ISG Provider Lens™

SAP Ecosystem

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of: cognizant

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U.S. clients are taking a very cautious approach toward SAP S/4HANA transformation and demanding quicker ROI.

This year's study finds enterprise clients in the U.S. continue to cautiously access the SAP S/4HANA transformation plan despite the buzz around RISE with SAP. Current macroeconomic headwinds have made this transition even more complex as customers reassess their SAP S/4HANA implementation strategies that are now focused on seeking quick ROI and developing a cost-optimal roadmap for their IT investments. Clients in the U.S. want to assess all risks and implications of accepting SAP's subscription terms and the future expansion of their ERP systems. To address these challenges, service providers continue to remain focused on enhancing their industry-specific solutions with preconfigured process workflow best practices, automating data migration and offering value-added services such as cloud readiness checks, assessment services, developing business use cases and consulting clients on a complete transition roadmap for reducing time to market and simplifying the entire transition journey. They have also significantly increased their investments and efforts in generative AI (GenAI) solutions to strengthen horizontal capabilities. The focus has shifted from testing and documentation to advancing the system's capacity to predict the most suitable implementation approach and assess success probability. GenAI use cases in HR, finance, sales and supply chain are already helping clients in reducing the implementation period.

The SAP S/4HANA transformation initiatives grew moderately in 2023 between 10 percent and 12 percent, slightly less than last year's forecast. This moderate growth is largely attributed to large accounts' wait-and-watch approach and the complex negotiation process. Due to uncertain ROI, longer implementation periods and the complexity involved, large enterprises are also evaluating other cloud ERP systems to support their transformation objectives. Providers report that most projects are greenfield, which has 58 percent share.

Automation, AI and GenAI have seen higher traction due to faster time to market and better margins.

However, the bluefield approach has seen exponential growth in the last 12 months with nearly 12 percent share in total projects.

Bluefield implementation has seen more acceptance in large accounts and has delivered greater business value. Most SAP S/4HANA projects target public or private cloud and not RISE with SAP. Rise with SAP accounted for only 13 percent of the total projects delivered, compared to 17 percent last year, with most greenfield SAP RISE projects aimed at midmarket clients. Also, SAP RISE does not work for highly regulated industries. Most providers have enhanced the use of automation-focused tools, AIOps and industry accelerators to reduce implementation time. Compared to last year, the average implementation time for the SAP S/4HANA private cloud edition takes 38 to 42 weeks; SAP S/4HANA public cloud takes between 24 weeks to 26 weeks and SAP RISE takes between 30 weeks to 35 weeks. As per ISG's observation, the average implementation duration decreased by four to five weeks compared to the previous year. The increased use of industry-specific solutions and automation tools has reduced implementation duration and has significantly improved productivity and revenue (revenue growth has outpaced FTE growth).

In this year's assessment, ISG observes that providers in the U.S., similar to the previous year, remain highly focused on offering end-to-end SAP services, building specialized frameworks and approaches, developing intuitive and automated industry solutions for resilient value chains and data-driven transformation, developing industry cloud innovations and solutions and accelerating data migration. They also aim to cocreate a future digital platform for a highly interconnected enterprise led by SAP S/4HANA. However, enhancing client proximity is now deeply rooted in providers' go-to-market (GTM) and regional focus. Providers have enhanced their competitiveness by going to market with a consulting-led approach, offering numerous value-added services such as organizational change management (OCM), assessment tools, design thinking for creating co-innovative solutions with clients that match their business objectives and providing a practical roadmap of the entire transition journey.

There are enhanced investments and efforts going into developing their GenAI capabilities and integrating those with SAP offerings. Some leading providers already offer comprehensive services that encompass GenAI strategy, GenAI custom for enterprise, GenAI for CX, GenAI for business functions and GenAI for digital transformation. Providers such as Capgemini, Wipro, HCLTech and Tech Mahindra are outperforming in these areas and have demonstrated strong innovation roadmaps for the next 12 to 18 months. Driving the transition experience, building trust, increasing productivity, achieving quicker ROI and reducing implementation duration will help providers in winning more net new deals.

Providers continue to invest in intelligent technologies to address industry and CXO challenges. They are focusing these technology efforts on building business-oriented use cases and data-driven capabilities for driving digital transformation. This includes enhancing global migration factories with accelerators and GenAI tools to industrialize the S/4HANA migration and S/4HANA upgrades for clients globally. Some leading providers have built SAP innovation labs and centers of excellence to drive SAP Business Technology Platform (BTP) adoption for process optimization using a range of frameworks, including intelligent process engineering. Investment in AI, ML and GenAI solutions as part of building innovation labs aims at assisting clients in building future-ready intelligent enterprises.

In this year's assessment, ISG observes, there has been a continuous focus on integrating automation and AI into SAP transformation and managed services tools and accelerators. These capabilities are the starting points of discussion to begin the transformation journey. In addition to end-to-end transformation journey roadmaps, leading managed services providers have used process mining tools such as Celonis and SAP Signavio to adapt and optimize customer processes during implementation, which continues post-implementation with SAP application management services (AMS). Syniti and CBS Consulting have fostered a strong partnership to deliver on increasing requests for selective data transition, largely applicable to the requirements of large accounts.

NTT DATA showed a market-leading focus on catering to this requirement by acquiring Natuvion in August 2022.

There has been a significant rise in efforts among providers to build solid and longstanding partnerships with SAP and hyperscalers. Most providers have strategically enhanced their partnerships with SAP, offered GTM approaches in line with SAP's product strategy and collaborated on numerous fronts, including the RISE with SAP program for implementation. These efforts aim to secure mega deals and position providers among SAP's top three partners in terms of the volume of SAP-related services offered and the level of SAP license revenues influenced. Providers have also extended their partnerships with hyperscalers (notably AWS, Azure and Google Cloud) and work together with them to deliver SAP services for clients. Providers are also expanding their partnerships with third parties such as SNP Group, Syniti, Tricentis, Celonis, CBS Consulting and regional providers. This enhanced partnership approach helps providers to offer composable services, where enterprise clients can leverage use cases to compose best-of-breed vendor solutions that integrate with SAP services. Providers offer many partner innovations for data analytics, workload migrations and security and compliance.

Similar to the previous year, Accenture, Capgemini and Infosys are among the players that dominate the SAP ecosystem in the U.S. Wipro, HCLTech and LTIMindtree have shown strong revenue, client and FTE growth rates and have strong customer-centric approaches, encouraging them to challenge the top three providers in the next 12 to 18 months. They continue to adopt innovation-focused approaches to enhance their service capabilities. Other providers, notably Cognizant, Tech Mahindra, EY and TCS, are working toward further strengthening their leadership positions. Birlasoft, Hexaware, Navisite, NTT Data, UST and Hitachi Digital Services are among the companies that are improving their portfolio attractiveness and are focused on further increasing their cloud engagement projects. Many regional providers, including Resolve Tech Solutions, Kellton, Alight and Kaar Tech have a strong understanding of the SAP service landscape. They are focused on further enhancing their capabilities to move further up in this competitive market.

In this year's assessment, manufacturing, healthcare, pharma and CPG industry clients continue to drive the adoption demand for SAP S/4HANA transformation and other services. They are motivated to streamline production, optimize processes, enable the digital transformation of processes such as sales and customer services and enhance CX. These industries reported more than 65 percent of SAP S/4AHANA services adoption in the U.S. However, financial services, retail, telecom and public sector clients are still skeptical. As per ISG analysis and in-depth interviews with service providers, providers' SAP FTE count has grown by 15 percent compared to last year. Certified SAP consultants now account for nearly 40 percent of the total SAP FTEs similar to the previous year. Client growth has been strong, with a growth rate higher than 25 percent. In transformation services for large accounts, leading providers, on an average, won between 25 to 30 new deals, signifying their strong resource pool to handle large and complex projects. The average number of new deals won in the midmarket is eight to 10. In AMS, net new deals increased by 32 percent compared to the previous year.

The ISG Star of Excellence™ (SOE) 2023 program found SAP service providers more focused on offering customer-centric services and approaches and providing more value-added services, superior consulting capabilities, flexible SLAs and a customer-friendly pricing model. Providers' business continuity and flexibility and execution and delivery capabilities were rated as most important by enterprise clients in the U.S. Their ability to maintain effective cybersecurity measures, be open to constructive criticism or suggestions for improvement and adapt delivery to meet business objectives, and ensure limited downtime in any systems or services provided received the highest customer satisfaction scores, higher than the average benchmark score of 78. Providers need to focus more on innovation and thought leadership capabilities, especially in adapting emerging technologies and their widespread use, and demonstrating new work methods, techniques and tools. Providers such as Infosys, Hexaware, Wipro, Cognizant, Tech Mahindra, HCLTech and EY have shown superior focus on improving client proximity, with their regional strategies largely focused on co-innovation, consulting-led approach, industry-specific tools and automation for reducing implementation time and offering flexible pricing model to win more deals.

To conclude, service providers are approaching the market by reducing overall implementation duration for quicker ROI, building consulting capabilities, differentiating by offering value-added services and focusing on automation and GenAI for quicker implementation and better margins. This focused approach to client proximity and delivering better business outcomes is expected to continue with the increased adoption of the outcome-based pricing model.

Considering the current economic headwinds, where clients have been watchful of their IT spending, providers that take a client-centric approach have showcased superior capabilities in AI, GenAI and automation, significantly reducing implementation duration and offering better ROI with strong industry capabilities. They will experience enhanced market traction in the next 18 to 24 months.

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
Accenture	Leader	Not In	Leader	Leader	Leader
Alight	Not In	Not In	Not In	Not In	Rising Star ★
Applexus	Contender	Product Challenger	Not In	Contender	Not In
Birlasoft	Not In	Leader	Product Challenger	Product Challenger	Product Challenger
Capgemini	Leader	Not In	Leader	Leader	Leader
Clarkston Consulting	Not In	Contender	Not In	Not In	Not In
Cognizant	Leader	Not In	Leader	Leader	Product Challenger
delaware	Not In	Contender	Not In	Not In	Contender
Deloitte	Leader	Not In	Leader	Not In	Leader
DXC Technology	Product Challenger	Not In	Product Challenger	Product Challenger	Product Challenger

Provider Positioning

	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
EPI-USE	Not In	Product Challenger	Not In	Not In	Not In
Eviden (an Atos Business)	Not In	Leader	Product Challenger	Product Challenger	Product Challenger
EY	Leader	Not In	Market Challenger	Not In	Leader
Genpact	Market Challenger	Not In	Not In	Not In	Not In
Globant	Product Challenger	Product Challenger	Contender	Not In	Not In
GyanSys	Not In	Market Challenger	Not In	Not In	Not In
HCLTech	Leader	Not In	Leader	Leader	Not In
Hexaware	Not In	Leader	Rising Star ★	Product Challenger	Rising Star ★
Hitachi Digital Services	Product Challenger	Rising Star ★	Product Challenger	Product Challenger	Not In
HR Path	Not In	Not In	Not In	Not In	Product Challenger

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
HRIZONS	Not In	Not In	Not In	Not In	Contender
IBM	Leader	Not In	Leader	Not In	Leader
Infosys	Leader	Not In	Leader	Leader	Leader
KaarTech	Not In	Product Challenger	Product Challenger	Contender	Product Challenger
Kellton Tech	Contender	Product Challenger	Not In	Not In	Not In
Kyndryl	Rising Star ★	Not In	Rising Star ★	Leader	Not In
LTIMindtree	Leader	Not In	Product Challenger	Product Challenger	Not In
Lumen Technologies	Product Challenger	Not In	Contender	Product Challenger	Not In
Mindset Consulting	Not In	Contender	Not In	Not In	Not In
Mphasis	Contender	Product Challenger	Contender	Contender	Contender

Provider Positioning

	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
Navisite	Not In	Leader	Product Challenger	Product Challenger	Not In
NTT DATA	Product Challenger	Leader	Product Challenger	Product Challenger	Product Challenger
Numen	Contender	Not In	Not In	Not In	Not In
PwC	Product Challenger	Not In	Market Challenger	Not In	Product Challenger
Resolve Tech Solutions	Not In	Not In	Contender	Product Challenger	Not In
Softtek	Contender	Product Challenger	Not In	Market Challenger	Not In
Stefanini	Contender	Product Challenger	Contender	Contender	Contender
Suneratech	Not In	Contender	Not In	Not In	Not In
Syntax	Not In	Product Challenger	Product Challenger	Rising Star ★	Market Challenger
TCS	Leader	Not In	Leader	Leader	Market Challenger

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
Tech Mahindra	Rising Star ★	Not In	Leader	Product Challenger	Not In
T-Systems	Product Challenger	Not In	Product Challenger	Product Challenger	Not In
UST	Not In	Rising Star ★	Product Challenger	Contender	Product Challenger
Wipro	Leader	Not In	Leader	Leader	Leader
YASH Technologies	Not In	Contender	Contender	Not In	Not In
Zensar Technologies	Not In	Product Challenger	Product Challenger	Not In	Not In

Key focus areas for SAP Ecosystem 2024.

- SAP S/4HANA System Transformation for Large Accounts
- SAP S/4HANA System Transformation for Midmarket
- SAP Application Managed Services
- Managed Cloud Services for SAP ERP
- SAP SuccessFactors HXM Partner Services

Simplified Illustration; Source: ISG 2024

Definition

With a growing focus on the cloud, SAP has concentrated on the cloudification of its offerings over the last few years, leading to simplification and modularization of the SAP solutions landscape. The aim is to keep the digital core clean using the SAP Business Technology Platform (BTP) centrally and S/4HANA on-premises or on the private or public cloud. The ERP monolith is also being broken down with SAP marketing separate solutions, which was earlier a part of the ERP core offerings. Due to the major changes in the SAP product portfolio, migration, integration capability, data protection and IT security are becoming more relevant than ever.

The accelerated move of SAP to the public cloud within the S/4HANA strategy will leverage a more extensive set of functionalities in the SAP product portfolio that promises to equal those currently available in the ERP Central Component (ECC). This opens more challenges for vendors, as the cloud business brings hardware, software and data sovereignty constraints and cybersecurity-related hurdles.

Hence, it becomes imperative for enterprises to strategize their business approach around SAP solutions. A key part of this strategy includes plan to move from ECC to SAP S/4HANA, as the end of life for ECC support is scheduled for 2027. With the launch of RISE with SAP and the deadline for ECC support nearing, enterprises are trying to optimize their migration and transformation to the cloud through SAP S/4HANA transformations most efficiently.

The other SAP offerings are being considered based on enterprise requirements (for example, human experience management).

Scope of the Report

This ISG Provider Lens™ quadrant report covers the following five quadrants for services/solutions: SAP S/4HANA System Transformation for Large Accounts; SAP S/4HANA System Transformation for Midmarket; SAP Application Managed Services; Managed Cloud Services for SAP ERP; SAP SuccessFactors HXM Partner Services.

This ISG Provider Lens™ study offers IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers/software vendors
- A differentiated positioning of providers by segments (quadrants)
- Focus on the regional market

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

Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between $20 million and $999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above $1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product Challenger, Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include service providers that ISG believes have strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

- **Number of providers in each quadrant:** ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

SAP S/4HANA System Transformation for Large Accounts

Who Should Read This Section

This report is relevant to enterprises across industries in the U.S. for evaluating SAP S/4HANA providers offering consulting and implementation services for large system transformations.

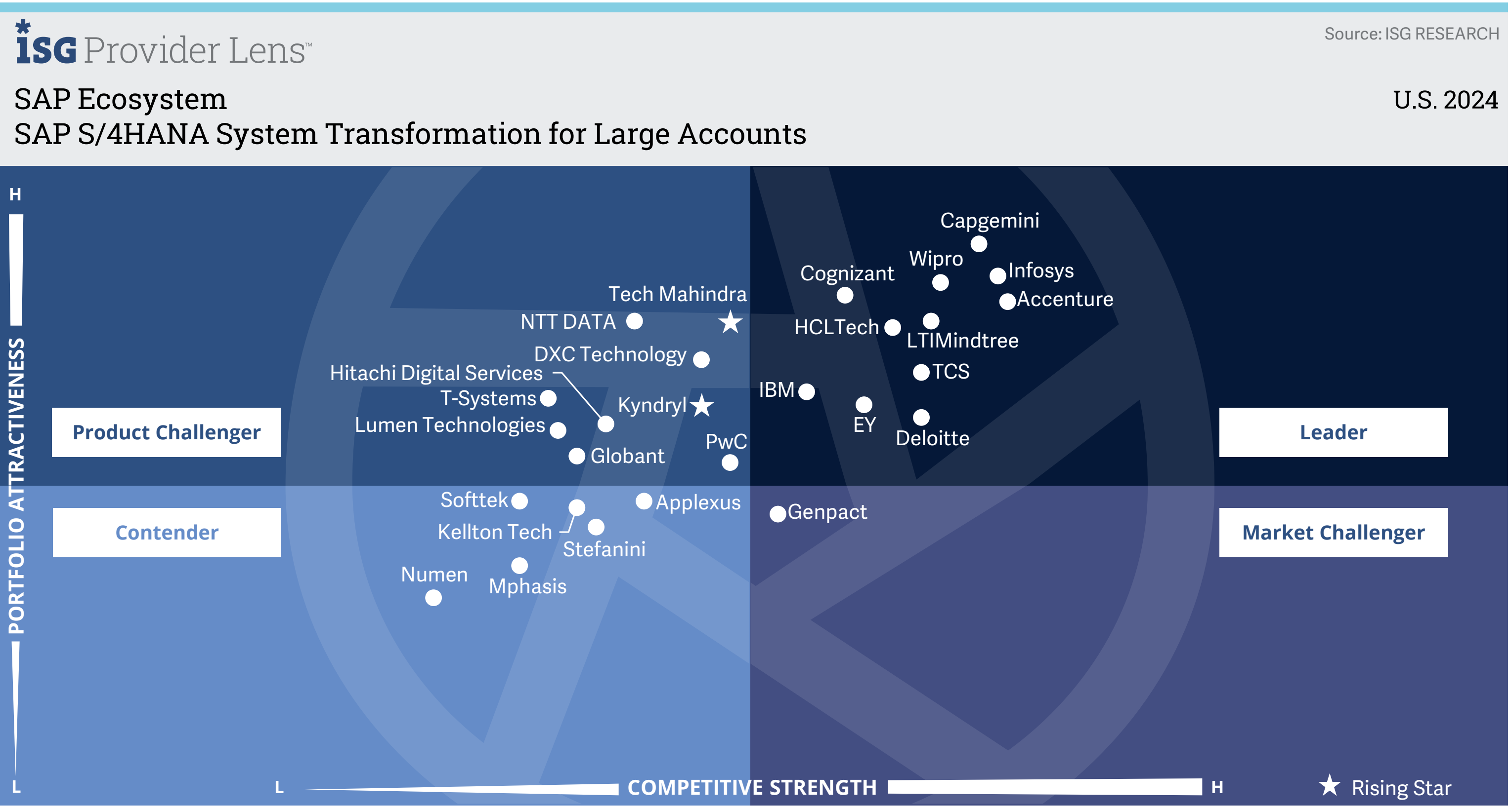
U.S. enterprises recognize the need for modernization, opting for S/4HANA on-premises and cloud transformation. Cloud adoption, especially private cloud, has gained increased traction among enterprises due to benefits such as scalability, flexibility and cost-efficiency. However, transformation involves complex processes and technologies, posing challenges in implementation and integration. Enterprises struggle to recognize the benefits and ROI achieved through transformation. They also face challenges such as identifying the right adoption strategy, operating multiple ERP applications and establishing process standardization across their global operations.

Enterprises are partnering with service providers with strong consulting and advisory services to guide them with the right adoption strategy and support end-to-end implementation. Provider's industry expertise, proprietary tools and use of new technologies, such as automation and Gen AI, will enable the standardization of complex processes, ensuring smoother implementation and integration of technologies. Enterprises seek providers with a portfolio of preconfigured solutions, tools and methodologies to expedite transformation initiatives and improve operational efficiency.

Marketing and sales professionals should read this report to gain insights into service providers' relative positioning and capabilities to effectively harness S/4HANA services.

Line-of-business, industry and finance leaders should read this report to understand providers' relative positioning to effectively procure S/4HANA services and ensure ROI.

Technology professionals should read this report to understand how service providers integrate the latest technologies into their S/4HANA offerings to gain a competitive edge in the market.



This quadrant evaluates consulting and system integration service providers specializing in SAP S/4HANA. Certified partners assist large account clients on **the entire transition roadmap and solution design to enable the proficient use of SAP S/4HANA.**

Tarun Vaid

Definition

This quadrant has assessed large account consulting and system integration service providers developing, deploying and testing enterprise applications using SAP S/4HANA. Providers partner with SAP to train their consultants on SAP's implementation methodology, product functionality and configuration requirements. Certified partners can support customers in understanding and using SAP products. Typical transformations include project planning, solution design, business process modeling, user training, product installation and configuration, testing and other services to enable clients and users to use SAP S/4HANA proficiently. These transformations could involve a new implementation, moving existing ECC to S/4HANA or workloads to the cloud. The providers need the expertise to understand a client's business and technology landscape and leverage solutions to ensure delivery efficiency and operate the migrated solutions effectively. They must also understand the RISE with SAP proposition and help clients navigate the solution paradigm based on their IT landscape.

The providers in this quadrant have been assessed on their capability to deliver transformations specific to central finance, supply chain, business model transformation and modernization, and industry-related solutions.

This quadrant has considered service providers' ability to manage the complexity of large accounts that operate multiple SAP instances, require strict compliance and is characteristic of large enterprises with multinational operations and public company governance. The service providers are expected to offer frameworks, tools and accelerators to support enterprise demand for fast and safe transformations.

Eligibility Criteria

1. **SAP certifications** to deploy SAP S/4HANA and support clients for SAP products
2. Offering on-premises and cloud-based implementations and **SAP S/4HANA migrations**
3. Service portfolios that include SAP S/4HANA **development, integration, and testing**, with at least one implementation of S/4HANA in the last 12 months
4. A track record of S/4HANA **advisory capabilities and implementation experience** in greenfield or brownfield deployments
5. Leveraging **tools and accelerators** to deliver at reduced time to market
6. Engaging with **SAP-certified consultants** and practitioners across regions to support multi country and multi-language implementations
7. Ability to handle complexity and scale through optimal onshore and offshore delivery models; concurrently, the provider should demonstrate local delivery **capacity in the local language**

Observations

There has been a decent increase in transformation projects in large accounts compared to the previous year. As reported by providers, the transformation projects in the U.S. grew by 9 percent, whereas the forecasted growth was between 12 percent to 15 percent, considering the approaching deadline for ending ECC support. This marginal growth is largely attributed to large accounts' wait-and-watch approach and complex negotiation process. Due to uncertain ROI, longer implementation periods and the complexity involved, large accounts are also evaluating other cloud ERP systems to support their transformation objectives. ISG observes that there is a significant uptake of bluefield implementation. However, greenfield implementation continues to dominate the segment.

Many providers have stepped up their efforts by orchestrating entire group capabilities to enhance end-to-end transformation capabilities and offer a more unified approach, supported by a digital transformation platform. The focus is more on delivering personalized and outcome-based solutions through design thinking workshops for developing minimum viable products (MVPs) to address specific business problems. Industry-specific solutions are now involved early in the discovery phase and used to simplify and accelerate the transformation journey. Many providers use Celonis and SAP Signavio for automated process mining and optimization, improving solution designs.

Many service providers report that large accounts prefer brownfield projects that focus on technology upgrades, and plan to innovate and modernize after completing the move to cloud.

From the 42 companies assessed for this study, 27 qualified for this quadrant, with 11 being Leaders and two Rising Stars.

Accenture has strong expertise in delivering large and complex transformation projects with transformation services, tools and accelerators. It has developed many AI and ML solutions to deliver better business outcomes. It uses the library of SAP BTP assets to accelerate change and keep the core clean.

Capgemini remains highly focused on expanding its operations in the U.S. It has a wide spectrum of SAP S/4HANA transformation services and has demonstrated strong expertise in supply chain transformation, driving intelligent enterprise and sustainability-focused implementations.

Cognizant's S/4HANA services revolve around a human-centric approach that drives business outcomes. Its approach involves engaging clients' business users in design thinking workshops to deliver personalized and outcome-driven solutions. It has a long-standing partnership with SAP.

Deloitte's SAP practice covers the entire lifecycle of an SAP S/4HANA transformation, from strategic planning and roadmap development to implementation, migration, system integration and support after the go-live.

EY strongly emphasizes industry-specific insights and digital innovation to help clients optimize their processes, enhance decision-making and achieve sustainable growth through tailored implementation, migration and support services.

HCLTech provides deep industry expertise to transform enterprise clients with tools and accelerators that drive business value and innovation and focus on the digital core and transformation roadmap.

IBM has a holistic offering for SAP S/4HANA transformation, focusing on delivering RISE with SAP with its BREAKTHROUGH proposition that brings capabilities together to deliver tangible benefits to clients.

Infosys

Infosys asserts its leadership position by supporting enterprises in their large and complex SAP S/4HANA transformations, offering robust service portfolios that harness advanced technologies such as AI and ML.

LTIMindtree

LTIMindtree's impressive SAP operations growth in the U.S., coupled with its scaled-up operations and a growing portfolio of services and solutions, has helped the company deliver large and complex SAP S/4HANA transformation for large clients in the U.S.

TCS TATA CONSULTANCY SERVICES

TCS offers various robust industry solutions, a strong delivery model and comprehensive methods and tools to support S/4HANA transformation.

wipro

Wipro's deep understanding of the U.S. market trends and its robust set of tools, accelerators, solutions, partner network and investment in enhancing GenAI capabilities make it a strong player in S/4HANA transformation services.

kyndryl

Kyndryl's (Rising Star) robust understanding of SAP transformation services, supported by proven automation capabilities and deep expertise in digital technologies, uniquely positions the company to grow in large segments.

TECH mahindra

Tech Mahindra's (Rising Star) wide-ranging solutions address all customer needs, from green field implementations to complex transformations, across the enterprise. The company strongly focuses on innovation, enhancing its AI, ML and GenAI capabilities.

Leader

"Cognizant has a human-centric approach to achieving business outcomes with robust proprietary industry solutions that expedite an enterprise's journey toward becoming an intelligent enterprise."

Tarun Vaid

Cognizant

Overview

Cognizant is headquartered in New Jersey, U.S. It has more than 347,700 employees across 147 offices in 50 countries. In FY23, the company generated $19.4 billion in revenue, with Financial Services as its largest segment. Cognizant's S/4HANA services have a human-centric approach that drives business outcomes. Its approach involves engaging clients' business users in design thinking workshops to deliver personalized and outcome-driven solutions. Its holistic approach to S/4HANA transformation offers industry expertise and cloud-ready solutions that accelerate enterprises' transformation journey. Almost 70 percent of its SAP revenue is generated from its U.S. operations.

Strengths

Proprietary industry solutions: Cognizant's proprietary industry solutions cater to the unique needs of various industries such as manufacturing, CPG, medical devices, life sciences and chemical. It helps enterprises accelerate greenfield S/4HANA implementation by addressing demands such as 3PL integration for efficient supply chain operations, compliance and reporting. These solutions incorporate industry best practices, preconfigured processes, embedded analytics, pre-created test scripts and automated execution, enabling digital transformation.

Framework for RISE with SAP: Cognizant's Learn-Enable-Accelerate-Perform (LEAP) framework, powered by the Cognizant® Intelligent Enterprise Platform (CIEP), enables value-driven technology modernization, business process reimagining and improved CX. It offers four key capabilities — future-ready cloud ERP, BPI, BTP and business networks.

Conversion factory migration: Cognizant® SmartMove is an SAP-qualified S/4HANA conversion factory solution that helps enterprises migrate from legacy ERP to SAP S/4HANA. It comprises automation tools and code standardization methodology to accelerate the speed of S/4HANA adoption (Cognizant reported a 10 percent to 30 percent reduction in downtime) in a low-risk and cost-effective way.

Caution

Cognizant needs to focus on expanding its S/4HANA-certified FTEs for S/4HANA transformation in the U.S. to deliver large-scale implementation projects. They need to market more about their expertise in technical migration and business transformation.

SAP S/4HANA System Transformation for Midmarket

Who Should Read This Section

This report is relevant to midmarket enterprises across industries in the U.S. evaluating S/4HANA consulting and implementation service providers. ISG defines midmarket enterprises as those with less than 5,000 SAP users and $1 billion in revenue. In this quadrant, ISG highlights the current market positioning of consulting and implementation providers based on their service offerings and market presence.

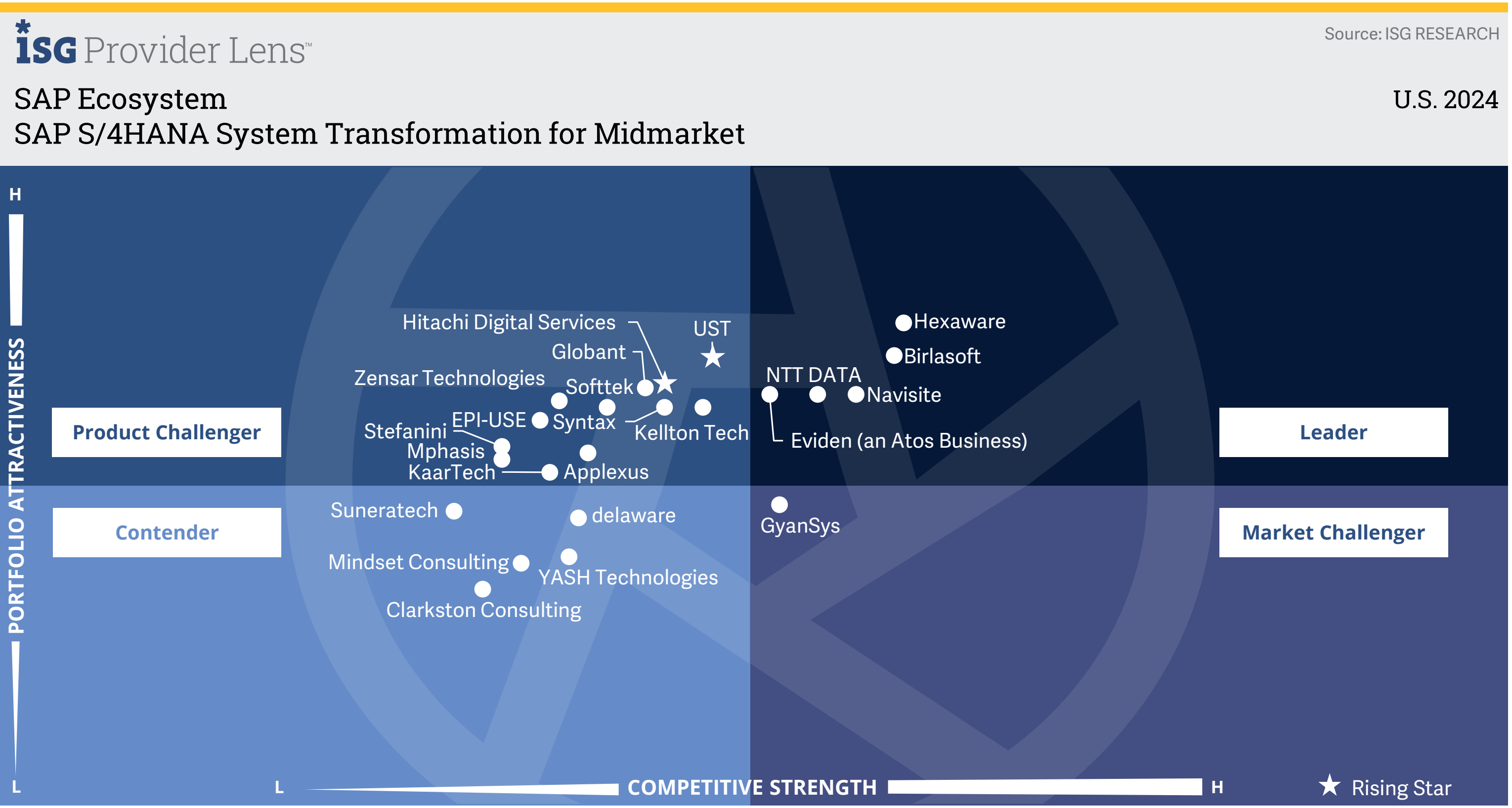
Midmarket enterprises are increasingly adopting cloud-based SAP S/4HANA transformation. They seek providers to guide them in their end-to-end transformation journey. Enterprises struggle to recognize the benefits and ROI achieved through transformation. They focus on efficiency improvements through streamlined processes and industry-specific solutions for transformation, reducing the time to market. Enterprises are partnering with providers for advisory services for S/4HANA implementation. Service providers should offer value-added services such as readiness assessments, data strategy, data migration, cloud readiness and fit-gap analysis to better understand enterprises' needs. Service providers should intensify their efforts to refine methodologies and services tailored for S/4HANA implementations to reinforce project success rates and expedite assessment and migration tasks. This helps them solve concerns such as ROI, implementation duration and associated risks.

There is a noticeable trend toward employing automation and proprietary platforms to streamline the transformation journey, automate business processes and enhance operational efficiency.

Marketing and sales professionals should read this report to understand service providers' relative positioning and capabilities to effectively harness S/4HANA services in the midmarket.

Line-of-business, industry and finance leaders should read this report to understand the S/4HANA market and the service provider landscape to distinguish players based on their needs.

Technology professionals should read this report to understand how service providers integrate the latest technologies into their S/4HANA offerings to gain a competitive edge in the midmarket.



This quadrant evaluates consultants and system integrators offering SAP S/4HANA implementation services to midmarket clients. Providers should offer **rapid delivery using various methodologies, templates and industry-specific solutions.**

Vartika Rai

Definition

This quadrant has assessed consulting and system integration service providers, offering a rapid turnaround for SAP S/4HANA implementations for midmarket clients with fewer complex requirements and smaller project scale than large enterprises. The midmarket clients operate within a country or region and require providers that can contribute to improved business operations. The participating service providers should be able to deploy SAP solutions using multiple methodologies, including packaged solutions for SMBs. They must use templates for SAP S/4HANA, including industry-specific templates, to reduce the transformation cycle while leveraging standard processes. Multitenant SAP S/4HANA implementations are included but are not required to participate in this quadrant assessment. The providers should be able to deliver cloud transformations and services through RISE with SAP for clients in the midmarket segment. They should also be able to help clients strategize transformation agendas depending on business requirements and the complexity of their IT landscape.

This quadrant has considered SAP partners that offer accelerators and can simplify SAP deployments for midsize enterprises. The providers typically achieve rapid time to market using solutions and accelerators specific to a client's business needs. Providers of SAP-certified partner packaged solutions are preferred.

Eligibility Criteria

1. **SAP certifications** to deploy SAP S/4HANA and support clients in using SAP products
2. Service **portfolios that include SAP S/4HANA development, integration and testing,** with at least one implementation of S/4HANA in the last 12 months
3. **A track record of S/4HANA advisory capabilities and implementation experience** in greenfield, brownfield or cloud deployments
4. **Ability to leverage SAP accelerators and templates** for agile SAP S/4HANA implementations
5. Capability to deliver **advisory and implementation services for midsize enterprise** clients
6. **Ready-to-use templates** or solutions for specific microsegments
7. **Ability to offer onshore or nearshore delivery** for local clients; offshore delivery is welcome but not a condition for participation in this quadrant

Observations

Midmarket service providers continue to focus on providing holistic services and solutions for SAP S/4HANA transformation. They emphasize building industry-specific expertise and solutions, automation capabilities, tools and accelerators and proprietary platforms to help enterprise navigate their transformation journeys effectively. Service providers deliver tailored solutions according to enterprises' dynamic needs to drive business growth, improve operation efficiency and enhance competitiveness. Providers have increased their focus on cloud migration services and cloud support due to increased cloud adoption, especially private cloud.

Midmarket service providers assist enterprises with different approaches, such as greenfield, brownfield and hybrid, according to their needs and requirements. They strongly focus on advisory services for S4HANA implementation. As part of value-added services, they provide readiness assessments, data strategy, migration, cloud readiness and fit gap analysis.

Providers use the SAP Activate framework and SAP best practices and methodologies to reinforce project success rates and expedite assessment and migration tasks. This approach has resolved ROI-related concerns and reduced implementation duration and associated risks. Service providers use SAP-Qualified Partner Packaged Solutions (QPPS) as a key value proposition component, enabling fixed-bid engagements and delivering business value by combining services with internally developed intellectual property.

From the 42 companies assessed for this study, 23 qualified for this quadrant, with five being Leaders and two Rising Stars.

Birlasoft

Birlasoft has a range of industry-specific tools, accelerators and a technology-driven approach to help enterprises accelerate S/4HANA implementation. Its focus on line-of-business scenarios further enhances the implementation process efficiency.

EVIDEN

Eviden offers comprehensive end-to-end transformation services and uses its extensive portfolio of cloud enterprise solutions to facilitate cloud migration, consulting and hosting operations.

HEXAWARE

Hexaware leads with its proprietary platforms and platform-driven approach to guide S/4HANA implementations. It has solutions catering to mergers and acquisitions, plant maintenance, custom benefits portals and enhancing employee experience.

Navisite

Navisite provides standardized business processes rooted in best practices that are adaptable to meet individual enterprises' unique local requirements and business needs. They help drive maximum business value from enterprises' SAP investments.

NTT DATA

NTT DATA provides cloud-ready industry accelerators, preconfigured best practices and deep advisory services to support enterprises in their S/4HANA journey. It has a dedicated CoE and collaborates with SAP for joint innovation.

Hitachi Digital Services

Hitachi Digital Services (Rising Star) offers industry-focused extensions to meet customer's desired outcomes and focuses on business agility and delivery speed through standardization, modernization and automation.

UST

UST (Rising Star), with its deep domain-specific expertise and human-centered approach, offers a vast portfolio of offerings that include multiple tools and accelerators to support S/4HANA transformation.

SAP Application Managed Services

Who Should Read This Section

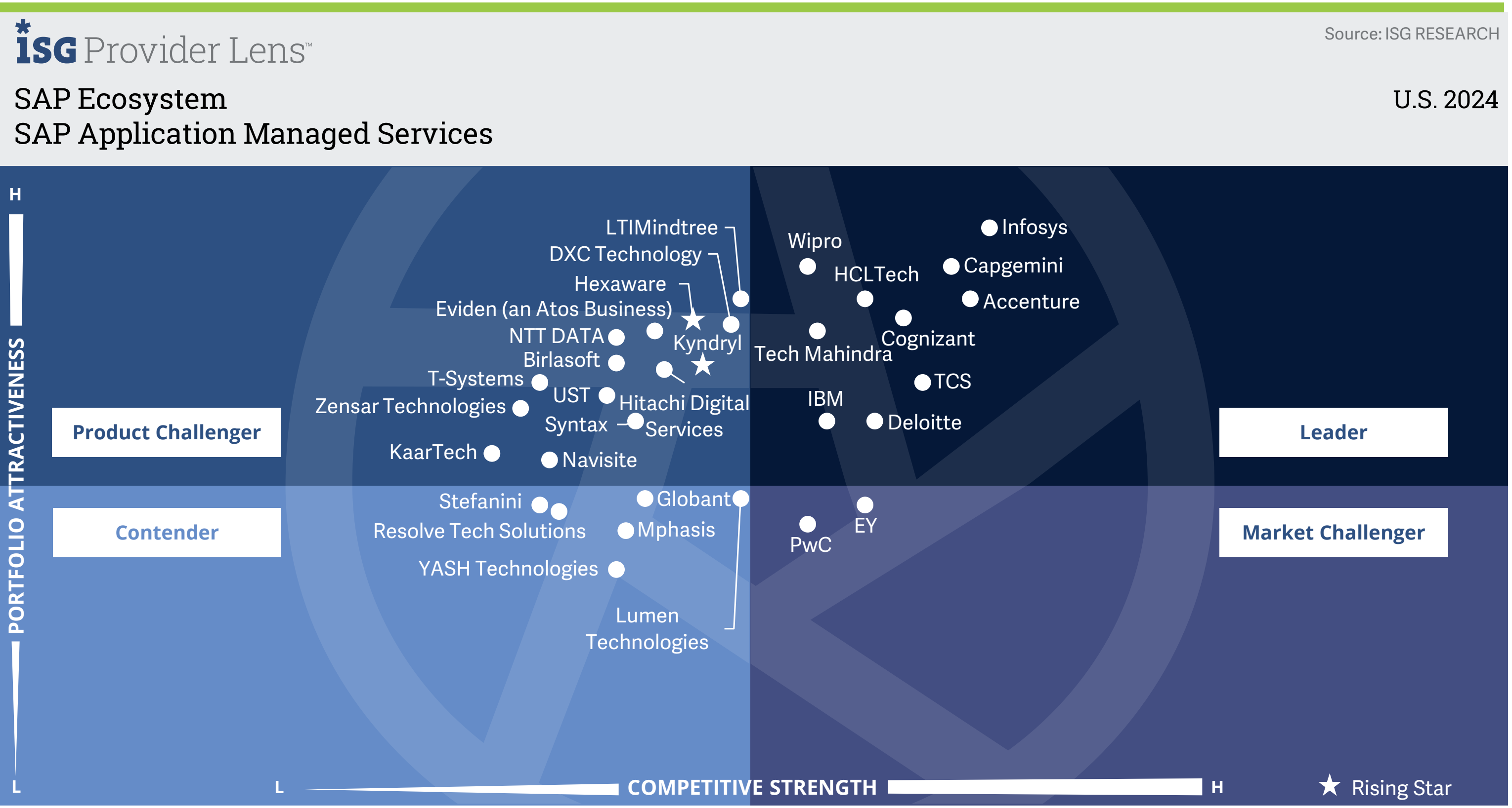
This report is relevant to enterprises across industries in the U.S. for assessing service providers' ability to offer managed services, including application optimization, application support and testing for SAP applications. In this quadrant, ISG highlights the current market positioning of managed application service providers and shows how each provider addresses the key challenges faced in the country.

Enterprises are transitioning from operations-centric to business-centric models. They struggle with outdated legacy issues, a fragmented IT landscape, security and maintaining quality standards across their IT landscape. These challenges result in inefficiencies, increased risk of defects, high operational costs and longer time-to-market. Organizations need support for application development, enhancement, upgrades and maintenance. Enterprises seek providers that can provide application management support using the DevSecOps model to enhance security and streamline development operations. They require skilled onshore, offshore and nearshore resources that provide comprehensive application management and support services.

Service providers use AI and RPA to automate standard processes and self-healing options to minimize manual interactions. They implement robust quality assurance frameworks using technologies to ensure software reliability and accelerate time-to-market. Providers should help enterprises with modernization, integration and standardization to improve agility, scalability, data coherence, streamlined workflows and customer experience.

Technology professionals should read this report to understand the strengths and weaknesses of providers offering managed services for SAP applications, and their competency in application management tools.

Procurement professionals should read this report to understand the SAP applications managed services provider ecosystem and compare various providers.



This quadrant assesses service providers' ability to offer managed services, including **enhancements**, maintenance, support functions, **application monitoring, modernization and incident troubleshooting.**

Tarun Vaid

Definition

This quadrant assesses service providers' ability to offer managed services, including application optimization, application support and testing for SAP applications. These providers offer expertise, tools and accelerators to manage applications and align with the client's IT and business objectives. The providers have the resources, skill sets and experience to solve clients' challenges and improve application performance. The firms offer optimization, innovation, point-in-time metrics, support and SLAs.

Managed application services for incidents encompass troubleshooting, level 2 and level 3 application support, user support, ticket lifecycle management, incident resolution, problem management, root-cause analysis and interface with SAP product support per client requirements. Providers that have the center of expertise certification are rated highly.

This assessment considers the maturity of providers' service delivery process and their ability to offer the automation and analytics of service requests and IT-related processes, such as incident management, change request and release management, version control, application and changes documentation, configuration, SAP solution manager operation, root cause analysis, problem elimination, quality improvement and testing. The assessment considers providers' ability to automate tasks and use AI and ML in the tools leveraged to deliver client services. The quadrant also assesses providers' ability to handle complex solutions while delivering managed services for SAP applications.

Eligibility Criteria

1. Ability to offer application **optimization**, application **support** and **testing** for SAP solutions
2. Inclusion of **user management** (adding and disabling user access), user profile management, **performance** reports, **database** services, security (access) and license compliance in the services
3. Ability to offer **enhancements and changes** pertaining to applications, apply SAP Service Pack Stacks (SPS) if required and predict the business impact of such updates
4. Capability to stabilize applications and offer **SAP Basis** support
5. Expertise in incident management, a variety of ticket system tools, **SAP Solution Manager** and additional application documentation solutions
6. **Use of AI** for quality improvement and enhancing DevOps automation

Observations

ISG's analysis found providers' new application managed services (AMS) deals grew by more than 25 percent, and their certified SAP professionals grew by 12 percent in the U.S. The SAP application managed services market is highly competitive in the U.S. It is gaining higher relevance with the S/4HANA and RISE architecture, complemented by customized and specific applications and integrated through the BTP platform. ISG observes some providers have demonstrated a dedicated focus on offering next-generation automation solutions that will enable the client environment to be proactively monitored and self-healed, drive automatic ticketing and generate smart incident routing.

Consulting capabilities have taken center stage for delivering comprehensive AIOps services; providers are conducting an in-depth assessment of the client's automation maturity through an automation maturity check.

The analysis of the as-is state of clients' application landscape helps identify automation opportunities and recommend optimal solutions, along with providing a comprehensive cost-benefit analysis. Post this, AIOps implementation commences with monitoring the customer's IT landscape by enabling command center-driven operations for proactive and real-time monitoring and alerting. AI use in quality improvement is gaining popularity. Many service providers are using AI to evaluate code quality and develop application documentation through reverse engineering. There has been solid progress in integrating GenAI capabilities into SAP BTP, SAP Business AI and SAP applications to drive modernization and improvements in business processes. All Leaders have demonstrated dedicated investments, use cases and innovation roadmaps for GenAI and its integration into the AMS framework.

From the 42 companies assessed for this study, 32 qualified for this quadrant, with 10 being Leaders and two Rising Stars.

accenture

Accenture offers its myWizard automation platform, which uses ML for self-service, self-healing, workflow automation and root cause analysis. It provides SAP expertise aligned with business innovation. The company has extensive industry knowledge, access to modern technologies and a large staff pool.

Capgemini

Capgemini is making significant investments and is diverting dedicated efforts to modern technologies, such as GenAI, AI and hyperautomation, and toward SAP-focused tools. It has the most SAP-certified practitioners and shares resources globally.

cognizant

Cognizant continues to excel in the U.S. AMS market by demonstrating superior expertise in application modernization, business transformation and managing AMS projects with tools and platforms integrated with AI, analytics and automation.

Deloitte.

Deloitte has access to a large pool of subject matter experts, FTEs and certified cloud professionals, plus innovation centers and labs, deep collaboration with SAP and a robust partner network to offer leading AMS capabilities.

HCLTech

HCLTech offers a next-generation ASM framework, ASM 2.0, powered by the AI- and ML-driven iONA digital operations platform. It enables experience-centric and business-aligned outcomes via automated, intelligent and contextualized application support operations.

IBM

IBM offers a comprehensive portfolio of SAP services, including automation, security, compliance and cost optimization, with expertise in AI and DevOps. It has strengthened its partnerships to support SAP clients on AWS and Microsoft Azure.

Infosys' LEAP platform is an integrated suite of the company's proprietary tools and solutions. It covers all process elements of AMS delivery, from transition to transformation, including root cause analysis, problem analytics, automation and AI-based operations management (AIOps).

TCS' differentiators are its longstanding partnership with SAP, a global delivery network, strong base of trained SAP consultants and proprietary tools and frameworks with an ability to scale.

Tech Mahindra differentiates using an automated AMS, DevOps and testing platform that simplifies SAP Basis with workflow automation, self-service catalogs, service analytics, automated monitoring, anomaly detection and predictive analytics for high availability.

Wipro offers a robust set of SAP AMS services, including AMS, application modernization, application platform rationalization, managed testing, managed data and managed security. An advanced AI platform powers its SAP S/4HANA AMS services.

Hexaware (Rising Star) for AMS offers the Tensai® platform, an end-to-end automation framework based on the automation first philosophy. It enhances operational efficiency through proactive incident detection and automated resolution.

Kyndryl (Rising Star) integrates its managed services methodology with SAM (SAP Automation Manager), a series of custom tools that drive automation across all phases of the client lifecycle. Its flow is automated from solution provisioning and building to ongoing management and maintenance.

Cognizant

Leader

"Cognizant continues to excel in the U.S. AMS market by demonstrating superior expertise in application modernization, business transformation and managing AMS projects with tools and platforms integrated with AI, analytics and automation."

Tarun Vaid

Overview

Cognizant is headquartered in New Jersey, U.S. It has more than 347,700 employees across 147 offices in 50 countries. In FY23 the company generated $19.4 billion in revenue, with Financial Services as its largest segment. Cognizant has more than 20,000 SAP consultants across the globe. The company leverages a global network of studios, CoEs and innovation labs to cater to clients in different verticals. It supports the end-to-end AMS lifecycle with its multiple solution enablers, accelerating knowledge transition, optimizing run operations and providing automation and improvisation.

Strengths

Strategic framework and tools: Cognizant has built the Land Safe, Run Better and Run Digital framework to improve process efficiencies using standardization, industrialization, automation and future-proof design. It offers SAP Certified Cognizant® Automation Center and other solution enablers to support accelerated knowledge transition, optimized operations, ongoing automation and process optimization.

Delivering varied benefits: Cognizant has demonstrated superior expertise in assisting clients in improving process efficiency, keeping processes simple and compliant, embracing standardization and leveraging automation. For a retail giant, it delivered global support with automation, reducing manual efforts in SAP automation by over 730 hours and 12 percent YoY ticket elimination with proactive problem management. It has achieved more than 97 percent SLA performance and implemented more than 50 innovations for business transformation.

Focus on modernization: Cognizant's approach to AMS includes modernizing and managing applications to ensure they are scalable, reliable and responsive to business needs. The company uses automation, AI and analytics to deliver these services. Cognizant's AMS strategy strongly emphasizes continuous improvement and operational efficiency.

Caution

Cognizant's SAP services strategy is largely focused on enhancing its market presence with larger accounts for application management. The company's expertise and portfolio suit clients with global operations. Clients not requiring robust application management capabilities might not be the company's priority.

Managed Cloud Services for SAP ERP

Who Should Read This Section

This report is relevant to enterprises across industries in the U.S. for assessing service providers that manage hybrid cloud environments. In this quadrant, ISG highlights the current market positioning of managed cloud service providers and shows how each company addresses the key challenges faced in the country. These providers focus on helping enterprise clients effectively migrate and maintain applications on the cloud.

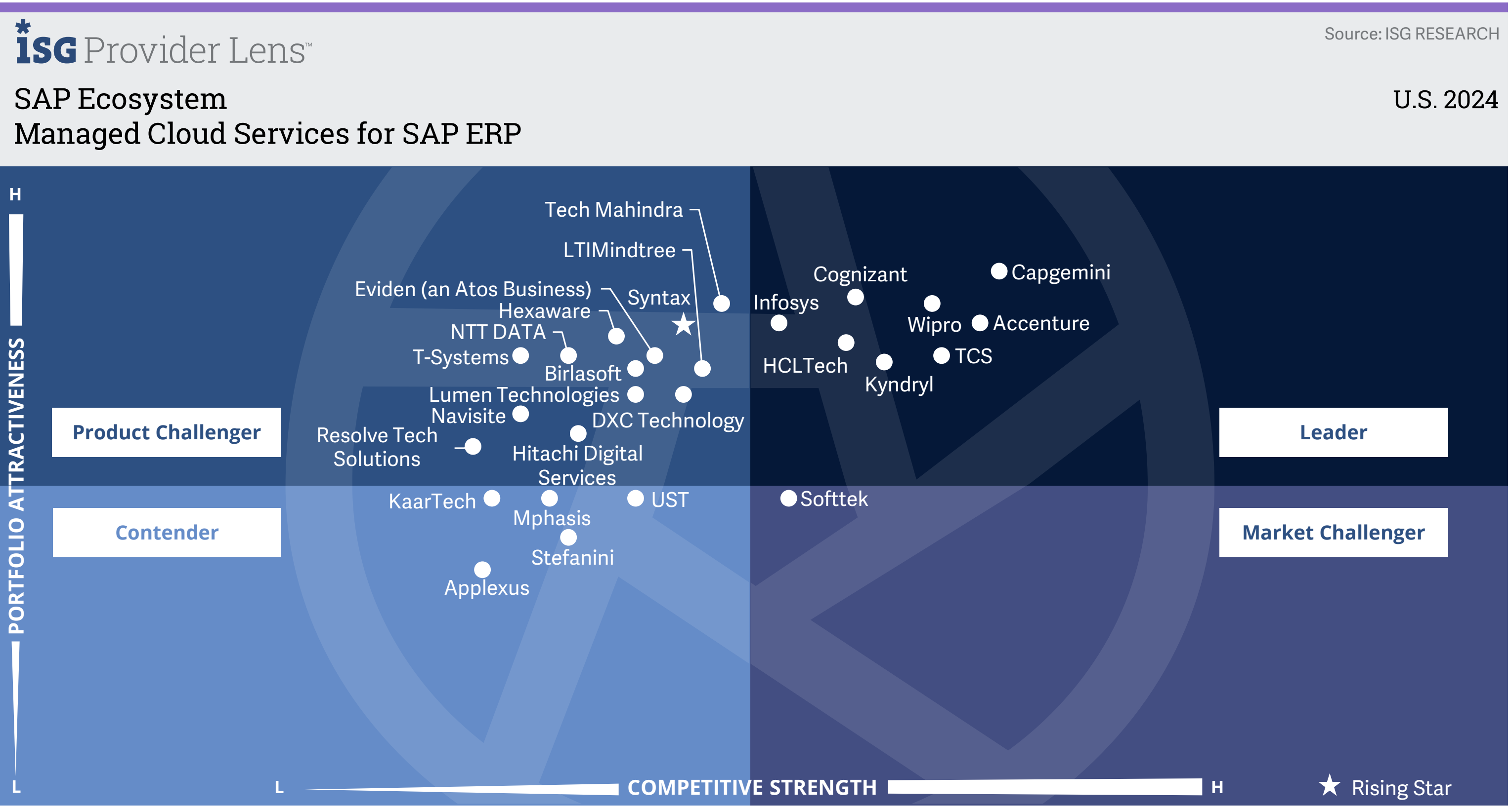
Enterprises are increasingly adopting a cloud-first strategy to achieve scalability, agility and cost-effectiveness. Migrating to SAP S/4HANA is an opportunity for enterprises to transform their business operations. Enterprises are embracing automation and DevOps practices to streamline SAP operations on cloud platforms. However, they face challenges migrating their SAP systems to the cloud, including complexities in assessment, strategy formulation and execution. They require support to manage evolving requirements and ensure system stability across hybrid, multicloud, public and private cloud environments.

Enterprises are looking for providers to support cloud strategy, migration, operations and managed cloud requirements using modern technologies such as automation, AI and machine learning. Service providers should maintain high availability, disaster recovery and security standards and manage the complexity of SAP systems. They should use frameworks, cloud management platforms and data migration tools for streamlining repetitive tasks, decreasing manual effort and ensuring consistent outcomes across hybrid and multicloud environments, improving efficiency, increasing productivity and lowering overall operational costs.

IT and infrastructure leaders should read this report to understand the strengths and weaknesses of managed cloud service providers and discover how their approaches impact enterprise cloud strategy.

Sourcing and procurement professionals should read this report to better understand the current landscape of managed cloud service providers.

Marketing, sales and field services leaders should read this report to understand providers' relative positioning and capabilities to procure managed cloud services.



This quadrant assesses service providers that **manage hybrid cloud environments, security access, infrastructure monitoring**, system availability, interface performance, disaster recovery, backup, restoration, **data compliance and other infrastructure and cloud.**

Tarun Vaid

Definition

This quadrant has assessed service providers that manage hybrid cloud environments, security access, infrastructure monitoring, system availability, interface performance, disaster recovery, backup, restoration, data compliance and other infrastructure and cloud operations. The participating providers has resolved and eliminate clients' initial technical barriers and resistance to moving ERP to the cloud, supporting clients in planning and migrating from private cloud to public cloud infrastructures or from on-premises to cloud infrastructures. This quadrant has evaluated providers demonstrating expertise in maintaining smooth SAP operations that require deep knowledge of SAP S/4HANA and the underlying in-memory database technology. Strong capabilities to optimize this type of application also include data volume management, application code management and cloud cost optimization.

Typical service providers in this quadrant have both SAP and public/private cloud certifications to operate and configure secure SAP S/4HANA operation on-premises and in the cloud. They also have proven managed service expertise to handle on-premises operations if required by clients operating in hybrid environments. The leading providers in this quadrant have advanced technologies to deliver client infrastructure requirements along with the ability to deliver optimal services, thereby providing significant benefits to clients. Providers in this quadrant have capabilities, such as tools to automate specific components, to support a post-migration environment for improved operations.

Eligibility Criteria

1. Ability to provide, **manage and operate SAP** in the cloud, including, but not limited to, hyperscalers such as AWS, Microsoft Azure and Google Cloud
2. Capacity to **support clients in their on-premises and hybrid cloud** implementations of SAP systems and databases, providing minimum infrastructure design support
3. **Certified platform management or cloud partners with SAP S/4HANA specialization**
4. **Certifications in security, data privacy and IT processes;** minimum accreditations include ISO 27001 (security) and IT Infrastructure Library (ITIL) incident management
5. **SAP-certified and cloud-certified** staff to support SAP technologies
6. Ability to offer **business value services such** as impact assessment, SAP S/4HANA adoption strategy and roadmap, and business case creation
7. Offering tools to **automate and support specific post-migration** environment operations

Observations

ISG observes that this is one of the fastest-growing service lines for the second year in a row due to several challenges associated with migration to S/4HANA Cloud that have increased the demand for SAP outsourcing experts. In response, managed cloud service players have been offering dedicated solutions that leverage the best of SAP and cloud technologies. The managed services domain around SAP products is impacted and driven by technological evolution and evolving customer expectations. As more clients in the U.S. are hosting their SAP and other applications on the cloud, most major providers continue to up their games by focusing on data-driven insights into clients' IT portfolios to plan optimal application and infrastructure migration paths. Providers are also focused on enabling migrating critical business systems, including SAP, at scale with industrial automation, processes and cloud expertise backed by end-to-end governance. Following this is the acceleration of the modernization of critical IT processes and infrastructure.

In 2023, automation, AI capabilities and use cases became more prevalent, a trend surpassing the growth observed in 2021. Service providers reported marginal to moderate revenue growth, indicating an increase in outsourcing activities in the U.S. for managed platforms and cloud services. The shifting trends from doing digital to being digital, increased cloud adoption and SAP's aggressive push for RISE with SAP are expected to drive the demand for managed platforms and cloud services further through the end of 2024.

From the 42 companies assessed for this study, 27 qualified for this quadrant, with eight being Leaders and one Rising Star.

Accenture uses its myConcerto and myWizard automation tools to provide industry-specific insights for migration and predictive maintenance in operations. It collaborates with hyperscalers to deliver innovative solutions and offers a broad range of SAP BTP solutions.

Capgemini differentiates its managed cloud services by automating cloud migrations with SAP2Cloud and transforming ABAP custom code into cloud-native apps on SAP BTP. It also focuses on Green Core with SAP solutions for delivering sustainable operations.

Cognizant has strategic partnerships with all major hyperscalers and has launched proprietary solutions on both Azure and AWS marketplace. Its mobile platform as a service (mPaaS) encompasses infrastructure management, SAP Basis platform support and application management services, including SAP Functional and SAP Security support.

HCLTech provides cloud enablement and management services with 24/7 support. The company invests significantly in training and certifying its cloud architects. It leverages its AIOps framework to deliver managed cloud services.

Infosys offers a full spectrum of services, covering clients' digital transformation requirements, from impact assessment to creating a business case and the SAP S/4HANA adoption strategy and roadmap. Infosys is a strategic development partner for SAP for developing industry cloud solutions.

Kyndryl has robust service operations with a strong pool of cloud expertise in SAP S/4HANA services and offers modular and composable services. It provides various options for SAP services, such as high-performance SLAs and extensive security, through its global standard for delivery.

TCS' Cloud Exponence is a comprehensive centralized delivery platform for public and hybrid cloud environments. The Cloud Exponence operations service model is designed to deliver managed services for all cloud architecture patterns for SAP.

Wipro has developed its flagship hybrid cloud management Boundaryless Enterprise (BLE) and consumption-based cloud experience with a cloud on-premises offering to cover edge to core to cloud. The company offers spend anomaly detection and forecasting for budget control with its FinOps functionality.

Syntax (Rising Star) has invested heavily in automation-based DevOps practices within its on-premise and public cloud offerings to guide customers effectively on the technical integration of its systems in hybrid and public cloud-based solutions. It has made substantial investments in cutting-edge technology and consulting services.

Cognizant

Leader

“Cognizant has accumulated extensive experience in SAP migrations and operations on the public cloud, using its improved SAP and hyperscaler certifications and legacy in managed services.”

Tarun Vaid

Overview

Cognizant is headquartered in New Jersey, U.S. It has more than 347,700 employees across 147 offices in 50 countries. In FY23 the company generated $19.4 billion in revenue, with Financial Services as its largest segment. It offers various infrastructure and application-related services with a critical focus on the SAP product range. The company strongly partners with SAP, Microsoft, AWS and Google. It uses a global network of studios, centers of excellence and innovation labs to cater to clients across verticals.

Strengths

Transformation framework: The Cognizant Cloud Assessment and Transformation (cCAT) framework designs and develops a future-state cloud model to enable customers to migrate to the cloud. It is a four-phased framework — Evaluate (for business case and strategy/roadmap for cloud adoption), Design (a blueprint for moving SAP apps and business processes to the cloud), Execute (technical migration of SAP to the cloud) and Optimize (smooth execution of business-as-usual activities).

Comprehensive managed cloud platform: Cognizant provides a comprehensive managed-platform-as-a-service solution that encompasses infrastructure management, SAP Basis platform support and AMS offering SAP functional and SAP security support.

This offering adopts SAP System Identification (SID) and virtual machine (VM)-based pricing models, enabling clients to leverage the advantages of consumption-based pricing. It empowers clients to streamline operations, optimize costs and achieve tangible business benefits.

Consulting and advisory services: Cognizant is a certified SAP global solutions integrator that offers experience, frameworks, tools and accelerators for seamless migration to the cloud. Its SAP cloud consulting team orchestrates end-to-end SAP cloud migration, whether it’s an isolated portion of the landscape, such as disaster recovery and prototyping, or a fully provisioned S/4HANA cloud integration with ongoing managed platform-as-a-service (mPaaS).

Caution

Cognizant focuses on deploying SAP on cloud. Since the company does not offer SAP hosting infrastructure (enterprise cloud or data center services), it can manage clients’ workloads on their premises or in colocation data centers.

SAP SuccessFactors HXM Partner Services

Who Should Read This Section

This report is relevant for companies across all sectors in the U.S. to evaluate SAP SuccessFactors HXM Suite service providers. In this quadrant, ISG highlights the current market positioning of providers that implement and manage SuccessFactors and how they address enterprises' challenges. In addition to having technical skills, SAP partners in this quadrant transform HR talent management and customize HR services to meet local needs.

Enterprises are focusing on digitally transforming their HR processes and migrating from legacy on-premises HR systems to cloud-based solutions. They are establishing standardized HR processes to enable efficiency, consistency and scalability in HR operations. They are embracing AI-based recruiting, automated recruitment solutions and analytics to enhance talent acquisition and management processes. Personalized recommendations are experiencing the highest traction among enterprises for learning and development. Enterprises seek partners with in-depth knowledge of payroll and time management.

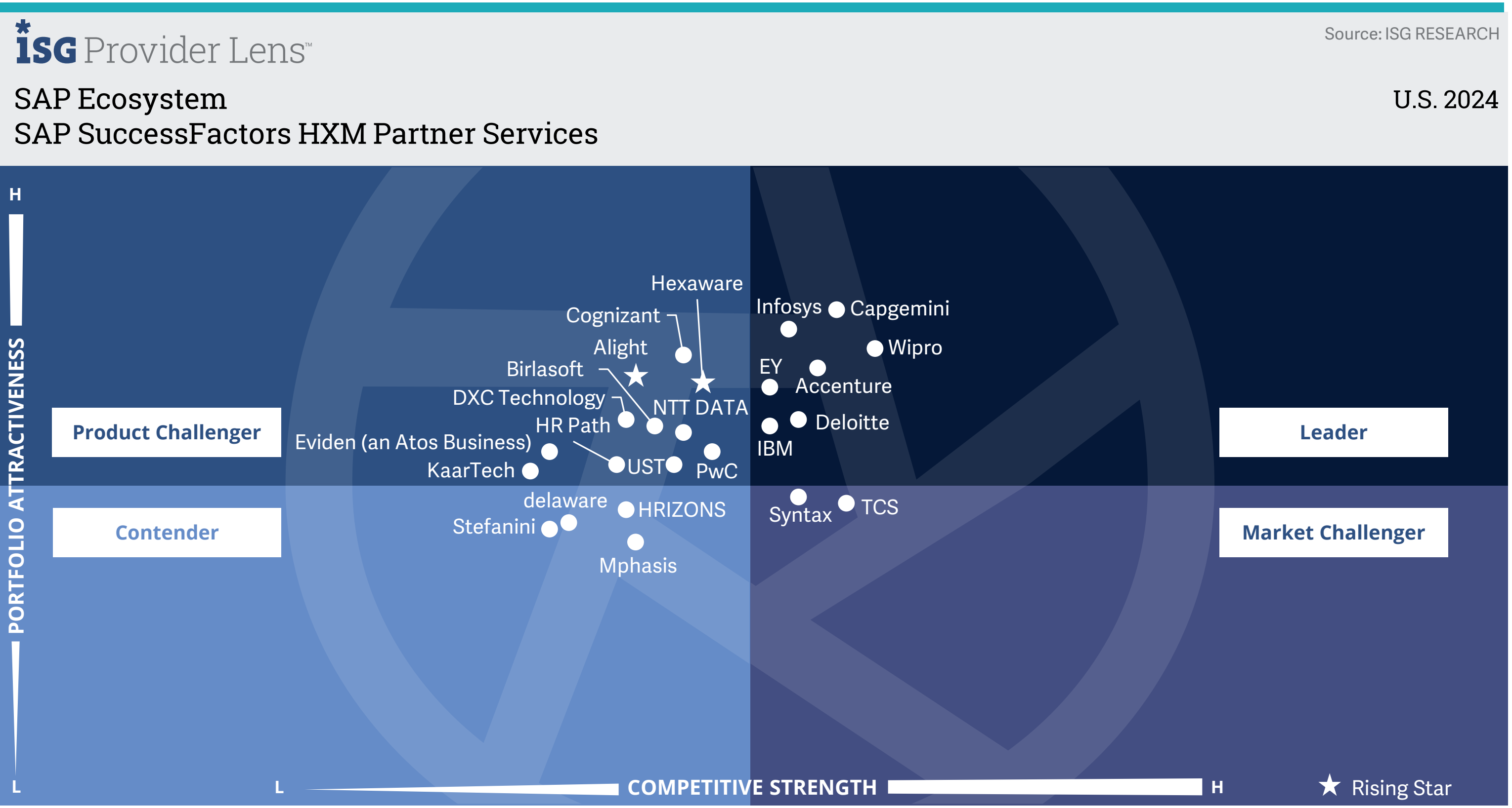
From consulting to managed application services, enterprises seek providers with comprehensive solutions to enhance their HR operations by enabling technology and value creation. Providers should deliver custom configurations to meet complex business requirements and adopt industry best practices. They should support enterprises in aligning with regional payroll regulations and integration with time management by automating accurate data transfer, ensuring efficiency and compliance. Providers should offer technology accelerators, consulting-focused frameworks and prepackaged solutions to accelerate transformation.

Technology professionals should read this report to understand how service providers manage and integrate the latest technologies into their SAP HXM offerings.

Human resources professionals should read this report to understand the ability of SAP HXM service providers to digitally transform HR operations and processes.

Sourcing and procurement professionals should read this report to understand the SAP HXM service provider ecosystem and how these providers compare to each other.

CHRO executives should read this report to understand how SAP partners can digitally transform HR and understand the strategic benefits generated for the company.



This quadrant assesses service providers' technical requirements, SuccessFactors modules, technology accelerators, **consulting-focused frameworks, prepackaged solutions and the ability to support the digital transformation of HR functions.**

Tarun Vaid

Definition

SAP SuccessFactors HXM Partner Services quadrant has assessed service providers that implement and manage SAP SuccessFactors HXM Suite, including Core HR and Payroll, Talent Management, HR Analytics, and Workforce Planning on on-premises or cloud infrastructure. In addition to technical skills, suppliers in this quadrant have business experience, transforming HR talent management and HR services customized to meet the country's local needs. The providers have dedicated practice for talent and HR management, including skilled personnel in deploying and managing SAP SuccessFactors. The providers are adept in deploying the solution on the cloud or on-premise and migrating data to SAP SuccessFactors. The providers also help by leveraging the SAP Human Experience Management (HXM) technology suite. SAP HXM suite offers AI-powered solutions to meet individual needs and drive organizational agility at scale.

Leading providers in this quadrant have developed assets and tools to accelerate this transformation and deliver significant benefits to their customers in the areas of strategy, implementation and management of SAP HXM solutions. The providers in this quadrant have expertise across data migration, customization, integration, change management, testing and support. The providers also help in data governance, security and compliance with local and regional data regulations. Some of the impacts these providers have delivered include reduced implementation timelines, simplified upgrades, lower costs and increased performance in HR, talent and payroll functions.

Eligibility Criteria

1. **SAP certifications** for cloud and on-premise deployments of SAP SuccessFactors
2. Ability to **integrate** with other applications in the IT landscape
3. Offering tools and accelerators for **deployment and maintenance**
4. Employee base of **certified professionals** in SAP SuccessFactors
5. Deployed more than one module for clients across regions over the last 12 months

Observations

As per ISG analysis, with connected processes and digital transformation, employee experience management and payroll transformation services are expected to experience the highest traction by the end of 2025. Providers are already building capabilities to support these requirements. The need for a modern payroll system that can offer revamped payroll processes, enhanced accuracy and alignment to regulatory norms is paramount. Employee experience management/transformation based on integrated HR functions and applications to provide seamless and engaged employee experience is less than 15 percent.

Functionality and solutions currently experiencing the highest traction are AI-driven HR transformation services such as AI-based recruiting or automated recruitment solutions based on the SuccessFactors recruitment module, augmented analytics for learning dashboards and ML-based personalized recommendations.

HR leaders are religiously focused on digitally transforming HR processes for a better unified approach. Most leading providers are focused on offering a full range of SAP SuccessFactors services with global coverage that caters to clients' end-to-end program management needs, from consulting to managed application services. Only four providers in this year's analysis mentioned the design thinking approach as part of their strategy and received better ratings for having a human-centric approach. Leaders in this quadrant, in addition to covering all technical requirements and SuccessFactors modules, have developed technology accelerators, consulting-focused frameworks and prepackaged solutions, drive rapid development of MVPs and offer outcome-based solutions.

From the 42 companies assessed for this study, 24 qualified for this quadrant, with seven being Leaders and two Rising Stars.

accenture

Accenture with its established SuccessFactors service capabilities offers proven HR transformation capabilities integrated with modern technologies. It also offers the myConcerto platform to deliver HR transformation at speed while ensuring strategic decisions align with desired outcomes.

Capgemini

Capgemini provides comprehensive digital employee solutions through its digital core for enterprise HR. These offerings span strategy development, assessments, implementation, testing, managed services and BPO.

Deloitte.

Deloitte's DataForward™ helps enterprises migrate HR data for SuccessFactors transition. It offers tools and a methodology to visualize, manage and expedite migration, enhance data quality and ensure a seamless shift to the cloud.

EY

EY has developed Change Experience, a personalized approach to change management that focuses on improving employee experience throughout the change journey, leading to better transformation outcomes.

IBM

IBM's SAP SuccessFactors consulting services help enterprises with SAP SuccessFactors solutions by assessing their human experience management (HXM) operating model, enhancing core HR processes and accelerating implementations.

Infosys

Infosys uses the Innov8 program to build solutions and accelerators across industry segments for HR business processes. Infosys is accredited for SAP® Recognized Expertise in SAP SuccessFactors® Employee Central and Payroll solutions.

Wipro offers prepackaged solutions, including Rizing People, Rizing Payroll and SAP-qualified Partner Managed Cloud (PMC) solutions for all SuccessFactors modules. Through the acquisition of Rizing, Wipro has strengthened its capabilities and broadened its expertise in handling large SAP SuccessFactors transformation projects.

Alight

Alight (Rising Star) brings more than a decade of experience and in-depth knowledge of SAP SuccessFactors HXM, which enables it to assist its clients in transforming their business and HR processes globally.

Hexaware (Rising Star) offers various HCM-focused tools to help migrate data from legacy HCM to SuccessFactors. It archives historical HCM data not migrated from the legacy system to SuccessFactors and offers a self-help employee benefits cart integrated with SuccessFactors for employee experience.

Star of Excellence

A program, designed by ISG, to collect client feedback about providers' success in demonstrating the highest standards of client service excellence and customer centricity.

Source: ISG Star of Excellence™ research program, Insights till January 2024

In the ISG Star of Excellence™ research on enterprise customer experience (CX), clients have given feedback about their experience with service providers for their **SAP Ecosystem** services.

Based on the direct feedback of enterprise clients, below are the key highlights:

Client Business Role

▲ **Most satisfied**
Sales/Marketing

▼ **Least satisfied**
Human Resources

Region

▲ **Most satisfied**
Australia/New Zealand

▼ **Least satisfied**
Africa

Industry

▲ **Most satisfied**
Consumer packaged goods

▼ **Least satisfied**
Oil and Gas

Industry Average CX Score

▲ Highest CX: 84
▼ Lowest CX: 45

CX Score: 100 most satisfied, 0 least satisfied
Total responses (N) = 565

Most Important CX Pillar

Business Continuity and Flexibility

Service Delivery Models	Avg % of Work Done
Onshore	52%
Nearshore	20.7%
Offshore	27.2%

Appendix

The ISG Provider Lens 2024 – SAP Ecosystem study analyzes the relevant software vendors/ service providers in the U.S. 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 report includes research from the ISG Provider Lens program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of March 2024, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

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

The study was divided into the following steps:

1. Definition of SAP Ecosystem market
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
   * Strategy & vision
   * Tech Innovation
   * Brand awareness and presence in the market
   * Sales and partner landscape
   * Breadth and depth of portfolio of services offered
   * CX and Recommendation

Lead Author

Tarun Vaid
Senior Lead Analyst

Tarun has over 13 years of extensive research experience across the ICT domain, including report writing, drafting thought leadership, analyzing IT spending, consulting clients on latest trends and business use cases. Additionally, he has been responsible for delivering end-to-end research projects, working with internal stakeholders in delivering various consulting projects on digital transformation, supply chain transformation, understanding customer feedback and interviewing providers.

Co-author, Enterprise Context and Global Overview Analyst

Vartika Rai
Research Analyst

Vartika Rai is a research analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Analytics – Services and Platforms, and SAP Ecosystem. She supports the lead analysts in the research process and authors the global summary report. Vartika also develops content from an enterprise perspective and collaborates with advisors and enterprise clients on ad-hoc research assignments. Vartika started her current role in June 2022. Before this role, she worked on secondary research, competitive vaintelligence, market trends, and newsletter analysis.

Study Sponsor

Aman Munglani
Director and Principal Analyst

Aman Munglani leads the ecosystems and custom research practice for ISG. He brings over twenty years of expertise in emerging technologies and industry trends. His career is marked by significant contributions in guiding top executives from Global 2000 companies, offering strategic advice on digital transformation, start-up partnerships, driving innovation, and shaping technology strategies.

In his tenure exceeding twelve years at Gartner, Aman focused on providing CIOs and IT executives across Asia Pacific and Europe with insights on the practical implementation and advancement of new technologies, the evolution of infrastructure, and detailed vendor assessments.

IPL Product Owner

Jan Erik Aase
Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

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.

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