to drive “OneEcosystem” impact via collaboration across multiple organizations to drive completely new sources of value Vision linked to business model innovation, AI-native platforms, and ecosystem value creation
	Offerings aligned to top problem statements for the sector			
	Differentiators—why companies work with you			
Execution and innovation capabilities: The what (25%)	Breadth and depth of services across the application modernization value chain and associated delivery capabilities	<ul style="list-style-type: none"> Functional domain expertise for legacy app-modernization value chain Industry-specific talent focused on key process domains or tech Tactical execution strength (e.g., CI/CD, refactoring, migration) Limited IP, narrow ecosystem use 	<ul style="list-style-type: none"> Horizon 1+ comprehensive coverage across the application modernization value chain Strong industry-specific talent across IT and operations domains Range of industry-specific partnerships and IP Cloud-native enablement and full value chain delivery 	<ul style="list-style-type: none"> Horizon 2+ comprehensive coverage across the app-modernization value chain and beyond Full-stack modernization including platform co-creation JVs, GenAI, and advanced architecture leadership
	Strength of industry-specific talent—hiring, training, and ongoing development			
	Approach to and strength of ecosystem partners			
	Industry-specific technology innovation			
Go-to-market strategy: The how (25%)	Nature of investments in the application modernization business (M&A, non-M&A, R&D)	<ul style="list-style-type: none"> Investments aligned to functional digital optimization outcomes Optimization and point solutions Target-focused roles and personas, mid-tier focus, geo-specific Functional investments, tactical commercial models 	<ul style="list-style-type: none"> Horizon 1 + investments aligned to enterprise experience and app-modernization Optimization and end-to-end transformation Large deals, broad geo coverage Strategic investment in accelerators and platform IP Broader segmentation and commercial agility 	<ul style="list-style-type: none"> Investments aligned to Horizons 1, 2, and ecosystem enablement and impact Horizons 1, 2 + co-creation with customers and partners, and new value creation C-suite coverage across roles, personas, and geos for tiers 1 and 2 Ecosystem-led go-to-market (GTM) with co-innovation and transformation-as-a-service models Executive and board-level alignment
	Co-innovation and collaboration approaches with customers and partners including creative commercial models			
	Customer targeting approach—roles, segmentation, geography			
Market impact: The so what (25%)	Scale of application modernization business—revenue, clients, and headcount	<ul style="list-style-type: none"> Proven scale and growth driven by functional digital optimization Evidence of cost takeout and speed-to-deploy at the functional level; top marks for PX in isolated domains 	<ul style="list-style-type: none"> Proven scale and growth driven by Horizon 1 + stakeholder experience Top CX and PX marks as an enterprise transformation partner emphasizing stakeholder alignment and delivering enterprise-wide transformation outcomes 	<ul style="list-style-type: none"> Proven scale and growth driven by Horizon 2 + ecosystem impact Top CX and PX marks as a global growth partner driving business model reinvention, ecosystem enablement, measurable growth impact
	Growth of application modernization business—revenue, clients, and headcount			
	Proven outcomes showcasing value delivered to application modernization business			
	Voice of the customer			

2

Market dynamics

Top challenges that enterprises face due to outdated technologies in 2025

Architectural sprawl and hidden dependencies



Decades-old monoliths, tightly coupled services, brittle batch jobs, and undocumented interfaces make change risky and slow, hindering the adoption of newer technologies and curtailing innovation and growth.

“Modernization theatre”



Lift-and-shift, UI reskins, and API wrappers create the appearance of progress. On the other hand, core constraints remain, technical debt persists, costs rise, and value is delayed.

Inability to scale AI and other emerging tech



GenAI/ML can't scale because data is siloed, real-time access is limited, and controls are inconsistent. As a result, pilots proliferate, but enterprise productivity and growth use cases don't land.

Rising run costs and constrained growth



Increasing “keep-the-lights-on” costs—maintenance, licenses, niche skills, duplicate platforms crowd out investment in innovation and growth.

Value leakage in customer and employee experience



Fragmented journeys and manual workarounds hurt customer conversion rates, net promoter score (NPS), and productivity. Front-end improvements can't stick because core systems can't support them, leading to poor brand experience, eroding the customer base, and shrinking revenue.

Constrained monetization and time-to-market



Rigid cores delay launches and pricing changes. They also limit monetization of existing products/platforms (for e.g., API monetization, partner channels, usage-based pricing). New offers and bundles take months, leaving revenue on the table.

What enterprises really want from legacy app modernization providers

Business-aligned constraint removal over technical refresh

Enterprises want providers to show precisely which bottlenecks (architecture, data, integration, ops) they will remove and how that unlocks speed, CX, resilience, and revenue—not just versions migrated.

AI-powered, repeatable modernization factories, not staff-aug

Clients want providers to bring accelerators that discover, assess, refactor, test, and migrate at scale with guardrails (security, traceability, explainability) and measurable effort reduction.

Outcome-based transparency over activity metrics

Buyers want vendors to commit to KPIs that matter—lead-time, change failure rate, error budgets, cutover success, tech debt burn-down, feature velocity, and value realized (for e.g., faster product launches).









Composable architecture and data decoupling over API wrapping

Providers are expected to prove their ability to safely carve out domains, externalize data via contracts/events, and retire legacy code rather than build more digital wrappers around it.

Ope-model change and capability transfer over black-box delivery

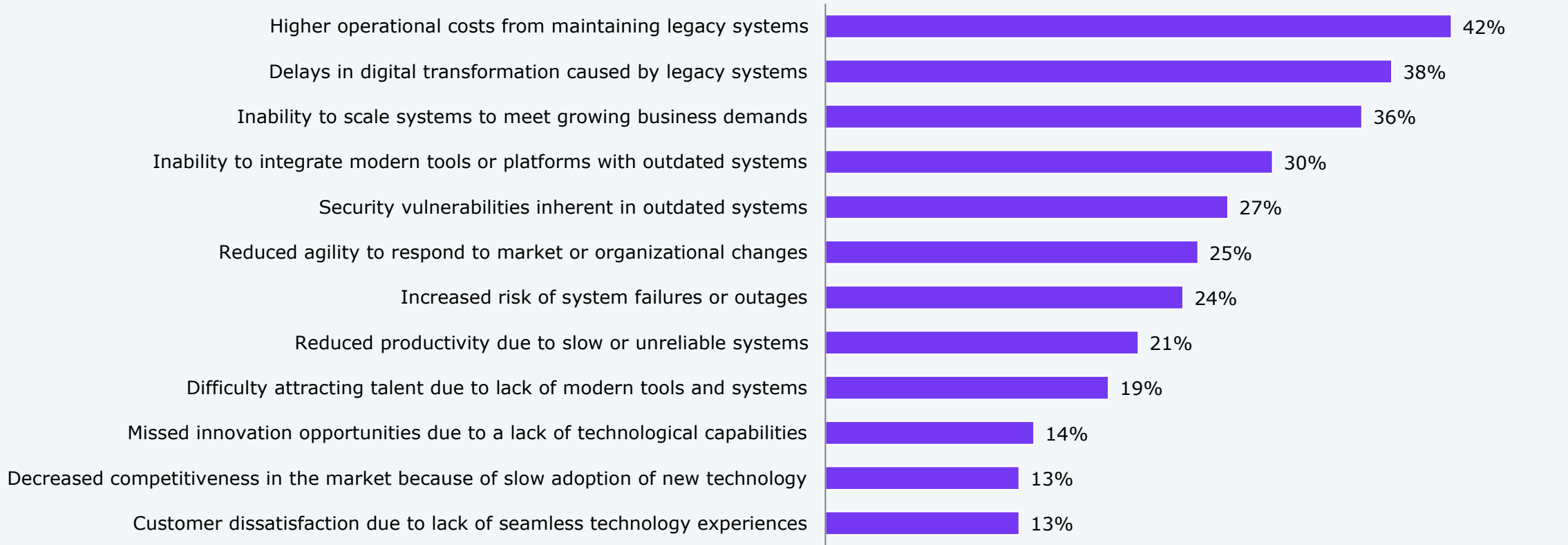
Enterprises want their providers to own change management, upskill client teams, improve developer experience, and leave a run organization (SRE, platform engineering) that sustains modernization gains.

Evolving enterprise expectations and pain points

	Demand side – Enterprise expectations 	Supply side – Provider offerings 	Key pain points to address 
AI-assisted modernization factories 	Clients want to accelerate discovery, code analysis, test generation, and remediation with guardrails and explainability.	Providers are building GenAI code assistants, reverse engineering, automated test creation, blueprinting, and wave planning.	<ul style="list-style-type: none"> • Tool maturity is behind expectations • Hallucination risks • IP/security challenges • Limited integration into real delivery pipelines, and controls
Composable, domain-driven architectures 	Enterprises want to break monoliths using API-first, event-driven patterns to enable high-performing product teams and platform engineering.	Vendors focus on microservices, domain-driven design (DDD), event streaming, platform engineering squads, and best practices for rapid modernization.	<ul style="list-style-type: none"> • Over-fragmentation of systems compounded by weak governance • Skills gaps for teams adopting DDD/platform models
Cloud-native replatforming at scale 	Clients want more than the lift-and-shift of workloads. They expect real elasticity, resilience, and developer velocity to be supported by their cloud-native platforms.	Suppliers are replatforming to containers/serverless architectures. They are also building accelerators/templates and multi-cloud reference architectures.	<ul style="list-style-type: none"> • Measuring and quantifying value beyond lift-and-shift • Extensive platform sprawl • Opaque cloud cost/FinOps discipline
Data modernization and integration 	Enterprises expect real-time data and analytics, consistent domains, and policy-aware sharing across apps.	Most vendors bring modern data platform with real-time pipelines and API-first integration, governed by clear data rules and end-to-end monitoring.	<ul style="list-style-type: none"> • Unclear data origins and uneven quality • Keeping data in sync during cutovers (when writing to old and new systems simultaneously) • Embedding privacy and data-residency rules into every pipeline
Operational model, change and talent management 	Buyers now demand: upskilling to DevOps/SRE, improving developer experience, and ensuring capability transfer rather than vendor lock-in.	Providers are responding through co-delivery, CoEs, playbooks, upskilling academies, and managed runs with exit/transition plans.	<ul style="list-style-type: none"> • Resistance to new ways of working • Inconsistent developer experience • Incomplete handover and unclear ownership post-go-live

Legacy systems are costly to maintain and hinder enterprise agility and transformation

What are the three most significant impacts of outdated or inefficient technology?



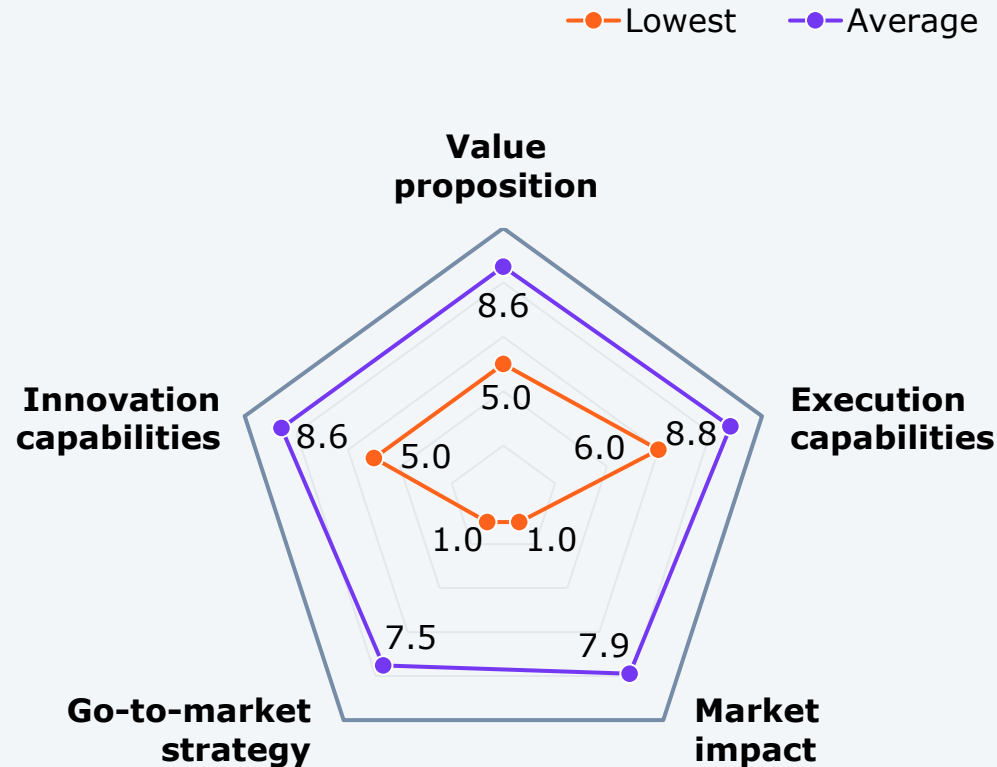
Sample: 305 major enterprise decision-makers; Total does not add to 100% due to multiple selection option
Source: HFS Research Pulse, 2025

Enterprises are hungry for innovation and robust go-to-market strategies from application modernization providers

Client kudos



- Focused on AI and security
- Flexible pricing; shares risk
- Deep knowledge of our industry
- Collaborates closely in production
- Proactive solutions reduce security risk
- Partnerships speed delivery and setup
- Reusable tools accelerate upgrades
- Customized fixes; thorough automated testing
- Delivers on time and budget
- Shares useful methods and trends



Client critics



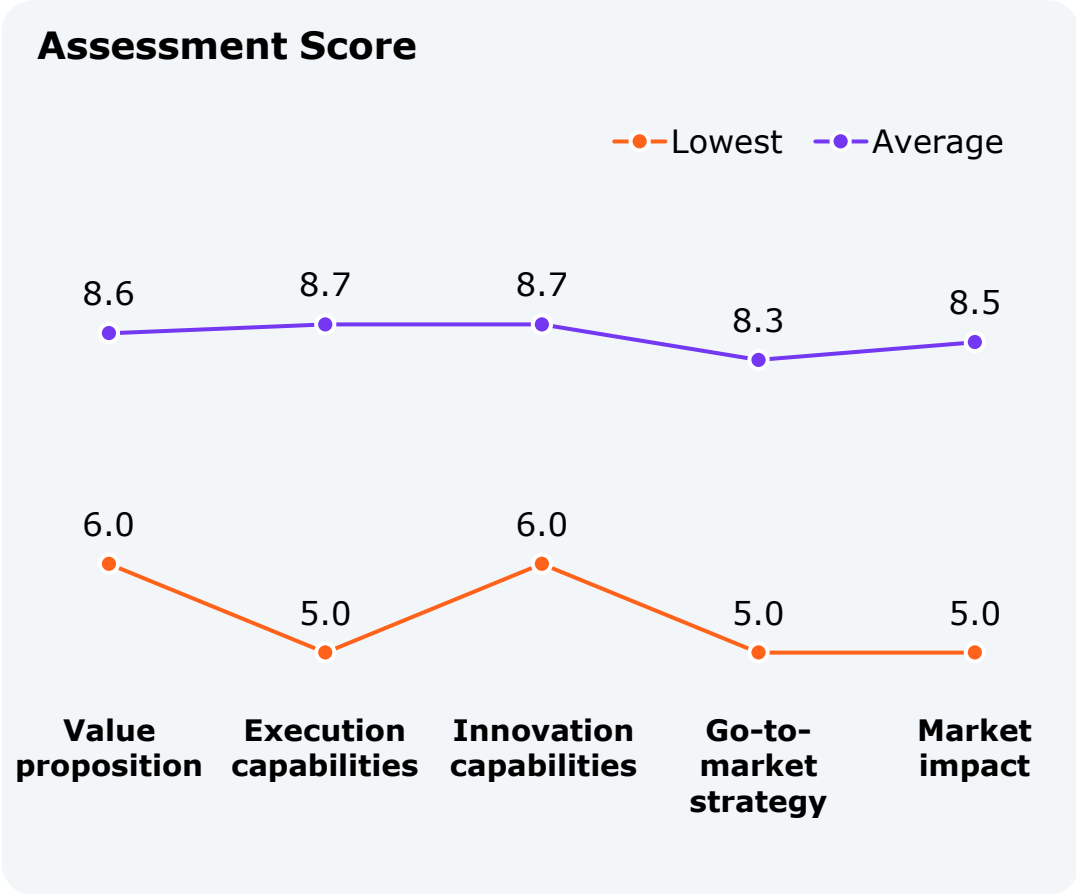
- Invest in relationships proactively
- Lead faster testing improvements
- Innovate beyond basic upgrades
- Show clear value in proposals
- Provide updates more regularly
- Initiate check-ins without prompting
- Ask for context early
- Align once plans are set
- Clarify tool use and support
- Engage on innovation projects

Sample: 50+ enterprise clients modernized their applications for SIs
Source: HFS Research, September 2025

Partners are expected to fill talent gaps and enhance the GTM strategy for better client outcomes

Partner kudos

- Advises impacts; aligns with strategy
- Adapts quickly to market needs
- Clear, practical update approach
- Improves solutions
- Deep industry knowledge
- Works smoothly with partner
- Strong delivery on complex changes
- Proactive collaboration
- Invests in talent and learning
- Uses AI thoughtfully



Partner critics

- Close AI skills gaps
- Deliver concrete AI outcomes
- Build a shared test environment faster
- Improve execution despite turnover
- Simplify and speed contracts
- Increase market presence and reach
- Align better with partners
- Clarify and simplify services
- Expand geographic coverage
- Prove impact for new customers

Sample: 40+ technology partners part of legacy application modernization ecosystem for SIs

Source: HFS Research, September 2025

3

Horizons results: Legacy application modernization services, 2025

HFS Horizons: Summary of providers assessed in this report


Providers (alphabetical order)	HFS point of view
Accenture	The scaled modernization powerhouse with a focus on “digital core and reinvention” using the GenWizard platform
Akkodis	Agentic visionary in legacy app modernization, scaling delivery footprint to match tier-1 competitors
Amdocs	AI-native modernization leader with telco DNA, seeking broader industry impact
Ascendion	Engineering to the power of AI approach and AAVA platforms are modernization disrupters; diversification and scale are the targets
Atos	AI-driven challenger with strong outcomes poised for accelerated scale and enhanced visibility to rival tier-1 companies
Birlasoft	AI-powered challenger in legacy app modernization, scaling for global impact with the Birlasoft Cogito engineering platform
Brillio	Strong innovation edge with the AI-native ADAM platform; market impact and enterprise outcomes still emerging
Capgemini	Strong delivery, innovation, and measurable outcomes with AI-powered app modernization suite sharpen the GTM focus
Coforge	AI-first firm with domain specialization, execution intensity, and innovative assets scaling for broader impact
Cognizant	Scaling AI-native modernization with platform-led approach and Bluebolt innovation program
EY	GenAI-powered modernization with strong growth, deeper scale, and significant R&D investments with room for APAC
Fujitsu	Strong legacy-to-cloud expertise with AI acceleration and balances mainframe strength; needs to boost global visibility boost and fill IP gaps
HCLTech	Strong in AI accelerators and cloud partnerships but must expand rewriting and flagship wins and needs greater visibility
Hitachi Digital	Accelerates modernization with GenAI-powered engineering and R2O2 framework; needs deeper GTM strategy with OneHitachi
IBM	Uses “One IBM” integrating consulting, solutions, and agentic AI; must provide greater clarity on mid-market traction and outcomes
Infosys	Drives AI-first, cloud-native modernization capabilities with client impact; revenue diversification and narrative gaps remain

Providers (alphabetical order)	HFS point of view
LTIMindtree	Well-positioned with BlueVerse, AI-powered industrialized offerings, focus on a broader GTM reach and domain accelerators
Mphasis	Strong focus on AI-driven app modernization in BFSI and Americas, targeting balanced growth and improved outcomes
NuSummit	Balances domain excellence with a cybersecurity-first modernizer; global expansion and broader industry gaps remain
Persistent Systems	Focuses on modernizing, monetizing, and maximizing enterprise data assets, with scope for global market expansion
Prodapt	Strong execution and organic growth in AI accelerators, but diversification beyond telecom constraints impacts the market
Publicis Sapient	Excels in AI-native modernization with SPEED capabilities and measurable client outcomes; needs commercial innovation
Rhino.ai	Disruptive UAN/IP-led model and ecosystem partnerships drive differentiation, but broader market scale is needed
Softtek	Leverages its nearshore agile POD model to deliver efficient and cost-effective mid-tier modernization, but needs deeper partnerships and IP
Sonata Software	Strong client outcomes and AI innovation, but a sharper focus on new industries, and global markets can enhance positioning
TCS	Strong global delivery scale and deep client footprint, with a heavy reliance on hyperscaler-based and cloud offerings
Tech Mahindra	Driving scalable modernization with AI, ecosystems, and proven client outcomes, with an opportunity for a flexible GTM model
Torry Harris	Strong modernization outcomes with AI-driven API-first integration toolkits, with opportunities to expand scale and visibility globally
Unisys	Accelerates modernization with AI-driven transformation, enabling secure, scalable, industry-specific enterprise agility
Unqork	AI-first approach to modernization sets it apart, but global scale and visibility remain growth priorities
Virtusa	AI-driven modernization accelerates outcomes with Helio Suite, with an opportunity to build brand visibility
Wipro	Modernizing through cloud-native solutions to improve cost-efficiency, scalability, and agility, with scope to diversify revenue

Note: All service providers are listed alphabetically.

HFS Horizons for legacy application modernization services, 2025

Welcome to our **HFS Horizons: Legacy application modernization services, 2025** study. Horizons are HFS Research’s [vendor evaluation research vehicle](#) designed to assess vendor capabilities’ innovation and value potential across the value chain based on a range of dimensions to understand the **why, what, how, and so what** of their service offerings across three distinct horizons:

HORIZON 3 – Market Leaders				
INNOVATION SCOPE	ECOSYSTEM	   		GROWTH
		   		
		    		
HORIZON 2 – Enterprise Innovators				
INNOVATION SCOPE	ENTERPRISE	   		EXPERIENCE
		   		
		   		
HORIZON 1 – Disruptors				
INNOVATION SCOPE	FUNCTIONAL	   		DIGITAL
		  		

Note: All service providers within a Horizon are listed alphabetically

Horizon 3 – Ecosystem transformation

Horizon 3 service providers demonstrate:

- Horizon 2 + the ability to drive **OneEcosystem** impact via collaboration across multiple organizations, with common objectives around driving completely new sources of value.
- Innovation scope at the ecosystem level with the resulting value delivered, focused on growth through new business and collaboration models. Provide examples of innovative use of AI.

Horizon 2 – Enterprise transformation

Horizon 2 service providers demonstrate:

- Horizon 1 + enablement of the **OneOffice** model for end-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience.
- Innovation scope at the end-to-end enterprise level, with the resulting value delivered focused on enhanced stakeholder experience—inclusive of customers, advisors, partners, and regulators.

Horizon 1– Functional digital transformation


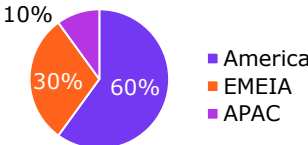
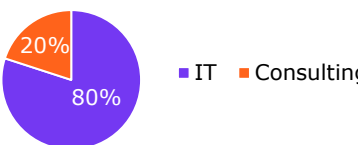
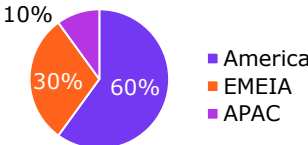
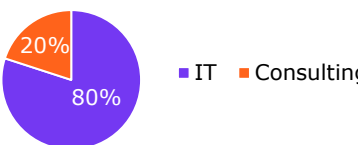
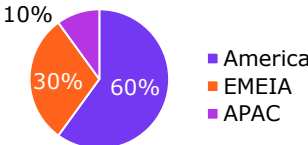
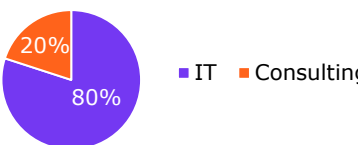
Horizon 1 service providers demonstrate:

- The ability to drive digitized processes to improve business outcomes such as cost reduction, speed, and efficiency across elements of the application modernization value chain.
- Innovation focus, generally at the function level, with the resulting value focused on the digitization of domain-specific processes.

4

EY profile: Legacy application modernization services, 2025

EY: GenAI-powered modernization with strong growth, deeper scale, and significant R&D investments with room for APAC

<div><div><div>HORIZON 3 – Market Leader</div><div></div><div>HORIZON 2 – Enterprise Innovator</div><div>HORIZON 1 – Disruptor</div></div></div>		<table><tr><th>Strengths</th><th>Development opportunities</th></tr><tr><td><ul style="list-style-type: none">• Value proposition: A three-tiered approach (maintenance, modernization, and transformation) that directly links modernization to CX, agility, resilience, and cost-to-serve.• Capabilities: Full-stack modernization across architecture, code, data, AI-driven delivery, and governance. 35,600+ cloud/data/app engineers, 80K technologists, and 32 delivery centers back execution. Offers the GenAI-powered SDLC.ai that includes 25+ assets, 1,000+ modular AI agents, and generated 400k+ efficiency hours annually.• Go-to-market: Sector-focused GTM with industry playbooks in banking, energy, life sciences, etc. 60+ innovation labs with hyperscalers and ISVs. Pricing models include 65–70% outcome- or gain-share based contracts, aligning delivery to business results. Invested \$10B+ (2022–25) in innovation, including AI and modernization R&D.• Outcomes: \$160M revenue uplift and 40% booking time reduction for a global travel company, genomic test times reduced from 9hrs to <2hrs for a European hospital, and 100% e-contracting and automation gains for a leading automotive manufacturer.• Innovation: Proprietary platforms like EY.ai, Nexus, and SDLC.ai embed AI into delivery. AI adoption is 100% across EY staff, supported by 50+ Responsible AI controls. New AI Experience Centers in Bangalore, New York, and London accelerate co-innovation.• Client and partner kudos: Strong client focus, relationship building, depth and breadth of technology, industry, business skills, and ability to quickly mobilize the right talent to deliver outcomes. Deep industry expertise, innovation and co-creation, outcome-driven delivery, strong technology skills, strategic depth, and a structured organization around initiatives for impactful modernization programs.</td><td><ul style="list-style-type: none">• Value proposition: Simplify articulation of cost/TCO benefits beyond high-end transformation.• Go-to-market: Focus on APAC and sharpen the mid-market and volume-driven modernization.• Client critics: Enhance relationships, documentation, and communication to improve project execution, expand team skills, and ensure better oversight of junior resources.• Partner critics: Accelerate AI use cases with SAP products is crucial for global investments, streamlining internal alignment, and keeping pace with NVIDIA, while managing EY's complex organizational structure.</td></tr></table>		Strengths	Development opportunities	<ul style="list-style-type: none">• Value proposition: A three-tiered approach (maintenance, modernization, and transformation) that directly links modernization to CX, agility, resilience, and cost-to-serve.• Capabilities: Full-stack modernization across architecture, code, data, AI-driven delivery, and governance. 35,600+ cloud/data/app engineers, 80K technologists, and 32 delivery centers back execution. Offers the GenAI-powered SDLC.ai that includes 25+ assets, 1,000+ modular AI agents, and generated 400k+ efficiency hours annually.• Go-to-market: Sector-focused GTM with industry playbooks in banking, energy, life sciences, etc. 60+ innovation labs with hyperscalers and ISVs. Pricing models include 65–70% outcome- or gain-share based contracts, aligning delivery to business results. Invested \$10B+ (2022–25) in innovation, including AI and modernization R&D.• Outcomes: \$160M revenue uplift and 40% booking time reduction for a global travel company, genomic test times reduced from 9hrs to <2hrs for a European hospital, and 100% e-contracting and automation gains for a leading automotive manufacturer.• Innovation: Proprietary platforms like EY.ai, Nexus, and SDLC.ai embed AI into delivery. AI adoption is 100% across EY staff, supported by 50+ Responsible AI controls. New AI Experience Centers in Bangalore, New York, and London accelerate co-innovation.• Client and partner kudos: Strong client focus, relationship building, depth and breadth of technology, industry, business skills, and ability to quickly mobilize the right talent to deliver outcomes. Deep industry expertise, innovation and co-creation, outcome-driven delivery, strong technology skills, strategic depth, and a structured organization around initiatives for impactful modernization programs.	<ul style="list-style-type: none">• Value proposition: Simplify articulation of cost/TCO benefits beyond high-end transformation.• Go-to-market: Focus on APAC and sharpen the mid-market and volume-driven modernization.• Client critics: Enhance relationships, documentation, and communication to improve project execution, expand team skills, and ensure better oversight of junior resources.• Partner critics: Accelerate AI use cases with SAP products is crucial for global investments, streamlining internal alignment, and keeping pace with NVIDIA, while managing EY's complex organizational structure.										
Strengths	Development opportunities																
<ul style="list-style-type: none">• Value proposition: A three-tiered approach (maintenance, modernization, and transformation) that directly links modernization to CX, agility, resilience, and cost-to-serve.• Capabilities: Full-stack modernization across architecture, code, data, AI-driven delivery, and governance. 35,600+ cloud/data/app engineers, 80K technologists, and 32 delivery centers back execution. Offers the GenAI-powered SDLC.ai that includes 25+ assets, 1,000+ modular AI agents, and generated 400k+ efficiency hours annually.• Go-to-market: Sector-focused GTM with industry playbooks in banking, energy, life sciences, etc. 60+ innovation labs with hyperscalers and ISVs. Pricing models include 65–70% outcome- or gain-share based contracts, aligning delivery to business results. Invested \$10B+ (2022–25) in innovation, including AI and modernization R&D.• Outcomes: \$160M revenue uplift and 40% booking time reduction for a global travel company, genomic test times reduced from 9hrs to <2hrs for a European hospital, and 100% e-contracting and automation gains for a leading automotive manufacturer.• Innovation: Proprietary platforms like EY.ai, Nexus, and SDLC.ai embed AI into delivery. AI adoption is 100% across EY staff, supported by 50+ Responsible AI controls. New AI Experience Centers in Bangalore, New York, and London accelerate co-innovation.• Client and partner kudos: Strong client focus, relationship building, depth and breadth of technology, industry, business skills, and ability to quickly mobilize the right talent to deliver outcomes. Deep industry expertise, innovation and co-creation, outcome-driven delivery, strong technology skills, strategic depth, and a structured organization around initiatives for impactful modernization programs.	<ul style="list-style-type: none">• Value proposition: Simplify articulation of cost/TCO benefits beyond high-end transformation.• Go-to-market: Focus on APAC and sharpen the mid-market and volume-driven modernization.• Client critics: Enhance relationships, documentation, and communication to improve project execution, expand team skills, and ensure better oversight of junior resources.• Partner critics: Accelerate AI use cases with SAP products is crucial for global investments, streamlining internal alignment, and keeping pace with NVIDIA, while managing EY's complex organizational structure.																
<table><tr><th>Percentage of clients</th><th>Revenue mix</th><th>Mergers and acquisitions (2022–2025)</th></tr><tr><td><div><div>America</div><div>EMEA</div><div>APAC</div></div></td><td><div><div>IT</div><div>Consulting</div></div></td><td><ul style="list-style-type: none">• 2025: PT Kreatif Dinamika Integrasi (Indonesia; Microsoft services provider)• 2024: Nuvalence (digital engineering and GenAI capabilities) and IFB SE (international financial and risk transformation consultancy)• 2023: whyaye ltd (UK consulting services for ServiceNow) Frank Hirth, Pythagoras Communications, Seaton Partners, Lane4, and PeakEPM• 2022: Bridge Business Consulting, Red Moki, AFARA, Cambria Solutions, Digital Detox Ventures, Q4 Associates, Fabernovel, Blackdot, Gensquared, Client Solvers, Quantitative Scientific Solutions, Axiom Forensics, T-Plus Consulting, SuMO IT Solutions</td></tr></table>		Percentage of clients	Revenue mix	Mergers and acquisitions (2022–2025)	 <div><div>America</div><div>EMEA</div><div>APAC</div></div>	 <div><div>IT</div><div>Consulting</div></div>	<ul style="list-style-type: none">• 2025: PT Kreatif Dinamika Integrasi (Indonesia; Microsoft services provider)• 2024: Nuvalence (digital engineering and GenAI capabilities) and IFB SE (international financial and risk transformation consultancy)• 2023: whyaye ltd (UK consulting services for ServiceNow) Frank Hirth, Pythagoras Communications, Seaton Partners, Lane4, and PeakEPM• 2022: Bridge Business Consulting, Red Moki, AFARA, Cambria Solutions, Digital Detox Ventures, Q4 Associates, Fabernovel, Blackdot, Gensquared, Client Solvers, Quantitative Scientific Solutions, Axiom Forensics, T-Plus Consulting, SuMO IT Solutions	<table><tr><th>Partnerships</th><th>Key clients</th><th>Global operations and resources</th><th>Flagship internal IP</th></tr><tr><td><ul style="list-style-type: none">• Microsoft Azure, Databricks, Snowflake, Qlik, Splunk, SAS, Informatica, Fadata, Aera Technology, Dell Technologies, NVIDIA, IBM, Red Hat, VMware, CrowdStrike, Zscaler, Okta, Tanium, RSA, Saviynt, SAP, Pega, Adobe, ServiceNow, MoneyLion, PTC, Microsoft Azure (OpenAI), GitHub Copilot, LangChain, Semantic Kernel, MongoDB, Zep, CrewAI, PROS AI, SymphonyAI, Azure AI Document Intelligence, n8n, Cursor, Data Bridge AI, Browser Use Agent, Katalon, Tomic, BrowserStack, Atlassian Intelligence, Sauce Labs, PipelineForge, Datadog, Dynatrace, Argo, Jira, OpenTelemetry, Harness, Azure DevOps MCP Server, React Flow, Monday, New Relic, Grafana</td><td><p>Number of application modernization clients: 880</p><p>Key clients:</p><ul style="list-style-type: none">• A leading global financial institution• FIS• Royal Caribbean• St. James’s Hospital Laboratory (Ireland)• Global wealth manager• A leading automotive manufacturer</td><td><p>Application modernization headcount: 35,600+</p><p>Centers of excellence and delivery and innovation centers:</p><ul style="list-style-type: none">• 32 global delivery centers, 45+ Wavespace™ innovation labs, and multiple Modernization centers of excellence• GenAI Engineering Hubs, Cloud-First Design Studios, DevSecOps factories, and Data Modernization Labs, serving major markets across the Americas, EMEA, and Asia Pacific</td><td><ul style="list-style-type: none">• EY.ai: Unified AI platform, industry-specific AI agents• SDLC.ai: GenAI-powered agent suite across SDLC• EY Nexus: Industry cloud platform, composable modernization modules• EYQ (secure LLM): Proprietary large language model for enterprises</td></tr></table>		Partnerships	Key clients	Global operations and resources	Flagship internal IP	<ul style="list-style-type: none">• Microsoft Azure, Databricks, Snowflake, Qlik, Splunk, SAS, Informatica, Fadata, Aera Technology, Dell Technologies, NVIDIA, IBM, Red Hat, VMware, CrowdStrike, Zscaler, Okta, Tanium, RSA, Saviynt, SAP, Pega, Adobe, ServiceNow, MoneyLion, PTC, Microsoft Azure (OpenAI), GitHub Copilot, LangChain, Semantic Kernel, MongoDB, Zep, CrewAI, PROS AI, SymphonyAI, Azure AI Document Intelligence, n8n, Cursor, Data Bridge AI, Browser Use Agent, Katalon, Tomic, BrowserStack, Atlassian Intelligence, Sauce Labs, PipelineForge, Datadog, Dynatrace, Argo, Jira, OpenTelemetry, Harness, Azure DevOps MCP Server, React Flow, Monday, New Relic, Grafana	<p>Number of application modernization clients: 880</p> <p>Key clients:</p> <ul style="list-style-type: none">• A leading global financial institution• FIS• Royal Caribbean• St. James’s Hospital Laboratory (Ireland)• Global wealth manager• A leading automotive manufacturer	<p>Application modernization headcount: 35,600+</p> <p>Centers of excellence and delivery and innovation centers:</p> <ul style="list-style-type: none">• 32 global delivery centers, 45+ Wavespace™ innovation labs, and multiple Modernization centers of excellence• GenAI Engineering Hubs, Cloud-First Design Studios, DevSecOps factories, and Data Modernization Labs, serving major markets across the Americas, EMEA, and Asia Pacific	<ul style="list-style-type: none">• EY.ai: Unified AI platform, industry-specific AI agents• SDLC.ai: GenAI-powered agent suite across SDLC• EY Nexus: Industry cloud platform, composable modernization modules• EYQ (secure LLM): Proprietary large language model for enterprises
Percentage of clients	Revenue mix	Mergers and acquisitions (2022–2025)															
 <div><div>America</div><div>EMEA</div><div>APAC</div></div>	 <div><div>IT</div><div>Consulting</div></div>	<ul style="list-style-type: none">• 2025: PT Kreatif Dinamika Integrasi (Indonesia; Microsoft services provider)• 2024: Nuvalence (digital engineering and GenAI capabilities) and IFB SE (international financial and risk transformation consultancy)• 2023: whyaye ltd (UK consulting services for ServiceNow) Frank Hirth, Pythagoras Communications, Seaton Partners, Lane4, and PeakEPM• 2022: Bridge Business Consulting, Red Moki, AFARA, Cambria Solutions, Digital Detox Ventures, Q4 Associates, Fabernovel, Blackdot, Gensquared, Client Solvers, Quantitative Scientific Solutions, Axiom Forensics, T-Plus Consulting, SuMO IT Solutions															
Partnerships	Key clients	Global operations and resources	Flagship internal IP														
<ul style="list-style-type: none">• Microsoft Azure, Databricks, Snowflake, Qlik, Splunk, SAS, Informatica, Fadata, Aera Technology, Dell Technologies, NVIDIA, IBM, Red Hat, VMware, CrowdStrike, Zscaler, Okta, Tanium, RSA, Saviynt, SAP, Pega, Adobe, ServiceNow, MoneyLion, PTC, Microsoft Azure (OpenAI), GitHub Copilot, LangChain, Semantic Kernel, MongoDB, Zep, CrewAI, PROS AI, SymphonyAI, Azure AI Document Intelligence, n8n, Cursor, Data Bridge AI, Browser Use Agent, Katalon, Tomic, BrowserStack, Atlassian Intelligence, Sauce Labs, PipelineForge, Datadog, Dynatrace, Argo, Jira, OpenTelemetry, Harness, Azure DevOps MCP Server, React Flow, Monday, New Relic, Grafana	<p>Number of application modernization clients: 880</p> <p>Key clients:</p> <ul style="list-style-type: none">• A leading global financial institution• FIS• Royal Caribbean• St. James’s Hospital Laboratory (Ireland)• Global wealth manager• A leading automotive manufacturer	<p>Application modernization headcount: 35,600+</p> <p>Centers of excellence and delivery and innovation centers:</p> <ul style="list-style-type: none">• 32 global delivery centers, 45+ Wavespace™ innovation labs, and multiple Modernization centers of excellence• GenAI Engineering Hubs, Cloud-First Design Studios, DevSecOps factories, and Data Modernization Labs, serving major markets across the Americas, EMEA, and Asia Pacific	<ul style="list-style-type: none">• EY.ai: Unified AI platform, industry-specific AI agents• SDLC.ai: GenAI-powered agent suite across SDLC• EY Nexus: Industry cloud platform, composable modernization modules• EYQ (secure LLM): Proprietary large language model for enterprises														

5

HFS Research authors

HFS Research authors



Hansa Iyengar
Practice Leader

hansa.iyengar@hfsresearch.com

Hansa Iyengar leads the banking, financial services (BFS), and IT services research practice at HFS Research. She focuses on delivering practical, forward-looking insights that help BFS leaders navigate change across financial services and on providing critical analyses of service provider strategies, enabling buyers to make more informed sourcing and partnership decisions.

Hansa brings more than 15 years of expertise in deep enterprise technology and IT services. She has led global research portfolios on competitive intelligence, digital transformation, and market trend analysis for technology and telecom enterprises. With a track record of authoring influential thought leadership, she is known for her sharp strategic thinking, enterprise-first perspective, and commitment to cutting through hype to deliver insights that matter.



Srini Vaddepalli
Practice Leader

srini.vaddepalli@hfsresearch.com

Srini Vaddepalli is a practice leader and analyst at HFS Research, specializing in global business services, the manufacturing industry, and global capability centers. With more than 17 years of experience across service providers (Capgemini), analyst firms (ISG), and enterprise organizations (Eastman Chemical), Srini brings a comprehensive perspective on information technology (IT) services.

He has consistently collaborated with key stakeholders to generate actionable insights supporting strategic decision-making. His expertise also extends to exploring the transformative impacts of AI, automation, and data analytics, focusing on Industry 4.0, sustainability, circular economy practices, and operational efficiencies in the chemical, energy, and utilities industries.



Mayank Madhur
Practice Leader

mayank.madhur@hfsresearch.com

Mayank Madhur is a Practice Leader at HFS Research, driving deep research and insights into the healthcare and life sciences verticals. He also brings horizontal depth in IoT, digital engineering, and sustainability, collabo with industry and technology leaders to deliver cross-functional insights. He holds the Sustainability and Climate Risk (SCR) certification from GARP and is a certified Project Management Professional (PMP®).

With over a decade of experience in research, strategy, pre-sales, and software development, Mayank blends analytical rigor with execution. At Altimetrik, he supported vertical heads and GTM teams, contributing to M&A profiling and peer benchmarking. At HCLTech, he worked on an R&D project for a global medical device client.

About HFS

- **INNOVATIVE**
- **INTREPID**
- **BOLD**

HFS Research is a leading global research and advisory firm helping Fortune 500 companies through IT and business transformation with bold insights and actionable strategies.

With an unmatched platform to reach, advise, and influence Global 2000 executives, we empower organizations to make decisive technology and service choices. Backed by fearless research and an impartial outside perspective, our insights give you the edge to stay ahead.



www.hfsresearch.com



[hfsresearch](https://www.linkedin.com/company/hfsresearch)



www.horsesforsources.com



www.horsesmouthpodcast.com