



LTI

SAP HANA and S/4HANA Services

**Vendor Assessment
Report Abstract**

February 2019

**By David McIntire
IT Services
Research Director
NelsonHall**

10 pages

research.nelson-hall.com





Who Is This Vendor Assessment For?

NelsonHall's SAP HANA and S/4HANA Services Vendor Assessment for LTI is a comprehensive assessment of LTI'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

Larsen & Toubro Infotech (LTI) is an IT services and solutions vendor headquartered in Mumbai, India. It had CY18 revenues of ~\$1,304m and headcount of 27,513 as of December 31, 2018.

LTI is a subsidiary of Larsen & Toubro, an engineering, manufacturing, financial services, and technology firm having global operations. LTI primarily services U.S. clients (North America accounted for 67% of its CY18 revenues); its other geographic segments are Europe (18%), India (7%), and RoW (8%).

LTI has been delivering SAP services since ~1998. It now possesses a total SAP workforce of ~4k employees globally and delivers services to ~80 clients. Its relationship with SAP spans three aspects: it acts as a delivery partner to clients, co-innovates with SAP to develop new offerings with SAP and it's a client of SAP. It installed its own S/4HANA instance on AWS with ~5k users.

LTI initiated HANA services in 2011 when it launched a COE. It followed this with its first set of Rapid Deployment Solutions (RDS) in 2012 and has since focused successively on developing capabilities in BW on HANA, Suite on HANA (SoH), and then S/4HANA (beginning in 2014). It has launched a program to train all of its SAP resources on HANA and S/4HANA

For CY 2018, NelsonHall estimates that LTI had total revenues of ~\$1,304m and total SAP revenues of ~\$210m.

NelsonHall estimates that LTI's CY 2018 SAP HANA and S/4HANA services revenues accounted for ~25% of total SAP revenues or ~4.4% of total revenues (~\$58m).

LTI's HANA and S/4HANA offerings span four areas:

- S/4HANA advisory services
- Business transformation through HANA and S/4HANA adoption
- Using SoH migrations as stepping stone to S/4HANA
- Improving user experience.

LTI has ~26K FTEs; ~15% of its total resource capability is focused on SAP services (~4k). Of this, ~50% possesses HANA and S/4HANA skills (~2k). NelsonHall estimates that, of this team, ~11.0k are dedicated HANA and S/4HANA employees actively supporting new engagements. It is also in the process of recruiting another ~11k S/4HANA skilled employees in 2019.

LTI's key India delivery location is Mumbai. It possesses 32 delivery centers globally where SAP employees are housed.

LTI's experience in HANA and S/4HANA differs from many of its competitors. The largest adopters of S/4HANA to date have been concentrated in small and medium businesses or facing significant disruption, e.g., through M&A activity. While LTI has seen some of this, its primary experience has been with large enterprises; this is both a strength and weakness.

While it possesses fewer S/4HANA implementations than other vendors, it has experience supporting the adoption of large-scale migration across complex, global ecosystems, including in multi-phase approaches using SoH before S/4HANA adoption. As companies face a 2025 deadline for migrating from ECC to S/4HANA, large enterprises will take an increasingly large proportion of the S/4HANA adoption market. They will also increasingly be direct adoptions, skipping the multi-phase approach many have taken to date.

LTI will need to continue its investments in industry-tailored offerings that use emerging technologies such as Leonardo which will increasingly be used to generate value from adoption. Its current investments in building its focus on enabling cloud migration, whether to SAP cloud platform or public cloud providers, also helps to position it well as client needs evolve and adoption grows in response to the business case challenges of S/4HANA adoption.

However, to deliver these transformative engagements, it will need to increasingly grow its client proximate delivery teams. With ~70% of its SAP delivery workforce located in India and needing to partner with consulting firms to augment its current business transformation and organization and change management capabilities in parallel with technology implementations, investing in expanding its workforce with non-technical skills that are located close to clients, will help it deliver the breadth of services its clients will seek.

Scope of the Report

The report provides a comprehensive and objective analysis of LTI'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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Report Author

David McIntire

david.mcintire@nelson-hall.com

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