ISG Provider Lens™

Salesforce Ecosystem Partners

Implementation and Integration Services for Large Enterprises

Germany 2021

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

March 2021

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About this Report

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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 February 2021, 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.

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ISG Provider Lens™

ISG Provider Lens™

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EXECUTIVE SUMMARY

Strong Growth of the Salesforce Product and services market and its impact on the Vendor Landscape

Since its founding in 1999, Salesforce has shown impressive growth and is now one of the leading vendors of cloud-based application systems in the form of software-as-a-service (SaaS). These application systems are implemented using Agile methodology and a high degree of standardization, which allows the company to roll out updates at comparatively short intervals. It also allows customers to initially perform a rapid implementation with limited functional scope, if any, and then quickly expand the application.

In the meantime, Salesforce has continuously expanded its product portfolio and recently has been focusing on industry-specific products such as Financial Services Cloud and Health Cloud. In addition, Salesforce further intensified its efforts to offer industry solutions by acquiring Vlocity, an independent software vendor (ISV), which to date has developed various industry-specific products based on the Salesforce platform. Vlocity is expected to form the core for the development of industry-specific clouds within the Salesforce portfolio in the future. Also, in December 2020, Salesforce announced the acquisition of Acumen Solutions, a company that has been quite successful as a service provider for the implementation of Salesforce solutions, especially in the U.S. It remains to be seen if this move indicates that Salesforce wants to strengthen its presence in the market for services around Salesforce implementations or if there are other reasons for this acquisition. Since this was only announced at the end of the last year, the details of Salesforce's strategy are not yet clear.

Salesforce has seen a significant increase in license revenue over the last twelve months, since the last IPL study on the subject was published. As a result of this growth, the need for support for the implementation of various products by external vendors is also growing continuously at a high rate. This, in turn, has resulted in increased demand for resources with Salesforce implementation experience. The resulting trend toward consolidation in the German market, primarily through the takeover of medium-sized vendors by global system integrators, is not yet as pronounced as that in the U.S. Individual takeovers do occur, but not as many as in the U.S. However, it is obvious that the pace of consolidation will continue to increase in Germany.

In terms of implementation methods, the Hybrid Agile model is now the most common approach among globally operating customers, where it is necessary to integrate Salesforce into a complex system landscape with global operations. The Hybrid Agile model is a combination of Agile elements for implementation phases and phase-oriented elements related to strategy, design and rollout. Most vendors now offer this type of methodology in their portfolio. For a single implementation of Salesforce, the pure Agile methodology is still appropriate; it is mainly used by midsize clients, which mostly do not require a global rollout and have limited integration needs.

The dominant technology for Salesforce integration now is definitely the MuleSoft platform, which has been a part of the Salesforce portfolio for several years. Thus, comprehensive competence with this platform is now a basic requirement for Salesforce implementation providers. The large system integrators usually operate a dedicated division, or a department of considerable size, in which the relevant capacities are bundled.

For all vendors, whether they are system integrators or boutique vendors, a strong network of ISV partnerships within the Salesforce ecosystem remains essential. The main reason is that industry-specific requirements and advanced requirements related to specific features, such as configure-price-quote (CPQ), often go beyond the highly standardized feature range of Salesforce products. To avoid individual development efforts, recourse is made to the products of ISVs. These solutions are usually offered as independent products with separate licensing, which must be considered when evaluating the potential costs associated with a Salesforce-based application. Salesforce operates a special portal for these solutions called the "AppExchange Store", which provides comprehensive information about the ISVs as well as their products (usually referred to as "apps"). Salesforce does this by ensuring that each app meets basic software quality requirements such as bug fixes, maintenance cycles and compatibility with Salesforce products.

The structure of this year's study has changed slightly from last year's to better differentiate between the requirements of globally operating large customers and of medium-sized customers. The latter often are only active in one region and usually have less need for comprehensive integration with third-party systems. The study now contains two segments for large customers and three segments for midsize companies. In both groups, a clear distinction is made between the change business (implementation) and the run business (managed application services).

Individual vendors are usually assigned to either the market for large customers or the midmarket. There are only a few vendors for which this distinction could not be clearly made. Therefore, these appear in both groups.

Introduction

Simplified illustration

Source: ISG 2021

Definition

The Salesforce Ecosystem Partners study refers to various offerings related to the Salesforce platform. A fundamental distinction is made between implementation services (the change business) and managed application services, which focus particularly on the operational support of productive applications (the run business). Furthermore, a distinction is made in these two basic segments between large customers and medium-sized customers, because the need for Salesforce integration services for large customers' complex application landscapes is significantly higher. In addition, large customers operate primarily on a global scale, and this requires the service providers to have the corresponding delivery capabilities.

Definition (cont.)

Scope of Consideration of the Study

This ISG Provider Lens™ Quadrant Study has been broken down into five segments of the Salesforce ecosystem.

Regions Considered

	U.S.	Germany	Brazil
Implementation & Integration Services for Large Enterprises	√	√	√
Implementation Services for Core Clouds Midmarket	√	√	√
Implementation Services for Marketing Cloud Midmarket	√	√	√
Managed Application Services for Large Enterprises	√	√	√
Managed Application Services for Midmarket	√	√	√

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:

- **Mid Market**: Companies with 100 to 4,999 employees or revenues between US$20 million and US$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 US$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

The Leaders among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The Product Challengers offer a product and service portfolio that provides an above-average cover¬age of corporate requirements, but are not able to provide the same resources and strengths as the Leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or weak footprint within the respective target segment.

Market Challenger

Market Challengers are also very competitive, but there is still significant portfolio potential and they clearly fall behind the Leaders. Often, the Market Challengers are established vendors that are somewhat slow to address new trends due to their size and company structure, and therefore have some potential to optimize their portfolio and increase their attractiveness.

Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Companies that receive the Rising Star award have a promising portfolio 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. This award is only given to vendors or service providers that have made significant progress toward their goals in the last 12 months and are expected to reach the Leader quadrant within the next 12-24 months due to their above-average impact and strength for innovation.

Not In

The service provider or vendor was not included in this quadrant. There might be one or several reasons why this designation is applied: 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 qualify due to market share, revenue, delivery capacity, number of customers or other metrics of scale to be directly compared with other providers in the quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer this service or solution, or confer any other meaning.

Salesforce Ecosystem Partners - Quadrant Provider Listing 1 of 3

	Implementation and Integration Services for Large Enterprises	Implementation Services for Core Clouds Midmarket	Implementation Services for Marketing Cloud Midmarket	Managed Application Services for Large Enterprises	Managed Application Services for Midmarket
Accenture	Leader	Not In	Not In	Leader	Not In
Aquilliance	Not In	Rising Star	Product Challenger	Not In	Product Challenger
Arlanis Reply	Product Challenger	Not In	Not In	Product Challenger	Not In
Atos	Product Challenger	Not In	Not In	Product Challenger	Not In
BearingPoint	Not In	Leader	Leader	Not In	Leader
Capgemini	Leader	Not In	Not In	Leader	Not In
CGI	Contender	Not In	Not In	Contender	Not In
Cloud Consulting	Not In	Product Challenger	Product Challenger	Not In	Product Challenger
Cloudity	Not In	Product Challenger	Contender	Not In	Market Challenger
Cognizant	Leader	Not In	Not In	Leader	Not In
Customertimes	Product Challenger	Not In	Not In	Contender	Not In
Deloitte	Leader	Not In	Not In	Not In	Not In

Salesforce Ecosystem Partners - Quadrant Provider Listing 2 of 3

	Implementation and Integration Services for Large Enterprises	Implementation Services for Core Clouds Midmarket	Implementation Services for Marketing Cloud Midmarket	Managed Application Services for Large Enterprises	Managed Application Services for Midmarket
Deutsche Telekom (MMS)	Not In	Leader	Leader	Not In	Leader
DIA	Not In	Rising Star	Product Challenger	Not In	Product Challenger
ec4u	Not In	Leader	Leader	Not In	Leader
Eigenherd	Not In	Contender	Contender	Not In	Not In
Empaua	Not In	Product Challenger	Product Challenger	Not In	Contender
EPAM	Contender	Not In	Not In	Not In	Not In
Factory42	Not In	Leader	Leader	Not In	Leader
Fujitsu	Market Challenger	Not In	Not In	Market Challenger	Not In
HCL	Product Challenger	Not In	Not In	Leader	Not In
IBM	Market Challenger	Not In	Not In	Market Challenger	Not In
ilum:e Informatik	Not In	Contender	Not In	Not In	Contender
Infosys	Leader	Not In	Not In	Leader	Not In

Salesforce Ecosystem Partners - Quadrant Provider Listing 3 of 3

	Implementation and Integration Services for Large Enterprises	Implementation Services for Core Clouds Midmarket	Implementation Services for Marketing Cloud Midmarket	Managed Application Services for Large Enterprises	Managed Application Services for Midmarket
Magnet360	Leader	Not In	Not In	Leader	Not In
Nagarro	Not In	Market Challenger	Market Challenger	Not In	Market Challenger
NTT DATA	Product Challenger	Not In	Not In	Product Challenger	Not In
Persistent	Not In	Leader	Leader	Not In	Leader
PolSource	Not In	Product Challenger	Product Challenger	Not In	Product Challenger
PwC	Leader	Not In	Not In	Market Challenger	Not In
Salesfive	Not In	Leader	Leader	Not In	Leader
Slalom	Product Challenger	Not In	Not In	Not In	Not In
Sopra Steria	Contender	Not In	Not In	Not In	Not In
TCS	Leader	Not In	Not In	Leader	Not In
Tech Mahindra	Product Challenger	Not In	Not In	Market Challenger	Not In
Wipro	Leader	Not In	Not In	Leader	Not In

Salesforce Ecosystem Partners Quadrants

ENTERPRISE CONTEXT

Implementation and Integration Services for Large Enterprises

This report is relevant to large enterprises across all industries in Germany and evaluates providers of Salesforce implementation and integration services for this client type.

In this quadrant report, ISG defines the current market positioning of providers of Salesforce implementation and integration services in Germany for large enterprises and highlights how key challenges are faced and addressed by enterprises in the country. In the past few years, Salesforce has augmented its product strategy to go beyond customer relationship management (CRM) applications to related applications, development, integration and reporting. Among enterprises, ISG sees a demand for Salesforce implementation and integration services that facilitate the adoption of Salesforce cloud solutions and peripheral tools.

COVID-19 forced many enterprise clients to operate remotely, but Salesforce provided them with a platform to keep their businesses running. New consumers surfaced as e-commerce surged due to the pandemic and customer experience (CX) became a priority among enterprise clients in Germany.

Germany has a considerable number of midsize boutique providers that implement Salesforce only in the country. These players differ significantly in terms of local market presence, such as the ability to provide services with the help of local language resources. The providers with high nearshore capacity, usually from countries in Eastern Europe, have the advantage of operating with a global delivery model in Germany.

In Germany, as in other countries/regions, the complexity of an enterprise's underlying application system landscape tends to increase significantly with its size. The hybrid Agile model is now the most common approach for global deployments, whereas the pure Agile methodology is suitable for a single implementation of Salesforce. As a result, large enterprises often prefer providers that have strong integration capabilities and can act on a global scale on their own, without the need to rely on partners.

Marketing and sales leaders should read this report to understand the relative positioning and capabilities of service partners that can help them effectively implement Salesforce Marketing and Sales Clouds, Heroku and others, along with necessary integrations to related systems and analysis solutions.

Field services managers should read this report to understand how service providers implement and expand the use of the Salesforce Service Cloud to better manage field service operations.

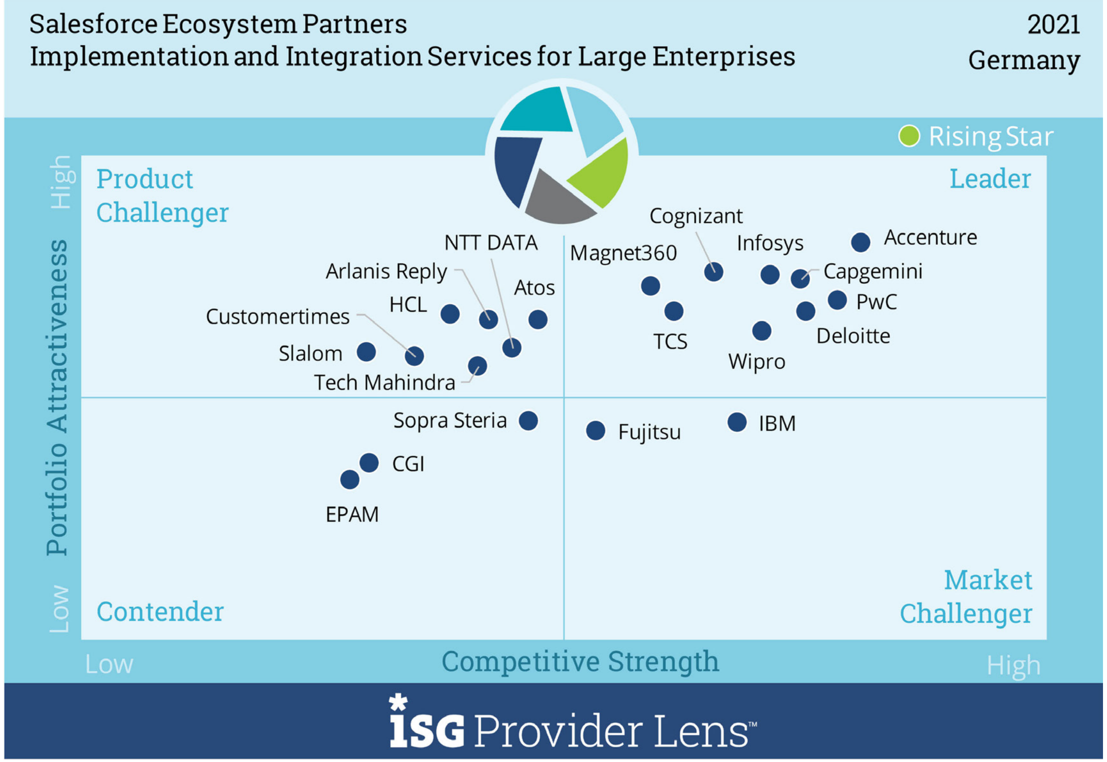
IT and technology leaders should read this report to understand the relative positioning and capabilities of partners that can help them effectively adopt services from Salesforce clouds, integrations and analysis solutions and gauge their technical capabilities compared with those in other markets.

Security and data professionals should read this report to understand how providers meet the security and data protection guidelines in Germany for their Salesforce implementation and integration practices and how they can be compared with one another.

IMPLEMENTATION AND INTEGRATION SERVICES FOR LARGE ENTERPRISES

Definition

This quadrant examines vendors that offer implementation services for Salesforce applications and integrate these applications with other important standard software solutions, which are usually present in the complex system landscapes of large and globally active corporate customers. These customers usually have several cloud products from the Salesforce portfolio in use, so the service providers must offer good coverage of the entire portfolio. The corresponding services include consulting as well as configuration and implementation of applications for the customer, integration within the customer-specific system landscape, data migration, and support during commissioning.



Source: ISG Research 2021

IMPLEMENTATION AND INTEGRATION SERVICES FOR LARGE ENTERPRISES

Eligibility Criteria

The following evaluation criteria apply to this quadrant:

- Technological competence
- Delivery capabilities
- Use cases
- Unique selling propositions
- Economic stability
- Market position
- Predefined solutions, accelerators and templates
- Partnerships

Observations

The following providers qualified as leaders in this quadrant:

- **Accenture** is one of the largest vendors of Salesforce implementations in the German market, in terms of resource base as well as breadth of portfolio. In addition, Accenture can offer an extremely comprehensive solution library for most industries.
- **Capgemini** has extensive CRM expertise and considerable integration competence. Furthermore, being a European-based company, it has an extremely strong presence in the DACH region.
- **Cognizant** is a powerful partner for the implementation of Salesforce applications due to a convincing Salesforce-specific methodology and numerous powerful industry solutions.
- **Deloitte**, based on a strong focus on process design, has a wide range of preconfigured solutions. Thus, it is a leading provider of services around the Salesforce platform with a focus on combining strategy consulting and technology expertise.
- **Infosys** has traditionally had a strong presence in the DACH region and has a powerful delivery model and a compelling range of development and automation tools, making it a leader in this quadrant.

IMPLEMENTATION AND INTEGRATION SERVICES FOR LARGE ENTERPRISES

Observations (cont.)

- **Magnet360** focuses on multi-cloud implementations with strong methodological expertise and offers a diverse portfolio of preconfigured industry solutions.
- **PwC** is a qualified vendor for Salesforce implementations due to its combination of broad industry expertise and a wide range of powerful solutions.
- **TCS** has a well-defined project methodology and has extensive experience with globally operating customers. Its focus on organic growth provides the guarantee of continuous service quality.
- **Wipro** combines extensive functional knowledge, industry expertise and a global delivery model with numerous preconfigured solutions, proving to be a powerful partner for the implementation of Salesforce.

INFOSYS

Overview

Infosys, based in Bengaluru, India, is a technology company providing IT services on a global scale. These include architecture consulting, Agile implementation, global rollouts, application integration, IT modernization, digital transformation and comprehensive operations support. In addition to broad experience with Salesforce implementations in various industries, the portfolio offers a range of solutions available as products based on the Salesforce platform. Infosys has more than 4,650 resources with Salesforce experience globally, of which more than 3,900 have been certified by Salesforce.

Strengths

Powerful delivery model: Infosys operates a global delivery model that combines onshore presence with nearshore and offshore capabilities to enable efficient deployments. More recently, Infosys has demonstrated significant growth in the Salesforce area, including the acquisition of Europe-based vendor Fluido.

Compelling offering of development and automation tools: Infosys' portfolio offers a variety of tools that help customers migrate legacy applications to the Salesforce platform. Its Sandbox Manager supports parallel management of multiple Salesforce instances. In addition, with its Agile Pro-Smart Development Platform, Infosys offers a comprehensive implementation environment with various components, all of which have a high degree of automation (for example, health check and continuous deployment).

Extensive partner network: Infosys maintains partnerships with many vendors of solutions based on the Salesforce platform; for example, it has partnered with Apttus for CPQ and Docusign for document and contract management.

Strong presence in the DACH region: Infosys has traditionally had a strong focus on the German-speaking region and has many successful implementations in the region with long-standing customers.

Caution

Infosys' strong technology competence should be complemented by a broader knowledge regarding business processes to be able to competently support the customer in business transformation.

2021 ISG Provider Lens™ Leader

Infosys is a leading vendor of Salesforce platform services. It has high technology competence, supported by numerous powerful development tools.

Methodology

METHODOLOGY

The research study "ISG Provider Lens™ – Salesforce Ecosystem Partners" analyzes the relevant software vendors/service providers in the Germany market, based on a multi-phased research and analysis process. It positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Salesforce Ecosystem Partners 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. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
6. Use of the following key evaluation criteria:
   - Strategy & vision
   - Innovation
   - Brand awareness and presence in the market
   - Sales and partner landscape
   - Breadth and depth of portfolio of services offered
   - Technology advancements

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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, Partner and Global Head - 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.

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