ISG Provider Lens™

SAP HANA and Leonardo Ecosystem Partners

Managed Application Services for SAP ERP

UK 2020

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

HEXAWARE

July 2020

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 May 2020, 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™

ISG Provider Lens™ delivers leading-edge and actionable research studies, reports and consulting services focused on technology and service providers' strengths and weaknesses and how they are positioned relative to their peers in the market. These reports provide influential insights accessed by our large pool of advisors who are actively advising outsourcing deals as well as large numbers of ISG enterprise clients who are potential outsourcers.

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EXECUTIVE SUMMARY

Very minimal or negative growth expected for S/4HANA amidst covid crisis and brexit. With high focus on lowering the cost and manual effort, there is an accelerated increase in the adoption of digital transformation

The outlook for new SAP adoption in the U.K. market looks bleak. Enterprises are facing an uncertain business environment due to the dual impacts of Brexit and COVID-19. Firms are unsure of the tangible benefits that could be realized from any initiative during these times. In this uncertain scenario, the complexity, cost and change management required for SAP S/4HANA transformation adds to the enterprises' reluctance to move to S/4HANA. The firms that have not started their migrations have postponed their plans to move to S/4HANA. Enterprises are also exploring options with their service providers for price reduction or payment deferment across various SAP outsourcing deals.

SAP's extension until 2027 to continue supporting ECC has not turned the tide for SAP users to adopt S/4HANA, even among enterprises that are anticipating sustainable return of investment (ROI) from making the move to S/4HANA. However, cloud adoption is anticipated to increase, as is the use of automation to mitigate the non-availability of skilled workers in the region. The midmarket segment is expected to benefit from cloud adoption. Enterprises in that segment are focusing on implementing S/4HANA Cloud because they have less customization and maintenance requirements than larger firms. There will be an overall increase in digital projects across the region, with enterprises looking for enabling mobile apps for customers and employees using SAP Cloud Platform (SCP).

The majority of service providers have been able to support their clients during the COVID-19 crisis by enforcing business continuity plans and finding ways to deliver essential services. With minimal or negative growth anticipated in the U.K. for SAP S/4HANA, specifically among large accounts, it will be prudent for service providers to focus on S/4HANA Cloud. Some service providers have already shifted their focus toward the healthcare, manufacturing, and utilities industries in addition to delivering COVID-specific offerings for specific niche segments. Since cost reduction will be a primary enterprise focus, the service providers that offer competitive pricing (at less cost) or an innovative pricing model (such as consumption-based) will have an extra edge over their competitors. Managed services will increase for SAP applications because the client enterprises will want to optimize their cost model and service delivery efficiency for managing their SAP architecture.

Service providers are focusing on meeting their employees' remote working needs to ensure business continuity and will use data analytics for faster and efficient decision making. There is a change in the workplace culture that has changed the dynamics of work because of the increased work-from-home enablement by the service providers. With increased digital adoption and high focus on low-cost/effort requirements, service providers are focusing on design thinking tools to deliver digital technologies and applications on SAP Cloud Platform. Before embarking on a transformation journey, it will be an imperative for service providers to help their clients to envision the benefits the transformation will bring, using in-house or third-party tools and accelerators. While ensuring this, the providers will need to offer clients an outcome-based partnership model to ensure a win-win scenario.

Some of the key trends in the U.K. market are presented below.

- **Outcome-based services to increase:** As enterprises are navigating through the uncertainty of COVID-19 and bracing for alignment across regulations defined for Brexit completion, they are demanding different types of outcome-based pricing and services from their service providers. Some of the pricing models explored are consumption-based, gainsharing, risk-sharing and shared fixed reward. Shared fixed reward includes a fixed fee amount decided by both the provider and the client, with any delay in execution resulting in a reduction of the amount and any increase in execution cost will add to it.
- **Providers are expanding relationships with their existing clients:** Service providers are helping their clients with the challenges that have arisen due to the pandemic. Service providers also are proposing digital-based transformations for their clients to handle scenarios such as lack of resources, growth sustainability and enabling process continuity.
- **Increased traction across healthcare, manufacturing and utilities:** As enterprises are adjusting to the new future, there is a strong focus on improving the IT infrastructure across the healthcare sector to deliver seamless services while considering the social distancing norms in the U.K. Hence, S/4HANA adoption is anticipated to increase there. Manufacturing and utilities have been the major industries to adopt in the U.K. Workforce shortages and employees' inability to be physically present at the workplace have driven these industries to increase digital technology adoption for supporting operational continuity and services delivery to those they serve.
- **Change in the work culture across service providers:** With the majority of staff working from home, service providers' work culture has undergone a drastic transformation. Providers are trying to enable their employees to deliver S/4HANA implementations seamlessly. The workforce has been empowered with the necessary tools to develop and deliver the transformation to clients. Productivity measurement is changing along with the changing workforce dynamics. The service providers are focusing on tasks completed over a specific period of time instead of measuring the login/logout time of the employees.
- **Increased cloud deployments for S/4HANA:** In the U.K., ISG observes that enterprises are adopting cloud deployments for S/4HANA. These adopters are nimble to IT changes and do not have architectural constraints. There will be increased S/4HANA Cloud adoption resulting from the overall increase in cloud adoption and as a way to handle post-Brexit, post-COVID situations.

- **Bots, automation, artificial intelligence (AI), machine learning (ML) are reducing resolution time across managed services:** Automating Level 1 and Level 2 support and resolving incidents in less time have been focus areas for most SAP managed services providers. The providers are using bots to respond to basic tasks such as logging a ticket, providing ticket status, reducing time to resolution, and preventing any possible delays in resolution. Providers also are automating other services related to L1/L2 support and projects. Tools used across managed services are being infused with AI and machine learning to learn tasks, resolve incidents and optimize the IT and business processes.
- **AI and ML tools and accelerators are aiding SAP transformation services:** Providers also are building tools and accelerators that include automation, machine learning and AI to help provide transformation services. These tools and accelerators may apply to the entire development lifecycle or to any portion of it. Some of these resources have been certified by SAP and are available in SAP App Center, while others are only available through the service provider, which integrates them in the services contract. Most of tooling helps assess the existing IT landscape, strategize transformation roadmaps, improve code management, and automate support services.
- **Enabling SAP Leonardo by building proof of concepts:** Providers are building and showcasing proof of concepts (PoCs) for an SAP Leonardo solution that helps address a specific industry issue or empowers enterprises with emerging technologies. Service providers demonstrate these solutions to their clients to showcase their capabilities before the client decides to go ahead with the PoC project. This approach helps develop an understanding of how SAP Leonardo can be used within the client's enterprise, and allows the service provider to demonstrate its ability to implement the solution for the client.
- **Managed cloud platform services integrated with end-to-end managed services:** Most enterprises are opting for managed cloud services (including platform and software) as part of a unified contract for end-to-end managed services, including infrastructure, cloud, application or security services. The providers are leveraging their cloud platforms and managed PaaS to deliver the managed platform services along with the tools and accelerators used for managed application services.

Introduction

SAP – HANA & Leonardo Ecosystem Partners 2020

SAP S/4 HANA System Transformation – Large Accounts

SAP S/4 HANA System Transformation – Mid Market

Managed Application Services for SAP ERP

SAP Cloud Platform and SAP Leonardo Services

Managed Platform Services for SAP HANA

Source: ISG 2020

Definition

SAP has 13,800 licensed customers in more than 180 countries, covering all continents. With more than 100,000 employees and over 18,000 partner companies, SAP has a significant impact on the IT market, in terms of both innovation and the global IT spending share. This research study identifies the top SAP partner companies that can provide differentiated enterprise client services and deliver the best results from S/4HANA investments. By working with the best partners to meet their requirements, enterprise clients can optimize their operating expenses and achieve a superior return on their technology investments.

Although SAP is continuously growing in revenue, the company faces resistance from current clients to upgrade to S/4HANA — its most modern enterprise resource planning (ERP) offering. The solution offers superior performance by using in-memory technology, but transformation projects could involve steep costs. Clients should thus refine their partner selection process and criteria to find the best performers that can provide higher business value at a lower cost of transformation.

Definition (cont.)

To benefit clients that are new to SAP ERP or are hesitant to upgrade to S/4HANA, this study references case studies and success stories. In 2019, ISG identified the viability of tools and frameworks for large SAP transformations and greenfield S/4HANA implementations that have been delivered in record time. The perfect partner can support clients and allay fears arising from the end of support for the legacy SAP ERP, which is now scheduled for 2027.

In 2019, ISG studies identified that the major benefits of adopting S/4HANA are its innovation backbone that is offered through SAP Cloud Platform (SCP) and SAP Leonardo, as well as the novel ways of leveraging APIs and microservices. SAP partners have demonstrated innovations using artificial intelligence (AI), analytics, Internet of Things (IoT), mobile apps, robotic process automation (RPA) and blockchain to disrupt markets and transform businesses.

For clients that have adopted S/4HANA, this study assesses managed service providers that can contribute to superior application performance, including stability, availability and security. Cloud migrations and technology innovation are also assessed.

For support services, AI and machine learning have been incorporated into application maintenance and operations to predict incidents and automate troubleshooting, ticketing processes and provisioning, allowing for gains of scale that lower support costs. This study identifies service providers that effectively apply new technologies to support S/4HANA and HANA database.

The ISG Provider Lens™ study offers IT-decision makers:

- Transparency on the strengths and weaknesses of relevant providers.
- A differentiated positioning of providers by segments.
- Focus on different markets, including the U.S., the U.K., Germany, the Nordics and Brazil.

ISG studies serve as an important decision-making basis for positioning, key relationships, and go-to-market considerations. ISG advisors and enterprise clients use information from these reports to evaluate their current vendor relationships and potential new engagements.

Definition (cont.)

Scope of Report

ISG studies are intended to anticipate the investigation efforts and buying decisions of typical enterprise clients. When contemplating a significant strategy transformation, making purchase-versus-rent decisions for infrastructure, implementing agile practices or incorporating automation into their environments, enterprise clients will benefit from a study that examines an entire ecosystem for a certain service line.

Therefore, ISG studies comprise multiple quadrants covering the spectrum of services that an enterprise client requires.

SAP S/4HANA Transformation – Large Accounts

ISG assesses consulting and system integration service providers for developing, deploying and testing enterprise applications using SAP S/4HANA and SAP Business Suite with SAP Fiori as the user interface. The transformation includes planning, design and modeling of applications, while considering the service provider's ability to manage complexity and scale that are common characteristics across large enterprise clients. The participating companies are expected to have the frameworks, tools and accelerators to support the needs of large system transformations.

SAP S/4HANA Transformation – Midmarket

This quadrant assesses providers on their ability to offer a rapid turnaround for S/4HANA implementations for clients in the midmarket (companies with less than 5,000 SAP users and revenues of less than $1 billion). Midmarket clients have fewer complex requirements and less project scale compared to large enterprises. A participating service provider can deploy SAP solutions using multiple methodologies, including SAP's packaged solutions for small and medium businesses (SMBs). It should use templates for S/4HANA, including industry-specific templates, to reduce the transformation cycle while leveraging standard processes. Multi-tenant S/4HANA implementations are included, but not required, for participating in this quadrant assessment. SAP qualified partner-packaged solution providers are appreciated but certification is not required for inclusion in this quadrant.

Managed Application Services For SAP ERP

This assessment considers a provider's capability to offer managed services, including maintenance and support functions that comprise monitoring, remote support and centralized application management for SAP S/4HANA and legacy SAP Business Suites such as ECC 6.0.

Definition (cont.)

Managed application services for incidents include troubleshooting, Level 2 and Level 3 application support, user support, ticket lifecycle management, incident resolution, problem management, root cause analysis and interface with SAP product support (upon client authorization). Service requests typically include user management (add, change of user profile and disablement of users' access), performance reports, database services, security (access) monitoring and license compliance. Providers that have center of expertise (CoE) certifications receive higher evaluations, but the certifications are not a requisite for participating in this quadrant.

Managed Platform Services For SAP HANA

The initial technical barriers and client resistance to moving ERP to the cloud are gradually disappearing, forcing clients to decide among in-house hosting, traditional outsourcing, cloud IaaS and PaaS. The hosting decision follows the hardware obsolescence lifecycle, and HANA in-memory technology imposes a new dynamic to hardware choices, operations and tooling. This quadrant assesses providers of infrastructure services comprising hardware installs and maintenance routines, hybrid cloud management, access security, monitoring, system availability, interface performance, disaster recovery management, backup, restore, data compliance (retention and access), data breach protective measures at the data center level, job scheduling, batch processing, file transfers, archiving and all infrastructure and operations services that are required to run SAP ERP or SAP HANA applications. This quadrant analysis privileges providers that demonstrate expertise in maintaining smooth S/4HANA operations, which requires deep knowledge about the underlying in-memory database technology. Furthermore, strong capabilities in optimizing this type of application, including data volume management, are preferred assets. However, the provider should retain the capacity to support SAP HANA and legacy SAP ERP versions for clients that have old instances running simultaneously with S/4HANA.

SAP Cloud Platform and SAP Leonardo Services

This segment examines the capabilities of providers to design, develop, modify, integrate and support applications for enterprise systems on SAP Cloud Platform (SCP) and deliver services for digital transformation using SAP Leonardo. SAP Cloud Platform services include platform-as-a-service and application development platform-as- a-service for data-based mobile-enabled services, analytics, application development and deployment across multi-cloud platforms. SAP Leonardo services comprise AI, ML, blockchain and IoT technologies, packaged as a platform-as-a-service that is integrated in the HANA database.

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 stars" 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 stars" 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.

SAP HANA and Leonardo Ecosystem Partners - Quadrant Provider Listing 1 of 3

	SAP S/4HANA System Transformation – Large Accounts	SAP S/4HANA System Transformation – Midmarket	Managed Application Services for SAP ERP	Managed Platform Services for SAP HANA	SAP Cloud Platform and SAP Leonardo Services
Absoft	Not In	Contender	Not In	Contender	Not In
Accenture	Leader	Not In	Leader	Leader	Leader
Atos	Leader	Not In	Leader	Product Challenger	Market Challenger
BearingPoint	Not In	Product Challenger	Not In	Not In	Contender
Birlasoft	Not In	Leader	Market Challenger	Contender	Market Challenger
Capgemini	Leader	Not In	Leader	Leader	Leader
Centiq	Not In	Market Challenger	Contender	Contender	Not In
CGI	Contender	Not In	Contender	Not In	Contender
Cognizant	Product Challenger	Not In	Product Challenger	Leader	Product Challenger
Delaware	Not In	Not In	Not In	Not In	Contender
Deloitte	Market Challenger	Not In	Not In	Not In	Not In
DXC	Product Challenger	Not In	Market Challenger	Product Challenger	Contender

SAP HANA and Leonardo Ecosystem Partners - Quadrant Provider Listing 2 of 3

	SAP S/4HANA System Transformation – Large Accounts	SAP S/4HANA System Transformation – Midmarket	Managed Application Services for SAP ERP	Managed Platform Services for SAP HANA	SAP Cloud Platform and SAP Leonardo Services
Ensono	Not In	Not In	Not In	Contender	Not In
EY	Market Challenger	Not In	Not In	Not In	Not In
Fujitsu	Contender	Not In	Product Challenger	Product Challenger	Product Challenger
HCL	Leader	Not In	Leader	Leader	Leader
Hexaware	Not In	Leader	Leader	Not In	Not In
IBM	Leader	Not In	Leader	Leader	Leader
Infosys	Leader	Not In	Rising Star	Product Challenger	Rising Star
Keytree	Not In	Leader	Market Challenger	Not In	Leader
LTI	Not In	Leader	Not In	Not In	Not In
Mindtree	Not In	Leader	Leader	Product Challenger	Leader
Mphasis	Not In	Contender	Contender	Not In	Not In

SAP HANA and Leonardo Ecosystem Partners - Quadrant Provider Listing 3 of 3

	SAP S/4HANA System Transformation – Large Accounts	SAP S/4HANA System Transformation – Midmarket	Managed Application Services for SAP ERP	Managed Platform Services for SAP HANA	SAP Cloud Platform and SAP Leonardo Services
NTT DATA	Product Challenger	Leader	Leader	Leader	Leader
PwC	Market Challenger	Not In	Not In	Not In	Not In
Sopra Steria	Not In	Product Challenger	Not In	Not In	Not In
Stefanini	Not In	Product Challenger	Product Challenger	Not In	Not In
Syskoplan Reply	Not In	Contender	Not In	Not In	Contender
TCS	Rising Star	Not In	Product Challenger	Leader	Product Challenger
Tech Mahindra	Leader	Not In	Leader	Product Challenger	Leader
T-Systems	Product Challenger	Not In	Product Challenger	Rising Star	Product Challenger
Virtustream	Not In	Not In	Not In	Product Challenger	Not In
Wipro	Leader	Not In	Leader	Leader	Leader
Zensar	Not In	Rising Star	Product Challenger	Not In	Not In

SAP HANA and Leonardo Ecosystem Partners Quadrants

ENTERPRISE CONTEXT

Managed Application Services for SAP ERP

This report is relevant to enterprises across industries in the U.K. for evaluating providers of managed application services for SAP ERP.

In this quadrant report, ISG lays out the current market positioning of providers offering managed application services for SAP ERP in the region and how they address the key challenges faced by enterprise clients. These providers are focused on helping enterprises to efficiently manage SAP ERP, which covers SAP S/4 HANA and SAP Enterprise Central Component (ECC) as well as legacy R3.

The need for automation with less human intervention, in order to optimize the pricing model and increase process efficiency among enterprises in the U.K., drives the market for SAP managed application services. Unlike large enterprises, small and mid-sized enterprises are seeking to procure managed applications services for their existing SAP ERP solutions. These enterprises face challenges in maintaining the applications (both SAP and non-SAP applications), resolving tickets and customizing development based on needs. Enterprises can benefit from managed application providers that provide the IT landscape as per their needs and add bots (automation) for quicker ticket resolution.

Many enterprises are undertaking migration initiatives to move to the latest SAP ERP version as SAP's support services for its legacy ERP will expire in 2027. Instead of seeking out providers that can support their existing ERP, clients should opt for those that help in migrating their existing ERP.

This report is relevant for:

IT and technology leaders to get insights into the strengths and weaknesses of providers offering SAP ERP managed services and their capabilities in developing frameworks and tools to effectively manage their applications.

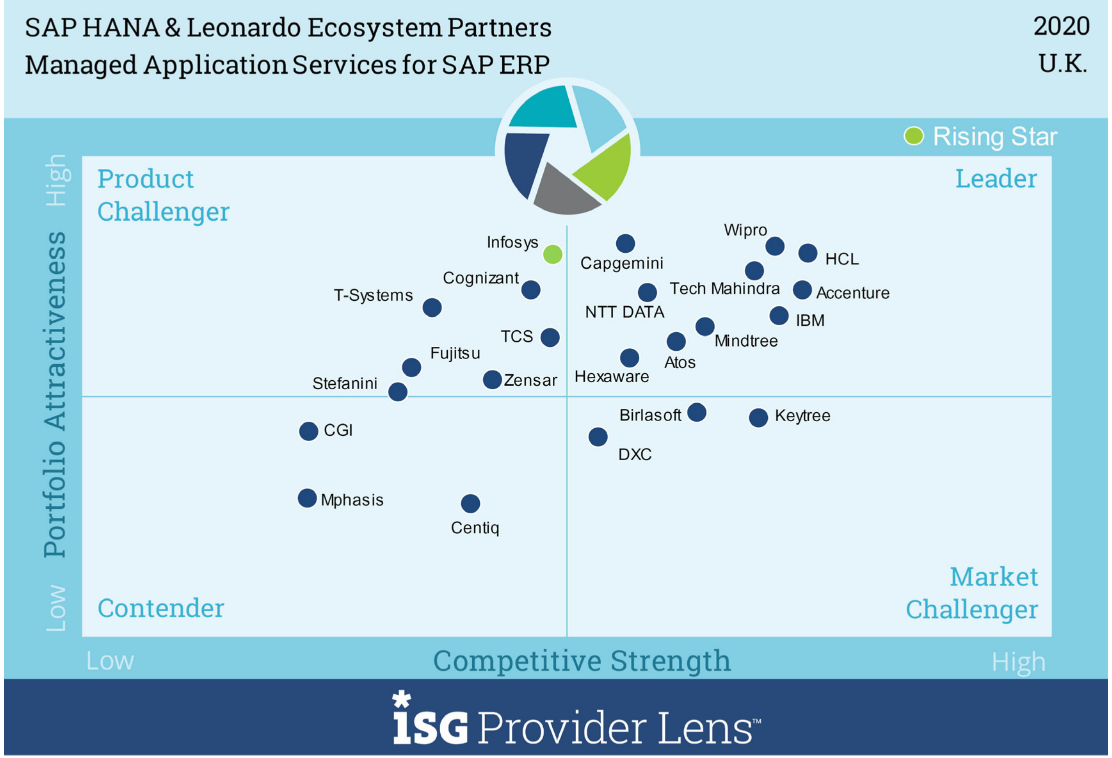
Sourcing and procurement managers to gain a better understanding of the market and the service provider ecosystem for SAP ERP managed services and how providers compare to one another.

MANAGED APPLICATION SERVICES FOR SAP ERP

Definition

This assessment considers a provider's capability to offer managed services, including maintenance and support functions that comprise monitoring, remote support, centralized management of applications for SAP S/4HANA and legacy SAP Business Suites such as ECC 6.0.

Managed application services for incidents include troubleshooting, Level 2 and Level 3 application support, user support, ticket lifecycle management, incident resolution, problem management, root cause analysis and interface with SAP product support (upon client authorization). Service requests typically include user management (add, change of user profile and disablement of user access), performance reports, database services, security (access) monitoring and license compliance. Providers that have center of expertise (CoE) certifications get better evaluations but those certifications are not a requisite for evaluation in this quadrant.



Source: ISG Research 2020

MANAGED APPLICATION SERVICES FOR SAP ERP

Eligibility Criteria

- Ability to offer application optimization, application support and testing.
- Offer enhancements and changes pertaining to applications; apply SAP Service Pack Stacks (SPS) if required and predict the business impact of such updates.
- Capability to stabilize applications and offer SAP Basis support.
- Possess expertise in incident management, variety of ticket system tools, SAP Solution Manager and additional application documentation solutions.

Observations

U.K. enterprises are looking for cost reduction and services optimization across SAP ERP application management. The pandemic has forced enterprises to reduce their workforces and to automate services, either by in-house efforts or through a service provider. Enterprises are also looking to reduce recurring incidents and to manage applications with minimal human intervention. They seek outcome-based service level agreements with their service providers to ensure continued support even after the SAP landscape expands in the company.

Service providers have built tools that use bots, automation, artificial intelligence (AI) and machine learning (ML) to deliver application management services. The bots are used for managing repetitive tasks and repeatable business processes in addition to solving L1 queries from end users. AI and ML are used to resolve tickets automatically, learn from tasks in the IT landscape, predict application failures and perform fixes as required. Most providers have holistic application management frameworks that enable better productivity, throughput, quality and reliability. Service providers are expanding their local expertise by increasing their SAP Basis-certified professionals and SAP HANA certified professionals to support clients in the region.

MANAGED APPLICATION SERVICES FOR SAP ERP

Observations (cont.)

Some observations on the leaders for this quadrant are below.

- **Accenture's** myWizard tools include analytics for application management services to analyze and reduce ticket inflow. Accenture's Ticket Resolver automatically resolves incidents by using AI and SAP Basis process monitoring that combines Solution Manager monitoring with other logs to create a correlation and alerting engine that provides digital dashboards for visualization.
- **Atos'** SyntBots uses intelligent automation to transform IT operations and processes across the entire enterprise. Bots manage repetitive tasks and repeatable business processes, learn and replicate user actions such as mouse clicks, and automatically scale agents, underlying applications and infrastructure to dynamically respond to changing needs.
- **Capgemini** has invested heavily in automation, AI and ML to create solutions that can address recurring gaps across managed services. The provider's automation framework uses RPA solutions for tickets where a permanent fix is not possible. Bots are developed for those repeatable incidents to increase resolution speed and quality.
- **Hexaware** facilitates real-time data for its customers' field agents by using chatbots, AI and machine learning. Hexaware has deployed automation for user creation, account management, monitoring, testing and release management. The provider has eliminated the need for workforce intervention to resolve some incidents by using automation, thereby reducing the manpower required for managed services.
- **HCL's** Lucy chatbot is a virtual assistant which enables omnichannel user interaction and service automation on the SAP platform. Lucy is an automated interactive solution powered by AI that provides an improved user experience.
- **IBM** allows Watson Assistant to interact in a more human-style approach by connecting to a remote SAP service located in IBM Services for Managed Applications. This add-on drives SAP data processing, implements code in an API to orchestrate the solution via a chatbot, and interacts with the Watson Assistant service and SAP operational data.
- **Mindtree** uses ATLAS™ to conduct a 360-degree assessment of key dimensions of the client's applications. The assessment considers ease of outsourcing, transition complexity, automation return on investement, agile maturity, DevOps maturity, the value of IT investments, production risks, software resiliency, maintainability and technical debt.
- **NTT DATA's** application management services delivery is aligned with ITIL but uses proprietary tools and accelerators that have produced documented time saving and performance improvements for clients.

MANAGED APPLICATION SERVICES FOR SAP ERP

Observations (cont.)

- **Tech Mahindra's** TACTiX framework automatically triggers its AI component (which includes natural language processing algorithms and machine learning) when an incident is logged in the system. It categorizes incidents based on inputs from its knowledge repository, presents the top-matching resolutions and provides recommendations about the root cause and standard operating procedures.
- **Wipro** leverages SAP technologies like SAP iRPA and SAP Conversational AI along with using its HOLMES AI platform. Wipro HOLMES provides intelligent automation capabilities across business processes, administration and technology.
- **Infosys** (rising star) delivers application management services through its SAP Digital AMS Framework that is enabled by the integrated Infosys Application Management Platform (IAMP). This framework and platform leverage intelligent technologies like AI, ML and natural language processing (NLP). They are delivered through Infosys products like AssistEDGE, Nia and SAP Digital Assistant VED, which ease delivery of application management services.

HEXAWARE

Overview

Hexaware provides application development and management services for each module and technical area in SAP ERP. Hexaware also provides hybrid cloud application managed services to deliver cloud management and transition to stabilize cloud platform applications. The provider's system maintenance and support services offering covers infrastructure, SAP Basis, application management, integration and testing services. With Hexaware's automated monitoring framework, the provider delivers usage-based capacity consumption for IaaS implementation and the testing and support cycle, delivering significant reduction in consumption. Hexaware has more than 24 percent of SAP Managed Services revenue in the U.K. The provider has 13 clients supported across L1, L2, L3 levels in the region.

Strengths

Tooling for managed services: Hexaware invests in and leverages a strong set of proprietary tools along with SAP's standard set of tools for SAP application managed services. Some of its tools include OPTIMIZE, which is helps automate archiving process and is an integrated and customizable retention management tool, and WATCH, which provides insights for testing and data management. The tools predict data growth and simulate the data requirements for non-production migrations.

Automation use to manage incidents and service requests: Hexaware facilitates real-time data for its customers' field agents by using chatbots, AI and ML. Hexaware has deployed automation for user creation, account management, monitoring, testing and release management. For some incidents, the provider has eliminated the need for human intervention by using automation, thereby reducing the manpower required for managed services.

Availability of flexible pricing options: Hexaware provides outcome-based pricing for 25 to 30 percent of its SAP application managed clients. The provider also facilitates outcome-based pricing for SAP migration, conversion and cloudification. Hexaware delivers business driven, outcome-based cloud migration to deliver future-state architecture that is aligned with the client's business solutions with minimized risks. They provide flexible deployment pricing models for cost optimization.

Caution

Hexaware could increase its SAP HANA certified FTE base in the U.K. to expand its local expertise and gain more clients.

2020 ISG Provider Lens™ Leader

Hexaware's SAP migration framework and delivery methodology, plus its use of automation and offer of outcome-based pricing, enables the company to provide realizable benefits to its clients.

Methodology

METHODOLOGY

The research study "ISG Provider Lens™ 2020 SAP – HANA & Leonardo Ecosystem" analyzes the relevant software vendors/service providers in the U.K. 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 the UK SAP – HANA & Leonardo 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 and use cases
4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and 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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ArulManoj M is a senior analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Next-gen Application Development & Maintenance, SAP HANA & Leonardo Ecosystem and Automation Solutions and Services. His area of expertise lies in Application Development & Maintenance. He has developed content for Provider Lens™ in the areas of Next-gen Application Development & Maintenance, SAP HANA and Leonardo Ecosystem and Data Analytics Services & Solutions. Along with this, Arul develops content from an enterprise perspective and authors the global summary report. He also collaborates with advisors and enterprise clients on ad-hoc research assignments and writes articles 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, principal analyst and global head of 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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