ISG Provider Lens™

Aerospace and Defense Services and Solutions

A research report comparing provider strengths, challenges and competitive differentiators

BROCHURE | JANUARY 2025 | U.S., AND EUROPE (OVERALL ECOSYSTEM, AND MID-SIZE IT SERVICES PROVIDERS/SPECIALISTS)

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Introduction

The aerospace and defense (A&D) industry encompasses the development, manufacturing and maintenance of aircraft, spacecraft and defense systems. This industry is critical for ensuring national security, fostering economic stability and driving technological advancement.

Some of the key players include, Boeing, Lockheed Martin, Northrop Grumman, Thales, Dassault Aviation, BAE Systems, Raytheon Technologies, General Dynamics, Rolls-Royce, and Airbus. Some of these players cater to both the commercial and the military side of business.

The A&D industry leads technological innovation in areas such as autonomous systems, AI and advanced materials, boosting operational efficiency and safety in commercial, business and military aviation. For instance, the adoption of drones and unmanned vehicles is revolutionizing civilian operations and combat strategies.

The A&D industry fosters international collaboration through partnerships between entities and companies. This cooperation is essential for sharing knowledge, resources and technologies to tackle global challenges such as climate change and cybersecurity threats. Joint ventures drive advancements that benefit multiple countries, enhancing their defense and civilian operational capabilities.

Despite its importance, the A&D industry faces several challenges, including supply chain disruptions, rising costs and the need for digital transformation. To address these challenges, companies within the A&D industry must invest in new technologies that streamline operations and enhance product development processes.

This study aims to understand the importance of A&D services and solutions while assessing providers' capabilities in this rapidly evolving space. The ongoing geopolitical tensions and emerging threats necessitate continuous investments in defense capabilities to ensure preparedness against potential conflicts. Countries invest heavily in modernizing their military forces, which drives demand for innovative aerospace and defense solutions.

Blueprint* – Aerospace and Defense

Innovation (IP – Accelerators)

Partnerships (Tiers – Types)

Competency and Talent (Resources – Certifications)

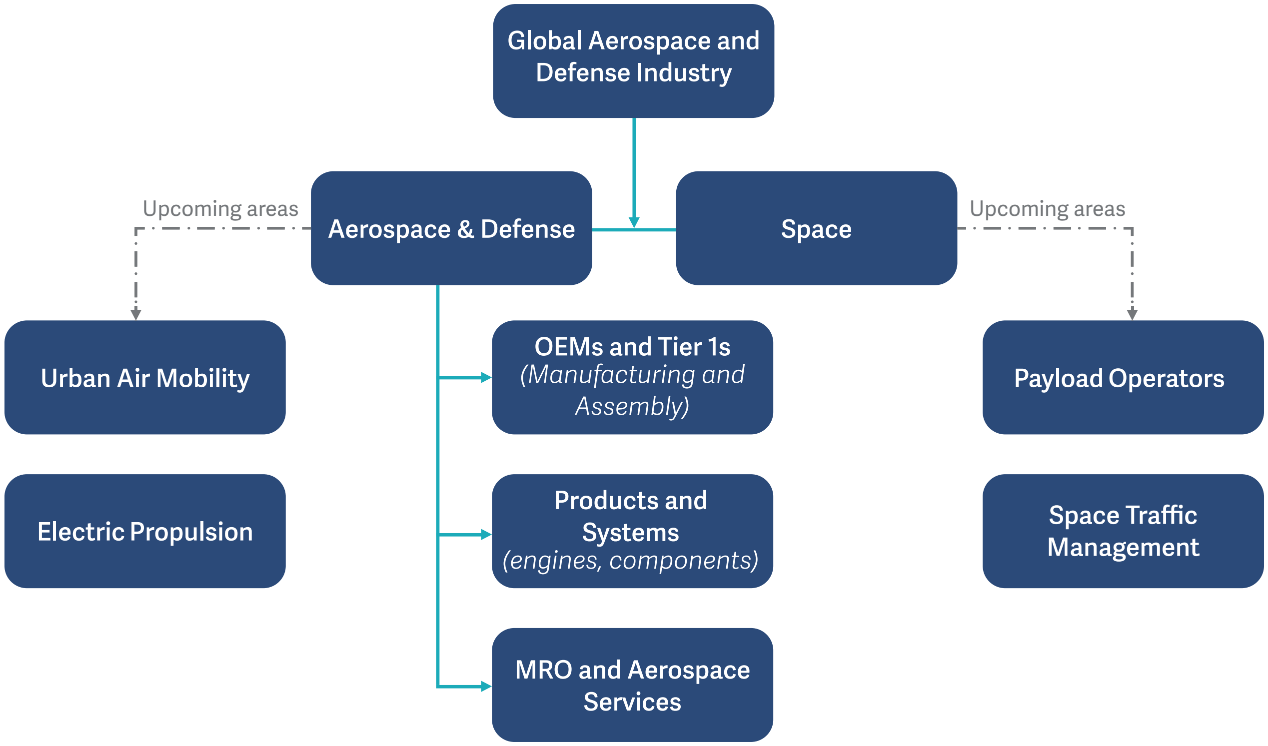
Industry Focus and Alignment

Experience and Engagement

	Capabilities
Engineering, Design and Innovation	Engineering; Design; Innovation; Digital Twin; Automation; Digitalization; Model-based Systems Engineering
MRO and Aftermarket	Asset Health Management; MRO; Field Service Management; Condition-based Monitoring; Predictive Maintenance; Remote Monitoring; Analytics; CMMS; Compliance
Supply Chain Operations and Logistics Management	Order Management; Inventory; Warehousing; Delivery; Automation Services; Optimization and Resilience; Logistics; Demand Planning and Forecasting
Technology Transformation and Consulting	Digital Transformation; Sustainability; Account Management; Talent Management; Omni Channel Support; Automation; Enhanced Data Utilization; Cost Reduction

*Non-exhaustive

Aerospace and Defense Industry Structure



This study focuses on key trends and provider capabilities enabling digital transformation for the **Aerospace and Defense industry**.

Overall Service Provider Ecosystem	Mid-Size IT Providers/Specialists
Engineering, Design and Innovation	**Engineering, Design and Innovation**
Maintenance, Repairs and Overhaul (MRO) and Aftermarket	**Maintenance, Repairs and Overhaul (MRO) and Aftermarket**
Supply Chain Operations and Logistics Management	**Supply Chain Operations and Logistics Management**
Technology Transformation and Consulting	**Technology Transformation and Consulting**

Simplified Illustration Source: ISG 2025

The ISG Provider Lens™ Aerospace and Defense Services and Solutions 2025 study offers the following to business and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness
- Focus on different markets, including the U.S., and Europe

Our study serves as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential engagements.

Large Providers are those with revenues exceeding $2 billion. They cater to multiple verticals, often spreading their resources across a broad range of industries. Their primary focus lies in serving large enterprises, often engaging in large transformation projects that require deep expertise, extensive resources, and the ability to manage complex, enterprise-wide innovations. Their deep industry experience, broad service capabilities, and strategic partnerships with technology giants position them as key players in the global digital services landscape.

Mid-size Providers/Specialists:

Mid-size Providers generate less than $2 billion in revenue and typically specialize in 3-4 verticals where they hold strong capabilities and significant revenue share. These providers adopt an agile and flexible approach, making them well-suited to serve both large enterprises and mid-market clients with tailored, industry-specific solutions. They also have strong inherent capabilities and heritage in Digital Engineering services. This combination of domain expertise, flexibility, and a strong focus on innovation positions them as effective partners for businesses seeking to implement cutting-edge technologies with a faster, more agile approach.

Specialists are service providers uniquely positioned due to their niche capabilities, which are either deeply embedded in specific verticals (e.g., healthcare, financial services) or concentrated on specialized service areas like AI and analytics. Typically, these providers focus intensely on 2-3 verticals where they hold a significant market share and expertise, allowing them to deliver highly tailored and innovative solutions. Specialists leverage their agility and flexibility to serve both large and mid-market enterprises. Their approach emphasizes solution-based problem-solving, making them highly responsive to the specific needs of their clients.

Definition

The A&D industry plays a pivotal role in national security, commercial operations and economic stability, highlighting the importance of engineering, design and innovation services. Beyond military and commercial applications, A&D engineering drives broader societal benefits. Aerospace engineering has driven advancements in materials science and propulsion technologies that affect various sectors. Innovations in avionics have revolutionized communication and navigation systems, enhancing air travel safety and democratizing access to GPS technology.

Collaboration between the aerospace and defense sectors drives technological advancements, resulting in breakthroughs in areas such as circular economy, sustainable materials, UAVs and precision-guided support systems. As these sectors evolve, they rely on advanced engineering practices that incorporate digital technologies such as simulation, data analytics and AI, improving design processes, predictive maintenance strategies and operational capabilities.

Eligibility Criteria

1. Demonstrate experience in **offering engineering, design and innovation services** and solutions for OEM clients in the A&D industry Showcase **successful engineering, design and innovation-related engagements** with at least three A&D companies
2. Have **at least three** of the following in the areas of engineering, design and innovation:
   - Experience in **avionics/ aviation-specific projects**
   - Proven **deployment of IoT** in aerospace systems
   - **Compliance with industry standards** and certifications
   - **Expertise in network** and communication protocols
   - Expertise in **using AI and ML** for engineering, design and innovation
   - Have **high-availability systems** for critical operations
   - Expertise in **zero trust architecture**
   - Expertise in **developing high-fidelity simulations**
   - Proven **integration of VR and AR** technologies into training modules
   - Track record of **working with** industry-leading **A&D companies**
   - Expertise in **MES software**
3. Demonstrate strong **partnerships with AI research organizations** or labs, industry associations, regulatory bodies, technology firms and start-ups specializing in the A&D industry
4. Offer **referenceable A&D use cases** for various services and solutions across the value chain

Definition

The A&D industry's MRO and aftermarket services are crucial for the operational efficiency, safety and longevity of aircraft and defense systems. MRO activities encompass a wide range of services, from routine inspections to major overhauls, essential for maintaining aircraft airworthiness. These services extend the lifespan of various platforms, ensuring their safety and reliability throughout their operational life. The MRO sector is critical for aging fleets, as military and commercial aircraft, often designed for decades of operation, require continuous maintenance and upgrades to meet evolving safety standards and technological advancements.

Additionaly, MRO services enhance safety and reduce costs, providing competitive advantages for A&D companies. As firms increasingly recognize the importance of aftermarket services, they leverage these to drive revenue growth and strengthen customer relationships. This shift to a service-oriented business model allows OEMs to focus on innovation while outsourcing maintenance tasks to specialized MRO providers. This collaboration between OEMs and MROs enhances operational readiness, ensuring military aircraft are serviced with precision and care to support national defense objectives.

Eligibility Criteria

1. Demonstrate **experience in offering MRO and aftermarket services** and solutions for OEM clients in the A&D industry Showcase **successful MRO and aftermarket-related engagements** with at least three A&D companies
2. Have at least three of the following in the areas related to MRO and aftermarket:
    - Expertise in **predictive analytics**
    - Expertise in **condition-based monitoring**
    - Experience in **asset lifecycle management**
    - Expertise in **ERP system implementation**
    - Proven **deployment of IIoT, digital twin and additive manufacturing** solutions
    - Proactive maintenance and **rapid deployment capabilities**
    - **Integration** with live, virtual and constructive (LVC) **training systems**
    - Expertise in parts management
3. Demonstrate **strong partnerships with AI research organizations or labs**, industry associations, regulatory bodies, technology firms and start-ups specializing in the A&D industry
4. Offer **referenceable A&D use cases** for various services and solutions across the value chain

Definition

The A&D industry relies on intricate supply chain operations and logistics management services to maintain efficiency, reliability and safety. The aerospace supply chain involves a vast network of suppliers, manufacturers and service providers, essential for seamless production and maintenance of A&D systems. This network is crucial for commercial aviation and for national security, where timely delivery of components significantly impacts operational readiness.

Effective SCM in the A&D sector encompasses planning, transportation management, supplier relationship management, cost control and risk management. Accurate demand forecasting and inventory management are vital to minimize delays and optimize resource allocation. Given the high costs of aerospace components, logistics managers must ensure timely deliveries to avoid production downtimes that can lead to substantial financial losses.

Additionally, long lead times and regulatory compliance complicate logistics, making supply chain visibility a challenge.

Eligibility Criteria

1. **Experience in supply chain operations and logistics management** services and solutions for OEMs in the A&D industry
2. **Successful supply chain operations and logistics management-related engagements** with at least three A&D companies
3. Have at least three of the following in the areas of supply chain operations and logistics management:
   - Proven **deployment of IIoT, digital twin and additive manufacturing** solutions
   - Expertise in **GIS implementation**
   - Proven **deployment of AI and ML** in autonomous systems
   - Ability to **secure supply chain networks from cyberthreats**
   - Expertise in **warehouse management**
   - Logistics and transportation **management systems**
   - Expertise in **purchasing processes**
   - Shipping logistics
   - Traceability systems
   - Expertise in scheduling
   - Proactive **order management** capabilities
   - Expertise in **control tower operations**
   - Experience in forecasting
   - Expertise in **demand planning**
   - Expertise in **materials management**
   - Expertise in third-party risk management
   - Proven solutions for supply chain and procurement optimization
   - Expertise in **supply chain segmentation**
   - **Strong partnerships with AI research organizations,** industry associations, regulatory bodies, technology firms and start-ups within the A&D industry
   - Offer **referenceable A&D use cases** for various services and solutions across the value chain

Definition

Technology transformation within the A&D industry is necessary for survival and growth in a competitive landscape. As the industry faces challenges from geopolitical tensions, evolving customer expectations and the need foroperational efficiency, digital transformation becomes a critical strategy. This transformation involves integrating advanced technologies such as AI, ML, cloud computing and automation into core processes, enhancing decision-making, streamlining operations and improving overall productivity to better meet market demands.

Consulting services play a pivotal role in this transformation journey by providing specialized knowledge and strategic guidance tailored to the unique challenges of the A&D sector.

Consulting firms leverage their industry insights to help organizations navigate the complexities of digital adoption, ensuring technology investments align with broader business objectives. Companies that embrace digital transformation improve their ROI and shareholder value, positioning themselves as leaders in innovation. Failure to act risks cost escalations and loss of market share as competitors adopt advanced technologies.

Eligibility Criteria

1. Experience in **offering technology transformation and consulting services** and solutions for OEM clients in the A&D industry
2. Demonstrate **successful technology transformation and consulting services-related engagements** with at least three A&D companies
3. Have at least three of the following in the areas of technology transformation and consulting:
    - Support for **secure and encrypted data exchange**
    - Expertise in **disaster recovery systems**
    - Expertise in **connected aircraft** and related solutions
    - Energy **efficiency and carbon footprint tracking**
    - Expertise in **airline or fleet/ route optimization** software
    - Expertise in **ERP systems**
    - 24/7 security operations center **(SOC)** and network operations center **(NOC)**
4. Demonstrate **strong partnerships with AI research organizations** or labs, industry associations, regulatory bodies, technology firms and start-ups specializing in the A&D industry
5. Offer **referenceable A&D use cases** for various services and solutions across the value chain

Quadrants by Region

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following four quadrants each on Aerospace and Defense Services and Solutions 2025 for overall service provider ecosystem, and mid-size providers/specialists:

Quadrant	**Service Provider / Vendor**	**U.S.**		**Europe**	
		Overall Ecosystem	Mid-Size, IT Firms/Specialists	Overall Ecosystem	Mid-Size, IT Firms/Specialists
Engineering, Design and Innovation	Service Provider	✔	✔	✔	✔
Maintenance, Repairs and Overhaul (MRO) and Aftermarket	Service Provider	✔	✔	✔	✔
Supply Chain Operations and Logistics Management	Service Provider	✔	✔	✔	✔
Technology Transformation and Consulting	Service Provider	✔	✔	✔	✔

Key characteristics of the proprietary framework:

- Encapsulates what enterprises are doing across the aerospace and defense services and solutions market and helps connect them to the digital solutions
- Represents the entire value chain of supply and demand within the market
- Inner tiles represent themes of enterprise objectives
- Outer tiles represent initiatives
- Behind each outer tile is a specific set of capabilities with unique market-leading providers and solutions
- Green tiles represent where an ISG Software Research will produce a Buyers Guide in 2025

The research phase falls in the period between January and April 2025, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in June 2025.

Milestones	Beginning	End
Survey Launch	January 23, 2025	
Survey Phase	January 24, 2025	February 21, 2025
Sneak Preview	May 9, 2025	
Press Release & Publication	June 16, 2025	

Collecting client testimonials via the Star of Excellence™ Program requires early client referrals (no official reference needed) because CX scores have a direct influence on the provider's position in the IPL quadrant and the awards.

Please refer to the link to view/download the ISG Provider Lens™ 2025 research agenda.

Access to Online Portal

You can view/download the questionnaire from here using the credentials you have already created or refer to the instructions in the invitation email to generate a new password.
We look forward to your participation!

Buyers Guide

ISG Software Research, formerly "Ventana Research," offers market insights by evaluating technology providers and products through its Buyers Guides. The findings are drawn from the research-based analysis of product and customer experience categories, ranking and rating software providers and products to help facilitate informed decision-making and selection processes for technology.

In the course of the Aerospace and Defense IPL launch, we want to take advantage of the opportunity to draw your attention to related research and insights that ISG Research will publish in 2025. For more information, refer to the Buyers Guide research schedule.

Research Production Disclaimer:

ISG collects data for the purposes of conducting research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.

ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of "Voice of the Customer." The Star of Excellence™ is a program, designed by ISG, to collect client feedback about service providers' success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to nominate their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence™ website.

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

Here is the email address:
star@cx.isg-one.com

ISG Star of Excellence

The ISG Provider Lens 2025 – Aerospace and Defense Services and Solutions research study analyzes the relevant software vendors/service providers in the global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this study will include data from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

All revenue references are in U.S. dollars ($US) unless noted.

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ISG Provider Lens Advisors Involvement Program

ISG Provider Lens offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three consultant advisors participate as part of each study's quality and consistency review process. The consultant advisors ensure each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the consultant advisors' group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,
- Advise on service provider inclusion, participate in briefing calls,
- Give their perspectives on service provider ratings and review report drafts.

ISG Advisors to this study

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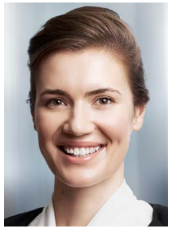
Digital Engineering Solutions Lead Americas, Engineering Services



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Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

Accenture
ACL Digital
AFRY
Akkodis
Altair Engineering, Inc.
amplimind
Ascendion
Atos
Axiscades
Bertrandt
Birlasoft
Capgemini
Capita Plc
Caresoft Global
Cenit AG
Centum
Ceva Logistics B.V.
CGI
CI&T
ClearStar, Inc.
Coforge
Cognisys
Cognizant
Combitech (SAAB AB)
Computacenter
Copello Global Ltd
Cyient
Datamatics Global Services
Deloitte
DXC Technology
Econocom Group SE
EDAG
eInfochips
Encora
Endava
Engineering Industries eXcellence
Eviden (an Atos Business)
EXL Service
Expleo
EY
FORCAM
FPT Software Asia Pacific Pte. Ltd
Fujitsu
General Dynamics IT
Genpact
GlobalLogic
Globant
GMV Sistemas
Happiest Minds
HARMAN DTS
HCLTech
Hexaware
Hitachi Digital Services
IBM
Indra Sistemas, S.A.
Infosys
Innominds
Innova Solutions
Inspirage
Intellias

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ITC Infotech
Kairos
Kongsberg IT
KPMG
Kyndryl
LeverX
LTIMindtree
LTTS
Movate
Mphasis
Nagarro
NEC
N-iX
NTT DATA
Orange Business Services
Perficient
Persistent Systems
Publicis Sapient
PwC
Qualitest
Quest Global
Randstad Digital
Robosoft Technologies
Safran Engineering Services
SAIC
Semcon AB
SII
Softtek
Sopra Steria
Stefanini
Sutherland
Synoptek
Tata Elxsi
Tata Technologies
TCS
Tech Mahindra
Thales S.A.
Unisys
VVDN Technologies
Wipro
Xebia

ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this webpage.

ISG Research™

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ISG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including AI and automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis.

Founded in 2006, and based in Stamford, Conn., ISG employs 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit isg-one.com.

ISG Provider Lens™

JANUARY, 2025

BROCHURE: AEROSPACE AND DEFENSE SERVICES AND SOLUTIONS