HfS Blueprint Report

SAP SuccessFactors Services 2017

Excerpt for NTT DATA

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Executive Summary
Introduction to the HfS Blueprint Report: SAP SuccessFactors Services 2017

- The 2017 HfS SAP SuccessFactors Services Blueprint Report continues our theme of looking at the services sets for the planning, implementation, and management of leading Software-As-a-Service platforms.

- Unlike other quadrants and matrices, the HfS Blueprint identifies relevant differentials between service providers across a number of facets in two main categories: innovation and execution.

- This Blueprint report looks at the innovation and execution capabilities of 13 SAP SuccessFactors service providers in detail.
SAP SuccessFactors Technologies

- This Blueprint tracks consulting, implementation, and ongoing support services associated with the SAP SuccessFactors applications, including:
  - Core HR: Employee Central and Employee Central Payroll
  - SAP SuccessFactors Talent Solutions: Recruiting Marketing, Recruiting Management, Onboarding, Learning, Performance and Goals, Compensation, Succession and Development
  - SAP SuccessFactors Analytics Solutions: Workforce Analytics, Workforce Planning
  - Social Collaboration: SAP Jam

- There are new releases or enhancements every quarter.

- **SAP Leonardo:** SAP Leonardo is a set of tools and packaged solutions based on SAP Cloud Platform. It includes Design Thinking, and leading-edge technologies such as Artificial Intelligence (AI), Machine Learning, Blockchain, and Analytics. SAP calls it a “digital innovation system." SAP Leonardo includes tools and accelerators for industry sectors based on use cases. Service providers have opportunities to leverage SAP Leonardo for SAP SuccessFactors services engagements, although this is still at an early stage in the market. Accenture and HCL are examples of SAP SuccessFactors service providers investing in SAP Leonardo services.
## SAP SuccessFactors Services

- **SAP SuccessFactors provides the following services:**
  - Advisory services
  - Implementation services
  - Integration services
  - **SAP Education for SAP SuccessFactors HCM Suite:** This includes training and consulting services, including best practice advice. Training is available for customers and service partners.
  - Customer Community, to ask questions and communicate with peers
  - Customer Support Portal
  - Ongoing training and webinars
  - Events and conferences are held around the world. Its flagship SuccessConnect events for customers are also attended by the leading service partners.
  - **SAP Leonardo Innovation Services:** Customers have access to SAP experts, including designers, industry sector experts, and technology consultants.

- **SAP SuccessFactors is not included in this research.** This Blueprint report profiles 13 of SAP SuccessFactor’s service partners, which have identified opportunities to expand the basic services offered directly by SAP.
SAP PartnerEdge: Service Program

- **SAP PartnerEdge Program:** SAP SuccessFactors partners are part of the SAP PartnerEdge program. All partners have access to information, advice, training, and tools. There are two broad levels of partners:
  - **SAP PartnerEdge Open Ecosystem for Service:** This is for smaller consulting and system integration providers and practices initializing their relationship with SAP and SAP SuccessFactors. Partners have access to some free information, training, and tools.
  - **SAP PartnerEdge for Service:** This is for established SAP SuccessFactors service providers and practices. Partners must pay an annual fee and commit to continuous improvement to remain part of the PartnerEdge program. There are three levels of partnership within the SAP PartnerEdge Service program: Silver, Gold, and Platinum. Partners can move up to the next level by accruing Value Points, but Platinum partners are selected by SAP SuccessFactors invitation only.

- **Run SAP Solutions:** This includes SAP Outsourcing and Operations partners. SAP provides certification of local or global support capabilities. Examples include IBM and TCS.
SAP SuccessFactors Resources for Service Partners

- **SAP SuccessFactors Workbooks**: These outline how to configure the different modules. Service provider partners can use and enhance these for clients.

- **Intelligent Services**: This automates process steps in SAP SuccessFactors and includes intelligent services that provide a customized end-user experience.

- **Partner Portal**: Service provider partners have access to a partner portal that supplies information, advice, training, and tools.

- **SAP Product Road Maps**: These explain the planned development of a feature or function of each product for clients, including recent changes available, upcoming development releases in 12 to 18 months, and proposed themes for products beyond this time.

- **Certifications**: Service provider partners can achieve certifications in each of the SAP SuccessFactors HCM suite modules.
SAP SuccessFactors Selection

We spoke with 23 client references for this research. This chart shows the top reasons why they selected SAP SuccessFactors. Already having SAP in the back-office leading to an enterprise-wide SAP strategy is the most common reason SAP SuccessFactors is selected.

Source: HfS Research, September 2017
N=23
SAP SuccessFactors Modules: Current Deployment and Fastest Growth

- The top SAP SuccessFactors modules currently deployed are:
  - Employee Central
  - Performance and Goals
  - Recruiting Management
  - Learning

- The three fastest growing SAP SuccessFactors modules are:
  - Employee Central
  - Recruiting Management
  - Onboarding

- Average statistics based on all answers of service providers in this Blueprint report
# SAP SuccessFactors Services Value Chain

<table>
<thead>
<tr>
<th>Plan</th>
<th>Implement</th>
<th>Manage</th>
<th>Optimize</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Business case development for SaaS deployment</td>
<td>• Project management</td>
<td>• Governance management</td>
<td>• New SAP SuccessFactors module value identification and benefit analysis</td>
</tr>
<tr>
<td>• Cloud advisory services, including cloud readiness assessment</td>
<td>• Data migration</td>
<td>• Upgrade support</td>
<td>• Ongoing SAP SuccessFactors module adds and upgrades, migrations, and</td>
</tr>
<tr>
<td>• Compliance, risk management, and security consulting</td>
<td>• Custom development services to comply with industry, geography, or other</td>
<td>• SAP SuccessFactors help desk</td>
<td>consolidation</td>
</tr>
<tr>
<td>• HCM and strategy consulting</td>
<td>business requirements</td>
<td>• Ongoing integration</td>
<td>• Ongoing HCM strategy and system alignment</td>
</tr>
<tr>
<td>• SAP SuccessFactors strategy consulting, process design, and</td>
<td>• Integration services</td>
<td>• Ongoing testing</td>
<td>• HCM analytics and measurement</td>
</tr>
<tr>
<td>configuration support</td>
<td>• Extensions or tools of SAP SuccessFactors to meet specific client needs</td>
<td>• Ongoing training</td>
<td>• User community facilitation</td>
</tr>
<tr>
<td>• Technical change management consulting</td>
<td>• Testing</td>
<td>• Ongoing proactive advice sharing best practice</td>
<td>• Medium to long-term SAP SuccessFactors roadmap advisory services</td>
</tr>
<tr>
<td>• Organizational change management consulting</td>
<td>• Initial user training</td>
<td>• SAP SuccessFactors uptime, data accuracy, and access responsibility</td>
<td></td>
</tr>
<tr>
<td>• Governance structure</td>
<td>• Technical change management execution</td>
<td>• Ongoing employee adoption support</td>
<td></td>
</tr>
<tr>
<td>• Medium to long-term SAP SuccessFactors roadmap consulting services</td>
<td>• Organizational change management execution</td>
<td>• Periodic solution and service delivery reviews</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Proactive consulting and advisory services sharing best practice</td>
<td>• Identify any required changes in SAP SuccessFactors or process to</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>account for changing business requirements, e.g. M&amp;A, divestment, new</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>investments in IT</td>
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</tbody>
</table>

**Project**
- Project management
- Data migration
- Custom development services to comply with industry, geography, or other business requirements
- Integration services
- Extensions or tools of SAP SuccessFactors to meet specific client needs
- Testing
- Initial user training
- Technical change management execution
- Organizational change management execution
- Proactive consulting and advisory services sharing best practice

**Project**
- Governance management
- Upgrade support
- SAP SuccessFactors help desk
- Ongoing integration
- Ongoing testing
- Ongoing training
- Ongoing proactive advice sharing best practice
- SAP SuccessFactors uptime, data accuracy, and access responsibility
- Ongoing employee adoption support
- Periodic solution and service delivery reviews
- Identify any required changes in SAP SuccessFactors or process to account for changing business requirements, e.g. M&A, divestment, new investments in IT

**Run**
- New SAP SuccessFactors module value identification and benefit analysis
- Ongoing SAP SuccessFactors module adds and upgrades, migrations, and consolidation
- Ongoing HCM strategy and system alignment
- HCM analytics and measurement
- User community facilitation
- Medium to long-term SAP SuccessFactors roadmap advisory services

**Project/Run**
SAP SuccessFactors Services Value Chain Market

Approximate Split of SAP SuccessFactors Services Business by Value Chain Service*

- More than 50% of the current SAP SuccessFactors service market is dominated by implementation projects.
- Most service providers expect consulting and post-deployment support services to increase at the expense of implementation services in the next few years.

Source: HfS Research, September 2017

- Aggregate responses of service providers in this Blueprint
- ** Other includes business process services and SAP SuccessFactors application resell
Key Blueprint Highlights*

- The 13 service providers in this Blueprint report have a total of:
  - 2,726 certified consultants.
  - 2,774 SAP SuccessFactors services clients. It should be noted that Aasonn has served 2,000 clients alone.
  - 5,327 people in the SAP SuccessFactors service practice. However, as some providers are unable to provide distinct practice numbers, they have included some SAP or HCM practice numbers.

- Service providers report an average of 60% growth of SAP SuccessFactors services business in the last fiscal year. They expect an average growth of 68% of SAP SuccessFactors services business in the next fiscal year.

- The average reference score in the Blueprint was 7.8 out of 10. Most reference clients scored service providers higher for their execution capabilities than their perceived innovation capabilities.

- Service providers estimate that Design Thinking is present in 59% of current SAP SuccessFactors service engagements. They expect Design Thinking presence in engagements to grow by 62% in the next 12 to 18 months.

- Total or average statistics based on all answers of service providers in this Blueprint report
Key Blueprint Highlights* (continued)

- **Geographic scope of contracts**: On average, over a third, 39%, of engagements cover more than 10 countries. This is followed by 24% of contracts focused on only one country. Service providers expect multi-country engagements to grow in the next year. A few service providers, including HCL, Infosys, and Wipro are also focusing efforts to serve mid-market enterprises, which will likely be concentrated in one or a few countries.

- **North America dominates**: Approximately 40% of SAP SuccessFactors service business to date comes from North America. This is followed by approximately 20% from Continental Europe and 16% from the UK. Service providers in this research expect these to continue to be the top three regions for SuccessFactors service business in 2018.

- **SAP SuccessFactors Service business by industry sector**: On average, the top three industry sectors for SAP SuccessFactors service business are:
  1. Financial services: banking and capital markets
  2. Retail and distribution
  3. Consumer goods

  Service providers are seeing growth across all industry sectors for 2018.

- Average statistics based on all answers of service providers in this Blueprint report
Service Provider Investments

SAP SuccessFactors service providers are investing in the following areas in the next few years:

- **Certifying and training consultants**: SAP SuccessFactors service partners continue to train and certify consultants in the different SAP SuccessFactors modules. Clients complain that service provider teams are sometimes composed of a mix of skills, for example with strong Learning module experts but much weaker Recruiting module consultants. Keeping abreast of SuccessFactors module investments and training consultants in all the latest application versions are ongoing challenges for service providers in this market.

- **Keeping abreast of SAP investments**: As well as specific SAP SuccessFactors HCM modules, service providers are developing services to support new SAP technologies that support and enhance the SAP SuccessFactors experience for clients. Examples include the SAP Cloud and SAP Leonardo.

- **Design Thinking**: Service providers are increasingly focused on meeting the needs of and supporting the end-user. For example, Accenture has updated its HR Transformation “Next Generation Methods” to incorporate employee experience, and HCL develops personas as part of its user centric design approach.

- **Artificial Intelligence (AI)**: AI is a growth area. Examples of investments include EY strengthening its chatbot based support services offering, HCL developing an intelligent HR assistant “Lucy” and Infosys’ investment in NIA, its Next Generation Integrated Artificial Intelligence Platform.
Consulting services investment: Service providers are developing or strengthening their consulting services, in particular cloud readiness services, roadmap services, and health checks that can be delivered at any time before, during, or post deployments.

Post-deployment support investment: Service providers are developing or strengthening their post go-live support offerings in line with market demand. Clients need flexible options that include ad hoc access to experts, especially to understand the implications of new releases and functions. Service providers enhancing their support services offerings include Accenture, Deloitte, HCL, and NTT DATA.

Proprietary tool investment: Proprietary tools are key differentiators for service providers in the SAP SuccessFactors service market. Clients have even selected a service provider based on the presentation of a particular tool or methodology in the RFP stage. The service provider profiles in this report list some of the tools, templates, and methodologies each service provider has developed. The following slide illustrates a few of these.
## Service Provider Proprietary Tools

This table shows a few of the interesting tools developed by service providers. Please refer to the individual profiles for more detail and other examples, such as data migration tools, testing tools, and add-on functionality tools.

<table>
<thead>
<tr>
<th>Type of Tool</th>
<th>Examples</th>
</tr>
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</table>
| Pre-configured tools to simplify and speed up SAP SuccessFactors implementations, often based on best practice scenarios | Accenture: Accenture High-Velocity Talent and HR  
Aasonn: Proprietary Rapid Deployment Solution (RDS)  
Deloitte: HR FastForward™  
EY: HR360, Rapid Deployment Solution  
HCL: RapidHR  
NGA Human Resources (HR): Fast Track  
NTT DATA: 80/10/10 Project Methodology and Approach |
| Deployment methodologies to ease cloud migrations and also bring value       | Accenture: Packaged cloud methodology for SuccessFactors  
HCL: Benefits realization methodology  
Infosys: Value realization methodology  
Wipro: Safe passage to cloud framework |
| Industry sector templates                                                    | Infosys: Automotive, retail, and finance templates and frameworks  
NTT DATA: Manufacturing, retail, healthcare, and pharmaceutical workbooks and templates |
| Payroll accelerators and solutions                                           | EY: Payroll Control Center  
NGA HR: SAP SuccessFactors Managed Payroll solution |
| AI-based tools and technologies                                              | HCL: DRYiCE-AI Automation services  
Infosys: NIA, its Next Generation Integrated Artificial Intelligence Platform |
| Business-oriented tools                                                       | Accenture: HR 360 Diagnostic tool |
Research Methodology
Research Methodology

Data Summary

- The data for this Blueprint was collected in Q2 and Q3 2017, covering service buyers, service providers, and advisors and influencers of SAP SuccessFactors services.
- SAP SuccessFactors has a vast ecosystem of service partners. HfS selected a small group of some of the leading SAP SuccessFactors service providers to profile in this Blueprint report.
- Ten service providers fully participated in this research, Capgemini, Cognizant, and IBM did not fully participate in this research.

This Report Is Based On:

- **Tales from the Trenches:** Interviews were conducted with buyers who have evaluated service providers and experienced their services. Some were supplied by service providers, but many interviews were conducted by HfS Executive Council members and participants in our extensive market research.
- **Sell-Side Executive Briefings:** Structured discussions with service providers were intended to collect data necessary to evaluate their innovation, execution and market share, and deal counts.
- **Publicly Available Information:** Financial data, website information, presentations given by senior executives, and other marketing collateral were evaluated.

Participating Service Providers

- IBM
- aasonn
- Deloitte
- accenture
- wipro
- Hexaware
- Infosys
- Tata Consultancy Services
- Capgemini
- NGA Human Resources
- HCL
- NTT DATA
## HfS Blueprint Scoring Percentage Breakdown

<table>
<thead>
<tr>
<th>Execution</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of account management team</td>
<td>10%</td>
</tr>
<tr>
<td>Quality of project management team</td>
<td>15%</td>
</tr>
<tr>
<td>Flexibility and incorporating client feedback</td>
<td>10%</td>
</tr>
<tr>
<td>Scale and experience of consulting, implementation, and ongoing management services capabilities</td>
<td>25%</td>
</tr>
<tr>
<td>Geographic footprint and scale of the service provider</td>
<td>15%</td>
</tr>
<tr>
<td>Availability and strength of resources</td>
<td>15%</td>
</tr>
<tr>
<td>Experience delivering industry-specific services and solutions</td>
<td>10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision for and investments in the evolution of SAP SuccessFactors services</td>
<td>35%</td>
</tr>
<tr>
<td>Assistance to help clients move to the cloud</td>
<td>10%</td>
</tr>
<tr>
<td>Using Design Thinking to deliver business outcome solutions</td>
<td>10%</td>
</tr>
<tr>
<td>Integration of transformation and process consulting capabilities</td>
<td>10%</td>
</tr>
<tr>
<td>Ability to adopt holistic, long-term view of clients’ SAP SuccessFactors journeys</td>
<td>10%</td>
</tr>
<tr>
<td>Investment in proprietary tools, accelerators, and solutions</td>
<td>25%</td>
</tr>
</tbody>
</table>
### Execution Definitions

<table>
<thead>
<tr>
<th>Execution</th>
<th>How well does the service provider execute on its contractual agreement? How well does the service provider manage the client/provider relationship?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of account management team</td>
<td>What is the quality level of professional skills in the account management team? How effective is this team in promoting collaboration and creating a true partnership relationship with the client?</td>
</tr>
<tr>
<td>Quality of project management team</td>
<td>What is the quality level of professional skills in the account management team? Does the service provider understand the client’s definition of project or ongoing engagement success, and is it able to deliver this?</td>
</tr>
<tr>
<td>Flexibility and incorporating client feedback</td>
<td>How successfully has the service provider taken feedback and incorporated that feedback into their services? Has the service provider been flexible, responsive, and timely?</td>
</tr>
<tr>
<td>Scale of consulting, implementation, and ongoing management services capabilities</td>
<td>What is the service provider's capabilities and experience across the Value Chain (see slide 10), including the availability of relevant certifications and competencies?</td>
</tr>
<tr>
<td>Geographic footprint and scale of the service provider</td>
<td>What is the service provider's capability and experience to deliver multi-site and multi-country engagements, and its capability to offer local resources when needed?</td>
</tr>
<tr>
<td>Availability and strength of resources</td>
<td>How well is the service provider able to source expertise from all available sources, both internally and externally, to address capability gaps? Is the service provider able to provide the right quality of resource in a timely manner? How strong is the service provider's skills and talent base?</td>
</tr>
<tr>
<td>Experience delivering industry-specific services and solutions</td>
<td>How well does the provider understand and have experience to delivery industry sector-tailored services and solutions? This includes industry-specific tools and advisory services.</td>
</tr>
</tbody>
</table>
## Innovation Definitions

<table>
<thead>
<tr>
<th>Innovation</th>
<th>How does the service provider innovate its offerings in response to market demand, client requirements, and its own vision for how SAP SuccessFactors services will evolve?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision for and investments in the evolution of SAP SuccessFactors services</td>
<td>What is the service provider's vision for the evolution of SAP SuccessFactors services? What strategies does the service provider have to develop new services to meet emerging client demands?</td>
</tr>
<tr>
<td>Assistance to help clients move to the cloud</td>
<td>Does the service provider offer innovation in commercial models to help clients Write Off Legacy solutions? Does the service provider offer assistance with organizational change management and cultural end-user training to facilitate the move to cloud applications?</td>
</tr>
<tr>
<td>Using Design Thinking to deliver business outcome solutions</td>
<td>Does the service provider understand the business context to reimagine processes aligned with meeting client needs? Does the service provider have experience in delivering business outcome focused solutions for clients?</td>
</tr>
<tr>
<td>Integration of transformation and process consulting capabilities</td>
<td>How is the service provider integrating change and transformational consulting throughout the value chain of SAP SuccessFactors services?</td>
</tr>
<tr>
<td>Ability to adopt holistic, long-term view of clients’ SAP SuccessFactors journeys</td>
<td>Does the service provider have capability and experience to proactively suggest recommendations and innovation to clients, with corresponding roadmaps? Does the service provider offer assistance to train clients to support their own medium-to long-term SAP SuccessFactors journeys post deployment?</td>
</tr>
<tr>
<td>Investment in proprietary tools, accelerators, and solutions</td>
<td>What is the provider doing to invest in proprietary capabilities, tools, accelerators, and other solutions to enhance the value of SAP SuccessFactors for clients? What is the service provider's strategy to invest in these areas in the future?</td>
</tr>
</tbody>
</table>
Service Provider Grid
Guide to the Blueprint Grid

To distinguish service providers that show competitive differentiation in a particular line of delivery with progress in realizing the As-a-Service Economy of business outcome-oriented, on-demand, talent + technology services, HfS awards these providers the As-a-Service Winner's Circle designation.

<table>
<thead>
<tr>
<th>As-a-Service Winner's Circle</th>
<th>High Performers</th>
<th>High Potentials</th>
<th>Execution Powerhouses</th>
</tr>
</thead>
<tbody>
<tr>
<td>shows excellence recognized by clients in the Eight Ideals in both execution and innovation</td>
<td>Collaborative relationships with clients, services executed with a combination of talent and technology as appropriate, and flexible arrangements.</td>
<td>Articulates vision and a “new way of thinking,” has recognizable investments in future capabilities and strong client feedback, and is driving new insights and models.</td>
<td>Evidence of operational excellence; however, still more of a directive engagement between a service provider and its clients.</td>
</tr>
<tr>
<td><strong>High Performers</strong> demonstrate strong capabilities yet lack an innovative vision or momentum in execution against the vision</td>
<td>Execute some of the following areas with excellence: worthwhile relationships with clients, services executed with “green lights,” and flexibility when meeting clients’ needs.</td>
<td>Typically, describe a vision and plans to invest in future capabilities and partnerships for As-a-Service and illustrate an ability to leverage digital technologies or develop new insights with clients.</td>
<td>Less evident vision and investment in future-oriented capability, such as skills development, “intelligent operations,” or digital technologies.</td>
</tr>
<tr>
<td><strong>High Potentials</strong> demonstrate vision and strategy but have yet to gain momentum in the execution of it</td>
<td>Early results and proof points from examples in new service areas or innovative service models, yet lack scale, broad impact, and momentum in the capability under review.</td>
<td>Well-plotted strategy and thought leadership, showcased use of newer technologies or roadmap, and talent development plans.</td>
<td></td>
</tr>
<tr>
<td><strong>Execution Powerhouses</strong> demonstrate solid, reliable execution, but have yet to show significant innovation or vision</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Major Service Provider Dynamics: Highlights

### Execution

- **Account management:** Account management remains a crucial success factor for all application service engagements. Clients interviewed for this Blueprint are especially enthusiastic about Aasonn, Deloitte, and EY.

- **Project management:** The ability to effectively manage projects and have an leader who understands the client’s business needs is a differentiator. Service providers who were particularly commended for this are: Accenture, Infosys, and Wipro.

- **Flexibility and incorporate client feedback:** Clients appreciate a flexible approach to service engagements that does not include a constant recourse to the statement of work document for any changes requested. Clients scored all of the service providers well for their ability to deliver flexible services. Those that particularly stood out are: Aasonn, Accenture, Deloitte, EY, IBM, and Wipro.

- **Availability and strength of resources:** The ultimate success of a project relies on having timely access to strong resources. Service providers that particularly impressed clients on this are EY, HCL, Infosys, and Wipro.

- **Experience delivering industry-specific services and solutions:** While most clients currently view SAP SuccessFactors service engagements as horizontal, a few service providers have developed industry-focused services and solutions. These include HCL, Infosys, NTT DATA, and Wipro.

### Innovation

- **Vision for SAP SuccessFactors effectiveness:** Having a vision for where the processes supported by SAP SuccessFactors are headed in the future is an important element of Innovation. We saw this vision come particularly from Accenture, Deloitte, IBM, and NGA Human Resources (HR).

- **Assistance to help clients move to the cloud:** Clients need specific services, training, and support to understand the implications of moving to the cloud. Service providers that stood out for this investment include: Aasonn, Accenture, Deloitte, NGA HR, and HCL.

- **Investment in proprietary tools and solutions:** Implementing and managing SAP SuccessFactors deployments for clients is enhanced by having a suite of unique tools, accelerators, and other solutions to maximize the attainment of benefits for clients and service providers. All of the service providers in this Blueprint are investing in SAP SuccessFactors tools, templates, and accelerators. See slide 16 for examples. Service providers that particularly impressed with tools investment include Accenture, HCL, IBM, Infosys, NTT DATA, NGA HR, and Wipro.
Service Provider Profile
Service Provider Profiles

The following section presents service provider profiles. Key points that apply to all profiles include:

- **The Blueprint leading highlights**: This section lists the Execution and Innovation criteria that the service provider particularly excelled at. This is based on service provider information and client reference scores and commentary.

- **Acquisitions and partnerships**: All service providers partner with SAP SuccessFactors and this is therefore not listed on each individual profile.

- **Operations**: The statistics in this section are HfS and service provider estimates. The total practice teams for example may include other SAP, HCM, or Cloud services experts who work across specific application practices.

- **Technology and platforms**: This section lists examples of the service provider’s tools and templates for SAP SuccessFactors services. This is not necessarily a comprehensive list, and serves to present some of the main example investments made by the service provider.
## Strengths

| Tailored services and solutions: NTT DATA has experience in delivering SuccessFactors services to large and medium sized enterprises. These are supported by its proprietary 80/10/10 methodology, which includes pre-built templates. In addition, its Ready2run solution enables rapid deployments for clients with less than 1,000 employees. |
| Consulting and management services investment: NTT DATA has strengthened its SuccessFactors services offerings organically and inorganically by investing in consulting services such as advisory, change management and training services, as well as management services. Clients are increasingly demanding SuccessFactors consulting and management services, so this focus is important for NTT DATA to remain competitive in this market. |
| Industry sector capabilities: NTT DATA has invested in industry solutions and services, which are rare in this market. It has developed best practice workbooks and templates for manufacturing, retail, healthcare and pharmaceutical industry sectors and also has a healthcare talent management solution for the API market. This is a differentiator for NTT DATA as industry understanding is becoming important for clients seeking more direct business related outcomes. |
| Holistic vision of HR: NTT DATA is developing a holistic view of HR, which considers the differing roles and responsibilities of employees. The aim is to increasingly focus on the ultimate business aim of the clients, rather than adopt an individual module focused approach. One client said “they want the project to be successful.” |
| Flexibility and relationship skills: Clients highlight NTT DATA’s strengths in account management, client engagement, collaboration, and flexibility. |

## Challenges

| Perception of being a technical partner: Clients often contract NTT DATA for technical deployments and do not realise the need for upfront detailed planning and business alignment exercises. Moreover, clients do not expect NTT DATA to have these skills. NTT DATA should be more proactive in offering its consulting capability to clients, and clients should be more demanding of business consultants to be present in deals. A few clients said that they had not received any proactive long-term view but they also admitted that they had not asked for this. |
| Growth: NTT DATA has completed a large number of engagements but with a relatively small SuccessFactors services team compared with other service providers in the Winner’s Circle. Some clients also sometimes complain of the lack of availability of senior resources. NTT DATA plans to ramp up its consulting pool over the next year, especially with industry sector experts, which should alleviate this problem. Clients should ensure that they will receive adequate resources at the beginning of engagements. |

### Relevant Acquisitions and Partnerships

<table>
<thead>
<tr>
<th>Acquisitions include:</th>
<th>NTT DATA targets clients with more than 1,000 employees transitioning to SAP Cloud.</th>
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<tbody>
<tr>
<td>Goldfish ICT (2017)</td>
<td>Geographical coverage in order of revenue: North America, other APAC, Continental Europe, ANZ, UK, India, MEA, and Latin America</td>
</tr>
<tr>
<td>MBIT Consulting (2016)</td>
<td>Industry Coverage: Most industries. The top four are manufacturing, consumer goods, retail and distribution, and energy and utilities</td>
</tr>
<tr>
<td>Carlisle and Gallagher Consulting Group (2015)</td>
<td>A global technology and specialty materials company</td>
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<tr>
<td>Symphony Consulting (2014)</td>
<td>An international baking industry leader</td>
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<tr>
<td>Evers (2014)</td>
<td>A global pharmaceutical firm</td>
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<tr>
<td>Optimal Solutions (2013)</td>
<td>A global healthcare leader</td>
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<tr>
<td>Intelligroup (2010)</td>
<td>Key Clients</td>
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<tr>
<td>Intelligence (2008)</td>
<td>Operations</td>
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</tbody>
</table>

| Partner level: Platinum | 80/10/10 Project Methodology and Approach: Implementation methodology using prebuilt templates and integration framework built on best practices. |
| Year of practice established: 2012 | Pre-Defined Templates: Prebuilt templates with complete workbooks with best practice processes for Employee Central and all modules in the BixX Suite. |
| Number of SuccessFactors certified consultants: 195+ | Industry-Specific Templates: Predefined best practice workbooks and templates for manufacturing, retail, healthcare and pharmaceutical industries. |
| Number of SuccessFactors certifications: 440+ | Healthcare Talent Management Solution: Specific for API market and meets international industry standards. |
| Total number in practice: 240 | Learning Management Solution: Extends SAP solution. Focuses on large enterprises. Governance and regulation focused for manufacturing industry license, certifications, and compliance to reduce risk. |
| Number of clients: 150+ | OPTIMIZE Toolset: Web and cloud-based project and program management toolkit. |
| Number of engagements completed or ongoing: 260 | Ready2run Solution: For clients with less than 1,000 employees who are largely paper-based, for rapid deployment. |

### Technology Tools and Platforms

| 80/10/10 Project Methodology and Approach: Implementation methodology using prebuilt templates and integration framework built on best practices. |
| Pre-Defined Templates: Prebuilt templates with complete workbooks with best practice processes for Employee Central and all modules in the BixX Suite. |
| Industry-Specific Templates: Predefined best practice workbooks and templates for manufacturing, retail, healthcare and pharmaceutical industries. |
| Healthcare Talent Management Solution: Specific for API market and meets international industry standards. |
| Learning Management Solution: Extends SAP solution. Focuses on large enterprises. Governance and regulation focused for manufacturing industry license, certifications, and compliance to reduce risk. |
| OPTIMIZE Toolset: Web and cloud-based project and program management toolkit. |
| Ready2run Solution: For clients with less than 1,000 employees who are largely paper-based, for rapid deployment. |
Market Wrap-Up and Recommendations
Service Provider Selection

**Why this service provider?** The top reasons clients we spoke to selected their service provider were:

- Existing relationship
- Technical capabilities
- Geographic scope: to support multi-country deployments and also to be able to offer local resources
- Flexibility
- Aligned to the client’s business: strong RFP presentation, understanding client’s culture
- Proprietary tool or methodology: presented during the RFP process
- Price or value

Other criteria that received one mention include:

- Recommended by SAP SuccessFactors
- Service provider brought the A-team
- Ability to share strategic view
- Decision was made by the IT department
Service Provider Satisfaction

The top strengths clients listed for their service provider included:

- **SAP SuccessFactors technical capability**: Technology oriented and valuable advice about new releases and functionality.

- **Strong project management**

- **Flexibility to accommodate client requirements**: Particularly true for long-term relationships.

- **Knowledgeable and experienced resources**: Including strong offshore resources.

- **Listening to client needs**

- **Competitive pricing**: Especially if using the offshore model.

- **Full-service offering**: Service provider offers consulting, implementation, and management services.

- **Problem resolution focus**: The service provider team tries hard to propose alternative solutions when faced with product limitations.
Service Provider Challenges

The top challenges clients listed for their service provider included:

- **Lack of holistic view:** Service provider teams are often composed of individual module implementation consultants who are not able to provide a holistic view across the HR landscape.

- **High staff turnover:** Consultants are re-deployed to other projects and clients, causing disruption in the engagement.

- **Wide range of skill levels:** There is a mix of experience in the teams, with some consultants having very little experience and knowledge of the product.

- **Not proactive:** The service provider is not proactive enough with ideas and best practice advice sharing.

- **Poor availability of resources:** The client had to wait for the relevant expert to become available.

- **Lack of business experts:** Consultants able to understand the client’s business issues are rare.
Recommendations: Enterprise Buyers

- **Be demanding but reasonable:** Ensure that the service provider can provide all the skills you require. This may include HR business consultants and technical experts for each of the modules you are implementing. However, note that there is a shortage of SAP SuccessFactors service resources in the market and so you will likely get a team of mixed experienced consultants. If any of these are unsatisfactory, ask your service provider to swap them out. All the service providers in this Blueprint have been flexible to do this when requested.

- **Listen to business advice:** Listen to best practice advice when the service provider offers it, for example about organizational change management implications and likely post deployment support requirements. We spoke with several clients who did not heed the advice, either because they thought they had enough in-house experience, or because they thought the service provider was simply trying to sell them more services. These clients admitted that they regretted this, and wish they had listened to advice earlier in the deployment.

- **Involve end-users in the software selection (but only if they can affect the decision):** When selecting the software (in this research, the decision was most often between SAP SuccessFactors and Workday), involve the end-users. For ultimate success, it needs to be extensively used by employees, so it’s a good idea to get their feedback early on. They can test the user interface, flexibility and ease of use of the product. However, this is not necessarily a useful exercise if the decision will be made by business managers. One reference we spoke with tested the products with employees, who selected Workday. However, this was overturned by the IT department who had a corporate SAP strategy. In such situations it may be better to let employees only test the selected product.
Recommenations: Enterprise Buyers

- Understand the pros and cons of joint software and services RFPs: It may be a good idea to ask a service provider to present their chosen HR application in your RFP process. You will be able to better understand the complete solution potential, rather than the individual software modules and the service offerings separately. However, software and services salespeople do not often have the same focus, resulting in a confusing presentation that may actually fall short of explaining the full potential of the solution to meet your needs. Clearly explain your business requirements and plans to RFP respondents to ensure that they remain focused on these.

- Do not underestimate change management! Change management is one of the most important process in all SaaS services engagements, yet it is also one of the most commonly overlooked. Most clients are focused on fast deployments that radically change the HR process, sometimes corporation-wide. The question you must ask is: is your enterprise ready for it? Focus less on the functionality and testing of the product, and focus more on the impact of change on people and processes. Distribute the SAP SuccessFactors modules to employees as soon as possible to elicit feedback. Ensure that your service provider also focuses on your end users rather than the product. You can manage change management internally, but ensure that you have the right skills in place. Some service providers also provide best practice advice for clients who want to keep this in-house.
Recommendations: Enterprise Buyers (Continued)

- **Contract consulting services:** Consider the consulting and advisory services offered by your service provider, especially if you are embarking upon an enterprise-wide SAP SuccessFactors deployment. As well as change management, service providers can offer cloud readiness services, SaaS business case development services, HR strategy consulting, governance consulting, project management planning services, and much more. Clients who initially deployed a few modules with a fast implementation approach and therefore often little alignment to the business, are increasingly considering consulting services before their phase-two deployments.

- **Have a plan for ongoing support services:** You must ensure that you have an ongoing support services strategy, whether in-house or with a service provider. The myth that SaaS products do not require any support services because they are so easy and intuitive to use and update has caught out many enterprises. In fact, because of the regular updates, business managers and employees need to understand the implications of all changes. Many service providers offer a flexible support services model, with remote or onsite assistance as and when you need it. It is difficult to plan for this if using in-house resources, so using a service provider, either solely or in addition, is often a good idea.

- **Decide if you are undergoing a transformation or a re-platforming:** Many clients are simply re-platforming their current HR process to the cloud, using the same tools as they did for the on-premise solution. This in itself is of little business benefit in the long term. In a transformation project, you should re-think the entire process and be prepared to make changes to it, then use the technology to facilitate the change.
Recommendations: Service Providers

- **Ensure your account managers are proactive:** Encourage account managers to proactively elicit feedback from clients. This should be about specific team members as well as about the project progress. Offer to swap out any team member before a client asks you do so if you suspect a problem. Also, prepare the client in advance if you need to move any resource to a different project or client.

- **Present services and support in-house efforts:** Clearly present the value of all offerings, particularly consulting and support services to clients. Explain the importance of these to ensure a successful deployment without appearing to be too pushy or sales-oriented. Importantly, offer best practice advice to clients selecting to do anything in house, for example change management and post deployment support services.

- **Be honest about commitment:** Qualify out of an RFI if you do not think you can deliver. For example, one service provider candidly informed the client that it would not be able to offer its best consultants, or “The A Team” for the number of years the client required. The client appreciated the honesty and the service provider avoided a potentially negative engagement.
Recommendations: Service Providers

- **Invest in or partner for payroll services:** As the SAP cloud payroll solution picks up momentum in the next few years, you must have access to payroll services capabilities. Payroll is a complicated specialist skill that only a few of the service providers in this Blueprint have. Now is the time to develop payroll expertise or partner to be able to offer this to clients.

- **Partner for geographic coverage:** If your SAP SuccessFactors services practice does not have global coverage, consider partnering to gain fast access to additional skills. For example, Aasonn and Wipro are partnering with Arago Consulting in France and Synchrony Global in APAC for additional regional capabilities.

- **Invest in business experts:** Ensure that there is a senior business consultant who can provide a holistic view of the SAP SuccessFactors deployment for each client. These skills are rare in the market, so you may have to train them in-house. As these consultants are so rare, this is a differentiator in the SAP SuccessFactors services market.
About the Author
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Khalda manages the SaaS Services research for HfS. This involves tracking how service providers are developing their SaaS Services strategies as well as enterprise clients’ requirements and needs in this market. Khalda tracks the market development in several specific SaaS services areas, including Workday, SAP SuccessFactors, Salesforce and Microsoft Dynamics.

Khalda joined HfS Research in October 2014. Prior to HfS, Khalda was a senior level IT services research analyst at Gartner for nearly 20 years. In that time, she managed the European research for several areas including network and IT security and business applications. Khalda has led key research deliverables such as Magic Quadrants for both Europe and global markets at Gartner.

Khalda has extensive experience in providing strategic advice to both IT services providers and customer organizations globally. For providers this includes, but is not limited to, channel strategies, product positioning, competitive intelligence, market trends, and forecast analysis. For customers, Khalda has provided insightful guidance on sourcing and vendor selection strategies.

Khalda has a BSc. from Aston University in International Business and French. She lives in the UK with her husband and three children.
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