IDC MarketScape

IDC MarketScape: Worldwide SAP Implementation Services Ecosystem 2018 Vendor Assessment

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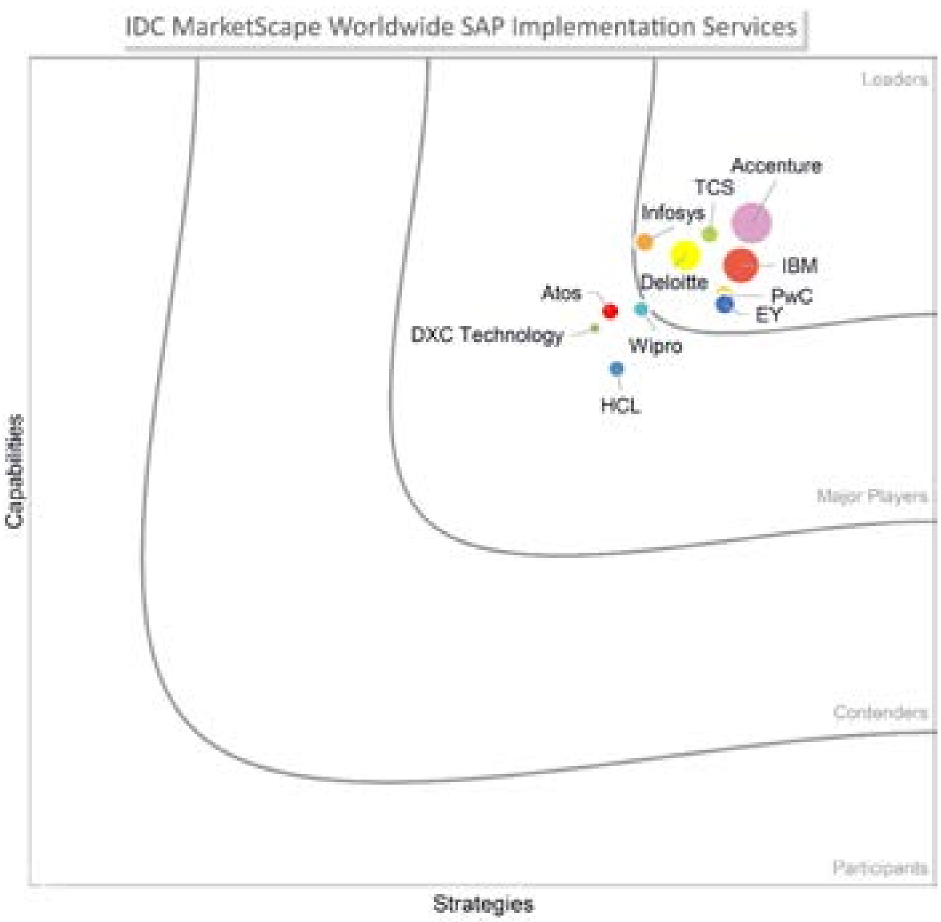
THIS IDC MARKETSCAPE EXCERPT FEATURES EY

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide SAP Implementation Services Ecosystem Vendor Assessment



Source: IDC, 2018

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

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IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide SAP Implementation Services Ecosystem 2018 Vendor Assessment (Doc #US4361218). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of the 2018 SAP implementation services ecosystem market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide SAP implementation services ecosystem market. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing SAP implementation services in both the short term and the long term. A component of this evaluation is the inclusion of the perception of SAP implementation services buyers of both the key characteristics and the capabilities of these providers. Buyers were surveyed across all three of IDC's macroregions. Key findings from the evaluation include the following:

- SAP's perceived weakness with customers (i.e., that its legacy technology was not associated with the newest digital technology innovations) has largely morphed into a strength (i.e., the data and processes in SAP systems form the digital core of operations for its customers and will likely continue do so in the future). Implementation providers have been using this turn of events to mine the digital core of SAP customers in support of efficiencies, which will help pay for their digital transformations and implementations of the newest generation of SAP technologies.
- Customer adoption of S/4HANA, the HANA Cloud Platform, and other cloud offers has grown nicely, in part because of competitive pressure from early adopters but mostly because delaying implementation is now equivalent to delaying access to SAP's most significant innovations and customers' fear of missing out is starting to outweigh the risks associated with transition. Again, the implementation providers have been not only echoing this message but also providing significant incentives to adopt S/4HANA, in terms of new industry solutions and automations to drive increased performance.
- SAP Leonardo is significant, not only because it brings a collection of innovations and capabilities under one logical roof but also because it signals that the transition to S/4 must be services led. Clearly, SAP wanted Leonardo to harmonize all of its methods no matter how fast or slow customers wanted to innovate, but IDC believes another goal for Leonardo is to help integrate many of the SAP piece parts (both built and bought over the past several years) to drive business transformation via a services-led approach. This is a good news story for all the implementers whose main value proposition is not primarily about technology but rather about business.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes an analysis of the 11 SAP applications systems integrators (SIs) with broad portfolios spanning IDC's research coverage and with global scale. This assessment is designed to evaluate the characteristics of each firm — as opposed to its size or the breadth of its services. Given this approach, Lockheed Martin has been excluded, even though it is among the top 5 systems integrators based on worldwide revenue, because the firm typically receives over 80% of its revenue from the U.S. government. The inclusion criteria also dictate at least $350 million in revenue coming from a vendor's SAP implementation services practice at a worldwide level as well as a minimum of 4,250 SAP implementation-associated global resources. Furthermore, at least 10% of revenue and 10% of head count need to be located in each macroregion. In addition, it is conceivable and in fact the case that specialty firms can compete with multidisciplinary firms on an equal footing. As such, this evaluation should not be considered a "final judgment" on the firms to consider for a particular project. An enterprise's specific objectives and requirements will play a significant role in determining which firms should be considered as potential candidates for an engagement.

ADVICE FOR TECHNOLOGY BUYERS

- **Accelerate adoption.** The case to wait or delay adoption has been overwhelmed by the fact that losing access to all of SAP's innovative technologies outweighs the technical risks of adopting the cloud delivery model and, in most cases, the financial impacts as well (given better tools for managing your consumption of cloud services). Interestingly, the accumulated evidence from the past two years of cybersecurity attacks is that the public cloud model is likely more secure than its on-premise counterparts, which is ironic given that one of the early objections to cloud was it would be less secure. There is also a large enough body of cloud implementation best practices in place from early adopters to ease the transition.
- **Accelerate joint innovation.** In another ironic twist, this next SAP technology shift is less about the technology itself and more about the new business innovations or models made possible by it. At a minimum, sponsors from outside the office of the CIO/CTO need to be coleading the implementation, and you should be pushing your implementation providers to differentiate on what innovations they can bring to you, or perhaps on how they can help you dig deeper and jointly come up with the innovations. Several implementation providers are now developing joint go-to-market alliances with customers to sell SAP-related solutions, and this could be an interesting and new revenue stream for you.
- **Optimize vendor selection.** Use this IDC MarketScape in contract negotiations and as a tool to not only short-list vendors for SAP implementation services bids but also evaluate vendors' proposals and oral presentations. Make sure you understand where these players are truly differentiated and take advantage of their expertise, technical, industry based, or otherwise.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges. IDC's assessment includes 11 vendors (in alphabetical order): Accenture, Atos, Deloitte, DXC Technology, EY, HCL, IBM, Infosys, PwC, TCS, and Wipro.

EY

According to IDC analysis and buyer perception, EY is a Leader in this IDC MarketScape for worldwide SAP implementation services ecosystem.

EY provides a full life cycle of SAP services, including advisory, implementation, and what it calls strategic, vertically integrated, managed services. Likewise, it has professional services capabilities across assurance (audit), tax, transactions, and advisory. Its primary focus is on business transformation enabled by SAP, with offerings focused by industry. EY has continued to grow its global capability by helping clients connect executive decision making with the operational data available from SAP systems. It continues to invest in creating next-generation SAP solutions and using the EY Experience Center for SAP to focus on extending the SAP digital core with HANA Cloud Platform solutions.

Strengths

Buyers rate EY highly for its functional insights and competence and for providing sincere and trustworthy resources for a project. Similarly, IDC rates EY highly in terms of its employee management strategy and its pricing model strategy.

Challenges

IDC believes EY's cost management strategy could be improved by proactively offering value-added use-case development to the company's customers. Also, EY's customer service strategy could be improved by involving a third-party component to its customer feedback processes.

Consider EY When

Consider EY when the idea of business-led technology-enabled SAP implementation sounds like the right approach, as compared with a technology-led implementation. EY likes to help clients focus on the disruption technologies cause in an industry rather than the technology itself and has developed a global network of innovation centers, called EY wavespace, to do just that.

Reading an IDC MarketScape Graph

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

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

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

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

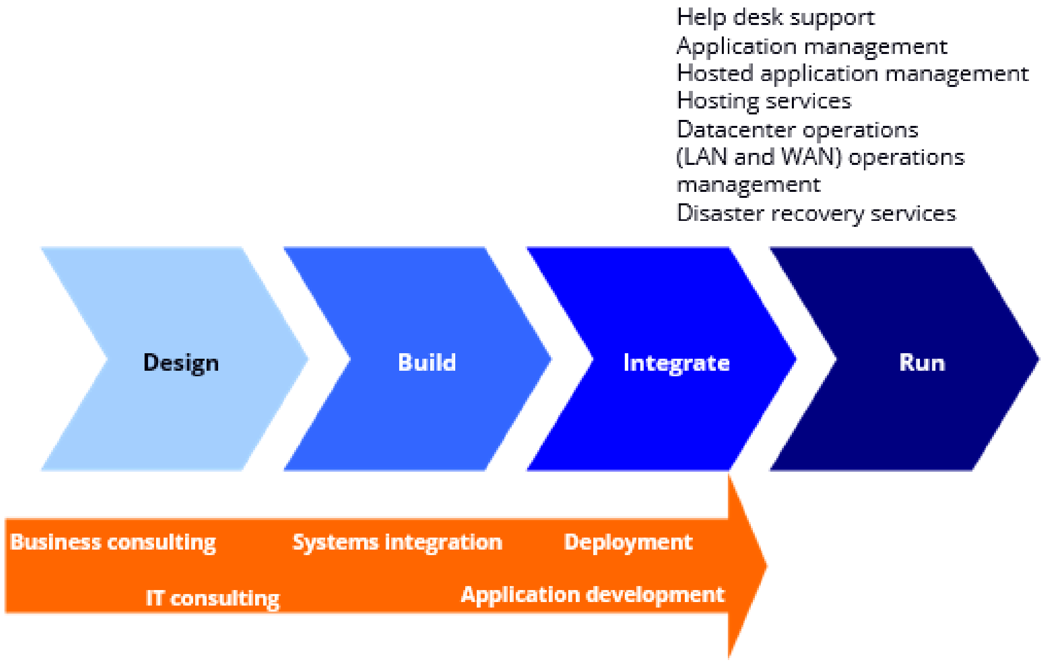
IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders,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

Market Definition

The SAP implementation services ecosystem market covers the design, build, and integrate functions of the design-build-run function chain (see Figure 2). The design phase includes both IT and business consulting. For a detailed definition of the services markets illustrated in Figure 2, see *IDC's Worldwide Services Taxonomy, 2018* (IDC #US42657218, March 2018).

FIGURE 2

IDC's Design-Build-Run Function Chain



Source: IDC, 2018

LEARN MORE

Related Research

- *The DX World: SaaS and Cloud-Enabled Technology Bring Business Impact* (IDC #US43759218, May 2018)
- *The DX World: SaaS and Cloud-Enabled Technology Implementation Best Practices* (IDC #US43758318, May 2018)
- *The DX World: SaaS and Cloud-Enabled Technology Post Go-Live Best Practices* (IDC #US43759518, May 2018)
- *Worldwide and U.S. Systems Integration Services Forecast, 2018-2022* (IDC #US43753618, April 2018)
- *Worldwide and U.S. IT Consulting Services Forecast, 2018-2022* (IDC #US43748118, April 2018)
- *IDC FutureScape: Worldwide Intelligent ERP 2018 Predictions* (IDC #US43155917, October 2017)
- *Market Analysis Perspective: Worldwide and U.S. IT Consulting and Systems Integration Services, 2017* (IDC #US43073517, September 2017)
- *IDC MarketScape: Worldwide SAP Implementation Services Ecosystem 2016 Vendor Assessment* (IDC #US40150416, April 2016)

Synopsis

This IDC study represents a vendor assessment of the SAP implementation services ecosystem through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the SAP implementation integration services market. This IDC MarketScape covers a variety of vendors participating in the SAP implementation services space. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"Customer focus on digital transformation and the need for faster and more agile innovation for better performance, growth, and profitability will drive adoption of SAP digital core and Leonardo in the near future. The rate at which customers take on this innovation will dictate the adoption of SAP implementation services," says Ali Zaidi, research director, IT Consulting and Systems Integration Business Strategies at IDC.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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