

Microsoft Ecosystem

U.S. 2021

Quadrant Report



A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:



April 2021

About this Report

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

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

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EXECUTIVE SUMMARY

As one of the world's leading enterprise technology vendors, Microsoft plays a pivotal role for many businesses' digital transformation strategies. Its products form the backbone of digital transformation for companies across the U.S., especially larger firms. The tech titan subdivides its offerings into three main pillars: Microsoft 365, which includes Office 365 and Windows; Dynamics 365, a business application suite that also includes Power Platform automation tools; and Azure, a hyperscale cloud platform that operates globally. Each of these pillars contains a wide range of products that appeal to enterprises large and small.

While many enterprises have already begun adopting these products and services, many of them fail to capitalize on the full value of what is available to them. That is where ISG sees significant opportunity for service providers. Providers offer specialized expertise and employees who can help guide enterprises and have the technical understanding to drive implementation.

The COVID-19 pandemic has spurred upheaval in the Microsoft services ecosystem overall, throwing plans into disarray through the disruption of in-person work and global economies. At this point, enterprises have adjusted to the mid-pandemic state of affairs, and service providers have invested heavily in capabilities that can enable effective delivery with travel and co-located working restrictions in place. Beyond these factors, ISG observes a number of key trends in the market across the quadrants we evaluated:

Azure growth gains an industry focus: With Microsoft's launch of industry-focused cloud environments and recent acquisition of Marsden Group, it is clear that the technology titan is focused on expanding its customer base through the deployment of industry-specific services. Many service providers have already begun taking a vertical focused approach to cloud migration and adoption, with services to augment Microsoft's offerings and address key challenges in the market. Enterprises are looking for partners who have the expertise serving peers in the industry and understand the critical limitations and needs that are unique to particular verticals.

Office 365 shifts from migration to maximization: Many enterprises already completed their migrations to Office 365 by March 2020, but those that had delayed adoption of Microsoft's cloud-based productivity suite were thrust into using it once the pandemic set in. Now, enterprises must evaluate how to get the most from their existing Office 365 licenses. In many cases, businesses are paying for capabilities that they are not using, or at the very least are not using well. ISG sees this as a massive opportunity for companies to work with service provider partners who can bring expertise and structure to adoption of Microsoft's productivity suite.

Teams creates a canvas for modern productivity: Service providers have correctly focused on enhancing their capabilities with Microsoft Teams, the collaboration software

that has taken off with the COVID-19 pandemic. Even enterprises that avoided a strong messaging platform culture have been forced into using Teams as a result of co-located work restrictions brought on by stay-at-home orders. As a result, enterprises now have to deal with the sprawling channels and varied usage patterns that come from haphazard adoption. Service providers have invested heavily in deploying bots that users can interact with through Teams, as well as in some cases developing services that can help combat sprawling deployments.

Mixed Reality provides a backbone for digital experience: As enterprises further adopt their own modern workplace initiatives, augmented reality (AR) and virtual reality (VR) will play an increasingly pivotal role. Microsoft covers these technologies under its Mixed Reality program, with HoloLens as its flagship hardware. Both Office 365 and Dynamics 365 integrate with HoloLens to provide immersive experiences for users. With remote work on the rise as a result of the COVID-19 pandemic, ISG expects that mixed reality experiences will provide a needed sense of presence using digital technologies, even when people are physically distant from one another. Microsoft's Mesh service, unveiled in March 2021, pushes the envelope further by creating a shared canvas for collaboration using HoloLens. Service provider partners play a key role in this environment, offering expert development services to create Mixed Reality capabilities, and helping enterprises integrate those new applications into their overall digital transformation strategy.

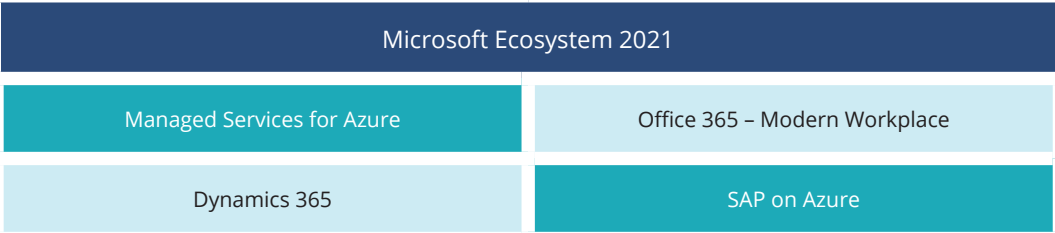
Dynamics 365 adoption accelerates: With the strong adoption of Azure and Microsoft 365, the tech titan has driven increased focus on Dynamics 365, its suite of cloud-based business applications. There are three discrete constituencies each migrating to D365:

enterprises seeking green field deployments of new capabilities, those companies migrating from on-premises Dynamics installations and businesses looking to move away from other business applications like SAP and Salesforce. The top providers in the market are able to address each of these use cases on a personalized and structured basis, leveraging their expertise to provide quick return on investment. In particular, ISG sees the greatest value possible when enterprises can align with service providers that offer unique, industry-specific solutions. Enterprises should expect that this market will rapidly evolve over the next 24 months as service providers enhance their offerings.

COVID-19 shakes up SAP: The COVID-19 pandemic has completely shaken up the SAP on Azure market, spurring some firms to accelerate the cloud transformation of their critical business applications, while others have decided to hold back until the business environment settles down. The underlying drivers powering migration to the cloud remain in place, and enterprises will often benefit from the assistance of a qualified service provider partner, since these firms can bring significant expertise to bear around migration to the cloud and to HANA, often with specific industry know-how that can maximize return on investment.

Introduction

Simplified Illustration



Source: ISG, 2021

Definition

Microsoft is one of the most established technology providers worldwide, with a network of thousands of partners that augment its capabilities and aid enterprises in adopting its technology. This network has been through a series of tectonic shifts over the past five years, as Satya Nadella transformed the technology giant and its commercial partner organization in his role as CEO. During the same period, digital transformation has taken over the enterprise technology landscape, requiring a new generation of software and services from Microsoft and its partners.

To address these needs, Microsoft has honed its focus to three core areas: its Azure cloud platform; the Microsoft 365 suite of productivity experiences, which includes Windows 10 and Office 365; and the Dynamics 365 suite of business applications. Partners are now evaluated on their ability to drive

Definition (cont.)

usage of the Microsoft cloud services that comprise these core product areas. To succeed, service providers must provide enterprises with a robust set of services with forward-thinking capabilities, backed by a strong relationship with Microsoft, which can inform future developments and drive business opportunities.

ISG's analysis will focus on how providers in Australia, Brazil, Germany and the U.S. are positioned, according to their portfolio strength and competitiveness in the market. While there are thousands of providers in each of these markets delivering services for Microsoft products, this report will only focus on the top competitors for each of the quadrants. Those considered will include both global firms as well as local providers for each of the regions studied.

Scope of the Report

The ISG Provider Lens™ quadrant study offers the following to IT decision-makers:

- Transparency in the strengths and weaknesses of providers/service providers.
- Differentiated positioning of service providers in relevant areas.

Our studies, thus, provide potential customers with an essential decision-making basis for positioning and go-to-market considerations. ISG advisors and enterprise customers also use information from these reports to evaluate their current and potential service provider relationships.

Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Mid Market:** Companies with 100 to 4,999 employees or revenues between US\$20 million and US\$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above US\$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

The Leaders among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The Product Challengers offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the Leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or weak footprint within the respective target segment.

Market Challenger

Market Challengers are also very competitive, but there is still significant portfolio potential and they clearly fall behind the Leaders. Often, the Market Challengers are established vendors that are somewhat slow to address new trends due to their size and company structure, and therefore have some potential to optimize their portfolio and increase their attractiveness.

Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Companies that receive the Rising Star award have a promising portfolio or the market experience to become a leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market. This award is only given to vendors or service providers that have made significant progress toward their goals in the last 12 months and are expected to reach the Leader quadrant within the next 12-24 months due to their above-average impact and strength for innovation.

Not In

The service provider or vendor was not included in this quadrant. There might be one or several reasons why this designation is applied: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not qualify due to market share, revenue, delivery capacity, number of customers or other metrics of scale to be directly compared with other providers in the quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer this service or solution, or confer any other meaning.

Microsoft Ecosystem - Quadrant Provider Listing 1 of 3

	Managed Services for Azure	Office 365 – Modern Workplace	Dynamics 365	SAP on Azure
Accenture (Avanade)	● Leader	● Leader	● Leader	● Leader
Arvato Systems	● Contender	● Not in	● Contender	● Contender
Atos	● Leader	● Market Challenger	● Product Challenger	● Product Challenger
Capgemini	● Leader	● Leader	● Leader	● Leader
Cloudreach	● Product Challenger	● Not in	● Not in	● Not in
Cognizant	● Leader	● Leader	● Leader	● Leader
Crayon	● Contender	● Not in	● Not in	● Not in
DXC	● Leader	● Leader	● Leader	● Leader
Encore	● Not in	● Not in	● Contender	● Not in
Fujitsu	● Market Challenger	● Market Challenger	● Contender	● Market Challenger
Hanu	● Contender	● Not in	● Not in	● Contender
HCL	● Product Challenger	● Leader	● Contender	● Product Challenger

Microsoft Ecosystem - Quadrant Provider Listing 2 of 3

	Managed Services for Azure	Office 365 – Modern Workplace	Dynamics 365	SAP on Azure
Henson Group	● Not in	● Contender	● Not in	● Not in
Hexaware	● Leader	● Leader	● Leader	● Product Challenger
HPE	● Product Challenger	● Contender	● Not in	● Not in
IBM	● Leader	● Leader	● Leader	● Leader
Infogain	● Product Challenger	● Contender	● Not in	● Not in
Infosys	● Leader	● Leader	● Leader	● Leader
Logicalis	● Product Challenger	● Rising Star	● Not in	● Not in
Logicworks	● Market Challenger	● Not in	● Not in	● Not in
LTI	● Leader	● Product Challenger	● Product Challenger	● Product Challenger
Mindtree	● Rising Star	● Product Challenger	● Product Challenger	● Product Challenger
NTT	● Leader	● Leader	● Market Challenger	● Leader
Protiviti	● Not in	● Contender	● Contender	● Not in

Microsoft Ecosystem - Quadrant Provider Listing 3 of 3

	Managed Services for Azure	Office 365 – Modern Workplace	Dynamics 365	SAP on Azure
Rackspace Technology	● Leader	● Market Challenger	● Contender	● Not in
Smartronix	● Contender	● Not in	● Not in	● Not in
SoftwareONE	● Contender	● Contender	● Not in	● Product Challenger
Sycor	● Not in	● Contender	● Contender	● Not in
Synoptek	● Not in	● Not in	● Contender	● Not in
TCS	● Leader	● Leader	● Leader	● Leader
Tech Mahindra	● Contender	● Contender	● Contender	● Contender
Trianz	● Contender	● Contender	● Not in	● Not in
Unisys	● Contender	● Contender	● Contender	● Contender
Wipro	● Leader	● Leader	● Leader	● Leader



Microsoft Ecosystem Quadrants

ENTERPRISE CONTEXT

Managed Services for Azure

This report is relevant to enterprises across all industries in the U.S. evaluating managed service providers for Microsoft Azure.

In this quadrant report, ISG lays out the current market positioning of Azure managed service providers in the U.S., and how they interact with key enterprise challenges in the region. Over the past few years, Microsoft has pivoted its product strategy to try to present a unified front to enterprises with a suite of offerings including Azure public cloud services, Office 365 productivity software, Dynamics 365 enterprise applications and Windows. ISG sees enterprises seeking Azure Managed Services providers that cannot only help with adoption and consumption of Microsoft's cloud resources, but also work on, and with, those other services at the same time.

Enterprises in the U.S., like those elsewhere in the world, are often turning to the cloud for benefits that it provides, like flexibility and agility in provisioning of computing resources and easy access to new capabilities. Larger enterprises both in the U.S. and around the world are more likely than smaller firms to be interested in pursuing a multi-cloud strategy with workloads in at least two major cloud environments. This means companies need to contemplate not only a service provider's capabilities with Microsoft's cloud, but also with other environments.

The COVID-19 pandemic has not dramatically changed the fundamentals of the Azure managed services market. Cloud adoption and cloud implementation remain key challenges

many enterprises are facing. Furthermore, most enterprises face issues with structured adoption of cloud and ways to maximize their value from Azure while minimizing operational cost. Enterprises are dependent on service providers to receive tools that manage compliance, cost and networking and others to better manage cloud cost and realizing ROI on Azure. COVID has required shift in provider client relationship those clients put for granted are working side by side with provider employees.

In ISG's experience, U.S. companies care significantly about providers' ability to provide specialized and highly skilled resources locally as part of an engagement, which we highlight as a key part of our analysis below.

All enterprises also need to be aware of and concerned about their service providers' approach to security, especially because moving to the cloud requires different tools, techniques and expectations than a traditional, on-premises environment.

IT and technology leaders should read this report to understand the relative positioning and capabilities of partners that will help them effectively consume services from Microsoft's cloud, as well as understand how those providers' technical capabilities square with the rest of the market.

Sourcing and procurement professionals should read this report to understand the provider ecosystem for Microsoft Azure managed services in the U.S. and gain knowledge about how providers compare to one another.

MANAGED SERVICES FOR AZURE

Definition

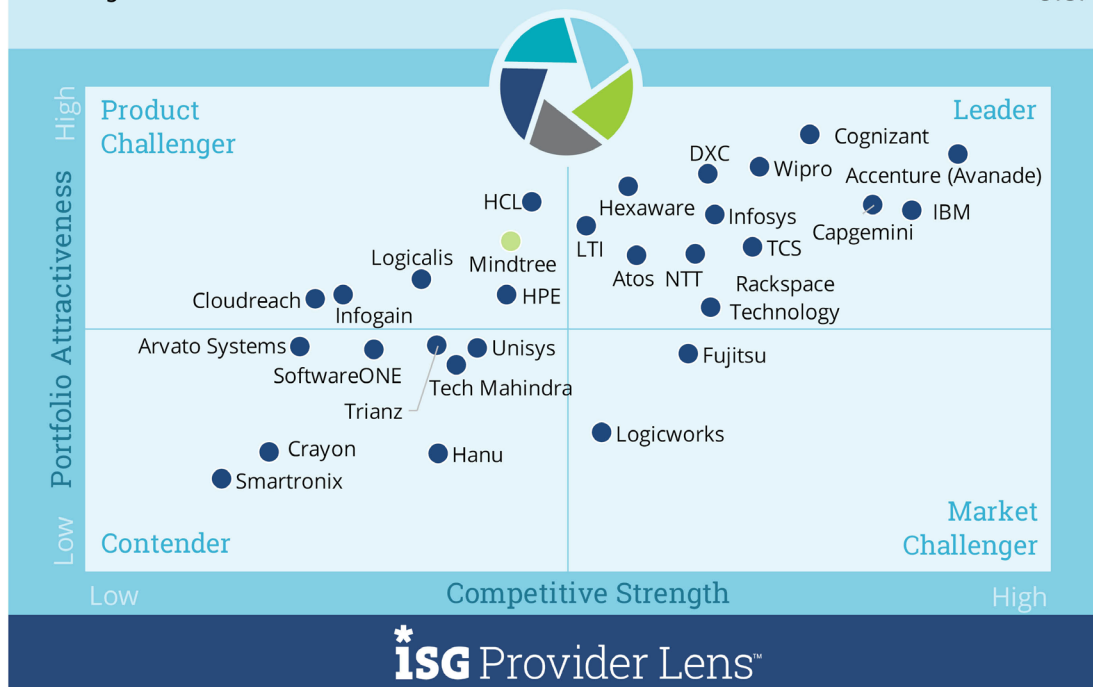
Managed public cloud service providers (MSPs) offer professional and managed services that augment Azure's built-in capabilities, including IaaS and PaaS. These services include provisioning, real-time and predictive analysis, monitoring and operational management of customer's public cloud and multi-cloud environment. The aim is to maximize performance of enterprise cloud workloads, reduce costs, and ensure compliance and security. Typically, specially developed or licensed cloud management platforms and tools are used to provide customers with the highest level of automation and the necessary transparency over the managed cloud resource pool in terms of capacity utilization and costs, including independent management.

The provided services typically include:

- Professional services for the management and monitoring of CPU, memory, databases, operating systems as independent or micro services or virtual machine or container services;

Microsoft Ecosystem Managed Services for Azure

2021
U.S.



Source: ISG Research 2021

MANAGED SERVICES FOR AZURE

Definition (cont.)

- Update and patching services for the operating system, middleware and application;
- Service portal for cost management (charge back and show back) and identity management or IT service management;
- Governance and compliance management;
- Supporting services such as incident management, configuration, security services and automation setup.

Eligibility Criteria

- Experience in designing, building and managing public and multi-cloud environments with a focus on Microsoft Azure;
- Support in the development of software code, cloud native and legacy system integration;
- Experience in both implementing agile and DevOps as well as integrating with enterprise clients' existing processes;
- Experience in application programming interface (API) automation and cloud analytics;
- Well-developed security practices and capabilities;
- Number and location of provider resources that assist enterprises with Microsoft Azure;
- Strength of the provider's partnership with Microsoft, measured by the number and category of relevant certifications it holds, length of relationship with Microsoft, and evidence of strategic cooperation between the provider and Microsoft around Azure.

MANAGED SERVICES FOR AZURE

Observations

- **Accenture (Avanade):** Accenture's broad and deep partnership with Microsoft is special among technology service providers, as exemplified by the two firms' joint venture, Avanade.
- **Atos:** A longstanding leader in technology services, Atos offers a robust set of Microsoft Azure services that make it a worthy choice for enterprises.
- **Capgemini:** Capgemini's broad set of technology offerings and global operations capabilities mean it is capable of helping enterprises advance their cloud use.
- **Cognizant:** Cognizant's comprehensive approach to offering services for Microsoft's entire product portfolio, coupled with its robust tooling, makes it a leader in Azure managed services.
- **DXC Technology:** DXC's close collaboration with Microsoft on key Azure services gives it the perspective necessary to develop leading offerings for its enterprise clients.
- **Hexaware:** Hexaware's commitment to Microsoft and personalized client interaction have helped propel it to a leadership position in the Azure managed services market, with a particular emphasis on data heavy workloads.
- **IBM:** IBM is a worldwide leader in technology services, and its wealth of Microsoft services combined with strong enterprise relationships make it a key player in the Azure managed services realm.
- **Infosys:** As one of the leading global systems integrators, Infosys is well-positioned when offering managed services for Azure. Its focus on developing local talent to better serve enterprises further helps the company stand out in this pivotal field.
- **LTI:** LTI's industry-specific expertise and robust tooling makes it a stand-out player for enterprises in the U.S. seeking Azure managed services.
- **NTT:** NTT's federated approach to offering Microsoft Azure services in the U.S. coupled with its long history of providing market-leading technology services make it a key player in this market.
- **Rackspace Technology:** As an early leader in public cloud transformation, Rackspace Technology has continued to develop a focused set of Microsoft Azure services that garner significant enterprise interest.

MANAGED SERVICES FOR AZURE

Observations (cont.)

- **TCS:** TCS' thoughtful approach to enterprise cloud transformation, backed by its Cloud Exponence tooling, makes it a strong player in the Azure managed services market.
- **Wipro:** Wipro has a longstanding Microsoft partnership, and has won awards from the company for its work partnering with enterprises on their Azure services. This distinction, coupled with the firm's global reach, makes it a key player in a pivotal cloud market.
- **Mindtree (Rising Star):** Mindtree's expertise with Microsoft Azure and innovative tooling make it a player to watch in the Azure managed services market.



HEXAWARE

Overview

Hexaware Technologies is a mid-size IT service provider headquartered in Mumbai, India. The company invests heavily in automation and AI and has made recent acquisitions that not only boost its service offerings but also its ability to compete against the largest IT services firms. It is an Azure Expert MSP and holds an advanced certification from Microsoft for data warehouse migration to Azure.

Strengths

Application and data modernization: Hexaware's AMAZE for Applications is a unique platform that helps customers modernize their applications and data estates by re-platforming commercial databases & middleware to open source and Microsoft services on Azure.

Data warehouse modernization: Microsoft has awarded Hexaware with an advanced specialization in Data Warehouse Migration to Azure, marking it as a leader in this critical area of cloud adoption. In addition, Hexaware's AMAZE for Data & AI is a platform that modernizes different layers like data warehouse, pipelines and visualization to Microsoft services on Azure ensuring significant TCO reduction.

Focused investment in Microsoft capabilities: Hexaware has been laser-focused on advancing its Microsoft services, and the company's results on behalf of its customers have borne that out. The company is rising in prominence within Microsoft's partner network, especially given its size relative to some of the larger players that garner similar interest from Redmond.

Advanced skills, human touch: Hexaware's clients appreciate the company's ability to provide agile, personalized service through a highly focused customer engagement model, while still retaining deep Microsoft capabilities that enable the adoption of emerging Azure technology.

Caution

Hexaware's focus and agile size, while frequently an advantage, mean that the company does not and cannot offer as broad and deep a set of services as its competitors, especially beyond the Microsoft ecosystem.



2021 ISG Provider Lens™ Leader

Hexaware has been maniacally focused on providing excellent Microsoft services, which makes it a must-watch player in the Microsoft ecosystem, and worth evaluating for any enterprise seeking Azure services.

ENTERPRISE CONTEXT

Office 365 – Modern Workplace

This report is relevant to enterprises across all industries in the U.S. that are evaluating Office 365 integration partners.

In this quadrant report, ISG lays out the current market positioning of Office 365 service providers in the U.S., and how they interact with key enterprise challenges in the region. The leading difficulty for enterprises today is maximizing their use of capabilities they already pay for as part of their Office 365 licenses. For this reason, ISG sees enterprises valuing service provider partners who can offer a comprehensive, forward-looking set of workplace services.

Most enterprises today are in the midst of digital transformation and modern workplace initiatives, with Office 365 adoption and integration forming a critical component of those efforts. It is critical to find a suitable provider that can assist with that work. Providers are working more with business unit and business process owners across the Microsoft ecosystem both in the U.S. and worldwide, which means it is critical for enterprise decisionmakers outside the procurement office to understand the vendor landscape.

In ISG's experience, U.S. companies care significantly about providers' ability to provide specialized and highly skilled resources locally as part of an engagement, which we highlight as a key part of our analysis below.

Knowledge managers should read this report to better understand the relative strengths and weaknesses of service providers in the Microsoft ecosystem as SharePoint integration shifted to Office 365, knowledge managers are critical in realizing the value with dynamics

IT and technology leaders should read this report to better understand the relative strengths and weaknesses of service providers in the Microsoft ecosystem, and understand how they are integrating the latest capabilities from Office 365 into their offerings.

Workplace technology leaders should read this report to understand how service providers can help with adoption of Microsoft technology, especially as changes to that technology lead to significant organizational change management challenges. In addition, this report can help workplace leaders better evaluate the universe of potential partners available to them for Office 365 implementation and integration.

Information and knowledge management leaders should read this report to better understand the positioning of providers, as well as the key trends in the provider ecosystem, so they can better understand the potential partners they will be working with.

Sourcing, procurement and vendor management professionals should read this report to develop a better understanding of the current provider landscape for Office 365 integration and help them distinguish between players in a crowded field.

OFFICE 365 – MODERN WORKPLACE

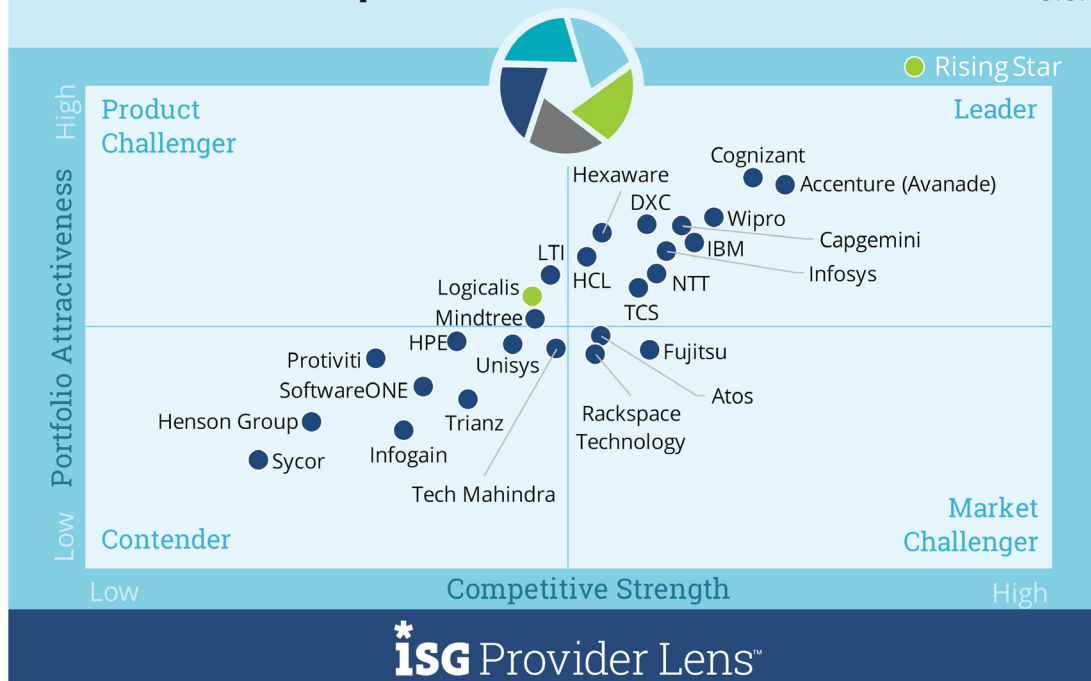
Definition

This quadrant evaluates service providers that aid enterprises with the adoption, integration and ongoing operation of Office 365, Microsoft's SaaS-based productivity suite, as well as its suite of other modern workplace solutions.

These services go beyond provisioning and migrating to Office 365 to focus on a quick, device-independent, high-quality productivity suite that enables seamless teamwork, regardless of location, and adapts to the role of the user. From client's perspective, Office 365 is about collaboration and integration of globally dispersed teams. To enable this, integration and implementation services are necessary.

Microsoft Ecosystem Office 365 – Modern Workplace

2021
U.S.



Source: ISG Research 2021

OFFICE 365 – MODERN WORKPLACE

Eligibility Criteria

- Service portfolio that includes technical consulting, license purchases, integration of Office 365 modules, implementation and operation.
- Forward-thinking offerings that integrate with Office 365 to create a modern workplace for enterprise clients (for example, HoloLens development, Teams bot creation, etc.).
- Management of Microsoft Office APIs to ensure appropriate use and increased enterprise productivity.
- Ability to migrate customer workplaces to modern cloud environments and WaaS models.
- Provision of Office 365 based Unified Endpoint Suites through integration with state-of-the-art IAM technology and MDM (Intune or other).

Observations

- **Accenture (Avanade):** Accenture's uniquely deep partnership with Microsoft, coupled with its experience driving enterprise digital transformation, positions the consulting firm well when providing Office 365 services to enterprises.
- **Capgemini:** Capgemini's breadth of service offerings, global reach and experience in the workplace services market means that it is well-suited to helping enterprises adopt and maximize their use of Office 365.
- **Cognizant:** By approaching Office 365 services through the lens of workplace transformation, Cognizant can help enterprises drive greater productivity across their employee base.
- **DXC Technology:** DXC's user-driven focus for Office 365 services enables it to better serve enterprises as a partner in their Office 365 journey.
- **HCL:** HCL's scale means it is a capable partner for Office 365 services.
- **Hexaware:** Hexaware's deep investment in Microsoft services, especially when it comes to advanced tooling in Office 365, makes it a strong partner for enterprises seeking personalized assistance while modernizing their workplaces.

OFFICE 365 – MODERN WORKPLACE

Observations (cont.)

- **IBM:** As one of the largest IT services providers, IBM has the skills and employees necessary to help enterprises get the most from their Office 365 investment.
- **Infosys:** Infosys' holistic approach to Office 365 services helps enterprises by putting their workplace investments in context with all of their other Microsoft capabilities to maximize value.
- **NTT:** NTT's network services capability, combined with its wealth of capabilities in the workplace services realm, makes it an excellent partner for enterprises seeking to transform their use of Office 365.
- **TCS:** TCS takes an innovative approach to its Office 365 offerings, and its scale provides business clients with a powerful combination of capabilities.
- **Wipro:** Wipro's focus on the proactive workplace makes it an excellent fit for enterprises looking to get the most from Office 365 and advance their workplace technology portfolios.
- **Logicalis (Rising Star):** Logicalis' focus on Microsoft as one of its two strategic partnerships, coupled with the company's experience in providing technology and networking services, means enterprises should pay attention to its capabilities when considering Office 365 services.

HEXAWARE

Overview

Fast-growing, India-based Hexaware is a 27-year-old company that has over 20,000 employees in 36 locations with its U.S. headquarters in New Jersey. Hexaware's Office 365 offerings are an important part of its overall Modern Workplace and Digital Workplace services portfolio, especially in its applications development, messaging and collaboration practice areas. The engagements range from straightforward Office 365 and Microsoft 365 implementations to modernization via complex migration and integration initiatives, including integrating Office 365 with a client's business systems and software.

Strengths

IP Investments: Hexaware continues to invest in platforms for migration and modernization, through their IP offerings like AMAZE for Secure Desktop for Office 365 Migration and AMAZE for Virtual Desktop for Migration to Microsoft WVD.

Focused investment in Microsoft capabilities: Hexaware has been laser-focused on advancing its Microsoft services, and the company's results on behalf of its customers have borne that out. The company is rising in prominence within Microsoft's partner network, especially given its size relative to some of the larger players that garner similar interest from Redmond.

Robust modern workplace services: Its Teams COCO intelligent chatbot provides quick business value for enterprises adopting Microsoft's collaboration software and opens the door for further exploration of employee experience and productivity enhancement services. Hexaware is investing heavily in these sorts of forward-thinking capabilities, and aggressively rolling them out to customers across the U.S.

Advanced skills, human touch: Hexaware's clients appreciate the company's ability to provide automated, agile, and personalized service through a highly focused customer engagement model, through their IP offerings (the AMAZE suite of applications), while still retaining deep Microsoft capabilities that enable the adoption and use of Office 365.

Caution

Hexaware's more advanced capabilities are still in relatively low adoption across the company's customer base. As more clients begin taking advantage of these services, expect them to become more robust and broadly applicable.



2021 ISG Provider Lens™ Leader

Hexaware is a shining example of what service providers can do when they add additional value atop Microsoft 365 to help enterprises derive business value from their workplace technology.

ENTERPRISE CONTEXT

SAP on Azure

This report is relevant to enterprises across all industries in the U.S. that are evaluating partners to help them adopt SAP on Microsoft Azure, or to help them migrate existing SAP instances to the Azure platform. ISG sees this as a popular area of interest for service providers — the advanced specialization in SAP on Azure was the most frequently obtained by those providers evaluated in this report.

In this quadrant report, ISG lays out providers' positioning while offering services around SAP on Azure, and how they can serve companies in the U.S. ISG sees these enterprises facing a critical challenge with their cloud migration of SAP: This transformation can also lead to process changes downstream throughout the organization in divisions such as finance, human resources (HR) and human capital management (HCM).

Because SAP is often deeply integrated into an enterprise's overall business process, technical changes can quickly turn into organizational and process changes. If enterprises don't effectively include key stakeholders from those parts of the business in their decision-making around SAP services, it could cause significant problems down the line.

Providers increasingly offer structured capabilities backed by unique software and processes for deploying SAP on Azure on behalf of enterprises. These offerings usually focus on particular industries, with each provider offering a specific set of solutions.

Enterprise IT leaders should read this report to understand the relative positioning of SAP on Azure service providers across the U.S., as well as how those providers' technical capabilities match up with what enterprises need to succeed with a cloud transition for SAP.

Finance, HR and HCM leaders should read this report to understand the positioning of partners that will influence implementation of the software they interact with on a regular basis as a critical part of their jobs.

Sourcing, procurement and vendor management professionals should read this report to understand the relative positioning of SAP on Azure service providers in the U.S., as well as understand broader trends in the services ecosystem that may influence decisions about partner selection.

SAP ON AZURE

Definition

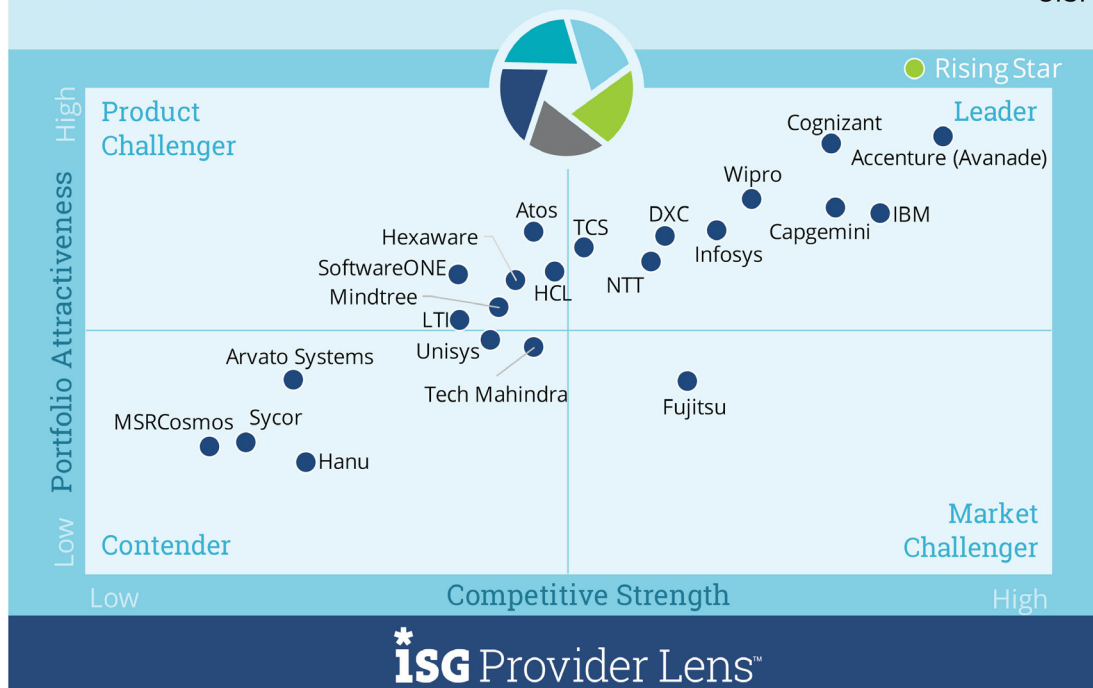
This quadrant evaluates service providers that offer capabilities relating to adopting, managing and using Microsoft's dedicated SAP on Azure suite of cloud solutions.

The services regularly provided by these companies include architecture consulting and analysis of requirements for the application landscape, technical design with support for configuration, deployment, escalation management, change and fault management, support, optimization and reporting. These providers must not only help customers migrate their SAP workloads to Azure, but also optimize, design and develop new processes and business flows as part of platform management through a combination of their own services, SAP services and Microsoft Azure services.

Service providers in this category require both Microsoft and SAP certifications. Providers need to have active and productive partnerships with both technology vendors as well as informed points of view on how the relevant underlying technology offerings are

Microsoft Ecosystem
SAP on Azure

2021
U.S.



Source: ISG Research 2021

SAP ON AZURE

Definition (cont.)

evolving. As a result, they should be able to articulate how product and platform changes will impact enterprises using this solution from technical architecture considerations to business impacts.

Eligibility Criteria

- Scope and depth of service portfolio with regard to migration of SAP workloads to SAP on Azure; SAP application and services implementation customization, provisioning, and support.
- Number and location of employees who provide SAP on Azure services.
- Ability and willingness to support hybrid cloud and hybrid provider environments.
- Strength of the provider's partnerships with SAP and Microsoft, measured by the number and category of relevant certifications it holds, length of relationship with both SAP and Microsoft and evidence of strategic cooperation between the provider and Microsoft around SAP on Azure.
- Support for multiple pricing models, including pay-as-you-go.
- Robustness of provider's process for implementation, including use of agile and DevOps methodologies, as well as relevant automation for service delivery and quality.

SAP ON AZURE

Observations

- **Accenture (Avanade):** Accenture's deep involvement with Microsoft through its Avanade partnership, coupled with the firm's experience with digital transformation, means it is a strong provider of SAP on Azure services.
- **Capgemini:** With global scale and a deep knowledge of SAP operations, Capgemini sets itself apart in the SAP on Azure field.
- **Cognizant:** Cognizant's wealth of services and deep cloud expertise means it is positioned well to assist enterprises with their SAP on Azure migration.
- **DXC Technology:** Given DXC's global expertise with both SAP and Azure, it is no surprise that the company is well-positioned to provide SAP on Azure services.
- **Infosys:** Infosys' push to localize its workforce will assist enterprises in their SAP on Azure migrations by adding additional context to deals and delivery that can assist in driving business outcomes.
- **NTT:** NTT's expertise with digital transformation, deep Azure expertise and global reach means the firm is in a strong position to assist enterprises with their SAP on Azure migration and operations.
- **TCS:** TCS is particularly strong in providing vertically-focused services for SAP on Azure, making it a strong choice for enterprises in the provider's core markets.
- **Wipro:** With a plethora of structured offerings, Wipro's SAP on Azure services are engineered to assist enterprises with tackling thorny problems at scale in a straightforward and efficient manner.

ENTERPRISE CONTEXT

Dynamics 365

This report is relevant to enterprises across all industries in the U.S. that are evaluating Microsoft Dynamics 365 partners.

In this quadrant report, ISG lays out the current market positioning of Dynamics 365 service providers in the U.S., and how they interact with key enterprise challenges in the region. Foremost among those challenges is a fundamental difficulty ISG saw with the provider ecosystem: Because they are all delivering services atop a common set of Microsoft-built functionality, it can be difficult to differentiate between providers.

In ISG's experience, U.S. companies care significantly about providers' ability to provide specialized and highly skilled resources locally as part of an engagement, which we highlight as a key part of our analysis below.

The COVID-19 pandemic did not uniformly impact the Dynamics 365 services market. Some enterprises have held off on adopting Microsoft's business applications, while others have moved to the cloud to implement new capabilities, especially around e-commerce. ISG sees three major migration paths for enterprises adopting Dynamics: some firms move from an on-premises Dynamics install, others are adopting wholly new capabilities in a green field manner, and yet others are migrating from other vendors' systems of record, including SAP, Oracle and Salesforce.

CIOs and senior IT leaders should read this report to understand how service providers can help with adoption of Microsoft technology, as it helps them understand solution advancements with ERP and CRM and how they integrate with other business systems.

CMOs should read this report to understand how service providers can help with adoption of Microsoft technology. marketing leaders and sales leaders leverage CRM functions of dynamics directly impact the way their teams work.

COOs should read this report to understand how service providers can help with adoption of Microsoft technology, overall enterprise operations leaders ERP functions of 365. HR leaders and supply chain managers will also derive value from this report.

DYNAMICS 365

Definition

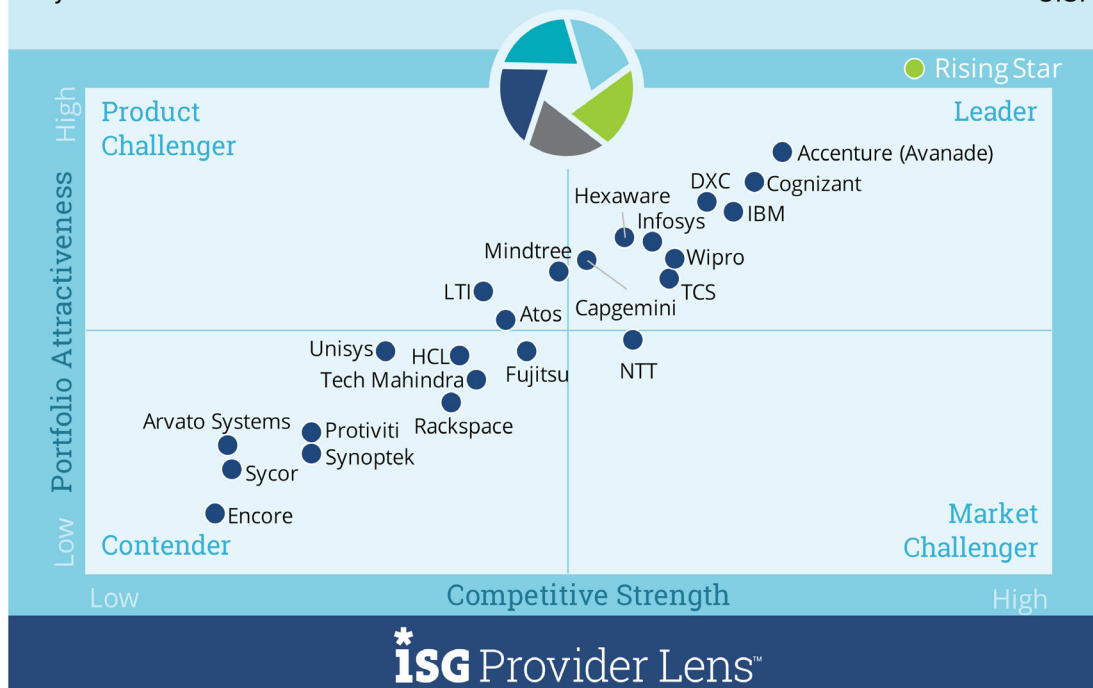
This quadrant evaluates service providers that assist enterprises with the selection, integration, customization and operation of Microsoft's cloud-based Dynamics 365 ERP (enterprise resource planning) and CRM (customer relationship management) software.

These services should focus on the digitization of business processes through the use of ERP and CRM. This means that service providers and system integrators should support the user companies in the analysis of processes that have not yet been digitally mapped and the IT implementation of these processes via solutions from Dynamics 365.

In addition, this study will consider topics including data integration with and transfer from legacy systems. Furthermore, our market analysis examines how the providers handle the software lifecycle and user support. This also includes escalation handling, change management, optimization and reporting. Providers should also demonstrate a strong understanding of how their services and the Dynamics 365 solution impact enterprise clients' business.

Microsoft Ecosystem Dynamics 365

2021
U.S.



Source: ISG Research 2021

DYNAMICS 365

Eligibility Criteria

- Scope and depth of the provider's service portfolio with regard to the implementation, customization, provisioning and support of Microsoft Dynamics 365, with special consideration for industry-specific services and capabilities.
- Number and location of employees who provide Dynamics 365 services.
- Ability to understand the client's workloads regarding the transformation of ERP or CRM.
- Strength of the provider's partnership with Microsoft, measured by the number and category of relevant certifications it holds, length of relationship with Microsoft and evidence of strategic cooperation between the provider and Microsoft.
- Support of digital transformation processes in user companies as part of Dynamics 365 adoption.
- Variety, sensibility and maturity of pricing and payment models that match the needs of enterprises adopting and using Dynamics 365.
- Robustness of provider's process for implementation, including use of agile and DevOps methodologies, as well as relevant automation for service delivery and quality.

DYNAMICS 365

Observations

- **Accenture (Avanade):** Accenture's breadth of services and deep partnership with Microsoft mean it is positioned well to aid enterprises with their adoption of Dynamics 365 as part of a broader digital transformation.
- **Capgemini:** Capgemini's global scale and experience with CRM and ERP migrations make it a logical leader in the Dynamics 365 space.
- **Cognizant:** Cognizant's history of offering services in the Dynamics ecosystem means that the company already has the understanding and capabilities necessary to help enterprises get the most from their investment in Microsoft's cloud business applications.
- **DXC Technology:** Through its DXC Eclipse subsidiary, this firm has a wealth of experience offering enterprise services for Dynamics 365, which make it a strong player in this market as it continues to mature through the cloud transition.
- **IBM:** IBM's deep relationships with enterprises, coupled with its long history of offering IT services, makes it a strong player in the Dynamics 365 market as part of the company's broader Microsoft services approach.
- **Infosys:** Infosys' rich set of vertical capabilities for Dynamics 365 services mean that it is well-situated to help enterprises across a wide range of industries adopt Microsoft's business applications.
- **Hexaware:** Because Hexaware has invested so strongly in Microsoft services capabilities, the company is well-positioned to seize Dynamics 365 deals as this growing market matures.

HEXAWARE



Overview

Hexaware Technologies is a mid-size IT service provider headquartered in Mumbai, India. The innovative company invests heavily in automation and AI and has made recent acquisitions that not only boost its service offerings but also its ability to compete against the largest IT services firms. It has over 800 employees working on Dynamics 365 services and more than 20 clients in the U.S.



Strengths

Investment in Dynamics 365 talent: Compared to some of its larger competitors, Hexaware has over indexed on ensuring it has certified experts in Microsoft Dynamics 365 available to enterprise clients in the U.S. Coupled with the company's smaller size and more personalized engagement style, this can give enterprise clients a white glove service for their business application adoption.

Vertical solutions for field service and commerce: Hexaware's Field 360 solution helps enterprises derive valuable insights from Dynamics 365 Field Service, and its Predictable Commerce offering helps enterprises plan for demand based on the sales data available from Dynamics 365 Commerce. These are critical offerings, as these two Microsoft services are the most popular among enterprises that already have existing systems of record that they do not want to abandon.

Automated migration from AX: For those enterprises that are coming from Microsoft's previous business applications, Hexaware's well-established migration approach is designed to help them get set up in the cloud while reducing cost.



Caution

Hexaware's focus on providing Microsoft services makes its capabilities more attractive than some larger players in this space; however, the company will have to put extra effort to maintain its leadership position as the market matures.



2021 ISG Provider Lens™ Leader

With Hexaware's strong investment in Microsoft services, the company has a wealth of certified talent to pull from and assist enterprises with adopting Dynamics 365.

The image features a dark blue background with a light blue horizontal band at the top. On the left side, there are several circular icons resembling camera apertures, arranged in a diagonal line from the bottom left towards the center. These icons are in various shades of blue and white. The word "Methodology" is written in a white, serif font on the right side of the image.

Methodology

METHODOLOGY

The research study “ISG Provider Lens™ 2021 – Microsoft Ecosystem” analyzes the relevant software vendors/service providers in the U.S. market, based on a multi-phased research and analysis process. It positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Microsoft Ecosystem market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
6. Use of the following key evaluation criteria:
 - Strategy & vision
 - Innovation
 - Brand awareness and presence in the market
 - Sales and partner landscape
 - Breadth and depth of portfolio of services offered
 - Technology advancements



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Blair serves as an ISG enterprise analyst covering topics including artificial intelligence, cloud computing and Agile/DevOps transformation. This year, he is providing enterprise context for ISG Provider Lens reports on the service provider ecosystems around Private/Hybrid Cloud, Public Cloud, Microsoft, SAP and Next-Gen ADM. He provides enterprise IT decision makers with market-leading advice on key technology trends through research notes and personal consultation. Since joining ISG in 2018, Blair has provided clients with insights about how their strategy fits with emerging technology trends that are shaping markets worldwide, and how new technologies can help them drive better business value.



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Srujan Akurathi is an analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Networking Services, Microsoft Ecosystem and Data Analytics. His area of expertise lies in SD-WAN, SDN transformation and managed WAN services. Srujan is responsible for developing content from an enterprise perspective and author the global summary report. He also collaborates with advisors and enterprise clients on ad-hoc research assignments and writes articles about niche technologies, market trends and insights.

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Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a research director, Partner and Global Head - ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

ISG Provider Lens™ | Report: Microsoft Ecosystem

April 2021

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