



Cognizant 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 Cognizant is a comprehensive assessment of Cognizant'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

Cognizant had revenues of \$16.8bn in 2019. The company overall has positioned as an integrated service provider, combining insight and advisory consulting services, industry skills & knowledge, a culture of innovation and agility, and at-scale IT and service operations.

In 2017 Cognizant realigned its offerings into three broad practice areas, each headed by a President, all positioning on helping clients with their digital transformation agendas:

- Digital Business: includes the Digital Works unit set up in 2015. Key investments were in design, analytics, and data scientists; expanding the number of 'Collaboratories' globally
- Digital Systems & Technology: focused on modernizing, securing, and scaling legacy technology environments (e.g., migrating to AWS), and in the use of automation/AI
- Digital Operations: includes cloud-based offerings and platforms businesses such as TriZetto.

Cognizant initiated its focus on SAP ERP cloud capabilities in 2011, creating a dedicated SAP cloud practice and building out a proof of concept offering. It gained its first client for this offering in 2014. Through 2016 it focused its effort on cloud migration to address specific challenges being seen in on-premise SAP environments.

Beginning in 2016, the focus of this team began to shift to be primarily targeted at enabling the adoption of HANA and S/4HANA in the cloud. In 2018, this expanded to focus beyond infrastructure cost reduction initiatives to target improving client visibility to real-time operational data for use in analytics.

In parallel, it also began evolving its delivery capabilities to include simplified consumption-based pricing and better leverage new, agile ways of working.

It has also focused on building out industry-tailored offerings to simplify and accelerate client adoption.

While it has not made acquisitions specifically targeted at expanding its SAP capabilities, several of its acquisitions do impact its delivery of these services, including the following:

- Digital engineering capabilities: in November 2018, Cognizant acquired SoftVision for ~\$550m, bringing in 2,800 personnel, specialist capabilities, and scale in software engineering, including an extensive nearshore capability in Romania that Cognizant can use to serve European clients
- Azure migration: in 2020, Cognizant acquired both 10th Magnitude and New Signature to focus its capabilities in support of Microsoft Azure, the most commonly selected public cloud provider leveraged for SAP cloud migration by Cognizant clients to date
- DevOps: in 2019, Cognizant acquired Contino, which brings ~350 employees focused on DevOps, cloud-native development, and data platforms across the U.K., U.S., and Australia.

For CY 2019, Cognizant had total revenues of ~\$16.8bn. NelsonHall estimates that Cognizant's 2019 SAP ERP cloud services revenues accounted for ~\$105m.

Cognizant has defined a broad set of offerings that spans the full lifecycle of cloud adoption, including consulting, assessment, planning, migration/implementation, management, and operations. It does this through sets of specific offerings and assets to address individual migration activities and bundled as end to end services. These bundled services reflect the different objectives that Cognizant sees clients looking to realize.

NelsonHall estimates that Cognizant has an SAP cloud-skilled workforce of ~1,030, which holds a total of ~1,100 SAP certifications, including ~490 with public cloud certifications. Cloud advisory comprises ~11% of this team (113 FTEs).

Cognizant has focused on SAP cloud migration since 2011, providing it a mature offering and delivery framework. This length of time has enabled it to build out a broad portfolio of offerings and assets. With specific assets and capabilities built to automate and simplify the cloud adoption process, Cognizant presents a compelling offering to clients.

While it sees adoption grow fastest in North America, Europe possesses a broad SAP client footprint and, under GDPR regulations, has a unique cloud-adoption environment. As EMEA has its smallest resource footprint, Cognizant is investing in growing out its resource base, including client-proximate teams. Growing its client-proximate resource base also helps alleviate any concern among clients about Cognizant's heavily remote delivery model. Cognizant's broad global delivery footprint, including specific region-tailored nearshore centers, also helps address any concerns about a nearly 100% remote delivery model.

Cognizant also possesses a strong relationship with Microsoft and a breadth of experiences in migrating SAP to Azure. This relationship and potential joint go-to-market provide Cognizant with strong reference experiences for new clients.

With the majority of SAP cloud migrations, also meaning the adoption of S/4HANA, Cognizant's assets for S/4HANA adoption are also of value in cloud adoption. Its industry-tailored offerings provide an avenue for clients to accelerate the adoption of S/4HANA (and the cloud) while also implementing functionality tailored specifically to the demands of the client's sector.

Scope of the Report

The report provides a comprehensive and objective analysis of Cognizant'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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