ISG Provider Lens™

SAP HANA Ecosystem Services

U.S. 2021

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

HCL

July 2021

About this Report

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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 May 2021, 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.

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ISG Provider Lens™

ISG Provider Lens™

ISG Provider Lens™ delivers leading-edge and actionable research studies, reports and consulting services focused on technology and service providers' strengths and weaknesses and how they are positioned relative to their peers in the market. These reports provide influential insights accessed by our large pool of advisors who are actively advising outsourcing deals as well as large numbers of ISG enterprise clients who are potential outsourcers.

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EXECUTIVE SUMMARY

S/4HANA, SAP's intelligent and integrated enterprise resource planning (ERP) system running on SAP HANA, has been undergoing an evolution to meet the business requirements of enterprises that are looking for a clear digital core while embarking on their digital transformation journeys. It aims to help enterprises transform their business processes through the use of artificial intelligence (AI), either on the cloud or on-premises. With a focus on digital transformation, SAP S/4HANA aims to alleviate enterprise business processes through its interactive interface and by applying analytics to speed insights delivery.

The transformation delivered varies by macroeconomic factors, coupled with developments such as COVID-19 that have an impact across geographies. The pandemic impacted the adoption of SAP S/4HANA as enterprises slowed down their transformation momentum and focused more on cost efficiency and “keeping the lights on services” to operate in the uncertain circumstances. However, toward the latter part of 2020, a gradual recovery was observed, led by positive economic sentiments. As service providers settled down with remote modes of working for their employees, their projects continued to be delivered virtually without much disruption. One of the implications of COVID-19 has been remote working. This has led to consultants working from home or remote locations away from their offices. A key enabler of this new work model has been the increased adoption of collaboration tools.

With the need to rein in costs, enterprises could consider cloud as an enabler of cost reductions, upgrades and agility. At the same time, organizations could continue with a staggered approach for SAP S/4HANA, to ensure minimum disruption to their existing business processes and derive maximum value for their investment and efforts.

Another key development in 2021 has been SAP’s new campaign, “RISE with SAP.” The initiative bundles existing SAP assets by offering business-transformation-as-a-service to enterprises and accelerating their cloud adoption. Clients benefit from reduced licensing costs. They can put their perpetual enterprise resource planning license into the deal and replace the annual ERP maintenance fee with a monthly pay that, bundled with cloud usage fees, makes a positive business case.

SAP offers both on-premises and cloud options for SAP S/4HANA to meet the business requirements of both large and midsize enterprises. While the on-premises option offers more customization and requires a greater management effort, the cloud option is suitable for enterprises seeking limited customizations, automatic upgrades and faster implementation.

The presence of S/4HANA certified professionals serves as one of the differentiators for providers, indicating their expertise in managing complexity and delivering services. Investments in reskilling initiatives have yielded results for providers; they have expanded the base of SAP- and S/4HANA-certified professionals in their respective organizations.

Service providers continue with their focus to integrate agile and DevOps processes into SAP services, across development, implementation and managed services. Providers are not only leveraging their proprietary tools and accelerators to deliver

S/4HANA services, but also are integrating agile and DevOps methodologies with their frameworks to increase efficiencies and reduce delivery time cycles. From a marketing strategy perspective, providers have innovation hubs to establish a connection with their customers and undertake innovation-led ideation initiatives in the U.S.

Some of the key trends in the U.S. are summarized below.

- **Frameworks, tools and accelerators for SAP S/4HANA services delivery:** Service providers continue to focus on developing tools and accelerators to accelerate the SAP S/4HANA journeys of their customers. They are investing to shore up their assessment areas, code reconciliation, data management, testing and other components of S/4HANA conversions, transformations and migration tools. These assets and tools are powered by AI, enable safer and faster transformations, and reduce the SAP S/4HANA implementation time for enterprises.
- **Use of hybrid agile and DevOps methodologies:** Service providers are investing in and integrating hybrid agile and DevOps approaches such as Scaled Agile Framework (SAFe) for rapid development, creation of prototypes, deployment and faster release cycles. They are also using agile sprints and have dedicated centers of excellence (CoEs) for them.
- **Industry-specific solutions for transformation:** Service providers have increased their focus on creating ready-to-run templates, industry-specific solutions and preconfigured offerings for S/4HANA and SAP Business Technology Platform (SAP BTP) to help customers with integration and business agility. Enterprises are looking for such solutions as a differentiator for faster time-to-market, and to become intelligent enterprises. Several providers have also established innovation centers, labs and other facilities to showcase their solutions and provide a platform for enterprises to experience them before deployment.
- **Increased use of bots and automation in managed services:** With a focus on lowering costs and increasing delivery speed, service providers are increasing their use of conversational AI, in the form of bots, and their use of robotic process automation (RPA) for improving operational efficiency, streamlining incident management, configuring triage and providing other benefits.
- **Intelligent focus and SAP BTP:** Service providers are leveraging emerging technologies such as Internet of Things (IoT) and blockchain to create ready-to-use solutions for various processes such as supply chain and for industries such as retail, utilities and manufacturing. Providers continue to leverage their partnerships with SAP to co-innovate and co-develop solutions to serve specific use cases for different industries. ISG defined the SAP Cloud Platform (SCP) and SAP Leonardo Services quadrant before SAP renamed its application programming interface (API) and innovation library platform Leonardo to Intelligent Enterprise platform. In 2021, SAP changed the name again, now calling it SAP Business Technology Platform (SAP BTP). This platform helps enterprises through integration, extension and data-to-value from all SAP and third-party applications and assets.
- **Partnerships with hyperscalers:** Most of the service providers have developed alliances or partnerships with all leading hyperscaler cloud services providers to offer platform application services in areas such as archiving, backup, disaster recovery, security, compliance and monitoring.

Introduction

Simplified illustration

SAP HANA Ecosystem Services - 2021	
SAP S/4HANA System Transformation – Large Accounts	SAP S/4HANA System Transformation – Midmarket
Managed Application Services for SAP ERP	Managed Cloud Services for SAP HANA
SAP Business Technology Platform and Intelligent Technologies	

Source: ISG 2021

Definition

With more than 21,000 partner companies, SAP has a significant impact on the IT market, in terms of both innovation and global IT spend. This research study identifies the top SAP partner companies that offer differentiated services to enterprise clients, and deliver the best results for their clients' SAP S/4HANA investments.

SAP S/4HANA offers superior performance by using in-memory technology. As transformation projects require detailed planning and business participation, clients should refine their selection process and criteria to find the right partner for providing higher business value at low cost.

For clients that are new to SAP ERP or are hesitant to upgrade to SAP S/4HANA, this study includes references to case studies and success stories. ISG has identified viable tools and frameworks for large SAP

Definition (cont.)

transformations and greenfield SAP S/4HANA implementations that are delivered in record time for midmarket clients. The right partner can support clients and allay fears arising from the end of support for legacy SAP ERP, which is scheduled for 2027.

With the introduction of SAP BTP, it has become evident that the major benefits of adopting SAP S/4HANA are its innovation backbone, as offered through SAP BTP as well as the novel ways of leveraging APIs and microservices. In this context, SAP partners have demonstrated innovation by using AI, analytics, IoT, mobile apps, RPA and blockchain to disrupt markets and transform businesses.

For clients that have adopted SAP S/4HANA, this study assesses managed service providers that can contribute to superior application performance, including higher stability, availability and security. In addition, recently, AI and machine learning (ML) have been incorporated into application maintenance and operations to predict incidents and automate troubleshooting, ticket processing and provisioning. This allows for increased scale that can lower support costs. This study identifies service providers that effectively apply new technologies to support SAP S/4HANA and HANA databases.

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

- Transparency on providers' relevant strengths and weaknesses
- A differentiated positioning of providers by segments
- Focus on different markets. This study focuses on the U.S.

ISG studies serve as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients use information from these reports to evaluate their current vendor relationships and potential engagements.

Definition (cont.)

Scope of the Report

This study considers the top service providers certified by SAP to support clients in ERP and HANA products. These service providers were qualified in five quadrants of the SAP HANA Ecosystem Services:

The **SAP S/4HANA System Transformation – Large Accounts quadrant** assesses consulting and system integration service providers on their abilities for developing, deploying and testing enterprise applications using SAP S/4HANA and SAP Business Suite, with SAP Fiori as the user interface. The participating companies are expected to have the frameworks, tools and accelerators to support the needs of large system transformations.

The **SAP S/4HANA System Transformation – Midmarket quadrant** assesses consulting and system integration service providers on their ability to offer a rapid turnaround for SAP S/4HANA implementations for clients in the midmarket (which ISG defines as companies with less than 5,000 SAP users or revenue of less than $1 billion).

The **Managed Application Services for SAP ERP quadrant** assesses service providers for their capability to offer managed services, including maintenance and support functions that comprise monitoring, remote support and centralized management of applications for SAP S/4HANA and legacy SAP business suites such as ECC 6.0.

The **Managed Cloud Services for SAP HANA quadrant** assesses service providers that manage hybrid cloud environments, security access, monitoring, system availability, interface performance, disaster recovery, backup, restoration, data compliance and other infrastructure and cloud operations. The technical barriers and client resistance to moving ERP to the cloud are gradually disappearing, enabling these providers to support clients in migrating from a private cloud to a public cloud in exceptional cases.

The **SAP Business Technology Platform (BTP) and Intelligent Technologies quadrant** examines the capabilities of providers in the design, development, change, integration and support of enterprise applications on SCP. These providers offer lab facilities for clients to experiment with emerging technologies. They offer innovation workshops, design thinking and other methods to drive innovation around SAP S/4HANA.

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

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

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.

Product Challenger

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.

Market Challenger

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.

Contender

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 both products and services and a sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has 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).

Rising Star

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

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 HANA Ecosystem Services - Quadrant Provider Listing 1 of 3

	SAP S/4 HANA System Transformation – Large Accounts	SAP S/4 HANA System Transformation – Midmarket	Managed Application Services for SAP ERP	SAP Business Technology Platform and Intelligent Technologies	Managed Cloud Services for SAP HANA
Accenture	Leader	Not in	Leader	Leader	Leader
Applexus	Not in	Product Challenger	Not in	Not In	Not In
Atos	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Rising Star
Birlasoft	Not in	Leader	Product Challenger	Contender	Contender
Capgemini	Leader	Product Challenger	Leader	Leader	Leader
Clarkston Consulting	Not in	Contender	Not in	Not in	Not in
Cognizant	Product Challenger	Product Challenger	Leader	Product Challenger	Leader
Delaware	Not in	Contender	Not in	Not in	Not in
Deloitte	Leader	Not in	Not in	Not In	Not In
DXC	Product Challenger	Not in	Leader	Product Challenger	Contender
EPI-USE	Not in	Rising Star	Not in	Contender	Not In
GyanSys	Not in	Contender	Not in	Not In	Not in

SAP HANA Ecosystem Services - Quadrant Provider Listing 2 of 3

	SAP S/4 HANA System Transformation – Large Accounts	SAP S/4 HANA System Transformation – Midmarket	Managed Application Services for SAP ERP	SAP Business Technology Platform and Intelligent Technologies	Managed Cloud Services for SAP HANA
HCL	Leader	Product Challenger	Leader	Leader	Product Challenger
Hexaware	Not in	Leader	Product Challenger	Not In	Not In
IBM	Leader	Not in	Leader	Leader	Leader
Infosys	Leader	Leader	Rising Star	Leader	Leader
LTI	Product Challenger	Not in	Not in	Not in	Not in
Lumen	Contender	Not in	Contender	Contender	Contender
Mindset Consulting	Not in	Product Challenger	Contender	Product Challenger	Not in
Mindtree	Not in	Leader	Product Challenger	Product Challenger	Not In
Mphasis	Not in	Product Challenger	Contender	Not In	Contender
Navisite	Not in	Rising Star	Contender	Contender	Not in
NTT DATA	Product Challenger	Leader	Product Challenger	Rising Star	Product Challenger
oXya	Contender	Not in	Contender	Not In	Contender

SAP HANA Ecosystem Services - Quadrant Provider Listing 3 of 3

	SAP S/4 HANA System Transformation – Large Accounts	SAP S/4 HANA System Transformation – Midmarket	Managed Application Services for SAP ERP	SAP Business Technology Platform and Intelligent Technologies	Managed Cloud Services for SAP HANA
Softtek	Product Challenger	Not In	Product Challenger	Not In	Contender
Stefanini	Contender	Product Challenger	Product Challenger	Not In	Not In
Suneratech	Not In	Product Challenger	Product Challenger	Not In	Not In
TCS	Leader	Not In	Leader	Leader	Leader
Tech Mahindra	Product Challenger	Product Challenger	Leader	Leader	Product Challenger
T-Systems	Product Challenger	Not in	Product Challenger	Product Challenger	Product Challenger
UST	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Contender
Virtustream	Not In	Not In	Not In	Not In	Product Challenger
Wipro	Rising Star	Leader	Leader	Leader	Leader
Yash Technologies	Not In	Contender	Contender	Contender	Not In
Zensar	Not In	Product Challenger	Not In	Not In	Not In

SAP HANA Ecosystem Services Quadrants

ENTERPRISE CONTEXT

SAP S/4HANA System Transformation - Large Accounts

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

In this quadrant report, ISG highlights the current market positioning of SAP S/4HANA consulting and implementation services providers in the U.S., based on the depth of their service offering and market presence.

S/4HANA transformation across industries has been influenced by the pandemic, with most enterprise clients focusing on developing automated-led processes rather than relying on people-intensive ones. To cater to enterprise needs, service providers have incorporated automation-led approaches to achieve better synchronization of the projects and helps enterprises in several complex transformations. DevOps and continuous integration/continuous delivery (CI/CD) processes have reduced the risk for S/4HANA transformation and accelerated the deployment for many enterprise clients.

The complexities of an SAP S/4HANA implementation are directly proportional to the size of an enterprise. Because most large enterprise implementations occur at a global level involving multiple regions, the projects become very complex. Therefore, large enterprise clients prefer service providers with a skilled workforce, high integration capabilities and a global presence. Enterprises should not only look at the depth of offering of a service provider's offering, but also the provider's regional presence and local expertise.

Compared with companies in other regions and countries, large enterprises in the U.S. are leading adopters of SAP S/4HANA in their business processes. U.S. enterprises have specific IT infrastructure needs, of which easy scalability and adaptability are top priorities.

Who should read the report:

Marketing and sales leaders should read this report to understand the relative positioning and capabilities of service partners that can help them effectively harness SAP S/4HANA services for day-to-day analysis and dashboarding.

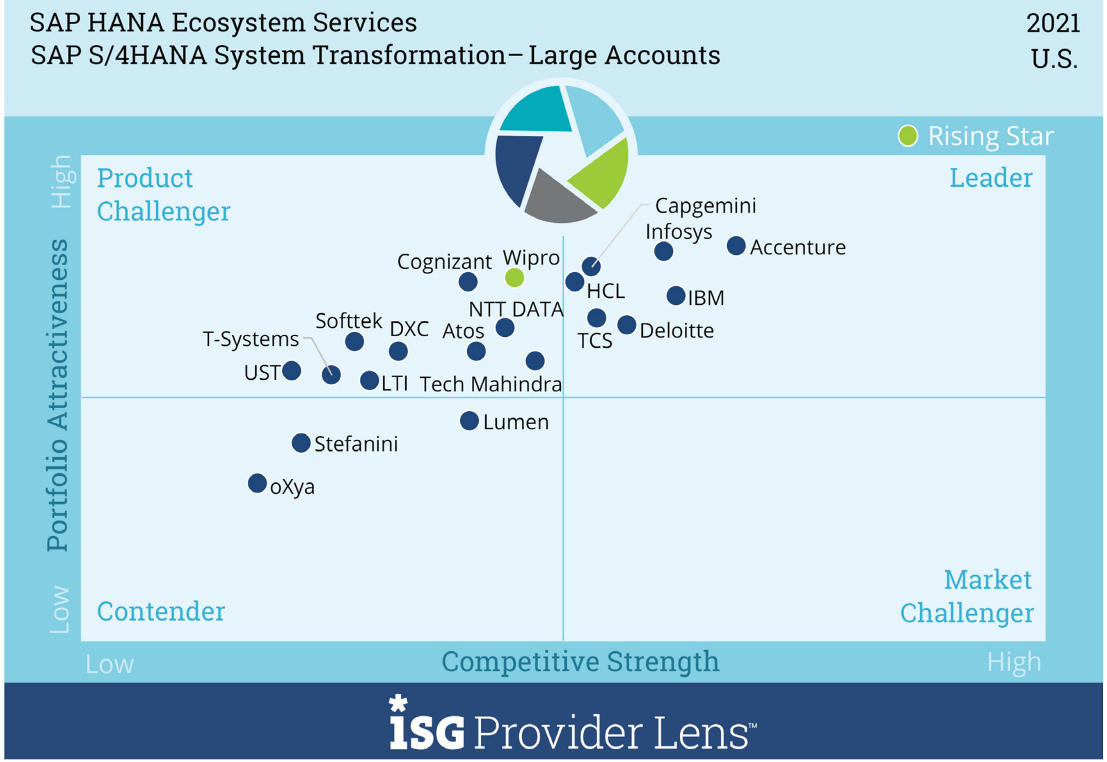
IT and technology leaders should read this report for a clear understanding of the strengths and weaknesses of service providers in the SAP S/4HANA ecosystem, and understand how they integrate the latest technologies/capabilities into their S/4HANA offerings to gain a competitive edge in the market.

Line-of-business, industry and finance leaders should read this report to understand the relative positioning of the partners that can help them effectively procure SAP S/4HANA services with respect to their business/industry and to ensure return on investment.

SAP S/4HANA SYSTEM TRANSFORMATION – LARGE ACCOUNTS

Definition

ISG assesses consulting and system integration service providers for developing, deploying and testing enterprise applications using SAP S/4HANA and SAP Business Suite with SAP Fiori as the user interface. The evaluation includes planning, designing and modeling of applications, taking into consideration the service provider's ability to manage the complexity and scale that are common characteristics of large enterprise clients. The participating companies are expected to have the frameworks, tools and accelerators to support the needs of large system transformations.



Source: ISG Research 2021

SAP S/4HANA SYSTEM TRANSFORMATION FOR LARGE ACCOUNTS

Eligibility Criteria

- Participant's service portfolio to include development, integration and testing of SAP S/4HANA, with at least one implementation of S/4HANA or SAP Business Suite on HANA
- Demonstrate S/4HANA advisory capabilities and implementation experience on greenfield or brownfield deployments
- Provision to offer on-premises and cloud-based implementations
- Availability of SAP-certified consultants and practitioners across regions to support multi-country and multi-language implementations
- Ability to handle complexity and scale through optimal onshore-offshore delivery models

Observations

- **Accenture's** proprietary myConcerto platform, strong partnership with SAP, industry expertise, specific solutions and innovation-led focus for SAP S/4HANA services make it a market Leader in this quadrant.
- **Capgemini's** broad portfolio of SAP S/4HANA services, investments in development of proprietary assets and preconfigured industry PATH solutions are its strengths.
- **Deloitte** delivers a robust package of SAP S/4HANA services that include its strong consulting background, decades of SAP partnership and extensive industry experience and accelerators. This makes the company a Leader.
- **HCL** has a balanced SAP practice that is built around its DRYiCE framework, industry solution templates (Base90), U.S.-focused market strategies and partnership with SAP.
- **IBM** delivers a broad spectrum of SAP S/4HANA greenfield, bluefield, conversion and migration services led by frameworks and tools. It has an established SAP S/4HANA practice comprising more than 19,000 certified practitioners and other staff.

SAP S/4HANA SYSTEM TRANSFORMATION FOR LARGE ACCOUNTS

Observations (cont.)

- **Infosys** has a large SAP S/4HANA practice and offers services for a wide range of needs, ranging from migrations and conversions to transformations. The company has increased its focus on SAP S/4HANA services through its Cobalt service offering. It has a large pool of skilled resources and a broad network of innovation hubs in the U.S.
- **TCS'** SAP S/4HANA services cover conversions, migrations and digital transformation, and are delivered through a structured methodology and a combination of tools and accelerators. The company has a strong partnership with SAP and focuses on customer experience, making it a Leader in this quadrant in the U.S.
- **Wipro's** broad set of SAP S/4HANA services, tools repository, accelerators, frameworks and preconfigured solutions for industries make it a Rising Star.

HCL

Overview

HCL accelerates the digital transformation of enterprises through its SAP S/4HANA services that include assessment services for brownfield and greenfield migrations. The company delivers these services through its offerings such as BridgeS4HANA, S/4HANA Base90 industry templates, the Factory+ conversion offering and Activate+ rapid agile implementation methodology. The company has a strong presence in the U.S. with skilled FTEs offering services to clients.

Strengths

DRYiCE suite and intelligent-process-engineering-led approach: HCL's DRYiCE suite of services, and products and platforms for autonomics and orchestration are available on the SAP BTP. The platform uses AI, IT automation and RPA to help enterprises have leaner, faster and more cost-effective operations. HCL also differentiates itself by focusing on customer experience, and through automation with its Intelligent Process Engineering approach.

iMRO next-gen maintenance offering: HCL has been engaged with SAP for reselling iMRO, their joint maintenance, repair and overhaul add-on solution, to the latter's customers. The offering falls under SAP's Enterprise Asset Management and helps to extend SAP ERP services to companies that maintain complex, expensive and regulated assets.

Industry focused go-to-market (GTM) strategy: HCL's GTM strategy, to accelerate and enable business transformation for its customers, is led by industry-specific Base90 templates, along with best practices solutions for industries such as aerospace, manufacturing, life science and utilities. One example is its supply chain innovations for life sciences.

Caution

HCL should leverage its broad base of assets and focus on growing its base of large enterprises (for transformation engagements) in the U.S.

2021 ISG Provider Lens™ Leader

HCL has a balanced SAP practice, built around its DRYiCE framework, industry-specific solution templates (Base90), U.S focused market strategies and partnership with SAP.

ENTERPRISE CONTEXT

SAP S/4HANA System Transformation – Midmarket

This report is relevant to midmarket enterprises across industries in the U.S. that are evaluating S/4HANA consulting and implementation services providers. ISG defines midmarket as companies with less than 5,000 SAP users and revenues of less than US$1 billion.

In this quadrant report, ISG highlights the current market positioning of SAP S/4HANA consulting and implementation services providers for midmarket clients in the U.S., based on the depth of their service offering and market presence.

The pandemic situation has influenced S/4HANA transformation across industries, with most enterprise clients focusing on developing automation-led processes rather than people-intensive ones. To meet these enterprise needs, service providers have developed automation frameworks and tools using technologies such as AI and ML for smoother and faster transitions.

Midmarket clients have fewer complex requirements, and smaller project scale, compared with large enterprises. Therefore, midsized companies prefer providers with strong onshore and nearshore delivery capabilities and high integration capabilities. Many midsize enterprise clients that are pursuing S/4HANA may have non-SAP legacy ERP systems. Hence, these companies should particularly look for service providers with migration capabilities and the ability to offer ready-to-use templates or solutions for specific micro-segments.

Who should read the report:

Marketing and sales leaders should read this report to understand the relative positioning and capabilities of service partners that can help them effectively harness SAP S/4HANA services for day-to-day analysis and dashboarding.

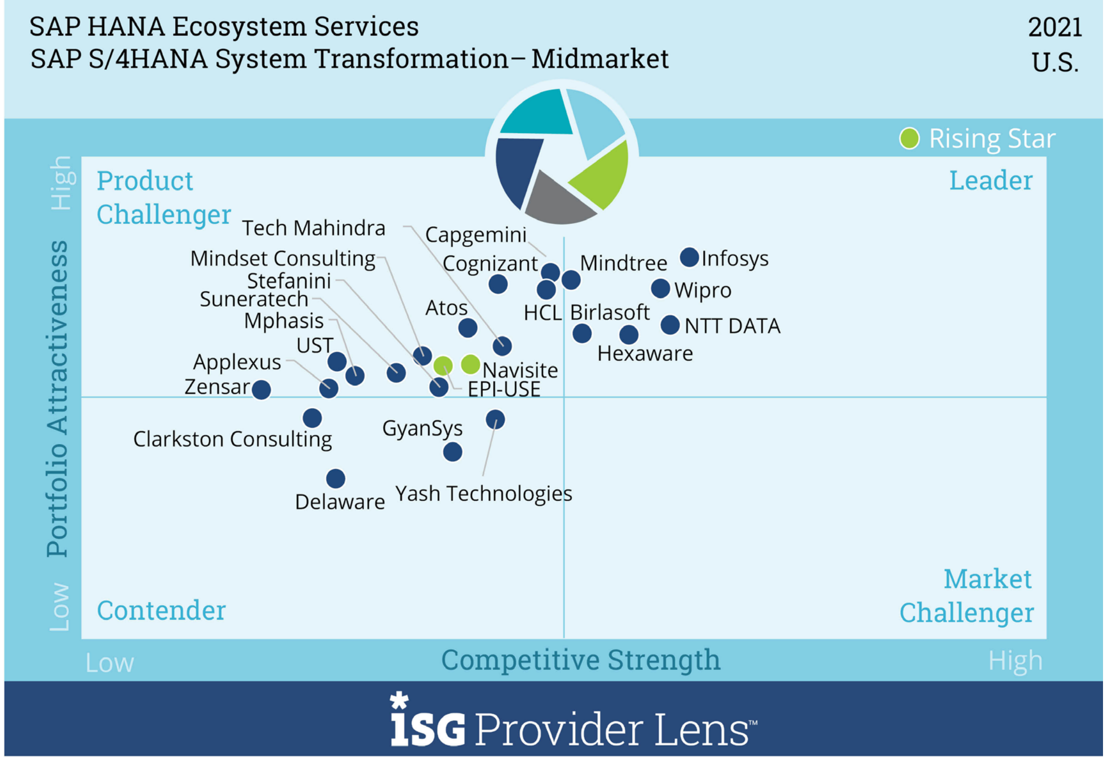
IT and technology leaders should read this report for a clear understanding of the strengths and weaknesses of service providers in the SAP S/4HANA ecosystem, and to understand how they integrate the latest technologies and capabilities into their S/4HANA offerings to gain a competitive edge in the market.

Sourcing and procurement managers should read this report for a clear understanding of the S/4HANA market and the service provider landscape of offerings to help them identify or distinguish players based on their respective needs.

SAP S/4HANA SYSTEM TRANSFORMATION – MIDMARKET

Definition

This quadrant assesses consulting and system integration service providers on the ability to offer a rapid turnaround for SAP S/4HANA implementations for clients in the midmarket (companies with less than 5,000 SAP users or revenue of less than US$1 billion). Midmarket clients have less-complex requirements and smaller project scale when compared with large enterprises. The participating service provider can deploy SAP solutions using multiple methodologies, including SAP's packaged solutions for small and medium-sized businesses (SMBs). It should use templates for SAP S/4HANA, including industry-specific templates, to reduce the transformation cycle, while leveraging standard processes. Multi-tenant SAP S/4HANA implementations are included, but not required for participating in this quadrant assessment. Providers of SAP-qualified partner packaged solutions are acknowledged, but this certification is not required for inclusion in this quadrant.



Source: ISG Research 2021

SAP S/4HANA SYSTEM TRANSFORMATION – MIDMARKET

Eligibility Criteria

- Ability to leverage SAP accelerators and templates for agile SAP S/4HANA implementations
- Capability to deliver advisory and implementation services for midsize enterprise clients
- Availability of ready-to-use templates or solutions for specific microsegments
- Ability to offer onshore or nearshore delivery for local clients; offshore delivery is welcome but not restrictive for participation in this quadrant

Observations

- **Birlasoft** is well suited to meet the SAP S/4HANA requirements of midmarket customers in the U.S. through its in-house solutions, a combination of proprietary tools, accelerators and industry-led approach.
- **Hexaware's** TRIADIC Platform, tooling and accelerators power the SAP S/4HANA business modernization and landscape transformation journey for midmarket clients in the U.S.
- **Infosys** offers a balanced SAP S/4HANA service portfolio comprising a conversion-focused framework, tools, a detailed GTM strategy and an SAP S/4HANA skills development program.
- **Mindtree** offers SAP S/4HANA-specific services for all the phases of SAP S/4HANA transformation, namely implementation, conversion and migration. It has also developed several AI- and machine learning (ML)-based tools and accelerators for industry specific requirements. This makes it a Leader in this quadrant.

SAP S/4HANA SYSTEM TRANSFORMATION – MIDMARKET

Observations (cont.)

- **NTT DATA's** wide base of trained resources and experts and robust SAP S/4HANA services for all stages — from planning and assessment to end transformation — delivered through an optimum mix of tools, accelerators and ready-to-use templates, make it a prominent player.
- **Wipro** has a robust S/4HANA practice and wide portfolio of assessment, implementation and consulting services with frameworks, tools and accelerators, and industry-led approach. These assets make it one of the strong players in the SAP S/4HANA space in the U.S.
- **EPI-USE's** portfolio of SAP S/4HANA services, proprietary assets and methodology, implementation experience and regional presence make it a Rising Star.
- **Navisite's** strong focus on the midmarket and small enterprises, inorganic growth through the acquisitions of Velocity and Dickinson + Associates, and presence in the U.S. establish it as a Rising Star.

ENTERPRISE CONTEXT

Managed Application Services for SAP ERP

This report is relevant to enterprises across industries in the U.S. for evaluating managed application services providers for SAP ERP, which includes SAP S/4HANA, SAP Enterprise Central Component (ECC) and legacy R3.

In this quadrant report, ISG highlights the current market positioning of providers of managed application services for SAP ERP in the U.S., and how each provider addresses the key challenges faced in the country. These providers focus on helping enterprise clients to effectively manage SAP ERP.

In the U.S., the need for automation and increase in SAP S/4HANA implementation drive the demand for managed application services. Enterprise clients are seeking service providers that can deliver managed application services quicker and at lower cost. Service providers are relying on high-end technologies, including bots and RPA for better efficiency.

Enterprise clients are seeking several managed application services for their SAP ERP solutions such as Level 2 and Level 3 application support, incident resolution, maintenance, security and user support. Enterprise clients need these services fine-tuned to their business objectives with reduced risk and high agility to align with dynamic business environments. Enterprises are looking for a rapid solution design and optimized service delivery across their businesses from the service providers.

Many enterprises are undertaking migration initiatives to move to the latest SAP ERP version because SAP will cease support services for its legacy ECC ERP by 2027. Hence, enterprise clients should look for providers that can not only support the existing ERP but also help migrate it.

Who should read the report:

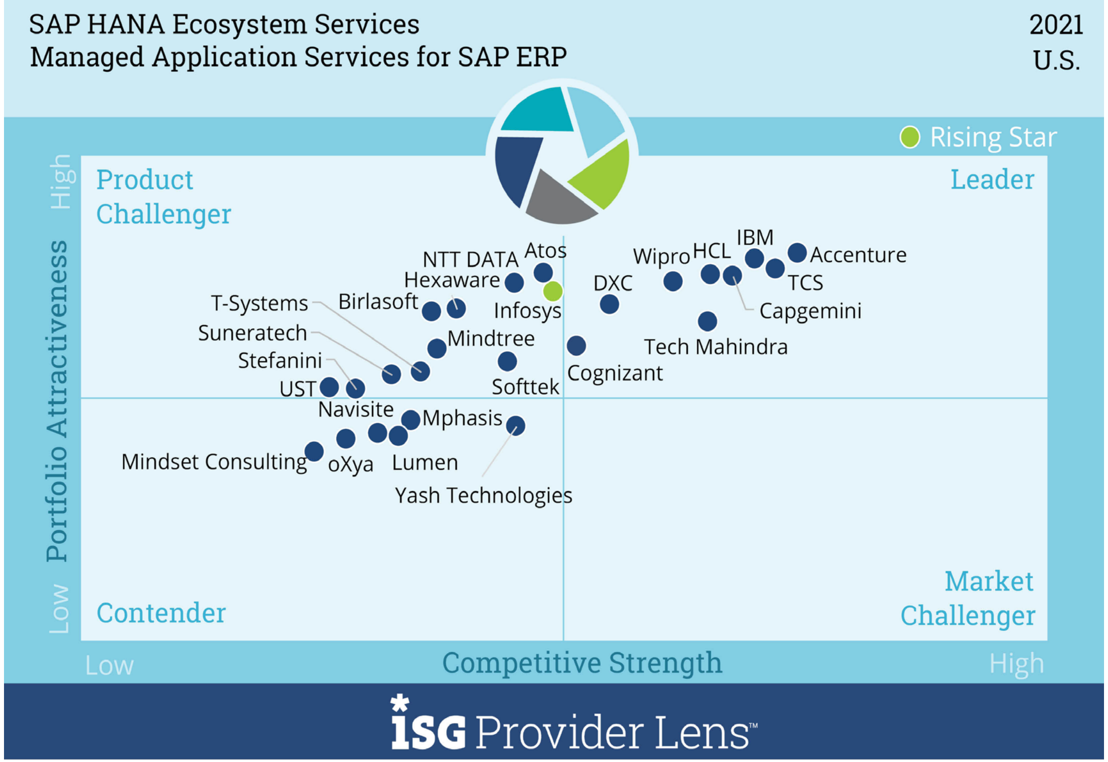
IT and technology leaders should read this report for a clear understanding of the strengths and weaknesses of providers offering SAP ERP managed services, and their competency in developing frameworks and tools to effectively manage their applications.

Sourcing and procurement managers should read this report for a clear understanding of the service provider ecosystem for SAP ERP managed services and how various providers can be compared with each other.

MANAGED APPLICATION SERVICES FOR SAP ERP

Definition

This quadrant assessment considers a service provider 's capability to offer managed services, including maintenance and support functions that comprise monitoring, remote support and centralized management of applications for SAP S/4HANA and legacy SAP Business Suites such as ECC 6.0. Managed application services for incidents include 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 (upon client authorization). Service requests typically include user management (adding and changing user profiles and disabling user access), performance reports, database services, security (access) monitoring and license compliance. Providers that have CoE certification are better evaluated, but this is not a prerequisite for participating in this quadrant.



Source: ISG Research 2021

MANAGED APPLICATION SERVICES FOR SAP ERP

Eligibility Criteria

- Ability to offer application optimization, application support and testing
- 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
- Capability to stabilize applications and offer SAP BASIS support
- Demonstrate expertise in incident management, handling a variety of ticket system tools, and management of SAP solutions and additional application documentation solutions

Observations

- **Accenture's** proprietary frameworks, robust capabilities, AI focus, network of delivery centers, consulting expertise, partnerships with hyperscalers and SAP management capabilities make it a leader in managed application services.
- **Capgemini** uses the ADMnext framework and other key elements from its larger application development and maintenance practice and extends them to its SAP application managed services. Its managed services are built on ITIL standards, and the company strengthens its practice with a large repertoire of tools and the Capgemini Intelligent Automation Platform (CIAP) framework.
- **Cognizant's** broad base of SAP managed application services, host of proprietary tools and frameworks, cloud-ready digital intellectual property and bot-centric framework make it a promising provider of managed application services for SAP ERP.

MANAGED APPLICATION SERVICES FOR SAP ERP

Observations (cont.)

- **DXC** has a broad base of SAP managed services that are integrated with intelligent automation, Platform DXC, the Bionix platform and a large application DevOps toolchain.
- **HCL's** Digital AMS 2.0 framework, proprietary tools and third-party solutions enable it to deliver its "Digital Engineering & Digital AMS" value proposition for its clients.
- **IBM's** established managed services, delivered through flexible migration capabilities, security services, SLAs and multiple data centers, make it an obvious choice for large enterprises with robust AMS requirements for SAP ERP.
- **TCS's** longstanding partnership with SAP, global delivery network, base of trained SAP consultants, proprietary tools and frameworks, and ability to scale are its differentiators.
- **Tech Mahindra's** SAP managed services are supported by its proprietary ADOPT framework, along with a host of tools and accelerators that support a broad set of SAP operations and maintenance functions.
- **Wipro** delivers application management services through its Apex 2.0 delivery model and leverages a plethora of proprietary tools and accelerators centered around HOLMES™.
- **Infosys'** (the Rising Star) established SAP AMS Digital practice, backed by its ValuePLUS framework and AI-led tools and accelerators, deliver efficiencies and reduce TCO for enterprises.

HCL

Overview

HCL's comprehensive lifecycle support application maintenance and support services deliver its "Digital Engineering & Digital AMS" value proposition. This is also a part of the company's "Transform Experience Transform Business" theme. HCL's SAP application services are powered by the iONA platform that brings in best-of-breed solutions catering to observability, knowledge management, business process flows, operational efficiency, persona journey and more. Experience transformation is engineered and delivered across all the layers through core simplification, process mining, digital platforms and bots. The company's AMS practice revenue and the U.S. client base grew steadily in 2020.

Strengths

ASM 2.0 framework: HCL delivers a digital application management services value proposition through ASM 2.0, its new methodology for managed services and transformation projects. The framework is powered by the AI- and machine learning-driven iONA smart operations platform (iONA stands for Intelligent Observe, Engage and Act). This framework offers smart application support and maintenance operations. It delivers a right-fit operating model, platform operations and insight-driven automation to enterprises.

Integrated automation services: HCL offers an end-to-end and comprehensive AIOps journey to the customers leveraging the Automation Maturity Model (AMM), Cognitive Orchestrated Robotic Experience (CORE) and Business Process Operational Analysis (BPOA).

Tools and accelerators: HCL's iONA platform brings in proprietary assets that include iSee, OpsWisdom, Kyle HCL Workload Automation, HCL One Test Suite, HCL AppScan, HCL Urban Code Deploy, the ADVISOR product suite, Lucy, iAutomate, iControl and MyXalytics. These cover automation, workflow optimization, test automation, background execution of workflows, automated application deployments, reporting and cognitive assistance.

Caution

HCL primarily offers flat fee pricing and should explore other models, such as value based, and outcome based, to ensure increased returns for enterprises.

2021 ISG Provider Lens™ Leader

HCL's application maintenance and support services are supported by its Digital AMS 2.0 framework, the AI/ML-driven iONA smart operations platform, proprietary tools and third-party solutions that enable the company to offer clients horizontal and vertical IT automation.

ENTERPRISE CONTEXT

SAP Business Technology Platform and Intelligent Technologies

This report is relevant to enterprises across industries in the U.S. for evaluating service providers offering SAP Business Technology Platform (BTP) and Intelligent Technologies.

In this quadrant report, ISG highlights the current market positioning of providers of SAP BTP and Intelligent Technologies in the U.S. It covers their capabilities in designing, developing, modifying, integrating and supporting applications for enterprise systems and in delivering services for digital transformation using SAP BTP and Intelligent Technologies.

As a part of their digital transformation, enterprises are looking to transform their processes and business operations and are making progress on their intelligent enterprise journeys. The focus on using high-end technologies such as analytics, AI and ML for processing SAP data has also increased among enterprises.

Enterprises also want to integrate their existing applications (both SAP and non-SAP) under one unified platform to enhance the user experience and increase process efficiency using technologies such as AI and ML. Service providers can integrate these solutions into one and help enterprises achieve agility, business value, data to value, and extensibility of SAP and non-SAP applications.

Who should read the report:

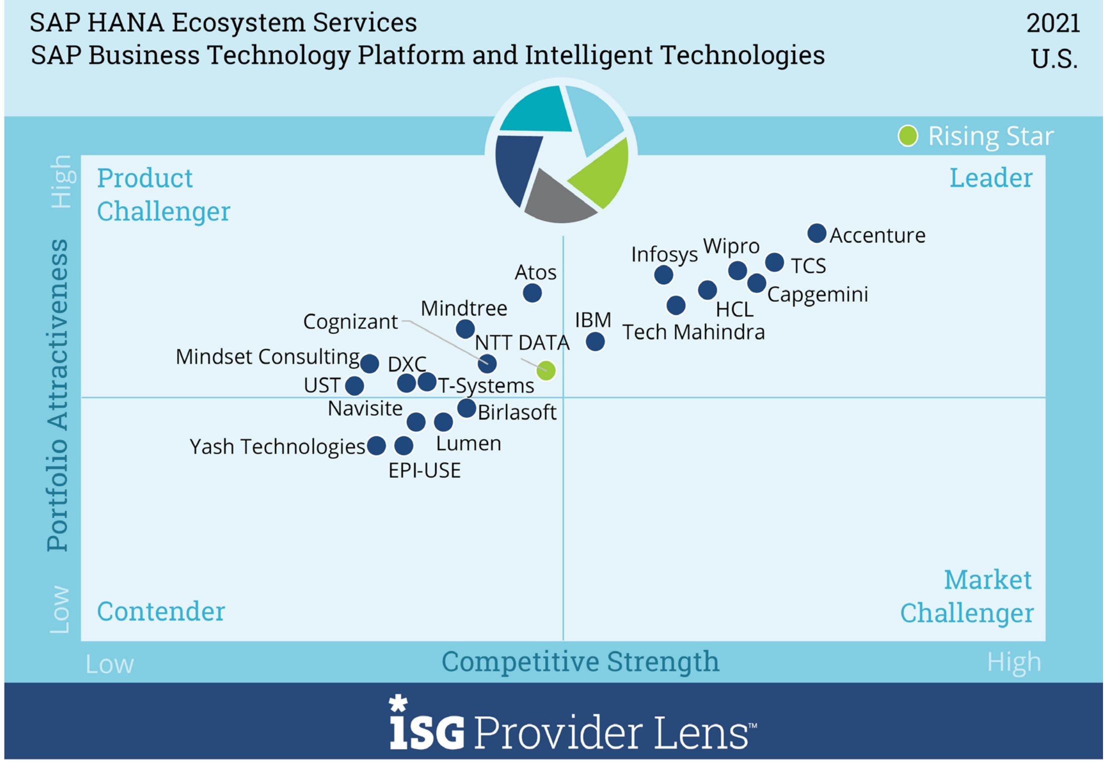
Marketing, sales and field services leaders should read this report to understand the relative positioning and capabilities of service partners that can help implement SAP BTP and Intelligent technologies effectively. The report also highlights the advanced capabilities of service providers, including application development, and the use of application programming interfaces (APIs) and new methodologies.

IT and technology leaders should read this report for a clear understanding of the strengths and weaknesses of service providers and to comprehend how they integrate the latest technologies and capabilities into their offerings to gain a competitive edge in the market.

SAP BUSINESS TECHNOLOGY PLATFORM AND INTELLIGENT TECHNOLOGIES

Definition

This quadrant examines the capabilities of providers in the design, development, change, integration and support of enterprise applications on Business Technology Platform (BTP). These providers offer lab facilities, enabling clients to experiment with emerging technologies. They provide innovation workshops, design thinking and other methods to drive innovation around SAP S/4HANA. Alternatively, the company may have developed frameworks to accelerate innovation or extend SAP S/4HANA functionality. These include ready-to-use apps for fraud prevention and analytics dashboards that were presented to ISG in previous studies. BTP services include Platform-as-a-Service and application development for data integration, mobile-enabled services, analytics and application development and deployment across multi-cloud platforms.



Source: ISG Research 2021

SAP BUSINESS TECHNOLOGY PLATFORM AND INTELLIGENT TECHNOLOGIES

Eligibility Criteria

- Capability to deliver consulting and implementation services for BTP
- Expertise in AI, machine learning (ML), blockchain and IoT technologies
- Demonstrate support of BTP applications with case studies
- Relevant SAP certifications across SAP-certified applications, as well as certified engineers or partner-level certifications
- Leading SAP BTP service partners ideally expected to provide case presentations through large events and SAP awards and gain client recognition

Observations

- **Accenture** has created several industry and functional applications through co-development and co-innovation efforts with SAP that highlight its vision to be one of the leading players.
- **Capgemini** builds a clean digital core and transforms a client into a "renewable enterprise" through its Multipillar S/4HANA Architecture (MPSA), Applied Innovation Exchange platform and a large repertoire of tools.
- **HCL's** cloud-native approach to SAP BTP Band Intelligent Technologies, along with a bot library, tools, accelerators and frameworks such as Intelligent Process Engineering keep the company in the top league of players in this domain.
- **IBM's** longstanding partnership with SAP, rich development experience, initiatives such as IMPACT and industry solutions make the company a good choice for enterprises seeking a combination of industry experience and development expertise.

SAP BUSINESS TECHNOLOGY PLATFORM AND INTELLIGENT TECHNOLOGIES

Observations (cont.)

- **Infosys** with its good mix of preconfigured SAP BTP applications, tools and digital transformation focus, in combination with industry and line-of-business expertise, makes it a good fit for enterprises**.**
- **TCS's** industry-facing solutions, robust Digital Reimagination Framework and focus on blockchain, IoT, machine learning, AI, advanced analytics, big data and mobility components make it an established service provider with strong industry and domain expertise.
- **Tech Mahindra's** proprietary offerings, focused investments and a large base of industry-facing platform solutions reflect the company's leadership in delivering offerings using emerging technologies such as IoT and blockchain to serve client-specific needs.
- **Wipro's** expertise in tools, accelerators, innovation and development in SAP BTP, along with an innovation-centric framework, co-innovation labs for fostering solution development and a host of accelerators for a broad set of industries, make it a Leader.
- **NTT DATA's** balanced portfolio, repository of applications developed on the SAP BTP, and accelerators for both large and midsize enterprises make it a Rising Star.

HCL

Overview

HCL's overarching offering is called SAP Cloud Native and is built on the company's cloud applications development approach. HCL has several offerings covering SAP BTP. Some of the key services offered include SAP Cloud Native, iRPA, Factory and Bot Library, Intelligent UX for application development, Connected Asset Supply Chain for connecting intelligent assets using BTP, Rapid Analytics using SAP Analytics Cloud (SAC), and Industry Cloud applications for utilities, aerospace and defense and other verticals.

Strengths

SAP cloud-native approach: HCL accelerates cloud adoption and coding, such as ABAP on cloud, for customers through its Cloud Native labs and other offerings. The company has set up packages, including Introduction to Cloud Native for SAP, SAP Cloud Native Strategy, SAP Cloud Kickstarter and POC for clients, including SMEs, to show them the value of the platform.

Intelligent process engineering: HCL uses intelligent process engineering to implement the Intelligent Enterprise. This includes assessing ERP processes and identifying the scope for robotic process automation (RPA). It optimizes insight-lead processes and develops end-to-end digital threads designed around intelligent automation.

Tools, accelerators, and BOT library: HCL offers a series of SAP-certified tools and accelerators that use design thinking for customer experience, IoT, machine learning, AI, blockchain, business operations and intelligent enterprise elements. The company offers a factory-based bot delivery model and library to accelerate delivery.

Caution

HCL derives a large part of its revenue base from contracts valued at less than $50 million in the U.S. The company could leverage its tools and accelerators to get into a higher ACV range.

2021 ISG Provider Lens™ Leader

HCL takes a cloud-native approach to the SAP BTP and Intelligent Technologies. It has focused on developing a bot library, tools, accelerators and frameworks such as Intelligent Process Engineering. The company has also established a strong partnership with SAP to engage in co-innovation using AI, machine learning and blockchain and to stay ahead of the development curve.

ENTERPRISE CONTEXT

Managed Cloud Services for SAP HANA

This report is relevant to enterprises across industries in the U.S. for evaluating managed cloud services providers for SAP HANA.

In this quadrant report, ISG highlights the current market positioning of managed cloud service providers in the U.S., and how each company addresses the key challenges faced in the country. These providers focus on helping enterprise clients to effectively migrate or maintain the applications in the cloud or in their own data centers.

U.S. enterprises have now started to take the cloud-first approach for existing and new applications, owing to the challenging and changing work environments resulting from the COVID-19 pandemic. To be successful in their digital transformation, the enterprises are taking a unified approach to maintaining their technical infrastructure across clouds (private, public and hybrid).

Managed cloud service providers can help these enterprises unburden themselves from the responsibility of day-to-day operations by keeping their IT infrastructure updated to optimally run, maintain and migrate SAP applications without errors or downtime. Enterprises can also benefit from a managed cloud service provider's expertise in volume management, application code management and cloud cost optimization.

Enterprise clients that are procuring managed cloud services should consider a service provider's capabilities in operating in the cloud and its credentials and level of certifications.

Who should read the report:

IT and infrastructure leaders should read this report to better understand the relative strengths and weaknesses of managed cloud service providers and to ascertain how their approaches to the market can impact enterprise cloud strategies.

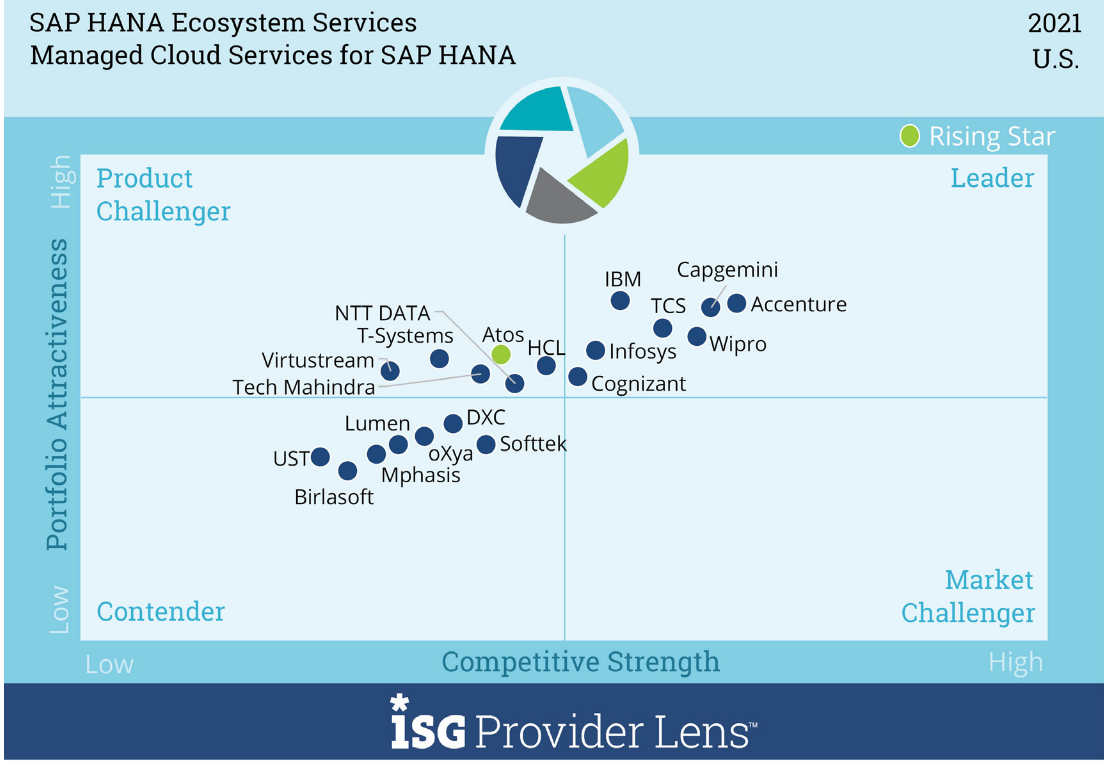
Marketing, sales and field services leaders should read this report to understand the relative positioning and capabilities of partners that can help them procure managed cloud services. The report also highlights service providers' capabilities in maintaining or migrating data in data centers and the cloud.

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

MANAGED CLOUD SERVICES FOR SAP HANA

Definition

This quadrant assesses service providers that manage hybrid cloud environments, security access, monitoring, system availability, interface performance, disaster recovery, backup, restoration, data compliance and other infrastructure and cloud operations. The initial technical barriers and client resistance to moving ERP to the cloud are gradually disappearing, enabling these providers to support clients in migrating from a private cloud to a public cloud in exceptional cases. This quadrant recognizes providers that demonstrate expertise in maintaining smooth SAP S/4HANA operations, which requires deep knowledge about the underlying in-memory database technology. Furthermore, the strong capabilities to optimize this type of application include data volume management, application code management and cloud cost optimization. However, the provider should retain the capacity to support SAP S/4HANA and legacy SAP ERP versions for clients simultaneously.



Source: ISG Research 2021

MANAGED CLOUD SERVICES FOR SAP HANA

Eligibility Criteria

- Ability to provision, manage and operate SAP in the cloud, including, but not limited to, hyperscalers such as AWS, Azure and Google
- Demonstrate the capacity to support clients in their hybrid cloud implementations of SAP systems and databases, providing infrastructure design support at a minimum
- Offer Tier III data center choices to host SAP S/4HANA or be a certified cloud partner with SAP S/4HANA specialization
- Certified on data center security, data privacy and IT processes; minimum accreditations include ISO 27001 (security) and IT Infrastructure Library (ITIL) incident management
- Have SAP-certified staff to support HANA and other SAP technologies

Observations

- **Accenture** has a strong focus on cloud and a clear strategy of growth with SAP in the cloud. The company's ability to meet the business requirements of large enterprises along with a sophisticated tools repertoire for their SAP business needs make it stand out.
- **Capgemini's** structured SAP Managed Cloud Service offering, along with its large repository of automation-focused tools and cloud automation, are its differentiators.
- **Cognizant** offers cloud advisory and assessment, full stack, orchestration implementation and managed platform for cloud (mPaaS). Its large resource pool and work on cloud projects, along with alliances with leading cloud providers such as AWS, Azure, GCP and SUSE make it a Leader.
- **IBM (Kyndryl)** offers rich SAP infrastructure and hosting expertise to clients, giving them options for SAP services that include high-performance SLAs, extensive security and a global standard for delivery.
- **Infosys'** strengths are its broad base of SAP and ADM such as the Cobalt delivery platform. Its AI-focused application development, cloud expertise and global delivery expertise make it a Leader.

MANAGED CLOUD SERVICES FOR SAP HANA

Observations (cont.)

- **TCS's** comprehensive service built on open source and fortified with security and tools serves as a good fit for the cloud-led business needs of enterprises looking for large scale and complex support for cloud operations, and functional expertise in database, operations and integrated delivery.
- **Wipro's** managed cloud services framework helps enterprises with their cloud requirements through a single plug-and-play platform. A broad base of assets, its many practitioners, and strong partnerships with hyperscalers make the company a Leader in this quadrant.
- **Atos** offers a combination of strong SAP expertise and strong infrastructure, backed by the company's dedicated orchestrated Hybrid Cloud for SAP (OHC4SAP) offering for multiple clouds. This dedicated offering, along with its SAP focused strategy, automation and tools and accelerators, make it a Rising Star.

Methodology

METHODOLOGY

The research study "ISG Provider Lens™ 2021 SAP HANA Ecosystem Services, U.S." 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.

The study was divided into the following steps:

1. Definition of SAP HANA Ecosystem Services 2021 market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
   - Strategy & Vision
   - Innovation
   - Brand Awareness and presence in the market
   - Sales and partner landscape
   - Breadth and Depth of portfolio of services offered
   - Technology Advancements

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