ISG Provider Lens™

Salesforce Ecosystem Partners

Managed Application Services for Midmarket

U.S 2021

Quadrant Report

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

March 2021

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HEXAWARE

About this Report

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

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

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ISG Provider Lens™

ISG Provider Lens™

ISG Provider Lens™ delivers leading-edge and actionable research studies, reports and consulting services focused on technology and service providers' strengths and weaknesses and how they are positioned relative to their peers in the market. These reports provide influential insights accessed by our large pool of advisors who are actively advising outsourcing deals as well as large numbers of ISG enterprise clients who are potential outsourcers.

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EXECUTIVE SUMMARY

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

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

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

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

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

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

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

Introduction

Simplified Illustration

Salesforce Ecosystem Partners 2021	
Implementation and Integration Services for Large Enterprises	
Implementation Services for Core Clouds Midmarket	Implementation Services for Marketing Cloud Midmarket
Managed Application Services for Large Enterprises	Managed Application Services for Midmarket

Source: ISG 2021

Definition

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

Definition (cont.)

Scope of the Report

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

Scope of the Study – Quadrant and Geography Coverage

	U.S.	Germany	Brazil
Implementation & Integration Services for Large Enterprises	√	√	√
Implementation Services for Core Clouds Midmarket	√	√	√
Implementation Services for Marketing Cloud Midmarket	√	√	√
Managed Application Services for Large Enterprises	√	√	√
Managed Application Services for Midmarket	√	√	√

Provider Classifications

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

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

Provider Classifications

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

Leader

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

Product Challenger

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

Market Challenger

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

Contender

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

Provider Classifications (cont.)

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

Rising Star

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

Not In

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

Salesforce Ecosystem Partners - Quadrant Provider Listing 1 of 3

	Implementation & Integration Services for Large Enterprises	Implementation Services for Core Clouds Midmarket	Implementation Services for Marketing Cloud Midmarket	Managed Application Services for Large Enterprises	Managed Application Services for Midmarket
Accenture	Leader	Not In	Not In	Leader	Not In
Atos	Product Challenger	Not In	Not In	Product Challenger	Not In
Capgemini	Leader	Not In	Not In	Leader	Not In
CGI	Contender	Not In	Not In	Contender	Not In
Cognizant	Leader	Not In	Not In	Leader	Not In
Customertimes	Rising Star	Not In	Not In	Product Challenger	Not In
Deloitte	Leader	Not In	Not In	Not In	Not In
EPAM	Contender	Not In	Not In	Contender	Not In
Fujitsu	Contender	Not In	Not In	Market Challenger	Not In
HCL	Rising Star	Not In	Not In	Leader	Not In
IBM	Market Challenger	Not In	Not In	Market Challenger	Not In
Infosys	Leader	Not In	Not In	Leader	Not In
LTI	Product Challenger	Not In	Not In	Leader	Not In
Magnet360	Leader	Not In	Not In	Leader	Not In

Salesforce Ecosystem Partners - Quadrant Provider Listing 2 of 3

	Implementation & Integration Services for Large Enterprises	Implementation Services for Core Clouds Midmarket	Implementation Services for Marketing Cloud Midmarket	Managed Application Services for Large Enterprises	Managed Application Services for Midmarket
NTT DATA	Product Challenger	Not In	Not In	Product Challenger	Not In
Persistent	Product Challenger	Leader	Leader	Not In	Leader
PwC	Leader	Not In	Not In	Market Challenger	Not In
Slalom	Product Challenger	Not In	Leader	Product Challenger	Not In
TCS	Leader	Not In	Not In	Leader	Not In
Tech Mahindra	Product Challenger	Not In	Not In	Rising Star	Not In
Wipro	Leader	Not In	Not In	Leader	Not In
7Summits	Not In	Leader	Not In	Not In	Not In
Acumen	Not In	Leader	Leader	Not In	Not In
AllCloud	Not In	Product Challenger	Product Challenger	Not In	Market Challenger
Birlasoft	Not In	Rising Star	Not In	Not In	Leader
Brillio	Not In	Rising Star	Product Challenger	Not In	Leader
Coastal Cloud	Not In	Leader	Leader	Not In	Not In
Hexaware	Not In	Leader	Not In	Not In	Leader

Salesforce Ecosystem Partners - Quadrant Provider Listing 3 of 3

	Implementation & Integration Services for Large Enterprises	Implementation Services for Core Clouds Midmarket	Implementation Services for Marketing Cloud Midmarket	Managed Application Services for Large Enterprises	Managed Application Services for Midmarket
Huron	Not In	Market Challenger	Market Challenger	Not In	Market Challenger
Marlabs	Not In	Product Challenger	Contender	Not In	Product Challenger
Mphasis	Not In	Product Challenger	Not In	Not In	Contender
Perficient	Not In	Contender	Not In	Not In	Not In
Polsource	Not In	Leader	Leader	Not In	Product Challenger
Silverline	Not In	Product Challenger	Product Challenger	Not In	Not In
SLK Group	Not In	Contender	Contender	Not In	Product Challenger
Tavant	Not In	Product Challenger	Contender	Not In	Product Challenger
Traction on Demand	Not In	Leader	Leader	Not In	Market Challenger
Visionet	Not In	Contender	Product Challenger	Not In	Not In
Zensar	Not In	Market Challenger	Market Challenger	Not In	Product Challenger
Isobar	Not In	Not In	Leader	Not In	Not In

Salesforce Ecosystem Partners Quadrants

ENTERPRISE CONTEXT

Managed Application Services for Midmarket

This report is relevant to small and midsize enterprises across all industries in the U.S. and evaluates service providers of Salesforce managed application services for this client type.

In this quadrant report, ISG defines the current market position of providers of Salesforce managed application services for small and midsize companies in the U.S. Traditional managed services primarily include outsourcing activities such as onsite or remote support and application monitoring. This study covers providers offering additional services, including administrative assistance, accelerators for development and utilization, development services, proactive monitoring and advisory services.

In order to ably manage their Salesforce environment, clients look for service providers that can keep IT costs under control and maintain the platform efficiently. Enterprises need service providers to manage the application, licenses and upgrades and to provide user support and develop business applications integrated with the Salesforce environment. ISG notes that service providers are helping their clients by providing cost management for the application, planning upgrades, conducting regular trainings and expanding the use of Salesforce within an organization.

The midmarket in the U.S. can leverage the midsize providers, as they are easier to negotiate with and are gaining a considerable number of midmarket clients because of their prices and proximity to a client's site of operation. Clients that seek onshore managed services have the option of soliciting the services of any qualified midsize service provider.

All service providers must aim for high user satisfaction to sustain or encourage the use of Salesforce applications and justify the investments in Salesforce managed services.

Marketing, sales and field services leaders should read this report to understand the relative positioning and capabilities of service partners that can help to implement Salesforce managed application services effectively. The report also highlights the advanced managed service capabilities of service providers, including administration assistance, development and use of accelerators, Salesforce Lightning services, proactive monitoring and advisory services.

IT and technology leaders should read this report to understand the relative positioning and capabilities of service providers of managed services. The report also compares the technical capabilities of these providers in areas such as remote and onsite monitoring, technology accelerators, incident response, automation and development methodologies.

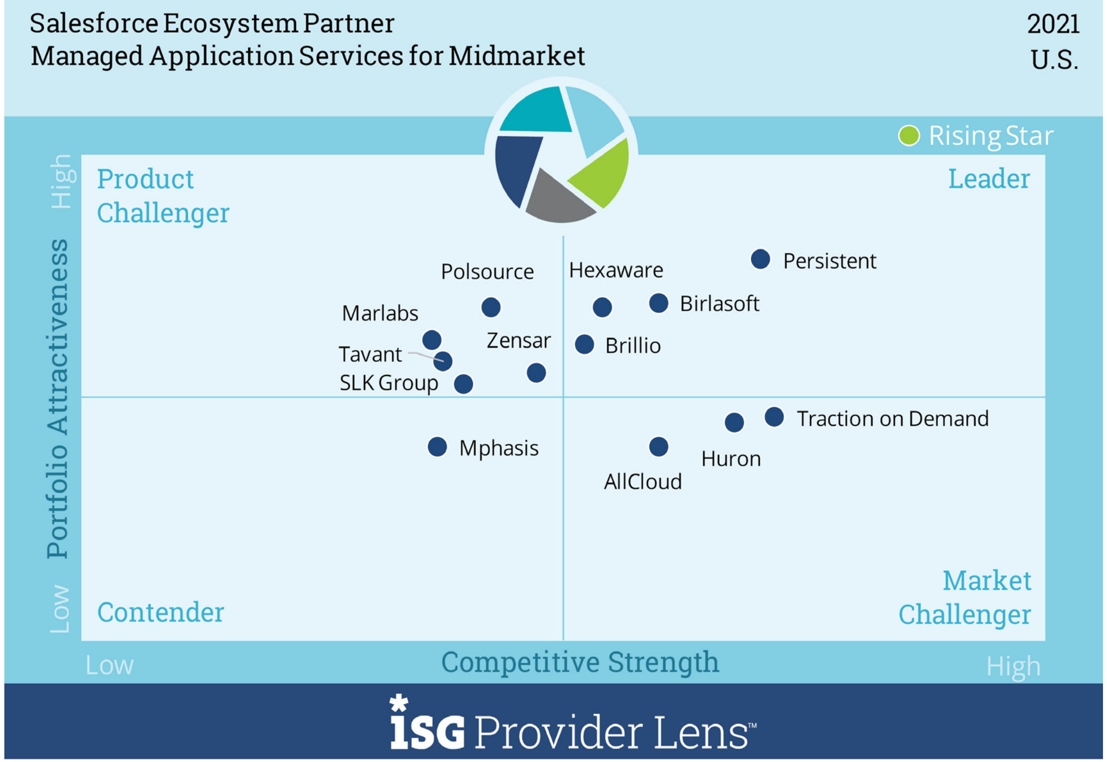
Security and data professionals should read this report to understand how the providers comply with data privacy and security requirements in the U.S. in their Salesforce managed application service practices.

Procurement professionals should read this report to understand how the providers differ in their approach to Salesforce managed application services in the U.S. The report covers differences in experience in terms of Salesforce applications, nature of customer base and industry relations.

MANAGED APPLICATION SERVICES FOR MIDMARKET

Definition

The scope of this quadrant is similar to the one for large enterprise clients, where it includes providers with the capability to offer managed services for maintenance and support functions that include monitoring, remote support, centralized management of Salesforce applications, data quality management, data security and compliance-related aspects. The basic difference arises from the usually lower integration needs, and, in many cases, from a more regional focus of midmarket clients.



Source: ISG Research 2021

MANAGED APPLICATION SERVICES FOR MIDMARKET

Eligibility Criteria

The following evaluation criteria apply to this quadrant:

- Technology competency
- Delivery capabilities
- Use cases
- Unique differentiators
- Economic stability
- Market position
- Maturity of delivery and contract models
- Experience with support for Salesforce-based applications
- Broad customer base

Observations

The following providers achieve leader position in this quadrant:

- **Birlasoft** offers a comprehensive and compelling portfolio for management of Salesforce applications with the support of its own powerful tools, and increasingly it focuses on an appropriate governance model that supports, in cooperation with the client, effective system operation and maintenance of the application.
- **Brillio's** comprehensive application management portfolio is structured along a sophisticated managed services engagement roadmap and, in combination with powerful tool support, makes Brillio an excellent choice for the management of Salesforce applications.
- **Hexaware** provides complete and outcome-based managed application services for Salesforce with a focus on automation and offers a compelling dashboard solution for service quality monitoring.
- **Persistent Systems** offers an impressive portfolio of managed application services around the Salesforce platform and can provide end-to-end services across the client's system landscape, including back-end systems.

HEXAWARE

Overview

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

Caution

Hexaware's portfolio primarily focuses on the technological aspects of managed application services. The improvement of the business processes that are supported by the respective Salesforce application should be given more consideration, for example, by continuous business process monitoring.

Strengths

Full-service portfolio: Hexaware provides complete and outcome-based managed application services for Salesforce, including incident management, SLA management, automation objectives and bot development for automated processing of incident resolution. The quality of an application is continuously monitored with Hexaware's health assessment, as well as with sophisticated data quality management using various tools for avoiding duplicates, reducing data volumes, archiving and more.

Focus on automation: The company increasingly focuses on the use of automation wherever possible to reduce efforts and related costs. The offering includes the use of ServiceNow for highly automated incident and problem management.

Dashboard solution for service quality monitoring: With HexaView, the portfolio includes a visualization tool for service quality monitoring that is easy for the client to understand and follow. This supports the adherence to SLAs and the definition of corrective measures where necessary.

Improved outcome-based service model: Hexaware is working on an improved managed service offering for midmarket clients, which will be an outcome-based model with user licensing. It will include the essential components of application management, such as user management, incident management and monitoring and, upon request of the client, specified buckets for enhancements.

2021 ISG Provider Lens™ Leader

Hexaware is a highly capable provider of outcome-based and complete managed application services for Salesforce.

Methodology

METHODOLOGY

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

The study was divided into the following steps

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

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Mr. Suletzki relies on a deep understanding of core business processes and in-depth know-how of IT management. He has more than 30 years of experience as Senior IT Manager, Senior Project Manager and – at the beginning of his career – as IT consultant. His main areas of expertise comprise IT application management, IT architecture, data modelling as well as IT sourcing strategy and executionRainer acts as independent consultant with a focus upon application management for SAP and specifically for SAP HANA. On behalf of ISG he conducts studies within the framework of ISG Provider Lens and takes on client projects with definition of IT strategy and the resulting sourcing decisions. Before becoming an independent consultant, Rainer worked more than 30 years for a global German Life Science corporation.Rainer holds graduate degrees in Economics and Computer Sciences.

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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.

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