



# Tech Mahindra SAP ERP Cloud Migration Services

Vendor Assessment  
Report Abstract

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## Who Is This Vendor Assessment For?

NelsonHall's SAP ERP Cloud Migration Services Vendor Assessment for Tech Mahindra is a comprehensive assessment of Tech Mahindra's SAP ERP Cloud Migration services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for SAP ERP Cloud Migration services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the experience consulting services sector.

## Key Findings & Highlights

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

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

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

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

- **Process consulting:** Tech Mahindra is investing in expanding its process consulting resources near its client base. Tech Mahindra is looking to use these expanded capabilities to drive more consulting-led engagements. At the launch of the new approach, ~73% of revenues came through RFP processes
- **Platform solutions:** Tech Mahindra has developed software solutions that bolt on to enterprise applications to address specific vertical needs not addressed by the core ERP. Examples include a reverse logistics application (ReLoAD- Real time Logistics of Assets & Devices) that has been deployed with SAP at a North American telecom to address inventory management in its retail business; FEEDS, a retail track and trace application, and an application to help high tech clients manage VAT requirements

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

Tech Mahindra's total revenues for CY 2019 were ~\$5.2bn. NelsonHall estimates that SAP services revenues accounted for ~13% of this (~\$690m). NelsonHall estimates that CY 2019 SAP ERP cloud migration services represent ~29% of the total SAP services or \$200m. NelsonHall further estimates that CY 2020 SAP ERP cloud migration services revenues will total ~\$225m.

Tech Mahindra has built defined offerings depending on the type of SAP ERP workload being migrated to the cloud: either S/4HANA or legacy SAP ECC. Tech Mahindra sees clients making these decisions frequently based on the broader SAP ecosystem. Clients with a stable, customized, legacy environment, tightly coupled with SAP Advanced Planning and Optimization (APO), frequently find the conversion of the legacy ERP to being hosted on cloud helps realize cost benefits while limiting business risk. Clients looking to expand the use of new capabilities and reduce the dependency on customized, manual, or time-consuming business processes are looking to migrate to S/4HANA while also looking at additional capabilities that can be added on top of it leveraging SAP Cloud Platform (SCP).

Tech Mahindra has ~125k employees and ~8k SAP trained professionals. Tech Mahindra estimates that ~30% of this SAP-skilled workforce has been certified for S/4HANA or cloud.

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

While it is leveraging S/4HANA at the core of these industry offerings such as UtilityRISE and iRoll, it also ensures that it can support clients adopting cloud to reduce cost without the added risk of migration to S/4HANA. Building out industrialized and flexible toolkits positions it well to help clients determine the optimal cloud migration path and then execute the migration.

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

While its client base is distributed globally, its delivery capability is still weighted toward remote delivery centers in India. While this centralized approach accelerates these capabilities' growth, as clients look for more upfront consulting support to shape and plan the cloud adoption journey and realize broader business objectives, Tech Mahindra should look to continue to invest in growing these capabilities.

## Scope of the Report

The report provides a comprehensive and objective analysis of Tech Mahindra's SAP ERP Cloud Migration service offerings, capabilities and market and financial strength, including:

- Analysis of the company's offerings and key service components
- Revenue estimates
- Identification of the company's strategy, emphasis and new developments
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.



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## Report Length

11 pages

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