ISG Provider Lens™

Salesforce Ecosystem Partners

Implementation Services for Core Clouds Midmarket

U.S 2021

Quadrant Report

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

March 2021

Customized report courtesy of:

HEXAWARE

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of February 2021 for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars ($US) unless noted.

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ISG Provider Lens™

ISG Provider Lens™

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

Strong Growth Of The Market For Salesforce-Related Services With Ongoing Consolidation Of The Provider Landscape

Since the company was founded in 1999, Salesforce has been experiencing significant growth and is currently the world's leading provider of cloud-based, software-as-a-service (SaaS) customer relationship management (CRM). From the outset, the company has been focusing on agile methodologies and a high level of standardization, which, in turn, compels it to issue frequent application updates. This helps clients conduct rapid implementations, starting with limited functional scope and then enhancing these implementations. Simultaneously, Salesforce is continuously expanding its product portfolio and has recently focused on industry-specific products such as Financial Services Cloud and Health Cloud. Most recently, Salesforce intensified its efforts on this path toward industry solutions by acquiring Vlocity, which used to be an independent software vendor (ISV) that developed industry-specific software products based on the Salesforce platform. The common opinion in the market is that Vlocity will be the future nucleus for the development of industry clouds within Salesforce.

In December 2020, Salesforce announced the acquisition of Acumen Solutions, a company that has been successful as a service provider for the implementation of Salesforce solutions, primarily in the U.S. It remains to be seen if this move means Salesforce is growing its footprint in the market for services around Salesforce implementations on behalf of clients, or if there are other reasons for this acquisition. As this was announced only late last year, the intention is not clear yet.

The need for support by external providers is continuously growing at a high rate due to the implementation of various products for Salesforce clients. Salesforce has shown a significant increase in license revenue over the recent twelve months, since the last Provider Lens study for this topic was published, and this indicates a similarly growing demand for implementation resources that clients still do not have in house. This has been putting additional momentum to the ongoing consolidation of providers in this market, as the supply of implementation capacities lags the strong demand, and global system integrators with the appropriate financial capabilities continue to take over midsize providers to grow the resource base in terms of size and scope being covered. This holds true especially for the U.S., where numerous boutique providers were subject to acquisitions by system integrators.

Considering the implementation methodologies being applied, the hybrid Agile model is now the most common approach for large enterprise clients that need to integrate Salesforce into a sophisticated landscape with global operation. This model is a combination of Agile elements for implementation and phase-oriented elements for strategy, design and rollout. Most providers offer this type of methodology within their portfolio. For isolated implementation, the pure Agile methodology is still suitable and is applied primarily for midsize clients without the need for a global rollout and with only limited integration requirements. Meanwhile, the dominant technology for the integration aspects of Salesforce is definitely the Mulesoft platform, which has been a part of the Salesforce portfolio for a few years. Service providers clearly have to offer considerable Mulesoft capabilities, and the large system integrators often operate a dedicated Mulesoft practice of significant size for all integration activities around Salesforce.

A strong network of partnerships with ISVs in the Salesforce ecosystem remains very important for all providers including both system integrators and boutique providers. Their solutions are usually offered as independent products with separate licensing models that need to be considered when assessing the potential costs of a Salesforce-based application. Salesforce runs a specific web-based store for these solutions, namely AppExchange Store, which provides comprehensive information about ISVs and their products (usually called apps). Salesforce ensures that the apps meet basic software quality measures, maintenance cycles and compatibility with Salesforce products, among other requirements.

The structure of this year´s study has slightly changed from last year's to better distinguish between the requirements of large enterprise clients with a global operation and midsize clients that often operate only in one region and do not have major integration needs. We now have two segments for large enterprise clients and three segments for the midmarket. In both groups, a clear distinction is made between the Change Business (implementation services) and the Run Business (managed application services). Therefore, the providers are classified in a distinct way, allocated either to the large enterprise market or to the midmarket. For a few providers, this distinction could not be made unambiguously, so they appear in both groups.

Introduction

Simplified Illustration

Salesforce Ecosystem Partners 2021	
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

Source: ISG 2021

Definition

The Salesforce Ecosystem study examines various offerings around the Salesforce platform, where a basic distinction is made between implementation services (the Change Business) and managed application services focusing on operational support for productive applications (the Run Business). In both of these basic segments, a further distinction is made between large enterprise clients and the midmarket due to the significantly higher need for Salesforce integration into the complex application landscapes of large enterprise clients. Furthermore, these clients primarily have globally operating businesses that require corresponding delivery capabilities from the service providers.

Definition (cont.)

Scope of the Report

As part of the ISG Provider Lens™ Quadrant Study, we are introducing the following five segments on the Salesforce Ecosystem.

Scope of the Study – Quadrant and Geography Coverage

	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:

- **Midmarket**: 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 & 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
Atos	Product Challenger	Not In	Not In	Product Challenger	Not In
Capgemini	Leader	Not In	Not In	Leader	Not In
CGI	Contender	Not In	Not In	Contender	Not In
Cognizant	Leader	Not In	Not In	Leader	Not In
Customertimes	Rising Star	Not In	Not In	Product Challenger	Not In
Deloitte	Leader	Not In	Not In	Not In	Not In
EPAM	Contender	Not In	Not In	Contender	Not In
Fujitsu	Contender	Not In	Not In	Market Challenger	Not In
HCL	Rising Star	Not In	Not In	Leader	Not In
IBM	Market Challenger	Not In	Not In	Market Challenger	Not In
Infosys	Leader	Not In	Not In	Leader	Not In
LTI	Product Challenger	Not In	Not In	Leader	Not In
Magnet360	Leader	Not In	Not In	Leader	Not In

Salesforce Ecosystem Partners - Quadrant Provider Listing 2 of 3

	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
NTT DATA	Product Challenger	Not In	Not In	Product Challenger	Not In
Persistent	Product Challenger	Leader	Leader	Not In	Leader
PwC	Leader	Not In	Not In	Market Challenger	Not In
Slalom	Product Challenger	Not In	Leader	Product Challenger	Not In
TCS	Leader	Not In	Not In	Leader	Not In
Tech Mahindra	Product Challenger	Not In	Not In	Rising Star	Not In
Wipro	Leader	Not In	Not In	Leader	Not In
7Summits	Not In	Leader	Not In	Not In	Not In
Acumen	Not In	Leader	Leader	Not In	Not In
AllCloud	Not In	Product Challenger	Product Challenger	Not In	Market Challenger
Birlasoft	Not In	Rising Star	Not In	Not In	Leader
Brillio	Not In	Rising Star	Product Challenger	Not In	Leader
Coastal Cloud	Not In	Leader	Leader	Not In	Not In
Hexaware	Not In	Leader	Not In	Not In	Leader

Salesforce Ecosystem Partners - Quadrant Provider Listing 3 of 3

	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
Huron	Not In	Market Challenger	Market Challenger	Not In	Market Challenger
Marlabs	Not In	Product Challenger	Contender	Not In	Product Challenger
Mphasis	Not In	Product Challenger	Not In	Not In	Contender
Perficient	Not In	Contender	Not In	Not In	Not In
Polsource	Not In	Leader	Leader	Not In	Product Challenger
Silverline	Not In	Product Challenger	Product Challenger	Not In	Not In
SLK Group	Not In	Contender	Contender	Not In	Product Challenger
Tavant	Not In	Product Challenger	Contender	Not In	Product Challenger
Traction on Demand	Not In	Leader	Leader	Not In	Market Challenger
Visionet	Not In	Contender	Product Challenger	Not In	Not In
Zensar	Not In	Market Challenger	Market Challenger	Not In	Product Challenger
Isobar	Not In	Not In	Leader	Not In	Not In

Salesforce Ecosystem Partners Quadrants

ENTERPRISE CONTEXT

Implementation Services for Core Clouds Midmarket

This report is relevant to small and midsize companies across all industries in the U.S. for evaluating providers of Salesforce implementation services for core clouds.

In this quadrant report, ISG defines the current market positioning of providers of Salesforce implementation services for core clouds in the U.S. and how they address the key challenges faced by enterprises in the country. The report assesses providers that specialize in Salesforce Sales, Service and Commerce Cloud offerings. These providers adopt an Agile approach for implementation, helping clients to redesign processes and enabling the same with Salesforce applications. Due to the COVID-19 pandemic, many enterprise clients had to operate remotely, but Salesforce provided them with a platform to keep their businesses running. New consumers surfaced as e-commerce surged due to the pandemic, and customer experience (CX) became a priority among enterprise clients in the U.S.

Unlike large enterprises, small and midsize companies seek Salesforce implementation services for core clouds to help them with projects that do not have substantial integration needs. These companies are less complex when it comes to digital transformation, hence deployment is faster, with easy-to-use services and cost-saving benefits.

In the U.S., which is a mature Salesforce market compared with other countries/regions, the increase in demand for Salesforce implementation services for core clouds drives the growth for most service providers in this segment. ISG research shows that the supply of Salesforce implementation capabilities lags behind the strong demand from enterprise clients. This triggers consolidations in the market, with large system integrators acquiring midsize providers to leverage the latter's established brand presence and strengthen their positions in the market.

Marketing and sales leaders should read this report to understand the relative positioning and capabilities of service partners that can help them effectively implement Salesforce Sales and Commerce Cloud products, including highlighting how service providers deliver industry-specific solutions.

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

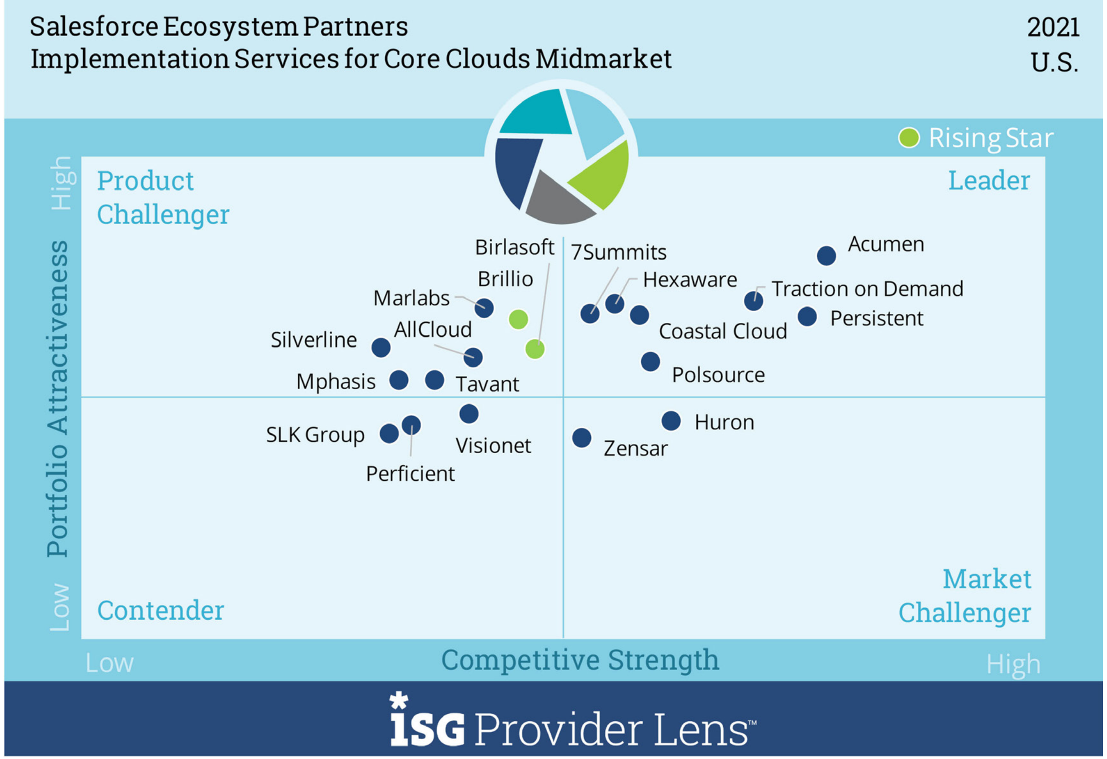
IT and technology leaders should read this report to understand the relative positioning and capabilities of partners that can help them effectively adopt Salesforce Sales, Service and Commerce Cloud products and how the providers in the market can be compared in terms of their technical capabilities and development methodologies.

Security and data professionals should read this report to understand how the providers meet the data protection and security requirements in the U.S. for their Salesforce implementation and integration practices. The report also highlights the providers' focus on data quality and how they can be compared with one another.

IMPLEMENTATION SERVICES FOR CORE CLOUDS MIDMARKET

Definition

This quadrant addresses providers that specialize in Salesforce Sales, Service and Commerce Cloud. These products are broadly considered as core clouds of Salesforce. These providers mainly take an Agile approach to implementation and focus on cases where less integration is required, which is typical for midsize and small clients. An important aspect of the services they offer is consulting on the redesign of processes while using Salesforce applications.



Source: ISG Research 2021

IMPLEMENTATION SERVICES FOR CORE CLOUDS MIDMARKET

Eligibility Criteria

The following evaluation criteria apply to this quadrant:

- Technology competency
- Delivery capabilities
- Use cases
- Unique differentiators
- Economic stability
- Market position
- Predefined solutions, accelerators and templates
- Partnerships

Observations

The following providers achieve a leader position in this quadrant:

- **7Summits** has based its portfolio on a unique approach using Community Cloud as the primary system of engagement. The company can further refer to powerful solution accelerators and deep expertise in various verticals.
- **Acumen Solutions'** portfolio focuses on functionalities related to any type of customer interaction and combines this with strong automation capabilities and verticals expertise. Acumen was most recently taken over by Salesforce.
- **Coastal Cloud** applies a well-defined Agile methodology for multi-cloud implementations of Salesforce. In combination with strong industry expertise and focus on data quality, Coastal Cloud is an excellent Salesforce solution provider for customers in the U.S.

IMPLEMENTATION SERVICES FOR CORE CLOUDS MIDMARKET

Observations (cont.)

- **Hexaware's** portfolio highly emphasizes industry-specific cloud products of Salesforce with powerful predefined solutions and can also refer to its integration capabilities using the Mulesoft platform.
- **Persistent Systems** follows a strongly modular approach where all solutions are designed and developed so they can easily be connected. The deep development expertise relies on a data-oriented approach based on a well-defined foundation layer of API and data integration.
- **PolSource** offers a delivery approach that is based on a strong center of excellence (CoE) and can refer to a deep expertise for various industries where the provider uses a rich set of industry-specific accelerators.
- **Traction on Demand** is an excellent partner for digital transformation based on Salesforce, with compelling strategy and design capabilities, and mainly emphasizes client enablement during the entire project.

The following providers are positioned as Rising Stars in this quadrant and exhibit the potential to achieve a leader position in the future:

- **Birlasoft** has evolved as a competent partner for Salesforce implementations due to its several powerful predefined solutions and enhanced integration capabilities for back-end systems.
- **Brillio** is a good choice as a Salesforce implementation partner owing to its sophisticated methodology, which combines design-thinking techniques, powerful tool support for assessing the quality of a Salesforce application and a focus on mobile enablement.

HEXAWARE

Overview

Hexaware is a global IT consulting provider with strong focus on cloud-based solutions. The company has its headquarters in Mumbai, India, and the Salesforce practice has its main locations in the US. The Salesforce practice was founded in 2010 and has shown significant growth in recent years. Hexaware has more than 500 resources dedicated to the Salesforce practice, of which more than 150 carry Salesforce certifications.

Strengths

Focus on industry-specific clouds: Hexaware focuses on sophisticated, industry-specific solutions for various industries, such as healthcare and financial services. The CarrotCube solution suite for life sciences, is built on Salesforce Health Cloud and provides numerous functionalities with a focus on patient engagement, such as medication adherence tracking, monitoring vitals, booking appointments with care teams and integrating source systems such as electronic medical records (EMR).

Strong integration capabilities: Hexaware exhibits strong capabilities for integration of Salesforce with other solutions and has deep knowledge of the development and integration platform, Mulesoft, for which it holds numerous certifications.

Well-defined methodology: The methodology applied by Hexaware relies, to a large degree, on Agile elements that are combined with phase-oriented elements, where appropriate customer organizations do not show sufficient readiness for Agile methods (Hybrid Agile).

Increased emphasis on strategy and design capabilities: Most recently, Hexaware has strongly invested in the development of strategy and design skills for its employees by acquiring the respective certifications by Salesforce. The company is now significantly better prepared to support its clients in the early phases of a transformation project.

Caution

The predefined solutions, besides the CarrotCube suite, need to be clearly described, mainly by presenting them in a customer-oriented catalog.

Hexaware focuses mostly on industry-specific solutions. The company should give more consideration to the development of functional accelerators for use across industries.

2021 ISG Provider Lens™ Leader

Hexaware has become a leading provider of Salesforce-related services with a focus on industry-specific solutions.

Methodology

METHODOLOGY

The research study “ISG Provider Lens™ 2021 – Salesforce Ecosystem Partners” analyzes the relevant software vendors/service providers in the U.S. 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 Partners
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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