ISG Provider Lens™

SAP Ecosystem

A report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of: Capgemini

QUADRANT REPORT | APRIL 2025 | APAC

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Executive Summary

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Growth traction across APAC for SAP S/4HANA and cloud, with a focus on greenfield transformations

The Asia-Pacific (APAC) region is emerging as a growth hub for SAP, with firms increasingly adopting SAP S/4HANA to drive digital transformation. Notably, most of this adoption is focused on greenfield transformations, particularly within the ASEAN region.

Cloud adoption is gaining momentum, with a distinct preference for private cloud deployments across most regions, except in Australia and New Zealand (ANZ), where public cloud adoption is slightly more prevalent. Initiatives such as RISE with SAP and GROW with SAP play a crucial role in this transition, enabling organisations to achieve greater agility, scalability and continuous innovation. Major enterprises across APAC are leveraging these solutions to enhance operational efficiency and maintain a competitive edge.

SAP continues to be at the forefront of digital transformation in the APAC region. The SAP Business Technology Platform (BTP) allows businesses to build and integrate custom applications, extend the existing SAP solutions and leverage data-driven insights. This platform is essential for accelerating digital journeys and fostering business agility. AI is becoming a cornerstone of SAP's offerings. SAP Business AI is widely adopted to automate routine tasks, enhance decision-making processes and elevate customer experiences. Integrating AI into core business processes empowers companies to increase efficiency and innovation.

Industry trends indicate strong growth in sectors such as healthcare, pharmaceuticals, consumer packaged goods (CPG), retail and energy, with manufacturing continuing to dominate the SAP landscape. Additionally, enterprises are inclined to partner with firms that deeply understand local cultures and regulatory landscapes, ensuring smoother implementation and compliance with country-specific standards.

Demand in APAC is growing, with a focus on **cloud and greenfield SAP S/4HANA** transformations.

SAP S/4HANA System Transformations — Large Accounts

Greenfield approaches predominantly characterise large-scale SAP S/4HANA transformations in the APAC region. Organisations are focusing on building new systems from the ground up to meet modern business requirements and leverage advanced technologies for sustainable growth. These strategic transformations aim to enhance organisational resilience, flexibility and efficiency.

Cloud adoption in these large transformations is becoming increasingly prevalent. While private cloud solutions are favoured in most APAC countries due to stringent data protection and security concerns, the ANZ region is witnessing an increased shift towards public cloud deployments. This trend reflects regional differences in market dynamics and regulatory considerations. The RISE with SAP and GROW with SAP propositions are gaining significant traction, as these solutions offer organisations the flexibility to tailor their cloud strategies while benefiting from scalability, continuous innovation and cost optimisation.

The increasing traction for SAP S/4HANA Cloud and RISE with SAP indicates a strategic shift among organisations towards more flexible and scalable IT infrastructures. These platforms enable businesses to modernise their operations, streamline processes and achieve greater agility. Moreover, they help companies stay competitive by facilitating faster responses to market changes and customer demands.

SAP S/4HANA System Transformation — Midmarket

In the APAC midmarket segment, SAP S/4HANA transformations are increasingly driven by a focus on the RISE with SAP and GROW with SAP propositions. These initiatives enable midsize enterprises to accelerate their digital transformation journeys by providing flexible, scalable and innovative cloud solutions.

A significant emphasis is placed on leveraging generative AI (GenAI) and other AI technologies to enhance operational efficiencies. These AI-driven solutions are helping midmarket firms streamline processes, automate routine tasks and gain insights for more informed decision-making. By integrating AI into their core operations, businesses can optimise productivity, reduce operational costs and deliver improved CX.

Pockets of growth are emerging across the APAC region, with midmarket companies increasingly recognising the value of cloud-enabled SAP solutions. This growth is particularly noticeable in retail, consumer goods and manufacturing sectors, where agility and adaptability are critical to success. The midmarket's adoption of SAP S/4HANA enables businesses to modernise their IT infrastructures, remain competitive and scale effectively in response to market demands.

SAP Application Managed Services

The landscape of SAP Application managed services(AMS) in APAC is transforming. There is a growing emphasis on business-focused KPIs and AI-enabled application management approaches. Organisations are increasingly adopting intelligent strategies that enhance efficiency and ensure continuous optimisation of SAP environments.

A key trend is leveraging AIOps, which focuses on achieving zero-touch operations. This approach emphasises the automation of routine tasks and proactive resolution of issues without human intervention. It ensures improved system reliability, faster incident response and enhanced operational efficiency. AIOps-driven strategies allow organisations to detect anomalies, predict potential disruptions and implement real-time corrective measures, leading to optimised performance and reduced downtime.

End-to-end automation capabilities are an integral part of SAP application management. These capabilities include live insights, predictive analytics and business process optimisation, enabling organisations to continuously enhance their operational models. Automation tools help simplify complex workflows, streamline processes and ensure data consistency, delivering greater value to businesses. Techniques such as pattern mining, ticket journey analytics, prediction and forecasting, and real-time knowledge are being widely adopted to improve decision-making and operational accuracy. Pattern mining helps identify trends and insights, while ticket journey analytics offer visibility into issue resolution processes. Prediction and forecasting enable better planning, while real-time knowledge provides actionable insights to support efficient problem-solving.

Managed Cloud Services for SAP ERP

As cloud adoption accelerates across the APAC region, enterprises are increasingly outsourcing the management of their cloud platforms and applications. Managed cloud services for SAP ERP are witnessing rising demand as organisations seek to optimise their cloud operations while focusing on core business objectives. This trend is expected to continue, driven by the need for scalability, security and seamless cloud management.

Enterprises prefer service providers with a deep understanding of industry nuances and regional regulatory compliance requirements. These factors ensure smooth transitions to cloud environments and maintain data integrity. Providers with strong expertise in navigating local regulatory landscapes are well positioned to deliver tailored solutions that meet specific business needs.

A critical focus area within managed cloud services is cloud workload management. Enterprises increasingly seek expert guidance and support to optimise their cloud workloads, ensuring efficient resource utilisation and cost control. Providers offering end-to-end workload management, from assessment and migration to continuous optimisation and support, are becoming invaluable partners in the cloud journey.

Region-specific Trends

Middle East

The Middle East is witnessing a strong surge in digital transformation initiatives closely aligned with national development goals, such as Saudi Vision 2030 and the UAE's digital initiatives. Governments and enterprises are investing significantly in cloud technologies, smart city projects and digital infrastructure to drive economic diversification and sustainability.

One of the key areas of focus is integrating SAP solutions to facilitate seamless digital experiences and enhance operational efficiencies. Industries, especially energy-intensive sectors such as oil & gas, are increasingly adopting SAP solutions to drive sustainability initiatives, optimise energy consumption and meet regulatory requirements.

India

India is experiencing rapid cloud adoption, fueled by a growing digital economy and a robust technology ecosystem. While it constitutes a smaller segment of the APAC SAP market, India's growth potential is significant. Businesses across sectors leverage SAP solutions to drive growth, enhance operational efficiencies and foster innovation.

The SME sector in India is increasingly adopting SAP solutions to streamline processes, improve productivity and support scalability. This shift contributes to strong growth in SAP's cloud revenue within the region. Enterprises focus on integrating advanced technologies, including AI and predictive analytics, to enhance decision-making and operational resilience. Overall, the Indian market presents a vibrant landscape for SAP growth, driven by digital ambition and an expanding economy.

ASEAN

The ASEAN region is diverse, with varying levels of digital maturity and regulatory frameworks. Countries such as Singapore, Malaysia and Indonesia are leading the adoption of cloud-based SAP solutions, driven by robust digital strategies and government support for digital transformation.

A significant focus is enhancing digital skills and empowering SMEs to embrace SAP technologies. Adopting RISE with SAP and GROW with SAP initiatives enables businesses to modernise their operations, achieve agility and stay competitive. However, they must navigate diverse regulatory environments and tailor their approaches to meet country-specific requirements. The region's growth trajectory is supported by investments in infrastructure and digital education, fostering an ecosystem conducive to SAP's expansion.

Australia and New Zealand

ANZ represent mature markets with a relatively strong focus on public cloud adoption and comprehensive digital transformation. Enterprises in these countries prioritise data-driven decision-making and CX optimisation, with SAP solutions crucial in achieving these objectives.

Sustainability is a growing area of focus, with organisations seeking to align with environmental standards and regulatory compliance. SAP's advanced analytics and sustainability-driven solutions enable businesses to measure and reduce their environmental impact while ensuring operational excellence. Additionally, enterprises in ANZ are leveraging AI and ML to enhance business processes and drive innovation.

Most SAP S/4HANA transformations are greenfield projects, often incorporating cloud strategies. While SAP cloud adoption is gaining momentum globally, most regions show a notable preference for private cloud. There is growing traction for SAP's strategic offerings, such as RISE with SAP and GROW with SAP, which support businesses in their digital transformation journeys.

Provider Positioning

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	SAP S/4HANA System Transformation — Large Accounts	SAP S/4HANA System Transformation — Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP
ABeam Consulting	Not In	Contender	Contender	Contender
Accely Group	Not In	Product Challenger	Contender	Contender
Accenture	Leader	Not In	Leader	Leader
Atos	Not In	Leader	Product Challenger	Product Challenger
Birlasoft	Product Challenger	Leader	Product Challenger	Product Challenger
Bristlecone	Not In	Product Challenger	Contender	Contender
Capgemini	Leader	Not In	Leader	Leader
Cognizant	Product Challenger	Not In	Product Challenger	Product Challenger
delaware	Not In	Product Challenger	Not In	Not In
Deloitte	Market Challenger	Not In	Market Challenger	Not In

Provider Positioning

	SAP S/4HANA System Transformation — Large Accounts	SAP S/4HANA System Transformation — Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP
DXC Technology	Leader	Not In	Leader	Leader
EY	Market Challenger	Not In	Market Challenger	Not In
FPT Software	Not In	Product Challenger	Not In	Not In
GyanSys	Not In	Product Challenger	Not In	Not In
HAND Enterprise Solution	Not In	Contender	Not In	Not In
HCLTech	Leader	Not In	Leader	Leader
Hexaware	Not In	Leader	Product Challenger	Not In
Hitachi Digital Services	Rising Star ★	Leader	Product Challenger	Product Challenger
IBM	Leader	Not In	Leader	Product Challenger
Infosys	Leader	Not In	Leader	Leader

Provider Positioning

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	SAP S/4HANA System Transformation — Large Accounts	SAP S/4HANA System Transformation — Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP
InfraBeat Technologies	Not In	Contender	Not In	Not In
IVC Solutions	Not In	Contender	Not In	Not In
KaarTech	Not In	Leader	Contender	Contender
KPMG	Contender	Not In	Not In	Not In
Kyndryl	Product Challenger	Not In	Product Challenger	Product Challenger
LeverX	Not In	Contender	Not In	Not In
LTIMindtree	Product Challenger	Not In	Product Challenger	Not In
Mphasis	Contender	Not In	Contender	Not In
NTT DATA	Product Challenger	Leader	Not In	Market Challenger
PwC	Market Challenger	Not In	Contender	Not In

Provider Positioning

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	SAP S/4HANA System Transformation — Large Accounts	SAP S/4HANA System Transformation — Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP
SoftwareOne	Contender	Not In	Contender	Contender
TCS	Leader	Not In	Leader	Leader
TDI APJ	Not In	Contender	Not In	Not In
Tech Mahindra	Leader	Not In	Rising Star ★	Leader
T-Systems	Contender	Not In	Contender	Market Challenger
UST	Product Challenger	Not In	Not In	Not In
Westernacher Consulting	Not In	Product Challenger	Not In	Not In
Wilmar Consultancy Services	Not In	Product Challenger	Not In	Not In
Wipro	Leader	Not In	Leader	Leader

Key focus areas for SAP Ecosystem 2025.

- **SAP S/4HANA System Transformation — Large Accounts**
- **SAP S/4HANA System Transformation — Midmarket**
- **SAP Application Managed Services**
- **Managed Cloud Services for SAP ERP**

Simplified Illustration Source: ISG 2025

Definition

In 2024, SAP focused on improving its business AI capabilities to augment its existing portfolio. WalkMe's acquisition has underscored SAP's emphasis on driving digital transformations for its clients. With a strong focus on cloud transformation, SAP has secured multiple RISE with SAP deals. The end of life of SAP ERP Central Component (ECC) and extended support have prompted multiple clients to move to SAP S/4HANA. However, compared to the SAP install base, the percentage of these clients is relatively low. GROW with SAP is focused on the SAP S/4HANA Cloud Public Edition and targets midsize enterprise clients. With a growing focus on the cloud, SAP has built offerings that align with the varied needs of existing and new enterprises. SAP aims to keep the digital core clean by centrally using the SAP Business Technology Platform (BTP) and deploying S/4HANA on-premises or private or public clouds. With ECC support nearing its end, SAP's early adopters and those reliant on compatibility packs are forced to undertake additional transformations, typically an upgrade, to adhere to the contractual support requirements. The RISE and GROW with SAP options have given some degree of flexibility to the firms to adopt SAP S/4HANA. However, firms with complex needs opt for on-premises versions of SAP S/4HANA transformation using greenfield, brownfield or selective data transformation approaches. The ISG Provider Lens 2025 study focuses on these key areas of requirement for SAP and its clients. In addition to SAP S/4HANA transformation, cloud adoption, workload placement, managing cloud services and cloud economics have become important. This year's study assesses service providers' capabilities across these segments.

Scope of the Report

In this ISG Provider Lens™ quadrant study, ISG includes the following four quadrants: SAP S/4HANA System Transformation — Large Accounts, SAP S/4HANA System Transformation — Midmarket, SAP Application Managed Services, Managed Cloud Services for SAP ERP.

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

- Transparency on the strengths and weaknesses of relevant providers/ software vendors
- A differentiated positioning of providers by segments (quadrants)
- Focus on the regional market

Our study serves as the basis for important decision-making by covering providers' positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The provider position reflects the suitability of providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the service requirements from enterprise customers differ and the spectrum of providers operating in the local market is sufficiently wide, a further differentiation of the 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 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 $20 million and $999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above $1 billion, with activities worldwide and globally distributed decision-making structures.

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. 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).

Provider Classifications: Quadrant Key

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.

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.

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

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.

★ **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 means 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 S/4HANA System Transformation — Large Accounts

Who Should Read This Section

This report is valuable for providers offering SAP S/4HANA system transformation services in APAC to understand their market position and for enterprises to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers and examines how each addresses key enterprise challenges. Providers in this quadrant develop, deploy and test enterprise applications using SAP S/4HANA.

Marketing and sales professionals

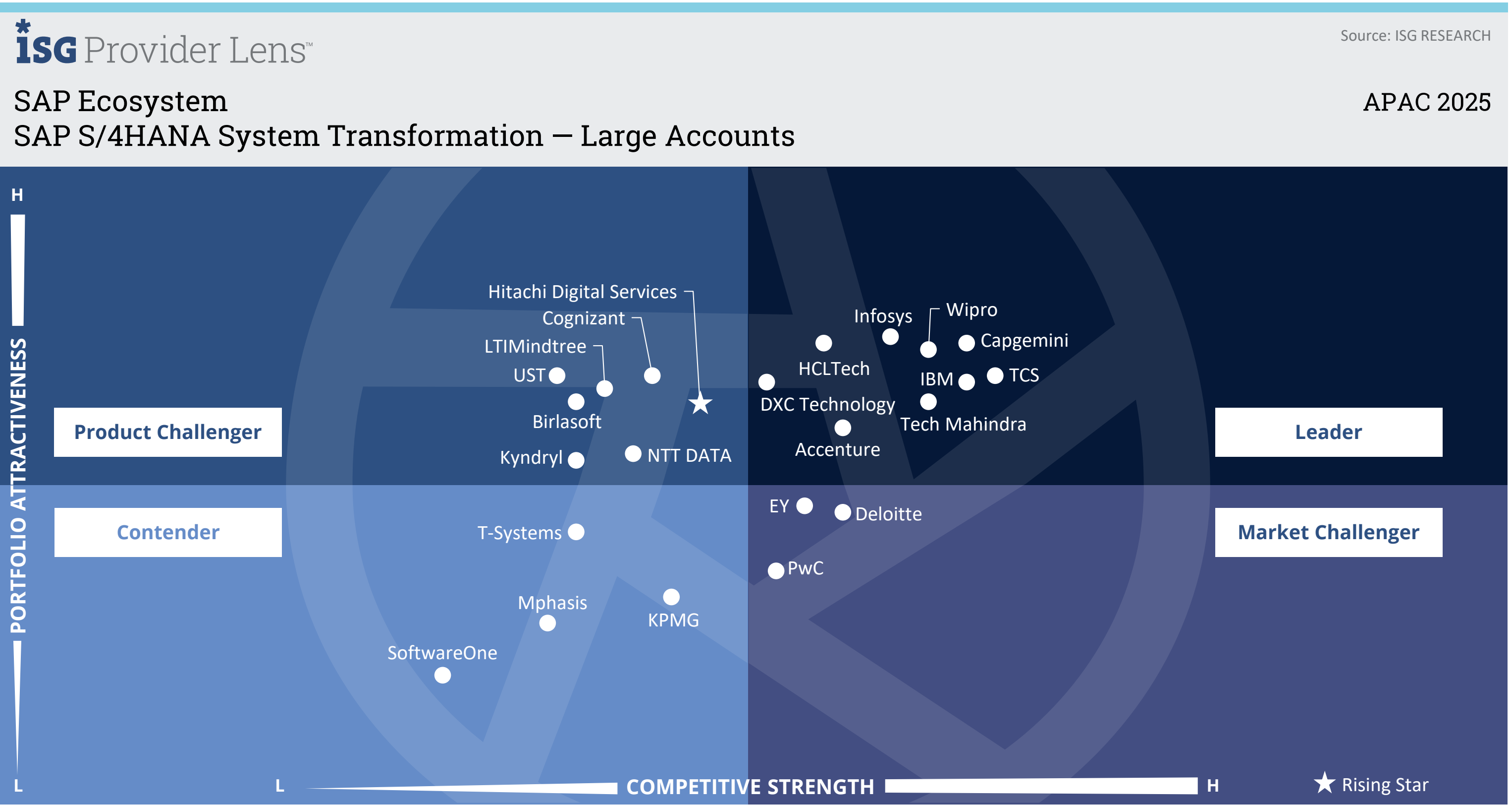
Should read this report to gain insights into service providers' relative positioning and capabilities to effectively harness SAP S/4HANA services for large accounts.

Technology professionals

Should read this report to understand how service providers integrate the latest technologies into their SAP S/4HANA offerings to gain a competitive edge in the market.

Line-of-business, industry and finance leaders

Should read this report to understand providers' relative positioning to effectively procure SAP S/4HANA services and ensure RoI.



This quadrant assesses the service providers offering **SAP S/4HANA transformation** for on-premises and **cloud infrastructures through greenfield, brownfield or bluefield** approaches.

Akhila Harinarayan

Definition

This quadrant assesses large account consulting and system integration service providers that develop, deploy and test enterprise applications using SAP S/4HANA. Providers partner with SAP to train their consultants on SAP's implementation methodology, product functionality and configuration requirements. Typical transformations include project planning, solution design, business process modeling, user training, product installation and configuration, testing and other services. These transformations could involve a new implementation, moving existing ECC to S/4HANA or workloads to the cloud. Providers must understand a client's business and technology landscape and leverage solutions to ensure delivery efficiency and effective operation of the migrated solutions. Service providers' ability to manage the complexity of large accounts that operate multiple SAP instances, require strict compliance and have multinational operations and public company governance is key.

Eligibility Criteria

1. **SAP certifications** to deploy SAP S/4HANA and support clients for SAP products
2. On-premises and cloud-based implementations and **SAP S/4HANA migrations**
3. Service portfolios that include SAP S/4HANA **development, integration, and testing**, with at least one implementation of S/4HANA in the last 12 months
4. A track record of S/4HANA **advisory capabilities and implementation experience** in greenfield or brownfield deployments
5. **Strong understanding of the RISE with SAP proposition** and ability to help clients navigate the solution paradigm based on their IT landscape
6. **Tools and accelerators** to deliver at reduced time to market
7. **SAP-certified consultants** and practitioners engagement across regions to support multicountry and multilanguage implementations
8. Ability to handle complexity and scale through optimal onshore and offshore delivery models; concurrently, the providers should demonstrate local delivery **capacity in the local language**
9. Ability to offer **frameworks, tools, and accelerators** to support enterprise demand for fast transformations
10. **Experience in delivering transformations specific** to central finance, supply chain, business model transformation and modernization, and industry-related solutions

Observations

Service providers have delivered SAP S/4HANA transformations with greenfield implementations. These providers specialise in developing new systems to meet businesses' dynamic needs while harnessing advanced technologies for sustainable development. They aim to enhance organisations' resilience, flexibility and efficiency.

Service providers play a pivotal role in facilitating cloud adoption within these extensive transformations. While private cloud solutions remain preferred across most APAC countries due to stringent data protection regulations, the ANZ region is experiencing a notable shift towards public cloud deployments. This divergence highlights the importance of tailored approaches considering regional regulatory frameworks and market conditions.

Emerging solutions such as RISE with SAP and GROW with SAP are becoming increasingly popular among organisations, as they provide the flexibility to customise cloud strategies while ensuring scalability, continuous innovation and cost efficiency. The growing preference for SAP S/4HANA Cloud and RISE with SAP signifies a strategic evolution, encouraging organisations to transition towards adaptable and scalable IT infrastructures. These approaches empower service providers to modernise client operations, streamline processes and enhance agility, enabling companies to remain competitive and respond swiftly to changing market conditions and customer needs.

From the 52 companies assessed for this study, 23 qualified for this quadrant, with nine being Leaders and one a Rising Star.

Accenture has a deep understanding of various industries, offering tailored solutions that address the unique challenges and requirements of companies across sectors such as manufacturing, retail, financial services and technology.

Capgemini's ability to leverage an extensive ecosystem of partners, including strategic alliances with SAP and hyperscalers, enhances its ability to deliver tailored and scalable SAP S/4HANA solutions.

DXC Technology has developed a robust framework for the RISE with SAP initiative, which is designed to simplify, accelerate and optimise transformations for midsize and large clients.

HCLTech prioritises innovation by integrating advanced technologies such as AI, ML and automation into its SAP solutions.

IBM provides specialised tools and accelerators designed to streamline the implementation and optimisation of SAP S/4HANA solutions. These assets shorten project timelines and reduce overall costs by automating repetitive tasks.

Infosys Cobalt accelerates deployment and equips clients with comprehensive tools, templates and accelerators tailored to industry-specific needs.

TCS has executed numerous successful SAP S/4HANA transformations across various sectors, gathering invaluable insights and knowledge to be leveraged for future projects.

Tech Mahindra has established robust partnerships with SAP and various technology providers that allow it to leverage the latest innovations in the SAP ecosystem.

Wipro has extensive experience implementing SAP solutions, particularly with SAP S/4HANA, across various industries, including manufacturing, retail and finance.

Hitachi Digital Services

Hitachi Digital Services (Rising Star) fosters innovation through advanced technologies and methodologies. It invests significantly in R&D to explore the latest digital advancements.

Capgemini

Leader

> "Capgemini distinguishes itself by promoting the concept of a Renewable Enterprise, which emphasises continuous reinvention and resilience. The firm also offers Industry Reference Process Models and tailored solutions that meet specific industry needs."
>
> *Akhila Harinarayan*

Overview

Capgemini is headquartered in Paris, France. It has more than 338,900 employees worldwide. In FY23, the company generated €22.5 billion in revenue, with Applications and Technology as its largest segment. Capgemini offers end-to-end SAP S/4HANA services that help clients transform their existing, complex ERP-centric landscapes. The firm offers a complete framework that includes strategic planning, design, implementation and continuous improvement. This comprehensive methodology allows organisations to seamlessly transition to SAP S/4HANA while ensuring alignment with their business goals. As of 2024, the firm has served about 100 clients in the APAC region.

Strengths

Strong footprint: Capgemini boasts a robust footprint in the APAC region, serving a diverse client base that spans multiple industries. With many employees dedicated to delivering tailored SAP S/4HANA transformation services, Capgemini effectively leverages local expertise and market knowledge to address unique client challenges. This strong presence enhances client relationships and enables the firm to execute large-scale transformations efficiently.

Extensive ecosystem collaboration: Capgemini's ability to leverage an extensive ecosystem of partners, including strategic alliances with SAP and hyperscalers, enhances its capacity to deliver tailored and scalable SAP S/4HANA solutions. This collaboration provides clients access to cutting-edge technologies and industry-specific expertise, ensuring their solutions are customised to meet unique operational challenges and aligned with evolving industry standards.

Agility with Clean Core Principle: The Clean Core principle is integral to Capgemini's strategy, allowing organisations to maintain a streamlined operational model. This approach emphasises essential functionalities while minimising customisations, empowering businesses to respond swiftly to market fluctuations.

Caution

As clients focus on transformation and realigning their SAP contracts, change management becomes a priority. While change management is included in Capgemini's transformation process, further integration and emphasis could improve user adoption and overall satisfaction post-implementation.

SAP S/4HANA System Transformation – Midmarket

Who Should Read This Section

This report is valuable for providers of SAP S/4HANA system transformation services in APAC to understand their market position and for enterprises to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

Marketing and sales professionals

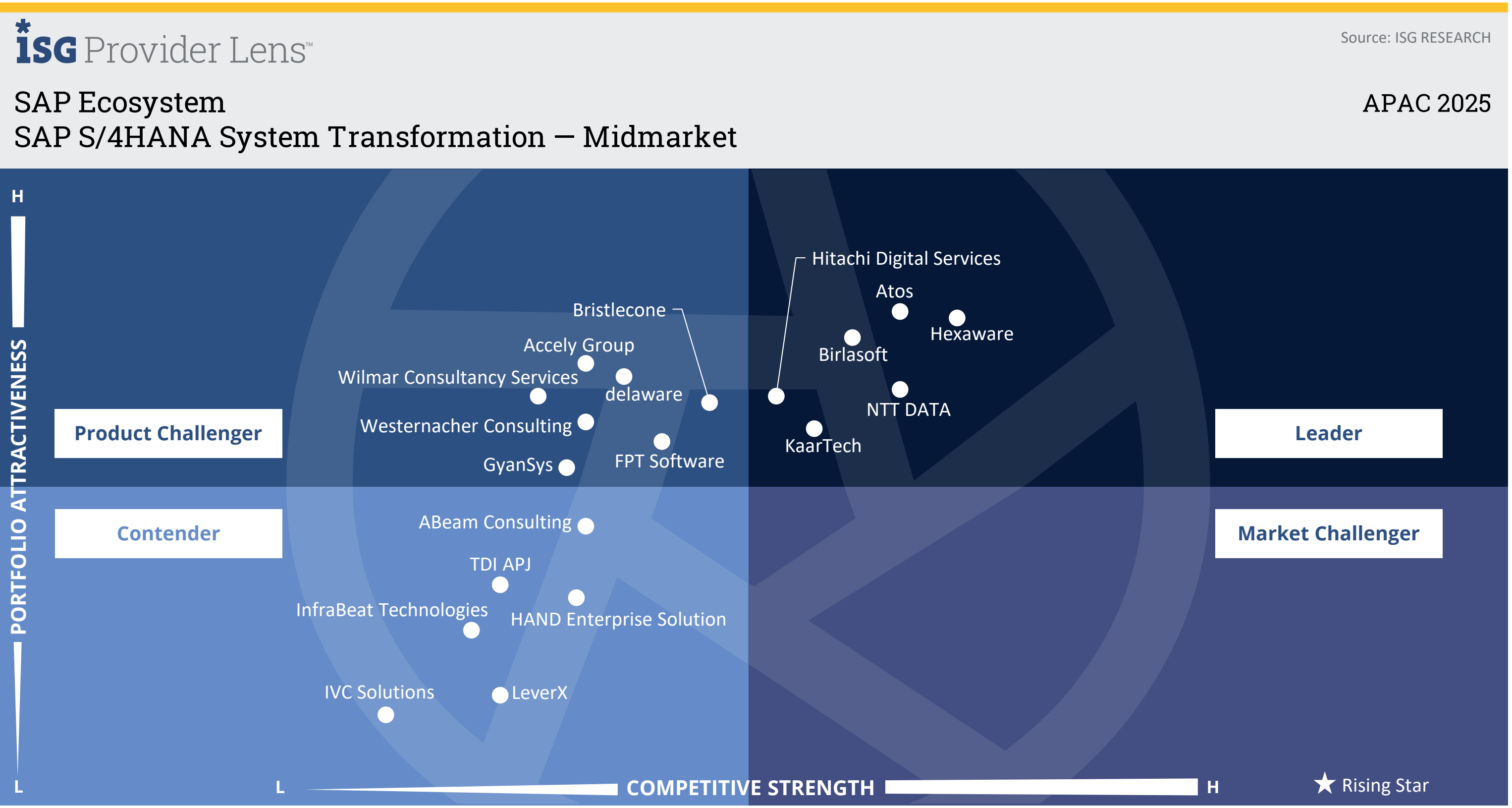
Should read this report to understand service providers' relative positioning and capabilities to effectively harness SAP S/4HANA services in the midmarket.

Technology professionals

Should read this report to understand how service providers integrate the latest technologies into their SAP S/4HANA offerings to gain a competitive edge in the midmarket.

Line-of-business, industry and finance leaders

Should read this report to understand the SAP S/4HANA market and the service provider landscape to identify players based on their needs.



This quadrant assesses service providers offering SAP S/4HANA **transformation capabilities to midmarket enterprises with a focus on cloud** transformations, including RISE with SAP and GROW with SAP initiatives.

Akhila Harinarayan

Definition

This quadrant assesses consulting and system integration service providers offering a rapid turnaround for SAP S/4HANA implementations for midmarket clients with projects that are less complex and smaller in scale than those of large enterprises. These clients operate within a country or region and need providers to enhance business operations. Service providers should be able to deploy SAP solutions using multiple methodologies, including packaged solutions for SMBs. They must use templates for SAP S/4HANA, including industry-specific templates, to reduce the transformation cycle while using standard processes. Multitenant SAP S/4HANA implementations are considered but not mandatory. Providers should be able to deliver cloud transformations and services through RISE with SAP for clients in the midmarket segment. Typically, providers accelerate the time to market using solutions and accelerators specific to a client's business needs. SAP-certified partner-packaged solution providers are preferred.

Eligibility Criteria

1. **SAP certifications** to deploy SAP S/4HANA and support clients in using SAP products
2. Service portfolios that include SAP S/4HANA **development, integration, and testing**, with at least one implementation of S/4HANA in the last 12 months
3. A track record of S/4HANA **advisory capabilities and implementation experience** in greenfield, brownfield, or cloud deployments
4. Ability to leverage SAP **accelerators and templates** for agile SAP S/4HANA implementations
5. Capability to deliver **advisory and implementation services** for midsize enterprise clients
6. **Ready-to-use templates** or solutions for specific microsegments
7. Ability to offer **onshore or nearshore delivery** for local clients; offshore delivery is considered but not a requirement for participation in this quadrant
8. **Expertise and experience** in helping clients **strategize transformation agendas** depending on business requirements and the complexity of their IT landscape
9. SAP partnerships that offer access to **accelerators and can simplify SAP deployments for midsize enterprises**

Observations

In the APAC midmarket segment, service providers have delivered SAP S/4HANA transformations by implementing the RISE with SAP and GROW with SAP propositions. These initiatives empower midsize enterprises to expedite their digital transformation efforts by offering flexible, scalable and innovative cloud solutions tailored to their unique needs.

Service providers are crucial in integrating GenAI and other AI technologies into these transformations to enhance operational efficiencies. These AI-driven solutions enable midmarket firms to streamline workflows, automate routine tasks and derive actionable insights for more strategic decision-making. Embedding AI into their core operations, businesses can optimise productivity, reduce operational costs and elevate CX.

Growth pockets are emerging across the APAC region, with midmarket companies increasingly recognising the benefits of cloud-enabled SAP solutions facilitated by service providers. This trend is especially evident in retail, consumer goods and manufacturing industries, where agility and responsiveness are vital for success.

Adopting SAP S/4HANA, service providers help midmarket businesses modernise their IT infrastructures, remain competitive and scale efficiently to meet evolving market demands. This collaborative approach drives innovation and positions service providers as essential partners in their clients' digital transformation journey.

From the 24 companies assessed for this study, 19 qualified for this quadrant, with six being Leaders.

Atos

Atos GROW with SAP services include assessment using the Vision4Cloud methodology, migration with transformation accelerators, digital transformation consulting for OCM, analytics and secure BTP integration, and human-centric innovation.

Birlasoft

Birlasoft's suite of SAP Smart Solutions is designed to reduce implementation cycle times and costs while facilitating the transition from SAP on-premises solutions to S/4HANA Cloud platforms.

HEXAWARE

Hexaware is continuously investing in ready-to-deploy solutions such as the REFX solutions and AMIGO AI solution powered by Amaze for ERP platform.

Hitachi Digital Services

Hitachi Digital Services adopts a strategic and comprehensive approach to support clients' transition from business plan approval to S/4HANA transformations.

KaarTech

KaarTech's RISE with SAP offering extends beyond technical cloud migration by incorporating business process intelligence, application lifecycle management, and tools such as the SAP Business Network Starter Pack and BTP for collaboration and innovation.

NTT DATA

NTT DATA helps enterprises migrate to S/4HANA using its Conversion Factory, which combines offshore resources for standardised tasks with onsite project management, ensuring efficient and low-impact migrations at competitive fixed prices.

SAP Application Managed Services

Who Should Read This Section

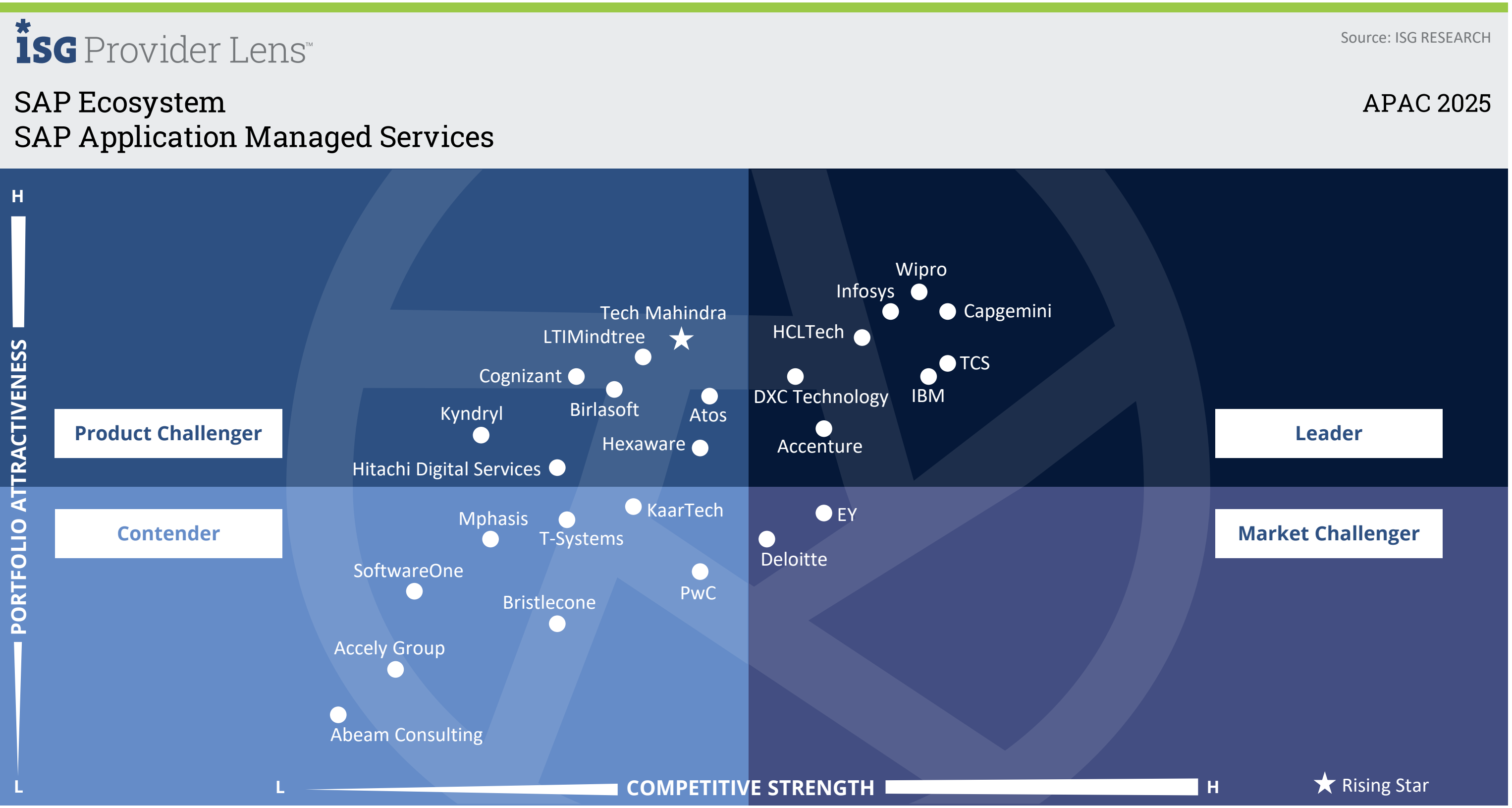
This report is valuable for providers of SAP application managed services in APAC to understand their market position and for enterprises to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers and examines how each addresses the key regional challenges.

Technology professionals

Should read this report to understand the strengths and weaknesses of providers offering managed services for SAP applications and their competency with application management tools.

Procurement professionals

Should read this report to understand the ecosystem of managed service providers for SAP applications and compare the various providers.



This quadrant assesses service providers that offer **managed services for SAP applications with an AIOps approach leveraging AI and GenAI. Providers** are positioned to understand the industry nuances and the regional regulatory constraints.

Akhila Harinarayan

Definition

This quadrant assesses service providers' ability to offer managed services, including application optimization, application support and testing for SAP applications. Providers offer expertise, tools and accelerators to manage applications and align with the client's IT and business objectives. Managed application services for incidents encompass troubleshooting, level 1 (AI-driven), 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 per client requirements. Providers with the SAP Partner Center of Expertise certification are rated highly. The maturity of providers' service delivery processes and their ability to offer automation and analytics for service requests and IT-related processes, such as incident management, change request and release management, version control, application and change documentation, SAP solution manager operation, root cause analysis, quality improvement and testing, are also considered.

Eligibility Criteria

1. Ability to offer application **optimization**, application **support** and **testing** for SAP solutions
2. Inclusion of **user management** (adding and disabling user access), user profile management, **performance** reports, **database** services, security (access), and license compliance in the services
3. 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
4. Capability in stabilizing applications and offering **SAP Basis** support
5. Expertise in incident management, a variety of ticket system tools, **SAP Solution Manager** and additional application documentation solutions
6. **Use of AI** for quality improvement and enhancing DevOps automation
7. **Required resources and skillsets to solve clients' challenges, improve application performance** and offer optimization, innovation, point-in-time metrics, support, and SLAs
8. **Ability to automate tasks and use AI and ML** in the tools leveraged to deliver client services and showcase referenceable use cases for the same
9. Experience and ability to **handle complex and large solutions** while delivering managed services for SAP applications

Observations

SAP AMS in APAC is experiencing a significant transformation, largely driven by service providers prioritising business-focused KPIs and AI-enabled methodologies for application management. These providers are spearheading the adoption of intelligent strategies that bolster efficiency and facilitate the continuous optimisation of SAP environments.

A pivotal trend in this transformation is using AIOps, which aims to achieve zero-touch operations. Service providers implement AIOps to automate routine tasks and proactively address issues without human intervention, resulting in improved system reliability, rapid incident response and increased operational efficiency. Employing AIOps-driven strategies, organisations can effectively detect anomalies, predict potential disruptions and act swiftly to implement real-time corrective measures, thereby optimising overall performance and minimising downtime.

Service providers also bring end-to-end automation capabilities to SAP application management, covering live insights, predictive analytics and business process optimisation. These automation tools simplify complex workflows, streamline processes and ensure data consistency, delivering enhanced value to organisations. Pattern mining, ticket journey analytics and real-time knowledge assistance are increasingly used to refine decision-making and operational accuracy. These innovations empower service providers to offer greater support and efficiency, solidifying their role as essential partners in their clients' digital transformation journeys.

From the 52 companies assessed for this study, 26 qualified for this quadrant, with eight being Leaders and one a Rising Star.

accenture

Accenture has invested in developing industry-specific SAP solutions designed to address unique challenges faced by various sectors, including healthcare, financial servicesand manufacturing.

Capgemini

Capgemini leverages its ADMnext framework to enhance SAP application management with functionalities that drive AI, hyperautomation and service improvements.

DXC TECHNOLOGY

DXC Technology's strong focus on automation reflects its commitment to driving efficiency and accuracy in SAP processes.

HCLTech

HCLTech is working on various innovative use cases that leverage GenAI, such as autogenerating resolution steps, knowledge articles and runbooks.

IBM

IBM's ManagePlus framework provides automated provisioning and landscape management services for SAP applications, simplifying operational practices.

Infosys

Infosys' AIOps-driven AMS delivery works with its SAP-certified solution for seamless integration with SAP applications through ML-based automation.

TCS is a well-known provider in certain regions in APAC. It has delivered multiple engagements and has a strong resource base.

Wipro's sophisticated ticket analytics capabilities enable it to summarise customer interactions effectively and prioritise issues based on urgency.

Tech Mahindra's (Rising Star) GAiA AIOps platform provides a comprehensive framework for transforming applications into AI-driven cognitive operations across numerous application domains.

Leader

"Capgemini's expertise in SAP and AI, strong set of tools/accelerators/solutions, collaborative approach and robust vision across industries position it as one of the leading SAP providers, showcasing its ability to meet diverse business challenges."

Akhila Harinarayan

Capgemini

Overview

Capgemini is headquartered in Paris, France. It has more than 338,900 employees worldwide. In FY23, the company generated €22.5 billion in revenue, with Applications and Technology as its largest segment. Capgemini offers SAP application managed services through the ADMnext framework, which assists businesses in modernising systems and processes. The firm invests in technology and develops tools and accelerators for SAP application managed services, catering to around 84 clients in the APAC region.

Strengths

Comprehensive approach to GenAI integration: Capgemini has established a robust framework for integrating GenAI into SAP applications, enabling the development of tailored solutions that meet unique client requirements. GenAI practices it to scale capabilities and deliver rapidly. This comprehensive approach enhances operational efficiency and transforms clients' engagement with SAP applications, driving innovation and agility across business processes.

ADMnext framework: Capgemini leverages its ADMnext framework to enhance SAP application management with functionalities that drive AI, hyperautomation and service improvements. ADMnext represents Capgemini's approach to full-stack transformational capabilities, focusing on sustained business improvement beyond operational excellence.

Extensive data and AI expertise: With a vast team of data consultants and engineers specialising in data and AI, Capgemini guides clients through transformational journeys. Its GenAI practice ensures that SAP consultants are well-trained in the latest technologies and methodologies, delivering solutions that meet technical requirements while aligning with clients' strategic goals to maximise their SAP investments.

Caution

While Capgemini has made significant strides in deploying AI solutions, continuous monitoring and optimisation of these AI models are critical to its long-term effectiveness. Ensuring that AI systems are regularly updated, retrained and aligned with changing business needs is essential.

Managed Cloud Services for SAP ERP

Who Should Read This Section

This report is valuable for providers of managed cloud services for SAP ERP in APAC to understand their market position and for enterprises to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers and examines how each addresses key regional challenges. These providers focus on helping enterprises effectively migrate and maintain applications in the cloud.

IT and infrastructure leaders

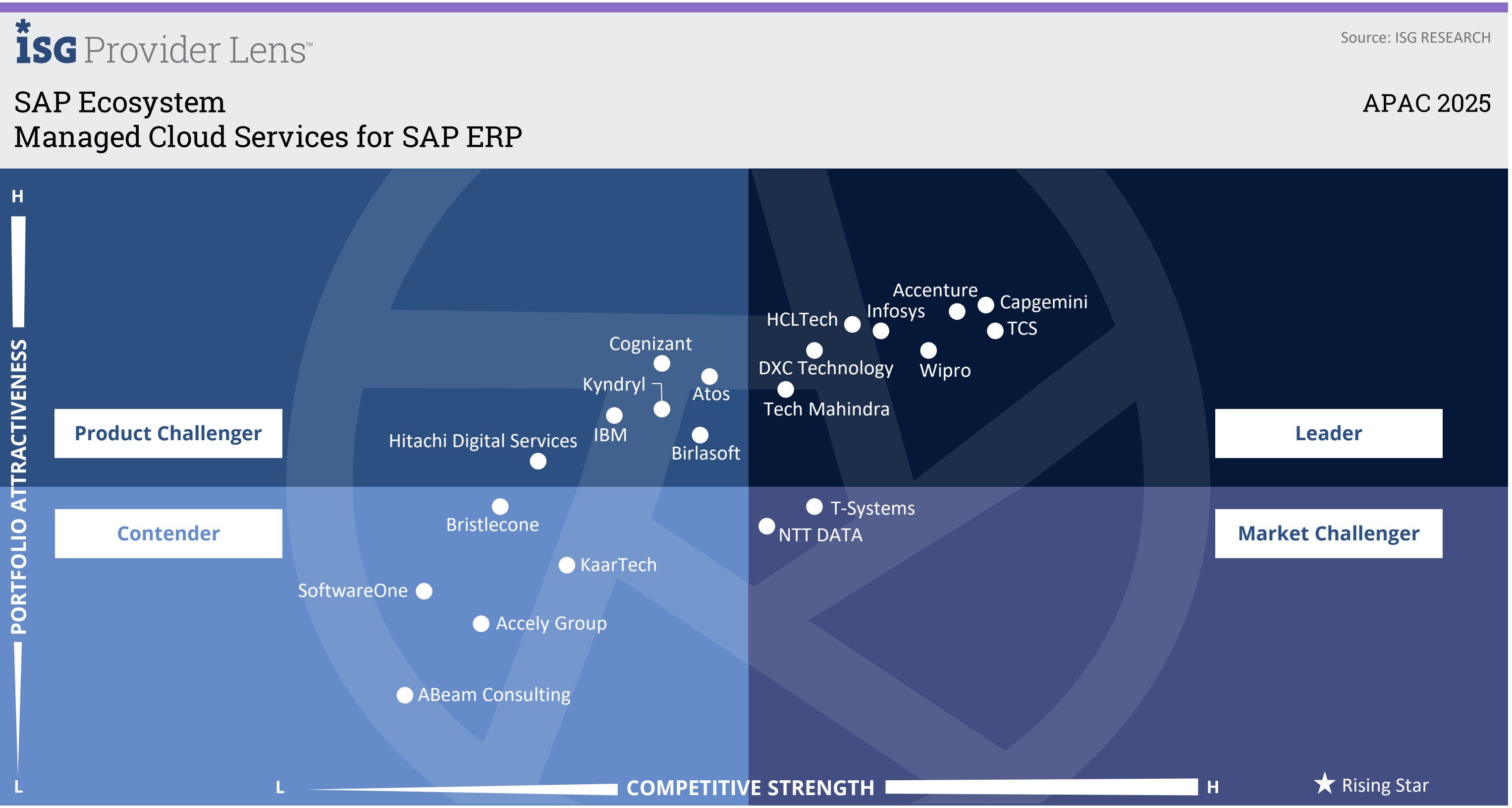
Should read this report to understand the strengths and weaknesses of managed cloud service providers and discern how their approaches impact an enterprise's cloud strategy.

Marketing, sales and field services leaders

Should read this report to understand the relative positioning and capabilities of managed cloud service providers to procure their offerings.

Sourcing and procurement professionals

Should read this report to better understand the current landscape of managed cloud service providers.



This quadrant assesses service providers that are experts in handling **cloud platforms and applications for SAP ERP. These providers have industry-specific** expertise and can manage cloud workloads in SAP landscapes.

Akhila Harinarayan

Definition

This quadrant evaluates service providers that manage hybrid cloud environments, focusing on security access, infrastructure monitoring, system availability, disaster recovery and data compliance. These providers help clients overcome technical barriers to migrating ERP systems to the cloud, facilitating transitions from private to public cloud or from on-premises setups. Expertise in maintaining SAP operations, especially with S/4HANA and its in-memory database, is crucial. Providers must demonstrate strong capabilities in data volume, application code management and cloud cost optimization. Typically, these service providers hold SAP and cloud certifications, ensuring the secure operation of S/4HANA in hybrid environments. They offer the required managed services for on-premises operations. Leading providers use advanced technologies and automation tools to optimize post-migration operations, delivering significant benefits to clients by effectively meeting their infrastructure needs.

Eligibility Criteria

1. Ability to provide, manage and **operate SAP** in the cloud, including, but not limited to, hyperscalers such as AWS, Microsoft Azure and Google Cloud
2. Capacity to **support clients in their on-premises and hybrid cloud** implementations of SAP systems and databases, providing minimum infrastructure design support
3. Certified platform management or cloud partners with **SAP S/4HANA specialization**
4. Certifications in security, data privacy and IT processes; **minimum accreditations** include ISO 27001 (security) and IT Infrastructure Library (ITIL) incident management
5. **SAP- and cloud-certified** staff to support SAP technologies
6. Ability to **offer business value** services such as impact assessment, SAP S/4HANA adoption strategy and road map, and business case creation
7. Tools to **automate and support** specific post-migration environment operations

Observations

As cloud adoption accelerates across the APAC region, enterprises increasingly outsource the management of their cloud platforms and applications, creating a growing demand for managed cloud services specifically tailored for SAP ERP. Organisations are seeking to optimise their cloud operations while maintaining a key focus on their core business objectives. This trend will likely persist, driven by the need for scalability, security and efficient cloud management.

Enterprises prefer service providers with a deep understanding of industry nuances and regional regulatory compliance, as these factors are essential for ensuring seamless transitions to cloud environments and safeguarding data integrity. Providers adept at navigating local regulatory landscapes are particularly well positioned to deliver customised solutions that align with specific business needs.

A critical focus area within managed cloud services is cloud workload management. Enterprises increasingly rely on service providers for expert guidance in optimising their cloud workloads, ensuring efficient resource utilisation and exercising stringent cost control. Providers that offer comprehensive workload management, including assessment, migration, continuous optimisation and ongoing support, are becoming indispensable partners in the cloud journey. This collaboration enhances operational efficiency and enables enterprises to harness the full potential of their cloud investments while driving innovation and growth.

From the 52 companies assessed for this study, 21 qualified for this quadrant, with eight being Leaders.

Accenture has built a strong reputation in cloud strategy and implementation, particularly with SAP Cloud solutions. Its team has deep knowledge of SAP cloud products and various cloud deployment models.

Capgemini's collaborative partnerships with industry leaders such as Microsoft Azure, Google Cloud and AWS position it as front-runners in delivering GenAI solutions.

DXC Technology employs advanced AI and ML tools such as DXC Bionix™ to streamline various processes, including incident management.

HCLTech's Managed Cloud SMART Way provides clients with managed services that follow industry best practices, including continuous monitoring, incident management and agile governance.

Infosys leverages proprietary tools and accelerators to streamline service delivery, notably business assistance, problem management analytics and financial closure solutions, which are applied across various industries.

TCS SAP Cloudify is an automation framework designed to equip enterprises with the tools, best practices and automation scripts to implement, migrate and manage SAP applications on Google Cloud efficiently.

Tech Mahindra's TACTiX™ AI Operations platform leverages AI to automate and optimise operational processes within cloud management.

Wipro has enhanced its Cloud Studio capabilities to expedite client business transformations, incorporating Topcoder integration, robust security and compliance measures, and a commitment to innovation in its BoundaryLess Enterprise (BLE) platform.

Capgemini

Leader

> "Capgemini partners with cloud vendors, such as Google Cloud, Microsoft Azure and AWS, to deliver advanced GenAI solutions. Its collaborations include dedicated partnerships and joint CoEs that provide access to resources and use cases."
>
> *Akhila Harinarayan*

Overview

Capgemini is headquartered in Paris, France. It has more than 338,900 employees worldwide. In FY23, the company generated €22.5 billion in revenue, with Applications and Technology as its largest segment. Capgemini delivers managed cloud services through Capgemini Cloud Platform (CCP) to support business-critical SAP applications on public clouds. The company delivers cloud management strategies to enable operational excellence by helping clients streamline processes and identify cost benefits in cloud management for SAP. In APAC, the firm has won around 300 deals in this segment.

Strengths

Innovation in SAP-specific GenAI tools: Capgemini has developed specialised GenAI tools to enhance SAP functionality and UX. For instance, SAP MARS revolutionises user engagement by offering an intuitive interface that supports natural language queries and rapid data access. Another tool, SAP SPLAT, efficiently consolidates error logs for analysis. These innovative tools simplify processes and improve the quality of outputs, empowering developers and users to work more effectively. Additionally, the GenAI Copilot, functioning as a role-based chatbot, streamlines communication and enhances support across various SAP delivery functions, showcasing Capgemini's commitment to leveraging AI to improve service delivery.

Strategic partnerships with leading technology players: Capgemini's collaborative partnerships with industry leaders such as Microsoft, Google and Amazon position it as front-runners in delivering GenAI solutions. These partnerships enable access to vast ecosystems, including joint CoEs and numerous use cases, significantly enriching Capgemini's capability to craft bespoke solutions leveraging the latest GenAI advancements. Fostering these relationships, Capgemini can offer enhanced value to clients through integrated and innovative solutions that meet their evolving needs.

Caution

With a multitude of advanced tools and frameworks in its arsenal, Capgemini must ensure that the value proposition of its managed cloud services for SAP ERP is communicated to potential clients. This involves showcasing the technical capabilities and articulating the tangible business benefits clients can expect.

Appendix

The ISG Provider Lens 2025 – SAP Ecosystem study analyzes the relevant software vendors/service providers in APAC, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this study will include data from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

All revenue references are in U.S. dollars ($US) unless noted.

The study was divided into the following steps:

1. Definition of SAP Ecosystem market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
   * Strategy & vision
   * Tech Innovation
   * Brand awareness and presence in the market
   * Sales and partner landscape
   * Breadth and depth of portfolio of services offered
   * CX and Recommendation

Lead Author

Akhila Harinarayan
Manager and Principal Analyst

Akhila Harinarayan is Senior Lead Analyst and the lead author for ISG Provider Lens studies with a focus on Digital Business Transformation and SAP Services. She has more than 12 years of experience across research and consulting including provider strategy, enterprise strategy, industry roadmaps, point-of-view papers, service provider assessment across regions. She has strong expertise on strategy and transformation, digital insights, thought leadership, benchmarking, market assessments and go-to-market strategies.

She has authored many thought leadership papers, digital insight studies, devised go-to-market strategies across products/industries/regions, built frameworks and maturity models across industries for both enterprises, vendors and service providers.

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Vartika Rai is a senior research analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Analytics – Services and Platforms, and SAP Ecosystem. She supports the lead analysts in the research process and authors the global summary report. Vartika also develops content from an enterprise perspective and collaborates with advisors and enterprise clients on ad-hoc research assignments.

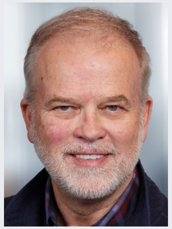
Vartika started her current role in June 2022. Before this role, she worked on secondary research, competitive intelligence, market trends, and newsletter analysis.

Study Sponsor

Aman Munglani

Director: Hyperscalers, Digital Innovator Series and Custom Research

Aman Munglani leads the ecosystems and custom research practice for ISG. He brings over twenty years of expertise in emerging technologies and industry trends. His career is marked by significant contributions in guiding top executives from Global 2000 companies, offering strategic advice on digital transformation, start-up partnerships, driving innovation, and shaping technology strategies. In his tenure exceeding twelve years at Gartner, Aman focused on providing CIOs and IT executives across Asia Pacific and Europe with insights on the practical implementation and advancement of new technologies, the evolution of infrastructure, and detailed vendor assessments.



IPL Product Owner

Jan Erik Aase

Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this webpage.

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The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.

For more information, visit isg-one.com.

ISG Provider Lens™

APRIL, 2025

REPORT: SAP ECOSYSTEM