

IDC MarketScape: Worldwide SAP Implementation Services 2022 Vendor Assessment

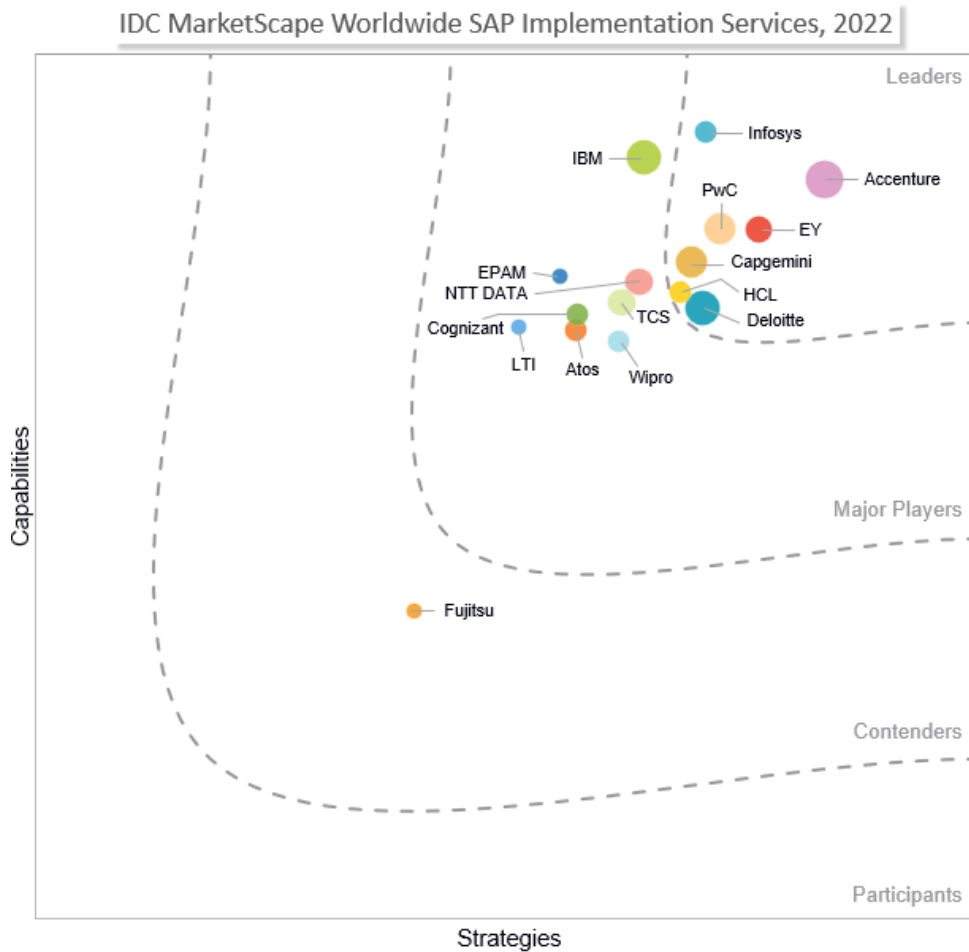
Ali Zaidi

THIS IDC MARKETSCAPE EXCERPT FEATURES: HCL

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide SAP Implementation Services Vendor Assessment



Source: IDC, 2022

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide SAP Implementation Services 2022 Vendor Assessment (Doc #US48395822e). 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 2022 SAP implementation services 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 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:

- On average, IDC rated three strategic areas most highly: "portfolio strategy," "growth strategy," and "alignment with SAP strategy." Likewise, the three areas of key capabilities highly rated on average by customers are "cost competitiveness," "sales/distribution structure," and "employee management."
- Based on IDC's *Global SAP Implementation Services Buyer Perception Survey* feedback from 83 of the evaluated vendors' customers, the most critical business priority for them was to "improve operational efficiency," while the most critical vendor attribute for successful SAP implementation services was being "able to achieve desired business outcomes."
- Enterprises are increasingly focusing on integrating SAP with other platforms and enhancing/realigning business processes when adopting SAP solutions. IDC's *Global SAP Implementation Services Buyer Perception Survey* suggests that over 54% of the SAP implementation projects involve integrating SAP products with non-SAP platforms/solutions. At the same time, buyers indicated that in nearly half of SAP implementation services projects, enterprises are undergoing some sort of business process change while consuming SAP solutions.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes an analysis of the 16 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. The inclusion criteria also dictate at least \$450 million in revenue coming from a vendor's SAP implementation services practice at a worldwide level as well as a minimum of 4,500 SAP implementation-associated global resources, and at least 10% of the vendor's worldwide SAP revenue and head count should come from each of IDC's macroregions.

ADVICE FOR TECHNOLOGY BUYERS

- **Rise with SAP.** While SAP's Rise with SAP offering provides an attractive approach to drive digital transformation within your enterprise, the digital transformation initiative should be dictated by desired outcome and not technology. Make sure you have the right business case established, desired outcome lined up, and impact on business processes and models defined while driving digital transformation agenda, enabled by the Rise with SAP offerings. Most services partners have created complementary offerings that couple S/4HANA implementation with the business KPIs to drive the transformation initiative.
- **Multiplatform integration.** Application and infrastructure portfolios of most enterprises comprise of multivendor platforms including SAP products. As enterprises increase adoption of cloud solutions, the heterogeneous nature of IT systems is on the rise. Often integration of disparate application and infrastructure platform is a necessity to make overall IT systems work. Make sure to pick SAP implementation services partner that not only understands the SAP products but also helps you integrate SAP solutions with non-SAP systems your enterprises are running.
- **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 PROFILES

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

HCL

According to IDC analysis and buyer perception, HCL is positioned in the Leaders category in the 2022 IDC MarketScape for SAP implementation services worldwide.

HCL helps enterprises transform their businesses for the digital age with a comprehensive set of service offerings to support SAP-enabled business transformation. HCL's "SAP Done Better" approach focusses on delivering business outcomes underpinned by the company's business transformation capability, providing SAP program-specific change management services and its Value Sentinel benefits approach. HCL's key strengths are in SAP-enabled digital supply chain, sustainability solutions, and industry cloud applications for its core industries and driving the migration to SAP cloud solutions, including RISE with SAP, with its CloudSmart offering. HCL has invested heavily in tools, accelerators, and templates that reduce implementation effort and improve SAP's applications fit to our target industries. HCL is the first SAP consulting partner to go live on its own RISE with SAP transformation journey in the Asia/Pacific and Japan regions and leverages the knowledge and experience gained to help its customers move to a digital core and create a platform for business innovation.

Strengths

HCL achieved a strong buyers rate for optimizing the ratio of onshore-offshore efforts on a project and for offering flexible pricing models to meet their needs for SAP implementation services projects.

Similarly, IDC views HCL highly for its client adoption strategy and its go-to-market strategy with SAP alliance ecosystem partners.

Challenges

IDC believes that HCL's employee retention strategy could be improved by increased use of data-based applied research to improve retention processes. Also HCL would benefit from focusing more on growing its SAP services practice related to business processes.

APPENDIX

Reading an IDC MarketScape Graph

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

Positioning on the y-axis reflects the vendor's current capabilities 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

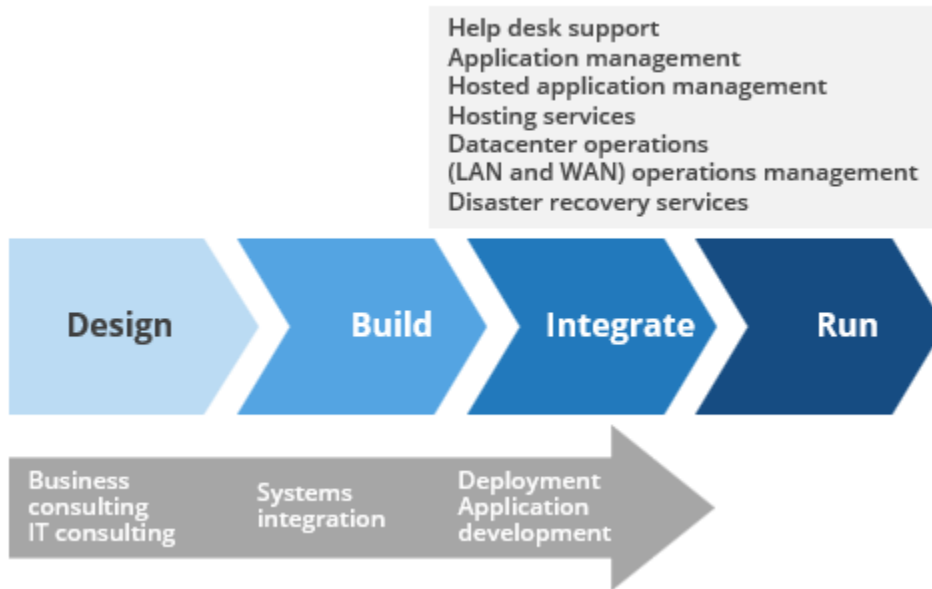
IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of 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 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, 2021* (IDC #US47191221, March 2021).

FIGURE 2

IDC's Design-Build-Run Function Chain



Source: IDC, 2022

Customer Perceptions of SAP Implementation Services Vendors

A significant and unique component of this evaluation is the inclusion of the perceptions of SAP implementation services' buyers of both the key characteristics and the capabilities of the vendors evaluated. The buyers participating in IDC's *Global SAP Implementation Services Buyer Perception Survey* have partnered with at least one of the participating vendors directly on an SAP implementation project within their company. The survey findings highlight key areas where buyers expect SAP implementation services providers to showcase a range of capabilities. The buyers consider these capabilities a must-have for SAP implementation services to be able to fulfill the requirements of many business and IT issues that challenge the buyers.

Figure 3 illustrates the top 10 business drivers for SAP implementation services projects for the SAP services customers surveyed in 2020. Customers sighted reducing cost/improving profitability and improving operational efficiency as the top 2 business drivers for taking on SAP implementation services.

FIGURE 3

Top 10 Business Drivers for SAP Implementation Services Projects, 2022

Q. How important a business priority do you believe each of the following is currently for your company?



n = 83

Note: Mean scores are based on a scale of 1-5, where 1 = not a priority and 5 = a critical business priority.

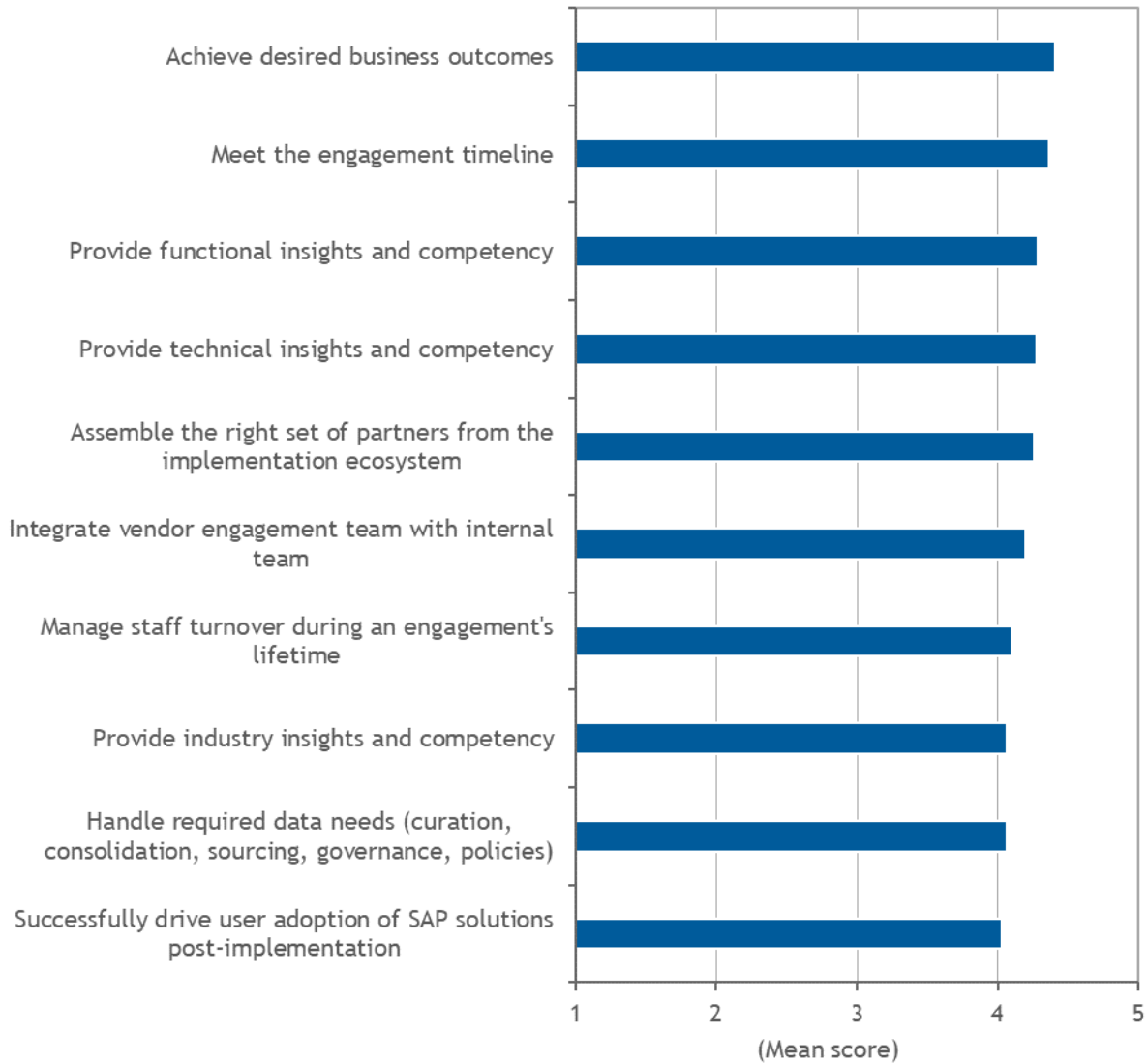
Source: IDC's *Global SAP Implementation Services Buyer Perception Survey, 2022*

Figure 4 illustrates the rank order of factors that are important for a successful SAP implementation services project for the SAP services customers surveyed in 2020. Survey findings suggest that the ability to achieve desired business outcomes by the consultants working on an SAP implementation services project is the most critical factor for the successful completion of the project. Customers also indicated a vendor's ability to showcase the desired technical insights competency for the projects to be one of the most critical attributes for a project's success.

FIGURE 4

Top 10 Important Factors for Successful SAP Implementation Services Projects, 2022

Q. For an SAP implementation services engagement to be successful, please indicate the importance of each of the following characteristics.



n = 83

Note: Mean scores are based on a scale of 1-5, where 1 = not essential and 5 = essential to success.

Source: IDC's *Global SAP Implementation Services Buyer Perception Survey, 2022*

LEARN MORE

Related Research

- *Worldwide and U.S. Systems Integration Services Forecast, 2022-2026* (IDC #US48572222, May 2022)
- *IDC's Worldwide Services Taxonomy, 2021* (IDC #US47191221, May 2021)
- *IDC MarketScape: Worldwide SAP Implementation Services 2020 Vendor Assessment* (IDC #US45354920, June 2020)
- *IDC MarketScape: Worldwide SAP Next-Generation Implementation Services 2020 Vendor Assessment* (IDC #US46141520, June 2020)

Synopsis

This IDC study represents a vendor assessment of the SAP implementation services 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 enterprise experience driven by the need for improving operational efficiency, profitability, and growth is driving faster adoption of SAP next-generation technologies and related implementation services in the near future," says Ali Zaidi, research vice president, 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.

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, telebriefings, and conferences. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/offices. Please contact the IDC Hotline at 800.343.4952, ext. 7988 (or +1.508.988.7988) or sales@idc.com for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or web rights. IDC and IDC MarketScape are trademarks of International Data Group, Inc.

Copyright 2022 IDC. Reproduction is forbidden unless authorized. All rights reserved.

