NEAT EVALUATION FOR INFOSYS:

Salesforce Services

Market Segment: Overall

Introduction

This is a custom report for Infosys presenting the findings of the NelsonHall NEAT vendor evaluation for *Salesforce Services* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Infosys 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, Apexon (formerly Infostretch), Capgemini, CGI, Coforge, Cognizant, Deloitte Consulting, EPAM Systems, Grazitti Interactive, IBM, 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)
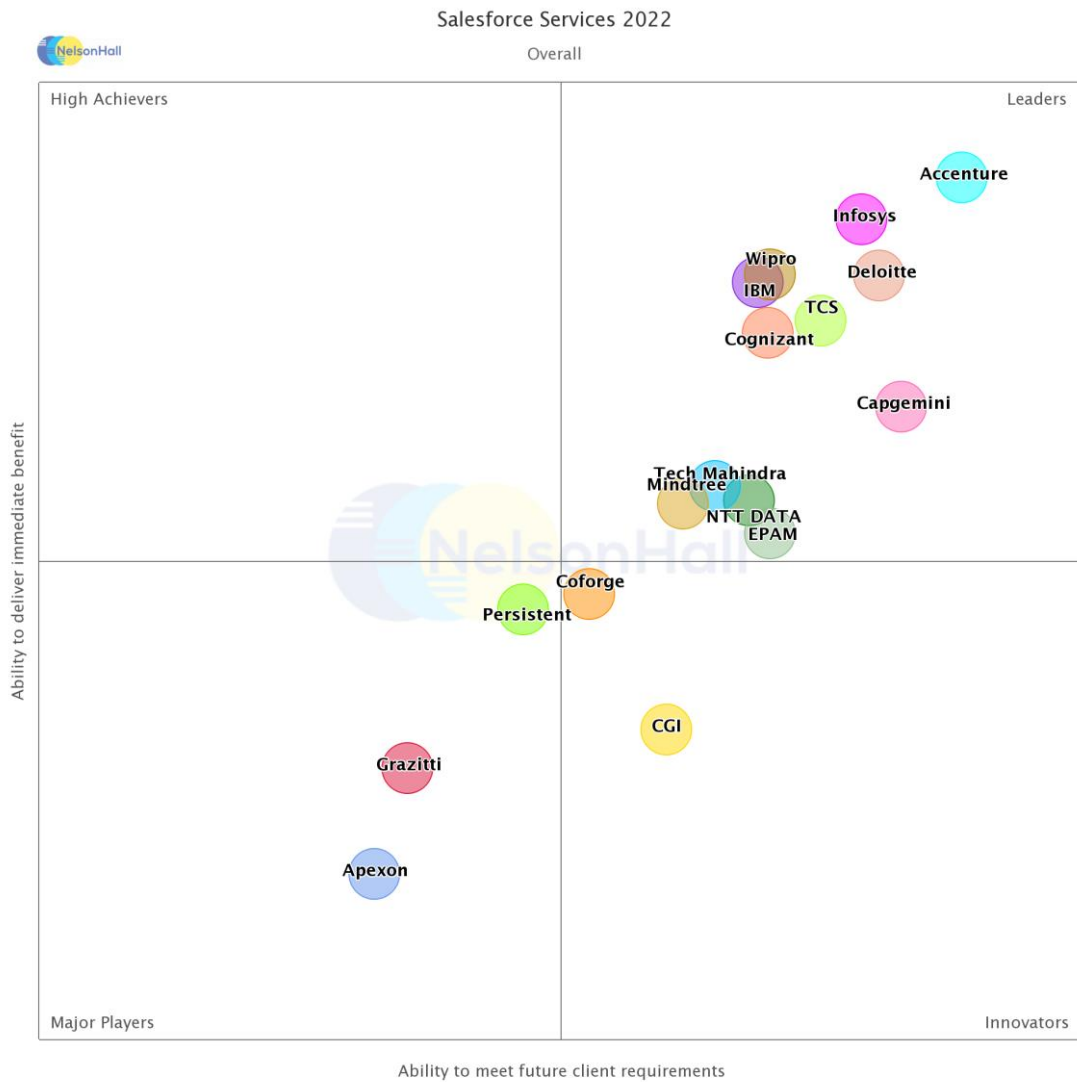
NelsonHall has identified Infosys as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Infosys's overall ability to meet future client requirements as well as delivering immediate benefits to its Salesforce services clients.

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.

Vendor Analysis Summary for Infosys

Overview

Infosys has a dedicated horizontal practice, Infosys Salesforce Practice (ISP), with its own P&L, salesforce, and delivery organization. It is structured around four key components:

- Simplus in the U.S. for client-facing activities, including sales, advisory services, and onsite delivery. The company also had a presence in New Zealand

- Fluido, initially in Finland and the Nordics, and now deploying its capabilities to Europe

- A delivery organization with its core in India

- A CoE in charge of portfolio and IP management, including industry solutions, accelerators, and methodologies, alongside training and upskilling.

ISP is part of Infosys' Horizon 2 portfolio, which includes practices and offerings with high growth potential, such as big data and analysis, cybersecurity, digital experience, API economy, IoT, AI, and automation.

ISP has a comprehensive offering ranging from core products (Sales and Service Cloud) to Marketing, Community, and Commerce Cloud; and consulting services and specialized services such as Revenue Cloud, Salesforce Industry, Einstein, Field Service, and CloudSense (Commerce subscriber management).

ISP continues to expand its consulting capabilities, being positioned early in the decision lifecycle, and drive follow-up implementation and post-implementation services. The acquisitions of Fluido and Simplus have enhanced Infosys' consulting capabilities.

It has a rich partnership ecosystem, having partnered with AppExchange partners such as ServiceMax, IQVIA, Veeva, and ncino (mortgage origination). Thanks to Simplus, Infosys received a quote-to-cash specialization in contract management with partnerships with Conga and DocuSign. It also has a regional GTM strategy, e.g., working with Xactly in APAC around sales performance management.

A vital element of ISP's strategy is to build IP in the form of industry solutions. Most of these are bolt-on (i.e., industry templates) with an intent to monetize Infosys' systematic attempt at shortening implementations. One of ISP's priorities is to create micro-vertical solutions in partnership with Salesforce with an emphasis on automotive, telecom, CPG, and communications, along with healthcare.

During the pandemic, Infosys witnessed accelerated client interest in adopting quote-to-cash and B2C Commerce in the U.S. Globally, ISP has also accelerated its upskilling effort towards specialized services, with Fluido leading the initiative.

ISP also benefits from Infosys' comprehensive portfolio. The practice works, for example, with WongDoody/Brilliant Basics, the UX and product design unit of Infosys.

NelsonHall estimates that, at the end of 2021, Infosys had ~7,000 practitioners involved in Salesforce services activities across units. This includes 5.0k focused on Salesforce, 1.8k on MuleSoft, and 260 on Tableau.

Financials

NelsonHall estimates that Infosys' 2021 Salesforce services-related revenues were ~$450-550m.

Strengths

- *Experience Cloud*: the company has developed its offering beyond pure expertise and created several solutions in manufacturing around automotive dealers. It also has focused on integrating knowledge management tools, including access to storage for heavy video files. Infosys is expanding its capabilities around CMS with Adobe

- *Marketing Cloud*: Infosys has a comprehensive offering and specialized capabilities, such as campaign as a service and subscription centers. It has two tools, Customer Advocacy and a telecom-specific offering. However, unlike its peers, the company does not have marketing operations

- *Commerce Cloud*: Infosys has, again, a comprehensive portfolio. This includes capabilities around the three primary Commerce Cloud products. The company has developed its IP around integration and specialized features complementing Salesforce's core applications. We would like to see more specialized offerings, starting with migration from competitors' and legacy applications

- *Field Service*: unlike most competitors, Infosys has scale in Field Service, thanks to its background in Clicksoft. Infosys has experience in the four core components (asset management, scheduling and dispatch, mobile enablement, and communications). It also has specialized offerings, including a Clicksoft V8 migration to Field Service

- *Revenue Cloud*: like in Field Service, Infosys has a background in an ISV (SteelBrick) which Salesforce acquired and became the initial basis for the Revenue product. The company pushes its consulting capabilities and integration with other applications, including ERPs/general ledgers. It has one solution for the manufacturing and high-tech sector

- *MuleSoft*: Infosys has located its MuleSoft capabilities as part of its integration practice. Also, the practice provides IBM and TIBCO migration to MuleSoft's Anypoint Platform. It also has MuleSoft-specific offerings such as C4E and has a project management methodology

- *Vlocity*: Infosys has one of the most comprehensive offerings and scale. It has specialized offerings and accelerators.

Challenges

- *Net Zero Cloud*: the offering is nascent and reflects the lack of maturity of the Salesforce products and its lack of sustainability functionality

- *Global delivery network*: Infosys has a limited Salesforce presence in France, one of Europe's largest Salesforce markets. Infosys is covering Salesforce requirements in France through its Fluido subsidiary.

Strategic Direction

Infosys has structured its strategy around four priorities: business process consulting, Salesforce Cloud/product coverage, service specialization and IP, and investment in sub-vertical solutions.

With the acquisitions of Fluido and Simplus, Infosys Salesforce Practice gained onshore business process consulting, which favors client proximity. ISP continues to deploy Fluido and Simplus, expanding to additional European clients (Fluido) and English-native countries (Simplus), and in particular the U.S. and Australia. Thanks to its mix of organic development and significant acquisitions, the practice also has excellent product/Cloud coverage and is deepening its expertise around sub-products.

ISP is also deploying its Indian model, which focuses on accelerators and IP, to bring further automation and complement its Salesforce Cloud/product capabilities. With MuleSoft covered, and a multitude of accelerators, the company is advancing in the other Cloud areas.

Finally, ISP targets sub-verticals, creating industry solutions that complement Salesforce's own verticalized products and Vlocity. To avoid Salesforce launching sub-vertical products that overlap with its own solutions, Infosys wants to further coordinate with Salesforce and build solutions that will remain functional white spaces and offer immediate commercial opportunities.

Outlook

Infosys has prepared for growth acceleration in its Salesforce practice in line with Salesforce's 20 to 30% annual growth, year after year. While Sales, Service, and Experience Cloud remain its core offering, the company has diversified its services portfolio towards next-gen Salesforce services, building on its organic efforts and the Fluido (Marketing Cloud) and Simplus (Revenue Cloud and B2B Commerce) acquisitions.

Typically for Infosys, its Salesforce practice systematically identifies opportunities to create point solutions and technical accelerators. The company has well-rounded offerings. We expect acquisitions in the U.K. and France to address geographical gaps in its Salesforce coverage.

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	Emerging products
	Advisory and consulting services
	Implementation services
	Managed services
	Experience Cloud
	Marketing Cloud
	Commerce Cloud
	Field Service
	Revenue Cloud
	MuleSoft
	Vlocity
Delivery	U.S.
	U.K.
	CE
	MEA
	Offshore and nearshore
	Japan
	RoAPAC
	LatAm
	Global
Presence	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	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	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	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	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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