ISG Provider Lens™

Salesforce Ecosystem

Professional Services for Sales Cloud and Service Cloud

Germany 2019

Quadrant Report

A research report comparing provider strengths, challenges and competetive differentiators.

February 2019

Infosys®

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 2019, 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

The Salesforce Ecosystem with Specific Focus on Sales and Service Cloud and Recommended Apps

Since the company was founded in 1999, Salesforce has shown significant growth and is today the world's leading provider of cloud-based CRM functionality (SaaS). From the beginning, Salesforce has always focused on agile implementation and a high level of standardization, which in turn enables the company to issue frequent application updates. Furthermore, it helps clients to complete rapid implementations that can start with limited functional scope and then be enhanced over time. Meanwhile, the company's continuous development of software has led to a variety of products being offered. The most mature are Sales Cloud (for supporting the main activities of salespeople) and Service Cloud (for supporting the main topics around customer service and the activities of the field service employees).

The growing functionality has led to a situation where implementations are increasingly being conducted on an enterprise level resulting in broader scope and additional major needs for integration into the client's respective system landscapes. A growing number of clients today are asking for consolidation of several Salesforce installations that have been deployed over the years in different organizational units. This implies that the availability of experienced implementation partners has become a critical success factor for the productive use of Salesforce.

The current situation in the market can be characterized as follows:

- In most cases, the client's functional requirements lead to so-called multi-cloud implementations including several Salesforce products. For example, in most cases a standard implementation is comprised of Sales Cloud and Service Cloud functionalities. Therefore, implementation partners need to be capable of supporting several, if not all, of the Salesforce products to be competitive. In general, the selections of providers that are relevant for the different segments and products usually does not strongly depend on the specific product being considered. The ability to work with multiple Salesforce products is important to provider positioning. However, there are some service providers with specific strengths in one Salesforce product, which leads to a different positioning within the respective segment.
- The often rather complex system landscapes that a Salesforce implementation needs to be integrated into require a well-developed procedure model that considers the specific requirements. Many providers do offer a modified agile methodology that includes elements of a phased procedure model, particularly in the project scoping and definition phases, and in the deployment phase. The core development parts of

the respective project are still conducted in an agile mode with several sprints lasting only a few weeks each. A common term for this approach in the market is “hybrid agile” methodology.

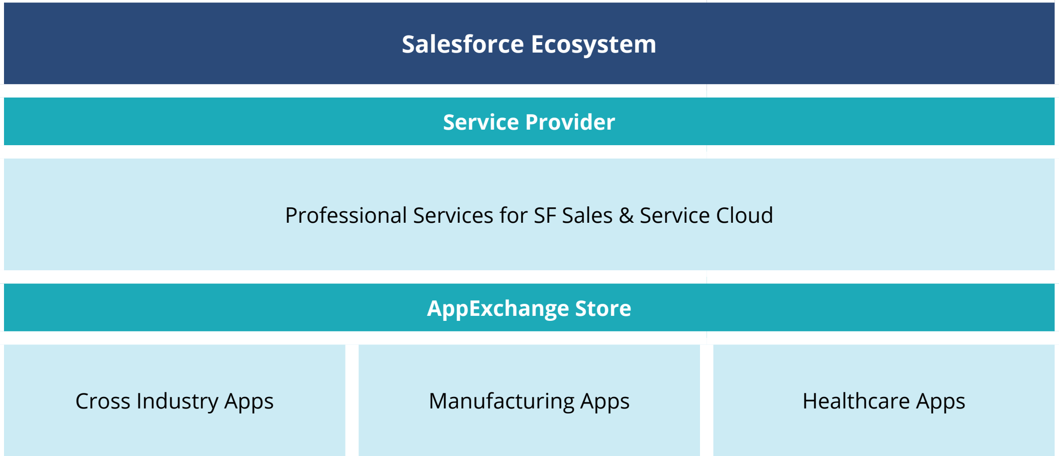
- Two basic types of providers can be distinguished according to how they address integration needs in a complex environment:
  - There are providers that have a strong focus on system integration offering, beside the Salesforce-related competency, capabilities regarding other technologies and/or software packages that also allow them to cover the integration aspects of a project. Many clients that require this type of integration operate globally, and so quite naturally, many providers that offer this capability are also global companies.
  - There are providers that focus mainly upon Salesforce core functionalities, and in most cases, also on a mainly agile approach to implementation. Projects that need significant integration with other packages will require respective knowledge on the clients´ side, or the involvement of another provider with the needed competency. Typically these “Salesforce only” providers have a limited size but are highly capable in their specific knowledge area due to their high specialization. They can serve all types of clients, but are best suited for projects with limited size and low integration needs.
- Clients in the German market have some specific characteristics. Germany has traditionally had numerous midsize companies acting on a global scale and hence, have significant complexity in their system landscapes. Many of these companies are significant players in the automotive industry or other manufacturing segments. They often tend to prefer regional IT providers that can cover the requirements evolving from global operations and complex system environments. When selecting a global player as implementation partner, these clients require, at the least, the respective service provider to have a strong workforce in Germany.

Besides assessing Salesforce consulting and implementation partners, this study reflects another major part of the Salesforce ecosystem, that of functional extensions of Salesforce products. As indicated above, Salesforce has a strong focus on standardization, and hence, agile implementation opportunities, which on the other hand leads to some limitations in the functionalities that are provided. These limitations are compensated by a large network of independent software vendors (ISVs) within the ecosystem that provide a broad variety of apps that are based upon the Salesforce platform. Clients can use the ISV offerings to extend their respective installations with functionalities that go beyond the Salesforce standard. Salesforce explicitly supports this approach by providing an online application marketplace for third-party applications, called AppExchange. Applications that are offered on this marketplace are either available for free or require a separate contract with the ISV through yearly or monthly subscription models.

This report provides three lists of recommended apps (based on our research) that are offered on the AppExchange marketplace. One list is comprised of 20 apps that are suitable for a cross-industry use. The other two each have 10 apps each that are suitable for the healthcare and the manufacturing industries. The lists include a rating of each application based on the score we calculated from five basic criteria; however, the lists do not provide a ranking due to the very different scope and functional areas being offered.

Introduction

Simplified illustration



Source: ISG 2019

Definition

This study examines various offerings around the Salesforce platform for the German market, and the Germany, Austria and Switzerland (DACH) region where noted.

On the one hand, it analyzes providers that act as implementation partners for Salesforce and offer services to design, configure and implement solutions for clients of the Salesforce platform. The focus of this study is on the Sales Cloud and the Service Cloud products within the Salesforce platform, as these are the most mature products within the Salesforce portfolio. Because Salesforce has been achieving significant growth over the recent years, there is a huge demand for this type of implementation support, and for the maintenance of already existing implementations. Salesforce itself runs an implementation support

Definition (cont.)

organization of limited size and therefore maintains a network of partners to fulfill the needs of its clients. These partners are usually subject to certification by Salesforce that has a variety of certification levels, from Global Strategic at the top level to Silver as the lowest. Many Salesforce implementation partner operate on a global level, and hence, regional markets have a significant overlap of active providers.

On the other hand, the study gives consideration to the fact that the Salesforce ecosystem includes many independent software vendors (ISVs) that develop and offer applications that are based on the Salesforce platform, and that provide functional extensions and/or industry-specific additional functionality to this platform. These apps are made available on Salesforce's AppExchange store and require a separate contract between the client and the respective application provider. While implementation partners are evaluated based on standard Provider Lens methodology and categorized into quadrants, the application ISVs are presented based on a different approach due to their limited scope and their varying functionality. This report presents three separate lists of recommended apps that deserve special attention due to their specific functionality or their focus on a specific industry.

Definition (cont.)

Scope of the Report

Professional Services for the Salesforce Sales Cloud and Service Cloud

This segment addresses the providers of professional services for companies that use or intend to implement the Salesforce Sales Cloud and the Service Cloud, which are the most mature products in the Salesforce portfolio. They have naturally the same technological foundation, and in most implementations of a Salesforce solution, functionalities of both products are utilized. The Professional Services quadrant analysis includes the respective abilities of providers in consulting, configuration and implementation of a Sales Cloud application for the client and the go-live support. Integrating Salesforce into existing landscapes is usually also part of the respective projects.

The focus is on providers that are capable to cover the requirements of clients that operate from Germany. Many of these clients have a global business; therefore even regional providers must be able to offer implementation services for such clients.

Salesforce Apps

This segment considers providers of apps that are based on the Salesforce platform and provide additional functionality. Criteria for consideration are functional breadth and depth of the applications, the provider's continuous maintenance and versioning, price model clarity, comprehensiveness of user support and customer satisfaction feedback. Since the functional differences between the numerous apps are too significant, there is no ranking presented in this study. Salesforce ISV evaluations are not presented in a quadrant because the functional differences of their software too significant. Instead, ISG identified 20 recommended independent applications for Salesforce that our research determined are suitable for clients in organizations across industries, plus 10 specific to the manufacturing vertical and 10 specific to healthcare. Assessments were made mainly based on publicly available information; however, a few providers actively participated by submitting specific information.

The apps usually do not exhibit some kind of regional scope or limitation and can be used by clients across the globe. Only a few apps are mainly used in the DACH region.

Provider Classifications

The ISG Provider Lens™ quadrants were created using an evaluation matrix containing four segments, where 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 coverage 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 their 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 lag 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 have therefore still some potential to optimize their portfolio and increase their attractiveness.

Contender

"Contenders" are still lacking mature products and services or sufficient depth and breadth of their offering, while also showing some strengths and improvement potentials 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) who ISG believes has a strong potential to move into the leader's quadrant.

Rising Star

Rising Stars are mostly product challengers with high future potential. When receiving the "Rising Star" award, such companies have a promising portfolio, including the required roadmap and an adequate focus on key market trends and customer requirements. Also, the "Rising Star" has an excellent management and understanding of the local market. This award is only given to vendors or service providers that have made extreme progress towards their goals within the last 12 months and are on a good way to reach the leader quadrant within the next 12-24 months, due to their above-average impact and innovative strength.

Not In

This service provider or vendor was not included in this quadrant as ISG could not obtain enough information to position them. This omission does not imply that the service provider or vendor does not provide this service.

Salesforce Ecosystem - Quadrant Provider Listing 1 of 1

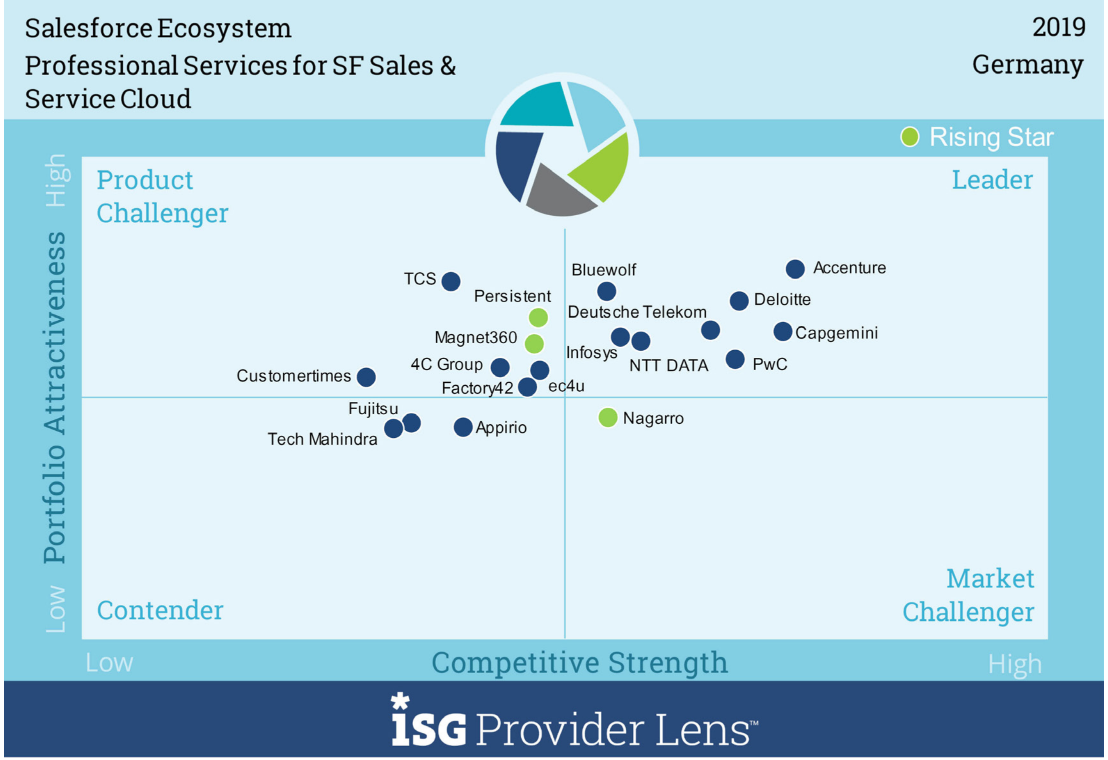
	Professional Services for SF Sales & Service Cloud
4C Group	Product Challenger
Accenture	Leader
Appirio	Contender
Bluewolf	Leader
Capgemini	Leader
Customertimes	Product Challenger
Deloitte	Leader
Deutsche Telekom	Leader
ec4u	Product Challenger
Factory42	Product Challenger

	Professional Services for SF Sales & Service Cloud
Fujitsu	Contender
Infosys	Leader
Magnet360	Rising Star
Nagarro	Rising Star
NTT DATA	Leader
Persistent	Rising Star
PwC	Leader
TCS	Product Challenger
Tech Mahindra	Contender

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Definition

This segment addresses the providers of professional services for companies that use or intend to implement the Salesforce Sales Cloud or Service Cloud. The professional services quadrant analysis includes the respective abilities in consulting, configuration and implementation of a Sales Cloud application for the client and the go-live support. The main professional services for applications that are already in production are maintenance and additional development. Integrating Salesforce into existing landscapes is usually also part of the respective projects and can be particularly challenging for providers when they serve enterprise clients because there are usually complex system landscapes to be considered.



Source: ISG Research 2019

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Definition (cont.)

The main functionalities of the Sales Cloud are:

- Contact Management
- Opportunity Management
- Lead Management
- Workflow and Approvals
- Sales Forecasting
- Email Integration
- Reports & Dashboards
- Salesforce Mobile.

The main functionalities of the Service Cloud are:

- Customer Service
- Self Service
- Workflow and Approvals
- Digital Channels
- Field Service including Mobile
- Reports & Dashboards.

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Definition (cont.)

MAIN RATING CRITERIA

The most important criteria that were used in the evaluation are as follows:

- Technological competency regarding Sales Cloud and Service Cloud
- Managed Services portfolio attractiveness
- Predefined solutions
- Unique capabilities and differentiators
- Execution capabilities / Workforce
- Broad client base.

Observations

Sales Cloud and the Service Cloud are the most mature products in the Salesforce portfolio, and the providers active in this market mostly have a proven record of respective implementations of those products. The current market has the following characteristics:

- Major differentiators among service providers are the so-called accelerators and the industry specific solutions they offer. These assets are used to make the best use of the agile implementation approach that is possible with the Salesforce type of SaaS application. To a large extent the provider positioning in the segment reflects the accelerator and industry-specific solution elements of their respective portfolios.
- In general, it appears that many providers have a slightly stronger position in Sales Cloud than in other product segments, since it deals with the basics of the CRM functionality like CPQ (configure price quote), opportunity management and others. Service Cloud implementations can mainly cover two major areas.

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Observations (cont.)

One is the functionalities that refer to the customer service as part of the sales process. Examples include contact center functionalities, customer portals and more. These functionalities are usually not isolated, but are used in combination with sales functionalities like CPQ, opportunity management and others. Most of the Service Cloud implementations fall into this category.

On the other hand, some cases require functionalities to support field service personnel in performing their tasks. These functionalities can for example refer to product specifications in case of repair services, or spare part supply management in case of device maintenance. Field support projects usually also have strong demand for mobile offline capabilities, to ensure continuous operation independent of network connections.

- While many Salesforce customers are major companies, midsize firms are also an important client target for providers, particularly in the German market. Although these clients have limited size, many of them nevertheless operate on a global scale and therefore have a complex system landscape for Salesforce integration. This opens the opportunity to achieve a significant position in the market for providers other than the large and globally operating system integrators.
- While some of the global system integrators can refer to a significant regional presence in Germany others still need development in that regard, and so not all of the global players have achieved Leader status in the German market.

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Observations (cont.)

The following providers have been identified as Leaders: Accenture, Bluewolf (an IBM company), Capgemini, Deloitte, Deutsche Telekom, Infosys, NTT DATA, PWC.

- Accenture operates, in terms of the workforce, one of the largest Salesforce implementation partner practices globally and can refer to a broad and long experience. The company has had a strong presence in Germany for a long time. The portfolio offers numerous predefined solutions that cover technical and project execution aspects as well as industry specifics.
- Bluewolf had already a strong position in the U.S. for a long time with focus on rapid implementations and broad industry expertise. Since being acquired by IBM in 2016, the company is expanding its presence outside of the U.S. significantly, including a dedicated practice in Germany. Bluewolf is a strong partner for Salesforce implementations serving clients with global operations.
- Capgemini is a globally operating provider of IT services that can refer to a rich experience with CRM in general and particularly with Salesforce. The functional expertise is complemented by a deep knowledge of industry specifics. The company offers a highly scalable and flexible delivery model most suitable specifically for large enterprise clients. The company has maintained a strong presence in Germany over a long period of time.
- Deloitte has a large Salesforce practice operating on a global scale and has had traditionally a strong position in the German market. The portfolio offers numerous predefined solutions covering the improvements of efficiency in the project execution as well as industry specifics.
- Deutsche Telekom is clearly a strong regional player focused on DACH and particularly on the midsize client market. The Salesforce practice of Deutsche Telekom was established approximately five years ago and has had continuously strong growth since then.
- Infosys has traditionally shown a significant presence in Europe and particularly in Germany. The portfolio offers a comprehensive development environment for Salesforce implementations as well as powerful industry solutions, namely for Automotive and Healthcare.

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Observations (cont.)

- NTT DATA has a strong Salesforce related portfolio and provides a sophisticated delivery model with a relatively high share of nearshore resources. The portfolio covers productivity-oriented solutions as well as industry specific functionalities, and the company can refer to a rich experience regarding Salesforce implementations. Germany is one of the key markets for NTT DATA outside of the U.S.
- PwC has a strong Salesforce related portfolio with a specific focus on combining the business process transformation and the technology being used for this transformation. The company offers several industry specific solutions with healthcare being a focus area. Its German presence regarding IT Services and specifically Salesforce has been growing over the recent years.

Magnet360 (a Mindtree company), Persistent and Nagarro have achieved Rising Star status in this segment due to their foundations of a convincing service portfolio. All of them are in the process of building a stronger regional presence.

- Magnet360 is an implementation partner that has always been specialized on Salesforce implementations with a strong respective portfolio, such as numerous powerful accelerators. Meanwhile, being part of Mindtree, the company now has the ability to cover the integration with other packages as well. Magnet360 has established a dedicated German practice for Salesforce most recently.
- Persistent has a rather unique focus with its utilization Salesforce as an integration platform for a data-oriented system landscape. In addition to that, Persistent offers powerful accelerators and rich industry expertise. Most recently Persistent strengthened their regional presence by acquisition of the regional Salesforce service provider PARX.
- Nagarro has been classified as Rising Star because, as a subsidiary of the Allgeier Group that is based in Germany, its regional presence is already well developed and because its portfolio has been continuously strengthened recently.

INFOSYS

Overview

Infosys provides consulting and technology services globally. In recent years, it has focused its portfolio on digital transformation for clients' core business processes. The services offered include CX consulting, UX strategy definition, architecture definition, agile implementations, global rollout execution, ecosystem integration, platform-based application modernization and support services. Infosys has deployment experience across various industry verticals and additional expertise with numerous ISV solution offerings that are based on the Salesforce platform.

Strengths

Delivery model formula: Infosys operates a global delivery organization with more than 3,000 Salesforce-dedicated resources. Its global delivery mix of onshore and offshore resources contributes to cost efficient project execution. Infosys recently announced it is putting high emphasis on future growth in Europe and specifically in Germany, where the company already operates seven locations. Infosys has an outstanding customer satisfaction rating.

Deployment automation: With its Agile Pro – Smart Development Platform, Infosys provides a comprehensive implementation environment with several automated steps (for example, Health Check, Continuous Deployment and others) that help to increase efficiency and speed in Salesforce implementation projects. Infosys has a focus on legacy to Salesforce migration to help clients achieve application rationalization and modernization of various platforms to integrate with the Salesforce platform. Another powerful tool in this context is the Sandbox Manager, which supports the parallel management of several Salesforce instances.

Industry offerings: Infosys has powerful industry solutions, namely for automotive and healthcare. The company covers Salesforce-based solution integrations into complex IT environments with its respective standardized solution packages. For Sales Cloud, Infosys' preconfigured template for cross industry use is a remarkable offering. In the Service Cloud context Infosys offers several powerful solutions, for example Smart Field Manager - a field service platform (Connected Devices, Mobile experience, Field Service automation) and HR Case Management.

Mature contract model: The company's share of fixed-price or outcome-based projects in Germany is rather high and indicates that Infosys is willing to take co-responsibility for the engagement results.

Dedicated Salesforce Practice in Germany: Infosys has set up a dedicated Salesforce Practice in Germany and expanding Fluido's presence beyond the Nordics into Germany.

INFOSYS

Caution

Infosys has a strong focus on technology and tools, whereas its business process transformation capability should be strengthened.

2019 ISG Provider Lens™ Leader

Infosys has built a strong Salesforce practice with powerful industry solutions and productivity tools.

METHODOLOGY

The ISG Provider Lens™ 2019 – Salesforce Ecosystem research study analyses the relevant software vendors and service providers in the German market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Salesforce Ecosystem market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. 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

Authors and Editors

Rainer Suletzki, Author

Senior IT Management Advisor, Germany

Mr. Suletzki relies on a deep understanding of core business processes and in-depth know-how of IT management. He has more than 30 years of experience as Senior IT Manager, Senior Project Manager and – at the beginning of his career – as IT consultant. His main areas of expertise comprise IT application management, IT architecture, data modelling as well as IT sourcing strategy and execution

Rainer acts as independent consultant with a focus upon application management for SAP and specifically for SAP HANA. On behalf of ISG he conducts studies within the framework of ISG Provider Lens and takes on client projects with definition of IT strategy and the resulting sourcing decisions.

Before becoming an independent consultant, Rainer worked more than 30 years for a global German Life Science corporation.

Rainer holds graduate degrees in Economics and Computer Sciences.

Authors and Editors

Heiko Henkes, Editor

Director Advisor

Mr. Henkes is a Director Advisor at ISG; in this role, he is responsible for strategic business management and acts as leader of ISG's team of research advisors. He is also in charge of bringing together IT trend topics within the digital transformation context and acts as keynote speaker on current and future IT trends.

Since 2013, Heiko has advised both ICT providers and users on current digital transformation topics such as Cloud Computing, Artificial Intelligence and the Mobile Enterprise.

In his work with IT Providers, he has a focus on go-to-market strategies and strategic portfolio development as well as on the strategic marketing and sales development. Heiko also analyzes and evaluates business processes, product-specific target markets and IT provider through classical competitive analyses. Within this context, Heiko supports companies to undergo continuous transformation, combining IT competencies with sustainable business strategies and change management.

His primarily focus lies on business development activities, further development and internationalization of the ISG Provider Lens™ (IPL) product-related processes beside his role as IPL Topic Leader to guide and sync all analyst team members.

Before joining ISG (Experton Group), Heiko worked as analyst manager for TechConsult GmbH.

Heiko holds a degree in economics with a major business informatics and marketing of the University of Kassel and is fluent in English.

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ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including more than 70 of the top 100 enterprises in the world, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.