ISG Provider Lens™

Salesforce Ecosystem

Professional Services for Sales Cloud and Service Cloud

USA 2019

Quadrant Report

A research report comparing provider strengths, challenges and competetive differentiators.

February 2019

PERSISTENT

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of February 2019, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars ($US) unless noted.

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ISG Provider Lens™

ISG Provider Lens™

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EXECUTIVE SUMMARY

The Salesforce Ecosystem with Specific Focus on Sales and Service Cloud and Recommended Apps

Since the company was founded in 1999, Salesforce has shown a significant growth and is today the world's leading provider of cloud-based CRM functionality (SaaS). From the beginning, Salesforce has always focused on agile implementation and a high level of standardization, which in turn enables the company to issue frequent application updates. Furthermore, it helps clients to complete rapid implementations that can start with limited functional scope and then be enhanced over time. Meanwhile, the continuous development of the software has led to a variety of products being offered. The most mature are Sales Cloud (for supporting the main activities of salespeople) and Service Cloud (for supporting the main topics around customer service and the activities of the field service employees).

The growing functionality has led to a situation where implementations are increasingly being conducted on an enterprise level resulting in broader scope and major additional needs for integration into the client's respective system landscapes. A growing number of clients today are asking for consolidation of several Salesforce installations that have been deployed over the years in different organizational units. This implies that the availability of experienced implementation partners has become a critical success factor for the productive use of Salesforce.

The current situation in the market can be characterized as follows:

- In most cases, the client's functional requirements lead to so-called multi-cloud implementations including several of the Salesforce products. For example, in most cases a standard implementation is comprised of Sales Cloud and Service Cloud functionalities. Therefore, implementation partners need to be capable of supporting several, if not all, of the Salesforce products to be competitive. Hence, in general, the selections of providers that are relevant for the different segments and products usually does not strongly depend on the specific product being considered. The ability to work with multiple Salesforce products is important to provider positioning.
- The often rather complex system landscapes that a Salesforce implementation needs to be integrated into require a well-developed procedure model that considers the specific requirements. Many providers do offer a modified agile methodology that includes elements of a phased procedure model, particularly in the project scoping and definition phases and in the deployment phase. The core development parts of the respective project are still conducted in an agile mode with several sprints lasting only a few weeks each. A common term for this approach in the market is "hybrid agile" methodology.

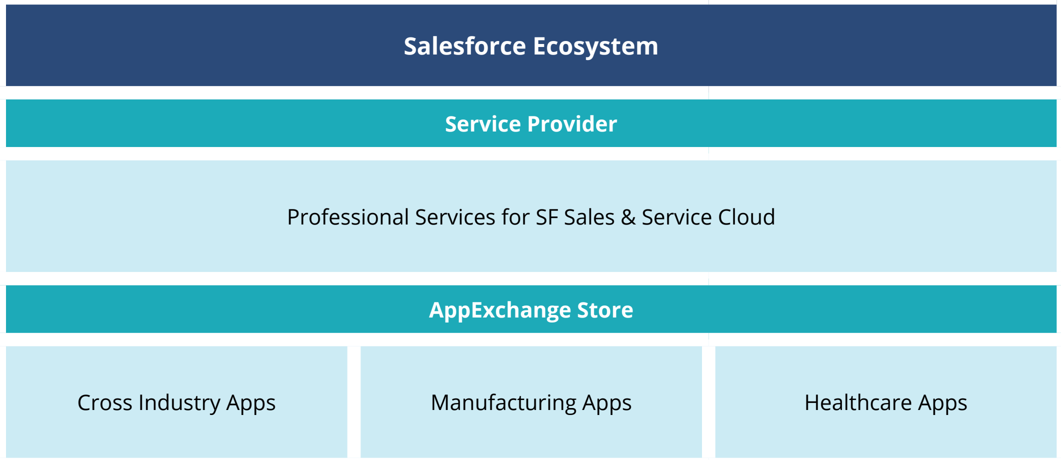
- Two basic types of providers can be distinguished according to how they handle address integration needs in a complex environment:
  - There are providers that have a strong focus on system integration and offer, beside the Salesforce-related competency, capabilities regarding other technologies and/or software packages that also allow them to cover the integration aspects of a project. These providers tend to have global coverage and can serve clients with global operations.
  - There are providers that focus mainly upon Salesforce core functionalities, and in most cases also on a mainly agile approach to implementation. Projects that need significant integration with other packages will require respective knowledge on the clients´ side, or the involvement of another provider with the needed competency. Typically, these "Salesforce only" providers have a limited size but are highly capable in their specific knowledge area due to their high specialization. They can serve all types of clients, but are best suited for projects with limited size and low integration needs, where most of the work required is in the U.S.

Besides assessing Salesforce consulting and implementation partners, this study reflects another major part of the Salesforce ecosystem, that of functional extensions of Salesforce products. As indicated above, Salesforce has a strong focus on standardization, and hence agile implementation opportunities, which on the other hand leads to some limitations in the functionalities that are provided. These limitations are compensated by a large network of independent software vendors (ISVs) within the ecosystem that provide a broad variety of apps that are based upon the Salesforce platform. Clients can use the ISV offerings to extend their respective installations with functionalities that go beyond the Salesforce standard. Salesforce explicitly supports this approach by providing an online application marketplace for third-party applications, called AppExchange. Applications that are offered on this marketplace are either available for free or require a separate contract with the ISV through yearly or monthly subscription models.

This report provides three lists of recommended apps (based on our research) that are offered on the AppExchange marketplace. One list is comprised of 20 apps that are suitable for a cross-industry use. The other two each have 10 apps each that are suitable for the healthcare and the manufacturing industries. The lists include a rating of each application based on the score we calculated from five basic criteria; however, the lists do not provide a ranking due to the very different scope and functional areas being offered.

Introduction

Simplified illustration



Source: ISG 2019

Definition

This study examines various offerings around the Salesforce platform for the U.S. market. It covers two distinct market segments.

On the one hand, it analyzes providers that act as implementation partners for Salesforce and offer services to design, configure and implement solutions for clients of the Salesforce platform. The focus of this study is on the Sales Cloud and the Service Cloud products within the Salesforce platform, as these are the most mature products within the company's portfolio. Because Salesforce has been growing significantly over the recent years, there is a huge demand for this type of implementation support, and for the maintenance of already existing implementations. Salesforce itself runs an implementation support organization of limited size and therefore maintains a network of partners to fulfill the needs

Definition (cont.)

of its clients. These partners are usually subject to certification by Salesforce, with a variety of certification levels, from Global Strategic at the top level to Silver as the lowest. Many Salesforce implementation partner operate on a global level, and hence, regional markets have a significant overlap of active providers.

On the other hand, the study gives consideration to the fact that the Salesforce ecosystem includes many independent software vendors (ISVs) that develop and offer applications that are based on the Salesforce platform, and that provide functional extensions and/or industry-specific additional functionality to this platform. These apps are made available on Salesforce's AppExchange store and require a separate contract between the client and the respective application provider. While implementation partners are evaluated based on standard Provider Lens methodology and categorized into quadrants, the application ISVs are presented based on a different approach due to their limited scope and their varying functionality. This report presents three separate lists of recommended apps that deserve special attention due to their specific functionality or their focus on a specific industry.

Definition (cont.)

Scope of the Report

Professional Services for the Salesforce Sales Cloud and Service Cloud

This segment addresses the providers of professional services for companies that use or intend to implement the Salesforce Sales Cloud and the Service Cloud, which are the most mature products in the Salesforce portfolio. These providers have naturally the same technological foundation and in most implementations of a Salesforce solution functionalities of both products are utilized. The Professional Services quadrant analysis includes the respective abilities of providers in consulting, configuration and implementation of a Sales Cloud application for the client and the go-live support. Integrating Salesforce into existing landscapes is usually also part of the respective projects.

The focus on the U.S. market means that the providers are offering their services to clients within the country. Nevertheless, for those clients that operate on a global level, the providers should be able to work on solutions supporting requirements with a global scope.

Salesforce Apps

This segment considers providers of apps that are based on the Salesforce platform and provide additional functionality. Criteria for consideration are functional breadth and depth of the applications, the provider's continuous maintenance and versioning, price model clarity, comprehensiveness of user support and customer satisfaction feedback. Since the functional differences between the numerous apps are too significant, there is no ranking presented in this study. Salesforce ISV evaluations are not presented in a quadrant because the functional differences of their software too significant. Instead, ISG identified 20 recommended independent applications for Salesforce that our research determined are suitable for clients in organizations across industries, plus 10 specific to the manufacturing vertical and 10 specific to healthcare. Assessments were made mainly based on publicly available information, however a few providers actively participated by submitting specific information.

The apps usually do not exhibit some kind of regional scope or limitation and can be used by clients across the globe.

Provider Classifications

The ISG Provider Lens™ quadrants were created using an evaluation matrix containing four segments, where the providers are positioned accordingly.

Leader

The "leaders" among the vendors/ providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The "product challengers" offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or their weak footprint within the respective target segment.

Market Challenger

"Market challengers" are also very competitive, but there is still significant portfolio potential and they clearly lag behind the "leaders". Often, the market challengers are established vendors that are somewhat slow to address new trends, due to their size and company structure, and have therefore still some potential to optimize their portfolio and increase their attractiveness.

Contender

"Contenders" are still lacking mature products and services or sufficient depth and breadth of their offering, while also showing some strengths and improvement potentials in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) who ISG believes has a strong potential to move into the leader's quadrant.

Rising Star

Rising Stars are mostly product challengers with high future potential. When receiving the "Rising Star" award, such companies have a promising portfolio, including the required roadmap and an adequate focus on key market trends and customer requirements. Also, the "Rising Star" has an excellent management and understanding of the local market. This award is only given to vendors or service providers that have made extreme progress towards their goals within the last 12 months and are on a good way to reach the leader quadrant within the next 12-24 months, due to their above-average impact and innovative strength.

Not In

This service provider or vendor was not included in this quadrant as ISG could not obtain enough information to position them. This omission does not imply that the service provider or vendor does not provide this service.

Salesforce Ecosystem - Quadrant Provider Listing 1 of 1

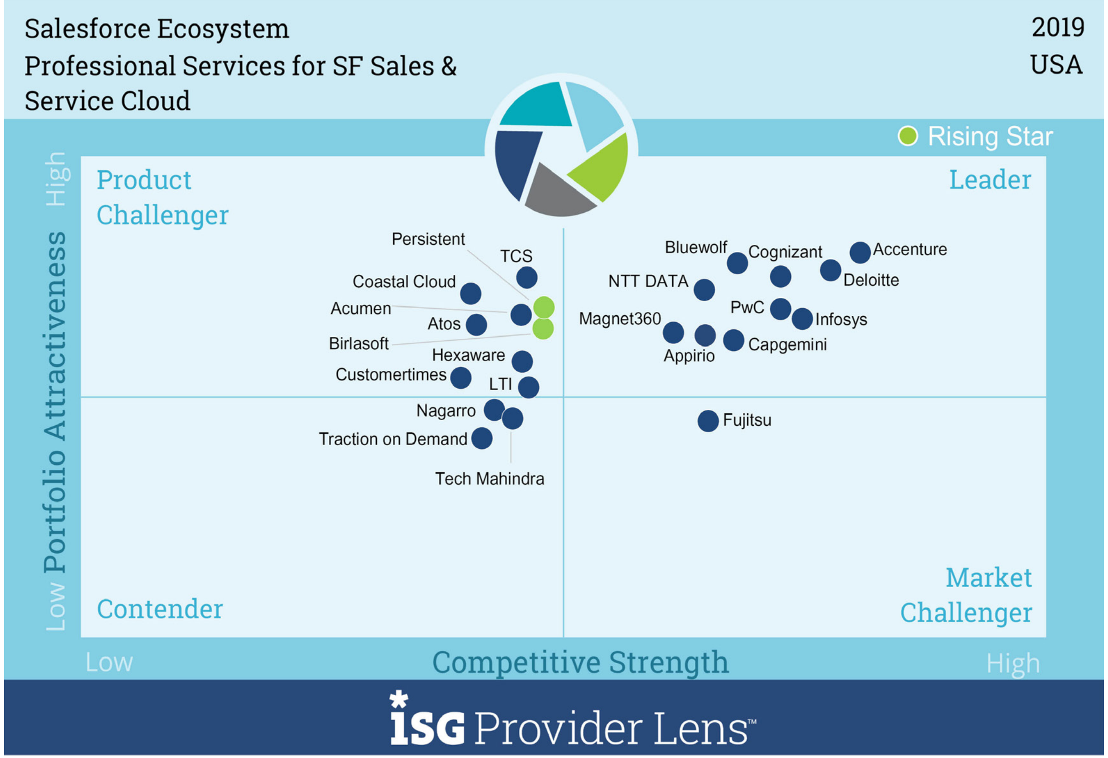
	Professional Services for SF Sales & Service Cloud
Accenture	Leader
Acumen	Product Challenger
Appirio	Leader
Atos	Product Challenger
Birlasoft	Rising Star
Bluewolf	Leader
Capgemini	Leader
Coastal Cloud	Product Challenger
Cognizant	Leader
Customertimes	Product Challenger
Deloitte	Leader
Fujitsu	Market Challenger

	Professional Services for SF Sales & Service Cloud
Hexaware	Product Challenger
Infosys	Leader
LTI	Product Challenger
Magnet360	Leader
Nagarro	Contender
NTT DATA	Leader
Persistent	Rising Star
PwC	Leader
TCS	Product Challenger
Tech Mahindra	Contender
Traction on Demand	Contender

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Definition

This segment addresses the providers of professional services for companies that use or intend to implement the Salesforce Sales Cloud or Service Cloud. The Professional services quadrant analysis includes the respective abilities in consulting, configuration and implementation of a Sales Cloud application for the client and the go-live support. The main professional services for applications that are already in production are maintenance and additional development. Integrating Salesforce into existing landscapes is usually also part of the respective projects and can be particularly challenging for providers when they serve enterprise clients because there are usually complex system landscapes to be considered.



Source: ISG Research 2019

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Definition (cont.)

The main functionalities of the Sales Cloud are:

- Contact Management
- Opportunity Management
- Lead Management
- Workflow and Approvals
- Sales Forecasting
- Email Integration
- Reports & Dashboards
- Salesforce Mobile

The main functionalities of the Service Cloud are:

- Customer Service
- Self Service
- Workflow and Approvals
- Digital Channels
- Field Service including Mobile
- Reports & Dashboards.

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Definition (cont.)

MAIN RATING CRITERIA

The most important criteria that were used in the evaluation are as follows:

- Technological competency regarding Sales Cloud and Service Cloud
- Managed Services portfolio attractiveness
- Predefined solutions
- Unique capabilities and differentiators
- Execution capabilities / Workforce
- Broad client base.

Observations

Sales Cloud and the Service Cloud are the most mature products in the Salesforce portfolio, and the providers active in this market mostly have a proven record of respective implementations of those products. The current market has the following characteristics:

- Major differentiators among service providers are the so-called accelerators and the industry specific solutions they offer. These assets are used to make the best use of the agile implementation approach that is possible with the Salesforce type of SaaS application. To a large extent, the provider positioning in the segment reflects the accelerator and industry-specific solution elements of their respective portfolios.
- In general, it appears that many providers have a slightly stronger position in Sales Cloud than in other product segments, because it deals with the basics of the CRM functionality like CPQ (configure price quote), opportunity management and others. Service Cloud implementations can mainly cover two major areas.

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Observations (cont.)

One is the functionalities that refer to the customer service as part of the sales process. Examples include contact center functionalities, customer portals and more. These functionalities are usually not isolated, but are used in combination with sales functionalities like CPQ, opportunity management and others. Most of the Service Cloud implementations fall into this category.

On the other hand, some cases require functionalities to support field service personnel in performing their tasks. These functionalities can for example refer to product specifications in case of repair services, or spare part supply management in case of device maintenance. Field support projects usually also have strong demand for mobile offline capabilities, to ensure continuous operation independent of network connections.

- As the U.S. is Salesforce's home market, there are naturally many providers offering professional services for Salesforce products. The globally acting providers have a dominant role. Reasons for their dominance include their ability to support broad scope including many of the Salesforce products, their better coverage of integration needs in sophisticated IT environments and the fact that many of the global providers are also supporting ongoing application management after Salesforce has been deployed. Midsize providers, in most cases, focus more on rapid implementation and on solutions for specific requirements, and less on integration and maintenance.

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Observations (cont.)

The following providers have been identified as Leaders: Accenture, Appirio (a Wipro Company), Bluewolf (an IBM company), Capgemini, Cognizant, Deloitte, Infosys, Magnet360 (a Mindtree company), NTT DATA and PwC.

- Accenture operates in terms of the workforce one of the largest Salesforce implementation partner practices globally and can refer to a broad and long experience. The portfolio offers numerous predefined solutions that cover technical and project execution aspects as well as industry specifics.
- Appirio shows a rather strong Salesforce competency and a strong market position in the US. The tools used by Appirio help to manage projects very efficiently and to achieve convincing results. Since being acquired by Wipro the offering of combined services together with the parent company are continuously being developed.
- Bluewolf had already a strong position in the U.S. for a long time with focus on rapid implementations and broad industry expertise. Since being acquired by IBM in 2016, the company is expanding its presence outside of the U.S. significantly and is a strong partner for Salesforce implementations serving clients with global operations.
- Capgemini is a globally operating provider of IT services that can refer to a rich experience with CRM in general and particularly with Salesforce. The functional expertise is complemented by a deep knowledge of industry specifics. The company offers a highly scalable and flexible delivery model most suitable specifically for large enterprise clients.
- Cognizant is a globally operating professional services provider with deep Salesforce related expertise and has developed a strong partnership with Salesforce over a longer period of time. The partnership includes, for example, provisioning support services on behalf of Salesforce as well as joint talent development. Cognizant has strong capabilities for various industries with a specific focus on healthcare.
- Deloitte has a large Salesforce practice operating on a global scale with the U.S. as the most important market. The portfolio offers numerous predefined solutions covering the improvements of efficiency in the project execution as well as industry specifics.

PROFESSIONAL SERVICES FOR SALES CLOUD AND SERVICE CLOUD

Observations (cont.)

- Infosys has within its global geographical scope a specific focus on the U.S. as key market. The portfolio offers a comprehensive development environment for Salesforce implementations as well as powerful industry solutions, namely for automotive and healthcare.
- Magnet360 is an implementation partner that has always been specialized on Salesforce implementations with a strong respective portfolio, including numerous powerful accelerators. Meanwhile, being part of Mindtree, there is now the ability to cover the integration with other packages as well.
- NTT DATA has a strong Salesforce related portfolio and provides a sophisticated delivery model with a relatively high share of nearshore resources. The portfolio covers productivity-oriented solutions as well as industry specific functionalities and the company can refer to a rich experience regarding Salesforce implementations. The U.S. is a key market for NTT Data.
- PwC has a strong Salesforce related portfolio with a specific focus on combining the business process transformation and the technology being used for this transformation. The company offers several industry specific solutions with Healthcare being a focus area.

Birlasoft and Persistent have achieved Rising Star status in the market.

- Birlasoft has been focused on Salesforce for a long time. Since the company has merged with KPIT, there will be the opportunity to enhance its scope significantly, as this new formation will enable the company to better expand coverage for integration needs and application management offerings.
- Persistent has a rather unique focus with its utilization Salesforce as an integration platform for a data-oriented system landscape. In addition to that, Persistent offers powerful accelerators and rich industry expertise.

RISING STAR: PERSISTENT

Overview

Persistent Systems is a U.S.-based provider offering business consulting, design-led workshops, architecture, development, QA and deployment with a strong focus on the Salesforce products. Being a database-oriented software development company, Persistent has developed a rather specific approach that emphasizes the unified definition of data within the enterprise, and based on that definition uses Salesforce as an enterprise platform for integrated cloud services.

Strengths

Implementation approach: Persistent is one of few providers that takes a strongly data-oriented implementation approach targeted at using Salesforce as an enterprise platform for digital transformation. This strategy is based on a well-defined foundation that Persistent calls an API and data integration layer and providing the tools and products that are necessary for consistent data-focused implementation.

Healthcare-specific solutions: The Persistent portfolio includes a rich set of solutions specifically for healthcare with a strong focus on Service Cloud. The healthcare solutions cover the entire spectrum from patient care, spanning clinic-oriented functionality to the post-treatment activities. Persistent has Full Force certification for its solutions in healthcare and life sciences vertical.

Project efficiency by accelerators: Persistent offers accelerators that are usable across industries for improving service delivery and project efficiency, by supporting continuous integration and providing frameworks for deployment and post-deployment configuration.

Strong partnerships: Persistent has developed complete software solutions on behalf of Salesforce, for example, analytics applications, which emphasizes its competency. Partner also maintains a strong network of partners that fit properly into the data-oriented approach, including Apttus, Conga and DocuSign.

Caution

Beside the few industries i.e Healthcare, Life Sciences and Banking & Financial Services, Persistent should develop the focus on other industries as well.

The company's share of T&M related work is relatively high. It should strive for increasing the share of fixed price and outcome-based project to demonstrate co-responsibility for the results of the respective projects.

2019 ISG Provider Lens™ Rising Star

With its strong data-oriented approach and focus on using Salesforce as an enterprise platform, Persistent has the potential to achieve a leading position in this market.

METHODOLOGY

The ISG Provider Lens™ 2019 – Salesforce Ecosystem research study analyses the relevant software vendors and service providers in the U.S. market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Salesforce Ecosystem market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
6. Use of the following key evaluation criteria:
   - Strategy & vision
   - Innovation
   - Brand awareness and presence in the market
   - Sales and partner landscape
   - Breadth and depth of portfolio of services offered
   - Technology advancements

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Mr. Suletzki relies on a deep understanding of core business processes and in-depth know-how of IT management. He has more than 30 years of experience as Senior IT Manager, Senior Project Manager and – at the beginning of his career – as IT consultant. His main areas of expertise comprise IT application management, IT architecture, data modelling as well as IT sourcing strategy and execution

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Before becoming an independent consultant, Rainer worked more than 30 years for a global German Life Science corporation.

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