Infosys
SAP ERP Cloud Migration Services

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

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

Infosys had CY 2019 revenues of ~$12.6bn. Infosys' FY20 (period ended March 31, 2020) revenues were $12,780m, up 8.3% y/y, up 9.8% in CC. Its headcount at the end of Q1 FY21 (ending June 30, 2020) was ~240k.

Infosys has defined an offering called Live Enterprise to help clients on their digital transformation through a proprietary approach and IP developed in house. Infosys has utilized these technologies for its internal transformation as a starting point. The core of Live Enterprise focuses on the expanded use of data and automation to support an evolving workforce. Infosys has introduced several tools and accelerators to orchestrate its services and facilitate these changes both internally and for clients.

Infosys has had a relationship with SAP since 1997. It became a Global Services Partner in 2008. NelsonHall estimates that it has ~500 SAP clients, ~17k SAP skilled resources, ~84k cloud skilled employees and ~6k SAP on Cloud skilled employees.

Since 2018, Infosys has seen an increasing focus among its clients in migrating from legacy SAP environments to HANA and S/4HANA in part to achieve broader business objectives around improved operational visibility and accelerating service delivery. It is also increasingly looking to incorporate cloud hosting as an avenue to reduce the cost, improve the S/4HANA adoption business case, and enable incremental capabilities to be built on top of S/4HANA.

Infosys is looking at SAP transformation through a different lens than much of its competition. Rather than focusing on SAP cloud migration as an extension of its SAP services, transforming the ERP to reduce costs and improve performance, Infosys is looking at SAP cloud migration as a single workstream within the broader enterprise transformation achieved through cloud adoption. S/4HANA becomes a foundational pillar of emerging capabilities such as improved analytics and the application of AI/ML and IoT to build an intelligent enterprise.

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During March 2019, Infosys launched a program Innov8 in partnership with SAP and Microsoft to transform clients through Intelligent use cases built on AI/ML, SAP implementations and cloud adoption together. During 2020, Infosys defined Live Enterprise offering for SAP combining its Innov8 solutions and its industry solutions platform, Catalyst. In August 2020, Infosys launched Infosys Cobalt, a broad organization-wide cloud capability. Cobalt is the collection of the assets, solutions, methodologies that Infosys has built-in delivering cloud services across geographies, industries, and technical platforms. Cobalt takes a layered approach to cloud services. It starts with foundational cloud hosting provided a broad set of delivery partners, including AWS, Azure, Google Cloud, IBM Cloud, Alibaba, Virtustream, HPE, and VMWare.

Cobalt builds on this through the application of key cloud modernization services that allow clients to enhance the value realized through a cloud investment. These services include data center consolidation, application and ERP modernization, mainframe transformation, API integration, data monetization and analytics, custom experience, and industry 4.0.

Infosys then builds industry-specific use cases encompassing cloud foundations and modernizing capabilities.

All of this is delivered by Infosys through an ecosystem of delivery partners. This includes practitioners across Infosys as well as startups.

To embed SAP-centric capabilities into Cobalt, Infosys has adapted its existing SAP migration and implementation assets to cloud-hosted SAP. It is also actively expanding its portfolio of assets. It now estimates it has ~110 Live Enterprise Solutions to enable SAP on the cloud.

NelsonHall estimates that ~25% of Infosys' CY 2019 revenues are associated with packaged application services, of which SAP services account for ~70% (~$2,200m). NelsonHall estimates that ~28% (~$615m) of these revenues relate to SAP ERP cloud services.

Infosys positions its SAP on cloud capabilities as a key driver of its client's broader digital transformation. It is building end to end offerings that encapsulate all components, including the infrastructure, application licenses, and support services, including business process management.

Infosys places its Live Enterprise model as the core of its SAP on cloud approach. It takes a layered approach that builds incremental capabilities on top of the core foundation of cloud and SAP ERP. Layers of its approach include:

- Platform: cloud hyperscalers

- Enterprise: SAP S/4HANA and SAP ECC

- Intelligence: SAP cloud analytics, SAP qualtrics, and enterprise semantic services

- Sentience: platform and sentient services including SAP mobile platform, SAP cloud connector, search and telemetry

- Processes: sentient processes including Lead to Cash, Procure to Pay, Record to Report, Plan to Produce, Plan to Inventory, Market to Cash, Hire to Retire, Acquire to Retire, Issue to Resolution

- Interface: incorporating experience and data science as well as mobile interfaces on top of core processes.

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As of June 30, 2020, Infosys has a total of ~240k employees globally, of which NelsonHall estimates that ~17k deliver SAP services. In parallel, ~84k employees have been trained or received certifications in cloud capabilities.

NelsonHall estimates that ~6k of the Infosys SAP team possess SAP cloud skills

Infosys is positioning its SAP cloud migration in the broader context of digital transformation. This allows its clients to look more strategically at making a significant investment in migrating or transforming its core ERP and expand the business value that can be realized, which improves the business case. One area where it can continue to grow its capabilities is expanding its client-proximate consulting capabilities to help guide clients on these up-front planning and road mapping decisions.

In parallel, Infosys is investing in building assets and accelerators that enable clients to realize the required business case. Proprietary functional assets expand the functionality of core SAP capabilities while tools accelerate and de-risk the migration to the cloud. Additionally, its Catalyst offering for Azure provides an industry-tailored migration path with pre-configured S/4HANA and additional functionality hosted in Azure.

Leveraging its close partnerships with hyperscale cloud providers to build its go-to-market portfolio and unique offerings across a variety of partners also positions Infosys well to deliver cloud migration for clients, regardless of the type of migration, value sought, and target cloud architecture.

Scope of the Report

The report provides a comprehensive and objective analysis of Infosys' 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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