Everest Group®

Everest Group PEAK Matrix® for S/4HANA Service Providers 2021

Focus on NTT DATA

May 2021

Everest Group PEAK MATRIX®

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Background of the research

- Enterprises are adopting SAP S/4HANA to modernize their finance and accounting operations, enable end-to-end visibility across the supply chain, better forecast demand and sales, optimize inventory management, and streamline procurement operations
- However, enterprise expectations are evolving beyond the lift and shift of workloads and process reimagination to ecosystem orchestration using S/4HANA to better orchestrate their enterprise application landscape to reap incremental value
- To address changing client expectations and accelerate the migration of its on-premise client base to the cloud, SAP is investing in augmenting its SAP product portfolio including S/4HANA Cloud capabilities
- In this research, we present an assessment of 21 service providers featured on the S/4HANA services PEAK Matrix®
- The assessment is based on Everest Group's annual RFI process for calendar year 2020, interactions with leading services providers, client reference checks, and an ongoing analysis of the S/4HANA services market

This report includes the profiles of the following 21 leading service providers featured on the S/4HANA services PEAK Matrix:

- **Leaders:** Accenture, Deloitte, EY, IBM, Infosys, NTT DATA, and TCS
- **Major Contenders:** Atos, Capgemini, Cognizant, DXC Technology, HCL Technologies, LTI, PwC, Tech Mahindra, T-Systems, and Wipro
- **Aspirants:** Birlasoft, Mphasis, Stefanini, and UST

Scope of this report:

Geography
Global

Service providers
21

Services
SAP S/4HANA services

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Introduction and scope

Everest Group recently released its report titled "S/4HANA Services PEAK Matrix® Assessment 2021". This report analyzes the changing dynamics of the S/4HANA services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 21 service providers on the Everest Group PEAK Matrix® for S/4HANA services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of S/4HANA service providers based on their absolute market success and delivery capability.

Based on the analysis, **NTT DATA emerged as a Leader.** This document focuses on **NTT DATA's** S/4HANA services experience and capabilities and includes:

- NTT DATA's position on the S/4HANA services PEAK Matrix
- Detailed S/4HANA services profile of NTT DATA

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

Source: Everest Group (2021)

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S/4HANA services PEAK Matrix® characteristics

Leaders:

Accenture, Deloitte, EY, IBM, Infosys, NTT DATA, and TCS

- Leaders are characterized by their ability to successfully execute large-scale, multi-continent, end-to-end S/4HANA services, underpinned by their strong global delivery network and meaningful onshore presence
- These providers have invested significantly to grow and engage talent to combat high attrition in the S/4HANA services market. Leaders are also able to successfully leverage domain experts to provide good change management experiences to clients
- Furthermore, they have a mature suite of SAP-certified, S/4HANA, OTS verticalized solutions to accelerate time-to-market for their clients
- Leaders have a highly balanced portfolio, and continue to keep pace with market dynamics through continued investments in S/4HANA Cloud and vertical-specific solutions and services capability development (internal IP/tools, partnerships, etc.)

Major Contenders:

Atos, Capgemini, Cognizant, DXC Technology, HCL Technologies, LTI, PwC, Tech Mahindra, T-Systems, and Wipro

- These players have built meaningful capabilities to deliver S/4HANA services – implementation and management/run; however, their service portfolios are not as balanced and comprehensive as those of Leaders (in terms of coverage across S/4HANA service segments, service type, geographies, or verticals)
- These providers have good partnership with SAP and all the leading cloud vendors & specialist technology partners to curate client-specific S/4HANA solutions
- Also, Major Contenders are making continued investments in building proprietary tools and solutions, as well as scaling their talent for S/4HANA

Aspirants:

Birlasoft, Mphasis, Stefanini, and UST

- Aspirants have good proof points in delivering low to medium complex implementation and maintenance S/4HANA services for Small and Mid-sized Buyers (SMBs)
- They are either focused on a region(s) or vertical(s), or currently have a relatively small S/4HANA practice
- While these providers have meaningful capabilities in driving S/4HANA on-premise initiatives, they might not be suitable for clients looking for S/4HANA Cloud services as they lack strong partnerships with leading cloud vendors

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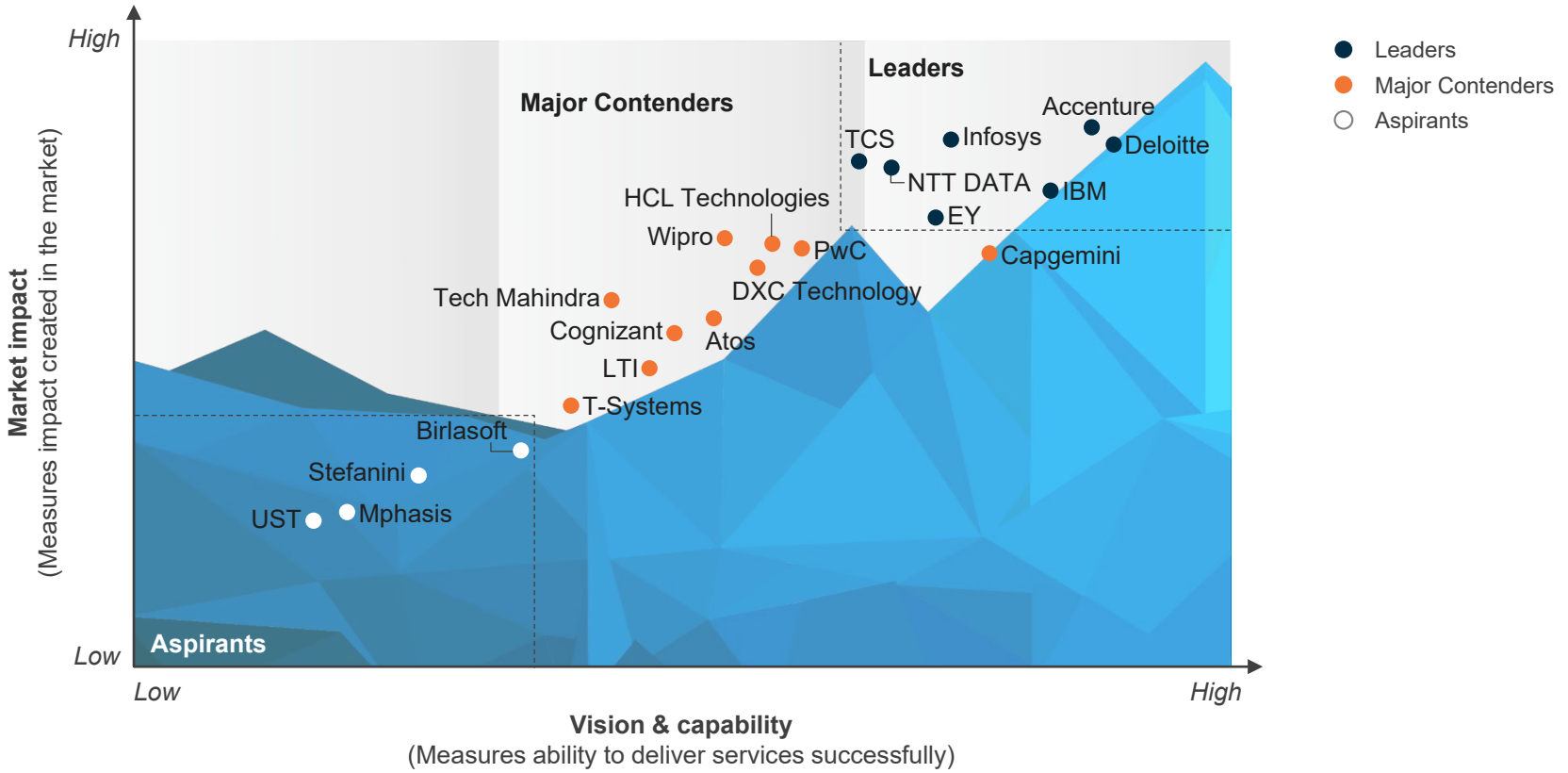
Everest Group PEAK Matrix®

S/4HANA Services PEAK Matrix® Assessment 2021 | NTT DATA positioned as a Leader

Everest Group S/4HANA Services PEAK Matrix® Assessment 2021[1]



1 Assessments for Deloitte, EY, IBM, PwC, and T-Systems exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers

Source: Everest Group (2021)

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NTT DATA | S/4HANA services profile (page 1 of 5)

Everest Group assessment – Leader

Measure of capability: High Low

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

Strengths

- NTT DATA is a right fit for enterprises in the APAC and European regions seeking stand-alone, onshore-centric end-to-end services for S/4HANA
- Enterprises in the Latin American and ASEAN regions can benefit from its acquisition of ISS Consulting and FH S.A.'s S/4HANA delivery capabilities in the region
- Its flexibility in engagement, domain expertise, and account management are well-perceived by the market
- It has meaningfully invested in upskilling initiatives for S/4HANA resources through its dedicated S/4HANA academy
- Unlike its peers, it has a scaled pool of S/4HANA Cloud resources and has demonstrated proof points in driving S/4HANA SaaS transformations
- It has heavily invested in building a robust suite of verticalized solutions/framework for S/4HANA to deliver industry-specific solutions

Limitations

- NTT DATA needs to further enhance its delivery capabilities and proof points in North America and Middle East and Africa to better serve clients in these regions
- Its onshore-/nearshore-centric delivery model may prevent clients from capturing labor arbitrage opportunities – it can further scale resources in offshore locations such as India and the Philippines
- It needs to invest in improving mindshare of its proprietary SAP-certified, industry-specific S/4HANA-compatible solutions
- It has scope to further enhance its organizational change management capabilities to better serve its clients post-implementation in enabling adoption and consumption of the solution
- NTT DATA needs to further augment its capabilities around human resources to strengthen its S/4HANA services portfolio

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NTT DATA | S/4HANA services profile (page 2 of 5)

Provider overview

Vision for S/4HANA services: NTT DATA's vision is to drive S/4 HANA transformations anchored in outcomes focused on sustainable improvements in business performance. It aims to leverage its industries vision, business offerings, process expertise, as well as proprietary SAP solutions and IP to reduce risk and increase speed, drive agility, and enhance cost efficiency to bring the vision to life.

Partnership status with SAP: SAP Global Strategic Service Partner

Number of projects completed in 2020: 529

Number of S/4HANA experts: 9,300+

Percentage of projects by deployment model

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

On-premise	Public Cloud	Private Cloud

Proportion of S/4HANA services revenue by buyer size (annual revenue)

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

Less than US$1 billion	US$1-5 billion	US$5-10 billion
US$10-20 billion	Greater than US$20 billion	

Proportion of S/4HANA services revenue by business function

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

Consulting	Implementation	Maintenance and support

Proportion of S/4HANA services revenue by modules/capabilities

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

Finance	Human resource	Others[1]
S/4HANA LOB products including industries	Supply chain; sourcing and procurement	

Proportion of S/4HANA services revenue by geography

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

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

Proportion of S/4HANA services revenue by industry

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

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

1 Includes Asset Management, Manufacturing, Sales & Services, Analytics, compatibly packs, and Integration

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NTT DATA | S/4HANA services profile (page 3 of 5)

Key solutions

Proprietary solutions (representative list)			
Solution name	**Industry in focus**	**Focused S/4HANA module**	**Details**
Intelligent Business Suite	Auto, life sciences / pharma, and manufacturing	All modules	NTT DATA Model Company approach to accelerate large enterprise S/4HANA journey, reduce implementation cost and risk, and speed time to value
it.mds	All	All modules	Improves data quality for master data maintenance; automates 60-95% of processes
Digital Transformation as a Service (DTaaS)	All	All modules	Modular approach, flexible, lower risk, always current, focused, and fast to deliver value
it.capture	All	All modules	Automated documented capture for simplified handling of incoming documents
Uptimzer	All	All modules	Accelerator for discovery and realization of upgrade projects reducing analysis and remediation effort by 30-40%

Custom-built SAP-certified solutions on SAP portal compatible with S/4HANA (representative list)			
Solution name	**Industry in focus**	**Focused S/4HANA module**	**Details**
it.cp – durables & food & beverage	CPG	All	S/4HANA pre-packaged solution, with business and technical content, along with solution templates built for the consumer products and food industry
It.chemical	Chemical	All	S/4HANA pre-packaged solution, with business and technical content, along with solution templates built for the chemical industry
it.manufacturing	Manufacturing	All	S/4HANA pre-packaged solution, with business and technical content, along with solution templates built for the manufacturing industry
It.lifescience	Life sciences / pharma	All	S/4HANA pre-packaged solution, with business and technical content, along with solution templates built for the life sciences industry
it.conversion R2R	Manufacturing	All	Dedicated approach for Manufacturing industry with own IP tools to drive successful transition to S/4HANA

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NTT DATA | S/4HANA services profile (page 4 of 5)

Investments and partnerships

Key investments (representative list)		
Investment theme	**Focused S/4HANA module**	**Details**
Acquisition of ISS Consulting	All modules	Increases coverage of global and regional accounts, specifically for Japanese multinational companies; completes coverage in Asia Pacific region
Acquisition of FH S.A.	All modules	The largest practice for SAP CX in Latin America – further enhances footprint for S/4HANA services
S/4HANA conversion factory / CoE	All modules	• Delivers projects in fixed time and price, and with increased customer engagement • Enables S/4HANA enhancements and innovations after migration/conversion • Augments change management capabilities
S/4HANA Academy	All modules	• Aims to upskill and cross-skill S/4HANA resources within NTT DATA • Provides S/4HANA training services to clients and internal employees

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

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NTT DATA | S/4HANA services profile (page 5 of 5)

Case studies

Case study 1	Client: A large international manufacturer

Business challenge

The client wanted to globally orchestrate all operations and management from machine installment to multi-year maintenance, but fragmented ERPs and rules formed obstacles to standardized operations

Solution

NTT DATA implemented the entire program as its global SAP partner for the client's group of companies, from blueprint to rollouts and after go-live maintenance of S/4.

Impact

- Standardized operations globally for greater ROI
- Gained real-time P&L management for each machine to enable optimized production and better decision-making

Case study 2	Client: A global pharmaceutical company

Business challenge

The client's expanding global business required a scalable core solution across all subsidiaries and geographies

Solution

NTT DATA implemented the full S/4HANA solution for all pharmaceutical operations using proven assets (sets of internal IPs and industry models.) Included integration with other systems and construction of management cockpit for analytics, simulations, risk management, and operations

Impact

- Achieved significant performance enhancements that shortened operations lead times
- Integrated big data not only for prompt result confirmation, but also predictions and simulations
- Simplified system to enable both significant TCO reduction and flexibility at the same time

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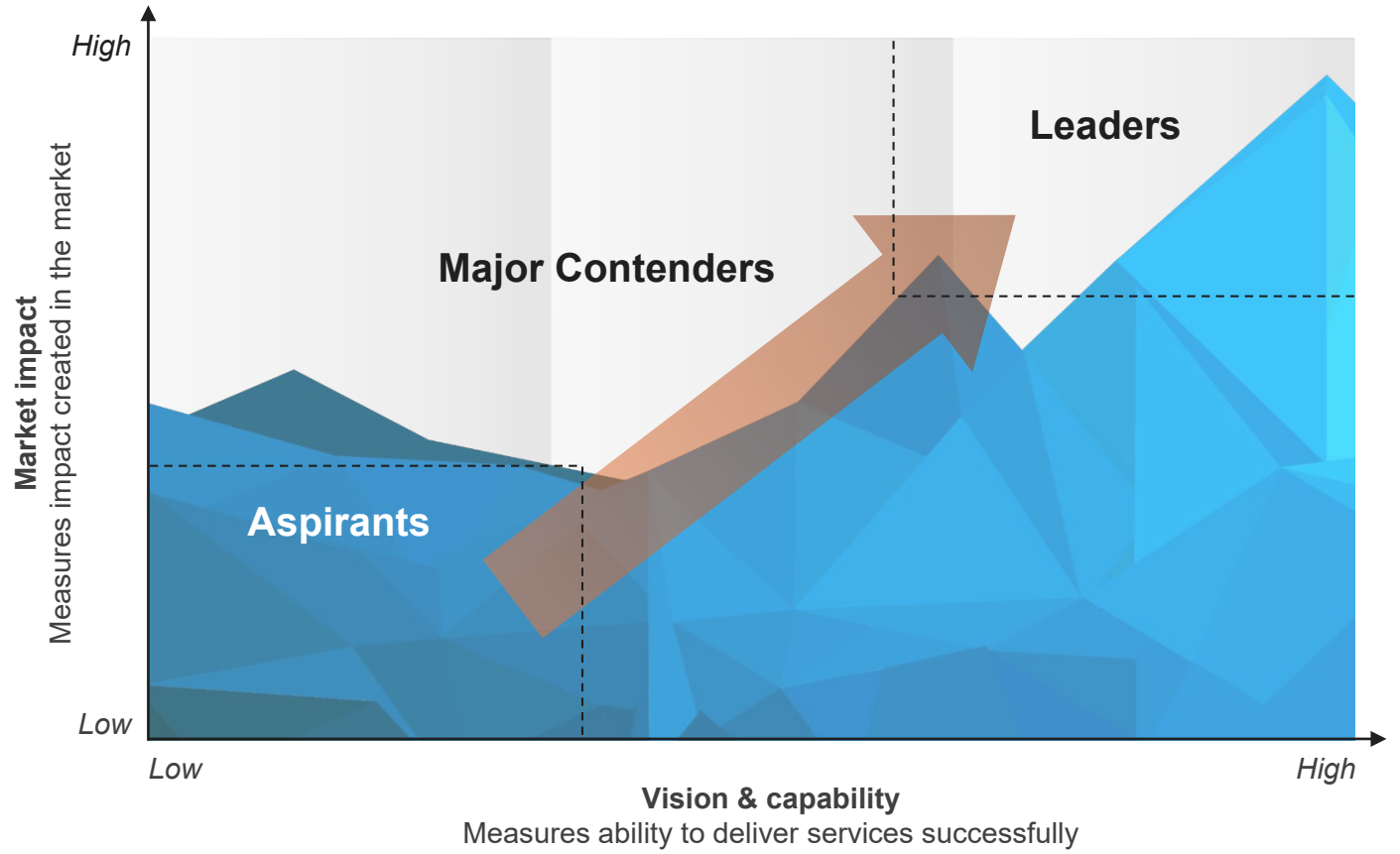
Appendix

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

Everest Group PEAK Matrix



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Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

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

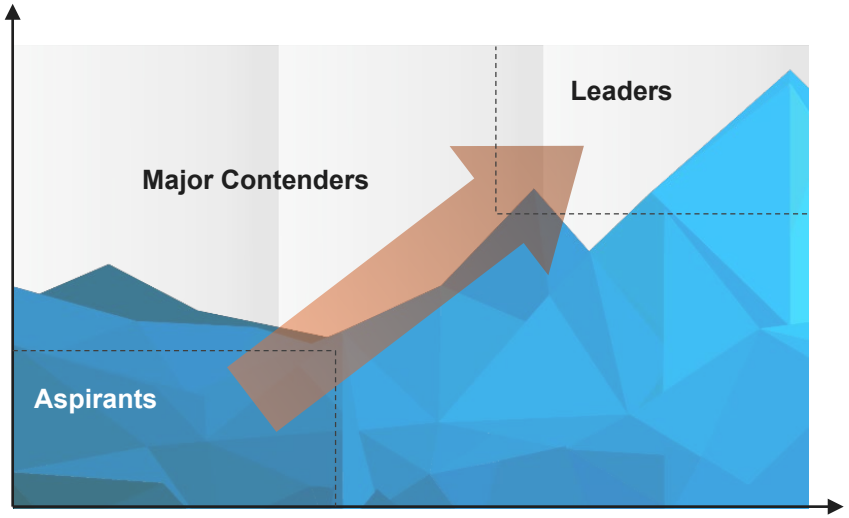
Portfolio mix

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

Value delivered

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

Market impact



Vision & capability

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

Vision and strategy

Vision for the client and itself; future roadmap and strategy

Scope of services offered

Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments

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

Delivery footprint

Delivery footprint and global sourcing mix

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FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

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

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  - Issue a press release declaring their positioning. See citation policies
  - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  - Quotes from Everest Group analysts could be disseminated to the media
  - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

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

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

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

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

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

New York
info@everestgrp.com
+1-646-805-4000

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

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