

Innova Solutions Launches Core Engineering Division.

Pareekh Jain talks to Ashish Saxena – President REMTT Strategic Business Unit, Innova Solutions

July 2024 | Pareekh Jain, CEO, EIRR Trend

Innova Solutions is one of the best-kept secrets in IT services. It's exciting to note that Innova Solutions is launching its engineering services offering, Innova Core Engineering. I have Ashish Saxena, President of REMTT Strategic Business Unit at Innova Solutions, with me to discuss this new service launch.



Ashish Saxena
President REMTT Strategic Business Unit, Innova Solutions

Edited Q&A:

Pareekh Jain, CEO EIRRTrend: Hello Ashish, it's always good to connect with you. Could you please briefly describe Innova Solutions for readers? How did the idea of Innova Core Engineering originate?

Ashish Saxena, President REMTT Business Unit, Innova Solutions: Hi Pareekh, thanks for having me! Just recently, I completed my first anniversary with Innova Solutions. Time indeed flies, leaving its shadow behind. I'd like to share what I learned about the organization based on my observations of how it has changed over the past year or so.

Innova is a ~\$3B global organization that celebrated its 25th anniversary last year. Founded in 1998, we employ over 50,000 people across 100 locations in the United States. We have a strong global presence and delivery capabilities. Innova's unique selling proposition, if I may call it that, is its ability to build long-term relationships—the 90% customer retention

rate proves this. Not only this, but we also enable easy access to IT, digital, and engineering talent to meet project demands. Our focus is to support our customers' entire digital transformation journey by providing services and solutions spanning digital product engineering, cloud services, data & analytics, intelligent automation, and cyber security. These are the five pillars of our technological offerings that build upon each other and complement each other. To help our customers develop long-term engineering and IT talent, we are incorporating Innova Core Engineering as a new sixth pillar.

Over two decades of multi-industry experience have helped us develop the ability to innovate and pinpoint precisely where and how to enhance a solution's cost-effectiveness. As Innovators, we also have a strong desire to give back to our communities and dedicate significant time to making our world a better place to live. Working closely with our network of amazing

community partners through the Innova Foundation, we support more than 175 charitable organizations worldwide, including Women in Technology (WIT), Michigan Council of Women in Technology (MCWT), The Earth Savors Foundation, and Dress for Success. Additionally, being an NMSDC-certified Minority Business Enterprise (MBE) means that we're always on the lookout for ways to support other minority-owned organizations and our clients can classify their spending with us for Tier 1 diversity credit.

We proudly serve over **1,000 clients**, including Fortune 500 clients, across various industry verticals—with a focus on retail & consumer packaged goods (CPG); banking & financial services; and healthcare, life sciences, & insurance. I lead the Retail, Energy, Manufacturing, Technology, and Transportation (REMTT) strategic business unit (SBU) along with the Innova Core Engineering business.

In the past few years, Innova Solutions has made significant progress toward expansion through business acquisitions. You may already be aware that Innova acquired Volt Engineering. Innova Core Engineering was established to enter the integrated engineering and IT services market. Our products enable people to better understand their lives and interactions. We focus on finding and providing feasible solutions that allow for product innovation across the product lifecycle — from concept, design, and build to manufacture, operation, and maintenance. It's time to adopt a strategic approach to engineering services.

Fortunately, Innova Solutions has found a balance between engineering and IT services, offering innovative and capable foundational, advanced, and industry-aligned services that prioritize value delivery over complexity. We achieve this by bringing together our IT and core engineering streams. Born in product and raised in digital, engineering excellence is at our very core. Our strategic positioning helps us respond quickly to real-time customer needs. We proactively offer disruptive solutions to let enterprises stay a step ahead of the competition. By adapting to their ever-evolving demands, Innova Core Engineering was

launched to better serve clients in the manufacturing, retail, energy and utilities, travel and transportation, and hospitality industries. We focus on core engineering services due to our clients' strong dependence on assets and concern for efficacy and efficiency. Strong client relationships, unique industry expertise, and specialized engineering talents set Innova Core Engineering apart.

Long story short, Innova Core Engineering is the perfect engineering partner for businesses that need top-tier engineering talent and deep industry knowledge!

Pareekh: The timing of the Innova Core Engineering offering launch is intriguing. As an analyst, I see engineering services at an inflection point where growth will increase. From Innova's perspective, is there any significance to the Innova Core Engineering launch timing?

Ashish: Well, Pareekh, I concur with your sentiment that the engineering services industry is at an inflection point. From here, there will be no turning back as the pace of growth accelerates. The engineering services market, currently valued at \$1.67 trillion, is expected to reach \$2.04 trillion by 2029. This number represents the projected growth and the anticipated revenue from various services market players offer, like product engineering, process engineering, automation-related services, and asset management-related services.

The market is already at the forefront of converging engineering and technology. As engineering professionals, we try to stimulate product improvement, digitalization, and collaboration across the product development landscape. The convergence of engineering and technology is also transforming the manufacturing and product design environments by driving operational efficiency, enabling digital transformation, and fostering continuous innovation.

Digital technologies such as AI, IoT, and cloud computing are driving the market. To stay competitive, engineering service providers must

examine and adopt the relevant technological innovations. They can also build upon their engineering capabilities organically or inorganically through joint ventures, mergers, and acquisitions. Acquiring Volt enhanced our engineering capabilities, and thus Innova Core Engineering was born.

I believe there is no better time than now to launch Innova Core Engineering. Governments are realizing the significance of asset-heavy industries such as manufacturing and automobiles in maintaining a healthy economy. There is increasing investment in Industry 5.0, sustainability, and chip manufacturing. Some notable investment decisions include the US government's \$973 billion infrastructure package, of which \$52 billion will be invested in chip manufacturing (CHIPS for America Act). The UK government's decision to provide £53 million in funding to advance digital manufacturing is also praiseworthy. We are seeing a convergence of the semiconductor, hyperscaler, and automobile industries. For example, disruptive offerings such as shared mobility, connectivity, and electrification are expected to encompass 84% of the projected \$6.6 trillion growth in the auto market by 2030.

Engineering is fundamental to businesses and serves as the foundation of digital transformation. However, in asset-intensive industries like manufacturing and automotive, "digital" is evident in both product and process domains. In the automotive industry, digital products include electric vehicles (EVs) and software-driven vehicles (SDVs). Engineering enterprises need specialized solutions and partners to leverage the emerging digitalization trends, sustainability, and localization in their products and processes.

Industrial companies understand that technology is critical in the innovation and product development value chains. With industry expertise and strong engineering capabilities spread across business verticals, Innova Solutions often adopts outcome-based delivery models. The launch of Innova Core Engineering aims to better meet clients' ever-changing needs in asset-heavy industries such as manufacturing and automotive.

Pareekh: What are your core offerings and focus areas on engineering services? How will you differentiate yourself in this marketplace?

Ashish: Innova Core Engineering, formerly Volt Engineering & Design Technical Solutions, stands as a pioneer in the engineering services field. We have a proven track record of providing best-in-class, full-product lifecycle engineering talent and solutions to the automotive, aerospace & defense, process & chemical, energy & utility, medical devices, semiconductors, and technology industries with "white glove" customer service.

Engineering service providers worldwide continue to face challenges such as the adoption of emerging technologies, keeping up with evolving performance and safety requirements, customer experience enhancement, and availability of highly skilled engineering talent. The Innova Core Engineering team acts as a catalyst that offers the foundational engineering expertise to drive digitization, smart machines, manufacturing quality & process optimization, and the embedded electronics, software, testing, and validation necessary to ensure robust and reliable products.

Our core engineering offerings extend to four areas, namely **electrical & mechanical engineering, embedded systems & software development, manufacturing operational excellence, and semiconductor design & engineering**. We have identified 19 core offerings that fall under these four areas, including manufacturing automation, Industry 5.0, product engineering & simulation, digitalization, software design, prototyping, process & quality improvement, and various other services. The Innova Solutions website has more information about these services.

Pareekh, I'd like to highlight a few factors to answer the second part of your question. First, we have extensive experience across multiple industries, such as aerospace & defense, automotive, energy, manufacturing, and technology. Recognized for our dependability and "white glove" customer service, we

enable quick access to engineering talent at scale to fulfill project requirements. Furthermore, with more than two decades of industry experience and an extensive global presence, we can safely provide our clients with localized assistance while ensuring global-level solution delivery.

I'd also like to briefly mention our marquee clients, which include renowned companies such as a world-class motorcycle manufacturer, a top-notch application security company, a premier manufacturer of agricultural machinery and heavy equipment, as well as a top-ranked construction, mining, and other engineering equipment manufacturer.

Pareekh: You talked about marquee clients. Can you please share more about your customer base?

Ashish: Sure Pareekh. We take great pride in providing services to customers across various industries— including automotive, defense & aerospace, process & chemical, energy & utility, medical devices, semiconductors, and technology. With a successful track record spanning over two decades, we have established strong, trusting relationships with our customers. This is evidenced by the fact that over 50 of our clients are Fortune 500 companies. Additionally, our impressive 90% customer retention rate is a testament to the high level of trust our customers have in us.

Our clientele includes a spacecraft manufacturer & launch service provider, one of the world's largest aerospace companies specializing in commercial jetliners & defense manufacturing, as well as an automotive information technology organization.

Every customer is unique; therefore, we are responsible for satisfying their needs. We are committed to providing top-quality solutions to our customers, whether they are a world-class manufacturer of plumbing products, or a top-tier company involved in diesel engine development and manufacturing. Our efforts are focused on helping customers with IT support, enhancing their technical

capabilities, and supporting their digital transformation journey.

Pareekh: What is Innova Core Engineering's unique value proposition? What does it mean for different stakeholders, customers, and employees?

Ashish: The increasing adoption of emerging technologies causes a change in the operating environment of asset-intensive industries. While enhancing the customer experience, engineering service providers also help these industries meet ever-evolving performance & safety requirements. Innova Core Engineering acts as a lighthouse for these organizations. We show them how to tackle complex engineering problems and quickly accelerate the number of resources available to fulfill the changing project requirements. Our ability to offer a spectrum of engineering services spread across various industries makes us a "partner of choice" for several companies. Also, we have an extensive global presence and delivery capabilities.

Our ability to enable quick access to specialized engineering talent at scale to fulfill project requirements is one of our unique value propositions. Moreover, our strong global presence, multi-industry engineering expertise, and impeccable delivery capabilities have helped us retain customers' trust for a long time. In addition, we also utilize flexible business models like SoW, Turnkey, Build-Operate-Transfer, and Managed Services to provide our customers with innovation and cost-efficiency.

We look at Innova Core Engineering in a very strategic way. We hope to collaborate with customers who are enthusiastic about doing business with us—something that they can look forward to and count on. We want our customers to be a part of our story. With the acquisition of Volt, we have acquired significant engineering and talent capabilities. The combined power of Innova and Volt capabilities provides relevant offerings that precisely meet our customers' needs. Innova Core Engineering offers our employees the opportunity to grow and contribute to the customer's journey by solving complex engineering

problems across a variety of industries—including automotive, defense & aerospace, process & chemical, energy & utility, medical devices, semiconductors, and technology. We strive to keep our promise to our customers by offering them exceptional engineering services and a compelling and consistent customer experience.

Pareekh: My last question is about some crystal gazing. How do you see engineering services evolving, and how does Innova Core Engineering plan to be at the forefront of this evolution?

Ashish: It's been almost a year since the world bid goodbye to Gordon Moore, the illustrious co-founder of Intel and the man behind Moore's law. According to Moore's Law, the speed and capability of our computers will increase every two years because of advancements in technology and production, and therefore, we will pay less for the advancements. With the exponential advancement of technology, we now have more power in our smartphones than the astronauts had on their spaceships in the 1960s and 1970s! This has also led to the serendipitous convergence of the physical and digital worlds.

In my opinion, engineering services will continue to grow based on the convergence of physical and digital worlds across industries. As automotive witnesses a never-before growth with a car no longer being a "vehicle" but reshaping itself into a giant software computer that literally moves on wheels, engineering services lie at the forefront of this transition.

On another note, recently, we surveyed over 125 industrial CXO and business leaders on **AI in manufacturing**. Survey findings validated many hypotheses and provided some new insights. The survey findings showed us that over 50% have fully integrated their AI strategies into their businesses. CXOs emphasized that their priorities include production optimization and automation, operational efficiency, manufacturing excellence, enhancing customer experience, and better-quality products. They also intend to invest in Industry 5.0 technologies within the next 18-24 months. This also validated the

pressing need for core engineering services. Addressing the challenges of integrating technologies and solving complex engineering problems requires more robust engineering capabilities, and we are well-prepared for it. Pareekh, I am sure you'd agree that partnering with technology providers like Innova Solutions is essential to overcome these challenges.

Additionally, the convergence of the automotive, hyperscale, and chip industries is driving the demand for our engineering services and solutions by creating new opportunities for innovation, efficiency, and sustainability. This convergence of automotive and semiconductor companies is very intriguing as both invest in each other's domain. To develop a deeper understanding of this subject, we are working on a white paper that will be published soon. To recap, I would like to say that we understand the engineering needs required to satisfy the priorities of asset-intensive industries, and our core engineering offerings are aligned to support them.

Another critical factor driving engineering services and solutions is the emerging era of Industry 5.0, the Fifth Industrial Revolution, where humans and cutting-edge technologies unite to revolutionize the future of work. Despite embracing automation at his Tesla factories, Elon Musk now believes that "humans are underrated," thanks to the overpowering influence of Industry 5.0. Emerging trends in Industry 5.0 embrace digital technology trends like artificial intelligence, advanced automation, and smart systems. Industry 5.0 also emphasizes the integration of solutions from various devices, services, and service providers within an integrated platform to enable process and workflow automation. All of this is impossible without efficient engineering capabilities.

As the demand for engineering services grows, we need more product design, faster time-to-design, simulation, after-sales services, and product management. Innova Core Engineering's offerings are based on the principles of innovation, efficiency, and effectiveness. Our engineering service offerings enhance the synergy between business and technology. We help organizations in asset-intensive

industries innovate faster, smarter, more safely, and more efficiently. In the future, we also plan to leverage our over two decades of experience across different industries to enable our clients to address multi-faceted challenges, such as enhanced customer expectations and ever-increasing demand for innovation with sustainability at the core.

Overall, I aspire to elevate Innova's Engineering from a **"Hidden Gem to a Crown Jewel."** I am very excited about the official launch of Innova Core Engineering and the market trends that support its needs. I look forward to an exciting journey for both our customers and our team as we solve complex engineering problems.

Pareekh: That's great, Ashish. These are exciting times indeed for Innova Core Engineering. I wish you and Innova Core Engineering all the best.

Ashish: Thank you for your support as we shape this industry's thought process. I look forward to our continued engagement with external stakeholders.

EIIRTrend Key Takeaways: *This strategic move by Innova Solutions to launch Innova Core Engineering underscores their commitment to the growing engineering services sector. With only 6% of R&D spending outsourced, focused service providers like Innova Core Engineering can significantly expand the market by effectively offering tailored solutions to enterprises and addressing their engineering challenges. Innova Core Engineering stands out with its specialized skills, industry expertise, and strong client collaborations, making it the preferred partner for enterprises seeking top-tier engineering talent. Watch out for Innova Core Engineering as it emerges as an essential player in engineering services!*