



# **NTT DATA 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 NTT DATA is a comprehensive assessment of NTT DATA'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

NTT DATA Communications Systems Corporation was spun off as a separate company from NTT Corporation in 1988, subsequently changing its name to NTT DATA Corporation in 1996. NTT Corporation retains a 54% shareholding in NTT DATA, and NTT DATA works jointly with other companies in the NTT Group to deliver services to clients.

In 2008, NTT DATA acquired majority ownership of itelligence, a Germany based SAP consultancy. NTT DATA has used itelligence to form the core of its SAP Global One organization which standardizes offerings and delivery across the NTT DATA global operating units.

Since taking total control of itelligence, NTT DATA and itelligence have made a number of acquisitions to add incremental SAP capabilities and geographic coverage. It made seven acquisitions through 2016. Across 2017 and 2018, NTT DATA and itelligence have made five more acquisitions to expand its global SAP capabilities including:

- May 2017: NTT DATA acquired a majority stake in PT. Abyor (Abyor), an Indonesian SAP services provider
- June 2017: itelligence acquired Goldfish ICT, a Netherlands based SAP consultancy. Founded in 2000, Goldfish has ~70 employees and focuses on the food, agriculture, life sciences, and chemical sectors. itelligence says the acquisition will result in ~200 employees in the Netherlands and annual revenues of ~€40m
- October 2017: itelligence acquired vCentric, a Hyderabad, India-based SAP service provider
- March 2018: itelligence acquired EINS Consulting, a Sweden based full-service provider of SAP services with ~65 employees based in Stockholm
- June 2018: itelligence acquired a majority stake in German Hybris and SAP Gold Partner, Sybit. It was established in 2000 and has ~170 employees
- June 2018: NTT DATA acquired gen-ius, a provider of SAP consulting and services to the automotive sector, supporting sales and after-sales services. It was established in 2000 and is headquartered in Bielefeld, Germany with ~50 employees.

NTT DATA's SAP practice had ~\$2bn in annual revenues in 2017, realizing ~13% annual growth. It has ~5k clients across 58 countries and 17 industries.

In August 2018, the parent NTT Holdings, announced its intention to group within a new firm, NTT Inc., several units including Dimension Data, NTT Comms and NTT Security and to amalgamate them. NTT DATA will be in the portfolio of NTT Inc. but will remain independent of the rest of NTT Inc.

While NTT DATA will remain the core of NTT Inc.'s SAP service capabilities, it does see the new entity as providing it new avenues and client possibilities, for example, targeting Dimension Data's cloud client base for new SAP engagements.

NTT DATA reported full calendar year 2017 revenues of ~\$18.7bn. NTT DATA estimates that \$2bn in revenues are associated with SAP, with an objective to grow this to \$3bn by 2020, via both organic and inorganic growth.

Of the total current SAP revenues, NelsonHall estimates that ~17.5% (\$350m) of CY 2017 SAP revenues comes from HANA and S/4HANA services. NelsonHall further estimates that CY 2018 HANA and S/4HANA revenues to be ~\$470m.

NTT DATA supports the adoption of HANA and S/4HANA by clients with the following services:

- Consulting services
- Implementation services
- Modernization services
- Management services.

In addition, it has developed certified proprietary assets to extend the functionality of the core solutions.

NTT DATA has ~15k employees delivering SAP services. It currently has ~3k HANA and S/4HANA trained employees, with ~50% of these being functional resources focused on S/4HANA.

NTT DATA has developed SAP Innovation hubs in global locations to develop new SAP offerings and capabilities. The focuses of each are intended to be complementary rather than duplicative. These innovation hubs are located in the following cities, by region:

- Americas:
  - Palo Alto
  - Dallas
  - Boston
  - Lima
- EMEA:
  - Madrid
  - Bielefeld
  - Johannesburg

- Asia Pacific
  - Hyderabad
  - Tokyo.

Unlike many of its competitors, NTT DATA has explicitly targeted acquisitions to increase its SAP capabilities. Its acquisitions of itelligence and everis have provided it with a strong base in the EMEA SMB market, which has been one of the strongest adopters of S/4HANA to date. It is continuing this approach, making several targeted acquisitions per year primarily to expand geographically but also adding incremental capabilities such as in C/4HANA. This inorganic growth separates it from many competitors and allows it to identify and exploit new markets more quickly than others.

NTT DATA and the new NTT Inc. are also focused on internal investment to bring new capabilities to the market. Using a significant NTT Corporate R&D budget combined with its membership in the Leonardo Partner Medallion program enables NTT DATA to build industry and functional offerings, including ones incorporating Leonardo. With industry perspective of primary importance to clients adopting S/4HANA, these innovative offerings, combined with NTT DATA's Model Company implementation approach, position it well to support the industries it is targeting. Adding new industries to its target list, such as telecom, will be another key avenue to growing its S/4HANA practice.



## Scope of the Report

The report provides a comprehensive and objective analysis of NTT DATA'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 Length

12 pages

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