



Atos 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 Atos is a comprehensive assessment of Atos' 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

Atos was formed in 1997 as the result of a merger between two French IT services firms, Axime and Sligos, with a focus on infrastructure management services. It is headquartered in Bezons, a northwestern suburb of Paris, France.

In Q4 2016, Atos introduced a three-year strategy focused on digital transformation, primarily through a focus on building out a digital transformation factory, which has four key digital transformation offerings:

- Atos Canopy Orchestrated hybrid cloud
- Atos Business Accelerators (S/4 HANA)
- Atos Digital workplace
- Atos Codex (analytics, cognitive and IoT).

These four digital transformation offerings span Atos' global divisions and are intended to fuel a ~3% CAAGR through 2019. As part of its Ambition 2019 plan, it is targeting to grow its SAP HANA revenues from €100m in 2016 to €700m. NelsonHall estimates that 90% of this (€630m) will be associated with services and 10% with hardware.

To expand its application services and North American presence, in July 2018, Atos announced the acquisition of Syntel. The acquisition closed in October 2018. The acquisition brings total Atos headcount to ~120k and nearly doubles its India based headcount to ~32k. It also will make the B&PS division into Atos' largest, accounting for ~47% of total revenues.

While Syntel has a limited SAP implementation footprint today, it does expand Atos' presence in North America and previously less prioritized verticals such as financial services, potentially opening up new avenues for Atos to expand its SAP presence.

Atos' CY 2017 revenues were €12.7bn (~\$146bn). Of this, its Business and Platform Solutions (formerly C&SI) CY 2017 revenues were €3.2bn (~\$3.7bn).

NelsonHall estimates that ~€297m (\$342m) of its 2017 revenues was associated with SAP HANA and S/4HANA offerings and that in 2018, this total was ~€400m (~\$460m).

Atos is framing its SAP services around six key offerings:

- Consulting, digital transformation and integration
- Implement and integrate digital core
- SAP operation and orchestrated hybrid cloud solution
- New dimension infrastructure platform
- SAP SaaS cloud solutions and business applications
- Comprehensive IoT products and services.

Atos has ~13k SAP specialists, ~2.2k of which have HANA and S/4HANA enhanced skills. The global team is split between client-proximate employees that work onsite with the client personnel and a network of delivery center personnel, located in both nearshore and global delivery center locations. NelsonHall estimates ~55% of the Atos S/4HANA skilled resources are based in the delivery center network.

Atos has SAP operations across 43 countries with delivery center locations in eight countries supporting its SAP services:

- Brazil
- Senegal
- Poland
- Bulgaria
- Russia
- India
- Philippines
- Thailand.

As part of its three-year strategy (introduced in fall 2016), Atos has put SAP HANA at the core of its growth strategy, including laying out a public goal of growing its SAP HANA related services revenues from €100m in 2016 to minimum of €700m by 2019. Its recent acquisition of Syntel will bolster its application services presence in North America providing it a new set of clients to support in migration from legacy SAP to HANA and S/4HANA.

Atos is positioning itself in anticipation of growing demand among its strategic clients, in particular, by leveraging its adjacent capabilities such as analytics, IoT, and cloud which will help deliver business cases to drive expanded adoption of HANA and S/4HANA.

Large enterprises will begin migrating prior to the end of support for ECC in 2025; Atos' ability to provide end to end services (spanning from consulting and migration through to cloud hosting and offering Bullion servers tailored to host SAP HANA) give it a relatively unique position in the market. Atos is member of the SAP MOVE program.

Atos' greatest current weakness is its lack of focus on building out proprietary offerings that expand the core capabilities of HANA and S/4HANA. It is building offerings for its target industries but is still expanding its portfolio of functional extensions.

This is offset by significant capabilities to support client adoption of S/4HANA in the cloud. Atos' partnership with Google Cloud enables it to build differentiated offerings with a hyperscale cloud provider that possesses complementary analytics and big data capabilities. With hybrid cloud as the most common cloud adoption approach for the foreseeable future, Atos' role hosting private cloud environments for SAP Cloud Platform, combined with its Google Cloud partnership provide it a compelling offering for clients.

Scope of the Report

The report provides a comprehensive and objective analysis of Atos' 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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