



NTT DATA SAP ERP Cloud Migration Services

**Vendor Assessment
Report Abstract**

January 2021

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12 pages

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Who Is This Vendor Assessment For?

NelsonHall's SAP ERP Cloud Migration Services Vendor Assessment for NTT DATA is a comprehensive assessment of NTT DATA'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

NTT DATA Communications Systems Corporation was spun off as a separate company from NTT Corporation in 1988, subsequently changing its name to NTT DATA Corporation in 1996. NTT Corporation retains a 54% shareholding in NTT DATA, and NTT DATA works jointly with other companies in the NTT Group to deliver services to clients.

NTT DATA's SAP practice had ~\$2.2bn in annual revenues in 2019. It has ~5k clients across 55 countries and 25 industries.

In August 2018, the parent NTT Holdings, announced its intention to group within a new firm, NTT Inc., several units including Dimension Data, NTT Comms, and NTT Security and to amalgamate them. NTT DATA will be in the portfolio of NTT Inc. but will remain independent of the rest of NTT Inc.

While NTT DATA will remain the core of NTT Inc.'s SAP service capabilities, it does see the new entity as providing it new avenues and client possibilities, for example, targeting the cloud client base formerly of Dimension Data for new SAP engagements.

NTT DATA has been very aggressive in leveraging inorganic growth to expand its SAP capabilities. In 2008, NTT DATA acquired majority ownership of itelligence, a Germany-based SAP consultancy. NTT DATA has used itelligence to form the core of its SAP Global One organization, which standardizes offerings and delivery across the NTT DATA global operating units.

Since taking total control of itelligence, NTT DATA and itelligence have made several acquisitions to add incremental SAP capabilities and geographic coverage. It made 13 acquisitions from 2016 through 2018. Since 2018, the companies made the following acquisitions:

- January 2020: NTT DATA Services closed its acquisition of Texan cloud migration and DevOps consultancy Flux7. Austin, Texas-based Flux7 is an AWS Premier Consulting Partner and provides cloud implementation and migration, automation, and DevOps consulting services to support clients in the financial services, pharma, software, manufacturing, and retail industries. Flux7 has 65 employees and will bring in proprietary DevOps IP

- October 2019: itelligence AG acquired a majority stake in FH S.A. to enhance its SAP capabilities in Brazil and Latin America. FH was founded in 1999 and is headquartered in Rio de Janeiro, with an additional six offices across Brazil and European offices in Madrid and Stuttgart. It has ~700 employees. FH provides SAP consulting and SI services across multiple sectors, including manufacturing, retail, financial services, utilities, and agribusiness. Key clients include Dupont, Elektro, Renault, Pearson, and Lojas Americanas
- July 2019: itelligence AG acquired ISS Consulting (Thailand) Ltd to enhance its SAP capability in Thailand and South East Asia. ISS Consulting (Thailand) Ltd was founded in 1997 and provides SAP consulting services across manufacturing, retail, and food & beverage industry sectors. It has 250 employees with offices across Thailand and Malaysia and specializes in S/4 HANA, C/4 HANA, SAP SuccessFactors, SAP Ariba, SAP HANA Cloud, and SAP Business By Design
- April 2019: itelligence U.K. acquired a majority stake in Weaveability Ltd to enhance its CRM and e-commerce capabilities. Weaveability was founded in 2009 and is based in Lancashire, U.K. an SAP ERP software specialist, it provides end-to-end services for eCommerce, supplier portal, and call center solutions. Weaveability capability includes SAP B2B Customer Portals, SAP B2C Portals, SAP Process Integration, eCommerce, Hybris, SAP CX, SAP B2B Supplier Portals, SAP eCommerce, and Digital Engagement Solutions. Key clients include Smyths Toys, Warburtons, and Wedgewood Waterford Royal Doulton.

NelsonHall estimates NTT DATA's CY 2019 revenues were ~\$20.0bn. NTT DATA estimates that \$2.2bn in revenues are associated with SAP. NelsonHall estimates that ~21% (\$470m) of CY 2019 SAP revenues comes from ERP cloud migration services.

NTT DATA positions its services across the full stack of SAP cloud migration services. These services include an up-front consulting phase to deliver assessment and planning, and execution phase to build and deploy the defined solution, and an on-going management and support phase. It looks to deliver these services through a balanced approach of onsite consulting resources and a remotely located factory model.

NTT DATA has ~16k employees delivering SAP services. It currently has ~9.4k HANA and S/4HANA trained employees. It also has ~2.5k cloud architects and engineers. For specific hyperscalers, it has ~4.3k Microsoft skilled employees and ~900 AWS certifications possessed by employees across the company.

NTT DATA has been significantly more aggressive in pursuing acquisitions to expand its SAP capabilities than many of its competitors. This has provided a strong, broad global delivery capability with specific industry and locally tailored capabilities. On the flip side, though, this presents the continuous challenge of ensuring consistent delivery capabilities. NTT DATA has addressed this through its SAP One Method approach, as well as a structured acquisition enablement program to onboard new acquisitions to the global delivery platform and enable consistency of delivery. This provides an industrial model as it continues to pursue its inorganic growth strategy.

NTT DATA's close relationship and breadth of offerings on Azure provide a strong positioning in support of SAP cloud migration effort. However, with a more recent relationship, and limited experience with migrating SAP to GCP, it will need to focus on building out a greater GCP footprint given its potential to grow quickly in the SAP space. NTT DATA recognizes this as well and is working with GCP to build its capabilities and a joint go to market model.

While NTT DATA has a solid and growing S/4HANA implementation footprint, it has commonly seen this demand be hosted on-premise or in a private cloud. Applying its depth of S/4HANA capability to platforms across a variety of hyperscaler-hosted environments will further strengthen its position in the market.

Scope of the Report

The report provides a comprehensive and objective analysis of NTT DATA'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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