ISG Provider Lens™

SAP Ecosystem

A report comparing the performance of providers to assist decision-makers in the procurement of services

Customized report courtesy of: Capgemini

QUADRANT REPORT | APRIL 2024 | GERMANY

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Service offerings and delivery capability for S/4 transformations are increasing, with emerging trends and best practices.

Transformation and trends

As the 2027 deadline for standard maintenance of SAP S/4HANA predecessors approaches, an increase in migration initiatives is observed, coupled with a shift in transformation approaches from greenfield to brownfield and bluefield. Providers have demonstrated readiness for this transformation on multiple fronts. They have been diligent in addressing possible gaps in their consulting offerings, resulting in a convergence of leading providers' service portfolios.

Customers have supported the transformation strategy and business case development with comprehensive, tool-supported assessment services and readiness checks. They increasingly emphasize industry expertise and in-depth process knowledge offered through comprehensive prefabricated best-practice templates with industry-specific add-on solutions, which significantly reduce implementation risks.

The most significant specializations and distinguishing features can be found in the transformation segment. Industry-specific characteristics can also be found in the SAP human experience management (HXM) area; however, these are far less recognized as competitive advantages.

Innovation and cost pressure

Innovative solutions and the strengthening of innovation capabilities are of pivotal importance. Leading providers rely on global innovation centers, maintain innovation collaborations with SAP, hyperscalers and customers, and increasingly use AI, ML and RPA capabilities in their solutions. Operating models are evolving from traditional service management to a continuous improvement process, seamlessly integrating innovation, prototype development and deployment.

AI, ML and automation continue to form the core of **innovative** and **competitive offerings.**

Leading providers are responding to the increasing cost pressure with numerous innovations for automation. Examples include code or data analysis to simplify entire transformation steps and operations, automation of standard tasks and avoiding manual intervention. Overall, this approach improves margins and minimizes implementation and migration times.

Local and global resources

The ongoing shortage of skilled workers, an obstacle to transformation in the German market, can partially be offset by nearshore and offshore capacities. Customers increasingly embrace global delivery teams, primarily due to the minimized disruptions across delivery units or regions facilitated by harmonized delivery approaches. Nevertheless, local presence remains a decisive competitive factor, and leading providers continue to invest in local delivery centers, strategic acquisitions and a local workforce. This commitment is evident in the observed expansion of the headcount and increasing proportion of certified experts.

Sustainability and resilience

In recent years, external transformation drivers have become increasingly influential due to various crises. Resilient business processes, supply chains and sustainability issues are frequently mentioned. Sustainability is a vital component of providers' service and solution portfolios. They set and communicate their sustainability targets. Many IT services partially meet sustainability requirements and have corresponding certificates. However, the demand for sustainability solutions is lagging behind expectations.

A regularly mentioned transformation goal is the digital core for an intelligent company that offers a consolidated, cross-process database with new analytical, AI-supported insights to contribute to strategic decision-making.

Trend toward cloud migration

Although heterogeneous approaches persist, the trend toward cloud migration continues, with the RISE for SAP proposition playing a vital role. Alongside offerings on the leading hyperscaler platforms, sovereign cloud offerings hold significance in Germany, particularly for individual sectors. For operations, leading providers offer central platforms that manage complex hybrid and multicloud environments. Intelligent automation tools are also increasingly gaining traction, and price transparency for customers continues to increase with pay-per-use models and self-service offerings.

Digital core and HXM

The use of AI-controlled tools is gaining prominence in the human experience management (HXM) field. In addition to improving UX with central access points, GenAI improves user interaction, with selection or sourcing processes having accelerated growth due to AI. Local data protection and other regulatory requirements impose specific demands on providers. Overall, a clear trend toward cloud migration is observed. Traditional payroll and time management solutions are becoming a significant part of the Digital Core, with integration, data storage and analysis requirements.

Expiring support for the SAP Business Suite, costs and external influences such as trends and crises are key transformation drivers. Demand for resilient and sustainable processes is increasing, especially in supply chains. An agile and innovative Digital Core is crucial for intelligent and sustainable companies. Manufacturers and service providers are well-equipped professionally, technically and methodologically.

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
abat	Not In	Product Challenger	Product Challenger	Not In	Not In
ABS Team	Not In	Not In	Not In	Not In	Contender
Accenture	Leader	Not In	Leader	Leader	Leader
adesso SE	Not In	Product Challenger	Contender	Not In	Not In
Alight	Not In	Not In	Not In	Not In	Product Challenger
All for One Group	Not In	Leader	Leader	Leader	Leader
Arvato Systems	Product Challenger	Leader	Market Challenger	Contender	Not In
Axians	Contender	Not In	Not In	Not In	Not In
BearingPoint	Contender	Not In	Not In	Not In	Not In
Birlasoft	Product Challenger	Rising Star ★	Product Challenger	Not In	Product Challenger

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
BTC	Not In	Product Challenger	Not In	Not In	Not In
Camelot ITLab	Product Challenger	Not In	Not In	Not In	Not In
CANCOM	Not In	Not In	Not In	Leader	Not In
Capgemini	Leader	Not In	Leader	Leader	Leader
cbs	Not In	Rising Star ★	Not In	Not In	Not In
CGI	Contender	Not In	Contender	Not In	Not In
Claranet	Not In	Not In	Contender	Contender	Not In
Cognizant	Leader	Not In	Leader	Product Challenger	Not In
DATAGROUP	Contender	Leader	Product Challenger	Product Challenger	Contender
Deloitte	Market Challenger	Not In	Not In	Not In	Leader

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
Devoteam	Not In	Product Challenger	Contender	Contender	Not In
DINEXT Group	Not In	Not In	Not In	Not In	Contender
DXC Technology	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger
EPI-USE	Not In	Contender	Not In	Not In	Rising Star ★
Eviden (an Atos Business)	Leader	Leader	Leader	Leader	Product Challenger
EY	Not In	Not In	Not In	Not In	Market Challenger
FIS	Not In	Product Challenger	Contender	Not In	Not In
Fujitsu	Not In	Not In	Product Challenger	Product Challenger	Not In
GISA	Not In	Contender	Not In	Not In	Not In
HCLTech	Product Challenger	Not In	Leader	Product Challenger	Contender

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
HR Path	Not In	Not In	Not In	Not In	Product Challenger
HR-Com GmbH	Not In	Not In	Not In	Not In	Contender
IBM	Product Challenger	Not In	Not In	Not In	Not In
Infosys	Leader	Not In	Leader	Leader	Leader
Innovabee	Not In	Product Challenger	Not In	Not In	Not In
KPS	Not In	Contender	Not In	Not In	Not In
Kyndryl	Product Challenger	Not In	Product Challenger	Leader	Not In
LTIMindtree	Product Challenger	Not In	Not In	Not In	Not In
Metafinanz	Not In	Contender	Not In	Not In	Not In
MHP	Product Challenger	Not In	Not In	Not In	Not In

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
Mphasis	Contender	Contender	Contender	Contender	Not In
msg systems	Not In	Product Challenger	Not In	Not In	Not In
Nagarro	Not In	Market Challenger	Market Challenger	Contender	Not In
NTT DATA	Product Challenger	Leader	Leader	Leader	Not In
Pentos	Not In	Not In	Not In	Not In	Leader
Projekt0708	Not In	Not In	Not In	Not In	Contender
PwC	Market Challenger	Not In	Not In	Not In	Market Challenger
Scheer	Product Challenger	Product Challenger	Product Challenger	Not In	Product Challenger
Sopra Steria	Contender	Not In	Contender	Not In	Not In
Sycor	Not In	Contender	Not In	Not In	Not In

Provider Positioning

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	SAP S/4HANA System Transformation for Large Accounts	SAP S/4HANA System Transformation for Midmarket	SAP Application Managed Services	Managed Cloud Services for SAP ERP	SAP SuccessFactors HXM Partner Services
Syntax	Product Challenger	Leader	Product Challenger	Rising Star ★	Not In
Syskoplan Reply	Not In	Contender	Not In	Contender	Not In
TCS	Leader	Not In	Leader	Product Challenger	Not In
Tech Mahindra	Rising Star ★	Not In	Rising Star ★	Product Challenger	Not In
T-Systems	Leader	Ranked in Large Accounts	Leader	Leader	Contender
Wipro	Product Challenger	Not In	Leader	Leader	Leader

Focus areas for the SAP Ecosystem 2024.

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

Simplified Illustration; Source: ISG 2024

Definition

With a growing focus on the cloud, SAP has concentrated on the cloudification of its offerings over the last few years, leading to simplification and modularization of the SAP solutions landscape. The aim is to keep the digital core clean using the SAP Business Technology Platform (BTP) centrally and S/4HANA on-premises or on the private or public cloud. The ERP monolith is also being broken down with SAP marketing separate solutions, which was earlier a part of the ERP core offerings. Due to the major changes in the SAP product portfolio, migration, integration capability, data protection and IT security are becoming more relevant than ever.

The accelerated move of SAP to the public cloud within the S/4HANA strategy will leverage a more extensive set of functionalities in the SAP product portfolio that promises to equal those currently available in the ERP Central Component (ECC). This opens more challenges for vendors, as the cloud business brings hardware, software and data sovereignty constraints and cybersecurity-related hurdles.

Hence, it becomes imperative for enterprises to strategize their business approach around SAP solutions. A key part of this strategy includes a plan to move from ECC to SAP S/4HANA, as the end of life for ECC support is scheduled for 2027.

With the launch of RISE with SAP and the deadline for ECC support nearing, enterprises are trying to optimize their migration and transformation to the cloud through SAP S/4HANA transformations most efficiently. The other SAP offerings are being considered based on enterprise requirements (for example, human experience management).

Scope of the Report

ISG Provider Lens™ studies offer business and IT decision-makers the following benefits:

- Transparent presentation of the strengths and weaknesses of relevant providers
- Differentiated positioning of providers by segment/quadrant based on competitive strengths and portfolio attractiveness
- View of various markets, including the U.S., the U.K., Nordic countries, Brazil and Germany

ISG studies thus provide an essential basis for decision-making regarding positioning, relationships and go-to-market considerations. ISG Advisors and enterprise clients also use information from these reports to evaluate their current and potential new vendor relationships.

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 $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 Challenger, Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include service providers that ISG believes have 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 a 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 for Large Accounts

Who Should Read This Section

This report is relevant to enterprises across industries in Germany for evaluating providers offering SAP S/4HANA consulting and implementation services for large enterprises. In this quadrant, ISG highlights the current market positioning of such consulting and implementation service providers based on the depth of their service offerings and market presence.

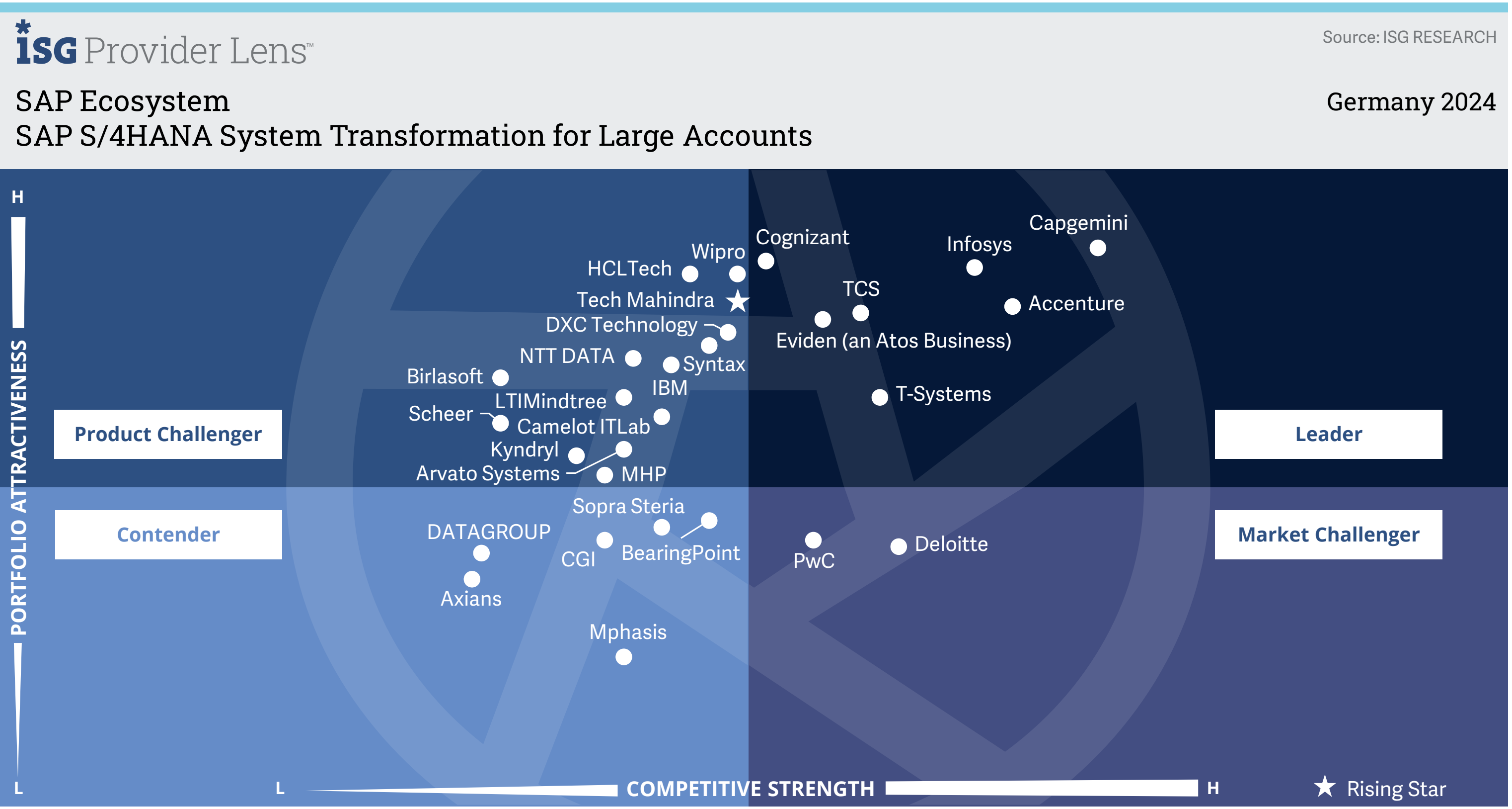
Enterprises recognize the need for modernization. They opt for SAP S/4HANA on-premises and on cloud to modernize their legacy ERP. In Germany, the sovereign cloud is gaining traction for S/4HANA transformation. Some key challenges for the enterprises in the region are a shortage of skilled workers, the need for the right adoption strategy, managing multiple ERP applications, and difficulty in process standardization and migration. Carbon footprint reduction is another significant task for these enterprises.

Enterprises partner with service providers that provide robust consulting and advisory services to guide them with the right adoption strategy and deliver end-to-end implementation support. Service providers should address enterprises' sustainability needs through their offerings while managing the increasing shortage of skilled workers, leveraging their resources and partnerships. They should have strong industry expertise and proprietary tools to ensure the standardization of complex processes, smoother implementation and the integration of technologies. Enterprises seek providers with a portfolio of preconfigured solutions, frameworks, tools and methodologies to expedite transformation initiatives, support process standardization and optimization, and improve operational efficiency while reducing overall migration costs.

Marketing and sales professionals should read this report for insights into service partners' relative positioning and capabilities to effectively harness SAP S/4HANA services.

Line-of-business, industry and finance leaders should read this report to understand partners' relative positioning so that they can effectively procure SAP S/4HANA services and ensure ROI.

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.



This quadrant evaluates service providers having expertise with **large S/4HANA transformation projects**. These providers offer a broad range of consulting services, methodologies, best-practice templates and **local resources.**

Markus Blunk

Definition

This quadrant assesses large account consulting and system integration service providers developing, deploying and testing enterprise applications using SAP S/4HANA. Providers partner with SAP to train their consultants on SAP's implementation methodology, product functionality and configuration requirements. Certified partners can support customers in understanding and using SAP products.

Typical transformations include project planning, solution design, business process modeling, user training, product installation and configuration, testing and other services to enable clients and users to use SAP S/4HANA proficiently. These transformations could involve a new implementation, moving existing ECC to S/4HANA or workloads to the cloud. The providers need the expertise to understand a client's business and technology landscape and leverage solutions to ensure delivery efficiency and operate the migrated solutions effectively. They must also understand the RISE with SAP proposition and help clients navigate the solution paradigm based on their IT landscape. The providers in this quadrant are assessed on their capability to deliver transformations specific to central finance, supply chain, business model transformation and modernization, and industry-related solutions.

This quadrant considers service providers' ability to manage the complexity of large accounts that operate multiple SAP instances and require strict compliance and is characteristic of large enterprises with multinational operations and public company governance. The service providers are expected to offer frameworks, tools and accelerators to support enterprise demand for fast and safe transformations.

Eligibility Criteria

1. **SAP certifications** to deploy SAP S/4HANA and support clients for SAP products
2. Offering 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. Leveraging **tools and accelerators** to deliver at reduced time to market
6. Engaging with **SAP-certified consultants** and practitioners across regions to support multi-country and multi-language implementations
7. Ability to handle complexity and scale through optimal onshore-offshore delivery models; concurrently, the provider should demonstrate local delivery **capacity in the local language**

Observations

This quadrant continues its dominance in the German market owing to the presence of international and global providers. These providers offer extensive solutions and best-practice process models developed through years of project experience in large enterprises. They are able to address the increasing shortage of specialists primarily through their global resources and close partnerships.

Increasingly, applications for automation and scenarios based on AI are bridging gaps in the portfolio; targeted offerings are also being developed for several sectors. Solutions and expertise from the network are often leveraged, and companies' resources are simultaneously being enhanced. Specialized topics are being addressed in collaboration with customers, manufacturers, universities and competence centers. The approaching end of Enterprise Core Component (ECC) support has not yet resulted in the expected surge in transformation business. Many German customers are adopting a wait-and-watch approach. In case of a surge later, providers equipped with effective methods and tools for quick and low-risk transformations will be poised for success.

From the 55 companies assessed for this study, 29 qualified for this quadrant, with seven being Leaders and one a Rising Star.

Accenture combines its myConcerto framework for large transformation projects with its comprehensive SAP solution and industry expertise. Modern AI and ML tools and a wide range of preconfigured solution modules make Accenture one of the leading providers.

Capgemini assists in developing strategies for agile, evolving companies and continuously aligns large transformation programs to match each company's goals and maturity level through its Design By Acception approach.

Cognizant focuses on developing innovative AI-supported solutions, automation tools and data analytics platforms to support multiple CoEs. It maintains close innovation partnerships with customers and SAP.

Eviden has extensive transformation expertise in the key account and SME sectors. In addition to providing a wide range of industry-specific solutions, it also addresses sustainability issues, particularly focusing on the circular economy.

Infosys is increasingly investing in the German market, providing industry-specific solutions across multiple sectors. For instance, the company employs AI and ML technologies for smart warehouse solutions and resilient supply chains.

TCS has the expertise, methodologies and tools to support large transformation projects. Predefined proofs of concept reduce project risks and accelerate implementation with industry-specific content.

T-Systems remains the only German provider supporting large enterprise transformations in the market. Sustainability solutions, expertise in security topics and leadership positions in individual sectors are factors that strengthen the company's foothold.

Tech Mahindra (Rising Star) offers a robust technical portfolio featuring AI- and ML-based solutions and expertise in blockchain and the metaverse. Its intelligent tools and industry-specific apps automate implementation and migration processes.

Leader

"Capgemini provides support with numerous qualified solution packages and consulting tools beginning from the strategy definition stage and helps large companies formulate the right transformation path."

Markus Blunk

Capgemini

Overview

Capgemini is headquartered in Paris, France. It has more than 340,000 employees worldwide. In FY22 the company generated €22.5 billion in revenue, with Applications and Technology as its largest segment. It is a global partner for business and technology transformation. It helps organizations accelerate the transition to a digital and sustainable world with measurable impact. In Europe, Germany is the largest SAP market for Capgemini. With dozens of German large enterprise customers in the transformation environment, the provider has the largest customer base in this area.

Strengths

The renewable company: Capgemini's Digital Core is the central building block for an agile, constantly evolving company that can react quickly to external and internal changes. RISE with SAP with so-called Clean Core is the central offering, but it is also possible to use S/4 in the Public Cloud Edition. Its Green Core with SAP Solutions helps identify and develop drivers for sustainability.

Industry focus: Capgemini's Path solutions offer numerous tools, accelerators and packages that include best practice approaches and industry-specific benchmarks. These solutions support success measurement and maintain a consistent focus on business value.

Methodology and orientation: The Large Transformation Program methodology is Capgemini's central approach for S4 transformation projects. The Digital Acceleration Navigator provides support in assessing the initial situation. The Strategy Navigator identifies transformation opportunities and develops target models with the corresponding roadmap. Capgemini's Design by Acception approach considers the client company's maturity level and its resources.

Caution

Capgemini encompasses the right portfolio of industry solutions for the German market. The current structural change could have an impact on the portfolio's weighting. A more prominent presentation of regional client projects could distinguish Capgemini from its competitors.

SAP S/4HANA System Transformation for Midmarket

Who Should Read This Section

This report is relevant to midmarket enterprises across industries in Germany for evaluating the providers of SAP S/4HANA consulting and implementation services. ISG defines midmarket enterprises as those with less than 5,000 SAP users and $1 billion in revenue. In this quadrant, ISG highlights the current market positioning of the abovementioned providers based on the depth of their service offerings and market presence.

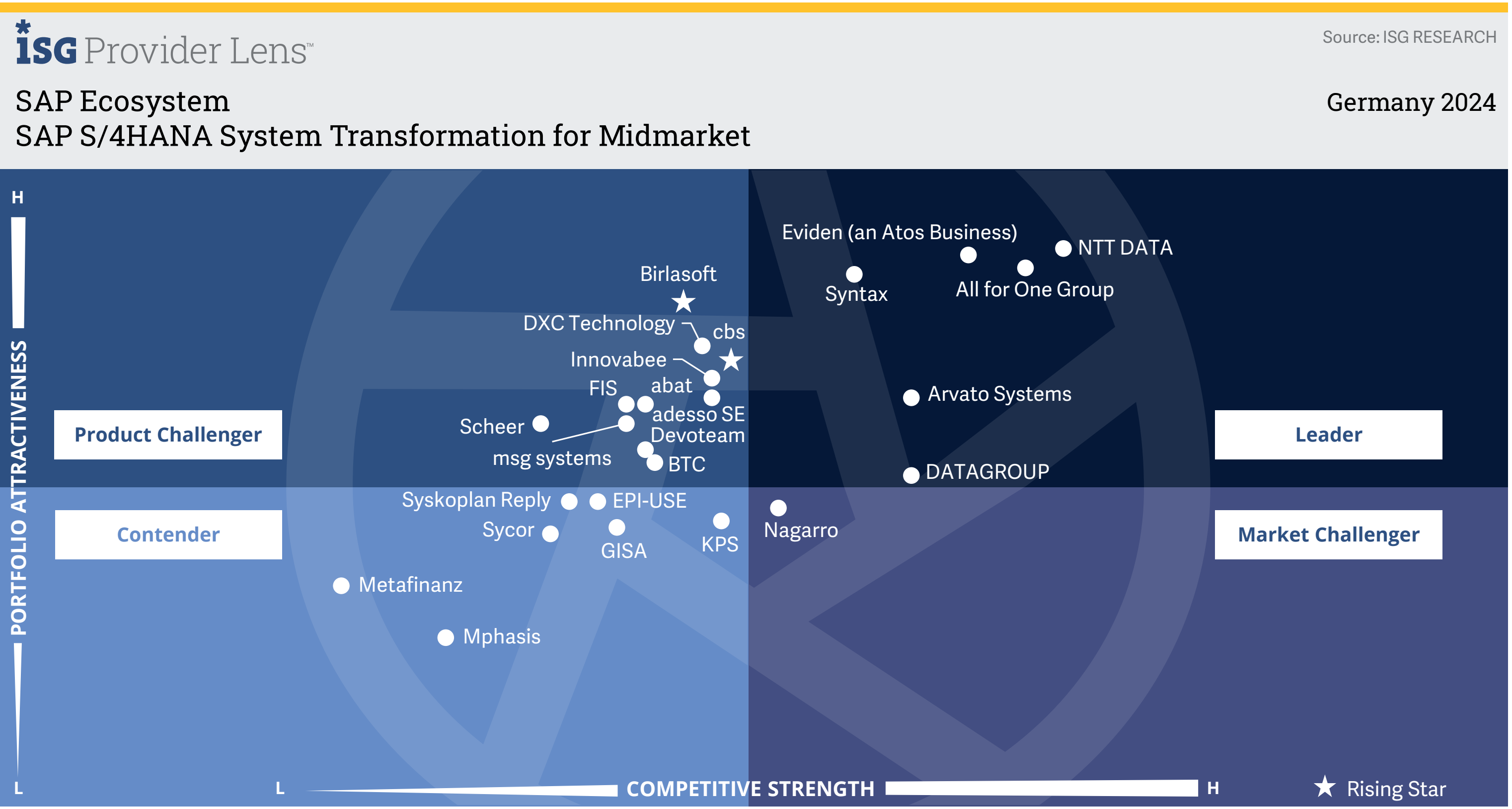
Midmarket enterprises are seeking partners that can guide them in their end-to-end SAP S/4HANA transformation journey. They focus on cost savings and improved efficiency through streamlined processes and enhanced functionalities. They also emphasize industry-specific transformation solutions, thus increasing time to market. Enterprises lag in recognizing the benefits and ROI they will gain through transformation. Other challenges include new regulations and a heterogeneous ERP system landscape.

Enterprises partner with providers for advisory services for S/4HANA implementation. Providers should offer services such as readiness assessments, data strategy, data migration, cloud readiness and fit-gap analysis to gain a deep understanding of enterprises' needs. They should also help enterprises comply with industry-specific regulations and local regulations. Providers should deliver methodologies and services tailored for SAP S/4HANA implementations to reinforce project success rates and expedite assessment and migration tasks, thus addressing the concerns regarding ROI, implementation duration and associated risks. They employ RPA and proprietary platforms to streamline the transformation journey, automate business processes and enhance operational efficiency.

Marketing and sales professionals should read this report for insights into service partners' relative positioning and capabilities to effectively harness SAP S/4HANA services.

Line-of-business, industry and finance leaders should read this report to understand the S/4HANA market and the service provider landscape to distinguish players based on their needs.

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.



This quadrant evaluates providers of transformation services for SMEs in the German market. These service providers have industry knowledge, offer **industry-specific solutions and have a stable network.**

Markus Blunk

Definition

This quadrant assesses consulting and system integration service providers, offering a rapid turnaround for SAP S/4HANA implementations for midmarket clients with fewer complex requirements and smaller project scale than large enterprises. The midmarket clients operate within a country or region and require providers that can contribute to improved business operations.

The participating 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 leveraging standard processes. Multitenant SAP S/4HANA implementations are included but not required for participating in this quadrant assessment. The providers should be able to deliver cloud transformations and services through RISE with SAP for clients in the midmarket segment. They should also be able to help clients strategize transformation agendas depending on business requirements and the complexity of their IT landscape.

This quadrant considers SAP partners that offer accelerators and can simplify SAP deployments for midsize enterprises. The providers typically achieve rapid time to market using solutions and accelerators specific to a client's business needs. Providers of SAP-certified partner packaged solutions 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 welcome but not a condition for participation in this quadrant

Observations

Providers in this segment mainly target the upper midmarket, with the transition to the lower end of the large enterprise segment being fluid. End-to-end support, one-stop shop offering and industry expertise are particularly important for this segment.

Providers must provide end-to-end transformation support. Offerings range from strategic consulting, a fit-gap analysis and roadmap development to transformation and operation. A transformation project often extends beyond the digital ERP core to encompass integration and extension platforms, analysis tools such as the SAP Analytics Cloud, numerous line-of-business solutions, and AI, ML and RPA tools. Leading providers are positioning themselves as one-stop shop providers, capable of supporting partners that can accompany a transformation project from a single source. However, providers' industry expertise is of critical importance. In-depth knowledge of industry-specific processes, corresponding best-practice templates and additional solutions are crucial to bridging gaps in the standard and integration scenarios, including for non-SAP solutions.

Some German SMEs are still hesitant to adopt cloud solutions. It is particularly advantageous if cloud-capable solutions are offered and can be operated in a wide variety of models to ensure easy migration in the future, if necessary.

From the 55 companies assessed for this study, 25 qualified for this quadrant, with six being Leaders and two Rising Stars.

all for one Group

All for One Group is one of the leading providers for the German midmarket and offers solutions for the entire SAP portfolio with its Conversion/4 transformation approach, in-depth industry expertise and strong partnerships.

arvato BERTELSMANN Arvato Systems

Arvato Systems offers a holistic consulting approach with a strong focus on business consulting. It supports various transformation approaches and cloud models, including its Sovereign Cloud. The company excels in optimizing logistics processes.

DATAGROUP

DATAGROUP offers numerous transformation options on public and private cloud platforms. Customers are guided through transformation projects in a gentle approach and supported in ongoing evaluation of the business case.

EVIDEN

Eviden has extensive experience in the German market in both the SME and large customer segments. Its end-to-end portfolio ranges from consulting and transformation to hosting and operation, with core topics that include security and sustainability.

NTT DATA

NTT DATA is one of the leading and most experienced providers in the German SME sector. With in-depth industry expertise, the company collaborates to innovate and develop AI and automation solutions.

Syntax

Syntax is one of the leading providers for German manufacturing companies. The ongoing development of best-practice templates and industry-specific solutions is integral to the company's own agile transformation methodology.

Birlasoft

Birlasoft (Rising Star) offers a wide range of industry-specific solutions, standard integration scenarios to line-of-business solutions, and tools that accelerate analysis and transformation steps.

cbs Consulting

cbs Consulting (Rising Star) is a key provider for midsize manufacturing suppliers in Germany with a global business model. A proven transformation methodology and robust solutions, such as for resilient supply chains and data collection and analysis, consolidate its position.

SAP Application Managed Services

Who Should Read This Section

This report is relevant to enterprises across industries in Germany for assessing the capabilities of SAP application managed service providers, including application optimization, application support and SAP application testing. In this quadrant, ISG highlights the current market positioning of these providers and shows how each addresses the key challenges faced in the region.

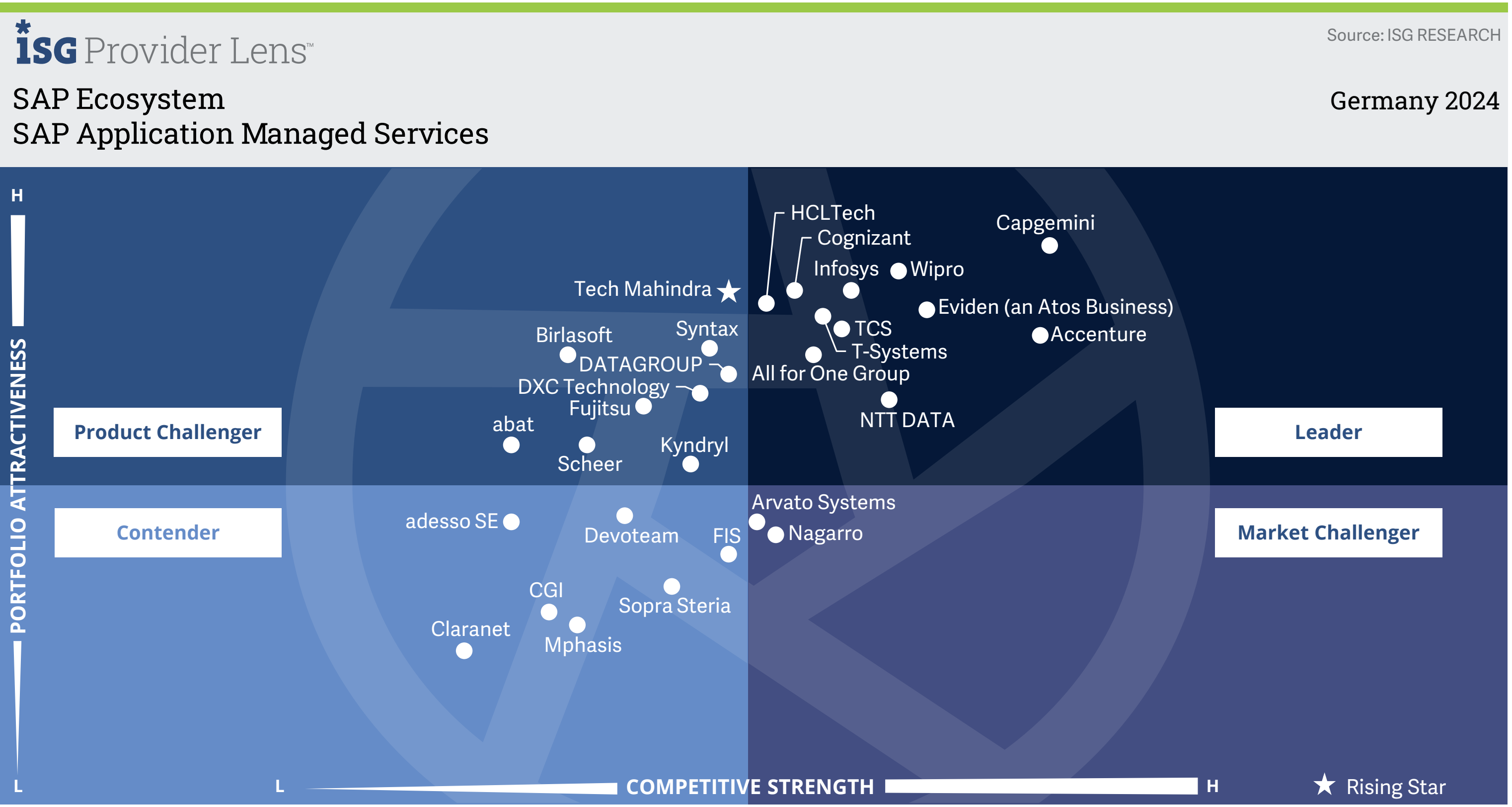
Enterprises are grappling with outdated legacy systems, fragmented IT landscapes, security concerns, and the challenge of maintaining quality standards across their IT landscapes, leading to inefficiencies, increased risk of defects, high operational costs and longer time-to-market. The highly skilled workforce with domain expertise and knowledge in multiple industry compliance norms is also the need of the hour. Enterprises need support for SAP software development, enhancement, upgrade and maintenance. They seek partners equipped with skilled resources to offer application management services using the DevSecOps model to enhance security and streamline development operations.

Providers should address enterprises' local language requirements and assist them in complying with the industry standards. They utilize advanced technologies, such as automation, chatbots and AI, to help streamline operations, improve efficiency, enhance service delivery and reduce costs. They implement robust quality assurance frameworks leveraging technologies to ensure software reliability and accelerate time to market. Providers should also help enterprises with modernization and standardization to improve agility, enhance data coherence and improve CX.

Technology professionals should read this report to understand the strengths and weaknesses of providers offering SAP application managed services and their competency in application management tools.

CIOs should read this report to understand the provider ecosystem for SAP application managed services clearly and compare the various providers.

Procurement professionals should read this report to clearly understand the provider ecosystem for SAP application managed services and compare various providers.



This quadrant evaluates providers that can oversee the operation of SAP systems, including associated **integrations and, where applicable, line-of-business (LoB) solutions.** They specialize in **automating and simplifying operations** with intelligent solutions.

Markus Blunk

Definition

This quadrant assesses service providers' ability to offer managed services, including application optimization, application support and testing for SAP applications. These providers offer expertise, tools and accelerators to manage applications and align with the client's IT and business objectives. The providers have the resources, skill sets and experience to solve clients' challenges and improve application performance. The firms offer optimization, innovation, point-in-time metrics, support and SLAs.

Managed application services for incidents encompass 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 per client requirements. Providers that have the center of expertise certification are rated highly.

This assessment considers the maturity of providers' service delivery process and their ability to offer the automation and analytics of service requests and IT-related processes, such as incident management, change request and release management, version control, application and changes documentation, configuration, SAP solution manager operation, root cause analysis, problem elimination, quality improvement and testing. The assessment considers providers' ability to automate tasks and use AI and ML in the tools leveraged to deliver client services. The quadrant also assesses providers' ability to handle complex solutions while delivering managed services for SAP applications.

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 to stabilize applications and offer **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

Observations

The market for application managed services (AMS) in Germany continues to grow but remains highly competitive. Leading providers specializing in these services become a strong market driver. However, the ongoing shortage of skilled workers and the expanding array of solutions pose challenges for companies striving to operate in an integrated manner and provide consolidated data for analytics. Many companies are unable to provide these skills as required. Leading providers are able to cover a wide range of SAP solutions, draw on local and nearshore/offshore capacities and offer a service management platform to customers.

Furthermore, operations extend beyond the service management framework such as the Information Technology Infrastructure Library (ITIL). Companies facilitate ongoing adaptation and innovation processes through integrated DevOps models with agile variants or ongoing security improvements (agile DevSecOps). In some cases, global innovation and excellence centers are seamlessly integrated.

One of the primary drivers is cost efficiency. The trend toward using AI and RPA to automate standard processes and predict faults persists, along with self-healing options to minimize manual interactions (zero-touch approach). Cost transparency for customers is increasing owing to a broader range of self-services and usage-based pricing models.

From the 55 companies assessed for this study, 28 qualified for this quadrant, with 11 being Leaders and one a Rising Star.

Accenture has immense expertise and local resources to be one of the leading providers in Germany. It offers numerous innovative solutions that automate standard tasks, facilitate troubleshooting and streamline workflows.

All for One Group has a wide range of products and services tailored to the needs of SMEs. It offers clearly structured service packages with high industry expertise and flexible pricing models.

Capgemini has an extensive SAP-certified workforce and is able to seamlessly integrate global resources and expertise into service delivery via one platform. Modern AI and automation tools are a matter of course in the offering.

Cognizant's AMS offering covers broad parts of the SAP portfolio, ranging from infrastructure and platform support to functional support. The company also offers innovative tools that control automated processes and monitor databases and business warehouse (BW) processes in real-time.

Eviden has an extensive AMS portfolio with numerous automation options and integrated processes for ongoing expansion and improvement of security standards.

HCLTech offers an AMS framework that focuses on user experience and business outcomes. It utilizes AI and ML tools to automate numerous services and provide contextual information for efficient support.

Infosys offers a comprehensive SAP Application Managed Services portfolio, facilitating the evaluation of business processes for ongoing operations optimization. The acquired assessment results are integrated into a continuous improvement process.

As one of the leading providers of SAP services for German SMEs, **NTT DATA** can offer AMS covering significant parts of the SAP portfolio. It employs the DevSecOps approach to facilitate ongoing innovations and contribute to improvements in security standards.

TCS has several years of experience and a robust global delivery capability and maintains its local proximity to customers. It employs GenAI and ML tools to provide a modern user experience and reduce manual interactions for cost-efficient operations.

T-Systems delivers AMS tailored to customer needs and aligned with recognized standards and industry-specific requirements. Its AMS offering is platform-independent and geared toward enhancing business value.

Wipro's AMS Framework encompasses a comprehensive toolset for efficient operations and continuous improvement. It enables automating test and data management processes and developing measures to raise security standards.

Tech Mahindra (Rising Star) offers an innovative and scalable AMS portfolio. This offering seamlessly integrates with a proven transformation framework and harnesses the expertise of local and global resources to meet client needs effectively.

Leader

"Capgemini has in-depth industry expertise and maintains close customer proximity. Its AMS offering includes a wealth of innovative tools and is consistently formulated in an industry-oriented manner."

Markus Blunk

Capgemini

Overview

Capgemini is headquartered in Paris, France. It has more than 340,000 employees worldwide. In FY22 the company generated €22.5 billion in revenue, with Applications and Technology as its largest segment. It is a global partner for business and technology transformation. It helps organizations accelerate the transition to a digital and sustainable world with measurable impact. In Europe, Germany is Capgemini's largest SAP market. With over 4,000 employees, more than half of whom are certified, the company delivers SAP AMS services to its clients.

Strengths

Service platform: Capgemini provides AMS via the ADMnext platform. These services are standardized and formulated on an industry-specific basis. This approach reduces the operational complexity and guarantees future scalability.

Automation and test execution: Capgemini Enterprise Automation Fabric offers automation tools for efficient operation. Its Intelligent Automation Platform controls standard processes and automatically monitors interfaces. CAST and C-FAT are used to perform health checks and support functional tests. Similar to SAP, Capgemini relies on Splunk to reduce operational risks and threats.

Robust security tools: Capgemini offers several tools to maintain a high security standard. These tools are utilized for automated testing of software codes, regular penetration tests and testing mobile applications or software composition analysis (SCA).

Customer proximity and delivery capability: Capgemini has considerable local capacities and can operate close to the customer with its many German locations. With the company's Rightshore® approach, global resources are also available to clients – without any interruptions in service provision and with opportunities for scaling, continuous service availability and all the cost benefits.

Caution

Capgemini offers an attractive portfolio for large companies and SMEs. As its external image strongly focuses on the large enterprises segment, its offerings for SMEs could be communicated more actively.

Managed Cloud Services for SAP ERP

Who Should Read This Section

This report is relevant to enterprises across industries in Germany for assessing providers of managed cloud services for SAP ERP. In this quadrant, ISG highlights the current market positioning of these service providers and shows how each provider addresses the key challenges faced in the region. These providers focus on helping enterprise clients migrate and maintain applications on cloud effectively.

Enterprises are adopting cloud solutions for their SAP landscape transition. They consider migrating to SAP S/4HANA an opportunity to transform their business operations. They are embracing automation and DevOps practices to streamline SAP operations on cloud platforms, leveraging tools provided by hyperscalers. However, enterprises face certain challenges in migrating their SAP systems to cloud, including complexities in assessment, strategy formulation and execution. The other concerns are cybersecurity and service desk support for multiple languages.

Enterprises require support to manage evolving needs and ensure system stability across hybrid cloud, multicloud, and public and private cloud environments.

Enterprises seek partners that provide comprehensive services for cloud strategy, migration, operations and managed cloud requirements, leveraging modern technologies like automation and AI. Providers should maintain high availability, support disaster recovery, uphold security standards and manage system complexity. They should utilize frameworks, proprietary tools and solutions for workload migration. This can minimize manual effort and ensure consistent outcomes across hybrid cloud and multicloud environments, improving efficiency, increasing productivity and lowering overall operational costs.

IT and infrastructure leaders should read this report to understand the strengths and weaknesses of SAP ERP managed service providers and discover how their approaches can impact cloud strategies.

Sourcing and procurement professionals should read this report to better understand the current landscape of SAP ERP managed cloud service providers.

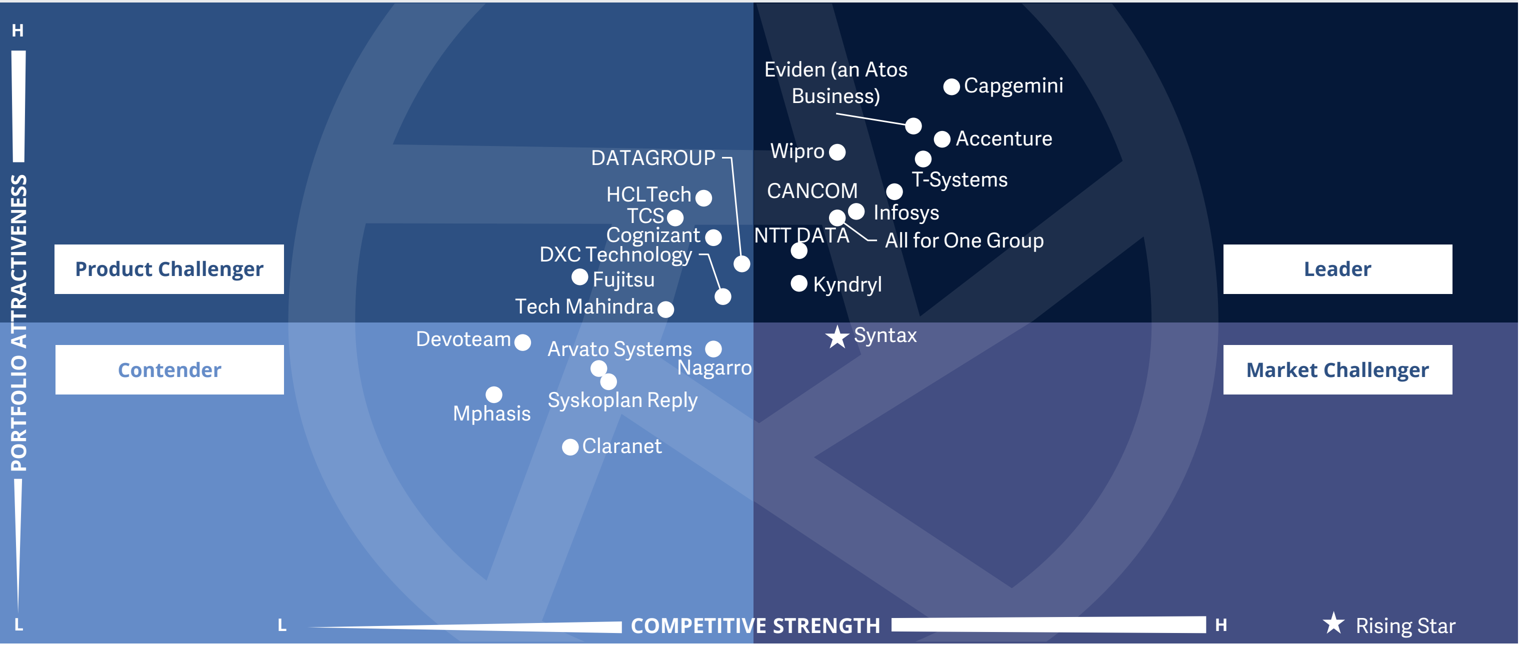
Marketing, sales and field services leaders should read this report to grasp the relative positioning and capabilities of partners that can help them adopt SAP ERP managed cloud services.

ISG Provider Lens™

Source: ISG RESEARCH

SAP Ecosystem
Managed Cloud Services for SAP ERP

Germany 2024



This quadrant evaluates providers that can manage **complex hybrid and multicloud environments** and offer customers simple tools for managing services and automating routine tasks.

Markus Blunk

Definition

This quadrant assesses service providers that manage hybrid cloud environments, security access, infrastructure monitoring, system availability, interface performance, disaster recovery, backup, restoration, data compliance and other infrastructure and cloud operations.

The participating providers can resolve and eliminate clients' initial technical barriers and resistance to moving ERP to the cloud, supporting clients in planning and migrating from private cloud to public cloud infrastructures or from on-premises to cloud infrastructures.

This quadrant evaluates providers demonstrating expertise in maintaining smooth SAP operations that require deep knowledge of SAP S/4HANA and the underlying in-memory database technology. Strong capabilities to optimize this type of application also include data volume management, application code management and cloud cost optimization.

Typical service providers in this quadrant have both SAP and public/private cloud certifications to operate and configure secure SAP S/4HANA operation on-premises and in the cloud. They also have proven managed service expertise to handle on-premises operations if required by clients operating in hybrid environments. The leading providers in this quadrant should have advanced technologies to deliver client infrastructure requirements along with the ability to deliver optimal services, thereby providing significant benefits to clients. Providers in this quadrant must have capabilities, such as tools to automate specific components, to support a post-migration environment for improved operations.

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-certified 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 roadmap, and business case creation
7. Offering tools to automate and support specific **post-migration environment operations**

Observations

The trend toward cloud migration will continue in 2024, even if German customers are more cautious in international comparison. SAP landscapes are often created in hybrid or multicloud environments, implying that either on-premises and cloud applications are mixed or several cloud platforms are used in parallel. Most providers rely on leading hyperscalers and supplement their offerings with various sovereign cloud options hosted on their own data center servers or third-party platforms, such as those developed and operated by IBM. These offerings are required for various sectors in Germany, such as the public sector; they also offer cost benefits to customers.

Customers need to migrate to different platforms with minimal effort without disrupting operations to optimize costs or follow the trends set by SAP. Many leading providers also facilitate administration via a central platform to uniformly manage security, compliance and sustainability issues.

From the 55 companies assessed for this study, 23 qualified for this quadrant, with 10 being Leaders and one a Rising Star.

Accenture offers a robust service portfolio, primarily for the enterprise segment, to automate operations with the help of innovative solutions and predict disruptions. The company aims to collaborate with leading hyperscalers to constantly expand its services.

All for One Group is one of the leading SAP and Microsoft partners and offers services that encompass both worlds at the infrastructure and application levels, particularly for SMEs.

CANCOM specializes in operating cloud infrastructures and has a high level of industry expertise and knowledge of local regulations. It is one of the leading providers for German SME customers.

Capgemini's offerings target the large enterprises segment. Its central platform enables the operation and management of complex cloud infrastructures and customer-owned virtual networks.

Eviden has extensive experience, a broad toolset and a standardized platform for managing heterogeneous cloud platforms for SAP. It supports leading hyperscalers and also provides a bare-metal deployment option.

Infosys has the expertise and capability to be one of the leading providers of managed cloud services in the German market. Its offerings include tools for automation and AI use. The company also serves as an SAP development partner.

Kyndryl offers a robust suite of solutions and has extensive experience in operating and maintaining cloud platforms for SAP. Its portfolio includes tools for automation and measures to secure high availability.

NTT DATA has extensive experience in SAP cloud operations, particularly in the midmarket segment. In addition to providing infrastructure services, it also offers solutions that support executing complex integration scenarios.

T-Systems is one of the leading providers for managing complex hybrid and multicloud environments. Its Sovereign Cloud offering strengthens its position in the market.

Wipro offers comprehensive managed cloud services with a high degree of automation. It offers customers access to a central management platform and a wide range of self-service and consumption-based billing models.

Syntax Systems (Rising Star) has extensive experience managing multicloud environments for SAP. Its offerings include services and tools for security and compliance issues and optimizing cost structure.

Capgemini

Leader

"Capgemini offers tools and services for all standard operating models and distinguishes itself with its comprehensive range of automation tools. Large installations, in particular, benefit from its centralized solutions and platforms."

Markus Blunk

Overview

Capgemini is headquartered in Paris, France. It has more than 340,000 employees worldwide. In FY22 the company generated €22.5 billion in revenue, with Applications and Technology as its largest segment. It is a global partner for business and technology transformation. It helps organizations accelerate the transition to a digital and sustainable world with measurable impact. In Europe, Germany is Capgemini's largest SAP market. Several thousand employees in the managed cloud services division support dozens of German managed cloud services customers from numerous local delivery centers.

Strengths

SAP workload automation: Capgemini's Cloud Automation for SAP (CCAS) automates the migration, operation and optimization of SAP workloads in the cloud. It offers tools for managing and monitoring workloads and network security and executing routine tasks such as system copies and kernel updates. Customers can access self-service catalogs and customize dashboards.

Operating options: Capgemini, as a global SAP partner, holds the highest certification levels from leading hyperscalers. The company can offer end-to-end services, especially for large enterprise customers, owing to its many years of experience in cloud operations and customer infrastructure support.

Central management and comprehensive toolbox: Capgemini offers numerous tools for automation and can establish customer-owned virtual networks (SD-WANs) across heterogeneous platforms. The Capgemini Managed Cloud Platform helps manage workloads centrally, control costs and operations transparently, and handle security issues effectively. The platform allows for the setup of numerous services and dashboards and makes AI and ML tools accessible. The company utilizes its event-driven infrastructure and automation options to significantly lower operating costs.

Caution

Capgemini offers all variants for operating complex SAP environments, offering customers flexibility and a comprehensive range of tools and automation aids. Midsize companies with smaller installations may benefit from packaged offers featuring usage-based pricing models.

SAP SuccessFactors HXM Partner Services

Who Should Read This Section

This report is relevant to enterprises across all sectors in Germany for evaluating SAP SuccessFactors HXM Suite service providers. In this quadrant, ISG highlights the current market positioning of providers that implement and manage SuccessFactors and how they address the challenges faced by enterprises in the region. In addition to having technical skills, the SAP partners in this quadrant transform HR talent management and customize HR services to meet regional needs.

Enterprises prioritize employee experience as a critical factor in driving organizational success. They are increasingly investing in solutions and platforms that provide employees with a seamless, consumer-grade experience across all touchpoints. There is a push toward establishing standardized HR processes catering to the entire workforce to enable efficiency, consistency and scalability in HR operations. Enterprises seek partners with payroll and time management expertise to fulfill local requirements and support them in transitioning to new operating models.

They also face challenges in managing a hybrid system, deploying complex third-party integration for payroll and handling upgrades.

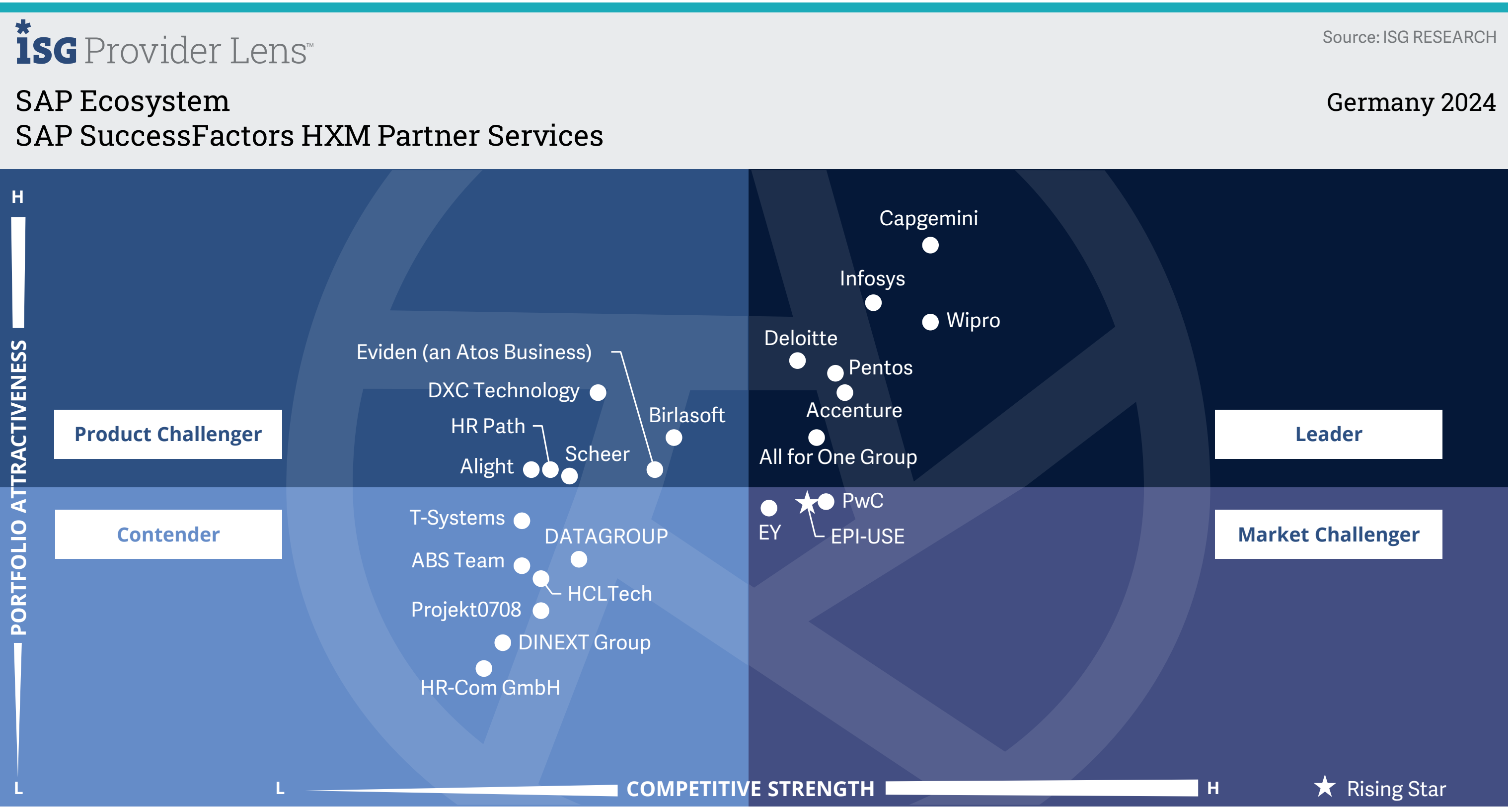
Enterprises seek partners that can help them leverage analytics to make informed decisions about their workforce, leading to more effective talent management strategies. They prefer local providers due to their proximity and better understanding of local regulations. Providers should deliver custom configurations to meet complex business requirements and adopt industry best practices. They should offer digital technologies to enhance employee experience and streamline operations.

Technology professionals should read this report to understand how service providers integrate and manage the latest technologies into their SAP HXM offerings.

Human resources professionals should read this report to understand the ability of SAP HXM service providers to digitally transform HR operations and processes.

Sourcing and procurement professionals should read this report to understand the ecosystem of SAP HXM service providers and how these providers are compared.

CHRO executives should read this report to understand how SAP partners can digitally transform HR and understand the strategic benefits generated for their companies.



This quadrant evaluates the leading providers in the German market that can support the upcoming **transformation** of **talent solutions and time and billing systems** with suitable tools and service offerings.

Markus Blunk

Definition

SAP SuccessFactors HXM Partner Services quadrant assesses service providers that implement and manage SAP SuccessFactors HXM Suite, including Core HR and Payroll, Talent Management, HR Analytics, and Workforce Planning on on-premises or cloud infrastructure. In addition to technical skills, suppliers in this quadrant have business experience, transforming HR talent management and HR services customized to meet the country's local needs.

The providers have dedicated practice for talent and HR management, including skilled personnel in deploying and managing SAP SuccessFactors. The providers are adept in deploying the solution on the cloud or on-premise and migrating data to SAP SuccessFactors. The providers also help by leveraging the SAP Human Experience Management (HXM) technology suite. SAP HXM suite offers AI-powered solutions to meet individual needs and drive organizational agility at scale.

Leading providers in this quadrant have developed assets and tools to accelerate this transformation and deliver significant benefits to their customers in the areas of strategy, implementation and management of SAP HXM solutions.

The providers in this quadrant have expertise across data migration, customization, integration, change management, testing and support. The providers also help in data governance, security and compliance with local and regional data regulations. Some of the impacts these providers have delivered include reduced implementation timelines, simplified upgrades, lower costs and increased performance in HR, talent and payroll functions.

Eligibility Criteria

1. **SAP certifications** for cloud and on-premise deployments of SAP SuccessFactors
2. Ability to **integrate** with other applications in the IT landscape
3. Offering tools and accelerators for **deployment and maintenance**
4. Employee base of **certified professionals** in SAP SuccessFactors
5. **Deployed more than one module** for clients across regions over the last 12 months

Observations

Large international and small local providers are present in this market. On one hand, it is crucial to strategically map key changes in HR and find the right IT solutions. On the other hand, in-depth payroll and time management knowledge and the ability to map local requirements while guiding customers toward their new operating models are equally essential. Small providers, owing to their proximity to local customers, are well-positioned to excel in this regard and maintain their market access.

Most providers can now significantly accelerate implementation projects and minimize migration risks with solution packages and best-practice templates. HXM-related SAP solutions such as Fieldglass, Qualtrics and the SAP Analytics Cloud are used in large solution landscapes. Typically, only large providers can deliver this portfolio breadth from a single source.

From the 55 companies assessed for this study, 23 qualified for this quadrant, with seven being Leaders and one a Rising Star.

accenture

Accenture supports clients in HR transformation and facilitates alignment with strategic business objectives. With a broad network, Accenture has a comprehensive portfolio and numerous solution extensions.

all for one Group

All for One Group offers end-to-end services and solution packages, particularly for SMEs. These packages extend its SuccessFactors offering with additional solutions and integrations under one user interface.

Capgemini

Capgemini has an end-to-end offering for HR transformation. It focuses on developing employee-centric solutions that use AI to build future-proof employee experiences and sustainable engagement.

Deloitte.

Deloitte offers accelerators for HR transformation projects and supports organizational change management (OCM). It also offers automation tools for converting and guaranteeing data quality during data migration.

Infosys

Infosys has excellent expertise in HR core and payroll topics. It also excels in integrating many SAP solutions with SuccessFactors. It offers accelerators for various HR processes and facilitates orientation and implementations.

Pentos

Pentos, a longstanding SuccessFactors partner with a clear focus on the German market, impresses with its flexibility and proximity to customers. It has expanded its delivery capability to include strategic HR consulting and technical solution capabilities.

wipro

Wipro has the expertise and workforce to execute large-scale HR transformation projects. Its portfolio includes tailored solutions for HR Core, Payroll and the operation of large SuccessFactors systems.

EPI-USE

EPI-USE (Rising Star) is a global provider of SAP HXM services with extensive experience in the German market. Its offerings cover the entire HR solution lifecycle and AI-powered tools to improve operations and UX.

Capgemini

Leader

"Capgemini supports large clients with its Large Transformation Program methodology. With numerous tools and best-practice templates, it efficiently executes projects for midsize clients and organizations in the public sector."

Markus Blunk

Overview

Capgemini is headquartered in Paris, France. It has more than 340,000 employees worldwide. In FY22 the company generated €22.5 billion in revenue, with Applications and Technology as its largest segment. It is a global partner for business and technology transformation. It helps organizations accelerate the transition to a digital and sustainable world with measurable impact. In Europe, Germany is the largest SAP market for Capgemini. With more than a dozen of German large enterprise customers in the HXM field, the provider has the largest customer base in this area.

Strengths

From the vision: As one of the largest SAP partners in Germany, Capgemini covers the entire SAP SuccessFactors HXM portfolio and supports its clients through its in-depth industry expertise that ranges from developing corporate vision and employee strategy to crafting an HR transformation roadmap.

To operations: Capgemini focuses on developing operating and organizational models based on a company's maturity level. Suitable outsourcing offers complement these models. The company can act as a local partner and simultaneously leverage its global centers of excellence and specialized Ninja Teams to address unique challenges.

Innovation solutions to tackle contemporary challenges: The transition toward sustainable HR and fostering a learning culture requires tools for managing talent, skills and diverse communication channels. These tools include the Digital Experience and Engagement Platform, Employee Listening and the Talent Intelligence Hub. With the help of AI tools, data can be used in a modern for new insights and automation options.

Caution

Capgemini's comprehensive offerings leave minimal room for discrepancies. Many customers, especially SMEs, find their way into the SAP HXM portfolio via individual processes or modules. The company could prioritize highlighting use cases that illustrate different transformation paths undertaken by customers.

Star of Excellence

A program, designed by ISG, to collect client feedback about providers' success in demonstrating the highest standards of client service excellence and customer centricity.

Source: ISG Star of Excellence™ research program, Insights till January 2024

In the ISG Star of Excellence™ research on enterprise customer experience (CX), clients have given feedback about their experience with service providers for their **SAP Ecosystem** services.

Based on the direct feedback of enterprise clients, below are the key highlights:

Client Business Role

▲ **Most satisfied**
Sales/Marketing

▼ **Least satisfied**
Human Resources

Region

▲ **Most satisfied**
Australia/New Zealand

▼ **Least satisfied**
Africa

Industry

▲ **Most satisfied**
Consumer packaged goods

▼ **Least satisfied**
Oil and Gas

Industry Average CX Score

77.5

▲ Highest CX: 84
▼ Lowest CX: 45

CX Score: 100 most satisfied, 0 least satisfied
Total responses (N) = 565

Most Important CX Pillar

Business Continuity and Flexibility

Service Delivery Models	Avg % of Work Done
Onshore	52%
Nearshore	20.7%
Offshore	27.2%

Appendix

The ISG Provider Lens 2024 – SAP Ecosystem study analyzes the relevant software vendors/ service providers in the Germany market, 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 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 March 2024, 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.

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

capitalize author

Markus Blunk
Lead Analyst, ISG Provider Lens™

Markus Blunk has been working in the IT industry for more than three decades. He became a part of the SAP ecosystem 13 years ago, alongside Wolfgang Schmidt, as one of the first pure cloud partners. He has been involved in the creation of cloud implementation and solution templates; the transformation of SAP consulting companies, with traditional business models, into cloud-oriented entities; and the development of ecosystems and multi-level partner models.

He has supported numerous customers undergoing cloud transformation and was a part of the board of an SAP solution and professional service provider forthree years. At present, as a freelance consultant, he supports customers, partners and providers in the development of IT strategies, the procurement and implementation of cloud solutions, change management and the development of sustain able operating models. In 2023, he has worked with ISG as an analyst.

Analyst for Corporate Context and Global Overview

Vartika Rai
Research Analyst

Vartika Rai is a research analyst at ISG and is responsible for supporting and co-authoring the Provider Lens™ Analytics - Services and Platforms and SAP Ecosystem studies. 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 consultants and enterprise clients on ad hoc research assignments.

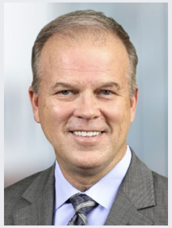
Vartika started her current role in June 2022, prior to which she worked on secondary research, competitive analysis, market trends and newsletter analysis.

Study Sponsor

Aman Munglani
Director Ecosystem Studies,
Custom Research & Digital innovator series

A recognized thought leader and industry advisor with over 23 years of experience in emerging technologies, Emerging vendors and infrastructure, Aman Munglani has spent much of his professional life advising the C-suite of Global 2000 companies on digital strategies, start-up engagement, innovation, technology roadmaps and vendor management. Prior to ISG, Aman spent twelve plus years at Gartner guiding CIOs and IT managers across Asia Pacific and Europe on emerging technologies, their use cases and maturity, infrastructure trends and technologies, vendor comparisons, and RFP reviews. He also advised many global and Asia-Pacific vendor organizations on their go to market, product and pricing strategies and applicable competitive scenarios.

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.

ISG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: Public Sector.

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ISG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including AI and automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis.

Founded in 2006, and based in Stamford, Conn., ISG employs 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit isg-one.com.

APRIL, 2024

REPORT: SAP ECOSYSTEM