



Wipro 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 Wipro is a comprehensive assessment of Wipro'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

Wipro has been an SAP Global Services Partner since 2007. It has delivered SAP services to ~600 clients globally. It possesses ~13k SAP-skilled employees, including ~9.2k possessing S/4HANA capabilities.

Its relationship with SAP includes the following:

- Partner of SAP, both going to market as well as a joint product development partner
- A client of SAP, using SAP S/4HANA and Cloud products like Ariba and SuccessFactors
- Supplier of SAP, running SAP infrastructure and supporting HR payroll
- Value-added reseller (VAR) in Germany, India, LATAM, and the Middle East.

Wipro has been investing in its SAP HANA capabilities over the last few years and says it has ~90 S/4HANA projects either completed or in process.

In 2016, Wipro acquired cellent AG, an IT services company in the DACH region, for €73.5m. Cellent was part of Landesbank Baden-Wuerttemberg (LBBW). It is an SAP specialist with 800 employees and generated €87m in revenue in 2014. Clients include in the:

- Automotive sector, Bosch, Daimler, MAN, Porsche, Knorr Bremse Mann + Hummel
- Manufacturing sector, Siemens, ZF Lenksysteme, Andreas Stihl, Bosch und Siemens Hausgeräte, Festo, Roto Frank, Wieland-Werke AG, Alfred Kärcher.

Cellent brings in local proximity to clients in DACH and help strengthen Wipro's client engagement model.

Wipro, with several years of SAP S/4HANA services under its belt, has centered its SAP offerings around enabling an enterprise's digital transformation journey, at the same time prioritizing SAP services in Industries where it can be a top-two provider. These include:

It is leveraging its recent digital/ design acquisitions, process, and business consulting capabilities to facilitate clients' design-led transformation projects.

- SAP products: SAP S/4HANA, in particular hosted on hyperscale cloud, provides AWS, Azure and GCP and SAP SaaS products SuccessFactors, Ariba, and Cloud for Customer (C4C)
- Industries: energy & natural resources, manufacturing, consumer industries, and retail. These are areas where it already possesses strong capabilities: it acted as SAP's solution partner on SAP Model Company for Utilities and is now partnering with SAP on its food and beverage model company offering, based, in part, on Wipro's work with a large U.S. food manufacturer. Wipro is also a co-development partner for Fashion & retail with SAP, and the newly developed solutions will offer a range of functionality from fashion manufacturing to in-store merchandising
- Geographic markets: Wipro is narrowing its focus to mature markets where large historic SAP clients have yet to migrate. In addition to the broader North American and continental European markets, primary focus areas include Germany (recently integrated Cellent provides scale locally to Germany and domestic SAP customer relationships), Japan, and Saudi Arabia.

This allows Wipro to continue to focus on large transformation engagements while targeting its innovation, partnership ecosystem, and offering development where it feels is best positioned competitively.

For CY 2019, NelsonHall estimates that Wipro had total revenues of ~\$8.3bn and estimates total SAP revenues as ~\$1.32bn. NelsonHall estimates that Wipro's SAP cloud migration services revenues account for 25% of total SAP revenues (\$330m).

Wipro positions its SAP offerings to support its three-pronged SAP strategy. This entails enabling clients to adopt an intelligent enterprise, accelerating cloud adoption, and modernizing applications.

To deliver these benefits, Wipro is focusing on leveraging cross-organization capabilities, integrating services from other areas of the organization with the SAP team. This includes leading clients in design-thinking and industry consulting workshops, leveraging business consultants to redesign business processes, instituting the use of automation technologies such as HOLMES, and applying agile and DevOps teams' techniques and assets accelerate application development and leveraging crowdsourcing to improve testing efficiency and effectiveness.

The combination of these capabilities is targeted at addressing the twin objectives that clients face in their SAP environments: driving down costs while expanding the use of innovation. On the cost side, Wipro is looking to optimize spending on SAP through the reduction in operations effort, optimization of licensing, hosting and database, and balancing CapEx and OpEx spend.

Wipro has ~180k IT services FTEs, 79% located in India, and 21% in other locations. Wipro estimates it has ~13k employees with SAP skills, including ~9.2k with SAP S/4HANA capabilities.

Wipro's strategic pivot to a shortlist of focused geographies and industry sectors for its SAP services provides its strong competitive positioning in these markets. It allows it to invest in tailored offerings. This approach enables it to demonstrate industry knowledge and commitment to its client base. Wipro's associated investment in building offerings tailored to these specific industries align its investments with high growth opportunities and further demonstrates its understanding of these markets. In addition to building its assets, Wipro has shown a willingness to acquire capabilities, and we expect that to continue, with this narrowed focus, shaping potential inorganic growth targets.

Wipro has also invested in assets and capabilities that support clients regardless of their route to migrate SAP to the cloud. Its migration framework and assets have been in use for several years and are built to be flexible to meet client needs, whether migrating a legacy environment as-is or implementing a new SAP S/4HANA environment.

Wipro is also looking to expand its capabilities in supporting migration to cloud environments outside of AWS and Azure. Its focus on GCP is relatively new but migrating its internal system to GCP provides it with a strong credential and opportunity to build knowledge, assets, and tools rapidly.

It is also continuing to grow its skilled resource base. As large enterprises increasingly begin to explore migrating legacy SAP environments, it would benefit Wipro to ensure it has adequate client-proximate skilled resources that can work closely with clients in the initial strategizing and planning phases of a migration effort.

Scope of the Report

The report provides a comprehensive and objective analysis of Wipro'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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