



# EPAM SAP ERP Cloud Migration Services

Vendor Assessment  
Report Abstract

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## Who Is This Vendor Assessment For?

NelsonHall's SAP ERP Cloud Migration Services Vendor Assessment for EPAM is a comprehensive assessment of EPAM's SAP ERP Cloud Migration services offerings and capabilities designed for:

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

## Key Findings & Highlights

EPAM Systems (EPAM) is headquartered in Newtown, PA (U.S.). It was founded in 1993 in New Jersey, with its first offshore development center located in Minsk, Belarus. In 1995, EPAM began targeting technology vendors and ISVs in a product engineering role, initially working for SAP and ISVs, including Hyperion, Oracle, and Brio Software. This product engineering heritage evolved to include offering technology services and software.

EPAM now has ~38k FTEs across 30 countries and aims to maintain an annual 20%-25% growth rate.

Its 2015 \$50m acquisition of Alliance Global Services provided it with an India based delivery function, initially of ~1.1k resources, which has helped EPAM expand beyond its Central and Eastern European delivery heritage.

While none of these acquisitions were targeted at growing EPAM's SAP capabilities specifically, its 2016 acquisition of Infomatix expanded its big data and analytics capabilities, including using SAP HANA.

EPAM has worked with SAP since 1996, and in 2000, SAP became a client of EPAM's product development services. SAP has engaged EPAM for services, including software engineering, product development, and software support services (~80% of work delivered), as well as QA and test automation (~20% of work delivered). The mix of product families supported is as follows:

- SAP Digital products: ~40%
- SAP IT: ~35%
- Production Data Structure: ~25%.

A majority of these services are delivered by EPAM employees located in Ukraine and Belarus.

Today, EPAM is an SAP Platinum partner and primarily provides support through the re-use of assets initially created for clients. NelsonHall estimates that ~11% of EPAM's SAP-related revenues are still derived from services delivered to SAP itself.

For CY 2019, EPAM reported total revenues of \$2.3bn. NelsonHall estimates that EPAM's SAP revenues were ~\$295m. Of that, NelsonHall estimates 2019 SAP ERP Cloud migration revenues accounted for 15% (~\$44m).

To enable its clients to migrate from legacy on-premise to cloud-hosted environments, EPAM utilizes three migration offerings:

- SAP Lift & Shift: technical migration of application server and database; performance and integration testing. Priced through ballpark estimation per system
- Conversion to SAP S/4HANA: conversion of legacy SAP to S/4HANA including fit-gap and simplification evaluation and code simplification
- SAP S/4HANA Transformation: assessment of legacy systems to identify potential improvements and business process re-engineering. Supported by change management services.

EPAM has ~1.8k dedicated SAP engineers and consultants, including ~600 delivering services to SAP directly. This team is then augmented by other capabilities such as QA, business analysts, and ~200 business consultants in SAP delivery. The majority of these employees are located in Belarus and Ukraine, and 65% are certified by SAP.

EPAM's long-term relationship with SAP, including a role in product engineering and a long-term relationship with Google, provides it a strong positioning in delivering services that combine offerings from each. EPAM has built on these relationships to develop a portfolio of assets aligned closely with each.

As clients look to migrate SAP to cloud environments, these capabilities will play a key role in helping to shape the business case. In parallel, a focus on building functional extensions and accelerators that enable the migration to S/4HANA also drive cloud adoption.

One area of opportunity for further investments in its assets is its proprietary cloud migration tools. While these assets provide assessment and planning capabilities, expanding their functionality to include transforming components of the legacy environments without manual intervention.

## Scope of the Report

The report provides a comprehensive and objective analysis of EPAM's SAP ERP Cloud Migration 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 Length

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