CGI
SAP HANA and S/4HANA Services

Vendor Assessment
Report Abstract

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By David McIntire
IT Services
Research Director
NelsonHall

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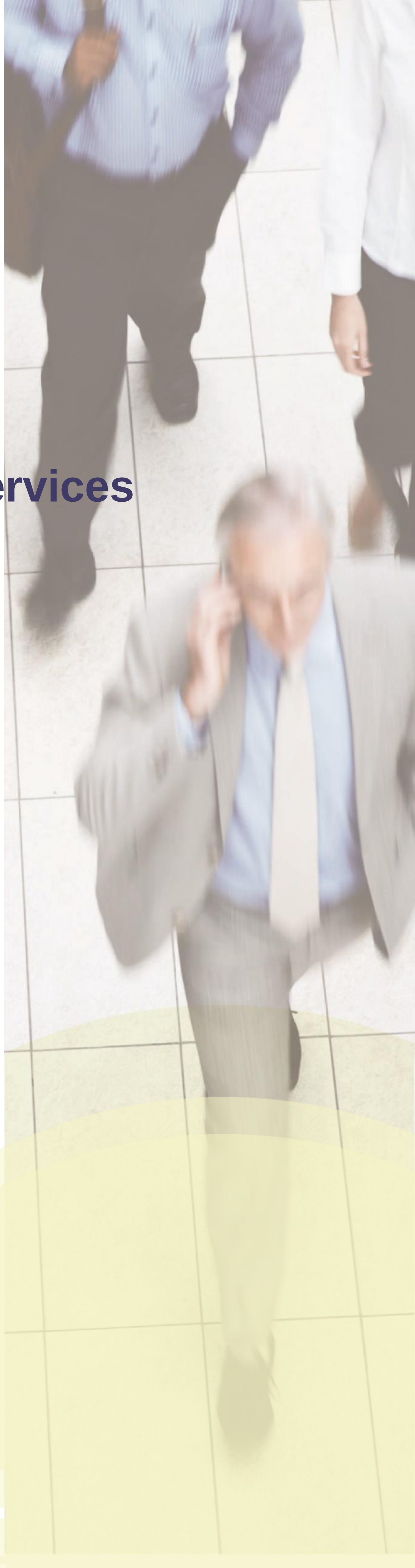
research.nelson-hall.com



Who Is This Vendor Assessment For?

NelsonHall's SAP HANA and S/4HANA Services vendor assessment for CGI is a comprehensive assessment of CGI's SAP HANA and S/4HANA services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for SAP services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in SAP services sector.

Key Findings & Highlights

CGI was founded in 1976 in Quebec. With its 'Build and Buy' strategy, CGI's ambition is to become a global IT services company capable of meeting the needs of multinationals across geographies. CGI uses acquisitions to enter new markets (e.g. the U.S. federal and defense sectors, Europe), expand competencies (e.g. cybersecurity), and increase market share in target geographies. Its history has been marked by a doubling of its revenues every five to seven years through this strategy, in particular by making a large-scale acquisition every few years, notably AMS in 2004, Stanley in 2010, and Logica in 2012.

Logica was its largest acquisition to date; it was larger than CGI at the time: the combined entity had annual revenues of ~CAD$10.4bn and a global headcount of ~73k. With this transaction, CGI exceeded its ambition of reaching revenues of ~CAD$8bn and 50k employees by 2013. Logica brought to CGI a pan-European business with sizeable operations in France, the U.K, Sweden, Northern and Central Europe, and Benelux. CGI benefitted from Logica's own acquisition spree in Europe between 2005 and 2007 (Edinfor, Unilog, and WM-Data).

With Logica, the proportion of CGI's revenues coming from Europe shifted from ~5% to ~59%, and its headcount in the region from ~2k to ~35k. CGI's home territory of Canada went from providing 46% of its global revenues to just 18%. In terms of sectors, Logica brought to CGI a £1.1bn European public sector business, of which 37% is in the U.K. This more than doubled CGI's government sector business.

CGI's SAP practice consists of ~3k consultants, spread across 15 countries. It has delivered SAP services to ~600 clients across a variety of industries. This capability has grown, in part through small niche acquisitions including:

- Prior to its acquisition by CGI, Logica acquired Unilog in 2006, which added SAP and Oracle capabilities in France
- In 2010, CGI acquired Plaut Consulting, a French SAP consulting firm with 120 personnel and ~CAD$17m revenues, its first acquisition in Europe.

CGI's decentralized delivery model, in which the local geographic unit takes leadership in delivering services to clients, has led it to a model in which offerings are developed locally to address specific client needs and can then be rolled out globally to common or complementary industry verticals. For S/4HANA services, CGI's leading region in capabilities and offerings is the Nordics, primarily Finland where it has completed a number of engagements and built a concentration of skills.

CGI has ~3k SAP trained resources. NelsonHall estimate that ~25% (750 FTEs) are trained and actively supporting HANA and S/4HANA engagements. CGI expects the members of this group to be certified on HANA and S/4HANA by the end of 2017. Within its HANA-leading Finland based group, CGI estimates that half of the team possesses functional skills and half possesses development or technical skills.

CGI is globally certified by SAP for application management services, hosting, and HANA operations. Reflecting its client proximity approach, CGI has SAP application management capabilities in all of its major geographies. CGI has also built delivery centers certified by SAP to deliver application management, hosting, and HANA operations

Scope of the Report

The report provides a comprehensive and objective analysis of CGI's SAP HANA and S/4HANA service offerings, capabilities and market and financial strength, including:

- Analysis of the company's offerings and key service components
- Revenue estimates
- Identification of the company's strategy, emphasis and new developments
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.

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Report Author

David McIntire

david.mcintire@nelson-hall.com

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