Everest Group Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023

Focus on HCLTech
July 2023

Background of the research

- Enterprises, especially small and midsize, are adopting Microsoft Dynamics 365 to modernize customer experience, finance, and operations, enabling end-to-end visibility across the supply chain and streamlining marketing and sales. Large enterprises adopt Microsoft Dynamics 365 mainly to buttress their core Enterprise Resource Planning (ERP) and Customer Experience (CX) systems

- Microsoft Dynamics 365 has established its sweet spot by its ability to integrate with other Microsoft Office 365 apps and third-party apps. It has gained momentum in the market owing to its lower Total Cost of Ownership (TCO) compared to its close competitors and faster time-to-market as it is SaaS-enabled

- To help adopt Microsoft Dynamics 365 across existing complex portfolios, service providers are skilling talent and building robust accelerators to help enterprises in their digital transformation journeys

- In this research, we present an assessment of 27 providers featured on the Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023

- The assessment is based on Everest Group's annual RFI process for the calendar year 2023, interactions with leading providers, client reference checks, and ongoing analysis of the Microsoft Dynamics 365 services market

The full report includes the profiles of the following 27 leading providers featured on the [Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023](#)**:**

- **Leaders:** Accenture and Avanade, Capgemini, EY, HCLTech, Hitachi Solutions, Infosys, LTIMindtree, and TCS
- **Major Contenders:** Alithya, Cognizant, Deloitte, EPAM, Eviden, HSO, IBM, NTT DATA, Sonata, Synoptek, Tech Mahindra, Visionet, and Wipro
- **Aspirants:** Birlasoft, GSLab-GAVS, Marlabs, Mastek, UST, and Yash Technologies

Scope of this report

Geography
Global

Providers
27 leading Microsoft Dynamics 365 services providers

Services
Microsoft Dynamics 365 services

Introduction and scope

Everest Group recently released its report titled, [Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023](#). This report analyzes the changing dynamics of the Microsoft Dynamics 365 services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 27 service providers on the Everest Group PEAK Matrix® for Microsoft Dynamics 365 services into the categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of Microsoft Dynamics 365 services providers based on their absolute market success and delivery capability.

Based on the analysis, **HCLTech emerged as a Leader.** This document focuses on **HCLTech's** Microsoft Dynamics 365 services experience and capabilities and includes:

- HCLTech's position on the Microsoft Dynamics 365 services PEAK Matrix® 2023
- Detailed Microsoft Dynamics 365 services profile of Capgemini

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements and match them against service provider capability for an ideal fit.

Source: Everest Group (2023)

Microsoft Dynamics 365 Services PEAK Matrix® characteristics

Leaders

Accenture and Avanade, Capgemini, EY, HCLTech, Hitachi Solutions, Infosys, LTIMindtree, and TCS

- Leaders are characterized by their ability to successfully execute large-scale, multi-continent, end-to-end Dynamics 365 services, underpinned by their strong global delivery network
- These providers have showcased end-to-end transformational case studies covering a large portfolio of Dynamics 365 replacing multiple legacy Customer Relationship Management (CRM) and a few elements of ERP
- Leaders have helped enterprises with their advisory capabilities to navigate the business transformation and have leveraged in-house IP tools and accelerators to expedite engagement timelines
- Furthermore, they have a mature suite of Microsoft-certified, Dynamics 365, and verticalized solutions to accelerate time-to-market for their clients

Major Contenders

Alithya, Cognizant, Deloitte, EPAM, Eviden, HSO, IBM, NTT DATA, Sonata, Synoptek, Tech Mahindra, Visionet, and Wipro

- These providers have built meaningful capabilities to deliver Microsoft Dynamics 365 services – implementation and management/run; however, their service portfolios are not as balanced and comprehensive as those of Leaders (in terms of coverage across Dynamics 365 service segments, service type, geographies, or verticals)
- These providers have good partnerships with Microsoft and specialist technology partners to curate client-specific Microsoft Dynamics 365 solutions. They have been recognized by Microsoft with multiple partner awards for showcasing their credibility in the Dynamics 365 markets
- Major Contenders are also making continued investments in building proprietary tools and solutions, as well as scaling their talent for Microsoft Dynamics 365

Aspirants

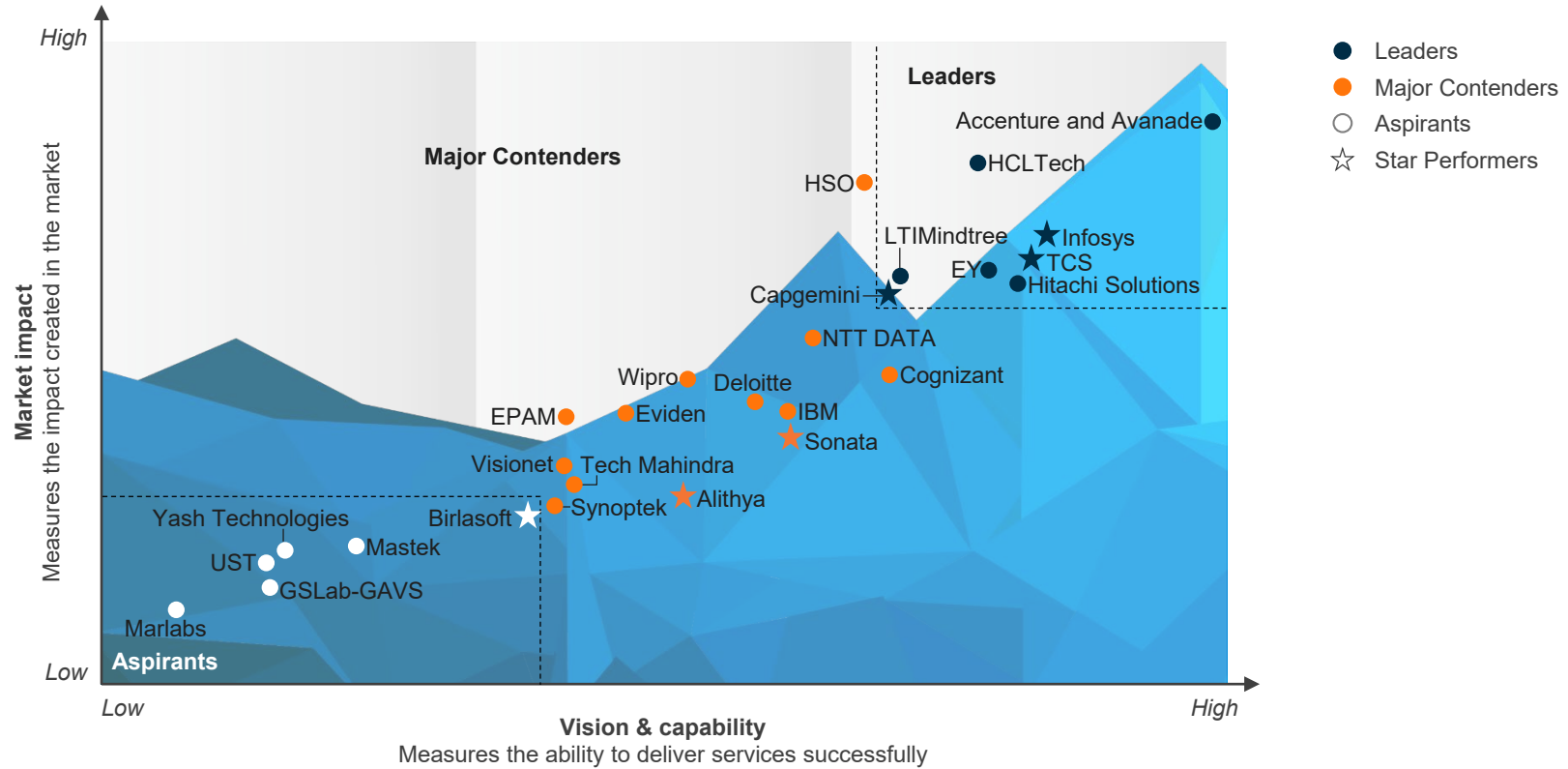Birlasoft, GSLab-GAVS, Marlabs, Mastek, UST, and Yash Technologies

- Aspirants have good proof points in delivering low to medium-complexity implementation and maintenance of Dynamics 365 services for Small and Midsize Buyers (SMBs)
- They are either focused on a region(s) or vertical(s) or currently have a relatively small Microsoft Dynamics 365 practice
- Clients acknowledge Aspirants' pricing and commercial flexibility as well as account management flexibility

Everest Group PEAK Matrix®
Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023 | HCLTech is positioned as a Leader

Everest Group Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023[1,2,3]

- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Vision & capability
Measures the ability to deliver services successfully

Market impact
Measures the impact created in the market

1   Assessments for Deloitte, EY, Hitachi Solutions, IBM, and Wipro exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers
2   Analysis of LTIMindtree is based on capabilities post the merger of LTI and Mindtree
3   Eviden is an Atos business
Source: Everest Group (2023)
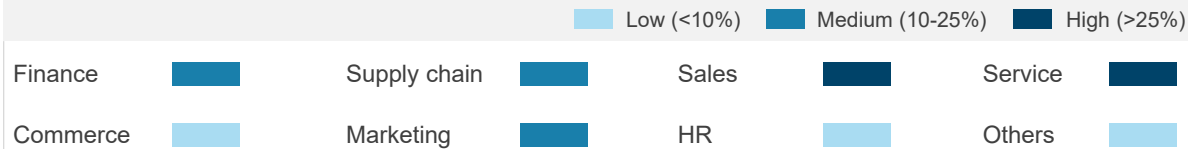
HCLTech profile (page 1 of 5)
Overview

Vision for Microsoft Dynamics 365 services: HCL's vision is to offer end-to-end Dynamics 365 services to help its customers to make the most of its IT investments such as profitability, CSAT, customer retention, and sustainability.
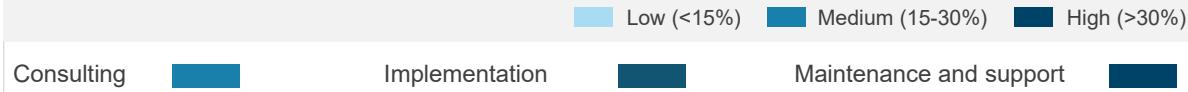
Number of projects completed in 2022: 388
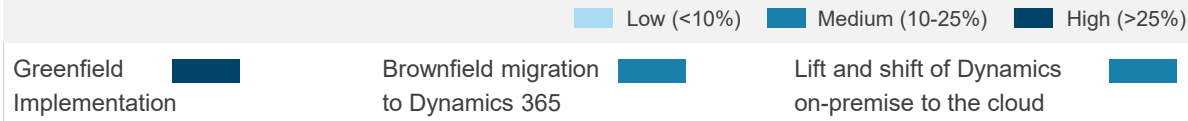
Number of Microsoft Dynamics 365 experts: 2,750
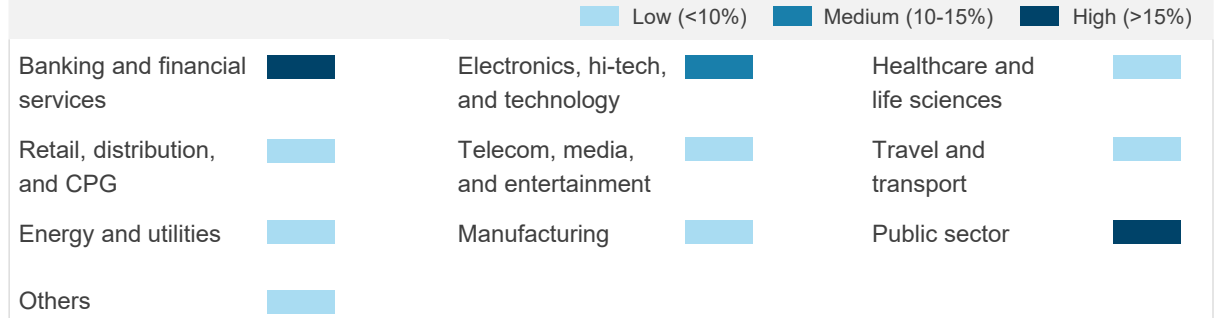
Proportion of Dynamics 365 services revenue by function

	Low (<10%)	Medium (10-25%)	High (>25%)

Finance	Medium	Supply chain	Medium	Sales	High	Service	High
Commerce	Low	Marketing	Medium	HR	Low	Others	Low

Proportion of Dynamics 365 services revenue by scope of services

	Low (<15%)	Medium (15-30%)	High (>30%)

Consulting	Medium	Implementation	High	Maintenance and support	High

Proportion of Dynamics 365 services revenue by type of implementation

	Low (<10%)	Medium (10-25%)	High (>25%)

Greenfield Implementation	High	Brownfield migration to Dynamics 365	Medium	Lift and shift of Dynamics on-premise to the cloud	Medium

Proportion of Dynamics 365 services revenue by industry

	Low (<10%)	Medium (10-15%)	High (>15%)

Banking and financial services	High	Electronics, hi-tech, and technology	Medium	Healthcare and life sciences	Low
Retail, distribution, and CPG	Low	Telecom, media, and entertainment	Low	Travel and transport	Low
Energy and utilities	Low	Manufacturing	Low	Public sector	High
Others	Low				

Proportion of Dynamics 365 services revenue by geography

	Low (<10%)	Medium (10-25%)	High (>25%)

North America	Medium	United Kingdom	Medium	Europe	High
Asia Pacific	Low	South America	Medium	Middle East & Africa	Low
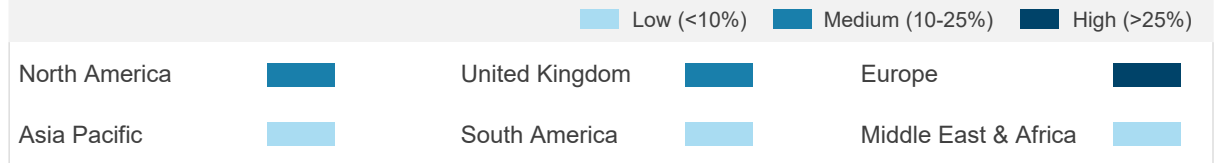
Proportion of Dynamics 365 services revenue by buyer size (annual revenue)

	Low (<10%)	Medium (10-25%)	High (>25%)

<US$1 billion	Medium	US$1-5 billion	High	US$5-10 billion	High
US$10-20 billion	Medium	>US$20 billion	Medium		

HCLTech profile (page 2 of 5)
Key solutions

Proprietary solutions (representative list)

Solution name	Focused industries	Focused Dynamics module(s)	Number of engagements in 2022	Details
PowerPacks	All	Customer services / Sales / Marketing	More than 2.5 million user impacted	This solution is pre-built on CRM add-on and provides marketing automation and process efficiency.
FENIX2.0	All	All	More than 120	This solution enables the execution of scaled and sustainable digital transformation for its client.
CloudSmart	All	All	More than100	This solution focuses on cloud transformation to enhance customer experience, modernize the digital core, and drive continuous innovation with an integrated sustainability framework.
Power Capital	BFSI	CRM	More than 60	This solution accelerates time-to-market and mitigates deployment risks.
Power Insurance	BFSI	CRM	More than 60	This solution enables product building and cross-sell capabilities.
Power Banking	BFSI	CRM	More than 60	This solution makes the onboarding of new customers easy, quick, and seamless, thereby reducing time-to-value.

Microsoft–certified solutions on Microsoft-marketplace compatible with Dynamics 365 (representative list)

Solution name	Focused industries	Focused Dynamics module(s)	Number of engagements in 2022	Details
Power Packs (22)	Cross sector	Customer services / Sales / Marketing	More than 2.5 million user impacted	This solution is pre-built on CRM add-on and provides marketing automation and process efficiency. Its Microsoft business applications practice is continuously developing new PowerPack add-on tools based on customer feedback.
Construction tracking Power App	Housing	All	More than five	This application tracks the progress of house build in one application, which is updated by all stakeholders.
PowerSales Toolbelt	All	Sales	More than 15	PowerSalesToolBelt is a Power App that enables sales users by providing instant access to their accounts, contacts, opportunities, and activities from a mobile device. The app provides a simplified baseline to further configure to specific needs and industries. The solution allows for the quick creation of new records, routing for driving directions to customer/prospect locations, and providing streamlined access to commonly used sales functions and information.

HCLTech profile (page 3 of 5)
Investments and partnerships

NOT EXHAUSTIVE

Key investments (representative list)		
Solution name	**Focused industries**	**Details**
IP	Complete suite	This is a Power Pack development team that creates apps that are deployed in the app source. The Power Packs increase the time-to-value of implementing D365 for customers. They also ensure that the custom code is not developed, and in so help in reducing the total cost of ownership.
Talent	All D365 and PP modules	HCLTech invested to onboard and train 200 consultants and developers annually through the Consultant-In-Training (CIT) and Developer-in-Training (DIT) training programs.
Certifications	All D365 and PP modules	HCLTech invested in various Microsoft certifications to keep its employees updated with all the technologies.
Acquisitions	Across modules/expertise	It acquired DWS Limited in 2020, IBM Ips in 2018, Broadcom in 2020, and StrongBridge Envision in 2019.
Digital experience lab	Across modules/expertise	HCLTech invested in the setting up of the LAB21 in Redmond and joined the IoT immersion lab with Microsoft.

Key partnerships (representative list)		
Partner ecosystem		
Loki	Experlogic	Click Learn
Sign-up Software	Click Dimension	Solgari
Microsoft Consultancy Services (MCS) / ISD	Seismic	Kofax

Source: Everest Group (2023)

HCLTech profile (page 4 of 5)
Case studies

NOT EXHAUSTIVE

Case study 1	Orchestrated a sales and service ecosystem for a UK-based government and public sector company

Business challenge

The client wanted to implement a fully digital platform for its sales and service ecosystems and migrate its old pen-and-paper processes onto that fully digital platform. It needed a reliable, expandable, and customizable CRM solution, as well as myriad Power Platform solutions to solve business unit-level challenges.

Solution

HCLTech leveraged Dynamics 365 customer engagement and Microsoft portals to implement the digital transformation process and migrate its existing application onto that new platform.

Impact

- Provided a personalized dashboard, a customized chat-based service/repair delivery model to remote workers
- Improved efficiency
- Increased user base
- Enabled overhead cost reduction of up to US$1 million per day

Case study 2	Automated business operations and enhanced existing technical capabilities for the client

Business challenge

The client wanted a partner that could deliver a multi-project implementation to support an overall business transformation, implement an end-to-end solution utilizing Microsoft technologies to enhance its technical capabilities, and leverage this single platform to manage finance, procurement, asset management, and customer services.

Solution

HCLTech leveraged the Dynamic 365 platform to develop one digital record for all transactions with suppliers, customers, stakeholders, and partners that provides straightforward and flexible services for both users and customers. With this platform, financial information was consistent and reliable, which improved decision-making capability. Its relationships with its suppliers have greatly improved through automation and digital methods with technology becoming a natural part of work and not a hindrance or a task to complete.

Impact

- Increased sales by 24%
- Reduced media spend by US$1.3 million per annum through improved conversion rates and data on the most effective marketing channels
- Decreased marketing costs by US$20K by moving from Adobe to Dynamics 365 Marketing
- Increased revenue of US$427K in customer extras
- Saved US$200K through an improved defect management process

Source: Everest Group (2023)

HCLTech profile (page 5 of 5)
Everest Group assessment – Leader

Measure of capability: ◔ Low ● High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation and investments	Delivery footprint	Overall
◕	◕	◖	◗	◗	◕	◖	◗	◖

Strengths

- HCLTech is a relevant service provider for enterprises across the entire buyer spectrum, seeking cost-effective, end-to-end Dynamics application services

- It has meaningful proof points in BFSI and the public sector demonstrating its strong domain knowledge in these sectors

- It has developed a wide array of horizontal and industry-specific IP/solutions leveraging next-generation capabilities across Dynamics products for different phases of implementation

- It has made good investments in upskilling its talent base in order to improve delivery quality for its clients

- It has a good balance between onshore and offshore delivery, enabling cost flexibility for its clients

Limitations

- Clients from industries such as energy and utilities and telecom may need to evaluate HCLTech's capabilities within these industries for Dynamics-specific engagements

- Few clients have mentioned the scope of improvement for its account management and customer success capabilities which may need to be assessed before engaging for Dynamics-specific services

- While it has a balanced presence across North America, Europe, and APAC; clients looking to engage in other regions such as South America and the Middle East and Africa may need to evaluate its Dynamics-specific delivery capabilities in these regions

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
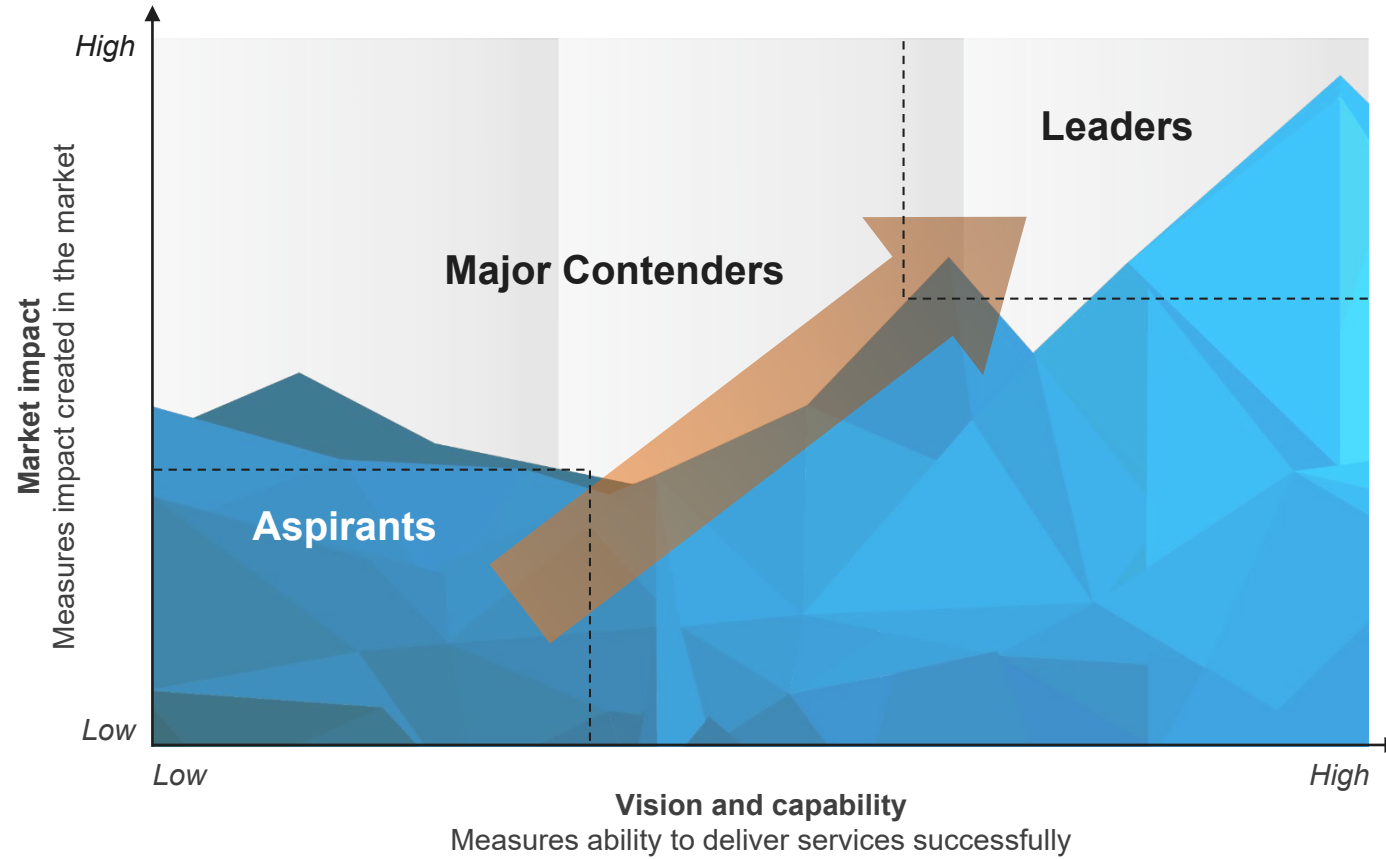
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market –
captured through three subdimensions

Market adoption

Number of clients, revenue base,
YoY growth, and deal value/volume

Portfolio mix

Diversity of client/revenue base across
geographies and type of engagements

Value delivered

Value delivered to the client based
on customer feedback and
transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability
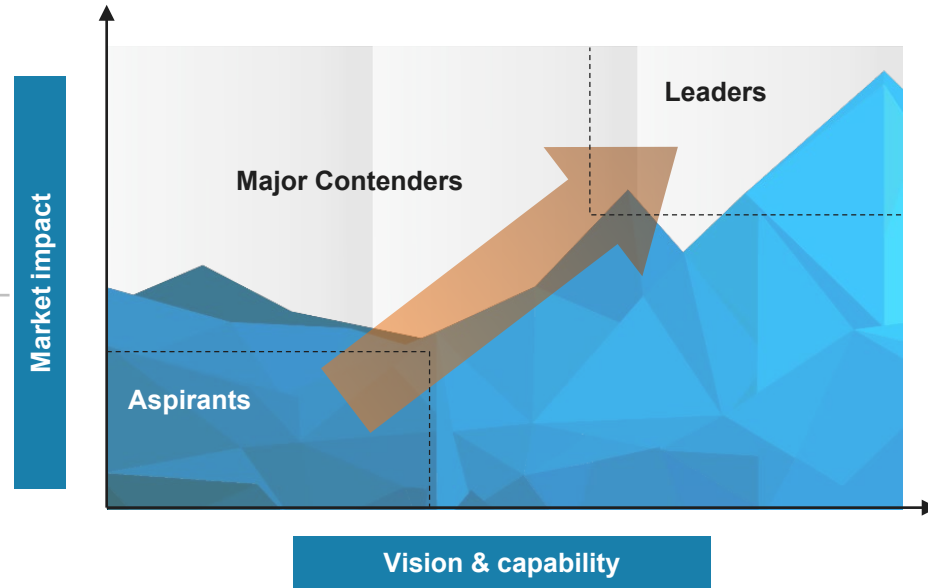
Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy	**Scope of services offered**	**Innovation and investments**	**Delivery footprint**
Vision for the client and itself; future roadmap and strategy	Depth and breadth of services portfolio across service subsegments/processes	Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.	Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix

Market impact

Year 1

Year 0

Vision & capability

In order to assess advances on **market impact**, we evaluate each provider's performance across a number of parameters including:
- Yearly ACV/YoY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  - In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  - Issue a press release declaring positioning; see our citation policies
  - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  - Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

Everest Group®

With you on the journey

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