ISG Provider Lens™

Salesforce Ecosystem Partners

Managed Application Services for Large Enterprises

Germany 2021

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

March 2021

Customized report courtesy of:

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 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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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

Managed Application Services for Large Enterprises

This report is relevant to large enterprises across all industries in Germany and evaluates service providers of Salesforce Managed Application Services for this client type.

In this quadrant report, ISG defines the current market positions of providers of Salesforce managed application services for large enterprises in Germany. Traditional managed services primarily include outsourcing activities such as onsite or remote support and application monitoring. This study covers providers offering additional services, including administrative assistance, accelerators for development and utilization, development services, proactive monitoring and advisory services. In order to ably manage their Salesforce environments, enterprise clients look for service providers that can keep IT costs under control and maintain the platform efficiently. Enterprises need service providers to manage the application, licenses and upgrades, provide user support and develop business applications integrated with the Salesforce environment.

ISG notes that proximity to the enterprise workforce is an important factor in the market positions of providers, since several aspects of the managed application services, such as user training and resolution of issues by workaround, require direct and immediate interaction with the user. Service providers are helping enterprise clients by providing cost management for the application, planning upgrades, conducting regular trainings and expanding the use of Salesforce within an organization. Large enterprises headquartered in Germany, with global operations, can leverage the global providers for deployments in the country and in other parts of the world. All service providers must aim for high user satisfaction to sustain or encourage the use of Salesforce applications and justify investments in Salesforce managed services.

Marketing, sales and field services leaders should read this report to understand the relative positioning and capabilities of service partners that can help them implement Salesforce managed application services effectively. The report also highlights the advanced managed service capabilities of service providers, including administrative assistance, development and use of accelerators, Salesforce Lightning services, proactive monitoring and advisory services.

IT and technology leaders should read this report to understand the relative positioning and capabilities of service providers of managed services. The report also compares the providers in terms of technical capabilities in areas such as remote and onsite monitoring, technology accelerators, incident response, automation and development methodologies.

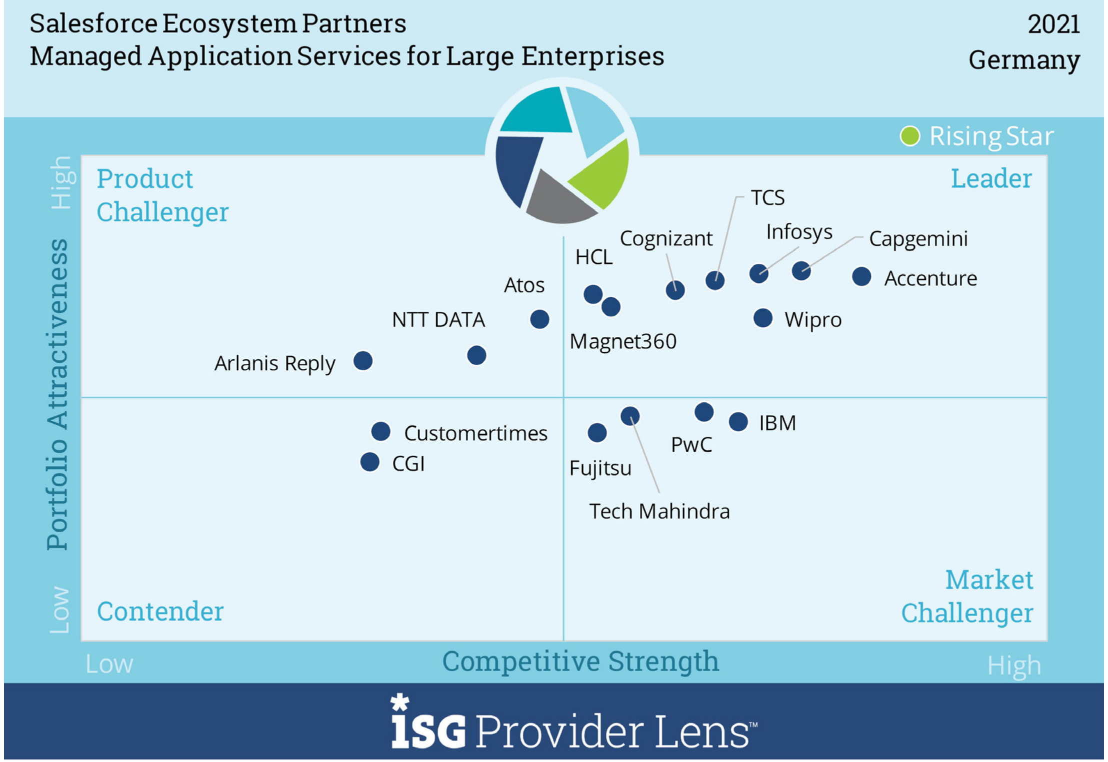
Security and data professionals should read this report to understand how the providers comply with data privacy regulations in the country, such as the General Data Protection Regulation (GDPR) and security requirements, in their Salesforce managed application service practices.

Procurement professionals should read this report to understand how the providers differ in their approach to Salesforce managed application services in Germany. The report also covers differences in provider experience in terms of support for Salesforce applications, nature of customer base and industry relations.

MANAGED APPLICATION SERVICES FOR LARGE ENTERPRISES

Definition

This quadrant examines service providers that offer managed services for maintenance and support tasks, including monitoring, remote support, centralized management of Salesforce applications, data quality management, data security and compliance. For large corporates, the services typically include global service delivery and coverage of complex application landscapes with various solutions from different software vendors.



Source: ISG Research 2021

MANAGED APPLICATION 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
- Maturity of delivery and contract models
- Experience in supporting Salesforce-based applications
- Broad customer base

Observations

The following vendors are qualified as leaders in this quadrant:

- **Accenture** offers powerful preconfigured solutions for application management and has a strong position in the market for large customers in the DACH region.
- **Capgemini's** offering is based on a compelling application management methodology and a powerful global delivery model. The portfolio also includes a range of business process as-a-service (BPaaS) offerings.
- **Cognizant** has numerous powerful support tools, with a focus on automation and a clear focus on data quality as a means to increase efficiency and ensure service stability.
- **HCL** demonstrates extensive experience in operating CRM applications on the Salesforce platform. It also offers tool support and a scalable and agile support.
- **Infosys** offers numerous tools to support efficient application operation and is highly committed to further efficiency gains through comprehensive automation.
- **Magnet360's** support concepts are consistent governance and a clear focus on data quality as a prerequisite for stability in operations. Powerful tool support and automation tools complement the portfolio.

MANAGED APPLICATION SERVICES FOR LARGE ENTERPRISES

Observations (cont.)

- **TCS'** powerful tools and a strong global delivery concept are essential features of the support provided for the operation of Salesforce applications.
- **Wipro** offers benchmark functionalities for operations, as well as options for automated derivation of key performance indicators for process quality as a special feature, in addition to comprehensive tool support for application management.

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 also 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 tool support for application management: Infosys' portfolio includes a range of self-developed tools for sustainable efficiency enhancement in service delivery. With the Code Coverage Manager, it is possible to continuously monitor the utilization of individual developments and, if necessary, initiate corrective measures. Its Sandbox Manager is used to centrally control the nonproductive instances of Salesforce present at the customer's site and to keep them synchronized with the productive systems.

Increased efficiency through automation: Infosys constantly expands its capabilities for the extensive automation of recurring activities in application management. The Agile Pro-Smart development platform enables extensive automation of service components (e.g., health check for Salesforce and continuous deployment). Furthermore, Infosys Nia can automate business processes using AI methods in addition to IT activities. Nia can also be linked to various other application systems and ticket systems for incident and change management.

Well-developed contract models: The proportion of fixed-price or outcome-based contracts from Infosys in the DACH region is relatively high, which shows that the company is prepared to assume joint responsibility for the respective outcomes at the customer's site.

Caution

Infosys should offer customers a standardized governance model to better support shared responsibility for ongoing operations and requested enhancements.

Infosys excels with technology and tools but should further strengthen its ability to transform business processes.

2021 ISG Provider Lens™ Leader

Infosys offers large customers a compelling portfolio for operational support of Salesforce-based applications with powerful use of tools and automation.

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. 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.

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Rahul Basu is a senior analyst in ISG and is responsible for supporting ISG Provider Lens™ studies on Social Business Collaboration and Digital Workplace Services. His area of expertise is social media management and digital marketing. During his tenure, he has developed content for ISG Provider Lens™ in the areas of social business collaboration services. He is responsible for supporting research authors and authoring blogs about niche technologies, market trends and insights.

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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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