

IDC MarketScape: Worldwide AI Services for National Civilian Government 2025 Vendor Assessment

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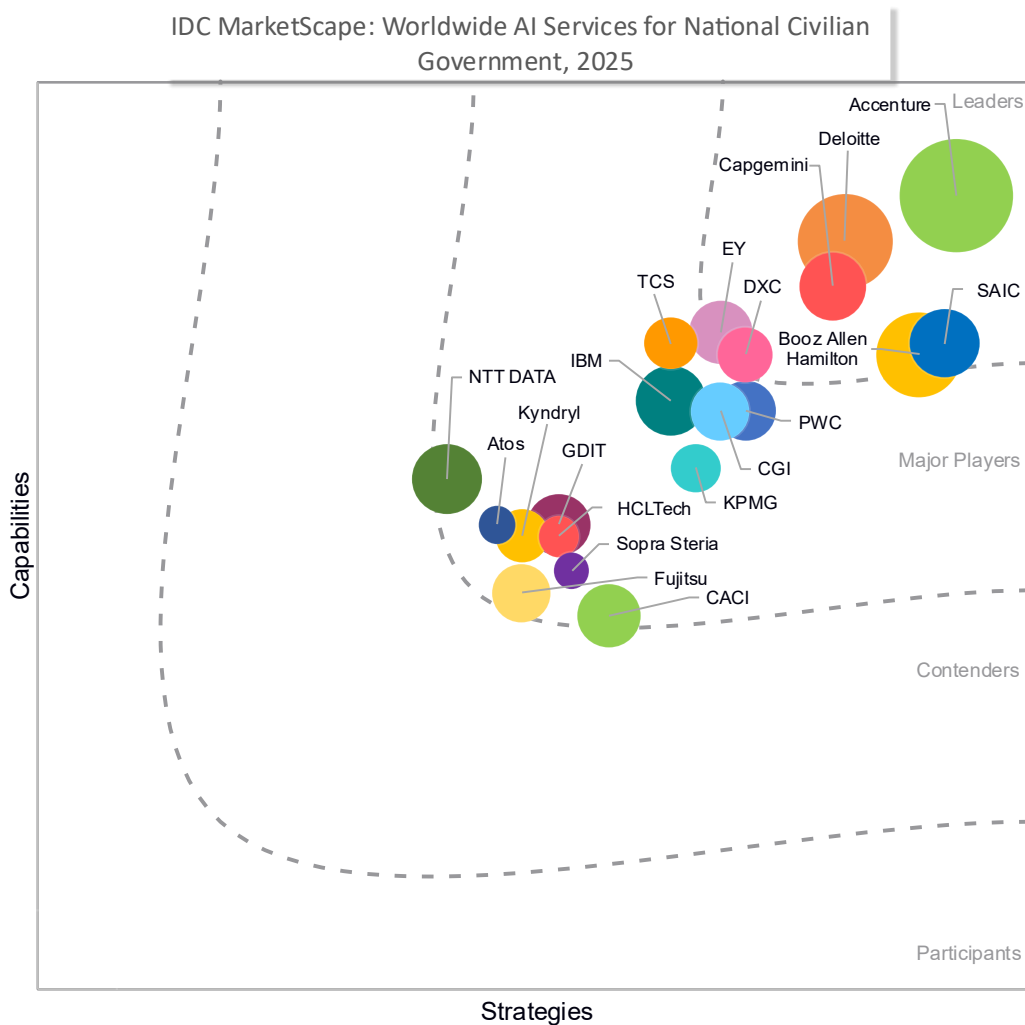
Massimiliano Claps

THIS EXCERPT FEATURES DXC AS A LEADER

IDC MARKETScape FIGURE

FIGURE 1

IDC MarketScape Worldwide AI Services for National Civilian Government 2025 Vendor Assessment



Source: IDC, 2025

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

ABOUT THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide AI Services for National Civilian Government 2025 Vendor Assessment (Doc # US53125325).

IDC OPINION

Global and regional services firms are scaling up their investments in AI expertise and solutions through five types of strategic initiatives:

1. Developing AI frameworks that help governments accelerate the ideation, design, data readiness, and implementation of AI innovations to drive mission impact
2. Investing in partnership ecosystems to ensure AI workloads can be deployed across public, private, hybrid, and sovereign cloud environments and can leverage multiple AI models
3. Leveraging AI and AI agents to embed automation in IT operations, the software development life cycle (SDLC), and cybersecurity service offerings to accelerate legacy modernization, enhance efficiency, and strengthen the observability of operational systems
4. Committing to AI compliance, security, and responsible use by adopting international standards and contributing to shaping them
5. Establishing centers of excellence, innovation hubs, and other co-creation vehicles to enable governments to experiment in protected sandbox environments and accelerate ROI

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

- Worldwide AI services revenue of at least \$100 million in CY 2024
- Offerings across the AI business and IT services life cycle (e.g., project-based, managed, support, and training). The vendor must generate at least 15% of its total revenue from across business and IT services from the latter.
- AI services offerings and solutions addressing national civilian government agencies, with at least three existing national civilian government customers currently collaborating with the vendor to design, develop, pilot, and implement AI solutions
- The vendor must be technology-agnostic, meaning it cannot be the IT services department of a hardware or software vendor offering products used across the AI solution stack

- Go-to-market partnerships with a range of AI software and hardware providers, including but not limited to global hyperscalers (e.g., AWS, GCP, and Microsoft) and AI specialists (e.g., Anthropic, OpenAI, and Mistral)

ADVICE FOR TECHNOLOGY BUYERS

1. **Mission expertise and assets:** Evaluate the depth and breadth of data blueprints, pre-trained algorithms and AI agents, implemented AI use cases versus theoretical lists/catalogues of use cases, and the mission-specific experts vendors have available.
2. **Agility and openness of AI models and deployment models:** Consider that some IT services companies prioritize investments to build depth of expertise around certain AI models, platform offerings, or deployment models (e.g., some have started to focus on private AI as a preferred option to satisfy sovereignty requirements), while others invest in a breadth of options. In the former case, governments will be able to scale expertise and knowledge transfer; in the latter, they will reduce the risk of lock-in but require more mature solution architecture and vendor contract governance competencies and capacity.
3. **AI for software development life cycle and ITOps:** Evaluate the agility of AI frameworks that IT services firms make available in terms of the breadth and depth of models that can be leveraged for software documentation, testing and QA, engineering, code development, code refactoring, and delivery and IT operations (e.g., automated provisioning, observability, threat detection, and incident response). Consider whether these frameworks are applicable across hardware and software vendors and solutions.
4. **AI compliance, security, and responsible use:** Verify if the compliance and security expertise, clearance, and methodologies offered by IT services firms align with the constantly evolving AI regulations and policies that apply in their jurisdiction.
5. **Co-innovation:** Evaluate whether these co-innovation channels are built to help services firms showcase their thought leadership or whether they provide genuine access to experts and connections with academia and emerging tech startups.
6. **Geographical footprint:** Government executives should consider how accessible these capabilities and competencies are in their specific jurisdiction, instead of requiring services firms to mobilize resources from other countries and regions, which could result in more expensive staff and longer time to value.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and opportunities.

DXC

IDC has positioned DXC in the Leaders category in this 2025 IDC MarketScape for Worldwide AI Services for National Civilian Government.

Background

DXC Technology is a global IT services firm that employs approximately 120,000 professionals worldwide and has delivery centers across North America, Europe, Asia/Pacific, and Latin America. National civilian government engagements, spanning digital transformation, modernization, and mission-critical operations, represent a large share of DXC's business.

DXC is evolving its AI services portfolio to meet the growing needs of government clients by embedding AI agents and agentic workflows into mission-critical domains.

- **AI for IT operations (ITOps):** DXC is embedding AI into IT service management and infrastructure through platforms such as Platform X, which supports observability, orchestration, and FinOps. These capabilities are enhanced by agentic workflows that enable self-healing, predictive maintenance, and automated incident resolution — critical for secure, always-on government environments.
- **GenAI for software development:** DXC's proprietary platforms (DXC Converge and ARISE) coordinate AI agents across the software development life cycle. These agents automate feature generation, code development, testing, and support, accelerating delivery while maintaining the compliance and security standards required by government clients.
- **AI for DataOps:** Through the DXC AI Workbench, DXC helps customers enable secure, scalable orchestration of data pipelines, retrieval-augmented generation (RAG) subsystems, and multi-agent collaboration. This supports data governance, lineage, and real-time insights across domains such as public health, defense, and infrastructure.
- **AI for business functions:** DXC applies GenAI to streamline government business functions (grant management, HR, and procurement) via conversational agents and intelligent automation. These solutions are deployed through its consulting and managed services teams, ensuring rapid time to value and measurable outcomes.

- **AI for government missions:** DXC has designed and deployed multiple mission-specific AI use cases for government customers in social protection, tax, infrastructure planning and maintenance, environmental sustainability, public health, and justice.

In response to increased government interest in sovereign AI solutions, DXC offers a full-stack solution in partnership with Dell and NVIDIA for completely private AI, supporting data residency, compliance, and national AI strategies through sovereign-ready deployments. The platform supports deployment in air-gapped, hybrid, or national cloud environments and is built on open-source and NVIDIA-based components. It enables governments to run AI workloads ranging from RAG and chatbots to multi-modal agentic systems entirely within their jurisdiction, without relying on foreign-controlled infrastructure.

DXC supports AI-related regulatory compliance certifications through a client-driven, project-specific approach. While DXC does not maintain a single global certification for AI, it facilitates the certification of custom-built AI solutions through accredited bodies such as the British Standards Institution (BSI), the Technischer Überwachungsverein (TÜV), and SGS Italy. These certifications typically cover areas such as information security (e.g., ISO/IEC 27001), quality management (e.g., ISO 9001), and AI-specific risk and compliance frameworks, depending on the jurisdiction and client requirements. DXC's responsible AI principles are aimed at supporting the full cycle of compliant modeling, operations, and use.

Strengths

DXC's focus on the national civilian government market is evident in:

- **Legacy modernization expertise augmented by AI:** Integrated consulting and engineering services leverage AI-driven code conversion tools and cloud factories to modernize COBOL/mainframe estates without large-scale forklift upgrades, enabling incremental modernization.
- **Industry expertise combined with customer intimacy:** DXC has industry-specific expertise gained through decade-long trusted customer engagements with strategic accounts in national civilian government mission areas such as tax and revenues, welfare, justice, and home affairs. It leverages this industry-specific expertise to develop and deploy at scale AI for government missions and business functions.
- **Sovereign AI positioning and robust ethics and compliance methodologies:** DXC recommends primarily private AI to customers seeking sovereign AI. This sends a very clear message aligned with a type of deployment model increasingly resonating with the market. DXC takes a thorough, full-life-cycle approach to responsible AI — from model development to implementation and operations — and responsible use.

Challenges

- **Underinvestment in marketing:** DXC has historically underinvested in marketing. This hinders its ability to tell stories about customer successes or collaborations with start-ups and academic partners working to address specialty mission outcomes with emerging technologies or differentiate messaging for core technical engineering capabilities that DXC customers trust (e.g., Converge.AI).
- **Ability to monetize industry expertise and assets:** DXC's account-based focus ensures high-quality service for customers in established markets, but it has less strength and depth outside the countries in which DXC already has a strong public sector presence.

Consider DXC When

- National civilian agencies in the EMEA and ANZ regions require a trusted long-term partner that understands how to implement AI in the context of complex legacy environments to improve mission outcomes.
- National civilian agencies in the EMEA and ANZ regions want to work with a service provider that takes both an ethical and pragmatic approach to engineering AI solutions and the underlying data platforms in a secure and compliant manner.
- National civilian agencies in the EMEA and ANZ regions prefer to deploy their AI workloads in private AI environments that meet stringent security, compliance, and sovereignty requirements.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities, menu of services, and how well aligned the vendor is with customer needs. The capabilities category focuses on the capabilities of the company and the product today, here and now. In this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the total estimated revenues that each vendor generated in the national government market in 2024, including all services they sell, not only AI. Please note that this total includes national security, defense, and intelligence; however, the AI services offered to this national government industry subsegment are the focus of a separate, dedicated MarketScape.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

IDC defines AI services as the combination of project-oriented services (e.g., business and IT consulting, systems integration, and custom application development), managed services (e.g., application management, IT outsourcing, and hosting infrastructure services), and support services (e.g., hardware and software deploy and support, and IT training). For this MarketScape, IDC will consider project-oriented services, managed services, and support services aimed at designing, implementing, and operating AI platforms and applications.

IDC defines federal/central governments as the civilian departments and agencies delivering public administration missions, as described by NAICS code 92 and NACE code 84-Section O, at the national level. This excludes national defense and intelligence departments and agencies, state and local governments, public schools and universities, public hospitals and other health institutions, and public corporations such as utilities, public transit, or postal services.

LEARN MORE

Related Research

- *IDC MarketScape: United States AI Services for U.S. Defense and Intelligence Agencies 2025 Vendor Assessment (forthcoming)*
- *IDC MarketScape: Worldwide AI Services for State and Local Government 2025 Vendor Assessment (forthcoming)*

- *IDC MarketScape: Worldwide Software Platforms for National Civilian Government AI-Powered Personalized Digital Experiences 2025 Vendor Assessment* (IDC #US53009125, September 2025)
- *IDC ProductScape: Worldwide Software Platforms for National Civilian Government AI-Powered Personalized Digital Experiences 2025* (IDC #US53009225, September 2025)
- *Agentic AI in National Civilian Governments in the Efficiency Everywhere Era* (IDC #EUR153686825, August 2025)
- *Case Management Solutions for National Civilian Governments* (IDC #EUR153687425, August 2025)
- *IDC MarketScape: Worldwide Artificial Intelligence Services 2025 Vendor Assessment* (IDC #US52978525, July 2025)
- *IDC PlanScape: An Action Plan for Digital and AI Sovereignty for National Government IT Leaders* (IDC #US52806125, June 2025)
- *The Impact of AI Agents in National Civilian Government: Social Benefit Appeal Use Cases and Beyond* (IDC #EUR153382125, June 2025)

Synopsis

Global and regional services firms are scaling up their investment in AI expertise and solutions by investing in AI frameworks to help governments accelerate the ideation, design, data readiness, and implementation of AI innovations to drive mission impact. They are expanding their partnership ecosystems to ensure that AI workloads can be deployed across public, private, hybrid, and sovereign cloud environments and that multiple AI models can be leveraged. Furthermore, they are using AI and AI agents to embed automation in their IT operations, software development life cycle, and cybersecurity service offerings, committing to AI compliance, security, and responsible use and co-innovating with customers and partners.

“To get the most out of the IT services firms’ AI offerings, national civilian government agencies should evaluate the breadth and depth of AI mission-specific solution accelerators, the ability to mobilize government experts in a certain jurisdiction, the ability to deliver out-of-the-box compliance and security tools and methodologies, and the AI partner ecosystem.” — Research Director Massimiliano Claps, IDC

ABOUT IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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