

NEAT EVALUATION FOR NTT DATA:

Salesforce Services

Market Segments: Overall, MuleSoft Services

Introduction

This is a custom report for NTT DATA presenting the findings of the NelsonHall NEAT vendor evaluation for *Salesforce Services* in the *Overall* and *MuleSoft Services* market segments. It contains the NEAT graphs of vendor performance, a summary vendor analysis of NTT DATA for Salesforce services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering Salesforce services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in Experience Cloud Services, Field Services, Commerce Cloud Services, Marketing Cloud Services, Revenue Cloud Services, MuleSoft Services, and Vlocity Services.

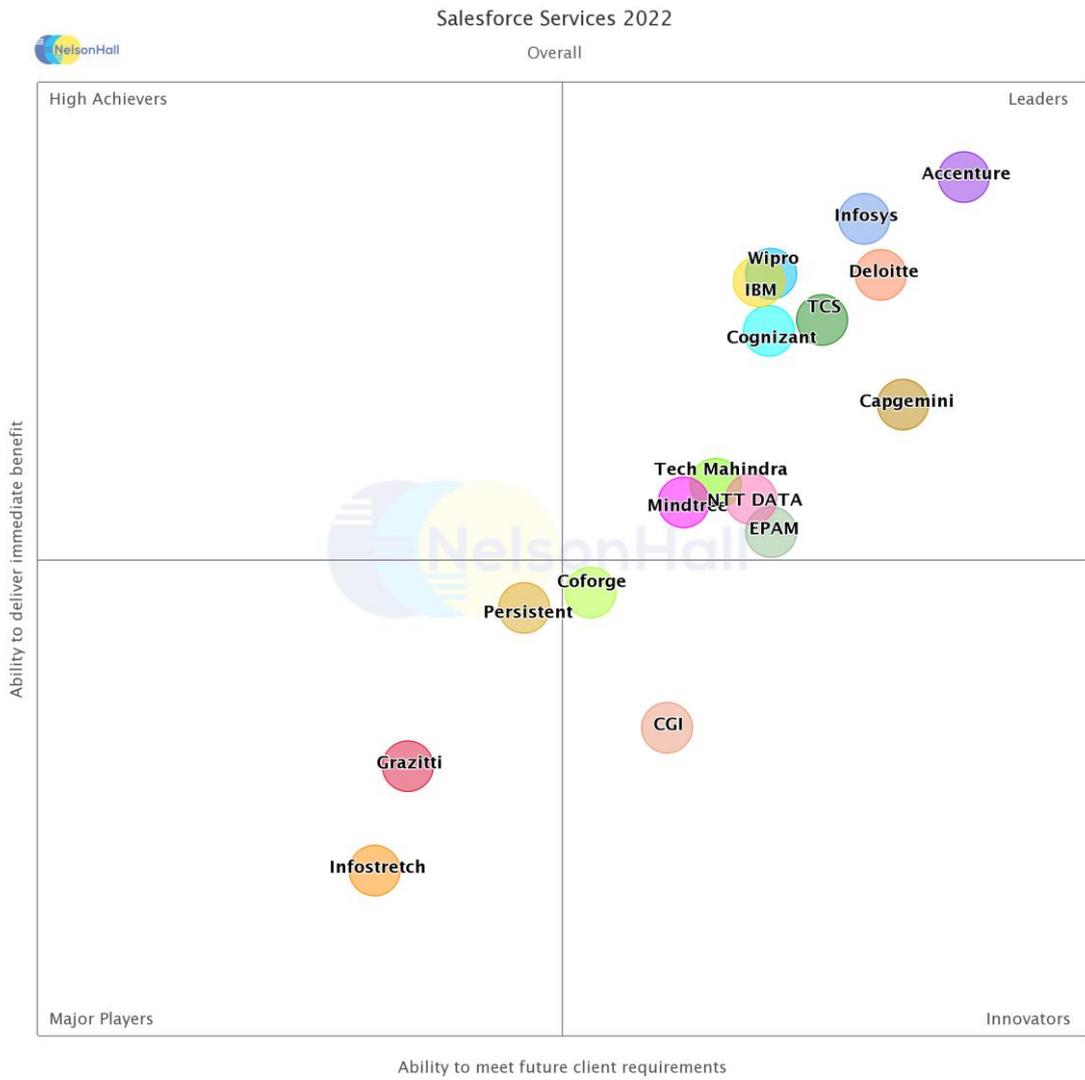
Evaluating vendors on both their ‘ability to deliver immediate benefit’ and their ‘ability to meet client future requirements’, vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Accenture, Capgemini, CGI, Coforge, Cognizant, Deloitte Consulting, EPAM Systems, Grazitti Interactive, IBM, Infostretch, Infosys, Mindtree, NTT DATA, Persistent, TCS, Tech Mahindra, and Wipro.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: Salesforce Services (Overall)



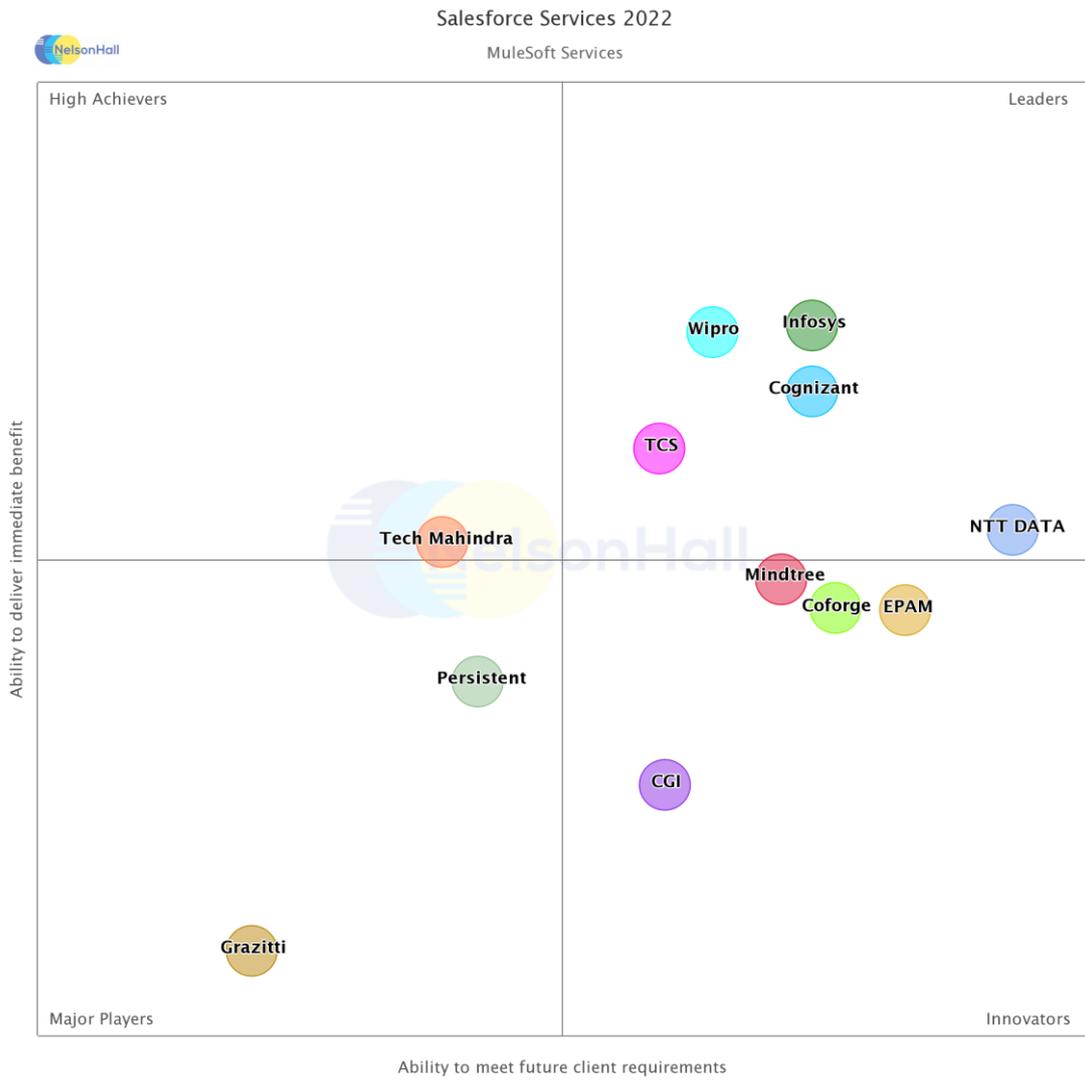
NelsonHall has identified NTT DATA as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects NTT DATA’s overall ability to meet future client requirements as well as delivering immediate benefits to its Salesforce services clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *Salesforce Services* NEAT tool (*Overall*) [here](#).



NEAT Evaluation: Salesforce Services (MuleSoft Services)



NelsonHall has identified NTT DATA as a Leader in the *MuleSoft Services* market segment, as shown in the NEAT graph. This market segment reflects NTT DATA’s ability to meet future client requirements as well as delivering immediate benefits to its Salesforce services clients with specific capability around the MuleSoft product.

Buy-side organizations can access the *MuleSoft Services* NEAT tool (*MuleSoft Services*) [here](#).



Vendor Analysis Summary for NTT DATA

Overview

NTT DATA has ~2.5k Salesforce-certified practitioners across 30 countries, with a total of ~4.5k certifications.

The company has structured its Salesforce capabilities by region: North America, Europe/LatAm, and Japan/APAC/China. Each area has its own Salesforce practice with its own P&L and responsibility for sales & marketing, offerings, delivery and consulting, and alliances. The local Salesforce practices are then verticalized across banking, insurance, telecom, utilities and energy, and the public sector.

To complement its local Salesforce practices, NTT DATA relies on a series of COEs, e.g., MuleSoft, Tableau, and Vlocity.

NTT DATA highlights the following differentiation of its Salesforce capabilities: the company has invested in building local onshore practices rather than relying on a pure offshore approach, and deploys a consulting and business process reengineering understanding as part of this approach.

Also, NTT DATA has invested more in topics relevant to clients and pieces of thought leadership, e.g., COVID-19 and industry-specific topics, to gain further visibility in the marketplace, and to demonstrate its relevance to clients.

The company continues to push its industry alignment. An example is NTT DATA's GIDP, which it deployed for a U.S. insurance client who wanted to launch a new life and annuity insurance product in 45 days. GIDP combines a reference architecture that integrates the Service and Sales Cloud and Vlocity, and relies on MuleSoft to integrate the client's claims management and policy administration systems. Along with its reference architecture, NTT DATA brought its repository of business processes and its investments in RPA, chatbots, and AI.

Another example for the communication service provider industry is Telecom Integrated. Its reference architecture integrates applications from the front-office with Salesforce and Vlocity and Nokia and Amdocs (BSS) to network management and OSS (Nokia and Amdocs). The integration of different products relies on MuleSoft.

In broad terms, NTT DATA has core capabilities around Salesforce's core Cloud Sales and Service and is expanding to Commerce and Marketing. NTT DATA is driving this effort primarily through recruitment and training in this space. Within Sales Cloud, NTT DATA is pushing CPQ, working with Salesforce and Vlocity.

NTT DATA's specific Salesforce capabilities are summarised below:

Experience Cloud

NTT DATA has worked on Experience Cloud (EC) in several use cases: partner portal, resident/citizen portal, employee portal, and stakeholder/community management. The company highlights that EC requires services such as UX design, and integration with Salesforce and third-party integration, playing into the technical strengths of the larger NTT DATA entity.

Marketing Cloud

NTT DATA highlights that most clients adopt Marketing Cloud to maximize their Salesforce core Clouds investment. The company targets complex projects across developing email/marketing automation (B2B/Pardot), data modeling, data lake, and analytics architectures. It tends to



take a more data-related technical service approach to Marketing Cloud projects to differentiate from marketing agencies.

Commerce Cloud

NTT DATA has had a historical strength in SAP hybris, notably thanks to NTT DATA Business Solutions (the former itelligence), a primary SAP service partner in DACH. The company also has capabilities in Adobe Commerce Cloud, CloudCraze/B2B Commerce, and custom e-commerce applications.

MuleSoft and Multi-Cloud

Alongside consulting, NTT DATA showcases its Cloud capabilities to help clients implement Salesforce products. It acknowledges that clients increasingly use Salesforce as a platform for further development and application implementations. The company focuses on MuleSoft, as Salesforce's favorite integration tool through APIs, specifically Sales and Service Clouds for its Customer 360.

NTT DATA highlights that MuleSoft's PaaS offering has driven much success, with many integration projects across client-server, web, and mainframe applications. The company relies on its MuleSoft CoE for resources, best practices, standard tools, and accelerators. MuleSoft capabilities include:

- Consulting and solution architecture
- API development and testing
- Middleware migration services from other integration COTS to MuleSoft
- Support and maintenance.

Vlocity/Salesforce Industries & Vertical Solutions

Salesforce Industries is a critical element of NTT DATA's value proposition. The company has aligned on the different vertical Cloud products and Vlocity to provide multi-cloud-based solutions backed by business consulting and process reengineering.

Financials

NelsonHall estimates that NTT DATA's Salesforce revenues in 2021 were \$270m.

Strengths

- *Consulting*: thanks to its acquisitions, NTT DATA has gained business consulting capabilities that bring adjacent skills such as business consulting and sector knowledge.
- *Experience Cloud*: the company has expertise backed by two solutions, which demonstrate its capabilities
- *Marketing Cloud*: rather than competing on the full Marketing Cloud sub-products, NTT DATA has focused on Pardot and data (cloud data lakes and data modeling). The company also has one solution for its data strength. We would like NTT DATA to deepen its Marketing Cloud, for instance, with specialized offerings such as migration from Marketo Engage
- *MuleSoft*: the company has structured its capabilities and has a methodology for C4E. It also has several accelerators such as Proxy Acceleration Platform and connectors



- *Vlocity/Salesforce Industries*: the company has selected its industries and focuses on telecom, insurance, and utilities, with three underlying solutions to demonstrate its capabilities.

Challenges

- In Commerce Cloud, the company has built its B2B Commerce capabilities but lacks solutions and accelerators to back it
- In Field Service, the company has integrated Field Service with CPQ. The potential for more specialized services remains
- The greatest challenge is also NTT DATA's strength; the company has a federal approach with geographies being in control. This drives entrepreneurship at the geo level but provides coordination and re-use challenges. The Global One CoE addresses this issue
- Delivery network balance: while NTT DATA had a balanced onshore/offshore delivery network in pre-COVID-19 times, the pandemic and the growing importance of technical skills such as MuleSoft will require NTT DATA to accelerate its delivery presence in India.

Strategic Direction

NTT DATA has multiple priorities between now and 2025:

- Further strengthening its consulting expertise in its core verticals, i.e., insurance, healthcare, manufacturing, banking, telecom, utilities, and public sector
- Expanding internationally in APAC, specifically Indonesia, and LatAm, specifically Mexico and Colombia
- Strengthening its specialized capabilities, e.g., MuleSoft, Vlocity, Commerce Cloud
- Growing its delivery network off/nearshore
- Driving custom innovation through MVPs and PoCs with clients and Salesforce
- Accompanying Salesforce with its new products, e.g., Sustainability Cloud, Slack/Digital Headquarters, internally and with external clients.

NTT DATA has bold ambitions and wants to double revenues by 2025, achieving ~5k certified professionals (from 2k at the end of 2021). To achieve this growth, NTT DATA will rely on both organic development and M&As.

Outlook

With NTT DATA having a federal structure with geographies as key business units, its challenge is coordinating its different activities across geographies and service lines. Examples include the 2021 acquisition of Nexient, an agile ADM firm based in the U.S., and, in 2022, Vectorform, a U.S. consulting and digital product firm.

The challenge will be to drive coordination between its Salesforce and digital units across geographies. This is a priority for NTT DATA.



Salesforce Services Market Summary

Overview

The advance of the Salesforce service market is closely linked to Salesforce's Cloud and software products' success, which has become a standard among front-office applications. Salesforce is growing very fast and has done so despite the COVID-19 pandemic, with clients continuing to deploy Salesforce across products.

Demand for Sales, Service, and Experience Cloud remains significant but slowing. New products (e.g., Marketing, Commerce, Revenue Cloud, MuleSoft, quote-to-cash, the vertical Clouds, and Vlocity) will drive adoption. Demand for Tableau and Slack will remain anecdotal.

As a result of massive Salesforce adoption, the service ecosystem is booming, led by implementation services. Salesforce projects are digital transformation projects. They require traditional process re-engineering, change management, and new business model and UX consulting services.

Buy-Side Dynamics

Two buy-side segments dominate the market:

- *Business Adopters*, i.e., organizations that need to refresh their aging front-office applications and select Salesforce products as a starting point for developing their front-end applications. *Business Adopters* are multi-Cloud users
- *IT-Focused Organizations*, i.e., organizations considering their Salesforce investment as an IT project to simplify and rationalize their IT and lower operating costs.

Market Size & Growth

The Salesforce services market is dynamic. Salesforce emerged as a niche vendor (for sales force automation) and has now become the leader in enterprise applications and a platform on which clients create their software. Salesforce intends to reach \$50bn in revenues by FY 2026. This corresponds to a 2021-25 CAGR of 13.5%. Accordingly, Salesforce service spending will rise from \$14.1bn in 2021 to \$16.8bn in 2022, reaching \$26.7bn in 2025.

The U.S. is the largest market. Salesforce is focusing on international expansion to sustain its growth. Service spending is increasing in global markets, even though the U.S. remains the largest geo. If Salesforce makes further significant acquisitions as NelsonHall expects, these M&As will strengthen the service opportunity in the U.S.

Salesforce adoption is broad-based across sectors. Beyond horizontal applications for their customer service, marketing, and e-commerce functions, organizations require a sector-relevant solution. While Salesforce is pushing verticalization, with the recent Vlocity acquisition aiding this effort, the company still has room for further verticalization.



Success Factors

- For *Business Adopters*, successful vendors need to bring core functional and technical expertise; for example:
 - Business consulting and business process re-engineering
 - Salesforce configuration, additional development, integration with other applications relying on agile methodologies, and roll-out
 - Technological accelerators and specialized offerings (e.g., Lightning Experience and data migration) to demonstrate their technical skills
- For *IT-Focused Organizations*, successful vendors need to demonstrate the benefits of Salesforce; for example:
 - In IT infrastructure, simplifying IT (e.g., hosting operations, including the deployment of new releases) and reducing costs
 - At the application level, minimizing customization and lowering maintenance costs.

Outlook

- New Salesforce products will drive the growth, e.g., MuleSoft, Field Services Cloud, Revenue Cloud, Marketing Cloud, and Commerce Cloud. Other products such as Tableau and Slack will drive traction in services
- Service partners focus on mining their clients that are adopting multiple Clouds. Yet, multi-cloud implementations are increasing the complexity of engagements. They require vendors to expand their capabilities while mitigating implementation risks
- Partners also emphasize their industry solutions, which are reference architectures and templates. With Salesforce ramping up its vertical solutions., service partners will keep on adapting to Salesforce's growing vertical portfolio, balancing clients' immediate appetite for vertical solutions and Salesforce's vertical expansion
- A significant share of the Salesforce client base is the mid-market, which requires more packaged offerings such as health checks and assessments and vanilla template implementation in less than three months. While large clients need custom services, packaged services, especially during the consulting phase, are reassuring to clients
- SaaS implementations bring post-implementation opportunities to help clients re-engineer their processes, improve their UX, and adopt new features brought by Salesforce
- Organizations currently focus on transactional systems to fill their functionality needs. However, they will need to turn to data analytics and AI to make sense of the wealth of data now stored in Salesforce applications
- BPaaS offerings will take time to become mainstream. While several vendors have launched BPaaS offerings, their commercial success will take time to materialize.



NEAT Methodology for Salesforce Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

‘Ability to deliver immediate benefit’: Assessment criteria

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> Emerging products Advisory and consulting services Implementation services Managed services Experience Cloud Marketing Cloud Commerce Cloud Field Service Revenue Cloud MuleSoft Vlocity
Delivery	<ul style="list-style-type: none"> U.S. U.K. CE MEA Offshore and nearshore Japan RoAPAC LatAm Global
Presence	<ul style="list-style-type: none"> Customer presence in N. America Customer presence in U.K. Customer presence in CEMEA Customer presence in APAC Customer presence in LatAm Customer presence globally
Benefits Achieved	<ul style="list-style-type: none"> Level of cost savings achieved Timely implementation Improved access to next-generation Salesforce capabilities Increased sales engagement Increased customer satisfaction Increased speed to market Increased end-user/business satisfaction Reduced turnaround time for customers/operations Correlation in vendor fees to objective achievement Perception of “value for money”



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Levels of Investment	<ul style="list-style-type: none"> Advisory services Implementation services Testing Post-implementation and managed services Experience Cloud Marketing Cloud Commerce Cloud MuleSoft Field Service Cloud Revenue Cloud Vlocity Emerging products
Ability to Innovate	<ul style="list-style-type: none"> Mechanisms in place to deliver client innovation Extent to which client perceives that innovation has been delivered Suitability of vendor to meet future needs of clients Strength of partnership
Other	<ul style="list-style-type: none"> Market momentum Financial security

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



research.nelson-hall.com

Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:
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