



# Capgemini SAP ERP Cloud Migration Services

Vendor Assessment  
Report Abstract

December 2020

By David McIntire  
IT Services  
Research Director  
NelsonHall

12 pages

[research.nelson-hall.com](https://research.nelson-hall.com)





## Who Is This Vendor Assessment For?

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

Founded in Grenoble in 1967, Capgemini is the largest European headquartered IT services provider, serving all major European markets. Following the completion of its IGATE acquisition in 2015, North America is now its largest market.

In 2015, Capgemini acquired IGATE, significantly expanding its offshore delivery capability. Capgemini now has over 108k employees in India. It will also be able to use IGATE's corporate university in Pune to quickly onboard and training resources. The acquisition also helps drive growth in the BFSI sector, as IGATE brought in some large financial institutions, including RBC, UBS, and Metlife.

In September 2018, Capgemini launched a new global service (GSL), Capgemini Invent. The GSL combines the group's digital innovation, consulting, and transformation capabilities across several units, Capgemini Consulting and a series of recent acquisitions, including LiquidHub, Fahrenheit 212, Idean, U.K. design agency Adaptive Lab, Backelite, and Prosodie. Altogether at its launch, Capgemini Invent had >6k personnel and 11 creative studios from Idean. The unit has since expanded in Europe with two acquisitions: Italian digital agency, Doing and French digital agency June 21.

Capgemini has had a partnership with SAP since 1993 and is a global strategic partner. It has ~20k SAP-related personnel globally, of which (a NelsonHall estimated) 35-40% are AM-focused. Acquisitions which have augmented its SAP capabilities include:

- June 2011: Praxis Technology, a Chinese vendor with 110 employees and €5.4m in revenues (including 50% SI, 20% product development, 15% SAP distribution) before the acquisition. Praxis services the local energy market, one of Capgemini's target sectors in China. It has developed SAP templates and is one of the founding members of the Electric Power Industry Solution Center of SAP's China Research Institute. This acquisition has expanded Capgemini's SAP E&U services capabilities in China

- May 2014: Strategic Systems & Products Corp. (SSP), an SAP VAR targeting U.S. mid-sized upstream oil and gas companies. SSP is headquartered in Irving, TX, and has a headcount estimated by NelsonHall at below 50. SSP has an SAP READYUpstream template and add-on around production revenue accounting and joint venture accounting
- March 2020: Capgemini acquired MuleSoft full-service consultancy, WhiteSky Labs. WhiteSky Labs expands Capgemini capabilities across Australia and Asia region to integrate data across legacy systems, cloud apps and devices.

Capgemini began offering HANA services in 2013, primarily focused on analytics capabilities. As part of its partnership with SAP, it plays a role in testing all new S/4HANA releases.

In April 2020, Capgemini acquired ~98% of Altran, an engineering and R&D services provider. It provides a combination of IT, Business IT, and OT. Including Altran, the total headcount across Capgemini is ~270k. Altran provides Capgemini an expanded capability to manufacturing clients of its SAP services - expanding the value that can be realized by transforming an SAP digital core.

In CY 2019, Capgemini reported overall revenues of ~€14.1bn (~\$16.2bn). NelsonHall estimates that ~10% (~€1.4bn) of Capgemini's revenues are associated with SAP services; of this, an estimated 30% (~€425m) are associated with SAP ERP cloud migration.

Capgemini puts its SAP ERP cloud migration services in the context of a broader transformation of client IT landscapes to what it calls the renewable enterprise. This transformation involves assessing legacy ERP to identify opportunities to extrapolate greater insights, simplify and standardize core functionality, and then apply innovations to realize differentiation. It helps clients achieve this by applying assets, including the use of SAP Model Company and its OnePath offerings in collaborations with industry solutions in moving to cloud-based S/4HANA and the addition of data and insight capabilities.

As of September 30, 2020, Capgemini has ~265k employees globally, including ~20k SAP skilled resources. Of these, ~6.5k possess certifications in SAP technologies.

Capgemini has a mature SAP delivery practice and has built a strong SAP ERP transformation capability as it sees clients increasingly look to modernize legacy landscapes. Developing flexible methodologies and assets that can be applied regardless of the migration path chosen by a client, which positions it well to support clients across geographies and industries as priorities for migration evolve.

Its investments in proprietary offerings play a key role in its capabilities. These proprietary assets will be a key driver in enabling clients to realize the business case objectives. Automated assets that accelerate the migration help reduce upfront cost and risk. At the same time, bundled offerings like Capgemini SAP PaaS and OnePath provide simplified pricing and increased value over the long-run. As it continues to see demand grow for its MPSA migration approach, we expect to see further expansion of these tailored functional offerings to be layered on a simplified SAP ERP core.

Capgemini has opportunities to further grow its SAP ERP migration by diversifying its capabilities in terms of both geography and hyperscaler partnerships. While AWS and Azure have been historically dominant as targets for SAP migration, Google Cloud is growing rapidly in importance.

Capgemini doesn't want to miss out on this potential growth market. Though, its partnership with Alibaba is a unique asset in the APAC region.

Alibaba may also act as an asset in enabling Capgemini to expand its footprint beyond its core EMEA market. With approximately 50% of its clients and workforce targeting the EMEA market, and other markets, particularly the U.S. and APAC, being more aggressive in cloud adoption, Capgemini has an opportunity to leverage its mature capabilities to grow its SAP practice in new markets.

## Scope of the Report

The report provides a comprehensive and objective analysis of Capgemini'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.



## Contents

1.	Background
2.	Revenue Summary
3.	Key Offerings
4.	Delivery Capability and Partnerships
5.	Target Markets
6.	Strategy
7.	Strengths and Challenges
8.	Outlook

## Report Length

12 pages

## Report Author

David McIntire

[david.mcintire@nelson-hall.com](mailto:david.mcintire@nelson-hall.com)

## Forthcoming Profiles

Atos, Cognizant, DX Technology, EPAM, Infosys, LTI, Mindtree, Mphasis, NTT DATA, T-Systems, TCS, Tech Mahindra, Wipro, Yash.