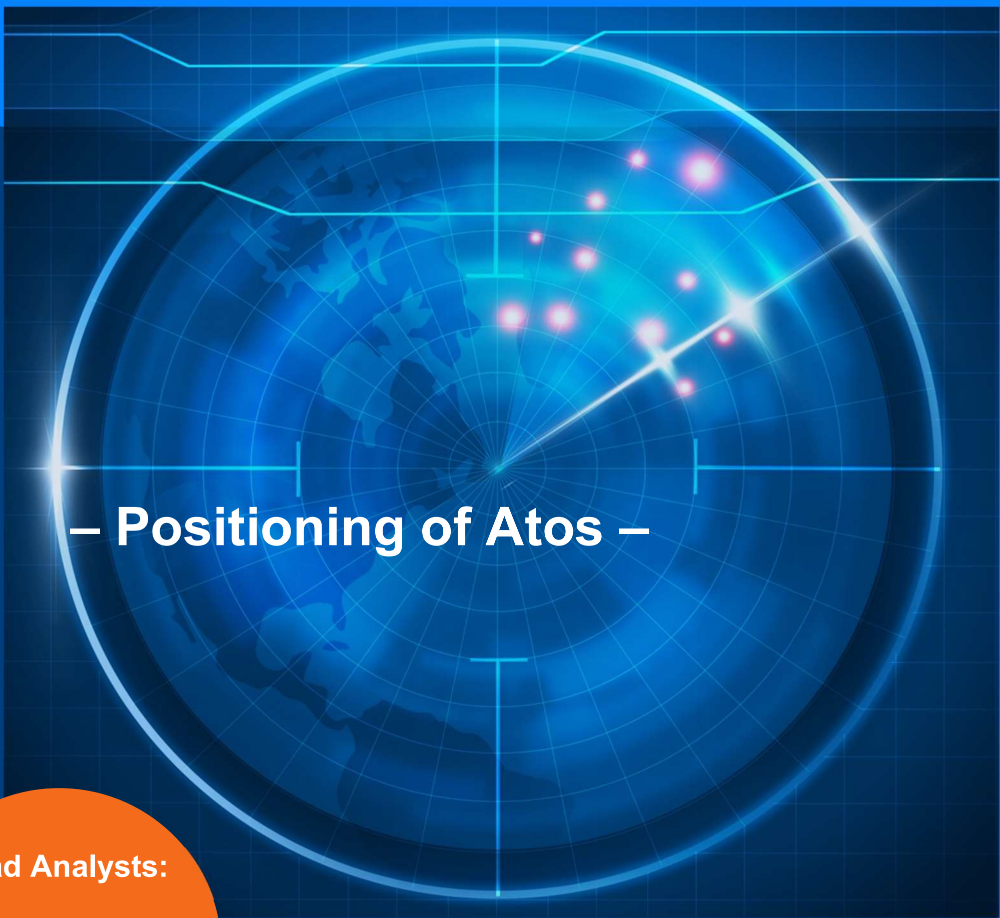
a teknowlogy group company

Leading Providers of SAP Services in Germany 2022

SITSI® I Vendor Analysis I PAC RADAR

SAP SuccessFactors-related Services



– Positioning of Atos –

Lead Analysts:

Karsten Leclerque

Joachim Hackmann

PAC, January 2022

TABLE OF CONTENTS

TABLE OF FIGURES

DOCUMENT INFORMATION

Author: Karsten Leclerque (kleclerque@teknowlogy.com)
Joachim Hackmann (jhackmann@teknowlogy.com)

Publication: January 2022

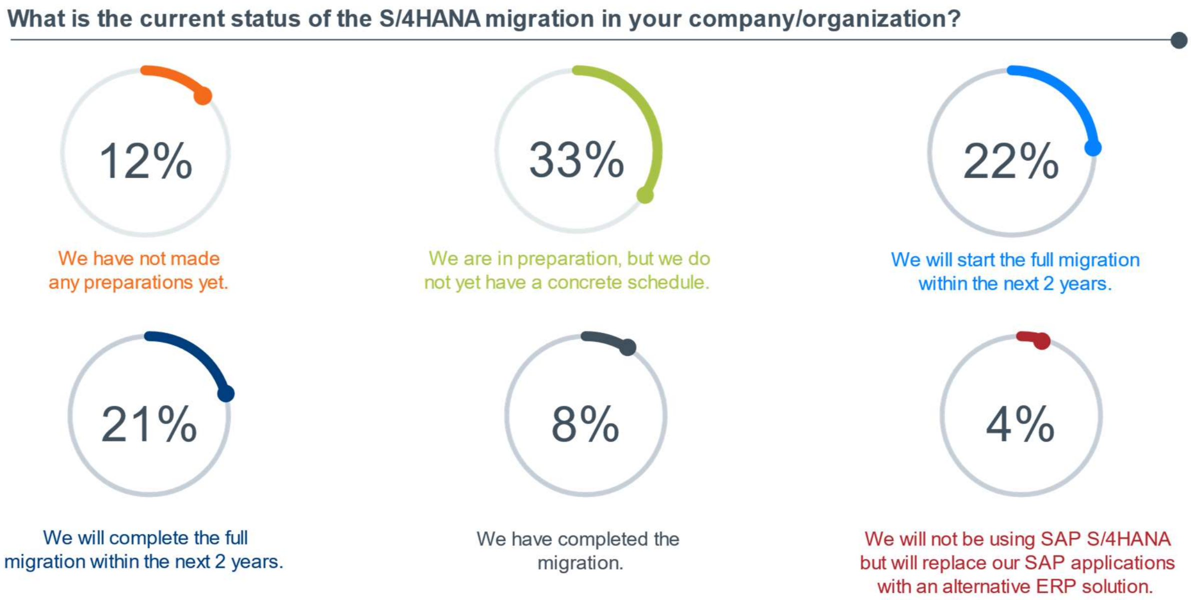
Scope ID: Cloud Computing I BAS-related Services I Germany I 2022
Portfolio ID: SITSI I Vendor Analysis I PAC RADAR

PAC RADAR GRAPH

Fig. 1: PAC RADAR graph

INTRODUCTION

Germany is one of the world's most mature SAP markets. Many medium-sized and large companies use SAP solutions to manage a substantial proportion of their core processes. This also means that these companies are very experienced in using and operating SAP applications. Moreover, German organizations are among the most loyal SAP customers. They typically evaluate every new product innovation coming from the German software manufacturer, and many of the innovations are then adopted and operated. This explains why almost all German customers with SAP legacy applications are basically willing to migrate to SAP S/4HANA. According to our annual CxO Survey, only 4% plan to switch to a different platform.



(Single selection)
Breakdown of responses from organizations in Germany which have SAP in use, in % (n=121)
© PAC - a teknowlogy Group Company, 2020

SAP S/4HANA migrations are driving the SAP services market

The challenge for SAP customers and their integration and implementation partners will be to handle the plethora of upcoming SAP S/4HANA migrations in the coming years, given that, according to our CxO Survey, less than 10% of companies have already completed their migration. The main bottleneck in the foreseeable future will be skilled resources, and the situation is likely to worsen as we get closer to 2027, when SAP will discontinue regular maintenance for older ERP versions (extended maintenance runs until 2030).

There are several initiatives by SAP and by some service providers to accelerate the transition. RISE with SAP, for example, is a sales and support program launched by SAP that gives customers reduced-fee access to SAP resources such as the Business Technology Platform (BTP) integration platform and SAP's process mining tools (from the acquisition of Signavio by SAP) and engages with partners for migration and integration.

SAP's goal is also to create an environment for customers with a core that is as clean as possible, and extensions to connect horizontal and vertical functions to the core via APIs or the BTP. The main functional, horizontal extensions that SAP itself offers to clients include solutions for analytics, human capital management (SuccessFactors), and digital customer experience (CX). The latter consists of individual components such as SAP Commerce Cloud, SAP Marketing Cloud, and SAP Sales Cloud. SAP has worked over the past year to integrate these solutions with its SAP One Domain Model, a unified domain model for business objects distributed throughout different SAP applications, enabling those systems to speak the same language during data exchange.

Cloud computing is becoming commonplace

All new SAP solutions and platforms are cloud-based or offer at least the option to be used in the cloud. Cloud computing is becoming relevant for core ERP as well. PAC expects more and more companies to start using public cloud environments such as Microsoft Azure or Amazon Web Services to host SAP ECC or SAP S/4HANA solutions. However, not all customers are happy with SAP's cloud-first approach, for example because they do not want to or are not able to move to the cloud, and thus fear being cut off from the fast innovation cycle. This is where service partners have to step in to build bridges between the SAP Cloud world and customers' ERP world, e.g. with the help of platform capabilities to implement and integrate hybrid cloud solutions with on-premises applications.

IT services for a broader SAP portfolio

Due to the broader SAP portfolio, service providers need to extend their expertise to cover more than one product. They also need to provide much more consulting in terms of the SAP roadmap, application architecture, future-proof deployment methods, vertical and horizontal expansion, and agile and resilient process design. Given the increasing migration pressure from SAP S/4HANA installations, service providers are also asked to offer tools and templates for accelerated application and data migration. Their own IP in areas such as methods and processes will become critical success factors for SAP partners.

Continued growth at varying speeds

Demand for new solution approaches from SAP is boosting demand for SAP-related consulting and systems integration services. SAP customers require external support from SAP partners, especially with the definition and implementation of their S/4HANA roadmap. The same applies to new SAP applications such as SAP's CX-related portfolio, SAP SuccessFactors, and SAP Ariba. As implementation projects comprise both legacy migration and new deployments, companies need strategic support with the transformation of solution landscapes and of the related business processes.

Services for legacy applications remain relevant

That said, the “more traditional” (non-S/4HANA-related) SAP services are still relevant. The overwhelming majority of SAP customers are moving towards the “new SAP world” in a gradual manner, meaning that demand for services related to the existing SAP systems, and in particular to SAP ERP, remains high. Modifications to existing systems are also required to manage the transition to the new world. This is why SAP partners remain involved in tasks related to the core ERP system. At the same time, demand for services related to SAP S/4HANA is growing fast as the first SAP customers have started implementing the S/4HANA roadmap.

PAC estimates current expenditure by German SAP customers on SAP C&SI (consulting and systems integration) services to be more than €4.7 billion in 2021. By 2024, we anticipate average annual growth of more than 6% – a high growth rate in such a mature IT market, which is mainly driven by strong demand for SAP S/4HANA migration.

Moreover, operations services for SAP solutions remain in high demand, even though the expected growth rates are lower than in the C&SI market. Spending on SAP application management amounted to €1.8 billion in Germany in 2021, and is expected to grow by 2.4% on average in Germany during the 2020-2024 period. This means that SAP-related services account for nearly 50% of overall application management spending in Germany.

The hosting of SAP solutions by external service providers is a market with a very long history that has massively evolved over the past few years. The first big transformation of SAP hosting concepts was characterized by the “cloudification” of traditional hosting delivery and pricing, resulting in hosted private cloud concepts with standardized architectures, pay-per-use components, etc., while still being largely dedicated to each client. The second big transformation started in Germany a few years ago and is also bound to massively change the hosting concept: public cloud-based SAP hosting. While it has already become common for most hosting providers to include public cloud platforms for selected tasks such as testing, more and more SAP customers are considering hosting models that are mostly or fully based on public cloud platforms. At the same time, the increasing automation of SAP operations delivery and service-related processes has become the next big efficiency lever in addition to nearshoring and offshoring, which will nevertheless remain of major importance. Overall, German companies spent more than €2.1 billion on SAP hosting services in 2021.

PAC RADAR “SAP SUCCESSFACTORS-RELATED SERVICES IN GERMANY 2022”

Fig. 2: PAC RADAR SAP SuccessFactors-related Services in Germany 2022

REVIEW OF TOP-SEEDED PROVIDER ATOS

Atos

PAC RADAR SAP SuccessFactors-related Services in Germany 2022 — **Best in Class**

Cluster	Average	Atos
Relative Market Strength	2.32	2.06
Competence	1.89	1.62
Total Score	**2.00**	**1.74**

Criteria rated as significantly ABOVE AVERAGE (more than 0.75)

- AM for SAP SaaS solutions
- Corporate transparency
- Coverage of different industries – related to the number of SAP consultants – Germany
- Employee resources for SAP services – Germany
- Employee resources for SAP services – worldwide
- International reach
- Involvement of nearshore resources in SAP service delivery
- Involvement of offshore resources in SAP service delivery
- Portfolio: coverage of SAP SaaS C&SI service value chain
- Portfolio: development of add-ons to SAP SaaS solutions
- Evaluation by reference customers: evaluation of quality of service provision – across SAP services
- SAP services: focus on large accounts
- SAP technology (HANA, BTP, etc.) resources for Germany (incl. global delivery)
- Strength in SAP-based industry-specific offerings

Criteria rated as significantly BELOW AVERAGE (more than 0.75)
• Provider stability in terms of business model, customer mix, size, etc.

OBJECTIVE OF THE PAC RADAR

What is the PAC RADAR?

The PAC RADAR is an effective tool for the holistic evaluation and visual positioning of software and ICT service providers on local markets. Numerous ICT and business decision-makers in user companies of all industries and company sizes rely on the PAC RADAR when selecting their partners and developing their sourcing strategies.

With the help of predefined criteria, PAC evaluates and compares providers' strategies, development, and market position, in addition to their performance and competencies within specific market segments. Each PAC RADAR focuses on a specific IT market segment. Up to 20 leading providers are evaluated per segment. Participation in the PAC RADAR is free of charge.

All providers are evaluated using PAC's proven methodology, which is based on personal face-to-face interviews and a detailed self-disclosure from each provider.

PAC reserves to also evaluate and position relevant providers in the PAC RADAR that do not participate in the self-disclosure process and do not submit any customer assessments.

After the evaluation of the predefined criteria, each supplier's position is plotted in the PAC RADAR. The criteria are classified by clusters and can all be attributed to the "Competence" and "Market Strength" main clusters.

The provider evaluation, including a market description, is published as a report.

PAC RADAR graph

The PAC RADAR graph is a visual presentation of the results of the provider evaluation with regard to their market strength (horizontal axis) and competence (vertical axis) in the respective analyzed market segment.

The closer a company is to the center, the closer they are to meeting customers' requirements.

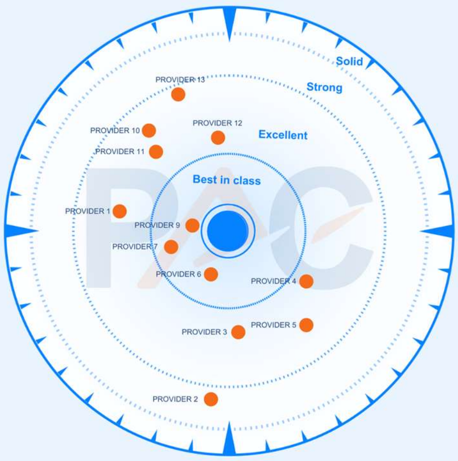
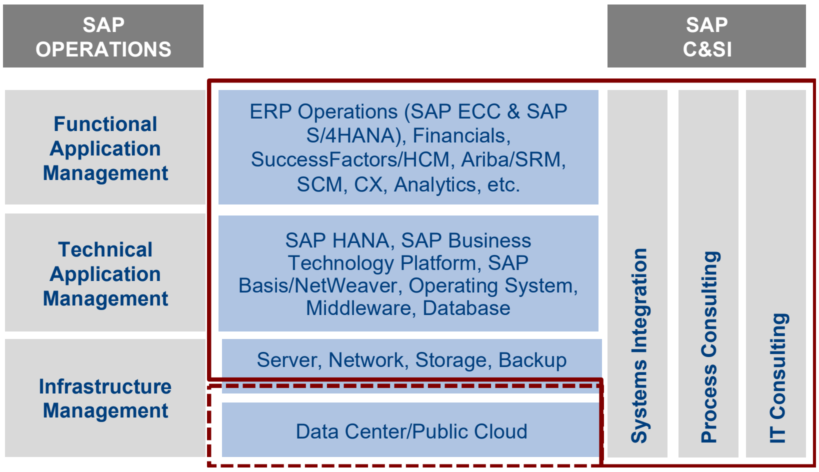


Fig. 3: PAC RADAR graph (exemplary presentation)

RADAR by PAC

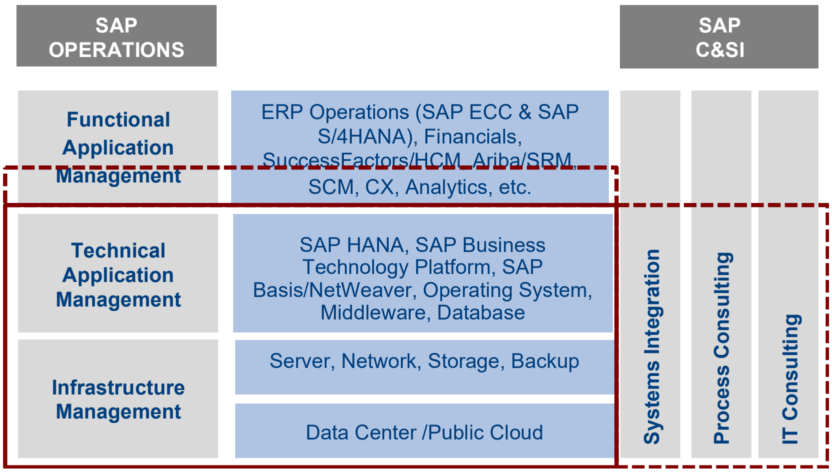
SCOPE & DEFINITIONS

SAP Consulting & Systems Integration



SAP C&SI includes SAP-related IT consulting services (planning, specification, and design of SAP systems or the SAP-related part of systems), IT-related process consulting within the framework of SAP-related projects (which beside purely IT-related services such as the audit of SAP system environments, technological/ architectural design, and the selection of technologies and solutions around SAP also includes business process reengineering (BPR) and change management around SAP projects), as well as SAP systems integration (SAP-related software development, implementation services around SAP, integration of SAP solutions in the infrastructure, and SAP-related infrastructure services).

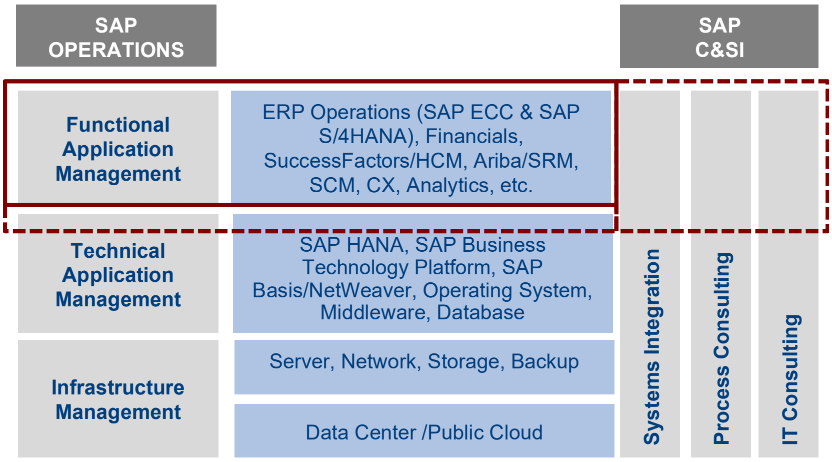
SAP Hosting



SAP hosting refers to the operation and management of an SAP application from a technical perspective, including the operation and management of the hardware infrastructure (server, memory, network) and technical application management (including the management of the SAP basis/NetWeaver, databases, operating systems, and middleware), on the provider's premises (possibly including partnerships with co-location providers) or on public cloud infrastructure. This PAC RADAR covers both cloud-based and “traditional” hosting models.

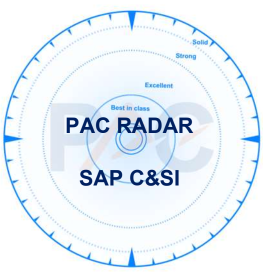
SAP Application Management

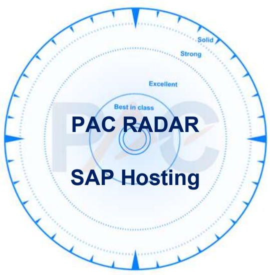
SAP application management (AM) refers to the maintenance and enhancement of existing SAP applications under a long-term (multi-year) contract, with a commitment to fulfilling predefined service level agreements (SLAs). This PAC RADAR covers both stand-alone application management and embedded application management (e.g. as part of complete or business process outsourcing).

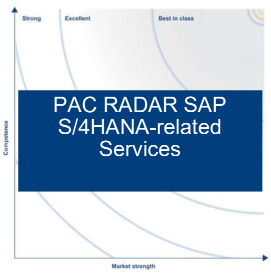


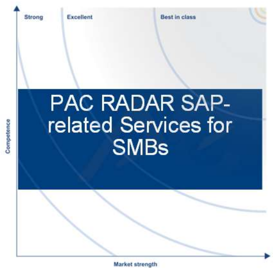
In addition, we have created PAC RADARs that cover the IT services defined above for the following specific topics:

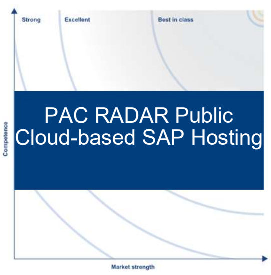
SAP S/4HANA-related Services
SAP SuccessFactors-related Services
SAP CX-related Services
SAP-related Services for SMBs
SAP-related Services for Large Accounts
Public Cloud-based SAP Hosting
Legacy & Private Cloud-based SAP Hosting











PAC RADAR EVALUATION METHOD

Provider selection & participation

Which providers are positioned in the PAC RADAR?

Providers are selected and invited according to the following criteria:

- **Size of revenues** in the segment to be analyzed in the specified region.
- "**Relevance**": Even providers that do not belong to the top-selling providers in the segment to be analyzed are considered if PAC classifies them as relevant for potential customers, for instance due to an innovative offering, strong growth, or a focus on a specific customer group (e.g. SMBs).

There is no differentiation as to whether the providers are customers of PAC – neither in the selection of the providers to be positioned, nor in the actual evaluation.

What do providers have to do in order to be considered in a PAC RADAR analysis?

The decision as to which providers are considered in the PAC RADAR analysis is entirely up to PAC. Providers do not have any direct influence on this decision.

However, in the run-up to a PAC RADAR analysis, providers can make sure in an indirect way that PAC can adequately evaluate their offerings and positioning – and thus their relevance – e.g. by means of regular analyst briefings, etc.

Why should providers accept the invitation to actively participate?

Whether or not a provider participates in the RADAR process does not actually affect their inclusion and positioning in the PAC RADAR, nor their assessment. However, there are a whole host of benefits associated with active participation:

- Participation ensures that PAC has access to the largest possible range of specific and up-to-date data as a basis for the assessment.
- Participating providers can set out their specific competencies, strengths, and weaknesses as well as their strategies and visions.
- The review process guarantees the accuracy of the assessed factors.
- Submitting customer assessments can have a positive impact on the overall score.
- The provider gets a neutral, comprehensive, and detailed view of their strengths and weaknesses as compared to the direct competition – related to a specific service in a local market.
- A positioning in the PAC RADAR gives the provider prominence amongst a broad readership as one of the leading players in the segment under consideration.

RADAR by PAC

Considered providers by segment

SAP Consulting & Systems Integration	SAP Hosting	SAP Application Management
Accenture	Accenture	Accenture
All for One Group	All for One Group	All for One Group
Arvato Systems	Arvato Systems	Arvato Systems
Atos	Atos	Atos
BTC	BTC	BTC
Capgemini	Capgemini	Capgemini
Cognizant	Cognizant	Cognizant
Datagroup	Datagroup	Datagroup
Deloitte	DXC Technology	DXC Technology
DXC Technology	Fujitsu	Fujitsu
Fujitsu	Infosys	IBM
IBM	Kyndryl	Infosys
Infosys	NTT DATA	NTT DATA
NTT DATA	q.beyond	q.beyond
q.beyond	Syntax Systems	Sopra Steria
Sopra Steria	T-Systems	T-Systems
Syntax Systems	TCS	TCS
Reply		Wipro
T-Systems		
TCS		
Wipro		

SAP S/4HANA-related Services	SAP SuccessFactors-related Services	SAP CX-related Services
Accenture	Accenture	Accenture
All for One Group	All for One Group	All for One Group
Arvato Systems	Atos	Arvato Systems
Atos	Cognizant	Atos
BTC	Deloitte	Capgemini
Capgemini	IBM	Cognizant
Cognizant	Infosys	Deloitte
Datagroup	NTT DATA	DXC Technology
Deloitte	Sopra Steria	IBM
DXC Technology	T-Systems	Infosys
Fujitsu	TCS	NTT DATA
IBM	Wipro	Reply
Infosys		T-Systems
NTT DATA		TCS
q.beyond		Wipro
Sopra Steria		
Syntax Systems		
Reply		
T-Systems		
TCS		
Wipro		

SAP-related Services for SMBs	SAP-related Services for Large Accounts	Public Cloud-based SAP Hosting	Legacy & Private Cloud-based SAP Hosting
All for One Group	Accenture	Accenture	All for One Group
Arvato Systems	Atos	All for One Group	Arvato Systems
Atos	Capgemini	Arvato Systems	Atos
BTC	Cognizant	Atos	BTC
Datagroup	Deloitte	BTC	Datagroup
Fujitsu	DXC Technology	Capgemini	DXC Technology
NTT DATA	IBM	Cognizant	Fujitsu
q.beyond	Infosys	Datagroup	Infosys
Reply	NTT DATA	DXC Technology	Kyndryl
Syntax Systems	Reply	Fujitsu	NTT DATA
T-Systems	Sopra Steria	Infosys	q.beyond
	T-Systems	Kyndryl	Syntax Systems
	TCS	NTT DATA	T-Systems
	Wipro	q.beyond	TCS
		Syntax Systems	
		T-Systems	
		TCS	

The concept

Evaluation of criteria at cluster and sub-cluster levels					
Main cluster	Competence			Market strength	
Cluster	Strategy	Portfolio	Go-to-market	Market position	Market growth

Fig. 4: PAC RADAR – evaluation method

PAC uses **predefined criteria** to assess and compare the providers within given service segments.

The assessment is based on the report-card score within the peer group of the positioned providers.

This is based on:

- The provider's detailed self-disclosure about resources, distribution, delivery, portfolio, contract design, pricing, customer structure, customer references, investments, partnerships, certifications, etc.;
- An assessment of the provider by reference customers (to be obtained by the provider);
- If applicable, a poll among customers by PAC;
- The analysis of existing PAC databases;
- Secondary research;
- Dedicated face-to-face interviews as relevant.

The provider data is verified by PAC and any omissions are rectified based on estimates.

If the provider does not participate, the assessment is performed using the proven PAC methodology, mainly based on:

- Information obtained from face-to-face interviews with the provider's representatives, analyst briefings, etc.;
- An assessment of company presentations, company reports, etc.;
- An assessment of PAC databases;
- An assessment of earlier PAC RADARs in which the provider participated;
- A poll among the provider's customers (as required) on their experiences and satisfaction.

What if no customer assessments, or fewer than required, are submitted?

The overall assessment has to include the number of customer assessments requested in the invitation. Any missing customer assessments are scored as "satisfied", i.e. they do not negatively affect the score. This produces an average score for criteria based on customer assessments

Reissue of published RADARs

The scores in the PAC RADAR represent an assessment of the providers within the given peer group in the year in which the respective PAC RADAR was published.

The evaluations may not be directly comparable with those of any previous version due to subsequent content modifications. In particular, they do not depict a development of individual providers over time.

Methodological and/or organizational modifications may be made due to changing market conditions and trends, and may include:

- A different peer group in the focus of the analysis;
- Modification of individual criteria within clusters and sub-clusters;
- Increased or altered expectations by user companies;
- Adjustment of the weighting of individual criteria.

RADAR by PAC

Evaluation criteria

General criteria

General criteria (considered to varying degrees for several of the service segments covered)	
Competence	**Market Strength**
• Portfolio: coverage of SAP C&SI service value chain • Portfolio: Cloud migration of SAP applications towards IaaS/PaaS • Portfolio: custom solution development and support • SAP S/4HANA-related resources in Germany (on-site) • SAP S/4HANA-related resources for Germany (incl. global delivery) • SAP technology (HANA, BTP, etc.) resources for Germany (incl. global delivery) • Functional mix of SAP services consultants (process consulting, implementation, development, architecture) • Portfolio: business transformation services • Portfolio: coverage of SAP SaaS C&SI service value chain • Portfolio: development of add-ons to SAP SaaS solutions • Portfolio: development of add-ons to SAP S/4HANA • SAP services-related R&D commitment and investments • Commitment to fixed-price and success-oriented pricing models – SAP C&SI • Project experience – SAP S/4HANA • History – SAP C&SI services in Germany • Coverage of different industries – related to the number of SAP consultants – Germany • Strength and balance of the SAP-related global delivery for Germany • SAP-related public cloud competencies for Germany (incl. coverage of the major platforms [AWS, MS Azure, Google Cloud]) • Portfolio: implementation and optimization of support and operations • Strength of SAP-based, industry-specific offerings	• Employee resources for SAP services – Germany • Initiatives for sustainability and environmental protection • Longevity of customer relationships in SAP services • Employee resources for SAP services – worldwide • Utilization rate in SAP C&SI • SAP services: focus on medium-sized to small accounts • SAP services: focus on large accounts • SAP C&SI market share of the provider in Germany • SAP C&SI – recent development of local market share • Focus on the German market • Corporate transparency • Provider stability in terms of business model, customer mix, size, etc. • Evaluation by reference customers: evaluation of the quotation phase – across SAP services • Evaluation by reference customers: evaluation of account management – across SAP services • Recognition by the competition: “classic” SAP C&SI (R/3, ECC) • Recognition by the competition: C&SI for S/4HANA • Recognition by the competition: innovation with SAP Cloud Platform, SAP Leonardo, and SAP HANA – Germany • Recognition by the competition: C&SI for SAP SuccessFactors • Recognition by the competition: SAP services for large enterprises • Recognition by the competition: SAP services for SMBs

• Focus on/experience in smaller SAP C&SI projects • Focus on/experience in large SAP C&SI projects • Coverage of different pricing models – SAP C&SI • Involvement of nearshore resources in SAP service delivery • Involvement of offshore resources in SAP service delivery • Importance of SAP services within overall regional IT services (percentage of sales) • International reach • Evaluation by reference customers: evaluation of the quality of service provision – across SAP services • Experience level and mix of SAP services consultants – in Germany	

SAP SuccessFactors-related Services

SAP SuccessFactors-related Services in Germany Specific criteria / criteria with higher weighting
• SAP SuccessFactors-related resources in Germany (on-site) • SAP SuccessFactors-related resources for Germany (incl. global delivery) • Project experience – SAP SuccessFactors • Portfolio: coverage of SAP SaaS C&SI service value chain • Portfolio: development of add-ons to SAP SaaS solutions

General PAC research method

The following overview describes PAC's research method for market analysis and key differentiation features.

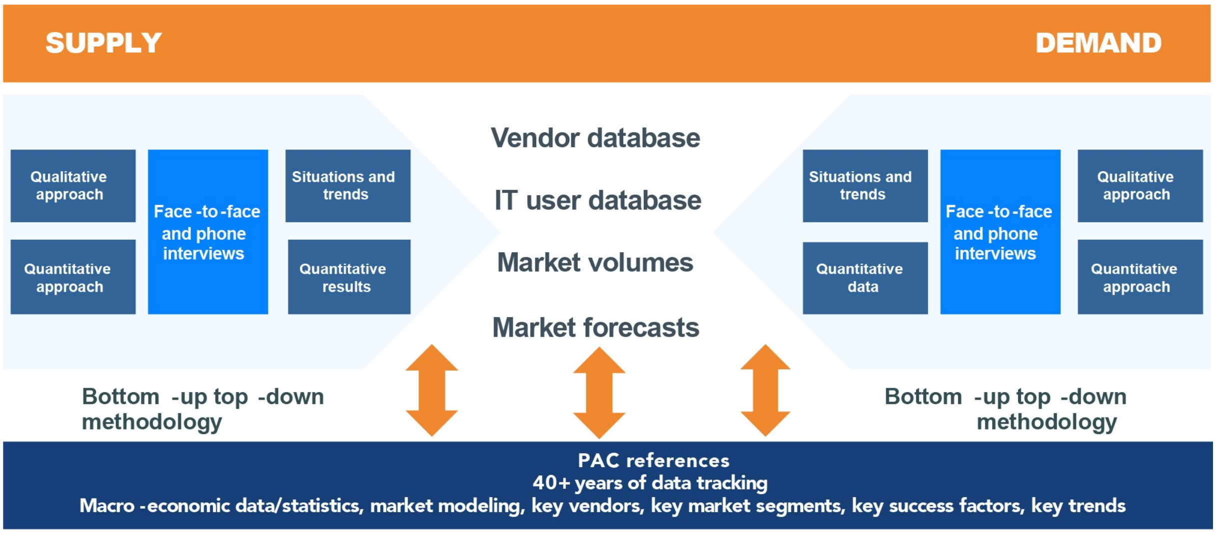


Fig. 5: Description of the PAC methodology

Local research and face-to-face communication are two core elements of PAC's methodology. In our market studies, we can draw on more than 40 years of experience in Europe.

Positioning within the PAC RADAR

Based on the scores in competence and market strength, the overall score is calculated (calculation: competence score plus market strength score, divided by two). From the resulting overall score, each provider receives their characteristic positioning within the PAC RADAR. Here, the following applies: The closer a company is to the center, the closer they are to meeting customers' requirements.

The classification of providers is based on the overall score:

"Best in Class"	1.0 – 1.9
"Excellent"	2.0 – 2.9
"Strong"	3.0 – 3.9
"Solid"	4.0 – 4.9

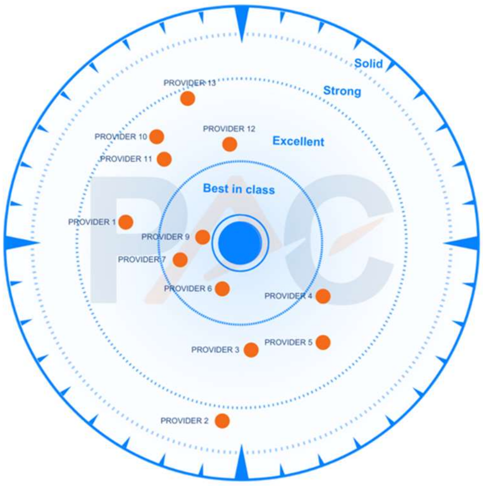


Fig. 6: Classification of providers in the PAC RADAR graph (example)

PAC RADAR REPORT LICENSE

PAC RADAR “SAP SuccessFactors-related Services in Germany 2022”

Unlimited reprint rights

Within the framework of the license with unlimited reprint rights the customer receives a PAC RADAR short report and a PAC RADAR graphic. Their usage and distribution to external parties is expressly permitted, without any limitations. The customer is entitled to use the contents of this PAC RADAR short report as well as the PAC RADAR graphic, either completely or partially (e.g. individual text sections or graphics), for all marketing and communications purposes.

In any usage and distribution, all contents of the PAC RADAR short report and the PAC RADAR graphic must always be marked with the “PAC” source reference. However, the contents must not be manipulated or deployed in such a way that changes the context.

The usage rights defined within the license with unlimited reprint rights refer to the PAC RADAR short report and the PAC RADAR graphic, however, under no circumstances include the usage of the contents of the full version of the PAC RADAR report.

In addition, the PAC RADAR copyright terms and conditions apply (see “About the PAC RADAR” section).

ABOUT THE PAC RADAR

The PAC RADAR is a graphical representation and written analysis of the positioning of various IT providers within a defined market segment at a specific point in time. The positioning and characterization of selected companies within the PAC RADAR is conducted on the basis of an analytical assessment of criteria which PAC previously defined for this analysis.

The selection, positioning, and characterization of companies within the PAC RADAR is not subject to any vested interests whatsoever. PAC does not support any providers that are represented in the PAC RADAR, and does not give any recommendations to technology users. The PAC RADAR represents a result from market research only and must not be taken as a recommendation for action.

The contents of the PAC RADAR have been created with utmost diligence and care. However, PAC cannot be held responsible for any errors or omissions.

PAC excludes all express or implied claims, also if derived from warranties with respect to the PAC RADAR report, including any implied warranties of merchantability or fitness for a particular purpose.

The PAC RADAR may only be used for a license fee and with the consent of PAC. Moreover, the use and publication of the contents and the results of the PAC RADAR are subject to the "Terms & Conditions for the Usage of Pierre Audoin Consultants' SITSI® License".

ABOUT TEKNOWLOGY GROUP

teknowlogy Group is your partner of choice for European focused IT market data, insights and advice. It brings together the expertise of two research and advisory firms, each with a strong history and local presence in the fragmented markets of Europe: CXP and PAC (Pierre Audoin Consultants) .

We are a content-based company with strong consulting DNA. We are the preferred partner for European user companies to define IT strategy, govern teams and projects, and de-risk technology choices that drive successful business transformation.

We have a second-to-none understanding of market trends and IT users' expectations. We help software vendors and IT services companies better shape, execute and promote their own strategy in coherence with market needs and in anticipation of tomorrow's expectations.

Capitalizing on more than 40 years of experience, we are active worldwide with a network of 50 experts.

For more information, please visit www.teknowlogy.com and follow us on Twitter or LinkedIn.