



Tieto 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 Tieto is a comprehensive assessment of Tieto's 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

Finland-headquartered Tieto is a provider of:

- IT services: through its Technology Services and Modernization unit (TSM), which provides application and IT infrastructure services; and through Business Consulting & Implementation (BC&I), which provides COTS services and digital customer experience
- Engineering and R&D services (ER&D): through its Product Development Services unit
- Software products unit ("Industry Solutions"/IS): for several industries including banking, oil and gas, public sector and lifecare, and forestry.

Tieto headcount at the end of 2018 was 15,190. The company has 800 clients overall, most of which are in the Nordics (Finland, Sweden, and increasingly Norway).

Tieto began offering SAP consulting services in 2005 and started investing in building its HANA and S/4HANA capabilities in 2015. Its early focus has been on engagements in its home Nordics and Austrian markets. It was responsible for one of the earliest S/4HANA engagements in the Nordics region.

Tieto had CY 2018 revenues of €1,600m (~\$1,840m). NelsonHall estimates that ~€110m (~\$126m) is derived from SAP services. Nelson further estimates that HANA and S/4HANA services account for ~35% of SAP services (~\$45m) in 2018.

Tieto is positioning its S/4HANA services as enabling clients to build a core to support broader digital transformation and new business models. To deliver this, it positions its services across the following service areas:

- Advisory services
- Transformation services.

These services are supported by Tieto proprietary functional offerings.

Tieto has ~15k employees and ~820 SAP trained personnel. Of this team, ~50% (410) are trained on HANA and S/4HANA.

The Tieto delivery team is segregated by location as follows:

- India: ~36%
- Finland: ~27%
- Czech Republic: ~15%
- Sweden: ~9%
- Austria/Germany: ~7%
- Poland: ~2%
- Other: ~3%.

Tieto differentiates from its competition through its narrow focus. Targeting clients in underserved markets including Nordics and Austria and the forestry industry enables Tieto to offer a specific, tailored experience for clients in these target markets. Though, this limited focus also acts as an inhibitor to growing its HANA and S/4HANA experience and footprint.

This experience has also enabled Tieto to build offerings that address these specific niche requirements, including a dedicated forestry functional extension that fills a hole in the SAP functional product roadmap. With a relatively small set of S/4HANA migration credentials possessing specific applicable experience is key to Tieto growing its client base.

Tieto's Dynamic Landscape offering provides a different differentiating factor for clients, as it simplifies adoption through a single stack and user-based pricing.

Scope of the Report

The report provides a comprehensive and objective analysis of Tieto's 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.



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

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