



Infosys SAP HANA and S/4HANA Services

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's SAP HANA and S/4HANA Services Vendor Assessment for Infosys is a comprehensive assessment of Infosys' 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 HANA and S/4HANA services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the SAP services sector.

Key Findings & Highlights

Headquartered in Bangalore, Infosys was founded in 1981 in Pune by a group of seven programmers. It became a public limited company in India in June 1992 and was listed on NASDAQ in 1999, having set up development centers in several Indian cities to serve the global market.

Infosys has had a relationship with SAP since 1997. It became a Global Services Partner in 2008. It estimates that it has ~450 SAP clients and ~15.5k SAP skilled resources.

Over the first half of 2018, Infosys saw a rise in the focus on adopting S/4HANA among its large enterprise client base and has been evolving how it positions its offerings. It is looking to take a broader business outcome-centric approach with its clients rather than a strictly technical view of the S/4HANA migration. This is in alignment with clients increasingly looking to use S/4HANA as a foundational element of a broader business transformation driven by changing business models and a desire for simplified, standardized business processes.

This approach has included incorporating broader Infosys capabilities with its SAP delivery capabilities to provide broader bundled services to its clients. This can include using deep industry expertise, UX/UI consulting and design thinking to define the end state experience and roadmap as well as its NIA platform to support adoption and operations.

To expand its SAP capabilities, Infosys has made the following acquisitions:

- Lodestone, in 2012: headquartered in Switzerland, Lodestone was founded in 2005 (the founders' heritage was in PwC and IBM). It had 850 employees including 750 SAP consultants, and 2011 revenues were ~\$200m across ~200 clients, concentrated in the life sciences and automotive sectors, with ~15% of revenues coming from the insurance sector
- Panaya: in 2015: Infosys' second largest acquisition since its purchase of Lodestone. Founded in 2005 (formerly known as ChangeSoft Technologies), Panaya is based in Ra'anana, Israel and has ~150 employees. Its flagship CloudQuality suite automates the assessment and migration of SAP environments.

To support the increased use of design thinking sessions and UX/UI design in the delivery of HANA and S/4HANA services, Infosys has made the following recent acquisitions:

- In September 2017, it completed acquisition of Brilliant Basics, a privately held London-based digital innovation and CX design firm. The acquisition added to Infosys' Digital Studios capabilities for the financial, retail and telco sectors, primarily in the Europe and Middle East region.
- In May 2018, Infosys completed its acquisition, for up to \$75m including earnouts, of WONGDOODY, a U.S.-based creative and consumer insights agency. Founded in 1993, WONGDOODY is headquartered in Seattle and has an office in Los Angeles. It has served clients in the telecoms, media, consumer electronics, healthcare, consumer goods, and other sectors. Clients have included Amazon Fire TV.

These acquisitions represent Infosys' further commitment to the expansion of a worldwide, connected network of Digital Studios. With Infosys Digital Studios spanning the globe – from Bangalore and Pune to New York, London, and Melbourne – the addition of WONGDOODY and Brilliant Basics strengthens Infosys' ability to fulfill the needs of global clients.

Infosys' total revenues for CY 2018 were \$11.5bn.

NelsonHall estimates that Infosys' SAP services revenues account for ~17% of the total revenues (~\$1.9bn). NelsonHall further estimates that CY 2018 HANA and S/4HANA revenues account for ~23% of SAP revenues, or ~\$450m.

Having seen clients take multiple paths to adopt HANA and S/4HANA, Infosys has built offerings that encompass the consulting activities to develop a plan for migration and offerings, to support multiple adoption paths. It is also seeing clients use HANA and S/4HANA to address broader landscape transformation.

Key offerings include:

- Consulting services
- Migration and implementation services
- Landscape transformation services.

Infosys has ~200k total headcount, with ~15.5k SAP skilled employees. Of these, ~4.9k possess HANA and S/4HANA skills today, with Infosys targeting to re-skill its entire SAP team to HANA and S/4HANA skills, though no timeline has been defined and will be driven by changes in client demand.

Globally, Infosys has 100 delivery and development centers, of which ~60 have SAP skilled resources.

Infosys' efforts to build solutions to complement its core capabilities and re-skill functional SAP consultants positions it to support its large enterprise client base as adoption have started to accelerate with the looming end of the ECC support deadline in 2025. More than doubling its HANA and S/4HANA skilled workforce have provided Infosys with a significant footprint of skills, even with a considerable proportion of these remotely based in its India HANA CoE. Continuing to reskill its existing workforce and attracting and growing its client proximate workforce to deliver industry-specific skills onsite with clients will be an important focus area going forward.

To augment its still growing workforce, Infosys has invested heavily in building automated toolsets across the lifecycle of HANA and S/4HANA adoption. The use of S/4Assist, CMO, Panaya and other tools positions Infosys to both de-risk and accelerate its client's adoption of S/4HANA. The use of Intelligent Enterprise in the operational phase enables it to apply intelligence to the automation of a broad set of use cases across industries.

In addition to Intelligent Enterprise use cases, Infosys' Catalyst offerings and other industry-tailored extensions also enable it to demonstrate to its targeted client base how it understands their needs and can support achieving their objectives. As new and emerging technologies mature, it is important for Infosys to continue to evolve these focused offerings, including incorporating Leonardo and NIA capabilities.

Scope of the Report

The report provides a comprehensive and objective analysis of Infosys' 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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