ISG Provider Lens™

Cloud Services

SAP Services

U.S. Market

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

wipro

December 2017

About this Report

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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 was current as of August 31, 2017. ISG recognizes that mergers and acquisitions have taken place since that time; those changes are not reflected in this report.

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ISG Provider Lens™

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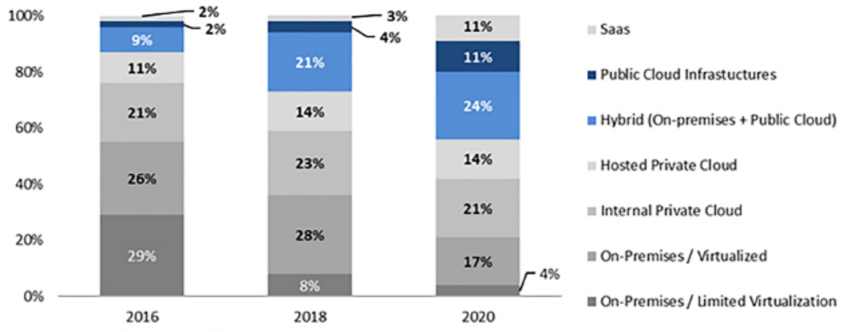
EXECUTIVE SUMMARY

Approximately 35 percent of enterprise workloads will either be on a hybrid cloud (public plus private/on-premises) or completely migrated to public cloud environments by 2020, according to the ISG Digital Platform Survey (June 2016). Additionally, ongoing interactions with ISG clients indicate this number could reach 50 percent in select organizations within the next few years.

Figure 1: 2016 IT Infrastructure Estimations and Projections



Source: ISG Insights; Digital Platform Survey, July 2016, n=352 (Global)

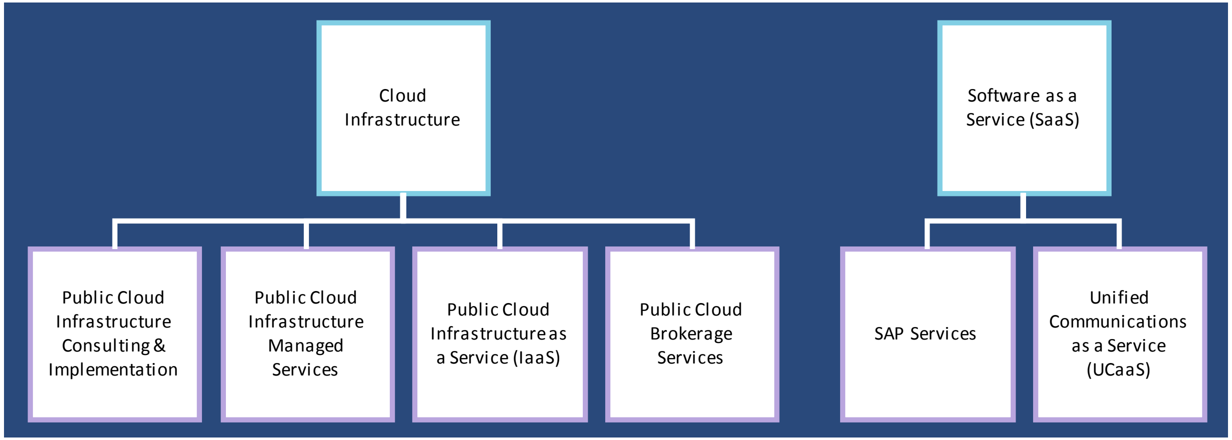
Key trends driving the rapid adoption of public cloud are:

- **Public cloud is no longer seen as a commodity:** Public cloud providers have quickly moved up from providing commodity compute and storage services to offer higher level services and plethora of features.
- **Public cloud partner ecosystem is growing:** Consequently, organizations that are using or planning to use a public cloud increasingly are seeking assistance to migrate their applications to the public cloud.
- **Organizations are prioritizing agility over cost:** An obvious premise of digital business is that companies will use software to build a competitive advantage. The drive to operate as nimbly as a startup means organizations need more than just lift-and-shift migrations from the public cloud partner ecosystem.
- **A scalable architecture is the gold standard:** Quite a few consulting and implementation service providers are now advising clients to focus less on forklift/lift-and-shift migrations and instead adopt a scalable architecture for their applications that will run on the public cloud.

- **Enterprises are embarking on the DevOps journey:** The public cloud partner ecosystem also is helping clients embark on their DevOps journeys. Increasingly, organizations are realizing that to be agile they need to deploy software frequently or at the least keep versions ready for deployment. This calls for a highly automated and orchestrated system, which is where some of the consulting and implementation service firms provide their greatest value. One of the key skills that services providers are building in this area is the use of “infrastructure as code” for infrastructure provisioning and configuration management

- **Capabilities for enterprise workloads, including SAP services, are evolving rapidly:** ISG is seeing significant investments by services providers to improve their SAP services competencies on public cloud infrastructure. The market is moving away from commodity systems toward as-a-service models. This shift is fueling public cloud alliances, certifications, acquisitions and partnerships. **ISG’s Cloud Comparison Index (October 2017, 2262)** provides an infrastructure cost analysis for a web content management workload on public cloud services. ISG projects a steady and significant increase in public cloud and hybrid infrastructure use through 2020. Of course, this projection assumes that public cloud offerings increasingly will become qualified for enterprise workloads, including SAP-related services.

Introduction



Definition

Cloud computing services include the internet-based provisioning of infrastructure (compute, storage and networking), platforms (environments to build and integrate applications) and software (hosted applications). A broadly accepted set of characteristics that define a cloud has been laid out by the U.S. National Institute of Standards and Technology. These characteristics are: on-demand self-service, broad network access, resource pooling, rapid elasticity or expansion and measured service.

A public cloud is a multi-tenant environment shared by different organizations. A private cloud is for the dedicated use of a single client. In this study, we focus primarily on the public cloud.

Definition (cont.)

Our studies are intended to anticipate the investigation efforts and buying decisions of typical enterprise clients. When contemplating a significant strategy transformation, making infrastructure purchase versus rent decisions, implementing agile practices or incorporating automation into their environments, enterprise clients will benefit from a study that examines an entire ecosystem for a certain service line. Our research looks into several of the service models (infra-structure, platforms and software) and the ecosystem of partners that provide consulting and managed services on top of the public cloud infrastructure.

Therefore, ISG studies are comprised of multiple quadrants covering a spectrum of services that an enterprise client would require.

This study includes six quadrants that cover various cloud service models. The quadrants are:

- **Public Cloud Infrastructure Consulting & Implementation Services:** An assessment of services providers that provide advisory and migration services for public cloud infrastructure, primarily Amazon Web Services, Google Cloud Platform, Microsoft Azure.

- **Public Cloud Infrastructure Managed Services:** An assessment of companies that provide ongoing management and support services on top of public cloud infrastructure, primarily Amazon Web Services, Google Cloud and Microsoft Azure.

Definition (cont.)

- **Public Cloud Brokerage Services:** An assessment of providers that deliver tools and/or services for evaluating and selecting cloud-based offerings, or deliver combinations of multiple cloud-based offerings (for example, integration combined with data archiving).

- **SAP Services:** An assessment of providers of managed SAP services on public cloud or hosted environments

- **Infrastructure as a Service (IaaS):** An assessment of services providers that deliver compute infrastructure (e.g., servers, memory, storage, network bandwidth) on a self-service, on-demand basis

- **Unified Communications as a Service (UCaaS):** An assessment of providers of communication and collaboration applications tools that are delivered as a service

Provider Classifications

The ISG Provider Lens™ quadrants were created using an evaluation matrix containing four segments, where the providers are positioned accordingly.

Leader

The "leaders" among the vendors/ providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The "product challengers" offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or their weak footprint within the respective target segment.

Market Challenger

"Market challengers" are also very competitive, but there is still significant portfolio potential and they clearly lag behind the "leaders". Often, the market challengers are established vendors that are somewhat slow to address new trends, due to their size and company structure, and have therefore still some potential to optimize their portfolio and increase their attractiveness.

Contender

"Contenders" are still lacking mature products and services or sufficient depth and breadth of their offering, while also showing some strengths and improvement potentials in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) who ISG believes has a strong potential to move into the leader's quadrant.

Rising Star

Rising Stars are mostly product challengers with high future potential. When receiving the "Rising Star" award, such companies have a promising portfolio, including the required roadmap and an adequate focus on key market trends and customer requirements. Also, the "Rising Star" has an excellent management and understanding of the local market. This award is only given to vendors or service providers that have made extreme progress towards their goals within the last 12 months and are on a good way to reach the leader quadrant within the next 12-24 months, due to their above-average impact and innovative strength.

Not In

This service provider or vendor was not included in this quadrant as ISG could not obtain enough information to position them. This omission does not imply that the service provider or vendor does not provide this service.

Public Cloud Cross-Quadrant Provider Listing 1 of 3

	Public Cloud Infrastructure Consulting & Implementation Services	Public Cloud Infrastructure Managed Services	Public Cloud Brokerage Services	SAP Services	Infrastructure as a Service (IaaS)	Unified Communications as a Service (UCaaS)
2nd Watch	Leader	Leader	Not In	Not In	Not In	Not In
8x8	Not In	Not In	Not In	Not In	Not In	Leader
Accenture	Leader	Leader	Leader	Leader	Not In	Not In
AT&T	Not In	Not In	Not In	Not In	Not In	Market Challenger
Atos	Product Challenger	Product Challenger	Leader	Product Challenger	Leader	Rising Star
AWS	Not In	Not In	Not In	Not In	Leader	Not In
CenturyLink	Not In	Not In	Not In	Not In	Contender	Not In
CloudGenera	Not In	Not In	Rising Star	Not In	Not In	Not In
Cognizant	Leader	Leader	Leader	Leader	Not In	Not In
CSS Corp	Product Challenger	Contender	Contender	Not In	Not In	Not In
Datapipe	Leader	Leader	Not In	Not In	Not In	Not In
Deloitte	Not In	Not In	Not In	Leader	Not In	Not In
Dimension Data	Contender	Contender	Not In	Leader	Leader	Contender
DXC	Leader	Leader	Not In	Product Challenger	Not In	Product Challenger
EPAM	Not In	Not In	Not In	Contender	Not In	Not In

Public Cloud Cross-Quadrant Provider Listing 2 of 3

	Public Cloud Infrastructure Consulting & Implementation Services	Public Cloud Infrastructure Managed Services	Public Cloud Brokerage Services	SAP Services	Infrastructure as a Service (IaaS)	Unified Communications as a Service (UCaaS)
Fuze	Not In	Not In	Not In	Not In	Not In	Rising Star
Google	Not In	Not In	Not In	Not In	Leader	Product Challenger
HCL	Rising Star	Leader	Leader	Leader	Not In	Not In
IBM	Not In	Not In	Leader	Leader	Leader	Not In
Infosys	Leader	Rising Star	Leader	Leader	Not In	Not In
ITC Infotech	Contender	Contender	Not In	Contender	Not In	Not In
Joyent	Not In	Not In	Not In	Not In	Contender	Not In
KPIT	Contender	Contender	Not In	Leader	Not In	Not In
LTI	Product Challenger	Product Challenger	Not In	Not In	Not In	Not In
Microland	Product Challenger	Contender	Not In	Not In	Not In	Not In
Microsoft	Not In	Not In	Not In	Not In	Leader	Product Challenger
Mindtree	Rising Star	Rising Star	Not In	Rising Star	Not In	Not In
Mitel	Not In	Not In	Not In	Not In	Not In	Product Challenger
Mphasis	Product Challenger	Product Challenger	Contender	Contender		Not In
NTT Communications	Contender	Contender	Not In	Rising Star	Leader	Leader

Public Cloud Cross-Quadrant Provider Listing 3 of 3

	Public Cloud Infrastructure Consulting & Implementation Services	Public Cloud Infrastructure Managed Services	Public Cloud Brokerage Services	SAP Services	Infrastructure as a Service (IaaS)	Unified Communications as a Service (UCaaS)
NTT Data	Not In	Product Challenger	Not In	Not In	Not In	Not In
Oracle	Not In	Not In	Not In	Not In	Contender	Not In
Rackspace	Not In	Leader	Not In	Not In	Not In	Not In
Ring Central	Not In	Not In	Not In	Not In	Not In	Leader
Sonata	Contender	Contender	Not In	Not In	Not In	Not In
Star2Star	Not In	Not In	Not In	Not In	Not In	Contender
Trianz	Contender	Contender	Not In	Not In	Not In	Not In
Unisys	Contender	Product Challenger	Not In	Not In	Leader	Contender
Verizon	Not In	Not In	Not In	Not In	Not In	Leader
Virtusa	Product Challenger	Product Challenger	Not In	Not In	Not In	Not In
VMWare	Not In	Not In	Not In	Not In	Market Challenger	Not In
Vonage	Not In	Not In	Not In	Not In	Not In	Leader
West	Not In	Not In	Not In	Not In	Not In	Leader
Wipro	Leader	Leader	Leader	Leader	Not In	Not In
Zensar	Product Challenger	Product Challenger	Contender	Not In	Not In	Not In

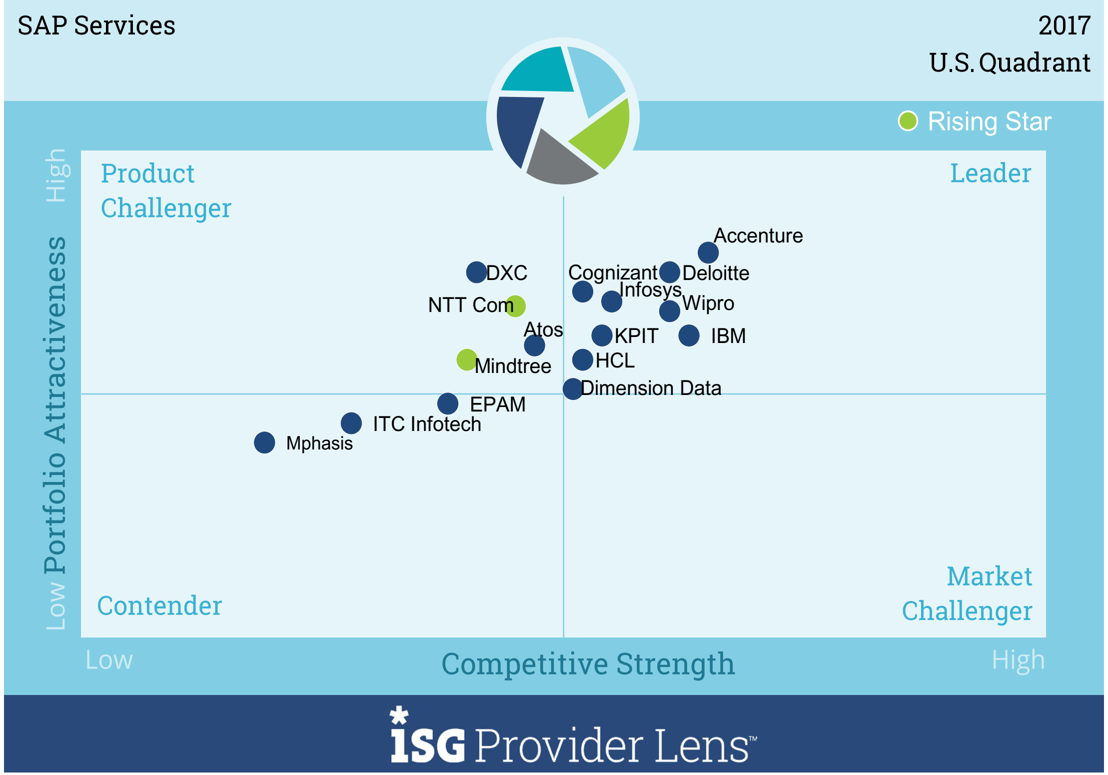
Cloud Quadrants

SAP SERVICES

Definition

SAP products allow organizations to track customer and business interactions. SAP is especially well known for its enterprise resource planning (ERP) and data management products. This report compares SAP service providers and their capabilities to migrate, host or manage SAP services. We also evaluate SAP service providers that have extensive development experience, tooling, certifications and compliance working directly with SAP applications.

SAP service providers deliver managed services for SAP on specialized infrastructure, including cloud-based and on-premise. At a broad level, these services also include implementation, integration, support, monitoring, professional services, automation and management of a customer's SAP software. The service provider's objectives are maximizing the performance of the SAP service, providing certified expertise and ensuring ongoing training, innovation and delivery.



Source: ISG Research 2017

SAP SERVICES

Definition (cont.)

Questionnaires supplied to SAP service providers covered their global capabilities and related geographies. This report features provider portfolio attractiveness and competitive strength specifically for the United States. All providers within the report enable services for SAP HANA, SAP S/4HANA, SAP Hybris, SAP BW/4HANA, SAP Business Suite, SAP Business Objects, SAP Database and Mobile Solutions and SAP Trials and Developer Systems.

Observations

- Accenture, Deloitte, and Infosys are global and U.S. leaders for SAP. Their long histories with SAP and leadership in SAP implementations, managed services, and supporting technologies, help them stand apart for their full-service offerings and innovation.

- Wipro, Cognizant, and HCL are respected leaders for SAP providing comprehensive service portfolios along with many specialized resources with diverse SAP certifications.

- KPIT continues to grow within the U.S. market through a heavy focus on unique migration, automation and diagnostic tools for specific industries, as well as detailed training and onboarding programs for new customers.

- Dimension Data, a sister organization within NTT, is a leader that is gaining momentum by working independently and alongside NTT Data. The specialty of NTT Com lies in delivering data center infrastructure and networks in combination with SAP services in large-scale deals. NTT Com itself is a rising star in the category.

- Mindtree, a cloud-native service provider, is a rising star for its unique cloud-only customer approach for managing SAP and other custom IP services on third-party public hyperscale infrastructure (AWS, Azure, Google).

WIPRO

Overview

Wipro's SAP revenue was approximately $459 million from the U.S. market in 2016. It has six delivery centers, five SAP-enabled data centers, approximately 300 certified FTEs (estimated) and 1,500 FTEs engaged in providing SAP services to clients in the U.S. The majority of its U.S business is with F500 clients within the healthcare and energy industries.

Strengths

Managed support services: Wipro has significant migration and managed services capabilities. Wipro states its HolmesTM platform provides customers 40 percent savings in effort and cost through automation scripts and associated tools. The Safe Passage model for platform migration leverages Wipro's migration-as-a-service model to streamline SAP adoption, especially following consolidation and M&A activity at large organizations.

Agile DevOps as a service for SAP: Another model used by Wipro for providing SAP configuration and development in transformation and support projects is its agile DevOps as a service.

Resource skills: 40 percent of Wipro's 11,270 SAP professionals are in managed support services and 25 percent are ITIL certified. Wipro utilizes a Trend NXT assessment framework for its SAP professionals to undergo ongoing assessments based on experience. Wipro's resources are also spread across digital, cloud, analytics, IoT, block chain, security and machine learning, and work to integrate SAP practices within these centers of excellence.

Caution

The majority Wipro's SAP full-time equivalents are based in APAC, including 45 percent of its functional and 55 percent of its technical staff. The majority of Wipro's resources are offshore. Thus, Wipro can face challenges in engagements where enterprises are looking for higher percentage of resources onsite.

2017 ISG Provider Lens™ Leader

Wipro's heavy investments in automation and IP development, skilled resource pool and complementary next-gen offerings make it a good fit for large U.S.-based customers looking to achieve enterprise agility to gain competitive advantage.

Methodology

METHODOLOGY

The research study "ISG Provider Lens™ 2018 - ADM Services" 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 the ADM Services target 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 and Vision
   - Innovation
   - Brand Awareness and presence in the market
   - Sales and partner landscape
   - Breadth and Depth of portfolio of services offered
   - Technology Advancements

Authors and Editors

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Pankaj Kulkarni is an analyst specializing in research on IT infrastructure services. He is responsible for handling custom research assignments as well as analyst reports pertaining to his focus area. He has authored several thought leadership reports covering topics around datacenter services outsourcing, public cloud managed services and hybrid management platforms. He is also responsible for vendor capability assessments, providing ISG clients with an objective opinion of IT service providers as well as technological and competitive trends in this space.

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Principal Analyst

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