Everest Group PEAK Matrix® for SAP Business Application Service Providers 2022

Focus on NTT DATA

December 2022

Background of the research

Enterprises have been leveraging SAP for a decades to effectively manage and streamline their day-to-day core business operations. In the recent past, SAP has invested meaningfully to further its predominantly on-premise enterprise products toward cloud-based ones; noticeably launching RISE with SAP. SAP service providers have also mirrored this vision and have invested in tools and accelerators that will help enterprises switch to cloud with minimal issues and delays

Also, enterprise expectations have shifted beyond traditional ERP modernizations to drive domain-specific innovations around customer and employee experience and to help enterprises adopt SAP Business applications effectively. To address the evolving enterprise expectations, service providers are skilling talent across products and furthering partnerships with SAP, leading cloud vendors, and specialist technology partners to develop innovative client-centric solutions

In this research, we present an assessment and detailed profiles of 25 service providers featured on the SAP Business Application services PEAK Matrix® Assessment 2023. Each provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2022, interactions with leading service providers, client reference checks, and an ongoing analysis of the enterprise platform services market.

The full report includes the profiles of the following 25 leading service providers featured on the SAP Business Application services PEAK Matrix®:

- **Leaders:** Accenture, Capgemini, Deloitte, EY, IBM, and NTT DATA
- **Major Contenders:** Atos, Birlasoft, Bosch Software and Digital Solutions, Cognizant, DXC Technology, HCLTech, Hitachi Vantara, Infosys, Mindtree, PwC, Reply, TCS, Tech Mahindra, and Wipro
- **Aspirants:** Applexus Technologies, Fujitsu, Mphasis, Stefanini, and Zensar

Scope of this report

Geography
Global

Providers
25 leading SAP
service providers

Services
SAP business
applications

Introduction and scope

Everest Group recently released its report titled "SAP Business Application Services PEAK Matrix® Assessment 2023". This report analyzes the changing dynamics of the SAP business application services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 25 service providers on the Everest Group PEAK Matrix® for SAP Business Application Services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of SAP business application service providers based on their absolute market success and delivery capability.

Based on the analysis, **NTT DATA emerged as a Leader.** This document focuses on **NTT DATA's** SAP business application service experience and capabilities and includes:

- NTT DATA's position on the SAP Business Application Services PEAK Matrix
- Detailed SAP business application services profile of NTT DATA

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements and match them against service provider capability for an ideal fit.

Source: Everest Group (2022)

SAP Business Application Services PEAK Matrix® characteristics – global

Leaders:

Accenture, Capgemini, Deloitte, EY, IBM, and NTT DATA

- Leaders are characterized by their ability to successfully execute complex, multi-continent, multi-product, advisory-led SAP business application transformations, underpinned by their strong global delivery network
- These providers have strong partnerships with SAP and all the leading cloud vendors and specialist technology partners to build and innovate client-specific solutions
- They have a strong focus on talent – heavily invested in upskilling and cross-skilling resources and certifying their talent across multiple SAP solution areas
- They have a mature suite of horizontal and verticalized solutions to accelerate time-to-market for their clients

Major Contenders:

Atos, Birlasoft, Bosch Software and Digital Solutions, Cognizant, DXC Technology, HCLTech, Hitachi Vantara, Infosys, Mindtree, PwC, Reply, TCS, Tech Mahindra, and Wipro

- These providers are making continued investments in building horizontal proprietary tools, solutions, and accelerators that can be used across industries to enhance their services delivery capabilities
- They take a balanced organic and inorganic approach to fill gaps across their SAP business application services portfolio and further improve their global delivery footprint
- They have built meaningful capabilities to deliver SAP business application services – implementation and management/run; however, their service portfolios are not as balanced and comprehensive as those of Leaders (in terms of coverage across SAP business application service segments, products, service type, geographies, or verticals)
- They bring in deep domain expertise in their focused verticals, curating strong domain-specific solutions

Aspirants:

Applexus Technologies, Fujitsu, Mphasis, Stefanini, and Zensar

- Aspirants have good proof points in delivering implementation and maintenance of SAP business application services of low- to medium-complexity for Small and Mid-sized Buyers (SMBs)
- They are either focused on a certain region(s) or vertical(s) or currently have a relatively small SAP practice
- Clients acknowledge Aspirants' client-centric approach, pricing, and commercial flexibility as well as account management flexibility as their key differentiators

Everest Group PEAK Matrix®
SAP Business Application Services PEAK Matrix® Assessment 2022 – Global | NTT DATA positioned as a Leader

Everest Group SAP Business Application Services PEAK Matrix® Assessment 2022 – Global[1,2]
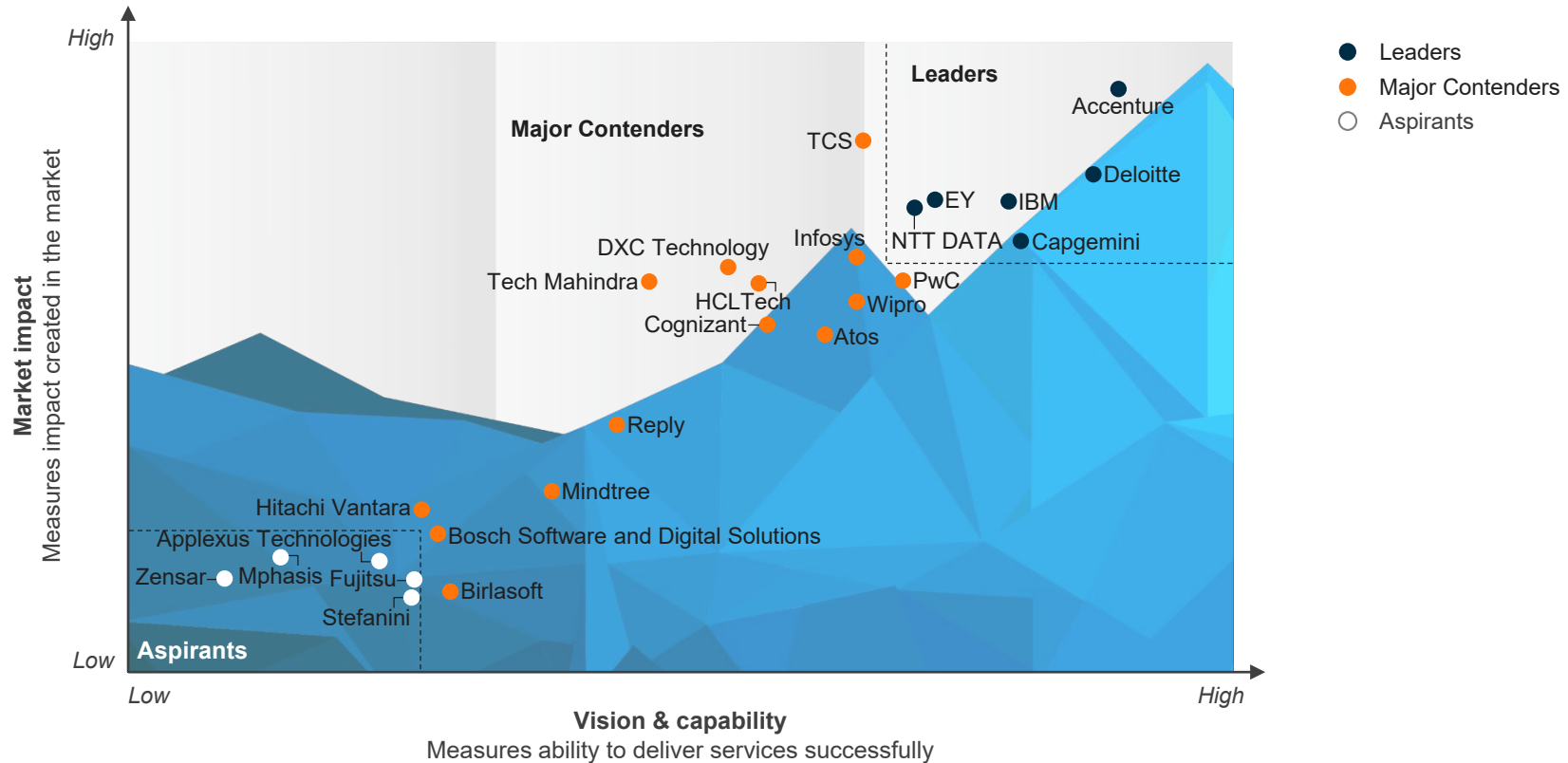
1 Assessments for Capgemini, Deloitte, Fujitsu, IBM, and PwC exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers

2 Analysis for Mindtree is based on capabilities before its merger with LTI

Source: Everest Group (2022)

NTT DATA | SAP Business Application services profile (page 1 of 5)
Everest Group assessment – Leader

Measure of capability: ◔ Low ● High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation & investments	Delivery footprint	Overall
◕	◑	◕	◔	◔	◕	◔	◑	◕

Strengths

- NTT DATA is a relevant service provider for enterprises in the APAC and European regions seeking onshore-centric end-to-end services for SAP business application engagements

- It has invested in building a strong talent base for SAP business application engagements. It has also set up a dedicated SAP S/4HANA academy to increase S/4HANA skilled resources

- Acquisitions, such as Natuvion and Chainalytics, will help enhance NTT DATA's data migration and supply chain intelligence capabilities respectively

- It has invested in establishing a strong partner ecosystem of cloud vendors and technology partners, which helps in bringing customized industry-specific solutions

- Its flexibility in engagement and account management capabilities are well perceived by the market

Limitations

- NTT DATA needs to further develop its organizational change management capabilities to position itself as a strategic partner for enterprise clients

- It has an onshore-/nearshore-heavy delivery model that may prevent it from capturing labor arbitrage opportunities; it can look to further scale resources in offshore locations

- It has limited industry-focused custom solutions for SAP business applications as compared to peers of the same scale

- Its SAP business application services buyer spread is skewed toward Europe; enterprises in other regions looking to partner with NTT DATA are advised to evaluate its delivery capabilities based on their region
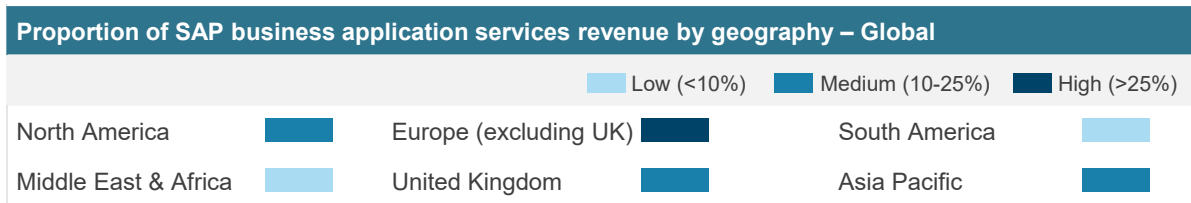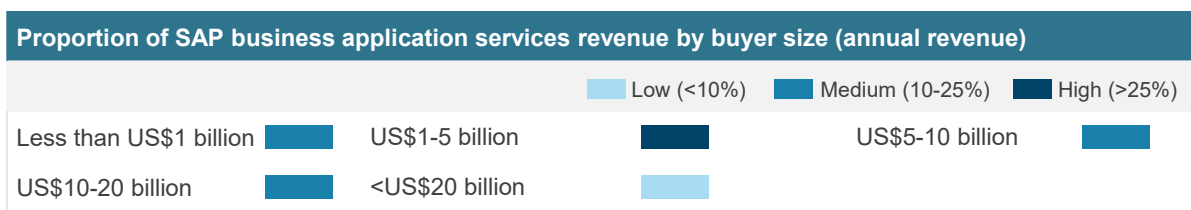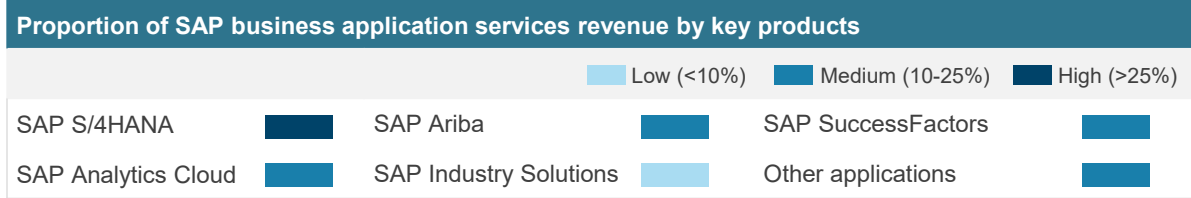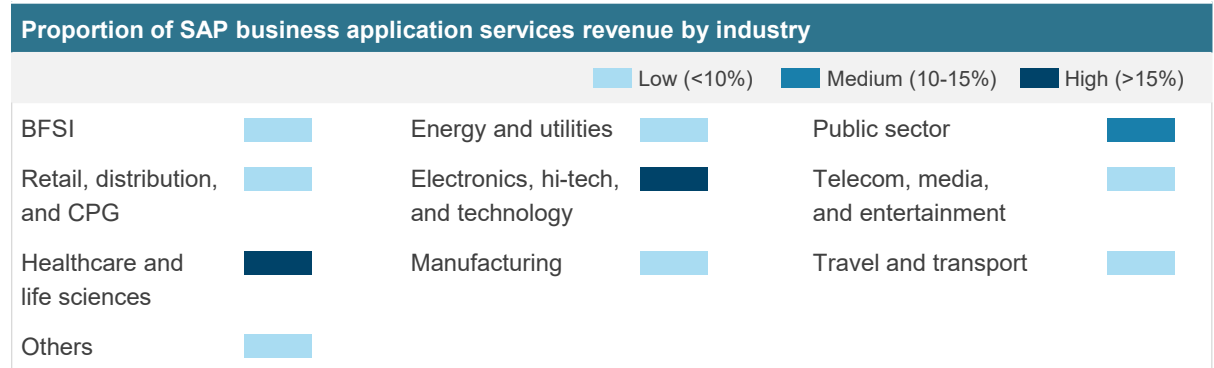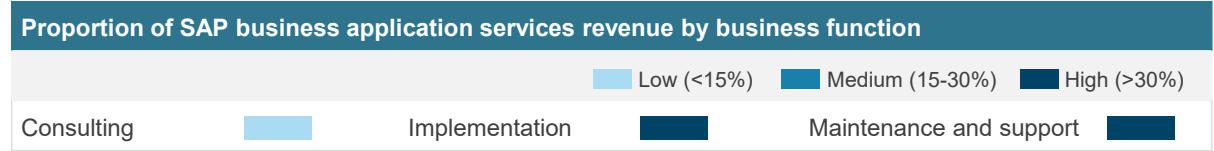
NTT DATA | SAP Business Application services profile (page 2 of 5)
Overview

Vision for SAP business application services

NTT DATA helps transform its clients into high-performing, innovative, and sustainable businesses, powered by SAP-centric technology and enabled by their people. As a trusted global innovator, NTT DATA turns this foresight into reality. NTT DATA helps its clients achieve their SAP business transformation by 2030, wherein NTT's expertise will be seamlessly working together for customers across every border of inexperienced areas, value, organizations, services, and technologies.

Partnership status with SAP:	SAP Global Strategic Service Partner
Number of projects completed in 2021 and H1-2022:	1,050-1100
Number of SAP business applications certified FTEs:	10,600-10,700

Proportion of SAP business application services revenue by business function

Low (<15%)   Medium (15-30%)   High (>30%)

Consulting		Implementation		Maintenance and support	
Consulting	Low	Implementation	High	Maintenance and support	High

Proportion of SAP business application services revenue by industry

Low (<10%)   Medium (10-15%)   High (>15%)

BFSI	Low	Energy and utilities	Low	Public sector	Medium
Retail, distribution, and CPG	Low	Electronics, hi-tech, and technology	High	Telecom, media, and entertainment	Low
Healthcare and life sciences	High	Manufacturing	Low	Travel and transport	Low
Others	Low				

Proportion of SAP business application services revenue by key products

Low (<10%)   Medium (10-25%)   High (>25%)

| SAP S/4HANA | High | SAP Ariba | Medium | SAP SuccessFactors | Medium |
| SAP Analytics Cloud | Medium | SAP Industry Solutions | Low | Other applications | Medium |

Proportion of SAP business application services revenue by buyer size (annual revenue)

Low (<10%)   Medium (10-25%)   High (>25%)

| Less than US$1 billion | Medium | US$1-5 billion | High | US$5-10 billion | Medium |
| US$10-20 billion | Medium | <US$20 billion | Low | | |

Proportion of SAP business application services revenue by geography – Global

Low (<10%)   Medium (10-25%)   High (>25%)

| North America | Medium | Europe (excluding UK) | High | South America | Low |
| Middle East & Africa | Low | United Kingdom | Medium | Asia Pacific | Medium |

NTT DATA | SAP Business Application services profile (page 3 of 5)
Case studies

Case study 1	**Client:** Tier 1 automotive supplier – SAP S/4HANA Transformation

Business challenge

The client wanted a digital solution roadmap that focuses on harmonizing and standardizing processes based on the SAP S/4HANA digital core to improve operations, financial steering, and reporting.

Solution

- NTT DATA defined the upcoming business transformation of the SAP ERP system and non-SAP systems to S/4HANA
- Provided concept for business processes design to cover all areas, from product development, sales and distribution, purchasing, SCM, and finance and controlling on a global template and roll-out

Impact

- Drove digital transformation and streamlined the client's global business for more than 50 plants globally
- Provided a global standardized template and implementation approach to transforming the current landscape into a future state-of-the-art S/4HANA platform by providing an agile project management approach to position the client for innovation and growth
- Provided full transparency from financial and logistical processes, stock levels, and procurement to supply chain optimization, thus ensuring end-to-end visibility

Case study 2	**Client:** a leading life sciences company that provides drug discovery and development support services to global pharma and biotech companies

Business challenge

The client needed to improve transparency in the order management system, digitize reporting and analysis, upgrade inventory visibility, and reduce delays in financial closing.

Solution

- NTT DATA implemented SAP S/4HANA by leveraging its industry solution template: it.lifescience
- Implemented active pharmaceutical ingredient best practices, balanced inventories, minimized stockouts, and regulated process manufacturing

Impact

- Improved traceability of products throughout the supply chain
- Enabled a solution compliant with FDA guidelines
- Quality assurance from both business and technical perspectives by NTT DATA's industry-experienced S/4HANA consultants

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NTT DATA | SAP Business Application services profile (page 4 of 5)
Key solutions

Proprietary solutions (representative list)					
Solution name	**Focused industries**	**Focused SAP product(s)**	**Focused business function(s) / module(s)**	**Number of engagements leveraged in**	**Details**
S/4 Conversion R2R	All	All	All modules	110	A packaged ready-to-run solution to lift the client's existing ERP System to SAP S/4HANA, qualified by SAP. Fast implementation and time to value
Intelligent Business Suite	Automotive, manufacturing, life sciences, and CPG	All	All modules	65	The NTT DATA Model Company's approach to accelerating large enterprises' SAP S/4HANA journey, reducing implementation cost and risk, and expediting time to value
Uptimizer	All		All modules	100+	Accelerator for discovery and realization of upgrade projects and for reducing analysis and remediation effort by 30-40%

SAP-certified solutions on SAP marketplace compatible (representative list)					
Solution name	**Focused industries**	**Focused SAP product(s)**	**Focused business function(s) / module(s)**	**Number of engagements leveraged in**	**Details**
It.lifescience	Life Sciences / Pharma	All	All	58	SAP S/4HANA pre-packaged solution, with business and technical content, along with solution templates built for the life sciences industry
It.manufacturing	Manufacturing	All	All	89	SAP S/4HANA pre-packaged solution, with business and technical content, along with solution templates built for the manufacturing industry
It.cp – durables food and beverage	CPG	All	All	92	SAP S/4HANA pre-packaged solution, with business and technical content, along with solution templates built for the consumer products and food industry
It.calibration	Life sciences / Pharma	All	All	13	Digitalization of the calibration process with SAP S/4HANA
It.conversion R2R	All	All	All	110	Dedicated approach for the manufacturing industry with own IP tools to drive successful transition to SAP S/4HANA

NTT DATA | SAP Business Application services profile (page 5 of 5)
## Investments and partnerships

Key investments (representative list)			
Investment theme	**Focused SAP product(s)**	**Focused business function(s) / module(s)**	**Details**
Acquisition: Chainalytics	Supply chain advisory & consulting, analytics, and market intelligence	Consulting and analytics	Chainalytics' market-leading supply chain consulting and analytics expertise combines with NTT DATA's consulting and digital transformation capabilities to create further value for their clients.
Acquisition: My Supply Chain Group	Supply Chain	Supply chain	Acquisition of My Supply Chain Group (MSCG) will help NTT DATA to expand its presence in the US and extend its service portfolio with MSC's supply chain planning and execution capabilities.
Acquisition: Pasafin Oy	HCM and SAP SuccessFactors	HCM	NTT DATA has acquired a well-known Finnish consultancy business that decided early on to specialize in consulting services for cloud-based SAP solutions, such as SAP SuccessFactors for the field of human capital management.
LE Acceleration Program (LEAP)	All	All	It secured investments for the FY21 Large Enterprise Acceleration Program (LEAP) for sponsoring specific client engagements and the development of strategic accelerators through NTT DATA's global market focus team framework.
SAP S/4HANA Academy	All	All	The SAP S/4HANA academy aims to upskill and cross-skill SAP S/4HANA resources within NTT DATA. It also provides SAP S/4HANA training services to clients and internal employees

Key partnerships (representative list)		
Partner ecosystem		
SAP	Microsoft	Google Cloud Platform
Natuvion	Amazon Web Services	Celonis
Signavio	UiPath	Syniti

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
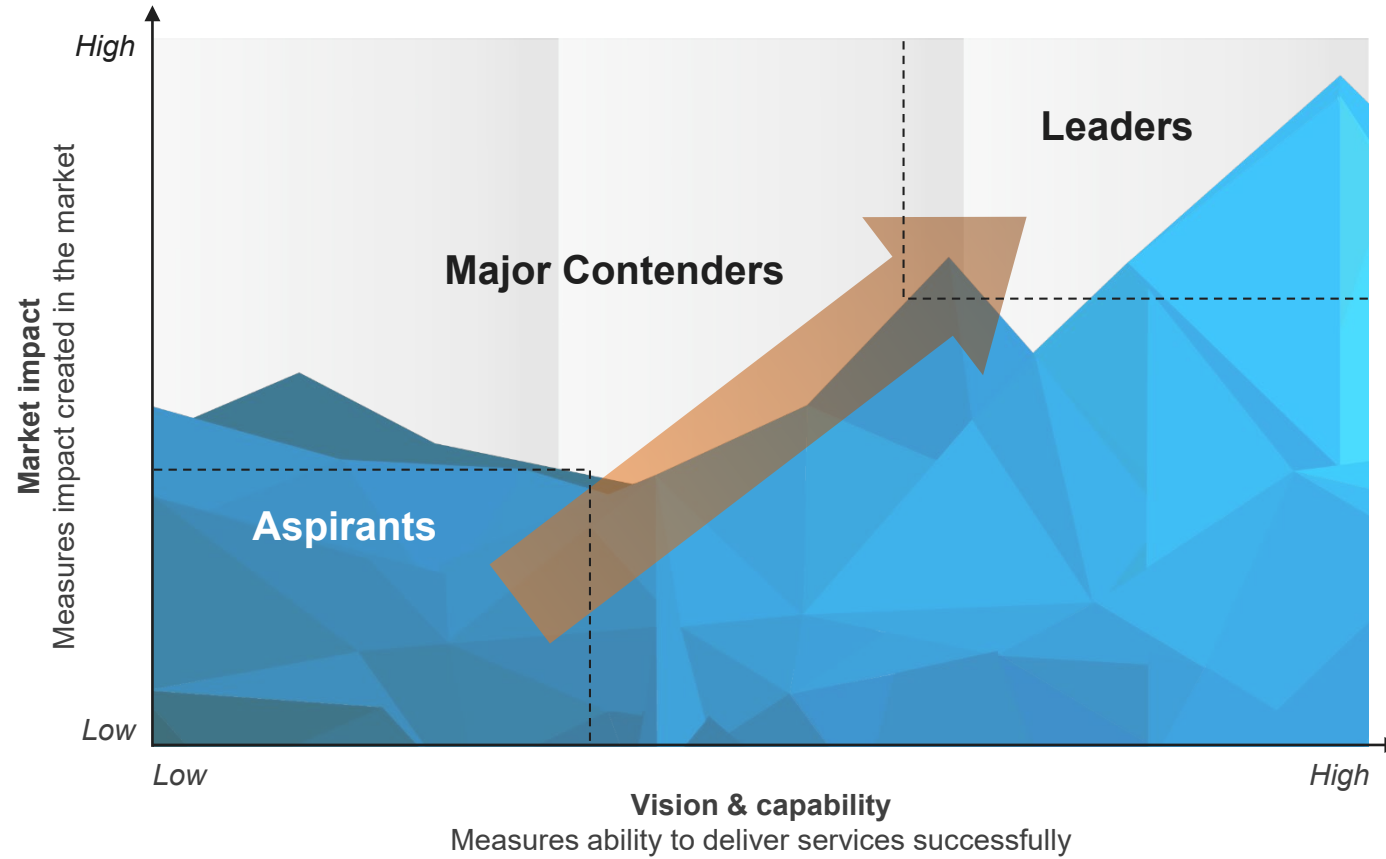
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
Number of clients, revenue base, YOY growth, and deal value/volume

Portfolio mix
Diversity of client/revenue base across geographies and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders
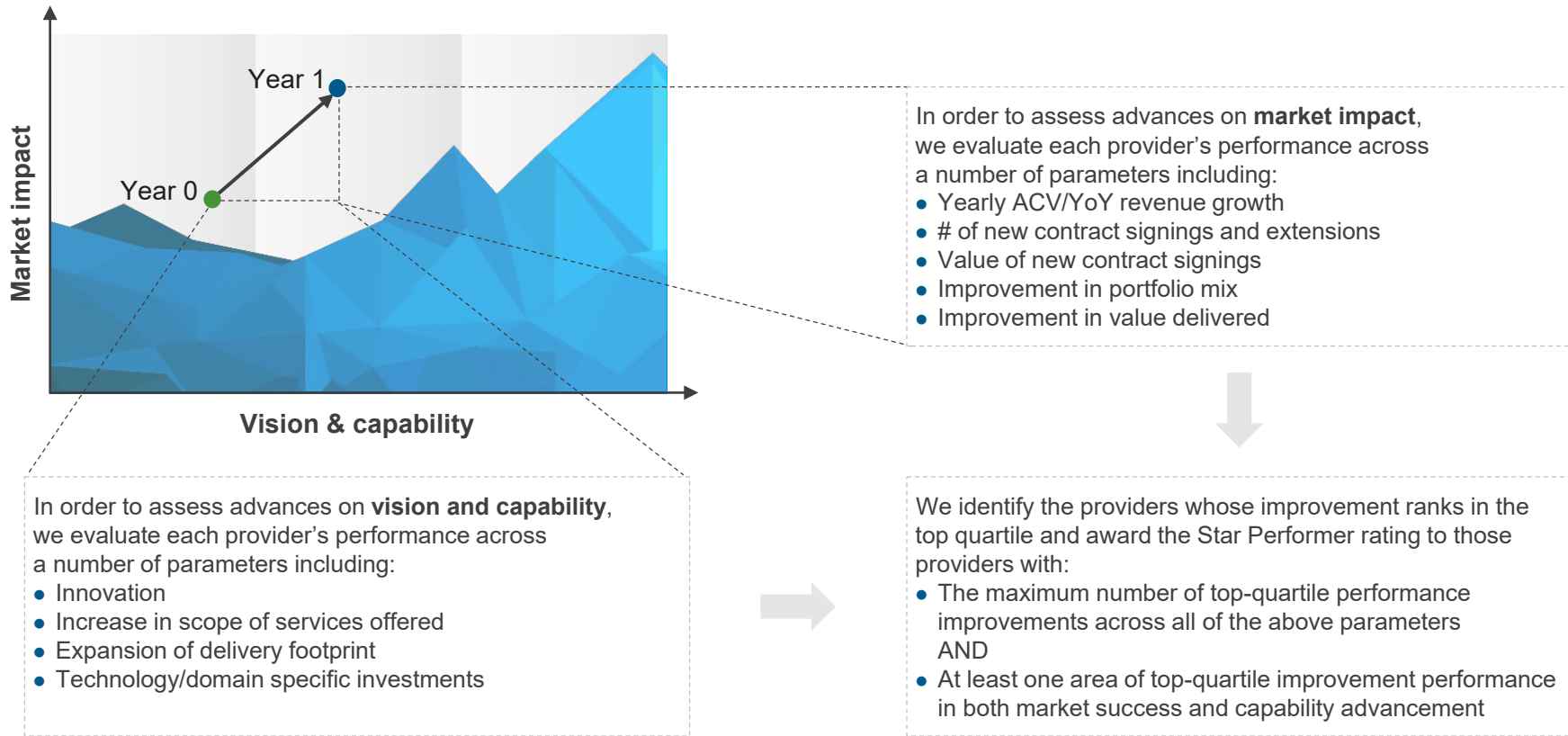
Major Contenders

Aspirants

Vision & capability
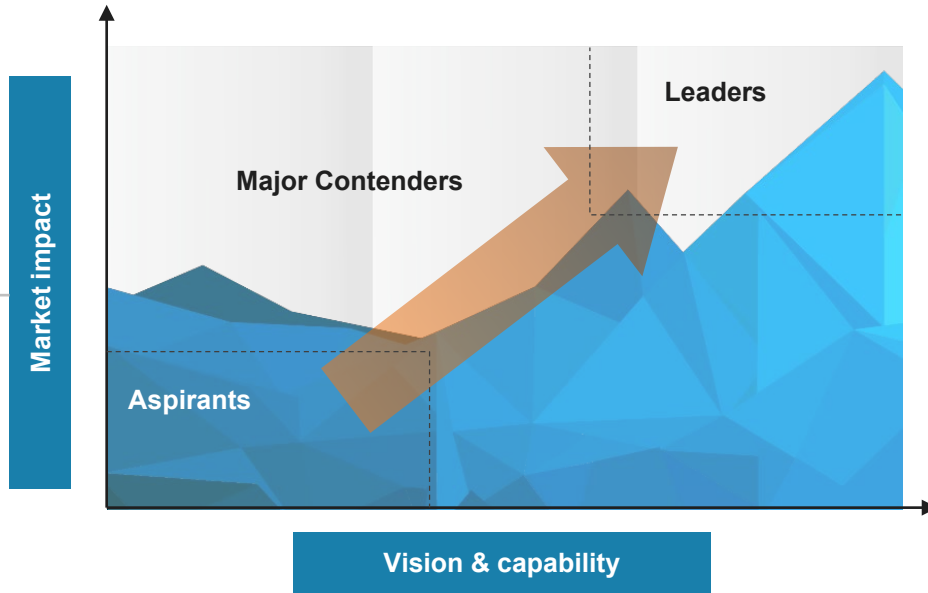
Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix

In order to assess advances on **market impact**, we evaluate each provider's performance across a number of parameters including:
- Yearly ACV/YoY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  – The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  – In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  – Issue a press release declaring positioning; see our citation policies
  – Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  – Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

Everest Group®

With you on the journey

Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at **www.everestgrp.com**.

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everestgrp.com/blog

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-647-557-3475