



capioIT

Salesforce.com Global
Systems Integration and
Services Providers Capture
Share Report

FOCUS POINTS

- > Salesforce continues to be a global market changer. It effectively created the SaaS market, killed the legacy monolith of Siebel, and created one of the strongest and most loyal communities in the enterprise technology ecosystem. This is best represented through the venerated annual Dreamforce event.
- > Undoubtedly the services market for Salesforce is as mature as the Salesforce product offering and capability. Both are successful, but neither is close to a fully mature functionality. This is both positive and negative. Salesforce is growing at an accelerated pace, both as an expanding business, and as a partner opportunity. The challenge for many partners is to focus on their core differentiation and to maintain and enhance synchronisation with Salesforce growth avenues.
- > The differentiated aspect of the global Salesforce services and solutions market (until Dreamforce 2015) was the pre-eminent emergence of independent vendors. Cloud Sherpas, Bluewolf and Appirio were all ranked by capioIT as amongst the top five vendors in the equivalent report for 2014. Fast forward to 2016, at the time of publishing, only Appirio remains an independent entity. Accenture acquired Cloud Sherpas in September 2015, and IBM accelerated a lagging Salesforce capability with the Bluewolf acquisition in early 2016.
- > Accenture has clear leadership in the market. This leadership has been achieved through a long-term vision for the current and future requirements of Salesforce clients and enabled with organic and inorganic investment. In the clearest measure of Accenture market dominance, Accenture has approximately three times more certified consultants than any other provider. This Accenture success and capability is critical for client engagement, but also enabling it to have proportional influence with Salesforce in managing and developing the future direction of the technology and platform.
- > capioIT included 13 vendors in the study. This is a similar number of vendors included in the 2014 study and is reflective of the consolidation but slow emergence of new providers. What is of note is the highly tiered nature to the partnering environment for Salesforce. Both the market and Salesforce must do more to establish a solid tier of mid-sized solution providers. This will come through acquisitions and mergers, and is critical if the solution capability is to mirror that of SAP and Oracle in terms of scope and influence. It is particularly relevant for the emerging markets for Salesforce. Salesforce cannot grow geographically without partners to support and enable.

DO WE HAVE BUSINESS AS USUAL IN THE SALESFORCE SERVICES AND SOLUTION MARKET?

Salesforce has fundamentally altered the software and broader enterprise IT market. It increased focus upon, and measurement of, business outcomes of technology, transformed software delivery models and forced stagnant competitors to attempt, largely unsuccessfully, to reengineer their business. It has continually innovated and is a leader in multiple markets that extend beyond the initial cloud based CRM revolution that first bought it fame.

Despite this, in the early history of Salesforce, the solution market largely underperformed. There were several reasons for this.

Firstly, the concept of SaaS was new, at least in the sense of being successful business strategy, particularly in light of the ASP collapses. The marketing and sales pitch of Salesforce was that acquisition was a simple credit card transaction. This worked brilliantly to drive volume but made most buyers incorrectly believe that the requirement for integration, data governance and related services would be inconsequential. Not surprisingly, the ease of the model made many organisations take the view that Salesforce could be deployed at 100% of capability without IT being involved, or tellingly, even aware. Unfortunately for all, this was incorrect. The outcomes of this are still being managed.

Consequently requirements for services and integration accelerated with the increased enterprise demand. Slowly an independent services ecosystem was developed, firstly with small local providers, before the increasing enterprise corporatisation of the market to the current state, where the market is dominated by the usual suspects for application services and solution providers that largely, with some key exceptions, mirrors Oracle, SAP and Microsoft.

Now the market is closer to maturity, the key constraint for the Salesforce market is quite simple. It is the constriction of available resources in the marketplace in numbers, focus and geography. Salesforce simply will not grow without partner growth in numbers and scale. To help arrest this, Salesforce has made considerable investments in this critical aspect of their business. The Trailhead investments have been exceptional and act as a critical component linking IT and business users of the Salesforce portfolio.

The demand for the growth of Salesforce solutions has been driven by the following factors.

For the Salesforce users key drivers of growth in Salesforce solutions include:

- Realisation that Salesforce is an enterprise tool, and needs time and money to integrate.
- Skills in Salesforce are difficult to hire, let alone retain.
- Cost of labour is high at a global and regional level

- Increased appreciation of the depth of relationship that external providers have with Salesforce
- Strategic understanding of the focus of competitive differentiation that Salesforce can provide if executed to the potential of the product.

From the vendor or supply side perspective, there has been considerable change. These include:

- Increase skills of offshore service delivery quality and scale
- The requirement to provide a more globalised capability and level of service
- Investment required to align with the growth of Salesforce and extension of the Salesforce offering portfolio
- Development of IP based repeatable assets for Salesforce deployment
- Tighter integration of technology and business capabilities and client requirements
- Increased skills to identify industry specific requirements

HOW CAPIOIT MEASURES VENDOR CAPABILITY IN THE GLOBAL SALESFORCE.COM SYSTEMS INTEGRATION AND SERVICES PROVIDERS MARKETPLACE

A Capture Share report is the established methodology used by capioIT to rank providers in global and other geographic markets across a range of technology and business services sectors. The Capture Share report output is based on the analysis of 17 key capabilities and attributes of selected services providers.

These attributes are focused in two key areas, Transform and Leverage. Transform is in simple terms about the ability for a vendor to engage and create processes and stronger measurable business outcomes. Leverage is focused on the ability to work in a broad ecosystem and provide scale to the creation of client outcomes.

In order to integrity of the analysis and data, the individual attributes are weighted in percentage terms on the basis of the overall influence for the Transform and Leverage capabilities.

Clearly data and process integrity are a critical component of a report of this type. It is fundamental that the data be valid and untarnished. To help ensure this, all information for the measurement and assessment of these attributes comes from a range of sources to ensure a range of opinions. Sources of information include buyers of Salesforce services solutions globally, vendor briefings and meetings, media sources, the Salesforce ecosystem and specific end-user feedback.

The following table defines each of the attributes. These tables also provide the weighting of each individual attribute in the analysis.

Leverage Attribute	Definition	Weighting
Customer Satisfaction	Customer Satisfaction sourced from customer discussions and Salesforce AppExchange etc.	20%
Solution Portfolio Depth	Depth of offerings across customer requirements for Salesforce.com	15%
Certified Salesforce Professionals	Dedicated Certified Salesforce professionals globally	15%
Country Strength	Depth, maturity and capability of country subsidiary	12%
Sales Team Strength	Quality, depth of sales team and engagement	8%
Delivery Partnerships	Partnerships to deliver to client requirements globally	10%
In Country Geographic Reach	Breadth of country based geographic capabilities	8%
Country localisation	Offerings designed for the local market	8%
Total		100%

Transform Attribute		Weighting
Internal R&D	Internal R&D focused on Salesforce related Services	10%
Leverage Salesforce R&D	Platform to leverage Partner Salesforce R&D	10%
Salesforce Ecosystem Partnership	Depth of partnerships in the Salesforce.com ecosystem	15%
Global Solution Development	Development of portfolio offerings that are global in scope and capability	5%
Industry Solution Development	Development of industry specific solutions for clients	15%
Country Solution Development	Strength and quality of client outcomes from engaging the provider	5%
Salesforce.com Platform Implementation	Investment in Salesforce.com platforms and related services	20%
Strength of Brand	Reputation and credibility of brand in the local and global marketplace	12%
Ability to influence external market	Strength of the provider to create market awareness and influence	8%
Total		100%

The following section highlights the leadership in each of the 17 attributes included in the report. The vendor/s next to the attribute represent the highest ranked vendor for that attribute. It highlights that for some factors, the leadership is spread across multiple

vendors, e.g. Data Centre Partnerships, whereas for other factors, such as Delivery Platform, leadership rests with one vendor.

RANKING THE GLOBAL SALESFORCE.COM SYSTEMS INTEGRATION AND SERVICES PROVIDERS

As highlighted earlier, the evolving nature of engagement and delivery of Salesforce related services has created significant and positive flux in the market. Both clients of Salesforce, and the vendor itself, benefit from this. As discussed, is a unique market in that the first movers were not the traditional Systems Integrators. The first partners for Salesforce were independent small local vendors who were quick to identify the potential of the new market surrounding Salesforce and the SaaS ecosystem.

At the same time, the legacy solution vendors did not understand the growth trajectory for Salesforce, and were still overly focused on the SAP, Oracle and Microsoft ecosystem without understanding the potential. Clearly change came, albeit too slowly for many providers. There are still too many legacy vendors that have not made the appropriate investments to build out a balanced portfolio across varied aspects of the broader applications marketplace including Salesforce. Their continued reliance on the legacy markets of the application environment make them vulnerable to the decline of these markets as automation, system maturity, and the need for speed removes the premium opportunities. Without SaaS and Salesforce ecosystem capabilities, their overall position in the broader solution market is under threat. This includes some of the Indian based vendors amongst others.

capioIT carefully selected 13 significant providers in the Global salesforce.com Systems Integration and Services Providers to undertake a Capture Share addressing the competitive environment of the Global salesforce.com Systems Integration and Services Providers marketplace. For more details on the Capture Share methodology, please see Appendix 1.

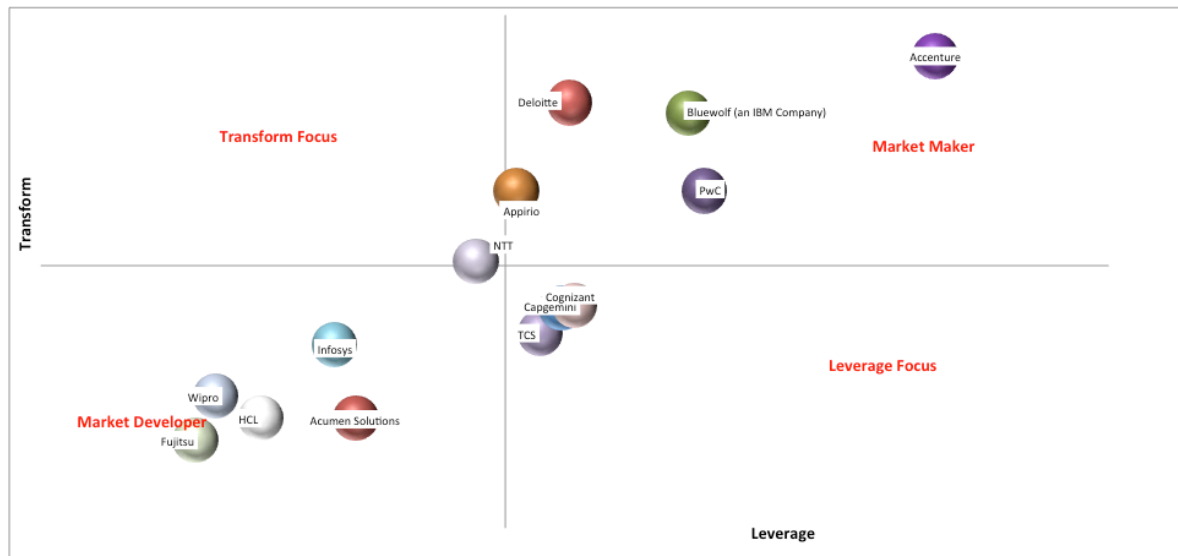
The following vendors were included in the analysis:

- Accenture
- Acumen Solutions
- Appirio
- Bluewolf (an IBM Company)
- Capgemini
- Cognizant
- Deloitte
- Fujitsu
- HCL
- Infosys
- NTT

- PwC
- TCS
- Wipro

The chart below highlights the Capture Share results. It is clear that Accenture is a positive outlier in the market. As mentioned prior, this is due to the vision of Accenture early on in the Salesforce evolution to invest deeply and strategically in the platform alongside investments in Oracle and SAP.

Other key results include the rise of IBM from market obscurity to strength through the Bluewolf acquisition as well as the continuing challenges of the Indian based services providers in the marketplace to share in the top echelons of leadership.



As the chart highlights there are four positions on the Capture Share. The axis of the Capture Share indicates the average ranking. For example a vendor ranked as a Market Maker has scored above average on both the transform and leverage attributes. A Leverage Focus vendor is above average for the leverage attribute and so on.

Vendors Rated as Market Maker

- Accenture
- Appirio
- Bluewolf (an IBM Company)
- Deloitte
- PwC

Vendors Rated as Transform Focus

- NTT

Vendors Rated as Leverage Focus

- CapGemini

- Cognizant
- TCS

Vendors Rated as Market Developer

- Acumen Solutions
- Fujitsu
- HCL
- Infosys
- Wipro

Accenture has clear leadership in the Salesforce Services market. It established primacy in the early days of the evolution of the Salesforce platform and has maintained this with both organic and inorganic growth since. The most compelling statistic for the dominance of Accenture in the market is the number of certified Salesforce resources. Accenture has a pool of resources that is almost three (3) times that of its nearest rival. It holds leadership, either outright, or in partnership with other vendors, in 15 of the 17 attributes included in the study.

Whilst Accenture was ranked atop the 2014 study by capioIT of the Salesforce Services market, capability was clearly boosted by the acquisition of Cloud Sherpas in September 2014. Cloud Sherpas as a standalone entity was already classified by capioIT as a Market Maker, alongside Accenture, so the acquisition further reinforced the strength of Accenture, whilst retaining the key elements that made Cloud Sherpas a leader in the marketplace. These included more flexibility, relationships and ability to go deeper to the mid market as well as specific technical capabilities.

Bluewolf is no stranger to leadership or longevity in the Salesforce market. As the first Salesforce partner, it has a unique reputation. It had forged out a strong position in the Salesforce marketplace. It was effective as an independent firm, but it was no surprise when IBM undertook a buyout of the firm. IBM had lagged badly in the “as a service”, services market until the Bluewolf acquisition. IBM had telegraphed investment in the “as a services” market with the acquisition of Workday services provider Meteroix in late 2015.

IBM will look to leverage Bluewolf and has placed it in the iX part of the broader GBS business. This should allow it to maintain a more innovative identity against the legacy GBS business.

Appirio is now the only independent vendor in the Market Maker category of the Salesforce Solution Capture Share ranking. It has publically sought to maintain and enhance this independence and there are definite business benefits to seek this position. If it is able to do so, then it provides genuine differentiation through the crowd-sourced skilling platform alongside the independence. It will be challenged by the limited from a geographic point of view for feet on the ground, in part due to the independence that it craves.

Deloitte has strength in the broader ecosystem of digital services and solutions for clients. The investment that it has made in the Salesforce ecosystem is no different. It has a comparatively strong pool of certified consultants and has been able to engage in business-orientated outcomes for many clients globally.

PwC is the final provider in the Market Maker category. It is generally smaller than most vendors included in the study, although to compensate it has had more clear success in defining the enterprise business requirements for Salesforce deployments. The compliance and related data integrity capabilities are also critical for PwC.

NTT is the only vendor ranked as a Transform focused vendor. It has particular strengths in the US, and has considerable potential to grow the capabilities in the Japanese market and ultimately across the acquired customers from the Dell Services transaction.

The Leverage focused vendors are CapGemini, Cognizant and TCS. All three perform credibly, but are leveraging scale rather than transforming client outcomes as their leading capability. The next leaders in the market may emerge from these vendors. All have broad capabilities that reflect the growth in Salesforce but need to invest more aggressively to transform outcomes.

The remaining vendors are Market Makers. Whilst they have had varied stages of investment in Salesforce, in general, these vendors have considerable work to undertake to really shake the leadership of the global Salesforce marketplace.

For Fujitsu, Infosys, Acumen Solutions, Wipro and HCL, the focus has to be both on developing more scale, as well as developing the capabilities to truly transform their customers environment. As IBM proved, it is hard to get scale in the Salesforce market without spending significant capital. The acquisition approach however has become more difficult with only Appirio on the stage as an independent leader in the market.

It is reasonable to expect that only 1-2 of these vendors will be able to shift to a more advanced market positioning in the short to medium term. The rest need to question do they play in the market, and if not, how do they approach their play for the “as a service” world. This issue is equally true for the currently merging CSC and HP Enterprise Services.

Another clear outcome from the analysis is the depth of undifferentiated competition for the vendors who do not enjoy leadership. Acquiring genuine and sustainable differentiation is critical, but incredibly difficult. There is no easy answer for the vendors who aspire to leadership.

The following charts highlight the overall rankings and average scores for the two transform and leverage capabilities.

For the Transform capabilities, six of 13 vendors were ranked as above average, with the remainder below the average. The three highest ranked providers from a transformation viewpoint are Accenture, Deloitte and Bluewolf (an IBM company). All are innovative and transformative enterprises and have made significant global investments in applications services across varied platforms. Other leaders in the transform category include PwC, Appirio and NTT.

The rest have ground to make up in the Transform capability to ensure that their clients are gaining the strongest business outcomes from investment in the Salesforce platform. The more complicated and mature the ecosystem around Salesforce becomes, the more difficult this will be to achieve. Transforming client outcomes and success has to be the priority if vendors are to be able to convince prospects that they have differentiated capabilities in Salesforce.

Vendor	Average Transform Score
Accenture	8.22
Deloitte	7.90
Bluewolf (an IBM Company)	7.83
PwC	7.30
Appirio	7.30
NTT	6.82
Cognizant	6.52
Capgemini	6.50
TCS	6.33
Infosys	6.25
Wipro	5.90
HCL	5.75
Acumen Solutions	5.75
Fujitsu	5.60
Average	6.79

For the leverage characteristics 8 of the 13 vendors scored above the average. The contrast with the transform attributes confirms the split in the market. Scale is important, but to be truly differentiated and centred on client outcomes, focus has to be on transforming the client experience. Accenture, PwC and Bluewolf (An IBM Company) lead the way, albeit Accenture holds a considerable gap over the rest of the market due to the sheer scale of the capabilities that it is able to offer to clients.

The average rating for each of the attributes is in the following table. Again, this analysis highlights that there is opportunity for differentiation by providers that is not being leveraged. Not surprisingly, the attributes that lag the average to the greatest extent reflect the lack of focus that still exists in the market.

Country Solution Development is the biggest laggard, followed by Internal R&D and Global Solution Development. Clearly localising Salesforce is a priority across the ecosystem. The internal R&D is a concern. Vendors must increase their investment in developing their own capabilities to plug into the platform to provide client differentiation.

On the positive, it is not surprising that partners have been successful in leveraging Salesforce R&D, as well as the broader Salesforce ecosystem. The global Salesforce ecosystem is so critical to the success of the platform.

Transform Attribute	Average Rating
Internal R&D	6.5
Leverage salesforce.com R&D	7.1
salesforce.com Ecosystem Partnership	7.0
Global Solution Development	6.5
Industry Solution Development	6.8
Country Solution Development	6.2
salesforce.com Platform Implementation	6.8
Strength of Brand	6.8
Ability to influence external market	6.7
Average	6.8

From the leverage attribute analysis there is a large range in the rankings. From the positive side of the analysis Customer Satisfaction has an incredibly high ranking. This is again a reflection that whilst the market is immature, the capability is strong. From Customer Satisfaction, it falls away.

The weakness is around the level of certification particularly for the vendors that lag in the market. The likes of Fujitsu have just 1/10th the certified professionals when compared with Accenture, and 1/4th of the certified professionals of many others. It is impossible to provide global capability with such a limited number of resources, let alone keep abreast of the Salesforce initiatives and remain a full service provider. This is also reflective in the analysis results for country strength. If certified resources do not exist, then it is impossible to be a truly global provider.

These findings reinforce the issue of skills in the marketplace. Leaders do not rely on Salesforce to lead the way in skills development. They are proactive in driving the capability themselves.

Not surprisingly, Accenture leads the way in AWS leads the market in 13 of the 17 attributes. For five of these attributes, it stands alone at the top of the rankings. Following Accenture, Bluewolf (an IBM Company), Deloitte, PwC and Appirio are the leaders in the individual attributes.

In a result that reinforces the dominance of the leaders in the Salesforce space, no vendor ranked outside the market maker category is a leader in the individual attributes.

Note - Due to the measurement of leadership in the market it is possible for multiple vendors to share leadership in the market. Where there is one vendor named, that vendor is the highest ranked vendor, with no other vendor having an equivalent score. Where there are multiple vendors, all were ranked as the equal leaders in the market.

Leverage Attribute Top Ranked Vendors (note can be multiple vendors)

Customer Satisfaction	PwC,
Certified Salesforce.com Skills	Accenture
Solution Portfolio Depth	Accenture
Overall Country Strength	Accenture, Bluewolf (an IBM Company)
Sales Team Strength	Accenture, Bluewolf (an IBM Company), Deloitte, PwC,
Delivery Partnerships	Appirio
In Country Geographic Reach	Accenture, Bluewolf (an IBM Company)
Country Localisation	Accenture

Transform Attribute

Top Ranked Vendors

Internal R&D	Bluewolf (an IBM Company), PwC, Accenture, Deloitte, Appirio
Leverage Salesforce.com R&D	Accenture
Salesforce.com Ecosystem	
Partnership	Bluewolf (an IBM Company), PwC, Accenture, Deloitte, Appirio
Global Solution Development	Accenture, Deloitte
Industry Solution Development	Bluewolf (an IBM Company), Accenture, Deloitte
Country Solution Development	Bluewolf (an IBM Company), Accenture
Salesforce Delivery Platform	Bluewolf (an IBM Company), Accenture, Deloitte
Strength of Brand	Accenture
Ability to influence external market	Bluewolf (an IBM Company), Accenture, Deloitte

WHAT ATTRIBUTES DO LEADERS IN THE GLOBAL SALESFORCE.COM SYSTEMS INTEGRATION AND SERVICES PROVIDERS SHARE

Leaders in the Global Salesforce.com Systems Integration and Services Providers marketplace share core attributes

- Deep commitment of capital and resources to the Salesforce ecosystem
- Integration and cross investment to a broader SAAS ecosystem
- Investment in a global capability to support Salesforce expansion
- Capability to flex and grow with Salesforce as it continues to evolve the platform
- Focus on IP and asset based solutions, not just throwing human resources at the problem.
- Proven track record to invest, scale and evolve with the market.
- Leaders in the market have been able to leverage total business services capability with strong industry insight. Without the depth of certified resources and industry depth, credibility is at times difficult to obtain for challenger vendors.

CHARACTERISTICS OF THE MARKET MAKER RANKED PROVIDERS

Accenture

Accenture is clearly the number one provider in the global Salesforce Services market. It has achieved this firstly with a strong vision of the future, but then complimented this with considerable investment in the Salesforce ecosystem.

Prior to the acquisition of Cloud Sherpas it had leadership in the market. This was only accelerated with the integration. It has clearly the largest pool of certified consultants, and works closely with Salesforce for both product development and building the overall influence of the platform.

Top three Salesforce solutions capabilities

- Strength of Brand
- Certified Salesforce resources
- Solution Portfolio Depth

Bluewolf (An IBM Company)

The capability of IBM in the Salesforce market is all driven through the acquisition of Bluewolf. Bluewolf has a very long history of engagement with Salesforce, and this is reflected in the maturity of capability and relationships. Now that Bluewolf is being integrated into IBM's iX group it is expected that this will enhance the capability but will

also allow for greater collaboration between IBM and Salesforce. Prior to the acquisition they had operated in different technology ecosystems and buyer budgets.

Top Three Bluewolf (An IBM Company) Capabilities

- Country Strength
- Industry Solution Development
- Solution Portfolio Depth

Deloitte

Deloitte are another long-term provider in the Salesforce ecosystem. It is able to have leadership in the market driven by enterprise engagement and focus on integration and alignment of business and technology outcomes. It has also integrated Salesforce into the strong digital ecosystem that it provides to clients.

Top Three Deloitte Capabilities

- Sales Team Strength
- Global Solution Development
- Industry Solution Development

PwC

PwC was a relatively late entrant to the Salesforce ecosystem as it determined the most effective way to rebuild technology consulting and integration functionality. It has comparatively quickly created a strong presence in the market. It clearly is differentiated by the strength of the customer satisfaction attribute that it clearly.

Top Three PwC Capabilities

- Customer Satisfaction
- Sales Team Strength
- Salesforce Ecosystem Partnership

Appirio

Appirio is now the only independent vendor in the top five providers. Naturally it is proud of the benefits that this positioning provides and seeks to also differentiate with the crowd sourcing approach that it takes to market.

Top Three Appirio Capabilities

- Delivery Partnerships
- Global Solution Development
- Leverage Salesforce Ecosystem R&D

APPENDIX 1 - METHODOLOGY FOR THE CAPTURE SHARE ANALYSIS

Capture Share reports are based on the analysis of 17 key capabilities and attributes of services providers. These attributes are focused in two key areas, Transform and Leverage.

In order to undertake the appropriate level of analysis and data integrity, the individual attributes are weighted in percentage terms on the basis of the overall influence for the Transform and Leverage capabilities.

Clearly data and process integrity are a critical component of a report of this type. It is fundamental that the data be valid and untarnished. To help ensure this, all information for the measurement and assessment of these attributes comes from a range of sources to ensure a range of opinions. Sources of information include Salesforce.com, Salesforce.com users, vendor briefings and meetings, media sources, the IT solutions ecosystem and specific end-user feedback.

2016 capioIT. All rights reserved. This publication may not be reproduced or distributed in any form without capioIT's prior written permission. The information contained in this publication has been obtained from sources believed to be accurate. capioIT disclaims all warranties as to the accuracy, completeness or adequacy of such information and shall have no liability for errors, omissions or inadequacies in such information. The opinions expressed herein are subject to change without notice.

ABOUT CAPIOIT

capioIT was founded in 2010. It is focused on helping a range of organisations capture and understand emerging digital technology in emerging markets of the global economy. CEO Phil Hassey has over 20 years' experience in corporate strategy, consulting and market intelligence, gained in a diverse range of organisations and industries.

The core of capioIT -

- **Capture** – Focus on ensuring that you capture the current and future pulse of emerging markets and emerging technology.
- **Understand** – Source information to ensure that all customers and stakeholders are able to understand and drive strategy to maximise engagement with their customers.
- **Collaborate** – Through strategic partnerships we have ensured that a small regionally based firm has highly elevated levels of market engagement and influence across technology and geography.
- **Innovate** – We are not satisfied with the current evolution of the analyst/research market. We have listened and engaged and we drive innovation through our engagement model, business culture, use of social media and relationships.



Capture Understand Collaborate Innovate

Phone: +61 (0)422 231 793 **Email:** phil@capioIT.com **Twitter:** PHassey **Web:** www.capioIT.com
26 Aboud Avenue, Kingsford, NSW, 2032