



Tech Mahindra SAP HANA and S/4HANA Services

Vendor Assessment
Report Abstract

February 2019

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9 pages

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Who Is This Vendor Assessment For?

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

Tech Mahindra was founded in 1986 and is headquartered in Mumbai, India. A major shareholder is Mahindra Group (with ~26.3% of shares).

In June 2013, Tech Mahindra (TM) announced the finalization of its merger with Mahindra Satyam (MS); the merged entity is now called Tech Mahindra. Tech Mahindra and Mahindra Satyam had a largely complementary client base in terms of geographical and vertical presence; Tech Mahindra had targeted telecom service providers with an IT and BPS services portfolio and investments in network, security and business process, and Mahindra Satyam had focused on a wide range of enterprise clients, including telecom with primary focus in consulting, engineering and analytics.

Earlier in 2013, Mahindra Satyam had acquired a 51% stake in Complex IT, a Brazil-based SAP consultancy. The acquisition added ~500 SAP skilled employees in Latin America, which now acts as the hub of nearshore capabilities to support SAP engagements across North and South America.

For its enterprise application services, including both SAP and Oracle, Tech Mahindra launched a revised offering in November 2017 focusing on the following initiatives:

- **Process consulting:** Tech Mahindra is investing in expanding its process consulting resources located near to its client base. It estimates it has ~40 process consultants globally with at least five located in each region currently that understand processes and bring specific vertical experience. Tech Mahindra is looking to use these expanded capabilities to drive more consulting-led engagements. At the launch of the new approach, ~73% of revenues came through RFP processes. That proportion is now down to 66%, including a recently won \$30m SAP engagement at a high-tech client
- **Platform solutions:** Tech Mahindra has developed 21 software solutions that bolt on to enterprise applications to address specific vertical needs not addressed by the core ERP. Examples include a reverse logistics application that has been deployed with SAP at a North American telecom to address inventory management in its retail business; FEEDS, a retail track, and trace application and an application to help high tech clients manage VAT requirements for Chinese sourced parts

- Co-innovation with partners: Tech Mahindra is looking to productize solutions built for a specific client and offer them more broadly. Examples of this include: at a large life sciences client, where it developed a data archiving solution for migrating to S/4HANA and a content management system on the blockchain jointly developed with a U.S. media company that is now being offered by Tech Mahindra, with a licensing fee being returned to the media company.

Tech Mahindra's total revenues for CY 2018 were ~\$4.9bn. NelsonHall estimates that SAP services revenues accounted for ~13% of this (~\$640m).

NelsonHall estimates that CY 2018 SAP HANA and S/4HANA services represent ~24% of the total SAP services or \$155m.

Tech Mahindra delivers a full lifecycle of HANA and S/4HANA services. These services span:

- Advisory and roadmap service
- Implementation service
- Transformation service
- Migration service
- Support service.

Additionally, it has developed a number of proprietary industry offerings designed to interact with S/4HANA in its target industries.

Tech Mahindra has ~118k employees and ~7k SAP trained personnel. Key SAP employee headcounts to support HANA and S/4HANA services include the following:

- ~1k S/4HANA
- ~300 HANA
- ~300 SAP BW
- ~200 SAP BI.

The core of Tech Mahindra's HANA and S/4HANA capabilities are in its SAP HANA Lab, based in Bangalore. It also possesses SAP skilled employees in Hyderabad, Pune, and Chennai.

Tech Mahindra is placing focus on the development of proprietary offerings to drive client S/4HANA adoption. These investments have taken two forms: the first is a broad automated toolkit to support the advisory, consulting, implementation and migration services. The second is a set of industry-tailored offerings that apply emerging technologies on top of S/4HANA to increase the value that can be realized by clients adopting S/4HANA as its digital core.

These offerings help clients improve the business case of adoption which has been an inhibitor of adoption to date, particularly for large enterprises. The accelerators also help Tech Mahindra mitigate any limitations from its still growing workforce, particularly those located close to its client base.

Tech Mahindra's significant focus on emerging markets is one differentiator from many of its competitors. Its Complex acquisition gave it a foothold in Latin America, and it has successful credentials in both the Middle East and in Africa. Building credentials and delivery capabilities in these emerging markets demonstrate a commitment to smaller clients in these growing geographies.

Scope of the Report

The report provides a comprehensive and objective analysis of Tech Mahindra'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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