



Cognizant 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 Cognizant is a comprehensive assessment of Cognizant'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

Cognizant had revenues of \$14.8bn in 2017. Its guidance for 2018 is revenues in the range of \$16.05bn-\$16.30bn, representing a growth of 8.4% to 10.0%.

Cognizant has ~370 total SAP clients, including 83 on the Fortune 500. It has ~9k SAP skilled employees and delivers services out of 35 delivery centers globally.

It has been offering SAP S/4HANA services since 2015 with a significant number of engagements focused on assessments of the migration to estimate the value that can be realized.

For CY 2017, Cognizant had total revenues of ~\$14.8bn. NelsonHall estimates that Cognizant's 2017 SAP HANA and S/4HANA services revenues accounted for ~\$325m and in 2018 totaled ~\$425m.

Cognizant has developed offerings across the lifecycle to support client adoption of S/4HANA including consulting, migration and implementation, maintenance and bundled offerings. These are supported by proprietary accelerators and tools. Similar to SAP's Model Company offerings, Cognizant has developed pre-configured S/4HANA offerings that bundle core S/4HANA with specific incremental offerings to address specific needs of target industries.

Cognizant has ~9k total SAP skilled employees. To address the growing demand for new and digital offerings from SAP, Cognizant has organized its SAP digital workforce into COEs dedicated to each offering.

Employees by COE include the following:

- SAP HANA and analytics: ~2k employees
- HANA Cloud: ~350
- S/4HANA: ~1.4k
- C/4HANA: ~400
- SAP Leonardo: ~65
- SAP SuccessFactors: ~150
- SAP Cloud platform: ~120
- SCM: ~270.

Cognizant has thirty-five delivery centers out of which it delivers SAP services. These are a mix of local delivery centers that support a single geography, nearshore delivery centers to provide time zone adjacent remote delivery and offshore delivery centers.

Cognizant has made a focused effort to build its capabilities in anticipation of growing demand. These capabilities have a primary focus on delivering two key areas valued by clients: industry-tailored functionality and bundles incorporating other SAP offerings. Cognizant's industry offerings enable it to tailor implementations to specific client needs, accelerating the adoption and increasing value while building bundled offerings incorporating Leonardo or Hybris increase the value of the implementation, improving the business case.

While much of Cognizant's experience has been focused on small and medium businesses, in particular in emerging markets, its tailored offerings position it to support its large enterprise clients as adoption accelerates in the coming years.

Cognizant has also invested in a geographically broad delivery center network to support its clients with a local workforce so a key focus going forward needs to be increasing the population of skilled employees in these locations. While it possesses ~35 centers globally housing SAP skills, ~65% of its skilled workforce is based in India. It will need to continue to grow its client-proximate workforce to support clients.

As large enterprise shift from customized legacy SAP to the more standardized S/4HANA, business process change, and change management will become an increasingly important and increasingly valued aspect of S/4HANA adoption. Supporting clients through this change will require a significant on-site presence. Cognizant's RDC initiatives position it well to build this required capability.

Scope of the Report

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



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