Microsoft Cloud Ecosystem

Dynamics 365 Services

A comparison of the strengths, challenges, and competitive advantages of suppliers to support decision makers in the procurement processes

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pwc

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Transformation in times of crisis: How customers can get through crises with Microsoft partners

The ecosystem of Microsoft partners comprises more than 30,000 companies in Germany alone. For Microsoft Deutschland these partners are the most important guarantors of revenue. Worldwide, Microsoft partners account for almost 95 percent of total revenue. In the Azure world, which is the basis for the services in this study, the number of partners has been relatively constant for several years, at around 6,000. Of these, 80 companies were in turn included in the gross list of Microsoft partners to be evaluated in this study.

The companies selected for this study are the ones that operate beyond the basic requirements. They lead the Microsoft partner ecosystem and advance the digitalization of Germany. The important topics covered in the study are managed services for the Azure platform, services for the transformation of work environments based on Microsoft 365, the transformation of SAP environments to the further development of ERP systems based on Microsoft Dynamics 365 and the implementation of the Power Platform with its solutions for the customization and development of apps for users' business processes.

Investment behavior unclear

The market development is currently uncertain. Europe is in a war-like state; this has had a major impact on users' planned IT investments. According to NZZ, in Germany, small- and mid-cap indices have performed much worse than the blue-chip DAX Index in the difficult stock market year of 2022, and German small- and mid-caps have been slow in recovery since the low at the end of September 2022. This is also having an impact on IT investments.

In addition, clients are often not familiar with the entire set of Microsoft solutions or their functionalities. The providers, particularly the

Providers can positively **influence** investment **behavior** through their **services.**

implementation partners, have to deliver the know-how to ensure good overall results.

Small companies, however, need to invest in their IT, despite the great economic uncertainties at the national and international levels. Public authorities and public sector companies are driven to update their IT but are dependent on funds. Public authorities have a large backlog in terms of demand for flexible IT infrastructures and application landscapes. Large companies, on the other hand, can still invest but are also uncertain about economic developments.

Local contact persons, local development capacities, onsite support with the shortest possible response times and, above all, in the event of disruptions, short recovery times are still the critical capabilities expected from a provider. Clients pay more attention to the fact that the contact persons in the projects, in particular the employees involved in the implementation, speak German and that the provision of services takes place from the same time zone.

Most digitalization projects have not been thought through to the end or have been knitted with a hot needle (in short, without caution), especially in the last three years. Process engineers often forget the technology (and its requirements), technicians forget the people, and people forget the systems. Several vendors assessed in this study dedicated their efforts to address the client requirements emerging from the arbitrary deployment of technology. One could be philosophizing easily for hours why advanced technology still allows this way of implementing solutions in the 21st century.

According to estimates from various providers in this study, 60 percent of workloads worldwide still run in private data centers. Reasons for this are often the regulated markets or data-intensive workloads. It is therefore important for Microsoft partners to identify the workloads that can perhaps be processed more efficiently in the Azure cloud. Another client requirement is the scalability of workloads in the Azure cloud.

New partner program at Microsoft

In 2022, which corresponds to the observation period of this study, Microsoft introduced a new system for classifying partners. The new Microsoft Cloud Partner Program (MCPP) replaces the previous Silver and Gold certifications with the following six new Solutions Partner designations.

- Solutions Partner for Business Applications
- Solutions Partner for Data and AI (Azure)
- Solutions Partner for Digital and App Innovation (Azure)
- Solutions Partner for Infrastructure (Azure)
- Solutions Partner for Security
- Solutions Partner for Modern Work

The partners are evaluated through a point system. The capabilities of the partners have been redefined as Specializations to replace the former phrase, Advanced Specializations.

The new partner system is a challenge for the partners; it measures new client business, the number of certified employees and the corresponding sales. For Microsoft, Azure consumption (or the consumption of resources in the Microsoft cloud) is the key metric against which partners in the ecosystem must mainly be evaluated. Added to this are revenues from license sales. The providers evaluated here decide quite independently the license packages or subscriptions they wish to use in respective projects. Astounding, revenue, consulting, design and implementation of IT solutions do play a rather subordinate role in this system for reaching certain levels in the partner pyramid. However, the strengths of a provider are exactly in taking forth and accompanying users, consulting clients and training and, if necessary, dealing with personnel-related bottlenecks.

The core requirements for partners — professional competence, revenue targets, consulting services and complementary solutions — have not changed. However, as many partners also quickly achieved the new designations, the new system of ranking partners has brought only minor changes in ISG's independent assessment.

The providers' own partner networks play a major role in the selection of service providers; no provider today is able to solve all tasks simultaneously. Clients today use a network of service providers and specialists if they can, at the outset, and define a general contractor for the project, who is also responsible for compliance with the SLAs.

Enterprise applications and application modernization

The market for services related to SAP on Azure is very mature on the supplier side. Both Microsoft and SAP have been pursuing a clear strategy of migrating workloads to the private cloud and the public cloud, respectively, for several years. According to surveys by the DSAG (German SAP User Group), Microsoft Azure is the most frequently used cloud platform among hyperscalers in Germany for the implementation of new or the migration of existing SAP applications. The big challenge for service providers is the customization of the existing SAP environments. There are various concepts: the approach of starting with the lift and shift of individual workloads and eventually transferring the customizations is particularly popular. Iteratively and gently, even complex environments can be migrated to the cloud in this way.

As users today rarely work in a default environment, service providers in the Dynamics 365 space must also be able to analyze a client's existing environment to facilitate a complete shift, which correspondingly involves high efforts. Existing ERP projects based on Dynamics 365, in particular, require a great deal of effort for the assessment. The Microsoft Power Platform could be the tool of choice for modernizing applications as it includes Power BI to facilitate citizen development. The Microsoft partners assessed here help to strategically implement the functions of the Power Platform and its components at clients by integrating them with existing back-office applications. Unfortunately, Power BI is all too often used only to visualize data from Excel spreadsheets. Here, the partners do also have the noble task of protecting the users from themselves.

Most service providers recommend that their clients not only transform their application environments to the cloud but also dispose of legacy systems and modernize applications along the way. This requires the providers to have a detailed and comprehensive expertise to assess a client's existing environment and analyze third-party solutions and subsequently guide them on the path of transformation.

Market forecast

Uncertainty about political and economic developments in Europe will continue to have a strong impact on users' investment behavior; many clients will think twice before making IT investments.

The partners evaluated here can positively influence investment behavior by providing suitable services. Initially, these are likely to be primarily IT projects in which the hastily brought about cloud transformations of the last 2-3 years can be revised.

The trend toward cloud-first and cloud-native strategies will continue among users. This is where the most important investments are likely to go into workload transformation. Two other topics that users will need to invest in over the next few years are cybersecurity and environmental, social and governance (ESG). ISG believes that these topics hold great potential for innovation in new managed services from Microsoft partners.

Security and ESG will also have an impact on market development in the area of Microsoft 365 and Managed Workplace. ISG estimates that a part of the IT investments will be used for ensuring energy efficiency. Solutions for unified communications and collaboration can play a role here, as can optimization in workforce scheduling. Reducing commuting to the workplace would be an example here. The service providers in this study could explore new market opportunities here, including new clients, but should first put together appropriate service and solution packages.

Finally, it can be observed that value creation within the Open Systems Interconnection (OSI) model continues to rise. Technology and even software are becoming commoditized. Middleware layers and the operating layer will soon follow this trend. In the future, value creation will take place in the application layer.

Cloud-first and cloud-native continue to be important IT strategies for users. When choosing providers, clients are relying not just to the new Solutions Partner designations but also to the provider's own partner networks. IT security and Cybersecurity, as well as ESG, will further increase in importance. The goal of clients is a modern, worry-free environment for their workloads.

Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Accenture & Avanade	Leader	Market Challenger	Leader	Not In	Market Challenger	Market Challenger	Product Challenger
Adesso	Not In	Product Challenger	Not In	Not In	Not In	Not In	Leader
All for One Group	Not In	Leader	Not In	Product Challenger	Leader	Not In	Leader
Allgeier	Not In	Not In	Not In	Leader	Not In	Leader	Not In
AppSphere	Not In	Not In	Not In	Leader	Not In	Not In	Market Challenger
Arvato Systems	Not In	Leader	Not In	Leader	Leader	Not In	Leader
Axians	Not In	Leader	Not In	Not In	Not In	Product Challenger	Not In
Bechtle	Not In	Leader	Not In	Leader	Not In	Leader	Not In
Birlasoft	Not In	Contender	Not In	Not In	Not In	Not In	Not In
BT	Product Challenger	Not In	Product Challenger	Not In	Not In	Not In	Not In

Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
BTC	Not In	Product Challenger	Not In	Market Challenger	Not In	Not In	Market Challenger
CANCOM	Market Challenger	Market Challenger	Leader	Not In	Product Challenger	Market Challenger	Not In
Capgemini	Leader	Not In	Leader	Not In	Leader	Market Challenger	Leader
Claranet	Not In	Market Challenger	Not In	Not In	Not In	Not In	Not In
Cognizant	Market Challenger	Not In	Market Challenger	Not In	Product Challenger	Contender	Product Challenger
Communardo	Not In	Not In	Not In	Leader	Not In	Not In	Leader
Computacenter	Market Challenger	Not In	Leader	Not In	Not In	Not In	Market Challenger
COSMO Consult	Not In	Not In	Not In	Not In	Not In	Contender	Not In
Data One	Not In	Not In	Not In	Leader	Not In	Not In	Product Challenger
Deutsche Telekom	Not In	Leader	Not In	Leader	Not In	Leader	Leader

Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Devoteam M Cloud	Not In	Leader	Not In	Leader	Leader	Product Challenger	Not In
DIGITALL	Not In	Leader	Not In	Product Challenger	Not In	Leader	Rising Star ★
DXC Technology	Leader	Not In	Market Challenger	Not In	Leader	Contender	Market Challenger
Eviden/Atos	Leader	Not In	Leader	Not In	Leader	Leader	Leader
Fujitsu	Not In	Not In	Not In	Not In	Market Challenger	Not In	Market Challenger
glueckkanja-gab	Not In	Leader	Not In	Leader	Not In	Not In	Not In
HCLTech	Rising Star ★	Not In	Product Challenger	Not In	Contender	Contender	Product Challenger
Hexaware	Product Challenger	Not In	Contender	Not In	Not In	Not In	Not In
HSO	Not In	Not In	Not In	Not In	Not In	Contender	Not In
IBM	Product Challenger	Not In	Not In	Not In	Not In	Not In	Not In

Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Infosys	Leader	Not In	Not In	Not In	Product Challenger	Not In	Product Challenger
Insight	Product Challenger	Product Challenger	Not In	Not In	Not In	Not In	Not In
intellecom	Not In	Not In	Not In	Contender	Not In	Not In	Not In
IPI	Not In	Not In	Contender	Contender	Not In	Not In	Not In
Konica Minolta	Not In	Not In	Not In	Not In	Not In	Contender	Contender
KUMAVISION	Not In	Not In	Not In	Not In	Not In	Leader	Not In
Kyndryl	Not In	Not In	Leader	Not In	Market Challenger	Product Challenger	Not In
Layer 2	Not In	Not In	Not In	Product Challenger	Not In	Not In	Not In
Logicalis	Not In	Product Challenger	Product Challenger	Not In	Not In	Not In	Not In
LTIMindtree	Not In	Not In	Product Challenger	Not In	Product Challenger	Product Challenger	Contender

Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Net at Work	Not In	Not In	Not In	Contender	Not In	Not In	Not In
novaCapta	Not In	Not In	Not In	Market Challenger	Not In	Not In	Not In
NTT DATA	Leader	Not In	Not In	Not In	Leader	Not In	Not In
Objektkultur	Not In	Not In	Not In	Product Challenger	Not In	Product Challenger	Not In
ORBIT	Not In	Not In	Not In	Leader	Not In	Leader	Not In
PCG	Not In	Rising Star ★	Not In	Rising Star ★	Not In	Not In	Not In
PwC	Market Challenger	Not In	Leader	Not In	Contender	Leader	Not In
q.beyond	Not In	Market Challenger	Not In	Leader	Leader	Not In	Not In
Rackspace Technology	Leader	Not In	Leader	Not In	Leader	Not In	Not In
Reply	Contender	Not In	Contender	Not In	Contender	Not In	Not In

Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Scheer GmbH	Not In	Leader	Not In	Not In	Leader	Not In	Not In
Skaylink	Not In	Not In	Leader	Not In	Not In	Not In	Not In
SoftwareONE	Leader	Not In	Leader	Not In	Not In	Not In	Leader
Sopra Steria	Not In	Not In	Not In	Not In	Not In	Product Challenger	Not In
Sycor	Not In	Contender	Not In	Not In	Contender	Leader	Not In
Syntax Systems	Not In	Contender	Not In	Not In	Contender	Not In	Not In
TCS	Product Challenger	Not In	Contender	Not In	Leader	Not In	Not In
T-Systems	Leader	Not In	Leader	Not In	Leader	Not In	Not In
Wipro	Leader	Not In	Leader	Not In	Product Challenger	Product Challenger	Product Challenger
Wolkenwerft	Not In	Contender	Not In	Product Challenger	Not In	Not In	Not In

The main focus is mostly on **modernizing IT.**

Simplified Illustration Source: ISG 2023

- Managed Services for Azure – Large Enterprises
- Managed Services for Azure – Midmarket
- Microsoft 365 Services – Large Enterprises
- Microsoft 365 Services – Midmarket
- SAP on Azure Services
- Dynamics 365 Services
- Power Platform Services

Definition

Microsoft is one of the most established technology providers in the world. The company has a network of thousands of partners, expanding its ability to help companies adopt Microsoft technologies. This network has undergone a series of changes over the past five years, as Microsoft has also undergone corresponding changes as part of a massive cloud transformation. Over the same period, the digital transformation of technology landscapes has become a priority; this requires a new generation of software and services from Microsoft and its partners.

To address these needs, Microsoft is looking after three areas of focus in particular: the Azure cloud platform, the Microsoft 365 productivity suite, which includes Windows 10 and Office 365, and the Dynamics 365 suite of business applications. Partners, meanwhile, are evaluated on their ability to drive adoption of Microsoft cloud services that span these core product areas. To be successful, service providers must offer their enterprise customers a reliable service package that is enhanced with forward-looking features and can rely on a strong relationship with Microsoft. Providers should have a keen awareness of future developments in Microsoft clouds and demonstrate that they are able to drive innovation and create business opportunities for customers using the Microsoft product suite and services.

ISG's analysis will focus on how vendors are positioned in Australia, Brazil, Germany, Singapore & Malaysia, Switzerland, the UK and the US, based on the strength of their respective portfolios and their competitiveness in the market. Although there are thousands of vendors providing services for Microsoft products in each of these regions, this report will focus only on key competitors, including both global companies and local vendors, for each of the quadrants studied and per region.

Scope of the Report

ISG's analysis will focus on how vendors are positioned in Australia, Brazil, Germany, Malaysia, Singapore, Switzerland, the UK and the U.S., based on the strength of their respective portfolios and their competitiveness in the market. Although there are thousands of vendors providing services for Microsoft products in each of these regions, for each of the quadrants studied and per region, this report will focus only on the most important competitors, including both global companies and local vendors.

Scope of the study In the context of this ISG Provider Lens™.

Quadrant Study, the following seven quadrants are examined:

- Managed Services for Azure - Large Enterprises
- Managed Services for Azure - Midmarket
- Microsoft 365 Services - Large Enterprises
- Microsoft 365 Services - Midmarket
- SAP on Azure Services
- Dynamics 365 Services
- Power Platform Services

This ISG Provider Lens™ study offers IT decision makers the following benefits:

- Transparent presentation of the strengths and weaknesses of relevant providers
- A differentiated positioning of suppliers according to segments
- Focus on the regional market

The study thus provides an essential decision-making basis for positioning, relationship and Go-to-Market considerations. ISG Advisors and enterprise clients also use information from these reports to evaluate their current and potential new vendor relationships.

Provider Classifications

The vendor positioning reflects the suitability of the respective IT vendor for a defined market segment (quadrant). Unless otherwise stated, the positioning applies to all company size classes and industries. If the IT service requirements of large enterprises and SMEs differ and the range of IT providers operating in the local market is sufficiently large, IT providers are further differentiated by service according to the target group for products and services. Either industry requirements or the number of employees and the corporate structures of the customers are taken into account and the IT providers are positioned according to their focus. As a result, a distinction is made between two customer groups, if necessary, which are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or sales between USD 20 and 999 million, central headquarters in the respective country, mostly privately owned.
- **Large Market:** Multinational companies with 5,000 employees or more or with sales of more than one billion USD, active worldwide and with globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created based on an evaluation matrix and contain four fields into which providers are classified: Leader, Product & Market Challenger, and Contender. Each quadrant of an ISG Provider Lens™ study may also include a provider that ISG believes has great potential to achieve a Leader position. Such providers may be classified as Rising Star.

Number of Providers per Quadrant: ISG evaluates and positions the most important providers according to the scope of consideration of the respective study; the number of providers positioned per quadrant is limited to 25 (exceptions are possible).

Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

Dynamics 365 Services

Who Should Read This Section

This quadrant report focuses on the current market positioning of service providers targeting midsized and large enterprises and how they address the key challenges associated with Dynamics 365 services.

Enterprises are looking for Agile and DevOps methodology solutions to help them adapt to digital transformation and digitize business processes using ERP and CRM software. In Germany, Dynamics 365 is primarily used in the manufacturing, retail and logistics sectors.

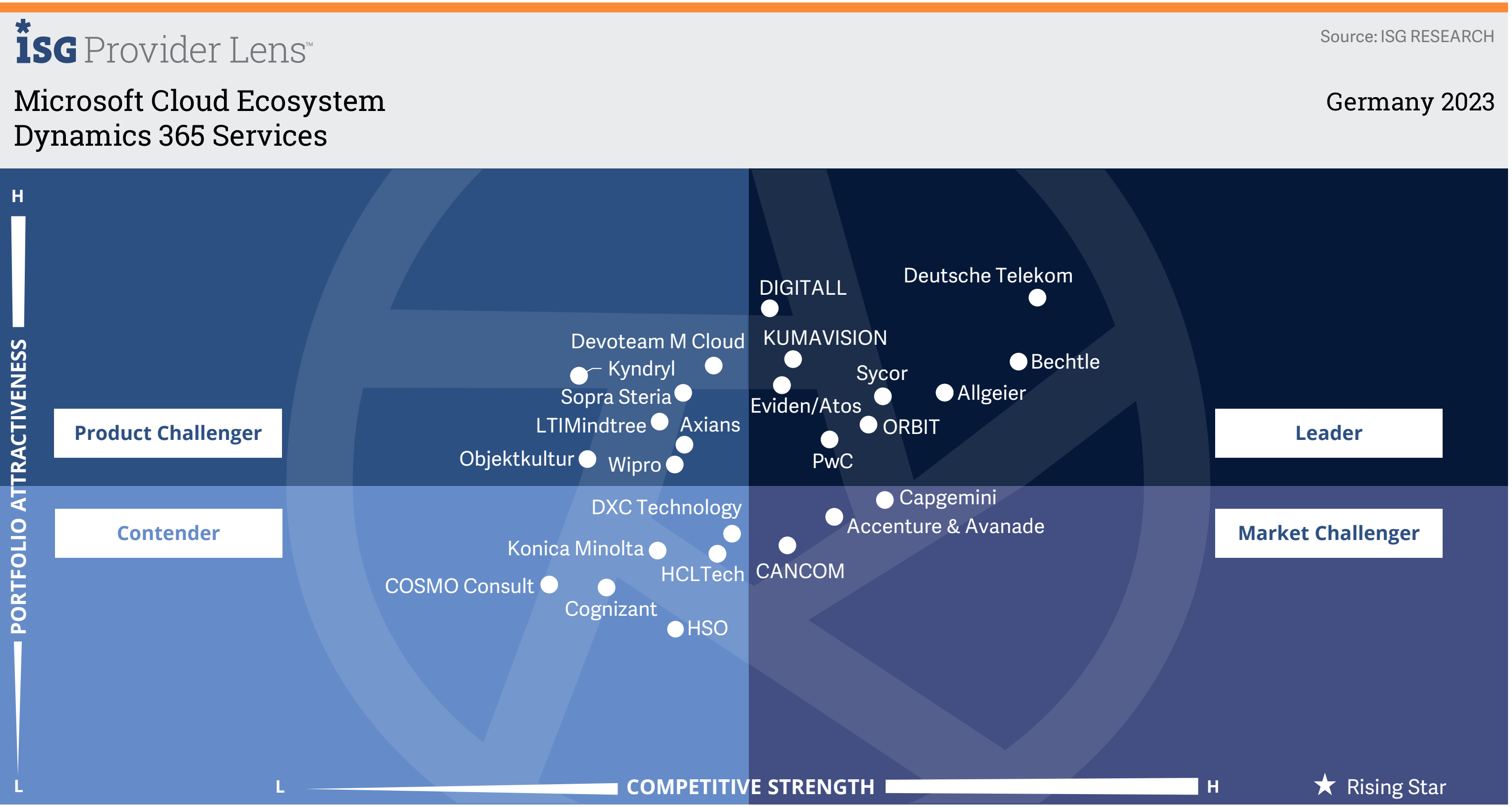
An initial service for helping enterprises onboard with Dynamics 365 includes the Cloud Readiness Assessment that tracks open issues and possible pitfalls. Based on this assessment, service providers offer numerous capabilities, such as integrating Dynamics 365 into the existing system landscape, lifting systems and shifting them into the cloud, and digitizing business processes using ERP and CRM software, IT administration and end-user training. Providers offer services tailored around the Dynamics 365 framework, such as digital signatures, template generators, text analysis, data analytics and business process consulting.

Service providers are taking steps to integrate sustainability at the core of Dynamics 365. Several providers in the region support enterprises with sustainability consulting teams that examine corporate processes, identify new business models, and drive the implementation of corresponding sustainability goals based on platform solutions such as Dynamics 365.

Technology professionals should read this report to understand how service providers can help adopt Microsoft technology because it helps them understand solution advancements with ERP and CRM and how they integrate with other business systems.

Marketing and sales professionals should read this report to understand how providers can help adopt Microsoft technology. Marketing and sales leaders leverage the CRM functions of Dynamics 365 directly, impacting how their teams work.

Strategy professionals, including HR leaders and supply chain managers, should read this report to understand how providers support Microsoft technology adoption and help utilise the ERP functions of 365.



ERP and CRM solutions are at **the heart of** user companies' **IT**. The services of the providers in this quadrant are particularly important as they help enterprise users **modernize** their **software** based on **Dynamics 365**.

Holm Landrock
Distinguished Lead Analyst - Senior Advisor

Definition

This quadrant evaluates service providers that help companies select, integrate, customize and operate Microsoft's cloud-based Dynamics 365 solution, an enterprise resource planning (ERP) and customer relationship management (CRM) software.

These services focus on the digitization of business processes through the use of ERP and CRM software. In this context, service providers and system integrators should support user companies in the analysis of processes that are not digitally mapped and the IT implementation of these processes through solutions from Dynamics 365.

In addition to providing infrastructure and cloud services, vendors considered in this quadrant should demonstrate long-standing industry and domain expertise - from manufacturing to warehousing, from production to delivery, and from procurement to the provision of consumer goods, tools, semi-finished products, machinery, raw materials, food, energy, and utilities.

Industry-specific approaches will become more important as markets specialize and new trends emerge.

In addition, this study considers topics such as data integration with and data transfer from legacy systems. It also examines how vendors handle the software lifecycle and user support. In addition, there are areas such as escalation management, change management, optimization and reporting. Vendors represented in this quadrant also demonstrate a strong understanding of how their services and Dynamics 365 solution impact their enterprise customers' business outcomes.

Eligibility Criteria

1. The scope and depth of the vendor's portfolio of services related to the **implementation, customization, deployment, and support of Microsoft Dynamics 365,** with particular emphasis on industry-specific services and deliverables
2. Understanding of the client's workloads with regard to the **conversion of ERP or CRM**.
3. Strength of **the vendor's partnership with Microsoft**, as measured by the number and category of relevant **certifications**, the duration of the relationship with Microsoft, and evidence of **strategic collaboration** between the vendor and Microsoft
4. **Process support in the context of digital transformation in** user companies during the introduction of Dynamics 365
5. Diverse and sophisticated **pricing and payment models** that meet the needs of companies adopting and using Dynamics 365
6. Robust vendor processes for implementation, including the use of **Agile and DevOps methodologies** and appropriate automation for service delivery and quality

Observations

Microsoft Dynamics 365 is a cloud service for accelerating the digital transformation of an enterprise and its business processes through the use of apps. The apps for these task areas can be used independently from each other , and they are scalable as the cloud serves as the IT infrastructure. Dynamics 365 can be combined or extended with components of the Power Platform, with Microsoft Office 365 as a user interface. The main applications of Dynamics 365 are in the areas of CRM and ERP. Many of the players evaluated here have their own solutions based on Dynamics 365, for instance, for supply chain management (SCM) or workforce management.

As prospective users rarely have a uniform standard of work, the service providers in this space must be able to analyze a client's existing solution environment. Moreover, complete transformations correspondingly involve high costs, where ERP projects based on Dynamics 365, in particular, require a great deal of effort for the assessment. When migrating user environments to Dynamics 365 in the Azure cloud, the minimal viable product (MVP) should at least include the complete migration of the ERP workloads and data to the Dynamics 365 world.

Several developments were noticed during the assessment period for this study quadrant: Axians, the merged entity LTIMindtree and Wipro have changed from the Contender position to becoming Product Challengers; COSMO Consult and HSO were earlier Product Challengers and are now Contenders; DXC Technology was most recently a Market Challenger and is now a Contender; Konica Minolta has been added as a Contender; DIGITALL and Sycor are now Leaders; Kyndryl has been replaced in the Product Challenger group and PwC in the Leaders group. Avanade, Fujitsu, Hitachi and Tech Mahindra were not assessed for this quadrant this year.

Of the 175 companies evaluated for this study, 22 qualified for this quadrant, with nine being Leaders.

Allgeier

Allgeier, with its ERP solutions based on Dynamics 365, has once again been positioned as a Leader. Solutions such as Allgeier itrade, comprehensive ERP expertise and a proprietary implementation methodology underpin its position as a leader.

BECHTLE

Bechtle successfully defended its position as a Leader not only because it offers clients with industry expertise but also because it helps SMEs, in particular, make a smooth transition to project management with Dynamics 365 by offering starter kits.

Deutsche Telekom has once again been able to position itself as the Leader in this quadrant. This success is based on an industry-specific focus on Dynamics 365 and a special focus on green IT and ESG without greenwashing.

DIGITALL

DIGITALL has evolved from a Product Challenger to a Leader in this year's evaluation. Supporting this promotion was the provider's concept that decisions must be based on reliable data , which need to be available to all employees of a client.

Atos

Eviden/Atos has retained its position as a Leader primarily as it manages more than 150 SAP S/4HANA implementations with 13,600 SAP professionals worldwide, while never losing sight of its ESG responsibilities.

KUMAVISION

If customers are looking for an ERP specialist with technical and industry expertise, they cannot avoid **KUMAVISION** – once again the leader in this study. Microsoft Dynamics 365 Business Central is the starting point for KUMAVISION's industry solutions for ERP.

ORBIT IT-SOLUTIONS

ORBIT follows the paradignm that the minimal viable product must be more than just a minimum or simple solution — which contributes also to achieve a Leader position in this study. This motto is appreciated by Dynamics 365 users.

pwc

PwC advises clients on the potential that can be unlocked with Dynamics 365 and supports them in their digital transformation with a proven end-to-end implementation approach. PwC was evaluated for the first time and has immediately found a place among the Leaders.

Sycor

Sycor, last year's Product Challenger, is a Leader in this year's quadrant. The provider offers its clients comprehensive support in the deployment and operation of Dynamics 365 and complements these services with industry-specific software.

Leader

"PwC has been included in this assessment for the first time and immediately qualified as a Leader with its mature and comprehensive portfolio of services and technologies."

Holm Landrock

PwC

Overview

PwC is a network of firms that specialises in the provision of high-quality auditing, consulting and tax services. In FY22, it generated a revenue of $50.3 billion, with Insurance representing its largest segment. Microsoft is PwC's third-largest global alliance and their relationship exists for more than 20 years. PwC is a leading auditing and consulting firm in Germany, with more than 13,000 employees and a revenue of around €2.61 billion. Experts work at 21 locations for local and global clients of all sizes.

Strengths

Change management as a priority: The implementation of a digital transformation project requires an interplay between IT and change management. PwC provides comprehensive support to clients in this context and relies, among other things, on Dynamics 365 solutions. It has the necessary in-depth industry knowledge and process expertise, and also an understanding of the culture of the user company.

Process expertise and knowledge of the platform: PwC focuses on bringing the functionalities of Dynamics 365 to enterprise applications and leveraging the platform for CRM and ERP.

Extensive knowledge of the market: For years, PwC has been a partner of companies in the upper midmarket and the large market. This experience is incorporated to take a holistic approach to Dynamics 365 projects. PwC advises clients on the potential of Microsoft Dynamics 365, guiding clients in their digital transformation with a proven end-to-end implementation approach.

References confirm efficiency, resilience and flexibility: Together with Microsoft and ZF, a digital manufacturing platform, it has created a comprehensive solution for Industry 4.0 based on the Azure cloud.

Caution

PwC has the necessary experience for dedicated and project-independent trainings. The scope of the PwC Academy in Germany could be expanded beyond business management training to include technical topics such as Dynamics 365 and tailoring it to the German economy.

Appendix

The market research study ISG Provider Lens™ 2023 – Microsoft Ecosystem report analyzes the relevant software vendors/service providers in the German market on the basis of a multi-stage market research and analysis process and positions these providers on the basis of the ISG Research methodology.

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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 2023, 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.

The study was divided into the following steps:

1. Definition of Microsoft Ecosystem Partners 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. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
   * Strategy & vision
   * Tech Innovation
   * Brand awareness and presence in the market
   * Sales and partner landscape
   * Breadth and depth of portfolio of services offered
   * CX and Recommendation

Lead Author

Holm Landrock
Distinguished Lead Analyst – Senior Advisor

At ISG, Holm Landrock has conducted multiclient studies and vendor comparisons, the IPLs, for big data analytics and supported well-known clients, including leading international mobility and financial services providers, in the strategic selection of modern solutions. As an ICT analyst, trade journalist and author of several books, Holm Landrock focuses on technical and scientific computing, enterprise computing and trend topics such as e-health and quantum computing.

Research Analyst

Khyati Tomar
Research Analyst

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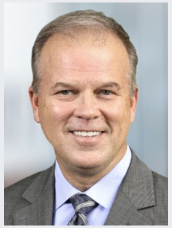
IPL Product Owner



Jan Erik Aase

Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

ISG Provider Lens™

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For more information about ISG Provider Lens™ research, please visit this webpage.

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