



# **Virtusa**

## **SAP HANA and S/4HANA Services**

**Vendor Assessment  
Report Abstract**

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## Who Is This Vendor Assessment For?

NelsonHall's SAP HANA and S/4HANA Services vendor assessment for Virtusa is a comprehensive assessment of Virtusa's SAP HANA and S/4HANA services offerings and capabilities designed for:

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

## Key Findings & Highlights

Virtusa was founded in 1996 and is headquartered in Massachusetts, U.S. Initially, it focused on working with product companies, providing product development capabilities and incorporating an engineering mindset into application development.

Virtusa is a high growth company, experiencing over 20% revenue growth in each of the past five years. It appears to be focusing on size and scale over high profitability: its operating margin in FY16, ending March 31, 2016 was 7.5%, below the operating margin of traditional India-centric vendors.

In March 2016, Virtusa closed its acquisition of Chennai based Polaris for ~\$270m. This acquisition combined Polaris' banking and financial services application development and management business with Virtusa's banking and financial services industry segment experience, and Virtusa expects to realize over \$100m of revenue synergies in the three years following the close of the acquisition. The combined entity was temporarily named VirtusaPolaris, but at the completion of the integration activities at the end of fiscal year 2017, the company reverted to the name Virtusa.

Virtusa's overall SAP practice has been in place for 15 years and currently possesses ~700 resources, 60% of which are technical developers and 40% of which are functionally focused. It has delivered SAP services to ~75 clients to date.

Virtusa has shaped its portfolio of S/4HANA offerings to integrate its core strength areas with the key digital transformation needs expressed by its client base, such as impacting user experience, incorporating data and analytics, and finance optimization.

Its core HANA and S/4HANA services span seven areas:

- S/4HANA strategy and design
- S/4 public cloud
- Finance process automation
- Customer experience
- Big data and analytics
- Innovation
- Mobility and IoT.

Virtusa's SAP team has ~700 FTEs in total. Virtusa has trained all of its developers on HANA and S/4HANA, which accounts for ~60% of this team (420 FTEs). Of the functional resources (~40% of the team, 280 FTEs), ~35% have been trained (~100 FTEs) and Virtusa plans to train the remainder by the end of 2017.

Virtusa has delivery centers in Hyderabad, India; Munich, Germany; Vienna, Austria; Zurich, Switzerland; Hungary; and Albany, NY, U.S.

## Scope of the Report

The report provides a comprehensive and objective analysis of Virtusa's SAP HANA and S/4HANA 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

7 pages

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