ISG Provider Lens™

Microsoft Ecosystem Partners

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

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Report Author: Holm Landrock

Thrilling year for Microsoft partners in Germany.

In the past year, the providers have been striving for the favor of their clients as well as Microsoft's.

ISV's certifications are requesting higher expenses year over year, becoming a cost factor particularly for large providers.

Windfall gains for Microsoft partners from the first year of the COVID-19 pandemic are no longer evident.

Many providers were under high price pressure from their clients, with pricing pressures lower for cybersecurity services.

Providers offer services that support users in the introduction of Azure, cloud-native IT infrastructures and transformation of the workload into the cloud. Those tools are being used to support users adapting their IT infrastructures in an agile manner to the rapidly changing competitive landscape and to implement innovations.

This year's edition of the Microsoft ecosystem Provider Lens™ study, which examines the landscape surrounding Microsoft as a software provider, has been revised from past assessments. New criteria that assess the partners' ability to support customers in the modernization and transformation of apps to the cloud are given more consideration in this year's report. These services are becoming more important. After customers have moved some basic applications, mostly business applications, customers are now also beginning to move specialized applications into the cloud.

Providers strive for client's favor – and Microsoft's

The provider landscape

Large service providers still move workloads to the cloud using a lift-and-shift strategy, for example, by transferring the application and data from the on-premises environment to the Azure cloud. Many providers make sure this runs smoothly for the customer. They perform a detailed assessment for this purpose. Also, individual providers are now making efforts to make the moved applications work, pulling different applications together and determining the obsolescence of some applications.

Several new criteria led to a significant change in the revaluation of providers. Previously, for example, a major role was played by the maturity of the service offering. Because the service providers have become more similar over the years, the evaluation now places more emphasis on the implementation speed and benefits for the users, among other things. In addition, the report re-evaluates the type and scope of partnership with Microsoft. The report includes an extended review of localized offerings.

Meanwhile, the partner system examined here has been affected by the same developments that the partner systems for other providers went through in recent decades. The long-standing success of partners has driven Microsoft to increasingly serve customers directly when providers' sales exceed certain levels of revenues. .At the same time, Microsoft is constantly issuing new certifications. The partners have been critical of the added certifications because they are becoming an ever greater financial and personnel expense, especially for successful partners. This, in turn, makes the competition for customers fiercer. Almost all large companies and many midsize client companies have contracts with several of the providers listed here. Therefore, clients primarily want to prevent provider lock in. However, provider lock-in is often the result of historical relationships, with only individual workloads initially transferred to the cloud.

It takes a lot of effort to stay on track, especially for very large providers. During the COVID-19 crisis, very large companies had to withdraw thousands of employees that work at customer sites on application design and development. Service providers with a large number of employees deployed with clients have been struggling with this problem for over two years. However, this was sometimes favorable for smaller providers.

Meanwhile, the German Microsoft provider market has seen a low number of mergers and acquisitions. While there were still some international takeovers and mergers and acquisitions of German providers internationally, there were only few M&A activities in Germany. Apparently, there is a lack of funds for mergers and acquisitions because of the COVID-19. T-Systems is an exception; there are rumors that it is planning to spin off the entire organization, comprising 28,000 employees, from the Deutsche Telekom Group.

The service providers evaluated in this study have put extra efforts to cater to the needs of their clients. For example, with regards to the Azure portfolio, they have to manage more than 100,000 price points and represent them to customers. At the same time, they have to ensure the stability and continuity of their customers' IT environments. In addition to the technical parameters of the projects, pricing always plays a major role for customers, particularly due to the COVID-19 pandemic.

Most service providers focus on digital journey or the employee experience. Many providers consider digital journey as a unique selling proposition. The providers are creative and consistent highlighting their unique selling propositions, while encouraging customers to take the most comprehensive approach to digital transformation. Likewise, service providers underscore cloud landing zones as the unique selling points, especially the ones focusing on self-service. In addition, many providers in this study are multicloud service providers, and they recommend the right cloud based on customer preferences and technical requirements. The providers that choose Azure can provide more than the customer expectations, which is also reflected in this study.

On the other hand, the concerns about the future of the Microsoft ecosystem are limited as long as the long-established consumer landscape in Germany includes both large and smaller providers. With providers focused more on smaller adjustments, they are not experiencing any dramatic changes.

It appears that Germany will have a buoyant Microsoft market over the next few years as the projects to consolidate the applications to fewer cloud providers come online.

The customers and their concerns

For cloud transformation, large customers naturally rely on global providers that also have delivery centers or cloud data centers and workforces within their reach. Most Microsoft partners have these delivery centers now in India. In the EU, the delivery centers are in Eastern Europe, mainly in Romania, Bulgaria and Slovakia. The situation will last until the people in these countries start demanding higher salaries. It is still unclear where the delivery centers from Eastern Europe might be moving to, while still adhering to the strict requirements of the GDPR and other European regulations.

In individual market categories, the gains driven by the first year of the COVID-19 pandemic were no longer as evident. In contrast to the previous year, many users held back their IT expenses, partly because they were struggling with the COVID-19 crisis. This was somewhat more evident among the manufacturing and retail companies; for example, they had to wait for goods from the Far East and faced major challenges with the severely disrupted supply chains.

Many providers reported high price pressure in the IT service business. Only the security segment is where client spendings are budgeted to lower their prices, except for cybersecurity services, where the buying interest was still relatively high.

The users have great concerns related to IT security. In addition to ransomware blackmail, espionage is a major problem. Client companies are, therefore, willing to invest large sums in security solutions. To benefit from these budgets, providers must demonstrate their capabilities through complete and certified services.

> Gains made pandemic's first year trickle away, price pressure tightens.

Provider Positioning

	Managed Services for Azure Large Enterprises	Managed Services for Azure Midmarket	Microsoft 365 Large Enterprises	Microsoft 365 for Midmarket	Dynamics 365	SAP on Azure	Power Platform Services
Accenture	Leader	Not In	Leader	Not In	Not In	Not In	Not In
All for One Group	Leader	Not In	Market Challenger	Product Challenger	Not In	Leader	Product Challenger
Allgeier	Not In	Not In	Product Challenger	Product Challenger	Leader	Not In	Not In
AppSphere	Not In	Not In	Not In	Leader	Not In	Not In	Contender
Arvato Systems	Not In	Leader	Not In	Leader	Not In	Leader	Leader
Atos	Leader	Not In	Leader	Not In	Leader	Leader	Leader
Avanade	Not In	Market Challenger	Not In	Leader	Market Challenger	Market Challenger	Leader
Axians	Market Challenger	Leader	Product Challenger	Product Challenger	Contender	Not In	Not In
Bechtle	Not In	Leader	Leader	Leader	Leader	Not In	Not In
BT	Product Challenger	Not In	Market Challenger	Product Challenger	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 Large Enterprises	Microsoft 365 for Midmarket	Dynamics 365	SAP on Azure	Power Platform Services
BTC	Not In	Product Challenger	Not In	Market Challenger	Not In	Product Challenger	Contender
CANCOM	Contender	Market Challenger	Product Challenger	Market Challenger	Market Challenger	Product Challenger	Not In
Capgemini	Leader	Not In	Leader	Not In	Market Challenger	Leader	Market Challenger
Claranet	Not In	Market Challenger	Not In	Not In	Not In	Not In	Not In
Cognizant	Contender	Not In	Market Challenger	Not In	Contender	Product Challenger	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	Not In
COSMO Consult	Not In	Not In	Not In	Not In	Product Challenger	Not In	Not In
DataONE	Not In	Not In	Not In	Leader	Not In	Not In	Product Challenger
Deutsche Telekom (TDG)	Not In	Leader	Not In	Leader	Leader	Not In	Not In

Provider Positioning

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	Managed Services for Azure Large Enterprises	Managed Services for Azure Midmarket	Microsoft 365 Large Enterprises	Microsoft 365 for Midmarket	Dynamics 365	SAP on Azure	Power Platform Services
Devoteam M Cloud	Not In	Leader	Not In	Leader	Product Challenger	Leader	Not In
DIGITALL	Not In	Market Challenger	Not In	Product Challenger	Product Challenger	Not In	Not In
DXC Technology	Leader	Not In	Market Challenger	Not In	Market Challenger	Leader	Market Challenger
Fujitsu	Not In	Not In	Not In	Not In	Contender	Contender	Market Challenger
glueckkanja-gab	Product Challenger	Not In	Product Challenger	Leader	Not In	Market Challenger	Not In
HCL	Contender	Contender	Not In	Not In	Not In	Not In	Not In
Hexaware	Product Challenger	Product Challenger	Contender	Not In	Not In	Not In	Not In
Hitachi Solutions	Contender	Not In	Not In	Not In	Contender	Not In	Not In
HSO	Not In	Not In	Not In	Not In	Product Challenger	Not In	Not In
IBM	Not In	Not In	Not In	Not In	Not In	Market Challenger	Not In

Provider Positioning

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	Managed Services for Azure Large Enterprises	Managed Services for Azure Midmarket	Microsoft 365 Large Enterprises	Microsoft 365 for Midmarket	Dynamics 365	SAP on Azure	Power Platform Services
Infosys	Leader	Not In	Not In	Not In	Not In	Product Challenger	Market Challenger
Insight	Product Challenger	Product Challenger	Market Challenger	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
KUMAVISION	Not In	Not In	Not In	Not In	Leader	Not In	Not In
Layer 2	Not In	Not In	Not In	Product Challenger	Not In	Not In	Not In
Logicalis	Product Challenger	Product Challenger	Product Challenger	Market Challenger	Not In	Not In	Contender
LTI	Not In	Not In	Product Challenger	Not In	Contender	Not In	Not In
Mindtree	Not In	Not In	Not In	Not In	Not In	Product Challenger	Not In
Net at Work	Not In	Not In	Not In	Contender	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 Large Enterprises	Microsoft 365 for Midmarket	Dynamics 365	SAP on Azure	Power Platform Services
novaCapta	Not In	Not In	Not In	Market Challenger	Not In	Not In	Not In
NTT DATA	Leader	Not In	Not In	Not In	Not In	Leader	Not In
Objektkultur	Not In	Not In	Not In	Contender	Product Challenger	Not In	Not In
ORBIT	Not In	Not In	Not In	Rising Star ★	Leader	Not In	Not In
PlusServer	Not In	Market Challenger	Not In	Not In	Not In	Not In	Not In
ProCloud	Not In	Not In	Not In	Not In	Not In	Not In	Not In
q.beyond	Market Challenger	Market Challenger	Product Challenger	Not In	Not In	Rising Star ★	Not In
Rackspace Technology	Leader	Not In	Not In	Not In	Not In	Product Challenger	Not In
Reply	Contender	Not In	Contender	Not In	Not In	Contender	Not In
Scheer GmbH	Not In	Rising Star ★	Not In	Not In	Not In	Leader	Not In

Provider Positioning

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	Managed Services for Azure Large Enterprises	Managed Services for Azure Midmarket	Microsoft 365 Large Enterprises	Microsoft 365 for Midmarket	Dynamics 365	SAP on Azure	Power Platform Services
Skaylink	Not In	Not In	Not In	Leader	Not In	Not In	Not In
SoftwareONE	Rising Star ★	Leader	Leader	Not In	Not In	Market Challenger	Leader
Sopra Steria	Not In	Not In	Not In	Not In	Product Challenger	Not In	Not In
Sycor	Not In	Contender	Not In	Not In	Product Challenger	Market Challenger	Not In
Syntax Systems	Contender	Contender	Not In	Not In	Not In	Contender	Not In
TCS	Product Challenger	Product Challenger	Market Challenger	Not In	Not In	Product Challenger	Not In
Tech Mahindra	Not In	Not In	Not In	Not In	Contender	Contender	Not In
T-systems	Leader	Not In	Leader	Not In	Not In	Leader	Market Challenger
Wipro	Leader	Not In	Product Challenger	Not In	Contender	Product Challenger	Product Challenger
Wolkenwerft	Not In	Contender	Not In	Product Challenger	Not In	Not In	Not In

This study focuses on what ISG perceives as most critical in 2022 for **Microsoft Ecosystem Partners and their offerings for client enterprises.**

- **Managed Services for Azure**
- **Microsoft 365 Services**
- **SAP on Azure**
- **Dynamics 365**
- **Power Platform Services**

Simplified Illustration Source: ISG 2022

Definition

Microsoft is one of the most established technology providers in the world, with a network of thousands of partners. This network increases the provider's capabilities and services and helps companies adopt Microsoft technologies. This network has undergone a series of major shifts over the past five years as Microsoft has undergone corresponding changes as part of a massive cloud transformation. Over the same period, digital transformation has become a priority in the enterprise technology landscape, and this requires a new generation of software and services from Microsoft and its partners.

Microsoft has shifted its focus to three core areas to meet these demands: the Azure cloud platform, the Microsoft 365 productivity suite, which includes Windows 10 and Office 365, and the Dynamics 365 suite for business applications. Partners will now be evaluated for their ability to drive the adoption of Microsoft cloud services that encompass these core product areas. To be successful, service providers must offer enterprises a robust service package with forward-looking capabilities, supported by a strong partnership with Microsoft that keeps them informed of future developments, which opens up new business opportunities for them.

ISG's analysis will focus on how providers in Australia, Brazil, Germany, Malaysia, Singapore, Switzerland, the U.K. and the U.S. are positioned based on the strength of their respective portfolios and competitiveness in the market. Although there are thousands of vendors in each of these regions providing services for Microsoft products, this report will focus only on the key competitors, including global players and local vendors, for each quadrant examined and by region.

Scope of the Report

In this ISG Provider Lens™ quadrant study, ISG includes the following five (number of quadrants) quadrants:

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

This ISG Provider Lens™ study offers IT-decision makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments
- Focus on regional market

Our study serves as the basis for important decision-making in terms of positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further quadrant added, the position always applies to all company sizes classes and industries. In the case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus areas. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

Midmarket: Companies with 100 to 4,999 employees or revenues between US$20 million and US$999 million, with central headquarters in the respective country, usually privately owned.

Large Accounts: Multinational companies with more than 5,000 employees or revenue above US$1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product Challenger, Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens quadrant may include service providers that ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant 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.

Managed Services for Azure Large Enterprises

Who Should Read This

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

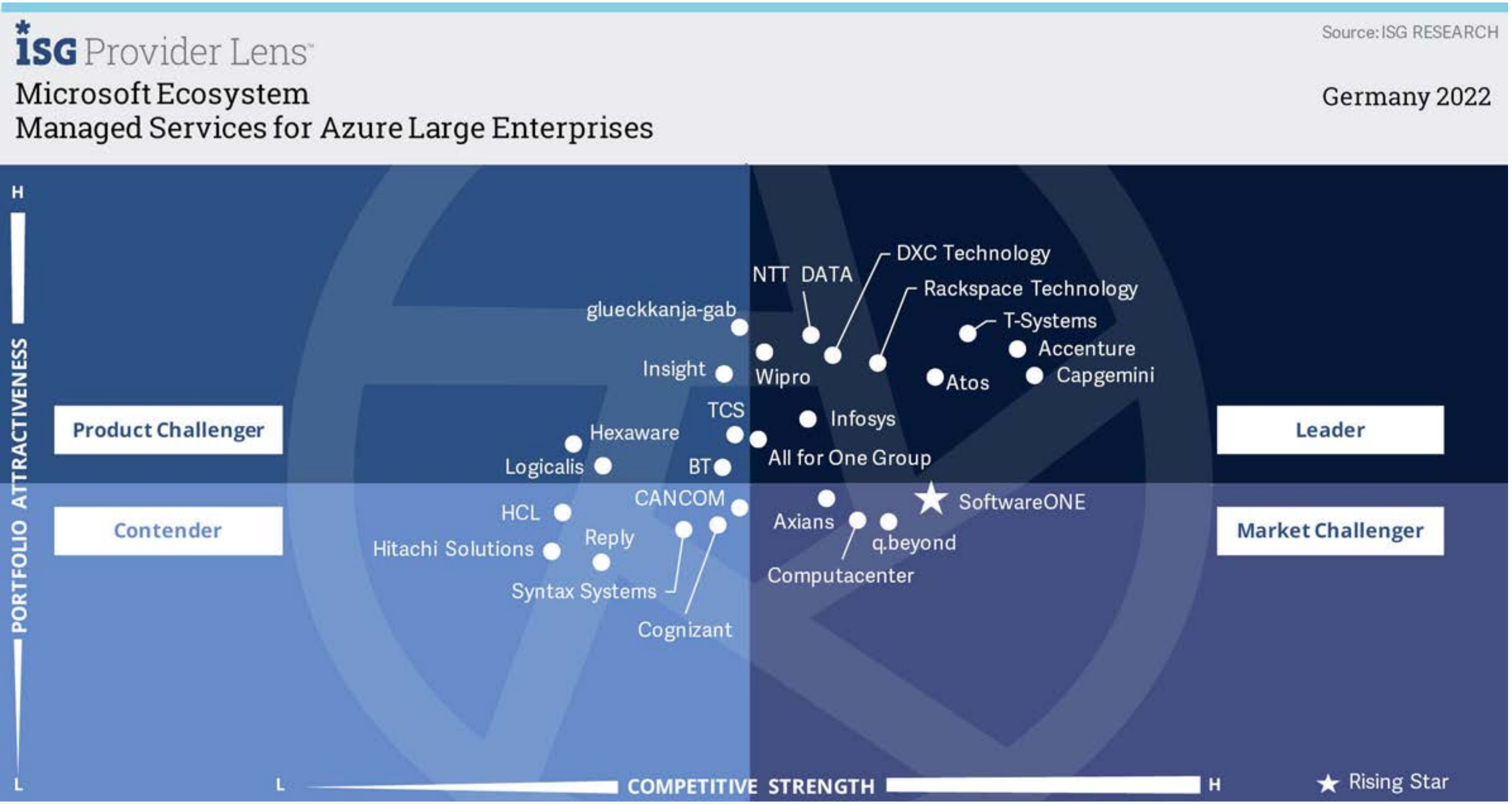
The German market has progressed in the overall adoption of cloud technologies, and clients of managed services had very specific needs in 2021. Service providers still have clients that need innovative multicloud and workplace solutions. Besides data consolidation, clients need to address governance-, compliance- and security-related complexities. Thus, outsourcing has become the only viable option, and it requires a close professional partnership between service providers and clients.

Successful third-party integration without impeding interoperability is mandatory. Providers typically address this challenge by rearchitecting a cloud-native approach. Enterprises are making investments ng to reduce costs, achieve the highest level of automation and ensure the transparency of their cloud capacity utilization and costs. Clients are looking for strong partners that offer holistic services with well-educated and certified professionals.

IT leaders should read this report to understand the relative positioning and capabilities of partners that will help them effectively leverage services from Microsoft's cloud and to determine how providers' technical capabilities square with the rest of the market.

Software development and technology leaders should read this report to understand the positioning of managed service providers and how their offerings and strategies can influence the demand for complementary software products and services.

Sourcing and procurement professionals should read this report to understand the provider ecosystem for Microsoft Azure managed services in Germany and gain knowledge about providers' service offerings beyond the standard initiatives.



This quadrant evaluates managed public cloud services providers based on **Microsoft Azure**. These services include deployment, real-time and predictive analytics, monitoring and **operational management** of the customer's public cloud and multicloud environments.

Holm Landrock

Definition

This quadrant evaluates managed public cloud service providers that offer professional and managed services that complement Azure's built-in capabilities and functionality, including IaaS and PaaS. These services include deployment, real-time and predictive analytics, monitoring and operational management of the customer's public cloud and multicloud environment. The goal is to maximize cloud workload performance, reduce costs, and ensure compliance and security. Typically, specially developed or licensed cloud management platforms and tools are used to offer customers the highest level of automation, and the necessary transparency into the managed cloud resource pool in terms of capacity utilization and costs, including stand-alone administration.

The corresponding services usually include the following:

- Professional services for the administration and monitoring of CPUs, databases, operating systems as stand-alone, microservices or virtual machine or container services
- Update and patching services for operating systems, middleware and applications
- Service portal for cost management, such as chargeback and showback, and identity management or IT service management
- Governance and compliance management
- Supporting services such as incident management, configuration, security services and automation setup

Eligibility Criteria

1. Experience in developing, building and managing public and multicloud environments with a focus on Microsoft Azure
2. Support for software code development and integration of cloud native and legacy systems
3. Experience in implementing agile and DevOps, including integration into existing customer company processes
4. Experience with application programming interfaces, or APIs, automation and cloud analytics
5. Well-developed security practices and capabilities
6. Number and location of workforce providing support for Microsoft Azure
7. A close provider partnership with Microsoft, as measured by the number and categories of relevant certifications, length of partnership with Microsoft, and evidence of strategic collaboration between the provider and Microsoft, related to Azure

Observations

The German market is well divided among managed service providers of the Azure cloud. Customers rarely change their providers. Oftentimes customers have only been in the cloud for a few years and with only a few of their core workloads. Hence, they are still not willing to spend money on changing providers. Therefore, providers must focus on convincing more customers to embrace cloud migration using the Azure cloud. Customers can be expected to switch their cloud providers in the medium term for various reasons, including costs, services, security, user training and employee availability.

Most providers mention customer journeys or digital journeys as their unique selling propositions, even referring to their customized offerings. Commonly, they somewhat visualize the journey in their marketing communication, using survey maps or at times through visuals of a path or a loop. In doing so, the providers are creative and remain consistent in their core message, while encouraging customers to take the most comprehensive approach to digital transformation.

Almost all of them are multicloud service providers that choose a specific cloud provider, usually one of the hyperscalers, including Microsoft Azure. The decision is based on customer preferences and only, if necessary, is based on technical requirements.

Of the 149 companies included in the study, 25 providers qualified for this quadrant. Ten are identified as Leaders and one as the Rising Star.

accenture

Accenture can handle complex projects from clients. To do so, the provider has one of the largest Microsoft business units, a broad partner landscape and, therefore, access to many employees. During the observation period, Accenture was able to expand its portfolio in many directions through several international acquisitions.

All for One Group

All for One Group has significantly increased its cloud-native projects for the introduction of Microsoft Azure as a platform for customer applications and, thus, was able to secure its position in the Leader quadrant.

Atos

Atos distinguishes itself with a deep understanding of the market and the issues faced by users. It often takes a comprehensive approach to address customer concerns. Its portfolio is strengthened by a broad ecosystem of partner companies. Internal developments within the company have led to slight reduction in market strength.

Capgemini

Capgemini maintains excellent partnership with Microsoft. It is a Microsoft Gold Partner and participates in Microsoft's cloud early adopter programs and Microsoft's Azure advisory council. This allows client companies to benefit quickly from any interesting developments. Revenues from subscription models grew during the observation period. In this context, Capgemini was able to increase revenues.

DXC Technology

Germany is one of the top regions for DXC Technology. The multicloud portfolio is available through Microsoft's German cloud data center regions and through its own data centers in Germany. This is particularly beneficial when users want to leverage hybrid environments for their multiple workloads. DXC Technology has successfully defended its position as a Leader.

Infosys

Customer projects from Infosys often show significant internal cost reductions. In the projects, it tried to take a broader approach than pure cloud migration to Azure. For example, Infosys can help customers reduce their ecological footprint by structuring their IT in a more energy-efficient way. Infosys also received a supplier of the year award from Microsoft.

NTT Data

NTT Data takes a federated approach that combines the services of many subsidiaries. As a result, customer companies gain access to expertise, best practices, employees, benefits from local expertise and digital capabilities through this approach. Microsoft and NTT Data have a long history of collaborating on key strategic and technology initiatives.

Rackspace Technology

A close relationship with customers allows Rackspace to understand and quickly address their needs. This gives Rackspace Technology an excellent score in customer satisfaction. A key element in this offering is Rackspace Technology's Elastic Engineering for Azure, which is the core of its managed public cloud offering.

T-Systems

T-Systems, the corporate customer division of Deutsche Telekom, is considered the largest IT service provider in Germany. Its capabilities are underpinned by certifications and advanced specializations. Its cloud migration framework combines automated assessment, cloud migration and service management to accelerate cloud initiatives for customers.

wipro

One of Wipro's greatest strengths is the large team of employees with Azure expertise. The provider is an Azure expert managed service provider and customer's IT projects benefit from the strength of a large international corporation. A highlight is the Wipro Topcoder platform, where technical solutions are developed using the crowdsourcing principle. These efforts have enabled Wipro to maintain its position as a Leader.

SoftwareONE

SoftwareONE continues to expand internationally with a focus on North America. It has also expanded in Europe, with a focus on Switzerland and Germany. It is chosen as a Rising Star due to its market power and complete Azure service portfolio. It is expected to move to the Leader quadrant once its capabilities are verified by references and are customized to the needs of German customers.

Managed Services for Azure – Midmarket

Who Should Read This

This quadrant report focuses on the current market positioning of service providers targeting midsize enterprises and how they address the key challenges associated with managed services for Azure.

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Successful third-party integration without impeding interoperability is mandatory. Providers typically address this challenge by rearchitecting a cloud-native approach. Enterprises are making Investments to reduce costs, achieve the highest level of automation and ensure the transparency of their cloud capacity utilization and costs. Clients are looking for strong partners that offer holistic services with well-educated and certified professionals.

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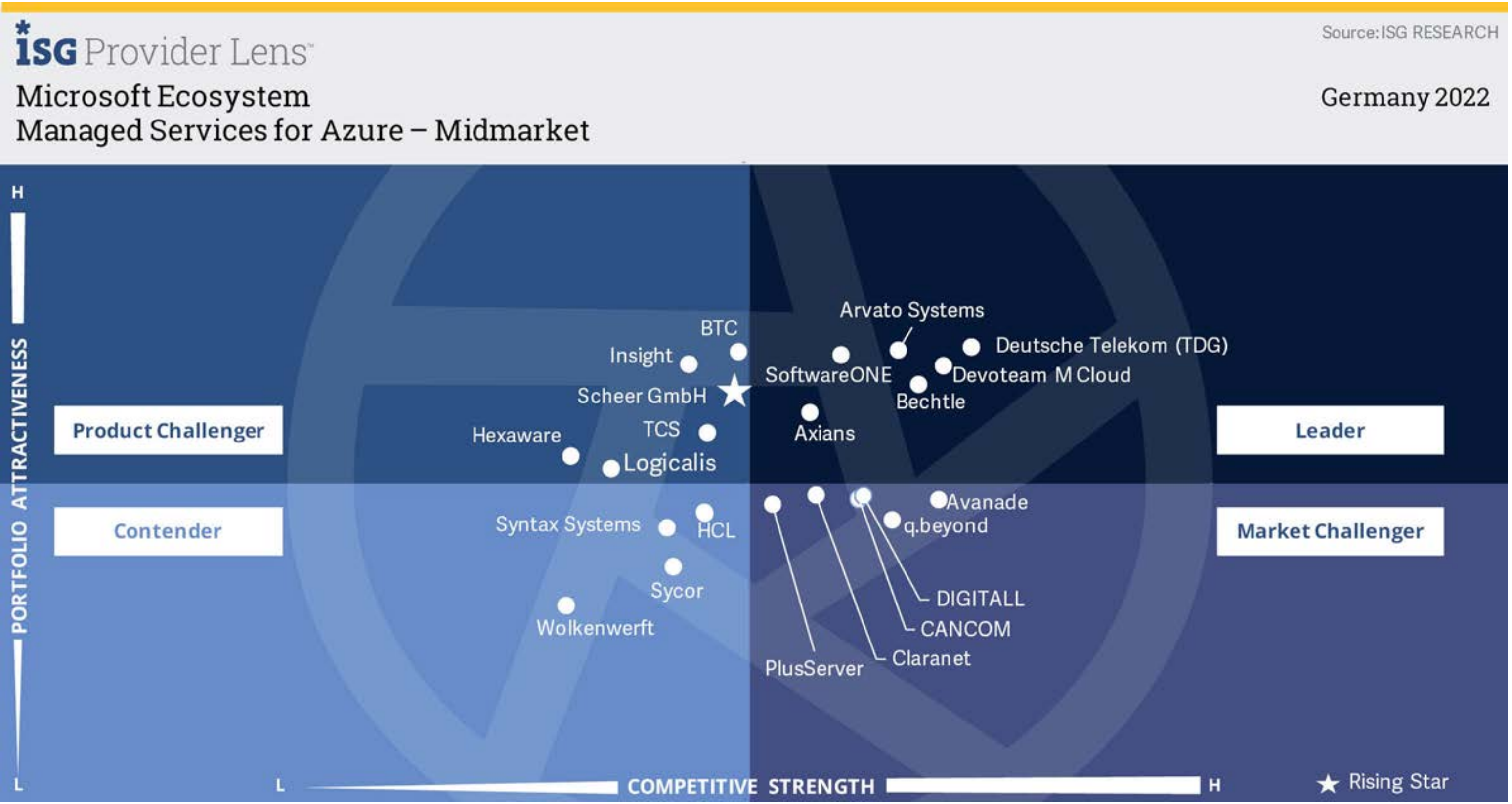

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Eligibility Criteria

1. Experience in developing, building and managing public and multicloud environments with a focus on Microsoft Azure
2. Assist with software code development and integration of cloud native and legacy systems
3. Experience in implementing agile and DevOps with existing customer company processes
4. Experience with application programming interface automation and cloud analytics
5. Well-developed security practices and capabilities
6. Number and location of workforce providing support for Microsoft Azure
7. A close provider partnership with Microsoft, measured by the number and categories of relevant certifications, length of partnership with Microsoft, and validation of strategic collaboration between the provider and Microsoft related to Azure

Observations

Providers are experienced and have long-standing economic partners. They often have known customers from previous IT projects as systems integrators or as cloud service providers. The providers usually have multiple Gold certifications and hold expert status from Microsoft. The service providers reviewed in here have gone the extra mile. For example, as part of the Azure portfolio, they must deal with tens of thousands of price points and explain them to customers. Some providers in this market category are multicloud service providers. Most of them have switched to the Azure cloud, in particular.

On the other hand, users often opt for several providers to avoid provider lock-in. While this is not always the case, lock-in can make cloud service adoption more difficult. While large customers naturally opt for global providers with many data centers distributed around the globe, midsize companies more often opt for regional providers that are also reliable providers in terms of legal and GDPR requirements. But even in this environment, some providers are already using cheaper workforce from Eastern Europe to run the data centers and provide support from there.

Users are faced with major concerns, especially when it comes to IT security. In addition to ransomware blackmail, espionage plays a major role. Therefore, user companies are prepared to invest a large amount in security solutions. To benefit from this budget, providers must prove their capabilities through a complete, and most importantly, certified service.

Of the 149 companies included in the observation, 21 providers qualified for this quadrant. Six providers are identified as Leaders and one Rising Star.

Arvato Systems

Arvato Systems has made a particularly significant improvement in its competitive strength in this market category. The integration of additional products from the Microsoft portfolio into the service portfolio for Microsoft Azure has contributed to its improvement. Arvato Systems has numerous certifications from Microsoft.

Axians

Customer orientation is in the forefront at Axians. At the customer's request, Axians can operate partial or full Azure services. The Microsoft-certified Gold Partner experts provide cloud expertise for customer projects, which includes complete cloud migration projects. The full-service approach effectively relieves the burden on clients. The service portfolio is strengthened by proven concepts and cost-efficient pricing models.

Bechtle

Bechtle holds 12 Microsoft Gold Partner certifications across all divisions. It is specifically engaged in partnerships and initiatives with the goal of developing cloud solutions for customers securely on Microsoft Azure and providing them productively. As a new Azure expert managed service provider, Bechtle is one of Microsoft's strongest partners worldwide.

Deutsche Telekom (TDG)

The combination of cloud services with telecommunications services results in a unique project approach. The number of Azure projects based on subscription models increased during the observation period. The provider is keen to help customers with projects that cannot be handled with off-the-shelf products and solutions. It is validated by impressive thorough customer examples.

Devoteam M Cloud

Devoteam M Cloud meets the highest security standards for managed cloud environment. It provides low-risk and high-value cloud solutions and a purpose-built platform. Azure solutions are customized to the needs of clients, and Devoteam M Cloud places the customer concerns at the center.

SoftwareONE

Strategic planning and quick implementation are SoftwareONE's strengths. Additionally, proven competencies and continued growth have helped SoftwareONE maintain last year's climb into the Leader category in this study. It holds the Azure expert managed service provider certification. Modernizing application is the key to success at SoftwareONE.

Scheer GmbH

Scheer GmbH has continued its strategic growth course. Given the shortage of skilled workers, a workforce increase of almost 10 percent is a remarkable development, and there are further expansion plans. Scheer provides security and stability, which are good attributes for a Rising Star.

Bechtle

Leader

"As a new Azure Expert MSP, Bechtle is one of Microsoft's strongest partners worldwide."

Holm Landrock

Overview

Bechtle, headquartered in Neckarsulm, Germany, is a European system integrator service provider with around 12,800 employees. It generated approximately €5.8 billion in revenue in 2021. Bechtle offers a wide range of cloud services and solutions based on Microsoft technologies and holds the status of Azure expert managed service provider.

Strengths

Bechtle holds 18 Microsoft Gold Partner statuses across all divisions: 70 Bechtle companies sell modern workplace and Azure products to over 80,000 customers. At Bechtle, over 600 consultants and sales specialists have been trained in Azure to date, about half at expert level, and it has acquired over 1,700 Microsoft certifications.

Bechtle is specifically committed to partnerships and initiatives: The purpose of this commitment is to develop cloud solutions for Bechtle's customers securely on Microsoft Azure.

As a new Azure expert managed service provider, Bechtle is one of Microsoft's strongest partners worldwide: To obtain this status, it must achieve the Gold Partner status on the cloud platform and participate in the cloud solution provider program and complete audits. Technical and organizational competencies must be proven through customer projects that are successfully implemented and operated. Bechtle offers a dedicated portfolio of professional and managed services for the entire lifecycle of cloud services on the Azure platform. Another focus is its training program. It operates 20 of its own training centers to cope with the war for talents.

Caution

Bechtle is transforming itself from a distributor and reseller to a successful full-service provider, although the company should go to great lengths to communicate with customers about who is providing the service.

The individual branches and the company departments in numerous locations differ from one another, sometimes greatly. Consistent training and development must also be reflected in a uniform approach at each location.

Microsoft 365 Large Enterprises

Who Should Read This

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

The German market has progressed in the overall adoption of cloud technologies, and service providers currently have clients that are in different stages of cloud adoption. Large enterprises prefer service providers with a vast international network of data centers. The main challenges that need to be addressed by service providers are data consolidation and the need to address governance-, compliance- and security-related complexities.

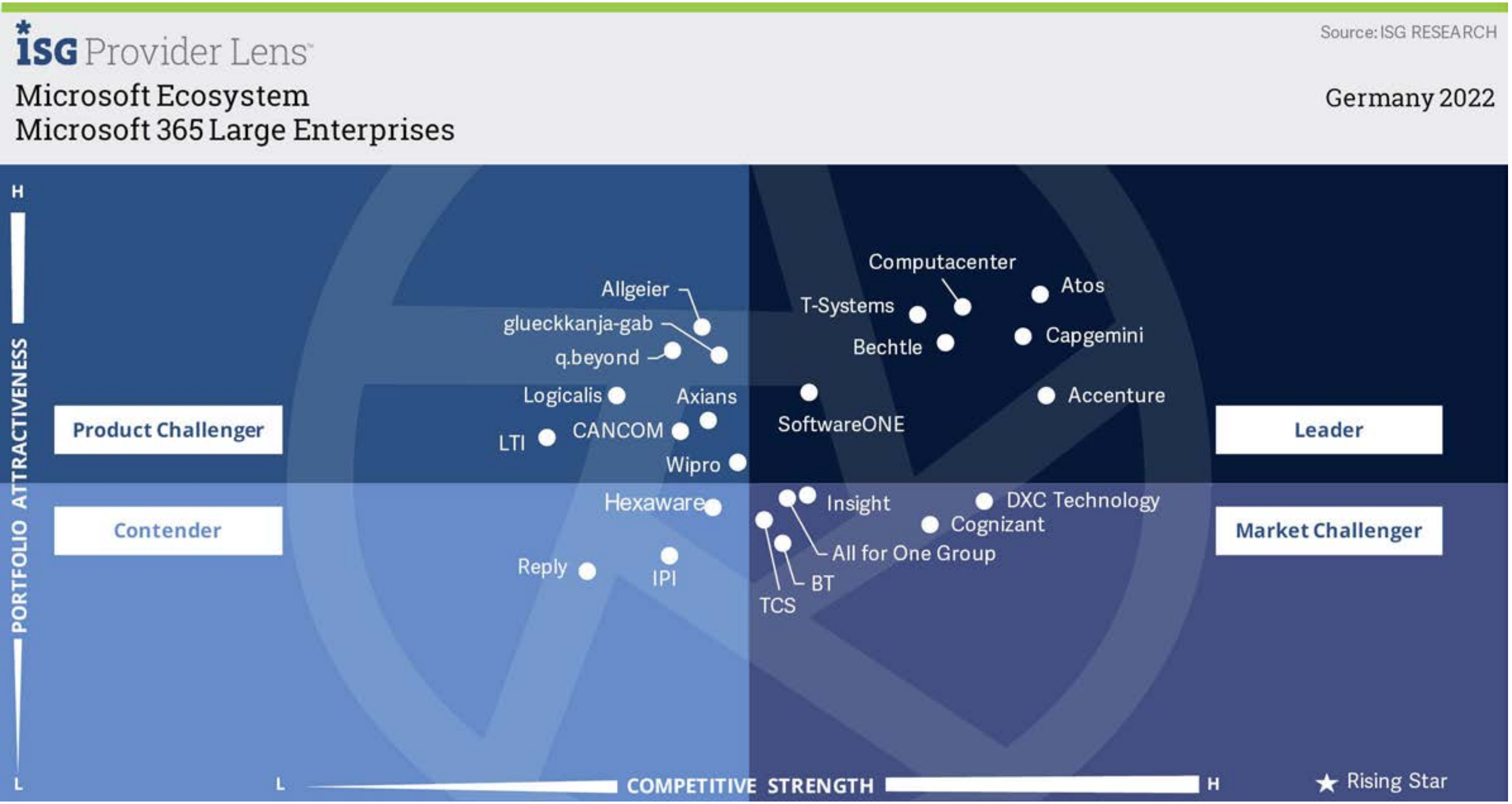
Security is a major challenge for large enterprises in Germany, and they need solutions that are highly redundant and offer a high level of protection. In many cases, IT costs are less important than the eventual costs of downtime; hence, high-quality services are in demand.

With the above-mentioned challenges, outsourcing has become the only viable option, and it requires a close professional partnership between service providers and clients. Enterprises are making investments to reduce costs, achieve the highest level of automation and ensure the transparency of their cloud capacity utilization and costs. Clients are looking for strong partners that offer holistic services with well-educated and certified professionals.

IT leaders should read this report to understand the relative positioning and capabilities of partners that will help them effectively leverage services from Microsoft's cloud and to determine how providers' technical capabilities square with the rest of the market.

Software development and technology leaders should read this report to understand the positioning of managed service providers and how their offerings and strategies can influence the demand for complementary software products and services.

Sourcing and procurement professionals should read this report to understand the provider ecosystem for Microsoft 365 services in Germany and gain knowledge about providers' service offerings beyond the standard initiatives.



The scope of this market category is introduction, integration and ongoing operation of **Microsoft 365.** These services go beyond **deployment and migration** to Microsoft 365 and extend to **applications related to the workplace.**

Holm Landrock

Definition

This quadrant evaluates service providers that help companies with the deployment, integration and ongoing operations of the Microsoft 365 –SaaS-based productivity suite.

These services go beyond deployment and migration to Microsoft 365. They're specifically focused on delivering high-quality productivity suites that are fast, device independent and enable seamless teamwork regardless of location. They are also customized to each user's role. From a customer perspective, Microsoft 365 is about the collaboration and integration of globally distributed teams; this requires integration and deployment services. This quadrant also evaluates the support that providers provide for Windows as part of their overall portfolio of Microsoft 365 services.

Implementing a SaaS-based workplace environment is a challenge for any client. As ISG found, there are many pitfalls to avoid in the areas of collaboration, unified communications, file storage and performance, and also in licensing costs, deployment procedures, maintenance schedules and data integration efforts, process integration and application integration, and other processes. Providers in this field must be able to go beyond the basic implementation of Microsoft 365 and address the above challenges head on.

Eligibility Criteria

1. The range of services includes technical consulting, license acquisition, integration of Microsoft 365 modules, implementation and operation.
2. Forward-looking offerings integrated with Microsoft 365 to create a modern workplace for customer companies, such as HoloLens development and Teams bots creation.
3. Management of Microsoft Office APIs to ensure appropriate usage and increase business productivity
4. Migration of customer workplaces to modern cloud environments and workspace-as-a-service models
5. Deploying unified endpoint suites based on Microsoft 365 through integration with cutting-edge identity and access management technology and mobile device management, such as Intune or others
6. A close partnership with Microsoft, as measured by the number and categories of relevant certifications, including Office 365, Intune, Windows, and Azure, the duration of partnership with Microsoft and evidence of strategic collaboration between the provider and Microsoft related to the modern workplace

Observations

Microsoft 365 is increasingly becoming a universal digital workspace environment for companies. As more business processes depend on the functionality of different tools, especially on integrated implementations, the services in this area are becoming more important for users. The providers are still struggling with repeated isolated implementations of Teams at clients, where different employees often use their Teams in different ways. For example, some employee groups use Teams more as a communication tool, while other teams use Teams for project management or building Wikis. This issue runs through all areas of the Microsoft 365 solution module.

Providers here have the task of creating a modern workplace environment while keeping the entire Microsoft 365 world running smoothly and ensuring that the result complies with security and governance policies.

Several new criteria led to a significant change in presentation. Previously, for example, the maturity of the service offering played a significant role. Since the service providers have become more similar over the years, the evaluation now places more emphasis on the implementation speed and benefits for the users, among other things. In addition, the type and scope of partnership with Microsoft are also being re-evaluated. Localized offerings were subjected to an expanded review.

The quadrant was revised based on provider allocation for large customer segments with more than 5,000 customers and midsize customers.

Of the 149 companies included in the observation for this study, 26 providers qualified for this quadrant. Seven are identified as Leaders.

accenture

Accenture can handle complex projects from customers, with one of the largest Microsoft business units in the market and a broad partner landscape. With its expertise and many certified employees, the provider can help large companies with their digital transformations. Accenture is ahead of most of its competitors.

Atos

With a long history, Atos can now offer standardized methods worldwide. The expertise is combined in a decision factory, a migration factory and a Microsoft center of excellence with specialized experts. The key element in the implementation is the deployment factory services combined with a team of experts as the core component. Atos has several thousand employees worldwide certified for Azure Cloud.

Bechtle

Bechtle has been a long-standing IT partner for business customers and public clients for all aspects of the Microsoft product portfolio. The services range from license consulting and optimization to inventory, installation and configuration. A real highlight is that the service is provided entirely from Germany. A Microsoft 365 service portfolio delivered from Germany is particularly valued by customers with high security requirements and customers with strict data protection and compliance regulations.

Capgemini has integrated the Microsoft 365 services into the connected experience framework. This framework defines the steps to develop a digital experience to ensure that the technologies are developed in a way that helps to improve everyday work. Capgemini also leverages new concepts such as gamification of applications. Customers benefit from Capgemini's experience in global projects.

Computacenter

Computacenter has an extensive solution portfolio for Microsoft 365, from entry-level workshops to operations. To get the employees on board, the work habits of the employees are examined in addition to the IT processes. Computacenter demonstrates its strengths when it comes to migration to Microsoft 365 during mergers, acquisitions and spin-offs at clients. All implementation and operating models are supported from end to end.

SoftwareONE

With the adoption of productivity solutions and change management services integrated into its managed services, SoftwareONE can track user development to increase platform acceptance and productivity. Its PyraCloud management platform should be highlighted for its comprehensive and complete offering for the most efficient use of the Microsoft 365 platform.

T-Systems

T-Systems sees itself as an integrator and orchestrator, optimizing licensing costs for office services. This year, the partnership with Microsoft enables T-Systems to guarantee price stability for its customers until 2027, which is particularly important. The roadmap shows a strong commitment toward data sovereignty and open source.

Bechtle

Leader

"Training, expertise and service delivery from Germany are Bechtle's strategic advantages."

Holm Landrock

Overview

Bechtle, headquartered in Neckarsulm, Germany, is a European provider of system integrator services with around 12,800 employees and generated revenue of approximately €5.8 billion in 2021. Bechtle offers a wide range of cloud services and solutions based on Microsoft technologies and holds Azure Expert Managed Service Provider status.

Strengths

Training and expertise as the strategic advantage: With about 20 Bechtle training centers spread across the country, there is a large selection of practical training courses on Microsoft products and technologies. It emphasizes its extensive experience around the Microsoft product portfolio, which is available at Bechtle as a long-standing IT partnership with its business customers and public clients. The services range from license consulting and optimization to inventory, installation and configuration.

Bechtle's service and support are provided entirely from Germany: Bechtle does not use offshore resources. A Microsoft 365 service portfolio delivered from Germany is particularly valued by customers with high security requirements and for customers with strict data protection and compliance regulations. Bechtle supports Microsoft Office 365 Germany, which is hosted in a German data center. The data is also stored in Germany. An independent data trustee operating under German law is responsible for data protection. A consumption-based usage model is the rule rather than the exception.

Its commitment to Azure is starting to show results: Bechtle was able to continuously increase its revenue with services around Microsoft 365 and the Azure Cloud by 17.2 percent compared to the previous year.

Caution

This impressive growth needs to be maintained. To achieve this purpose, the economic and technical resources distributed across business units should be merged, as Bechtle is already doing with the more centralized training centers. This could reduce the regional differences between services, which also jeopardizes the recruitment of new employees.

Microsoft 365 for Midmarket

Who Should Read This

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

The German market has progressed in the overall adoption of cloud technologies, and service providers currently have clients that are in many different stages of cloud adoption. Midsize clients prefer service providers with a local network of datacenters. The main challenges that need to be addressed by service providers are data consolidation and the need to address governance-, compliance- and security-related complexities.

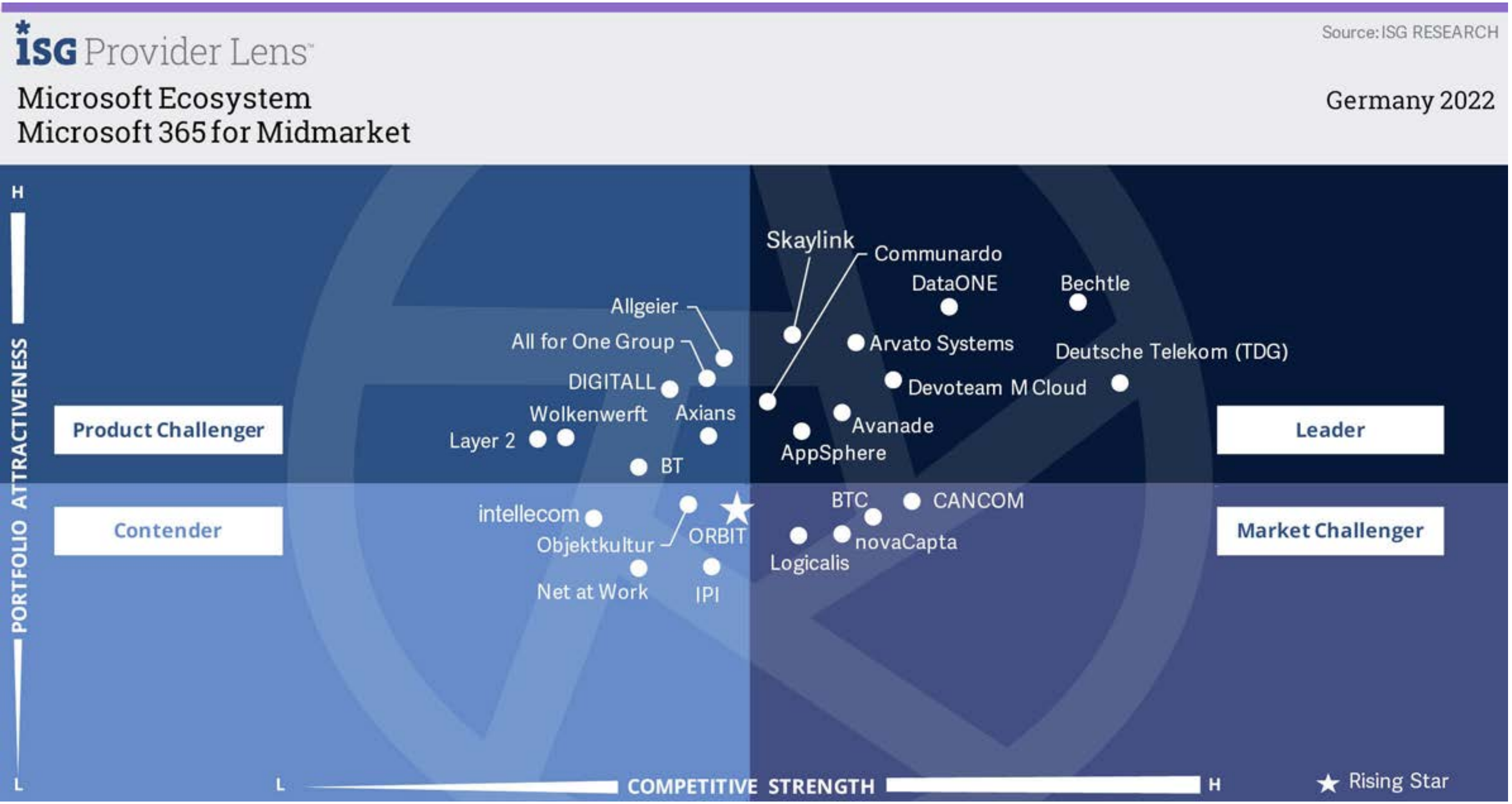
Security is a major challenge for midsize enterprises in Germany, and there is a need for solutions that are highly redundant and offer a high level of protection. In many cases, IT costs are less important than the eventual costs of downtime; hence, high-quality services are in demand.

With the above-mentioned challenges, outsourcing has become the only viable option, and it requires a close professional partnership between service providers and clients. Enterprises are making investments to reduce costs, achieve the highest level of automation and ensure the transparency of their cloud capacity utilization and costs. Clients are looking for strong partners that offer holistic services with well-educated and certified professionals.

IT leaders should read this report to understand the relative positioning and capabilities of partners that will help them effectively leverage services from Microsoft's cloud and to determine how providers' technical capabilities square with the rest of the market.

Software development and technology leaders should read this report to understand the positioning of managed service providers and how their offerings and strategies can influence the demand for complementary software products and services.

Sourcing and procurement professionals should read this report to understand the provider ecosystem for Microsoft 365 services in Germany and gain knowledge about providers' service offerings beyond the standard initiatives.



The scope of this market category is introduction, integration and ongoing operation of **Microsoft 365**.

These services go beyond deployment and migration to Microsoft 365 and extend to **applications related to the workplace**.

Holm Landrock

Definition

This quadrant evaluates service providers that help companies with the deployment, integration and ongoing operations of the Microsoft 365 SaaS-based productivity suite.

These services go beyond deployment and migration to Microsoft 365. They are specifically focused to deliver high-quality productivity suites that are fast and device independent and enable seamless, location-independent teamwork. They are also customized to each user’s role. From a customer perspective, Microsoft 365 is about the collaboration and integration of globally distributed teams, and this requires integration and deployment services. This quadrant also evaluates providers who offer support for Windows as part of their overall portfolio of Microsoft 365 services.

Implementing a SaaS-based workplace environment is a challenge for every customer company. As ISG has discovered, there are many pitfalls to avoid in the areas of collaboration, unified communications, file storage and performance and also in licensing costs, deployment procedures, maintenance schedules and data integration efforts, process integration and application integration and other processes. Providers in this field must be able to go beyond the basic implementation of Microsoft 365 and address the above challenges head on.

Eligibility Criteria

1. The range of services includes technical consulting, license acquisition, integration of Microsoft 365 modules, implementation and operation
2. Forward-looking offerings integrated with Microsoft 365 to create a modern workplace for customer companies, such as HoloLens development and Teams bot creation
3. Management of Microsoft Office APIs to ensure appropriate usage and increase business productivity
4. Migration of customer workplaces to modern cloud environments and workspace-as-a-service models
5. Deploying unified endpoint suites based on Microsoft 365 through integration with cutting-edge identity and access management technology and mobile device management, such as Intune or others
6. A close partnership with Microsoft as measured by the number and categories of relevant certifications, including Office 365, Intune, Windows and Azure; the duration of partnership with Microsoft and evidence of strategic collaboration between providers and Microsoft related to the modern workplace

Observations

Medium-sized companies with 250 to 5,000 employees can particularly benefit from the solution package around Microsoft 365. The solutions are broad, and the alternatives have been successfully pushed out of the market over the last 20 years. It is becoming important, particularly for midsize companies, not to proceed without a plan and to train their employees properly right from the beginning.

In this market category, several evaluation criteria have been revised and reweighted. The change has led to visible shifting of individual providers. In this year's evaluation, in addition to app optimization as part of moving to the cloud and the introduction of innovations to specific customers, the acquisition of new customers played a bigger role. In general, this quadrant also reflects a slightly less dynamic market, caused by the COVID-19 pandemic. While the pandemic still provided quite a bit of momentum last year, 2021 was a bit more subdued because many workplaces were already migrated to their home office and the associated costs first had to be absorbed.

Many partners in this category have faced the ever-changing challenges of partner classification. Various expert levels and advanced specializations have been added to Gold partnerships for some time.

The quadrant has been revised to accommodate providers for midsize users with fewer than 5,000 employees.

From the 149 companies included in this study, 25 providers qualified for this quadrant, with Nine being Leaders and one Rising Star.

AppSphere

AppSphere is a leading innovation partner of the German economy. It focuses on three areas to support transformation: cloud, processes and corporate culture. Modern Workplace is not just a buzzword for the provider. It is about supporting clients to be attractive employers to win expert talents. In 2021, AppSphere integrated two subsidiaries and further acquisitions are planned for 2022.

Arvato Systems

For **Arvato Systems**, security and data protection are important elements of Microsoft 365 environments while serving clients in the German-speaking region. It serves clients in selected industries and can, thus, offer special expertise to address customers' concerns. The almost complete stack of Microsoft certifications proves these capabilities and successes.

Avanade

Avanade's 21 years of joint venture with Microsoft are evidence of its success. For Microsoft, Accenture and Avanade are important partners to help clients in digital transformation. Avanade is one of the leading partners for Microsoft 365. It has a vast number of employees and gets technical expertise directly from Microsoft.

Bechtle

Bechtle is fully dedicated to create a smart workplace for the user. The system integrator and its consultants provide customers with environments for collaboration in the modern workplace. Bechtle has 18 Microsoft Gold Partner certifications, proving its commitment.

Communardo

Communardo has established a new business unit that focuses on Microsoft 365-related projects. This unit combines its diverse consulting offerings and services and provides them within newly defined service packages. Communardo specializes in creating and providing support for Microsoft 365 workplace environments.

Data One

Data One incorporates proven best practices into each individual project and offers rapid implementation of Microsoft 365 with full cost transparency. It looks at Microsoft solutions from three perspectives: employees and culture, products and services, and technological concepts. Employee appreciation and a good working atmosphere ensure quality in the provision of services to customers.

Deutsche Telekom

Deutsche Telekom can support its customers in Germany with more than 1,000 certified experts for the mobile workplace. It has been continuously expanding its customer service efforts, certifications and service offerings to serve clients better. Telephony solutions can be part of the overall solution offering, if required. Solution packages for customers' mobile employees complement the service offerings.

Devoteam M Cloud

Devoteam M Cloud aims to provide customers with everything they need for modern workplace environments and helps keep pace with the dynamics of business. To achieve this goal, Devoteam M Cloud relies on blueprints using project experience. It accompanies users on the digital journey as a trusted advisor.

Skaylink

Skaylink is an excellent Microsoft business partner for collaboration with Microsoft 365 and the Teams toolset. The company helps its customers meet the challenges posed by rapidly growing IT structures and large volumes of data on a wide range of systems.

ORBIT

One of **ORBIT's** success factors is its consultants' ability to analyze and describe the actual need for change in client companies. Corresponding workshops are the starting point for all subsequent projects. The standardization and packaging of the services helps customers migrate their workloads to Microsoft 365. Proven successes facilitates positive evaluation results in this study.

Bechtle

Leader

"Bechtle is familiar with Microsoft 365 and can serve customers in a very adept and timely manner."

Holm Landrock

Overview

Bechtle, headquartered in Neckarsulm, Germany, is a European system integrator service provider with about 12,800 employees and approximately €5.8 billion as its 2021 revenue. Bechtle offers a wide range of cloud services and solutions based on Microsoft technologies and holds an Azure Expert Managed Service Provider status.

Strengths

Bechtle aims to create a smart workplace for the user: The system integrator and its consultants provide customers with environments for collaboration in the modern workplace. The purpose of this commitment is to develop cloud solutions for Bechtle customers securely on Microsoft Azure and to help boost productivity.

Twelve certifications as a Microsoft Gold Partner: Bechtle brings modern Workplace and Azure products to customers with a large number of certifications and hundreds of qualified consultants.

Bechtle's cloud services for the modern workplace combine public and private clouds: Users can obtain private cloud services from Bechtle and add public clouds to the environment for additional workloads through Bechtle Clouds. Bechtle facilitates accounting and billing through a single point of contact and with a single invoice or with a company credit card from the user's company. Bechtle also offers additional services for clouds, such as backup and disaster recovery as a service.

Caution

Workplace solutions need to be mobility solutions. Bechtle can expand its offerings through partnerships with telecom providers. The system integrator, with Microsoft 365 capacities, can implement its specialized retail competency better in the market.

Its distributed locations model has agility-related advantages, but a centralized approach can also have distributed advantages. This has been recognized by Bechtle, but it should handle this carefully while maintaining employees' capabilities.

Dynamics 365

Who Should Read This

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

This quadrant emphasizes service providers that offer ERP and CRM software, analyzing non-digital processes and the transformation of processes utilizing Dynamics 365 solutions. Consolidation of different ERP systems on multicloud solutions is a challenging task. Clients are looking for strong partners to manage, maintain and optimize Dynamics 365 applications. With the need for specialized solutions to address the above-mentioned challenge, outsourcing has become the only viable option, and it requires a close professional partnership between service providers and clients.

In Germany, clients are looking for robust agile and DevOps implementation, including consultation, planning and configuration, and automated reports to ensure service delivery and quality.

IT leaders should read this report to understand the relative positioning and capabilities of partners that will help them effectively leverage Microsoft's Dynamics 365 services and to determine how providers' technical capabilities square with the rest of the market.

Software development and technology leaders should read this report to understand the positioning of managed service providers and how their offerings and strategies can influence the demand for complementary software products and services.

Sourcing and procurement professionals should read this report to understand the provider ecosystem for Microsoft's Dynamics 365 services in Germany and gain knowledge about providers' service offerings beyond the standard initiatives.

This quadrant evaluates service providers that help companies with the selection, integration, customization, and operation of the Microsoft cloud-based Dynamics 365 ERP and CRM software. Expertise in business processes and training courses is also considered.

Holm Landrock

Definition

This quadrant evaluates service providers that help companies with the selection, integration, customization and operation of Microsoft cloud-based Dynamics 365 enterprise resource planning (ERP) and customer relationship management software (CRM). These services focus on the digitalization of business processes using ERP and CRM software. In this context, service providers and systems integrators should support user companies in the analysis of processes that are not digitally mapped and the IT implementation of these processes using Dynamics 365 solutions.

This study addresses issues such as data integration and the takeover of legacy systems. In addition, this study also examines how providers handle the software lifecycle and user support. There are also areas such as escalation management, change management, optimization and reporting. Providers addressed in this quadrant also demonstrate a strong understanding of how their services and the Dynamics 365 solution impact the business of their customer companies.

Eligibility Criteria

1. The scope and depth of the provider's service portfolio related to the implementation, customization, deployment and support of Microsoft Dynamics 365, with special attention to industry-specific services
2. Number and location of employees providing Dynamics 365 services
3. Understanding of customers' workload in terms of moving from ERP or CRM
4. A strong partnership with Microsoft as measured by the number and categories of relevant certifications, the length of the partnership with Microsoft, and evidence of strategic collaboration between the provider and Microsoft
5. Process support in the context of digital transformation in user companies during the introduction of Dynamics 365
6. Diverse and mature pricing and payment models that meet the needs of companies that implement Dynamics 365
7. Robust processing by the provider in implementation, including the use of Agile and DevOps methodologies and relevant automation for service delivery and quality

Observations

ERP and CRM environments are combined in many user companies. Both are very important because they serve as the base for managing business relations in IT. Dynamics 365 forms an independent solution landscape that is planned, configured, implemented and, if necessary, operated at the user companies by the service providers assessed in this market category on customer request. As a rule, customers are also provided with additional services for operating their applications on the cloud, mainly on the Azure cloud.

In case users can no longer control their own Dynamics 365 environment themselves, it is often necessary to take rapid, efficient and targeted actions to maintain business operations. This is offered by the providers listed here. They form the Leader group in the region.

As it takes great effort to implement ERP and CRM solutions, service providers have little room for innovation or other forms of creativity. The most important requirement from users is to get the IT solutions into operation.

From the 149 companies included in this study, 23 providers qualified for this quadrant, with Six being Leaders. A Rising Star could not be identified.

Atos

Atos is a strong partner for larger clients in the German Mittelstand. It supports clients to drive digital transformation with Dynamics 365. Atos OneCloud combines cloud consulting, application transformation expertise and pre-built cloud accelerators into a set of end-to-end services to securely and rapidly support customers with cloud journey.

Allgeier

ERP solutions based on Dynamics 365 are Allgeier's area of expertise, and only a few providers evaluated in this study match the company's vision so comprehensively. The company has mastered the implementation of business management software. It has a deep understanding of its customers' CRM and ERP concerns.

Bechtle

Bechtle offers its customers with extensive solutions and service portfolios related to Dynamics 365. It handles integration with the Azure cloud and other solutions in the Microsoft toolset. Customers can thus follow the digital transformation path driven by ERP.

Deutsche Telekom (TDG)

The business customer unit of Deutsche Telekom offers services in a holistic approach. Deutsche Telekom thus uses a knowledge-based and collaboration tools to improve processes in sales, marketing, customer service and production. Winning new clients is facilitated by predefined training and solutions.

KUMAVISION

With its specialization in key industries of the German economy, the provider secures a strong position in the market. A complete and integrated service portfolio around Dynamics 365 contributes to its position. The company's awareness of Dynamics 365 is exceptionally high. Employees also give high ratings to its corporate culture.

ORBIT

Clients who want migrate their ERP and CRM environments into the cloud can get appropriate services and support from ORBIT. ORBIT sees itself as a problem solver for workload migration. After reorganization at the end of 2020, it started focusing on the partnership with Microsoft and migration Dynamics 365-related solutions. ORBIT has 13 Microsoft certifications.

Leader

"Bechtle experts offer clients specific benefits around Dynamics 365."

Holm Landrock

Bechtle

Overview

Bechtle, headquartered in Neckarsulm, Germany, is a European provider of system integrator services with around 12,800 employees and approximately €5.8 billion in 2021 revenue. Bechtle offers a wide range of cloud services and solutions based on Microsoft technologies and holds the Azure Expert Managed Service Provider status.

Strengths

Complete services come from a single source: Bechtle offers its customers extensive solutions and service portfolios around Dynamics 365. From its portfolio, users can choose their individual approach to CRM and ERP. Bechtle also handles the integration with the Azure cloud and other solutions of the Microsoft toolset. Customers can thus follow the digital transformation path driven by ERP. The portfolio includes additional services and solutions.

Reputation as a well-known German systems integrator helps: Bechtle can refer to its excellent reputation as a systems integrator and IT sales company. Its reputation supports aspects such as customer retention and new customer acquisition.

The sales orientation on processes supports clients' goals: Bechtle experts link Dynamics 365 with specific benefits for users. The focus is on ensuring that ERP projects address specific problems and enable cloud-based administration and control of sales processes, sales staff and ultimately the view of customer companies and KPIs.

Caution

Bechtle cannot be complacent on its past successes and must constantly communicate its existing activities around Dynamics 365 to the public through references from new customers.

SAP on Azure

Who Should Read This

This quadrant report focuses on the current market positioning of service providers targeting midsize and large enterprises and how they address the key challenges associated with SAP on Azure.

SAP on Azure requires an understanding of the possible architecture requirements and technical designs to optimize the opportunities provided by SAP. Clients are looking for robust planning, implementation and management while adhering to the current security and governance regulations. The close partnership between SAP and Microsoft makes Azure an attractive platform.

Due to the current changes in in-memory computing and cloud computing, clients are in need of knowledgeable partners to consolidate multicloud environments. Thus, outsourcing has become the only viable option in Germany to receive holistic services with well-educated and certified professionals.

IT leaders should read this report to understand the relative positioning and capabilities of partners that will help them effectively leverage SAP on Azure services and to determine how providers' technical capabilities square with the rest of the market.

Software development and technology leaders should read this report to understand the positioning of SAP on Azure providers and how their offerings and strategies can influence the demand for complementary software products and services.

Sourcing and procurement professionals should read this report to understand the relative positioning of SAP on Azure service providers in Germany and understand the trends in the services ecosystem that may influence decisions regarding partner selection.

Almost all providers are multicloud service providers, while it seems clients have a strong affinity to migrate their SAP environments to Azure.

Holm Landrock

Definition

This quadrant evaluates service providers that offer services related to the adoption, management and use of Microsoft dedicated SAP on Azure suite on cloud solutions. The specific services for this quadrant include architecture consulting and analysis for the application landscape requirements, technical design with configuration support, deployment, escalation management, change and error management, support, optimization and reporting. Providers evaluated in this category must be able to support their customers in migrating SAP workloads to Azure, and they must optimize, setup and develop new processes and business workflows as part of platform management through a combination of services from the respective provider, SAP services and Microsoft Azure services.

Service providers in this category require both Microsoft and SAP certifications. Providers must have active and productive partnerships with technology providers and be well versed in the evolution of the underlying technology offerings. Therefore, they must be able to demonstrate how product and platform changes will impact the organizations that use the solution, from technical architectural considerations to business implications.

Eligibility Criteria

1. Scope and depth of service portfolio in terms of migration of SAP workloads to SAP on Azure, SAP application customization and service implementation, deployment and support
2. Number and location of employees delivering SAP on Azure services
3. Ability and willingness to support hybrid cloud and hybrid provider environments
4. A strong provider partnership with SAP and Microsoft, measured by the number and categories of relevant certifications, length of partnership with SAP and Microsoft and evidence of strategic collaboration between the provider and Microsoft regarding SAP on Azure
5. Support for multiple pricing models including prepaid or pay as you go
6. Robust processing by the provider in implementation, including the use of Agile and DevOps methodologies and relevant automation for service delivery and quality

Observations

The SAP user community is under pressure from all sides. SAP has discontinued the traditional R/3 platform and presented a roadmap toward in-memory computing and cloud computing. Users are thus required to first consolidate and then migrate their business application environments. In this context, due to a partnership between SAP and Microsoft, the Azure cloud is also one of the recommended platforms for the future implementation of SAP software. There is a lot of work needed before cloud migration, and service providers evaluated here support customers with in-depth knowledge, consulting and support, along with their own additional solutions.

Almost all providers evaluated are multicloud service providers and also support AWS or Google for SAP. Currently, it seems users prefer to migrate the SAP environment to Azure. On the other hand, AWS prefers companies to migrate to the AWS cloud platforms and then transform the SAP environment to the AWS cloud along with it.

Among providers that fall into this market category, many have announced their plans to increase manpower, and many have very ambitious revenue growth targets. This reflects high market confidence. One challenge for the providers is the need to stand out as an attractive employer in the talent war.

From the 149 companies included in this study, 27 providers qualified for this quadrant, with nine being Leaders and one Rising Star.

All for One Group

All for One Group creates a competitive advantage for users through many well-defined workflows and services for SAP on Azure, for example, by making it easier to achieve company goals. The portfolio around SAP on Azure is comprehensive. Users are supported in the cloud transformation of their SAP landscapes.

Arvato Systems

Arvato Systems SAP expertise includes industry expertise for its core industries. Arvato Systems has years of experience, with customers in the media, healthcare, pharmaceutical, utilities and retail industries. It has a leading position in terms of SAP on Azure at DSAG, its good relationship with manufacturers and users in Germany.

Atos

Atos offers defined packages when migrating SAP environments to the cloud. Atos can offer computer systems specifically customized to the use of HANA. They are provided to Atos hyperscalers as bare metal as a service and used by Microsoft to provide a private cloud as a digital platform for SAP.

Capgemini

Helping customers with their S/4 transformation to the cloud is Capgemini's area of expertise. The provider is trying to convince German customers to also migrate to the cloud as part of S/4 transformation. The results of the close partnership with Microsoft and SAP naturally benefit its user companies.

Devoteam M Cloud

Devoteam M Cloud was able to increase its competence around SAP on Azure in terms of services and integration of certified experts in the new corporate structure. High level partnerships with Microsoft and SAP facilitate access the latest information and tool versions. Training offerings are combined in an advanced training academy.

DXC Technology

With strong partners for SAP cloud migration projects, DXC Technology solves user problems. It is considered a well-organized company and handles different needs with predefined processes and automation solutions. With its global presence, it can provide comprehensive support, especially for customers with international operations.

NTT Data

Microsoft and NTT Data are long-term partners. One of NTT Data's strengths is creating fabrics of systems and applications to transform SAP environments. The integration of itelligence AG into NTT Data Business Solutions is considered complete. NTT Data offers in-depth and specialized services, especially in Germany.

Scheer

New partnerships have strengthened the position of Scheer. New customers validate the provider's specific approach and ability to deliver. The provider offers capabilities for controlling and monitoring SAP environments and has them combined in an Azure monitoring service. Security is also an integral part of the service.

T-Systems

T-Systems is doing an excellent job by retaining many customers on the Azure cloud. T-Systems supports customers in security, data protection and access control and delivers additional SAP services on Azure. Experts from T-Systems leverage their experience in migrating SAP and non-SAP systems to Microsoft Azure.

q.beyond

It has numerous small and midsize clients. By acquiring other companies, q.beyond has demonstrated its economic stability. The companies acquired by q.beyond have increased the provider's number of employees for SAP on Azure. Its new center of excellence reflects the capabilities of q.beyond companies, with the combined efforts of experts.

Power Platform Services

Who Should Read This

This quadrant report focuses on the current market positioning of service providers targeting midsize and large enterprises and how they address the key challenges related to Power Platform services.

In Germany, there is a strong need to automate processes across industries to leverage personnel more effectively. Power Platform services include data analysis, low-code application creation and recurring business process automation. If utilized to the full potential, this can ease the overall pressure of the ongoing technology talent war.

To streamline business processes, service providers need to onboard clients' employees properly to allow them to be citizen developers. Along with this, providers should monitor potential security breaches and offer preventive security measures.

The above-mentioned challenge typically cannot be addressed by enterprise clients internally. However, it can be addressed with a close professional partnership. Investments in such initiatives can reduce costs and the potential downtime caused by avoidable errors.

IT and technology leaders should read this report to better understand the relative strengths and weaknesses of service providers in Microsoft ecosystem and understand how they are integrating the latest Power Platform services capabilities into their offerings.

Software development and technology leaders should read this report to understand the relative positioning of the providers of Power Platform services in Germany and understand the trends in the services ecosystem that may influence their decisions regarding partner selection.

Sourcing and procurement professionals should read this report to understand the potential of Power Platform services in Germany and gain knowledge about providers' service offerings beyond the standard usages of Power BI.

This quadrant evaluates providers that offer services for company-wide **Power Platform** implementations, support services, and related advanced training. Providers in this quadrant excel at integrating with a wide range of Microsoft and other **company applications**.

Holm Landrock

Definition

This quadrant evaluates providers that offer services for companywide Power Platform implementations, support services and related advanced training. Customer companies use these services to create new and sophisticated software applications for digital transformation, to gain new insights into business processes and thoughtfully optimize business processes. The services offered by the providers not only leverage the capabilities of the Power Platform but also educate companies on the best development practices. Providers in this field excel at integrating with a variety of Microsoft and other business applications, such as Office 365, Dynamics 365 and Azure, including through advanced concepts such as DevOps, DataOps or MLOps.

They can understand the client's goals, demonstrate their data competence and capabilities to provide the necessary guidance to customers, and take a comprehensive approach with attention to detail to achieve the goals.

Eligibility Criteria

1. Services to support a company-wide utilization of all Power Platform solutions — Power BI, Power Apps, Power Automate and Power Virtual Assistant
2. Structured offerings and tools that enable easy adoption of Power Platform solutions and optimize ongoing software operations
3. Technical support services to support the implementation and management of platform solutions
4. Clear business benefits from using platform solutions
5. Number and location of employees with relevant certifications to use the Power Platform

Observations

This market category was newly included in the study. ISG is convinced that it is no longer about the introduction of Power Apps, Power BI and related tools when customers have decided to use various tools from Power Platform.

An important task is to guide users, who are called citizen developers, as a result of new software development software from Microsoft and Power, so that the apps developed with low-code and no-code tools fit into the customer company and its IT concepts. There are service providers who are still hesitant to face the related challenges. Although this is not a flaw, vendor commitment to addressing this challenge is becoming increasingly difficult to assess.

From the 149 companies included in this study, 16 providers qualified for this quadrant, with five being leaders. A Rising Star could not be selected.

Avanade

Avanade recognizes that low-code and no-code development by end users create risks and opportunities. Avanade offers a range of governance tools for data access, privacy and integrity. Many experts are available for the projects. Avanade helps end-user companies to design, structure and align their low-code activities with specific business outcomes.

Arvato Systems

Arvato Systems is one of the providers in this study that align the project with customers' requirements very clearly. Particularly with Power Platform, the provider is even more focused on involving employees at all levels in digitalization projects. Training, consulting services and operating services are part of the complete package.

Atos

A citizen developer service developed together by Microsoft and Atos demonstrates the close partnership between the two partners. Atos' tools help users develop and validate their apps based on best practices. Atos has a center of excellence for Power BI and offers a comprehensive training program.

Communardo

Communardo focuses on midsize clients and also gains recognition among customers due to its regional proximity. In addition to project services, Communardo offers an advanced training program on Power Platform. It also offers consulting services that are independent of the project business.

SoftwareONE

SoftwareONE's offering includes consulting services for user situation analysis and solution scenarios. The provider understands customers' business challenges and can determine the best implementation roadmap. Users value cost efficiency, safety and reliability.

Appendix

The ISG Provider Lens™ 2022 – Microsoft Ecosystem Partners research study analyzes the relevant software vendors/ service providers in the Germany market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

Lead Author:
Holm Landrock

Editors:
Sajina B, Dona George, Grant Gross

Research Analysts:
Katharina Kummer

Data Analyst:
Sarida Khatun, Pooja Rani Nayak

Quality & Consistency Advisors:
Mathias Schulze

Project Manager:
Smita Subhash

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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 2022, 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

As an ICT analyst, technical journalist and author of several books, Holm Landrock's core topics include technical-scientific computing, enterprise computing and trending topics such as e-health and quantum computing.

Landrock has almost 40 years of experience in IT, running data centers, writing for enterprise IT and about enterprise IT as well analyzing IT providers. Landrock is a certified IT specialist and has gathered several years of professional experience in technical and enterprise IT for a larger German microelectronics company. Since 2011, Landrock has worked for Experton Group AG, which is now integrated with ISG Research. Before, he worked both as senior editor for technical magazines as well as a freelance journalist within the landscape of the German IT and technical press. He wrote several books on big data, e-Health, drones and business management. Also, with ISG Landrock provides clients with advisory services.

Research Analyst

Katharina Kummer
Research Analyst

Katharina Kummer is a research analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Public Cloud Transformational Services, Private Hybrid Cloud Data Centre, Data Analytics, Microsoft Ecosystem and Cloud Native – Container Services. Her areas of expertise lie in cloud, data center, cloud native services, digital linguistics and NLP. Katharina develops content from an enterprise perspective and author the global summary report. Along with this, she supports the lead analysts in the research process and ad-hoc research assignments and writes articles about niche technologies, market trends and insights.

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™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally. For more information about ISG Provider Lens research, please visit this webpage.

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