IDC MarketScape

IDC MarketScape: Asia/Pacific SAP Implementation Services 2024 Vendor Assessment

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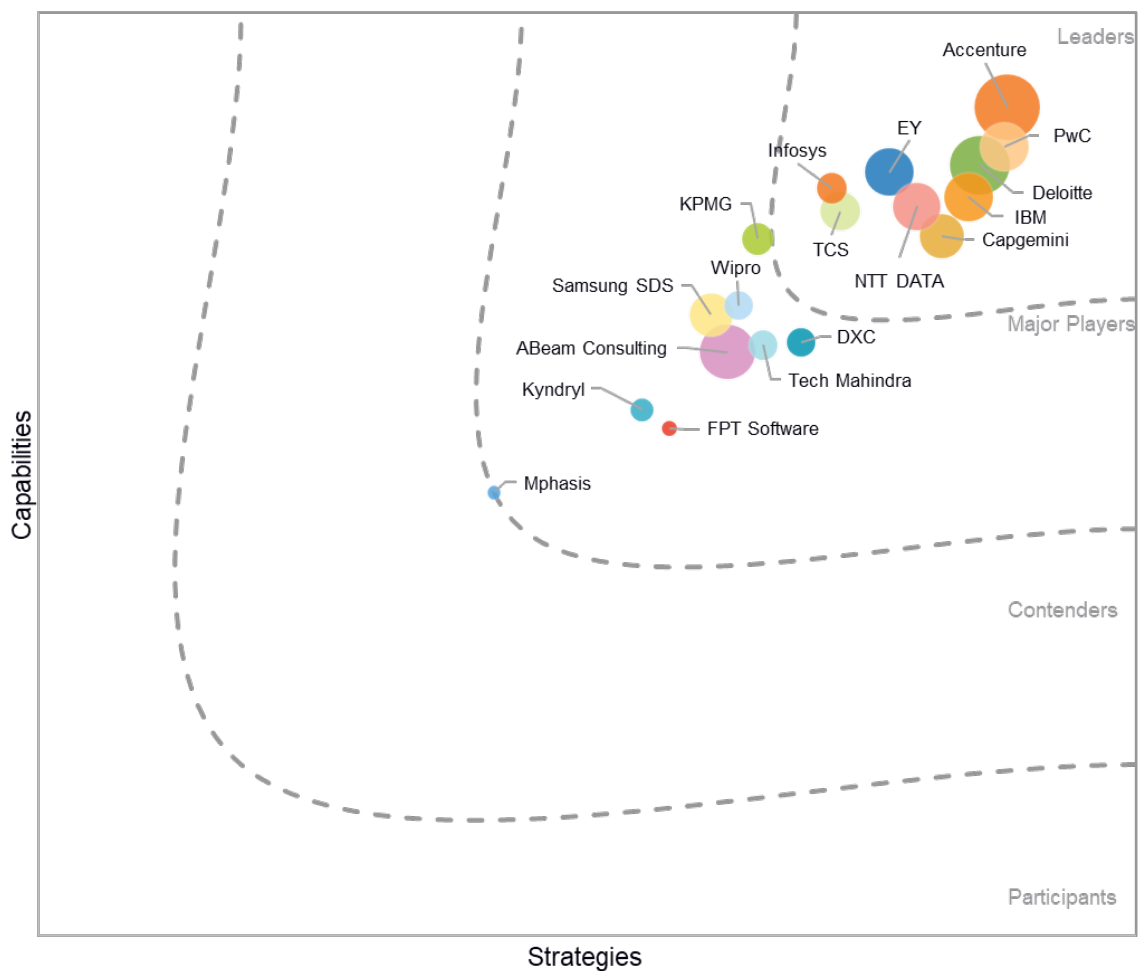
THIS MARKETSCAPE EXCERPT FEATURES: ACCENTURE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Asia/Pacific SAP Implementation Services, 2024

Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Asia/Pacific SAP Implementation Services 2024 Vendor Assessment (Doc # AP51467624). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Advice for Technology Buyers, Featured Vendor Profile, Appendix and Learn More. Also included are Figure 1 and Figure 2.

IDC OPINION

SAP has a strong client base in Asia/Pacific, with 78% of enterprises surveyed by IDC as part of the *Asia/Pacific Enterprise Services Sourcing Survey, 2024* indicating they use SAP applications for line-of-business (LOB)/corporate functions (enterprise resource planning [ERP], finance, HR, supply chain management [SCM], operations, and so forth).

By 2027, SAP will stop mainstream support of its previous ERP versions, including ERP Central Component (ECC), R/3, and so forth, and will only support SAP S/4HANA, its next-generation ERP suite. A strategic focus for SAP in the coming years is migrating its existing customer base to the new SAP S/4HANA solution. According to IDC *Asia/Pacific Enterprise Services Sourcing Survey, 2024*, 94% of current SAP enterprise customers were on board with SAP's vision of creating an Intelligent Enterprise with SAP S/4HANA (will move to SAP S/4HANA or have already moved), indicating the significant progress made by SAP and its partner ecosystem in communicating the benefits of SAP S/4HANA. Beyond just pure-play technology implementation, SAP's service partner ecosystem plays a pivotal role in helping enterprise customers reduce the complexity of implementing and migrating to next-generation SAP solutions by creating comprehensive road maps for implementation, streamlining new internal business processes, managing the internal and external stakeholder experience, crafting new strategies to minimize disruption to critical business operations, and ensuring the SAP implementation stays within budget and time.

In 2021, SAP introduced its managed business transformation as a service offering named RISE with SAP by bundling a range of SAP products and services designed to ease the friction of migration to SAP S/4HANA and transform business processes. IDC research also shows that the awareness of RISE with SAP is very high among SAP's customer base in the Asia/Pacific region and predicts a growing momentum of adoption among existing and

new customer bases. Since SAP has started to leave perpetual models off the table, opting only to give RISE proposals to customers, IDC expects implementation partner relationships to help drive greater adoption of RISE with SAP. Additionally, there are several elements of the RISE model that need to be ironed out before customers at different points of their cloud and ERP transformation journey can adopt it. Consequently, SAP will rely on its partner ecosystem to fill the gaps in RISE with SAP, opening new avenues of growth for service providers.

This IDC study assesses 18 SAP implementation vendors in the Asia/Pacific region on both the strength of their current SAP implementation service capabilities and how well placed they are to grow the adoption of SAP solutions with their respective sound growth strategies. Some of the findings include:

- **Strong range of services to support SAP implementations.** This evaluation finds that SAP implementation vendors performed well in terms of capabilities, suggesting that most had mature SAP practices and provided a broad range of services. We found that vendors emphasized strongly on value selling and expanding innovation post implementation more so than in the past, consequently accelerating the deployment of local resources and delivery centers in the Asia/Pacific region close to the customer to resolve problems/issues.

- **Business AI momentum.** SAP has set an ambitious target of becoming one of the largest business AI companies in the world, as such it has accelerated its plans to integrate AI capabilities into its portfolio of cloud business solutions. SAP's AI innovation is also positioned as a hook to persuade its legacy customer base to move to its latest cloud solutions, and IDC analysis shows varying maturity among service providers embracing SAP's business AI use cases. Some vendors excelled in creating an approach for customers to prepare for the AI era by shifting the focus to data readiness with SAP's data management solutions and cleaning the core for efficiencies with its business process transformation solutions, such as Signavio. Additionally, some vendors excelled at the functional competency to identify business use cases that could be augmented with SAP's and internal proprietary AI solutions.

- **Value selling with SAP Business Technology Platform (BTP).** Service providers continue to invest in SAP's platform solutions, especially industry-specific ones showcasing how BTP can extend innovation of existing SAP investments and standardize processes across LOBs. Some service providers excelled in selling the value of BTP platform rather than its features. As SAP now looks to BTP as a foundation for its

innovation offerings, the value-selling model is critical for service providers to be successful in building holistic solutions for SAP's legacy enterprise customers struggling to create a business case to modernize to its new cloud offerings.

- **RISE with SAP is a natural fit for some vendors.** Although most vendors assessed in this study have aligned their offerings to support RISE with SAP, IDC's analysis also found that vendor capabilities varied significantly in positioning RISE with SAP to existing SAP customers. Currently, a few of SAP's partners have achieved the RISE validated status and have complementing solutions/engagement models to boost the value delivery from SAP's new commercial constructs. Some vendors did well in showcasing the transformation benefits of the RISE construct through an integrated solution-building approach with SAP's technology stack. Additionally, few vendors have invested in capabilities to deliver SAP S/4HANA public cloud edition and hence varied in their competencies to deliver GROW with SAP.

- **Supporting the different approaches of SAP S/4HANA modernization.** IDC's analysis found that the current vendor capabilities were skewed to support greenfield implementations of SAP S/4HANA. Although a clean slate approach ticks additional boxes in terms of benefits, as customers prioritize flexibly for upgrades, scrutinize IT budgets, and show hesitancy for business disruptions, a brownfield system conversion or selective data conversion will present a viable alternative to green field implementations. Vendors varied in their ability to support these different migration approaches to SAP S/4HANA.

- **Other solution areas.** Most vendors had a broad breadth of expertise across SAP's product portfolio. Among the vendors analyzed, the largest practices after core ERP solutions were in SuccessFactors, followed by supply chain and spend management solutions. Vendor capabilities were notably varied across technology platform solutions (BTP), data solutions, and other application solutions, such as finance, CX, and business process transformation solutions (Signavio).

- **Talent availability across market units.** Among the vendors evaluated by IDC, India held the largest talent pool for SAP resources in Asia/Pacific, followed by Japan, Southeast Asia, Australia/New Zealand (ANZ), and China. All the vendors emphasized the strong commitment to growing internal talent readiness to support the evolving SAP technologies across solution areas, especially SAP S/4HANA, BTP, and so forth. Currently, the certified talent base for vendors in new SAP solution areas varies in the different geographies they operate.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This evaluation does not offer an exhaustive list of all the players in the Asia/Pacific SAP implementation services partner ecosystem. IDC narrowed down the field of players based on the following criteria and subsequently collected and analyzed data on these 18 implementation services partners for this IDC MarketScape:

- Revenue: Each service provider is required to have CY23 total revenue (from SAP services) that exceeds US$20 million from the Asia/Pacific region.

- Talent pool: The vendors analyzed in the study should have a talent base of more than 200 associates dedicated for SAP services.

- Geographic presence: Each vendor was required to have service delivery capability/in-country presence in at least three subregions:
    - ANZ
    - The Greater China Region (GCR) (China, Hong Kong, Taiwan)
    - South Korea
    - Southeast Asia (Singapore, Malaysia, Indonesia, Thailand, Vietnam, Philippines)
    - India
    - Japan

- Service capabilities: The vendor should have demonstrated end-to-end service capabilities around SAP implementation. This includes design/consulting, customizations, migrations, and systems integration (SI) services.

- Products and services covered: The service provider should provide implementation services around a minimum three of the following application categories of SAP:
    - ERP solutions (SAP S/4HANA Cloud Private Edition, SAP S/4HANA Cloud Public Edition) (*mandatory)
    - Financial management solutions
    - Human capital management (HCM) solutions
    - Customer relationship management (CRM) and customer experience (CX) solutions
    - Spend management solutions
    - SCM solutions
    - BTP solutions

- Transformation offerings — RISE with SAP, GROW with SAP (*not a mandate)
- Business transformation solutions — Signavio, LeanIX

ADVICE FOR TECHNOLOGY BUYERS

This IDC study represents a vendor analysis and assessment of the 2024 Asia/Pacific SAP implementation services market through the IDC MarketScape model. This research explains vendors' success in the SAP implementation services marketplace and how well placed they are to grow in the Asia/Pacific region.

Based on this study, IDC recommends that buyers consider the following pieces of advice before starting new SAP implementations or while embarking on a transformation journey:

- **Evaluate and modernize at your own pace.** Enterprises planning to modernize from legacy SAP solutions (ECC, R/3, and so forth) need to review the business case for moving to SAP's newer cloud solutions in detail. There will be pressure from peers and the vendor ecosystem to do so but the decision to modernize should be business driven. Look for alternative support partners if you plan to delay the modernization beyond 2025.
- **Commit to the project.** Once the decision to modernize has been finalized, commit to the implementation and ensure key leadership buy-in and active involvement from LOBs to make the transition smooth. Set the IT and business expectations with service providers, extending full support to make the transition as easy as possible.
- **Engage with the service provider ecosystem before implementation.** Invest in phase 0 services from service providers if there is a lack of clarity on the transformation road map, alignment with business outcomes, and difficulty estimating the overall efforts required for successful modernizations.
- **Pragmatic approach to modernization, greenfield, brownfield, or hybrid conversions.** Choosing the right pathway to SAP S/4HANA modernization is an important decision, although building an ERP landscape from scratch using the greenfield approach may be beneficial in the long run, the upfront effort, risks, and budget are high for this approach. An enterprise with a mature cloud and ERP strategy can opt for a brownfield conversion to quickly realize the benefits of moving to a new system and focus more on extending innovation of the ERP landscape post-implementation. Evaluate the service provider's

capabilities to support the different approaches to SAP S/4HANA modernization.

- **Cultivate a technical base internally.** Although service providers can supply the enterprise with a certified talent base for SAP implementations, it is beneficial to internally cultivate a team of certified professionals who can oversee the complexities of the implementation at each phase and extend SAP-led innovations in the long run. Ensure the service provider has ample technical talent to support the implementation, especially across new SAP solution areas.

- **Preparing an AI strategy.** To capitalize on the opportunities from AI, organizations must focus on IT architecture readiness and effective change management. Evaluate the vendor's capabilities to build an architecture to support AI use cases. Additionally, look past the vendor's marketing claims to understand its approach to unearthing business value from AI with SAP's or proprietary AI offerings or both.

- **RISE with SAP will add new complexities.** With perpetual models off the table, customers moving to SAP S/4HANA will now need to consider the cost benefits, changes in service agreements, roles, and governance plans of their SAP S/4HANA environment on the RISE construct. Additionally, the enterprise needs to work with service providers to streamline its processes, external tooling, customizations, cloud, and ERP strategy before moving to RISE with SAP as there could be restrictions on what can be carried forward.

- **Be mindful of common apprehensions.** Customers interviewed by IDC highlighted several apprehensions before embarking on an SAP implementation. The top areas highlighted include integration compatibility with legacy systems, data migration challenges, standardizing processes, managing change, customizations including local integrations, and managing talent internally to run the new systems.

- **In-country/regional presence.** Many implementation SPs with a significant customer base in the West have a limited presence in Asia/Pacific. Considering the partner's local presence, ability to deliver support with local consultants, and plans to scale in the region will be a good measure to assess the vendor's long-term commitment to the relationship and ability to provide scalable talent

- **Competitive evaluation.** Use this IDC MarketScape in contract negotiations and as a tool to not only short-list vendors for SAP implementation projects but also evaluate a vendor's proposals and oral presentations. Make sure you understand where these players are truly differentiated and take advantage of their expertise (technical, industry based, or otherwise).

FEATURED VENDOR PROFILE

This section briefly explains IDC's key observations resulting in Accenture's position in the IDC MarketScape. The description here provides a summary of the vendor's strengths and opportunities.

Accenture

According to IDC analysis and buyer perception, Accenture is positioned in the Leaders category in the IDC MarketScape for Asia/Pacific SAP implementation services 2024.

Accenture is one of the largest systems integrators in the SAP implementation services ecosystem in Asia/Pacific in terms of industries served and resources dedicated to SAP practice. Currently, Accenture provides the full life cycle of SAP implementation services (IT consulting, design, SI, migration, and so forth) across a spectrum of core SAP applications and technology platform products in the Asia/Pacific region.

Accenture pursues its SAP implementation projects with a focus on attaining tangible business results within the transformation scope and prioritizes delivering value throughout the implementation cycle. To facilitate this, Accenture takes an asset-led approach across the life cycle of SAP implementation, drawing on its more than 40 industry solutions that accelerate the delivery of SAP solutions for clients. Additionally, Accenture helps clients accelerate their time to value with its Accenture Reinvention Console, which is a combination of design thinking frameworks, reference solutions, preconfigured templates, automation tools, and delivery assets. Accenture Reinvention Console is also at the center of Accenture's SAP S/4HANA offerings, housing its migration, implementation, and automation solutions to accelerate SAP S/4HANA implementations. Additionally, Accenture has a comprehensive methodology named the SAP S/4HANA Value Transformation approach to measure and quicken value from SAP S/4HANA solutions.

Accenture continues to build on its relationship with SAP across multiple avenues. As a lighthouse project, Accenture moved its SAP S/4HANA domain completely to RISE and is executing a rigid clean core strategy, leveraging BTP and SAP Business AI to continuously elevate its finance operations.

At the time of this study, Accenture had a larger distribution of clients in Japan, followed by Southeast Asia, ANZ, and India. The largest verticals in Accenture's SAP services are the hi-tech, consumer goods, and energy sectors. Accenture has local delivery capabilities and resources in key market units in

Asia/Pacific with a higher distribution of SAP skilled resources in India, followed by Southeast Asia, Japan, and the GCR.

Strengths

- **Experience in accelerated business and IT-led transformations**: Accenture exhibited a strong drive in supporting what it calls "compressed transformation" to accelerate enterprises' move to Intelligent Enterprises. To facilitate this, Accenture has aligned its offerings and approach to deliver quick transformations in multiple parts of enterprise businesses with SAP solutions accelerating time to value from investments.

- **Strong talent base:** Accenture houses a strong talent base of over 15,000 practitioners working on SAP projects across Asia/Pacific. To help enterprises embarking on their SAP S/4HANA transformation journey, Accenture has made significant investments in local SAP consultants in each of the Asia/Pacific market units in which it operates. By IDC's estimate, Accenture also holds the largest resource pool dedicated to SAP S/4HANA services.

- **Strong alignment with RISE with SAP and generative AI (GenAI) themes:** Accenture was one of the early partners to deliver RISE with SAP and has combined its ability to drive compressed transformations to aid customers align the RISE construct to their transformation journey. Additionally, Accenture has embedded SAP business AI in its GenAI solutions to create new assets and customize existing solutions to accelerate client reinvention agendas through its GenAI studios in Singapore, Bangalore, Tokyo, and Sydney.

Challenges

- Accenture may not be a good fit for midsize enterprises with limited transformation focus on their SAP S/4HANA migration/implementation projects.

- Some clients indicated Accenture needs to improve its talent strategy to manage churn in project teams and quicken the availability of niche skills.

Consider Accenture When

Accenture is a good fit for enterprises looking for an implementation partner in Asia/Pacific with experience in handling large IT-led business transformations, strong partnership maturity with SAP, and a certified local talent base to support complex SAP implementation or migrations.

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is with customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and GTM plans for the next three to five years.

The size of the individual vendor markets in the IDC MarketScape is a visual representation of the relative market shares of each individual vendor within the specific market segment being assessed but should not be taken to represent proportionate absolute market shares.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

The SAP implementation services market covers the design, build, and integrate functions of the design–build–run function chain (see Figure 2). The design phase includes both IT and business consulting. For a detailed definition of the services markets illustrated in Figure 2, see *IDC's Worldwide Services Taxonomy, 2019* (IDC #US47769222, March 2019).

FIGURE 2

IDC's Design–Build–Run Function Chain
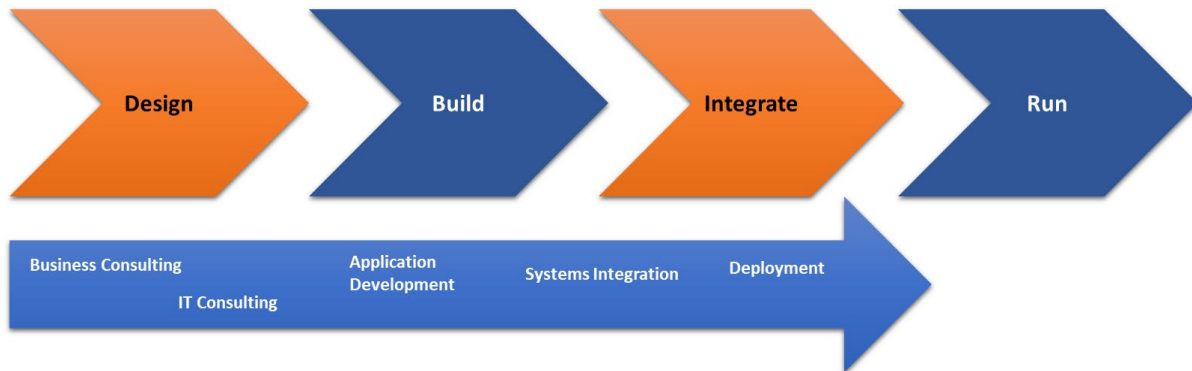
Source: IDC, 2024

LEARN MORE

Related Research

- *Enterprise Expectations in Asia/Pacific from IT SPs for Generative AI* (IDC#AP51593224, June 2024)
- *C2G: Asia/Pacific (Excluding Japan) Systems Integration Services Market Share, 2023: IDC's Top 10 Vendors* (IDC #AP50957824, May 2024)
- *Asia/Pacific (Excluding Japan) Managed Cloud Services Forecast, 2024–2027* (IDC #AP50957324, May 2024)
- *Asia/Pacific Cloud Adoption Trends and Preferences Around Cloud Professional Services* (IDC #AP50957224, March 2024)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of service providers participating in the SAP implementation services market with specific offerings and capabilities in the segment. It discusses both the quantitative and qualitative characteristics that lead to success in the ecosystem. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to one another and the criteria and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.