IDC MarketScape

IDC MarketScape: Worldwide Microsoft Implementation Services 2019 Vendor Assessment

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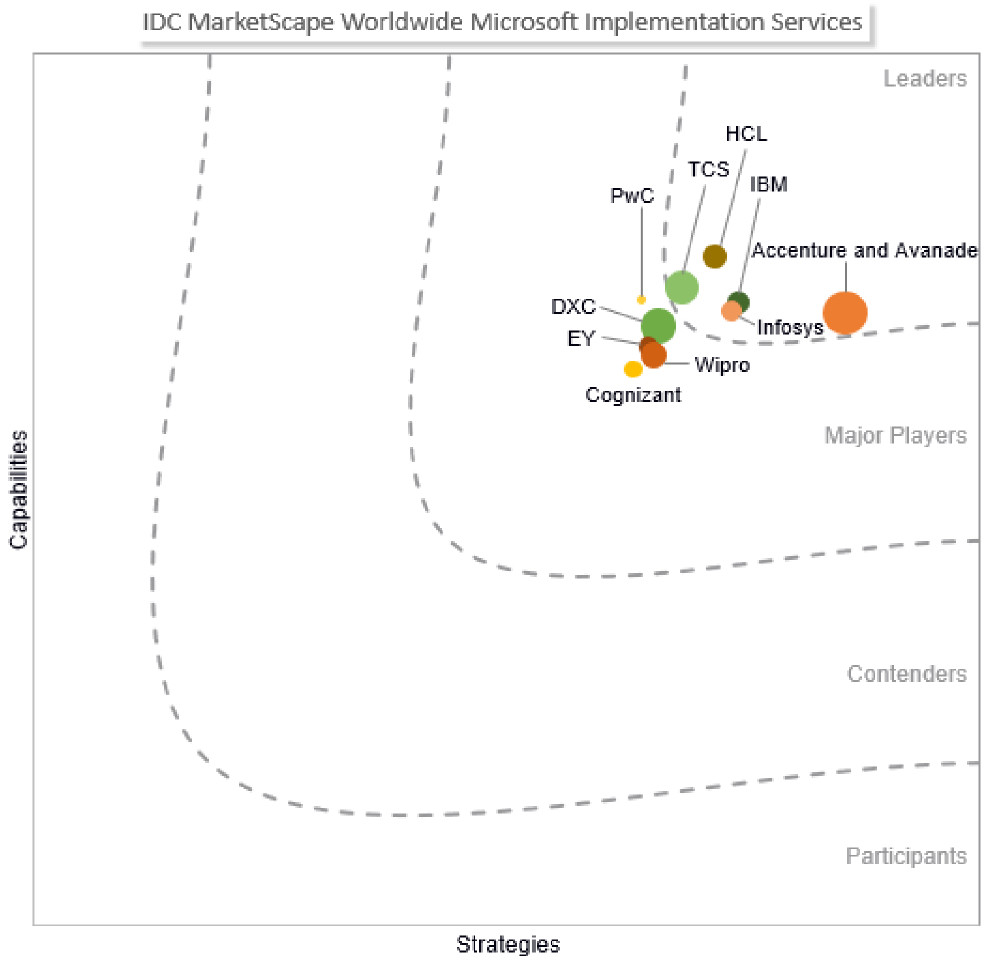
THIS IDC MARKETSCAPE EXCERPT FEATURES: ACCENTURE AND AVANADE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Microsoft Implementation Services Vendor Assessment



Source: IDC, 2019

May 2019, IDC #US45034818e

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Microsoft Implementation Services 2019 Vendor Assessment (Doc # US45034818). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of the 2019 Microsoft implementation services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide Microsoft implementation services market. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to the success in providing Microsoft implementation services in both the short term and the long term. A component of this evaluation is the inclusion of Microsoft implementation services buyers' perception of both the key characteristics and the capabilities of these providers. Buyers were surveyed across all three of IDC's macroregions. Key findings from the evaluation include the following:

- Across all 34 strategies and capabilities assessed, the three strategies rated most highly on average across all Microsoft implementation service providers were "portfolio strategy," "growth strategy," and "functionality or offering strategy." Likewise, the three capabilities rated most highly on average were "functionality/offering delivered," "cost competitiveness," and "customer service delivery."
- Based on survey feedback from 62 of the evaluated vendors' customers, the most critical business priority for them was to "improve operational efficiency" while the most critical vendor attribute for successful Microsoft implementation services was being "able to achieve desired business outcomes."
- IT remains the dominant sponsors of Microsoft implementation services projects with 61.7% of projects being sponsored by IT buyers. IT directors/managers are the largest key sponsor for Microsoft implementation services with 33% share. The most common services bundled with Microsoft implementations were custom application development and managed services. More than a quarter, 29%, of respondents said they will take on both custom application development and managed services on most projects when they pursue Microsoft implementation services.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes analysis of 10 Microsoft systems integrators (SIs) with broad portfolios spanning IDC's research coverage and with global scale. This assessment is designed to evaluate the characteristics of each firm, as opposed to its size or the breadth of its services. Given this approach, Leidos has been excluded — even though it is among the top 5 systems integrators based on worldwide revenue — because the firm typically receives over 80% of its revenue from the U.S. government. The inclusion criteria also dictate at least $125 million of revenue coming from a vendor's

Microsoft implementation services practice at a worldwide level as well as a minimum of 1,000 Microsoft implementation-associated global resources. Furthermore, at least 10% of revenue and 10% of head count need to be located in each macroregion. Also, it is conceivable, and in fact the case, that specialty firms can compete with multidisciplinary firms on an equal footing. As such, this evaluation should not be considered as a "final judgment" on the firms to consider for a project. An enterprise's specific objectives and requirements will play a significant role in determining which firms should be considered as potential candidates for an engagement.

ADVICE FOR TECHNOLOGY BUYERS

- **Cloud solutions.** Adopt cloud solutions across the entire stack of Microsoft solutions from application to infrastructure layer. Given that Microsoft is rapidly moving its business application solutions to the cloud model, adopting cloud-enabled applications, supporting development and deployment platforms, and putting underlying infrastructure together provide better integrated Microsoft-based solutions for your enterprise needs.
- **New technologies.** Consider evaluating and utilizing new technologies and offerings from Microsoft as part of your Microsoft-based solutions. In particular, as Microsoft increasingly embeds cognitive and machine learning across its key products, including Office 365 and Dynamics, it would be advantageous to harness the benefits of artificial intelligence (AI) on your business, customer, application, and systems data to drive more data-driven and actionable decisions.
- **Vendor selection.** Use this IDC MarketScape in contract negotiations and as a tool to not only short-list vendors for Microsoft implementation services bids but also evaluate vendors' proposals and oral presentations. Make sure you understand where these players are truly differentiated, and take advantage of their expertise, whether technical, industry based, or otherwise.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description in this section provides a summary of each vendor's strengths and challenges.

Accenture and Avanade

According to IDC analysis and buyer perception, Accenture and Avanade is a Leader in the IDC MarketScape for Microsoft implementation services worldwide.

With 25+ years of partnership, Accenture and Microsoft have a unique relationship, starting with their joint venture Avanade and now with the newly formed Accenture Microsoft Business Group. This relationship allows Accenture and Avanade to have a go-to-market strategy that is closely aligned with Microsoft's strategy to take customers to the path of digital transformation. Together, they offer solutions around digital customers, the digital workplace, business applications, Internet of Things (IoT), AI, cloud transformation, and engineering services that help facilitate a customer's digital transformation journey. In addition, Accenture has the ability to combine broader end-to-end capabilities across strategy, consulting, digital, technology, and operations — in an industry context to help Microsoft clients realize their potential.

Strengths

Buyers rate Accenture highly for its ability to integrate its team with customers internal teams and for its ability to meet the project timeline and handle changes in project scope. Similarly, IDC views Accenture highly in terms of its functionality or offering strategy and its delivery model strategy.

Challenges

IDC believes that Accenture's customer retention strategy could be improved by utilizing an independent third party for its customer feedback collection process. Also, Accenture would benefit from utilizing AI as part of its hiring and retention process.

Consider Accenture When

Organizations should consider Accenture when they are looking for a wider range of consulting and implementation services, with an emphasis on business change as well as technology change. Accenture should also be on the short list when users are for looking for innovative solutions for their business and IT needs.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

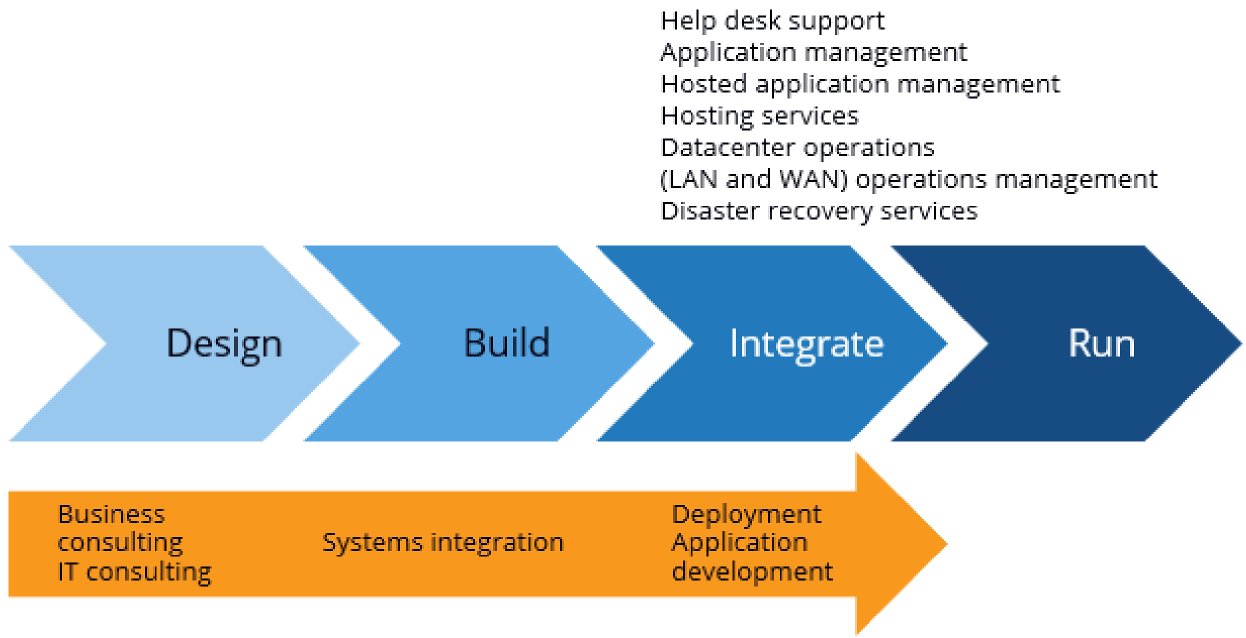
IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

The Microsoft implementation services market covers the design, build, and integrate functions of the design-build-run function chain (see Figure 2). The design phase includes both IT and business consulting. For a detailed definition of the services markets illustrated in Figure 2, see *IDC's Worldwide Services Taxonomy, 2019* (IDC #US44916019, March 2019).

FIGURE 2

IDC's Design-Build-Run Function Chain



Source: IDC, 2019

Customer Perceptions of Microsoft Implementation Services Vendors

A significant and unique component of this evaluation is the inclusion of the Microsoft implementation services buyers' perceptions of both the key characteristics and the capabilities of the vendors evaluated. The buyers participating in IDC's *Global Microsoft Implementation Services Buyer Perception Survey* have partnered with at least one of the participating vendors directly on a Microsoft implementation project within their company. The survey findings highlight key areas where buyers expect Microsoft implementation services providers to showcase a range of capabilities. The buyers consider these capabilities a must-have for Microsoft implementation services to be able to fulfill the requirements of many business and IT issues that challenge the buyers.

Figure 3 illustrates the top 10 business drivers for Microsoft implementation services projects for the Microsoft services customers surveyed in 2019. Customers sighted improving operational efficiency and strengthening/expanding customer experiences and relationships as the top 2 business drivers for taking on Microsoft implementation services.

FIGURE 3

Top 10 Business Drivers for Microsoft Consulting and Systems Integration Projects, 2019

Q. How important a business priority do you believe each of the following is currently for your company?

n = 62

Note: Mean scores are based on a scale of 1-5, where 1 = not a priority and 5 = a critical business priority.

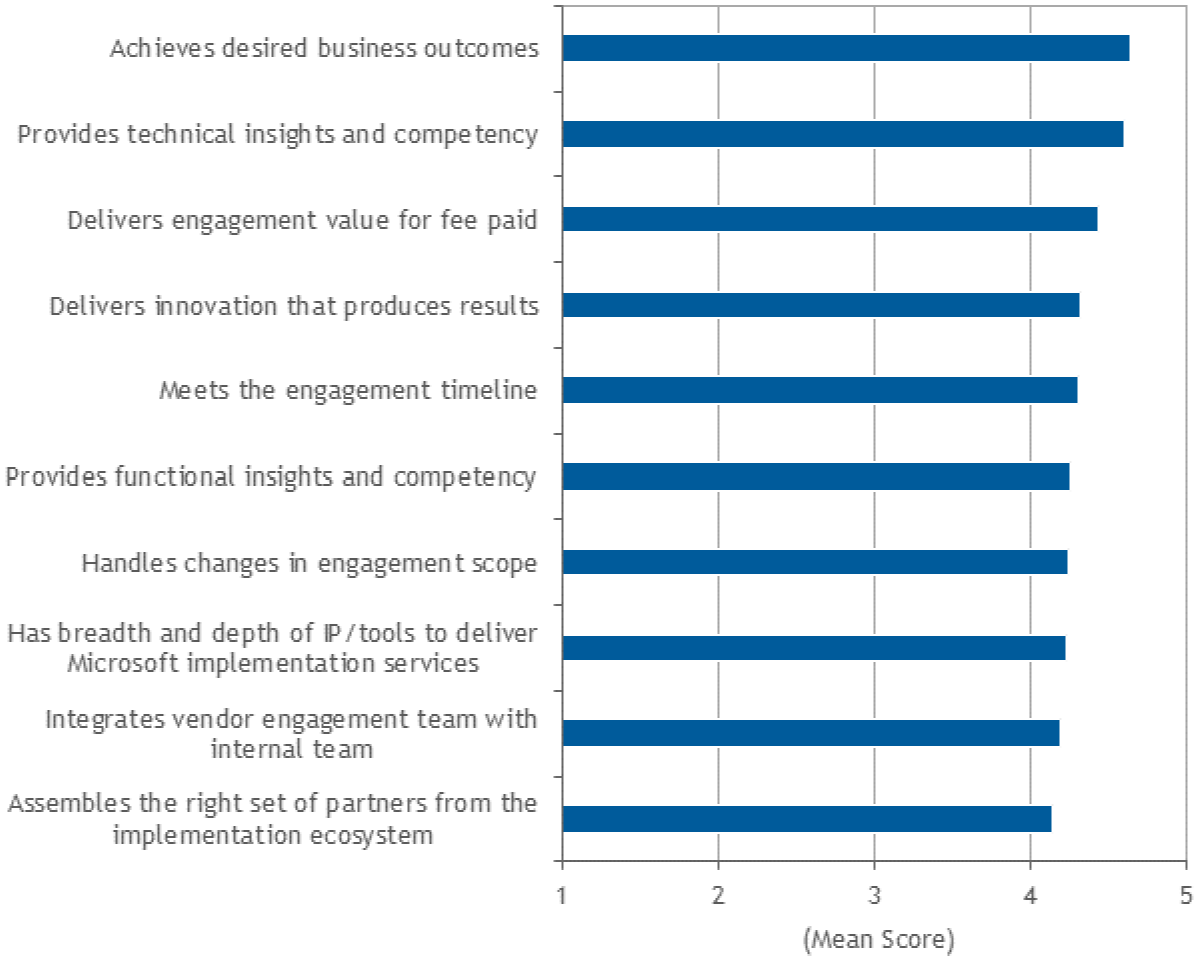
Source: IDC's *Microsoft Implementation Buyer Perception Survey,* 2019

Figure 4 illustrates the rank order of factors that are important for a successful Microsoft implementation services project for the Microsoft services customers surveyed in 2019. Survey findings suggest that the ability to achieve desired business outcomes by the consultants working on a Microsoft implementation services project is the most critical factor for the successful completion of the project. Customers also indicated a vendor's ability to showcase the desired technical insights and competency for the projects to be one of the most critical attributes for a project's success.

FIGURE 4

Top 10 Important Factors for a Successful Microsoft Consulting and Systems Integration Project, 2019

Q. For a Microsoft implementation services project to be successful, please indicate the importance of each of the following characteristics.



n = 62

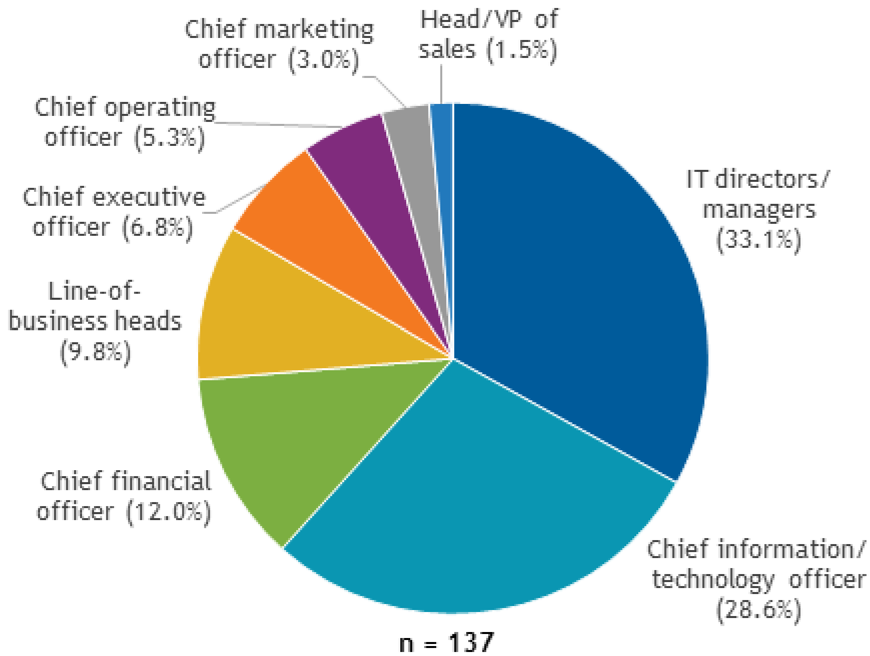
Note: Mean scores are based on a scale of 1-5, where 1 = not a priority and 5 = a critical business priority.

Source: IDC's *Microsoft Implementation Buyer Perception Survey,* 2019

Figure 5 illustrates the relative proportion of key sponsors for Microsoft implementation services projects for the Microsoft services customers surveyed in 2019. IT directors/managers hold the largest share (33.1%), followed by CIOs/CTOs (28.6%). CFOs (with 12.0% share) represent the third-highest sponsor for Microsoft implementation services projects. Between CIOs/CTOs and IT directors/managers, the IT buyers represent 61.7% of the total sponsorship, which is down from the 2017 share of 66%. However, over 60% representation showcases that IT still plays the lead role in adopting Microsoft initiatives in an organization.

FIGURE 5

Key Sponsors for Microsoft Implementation Projects



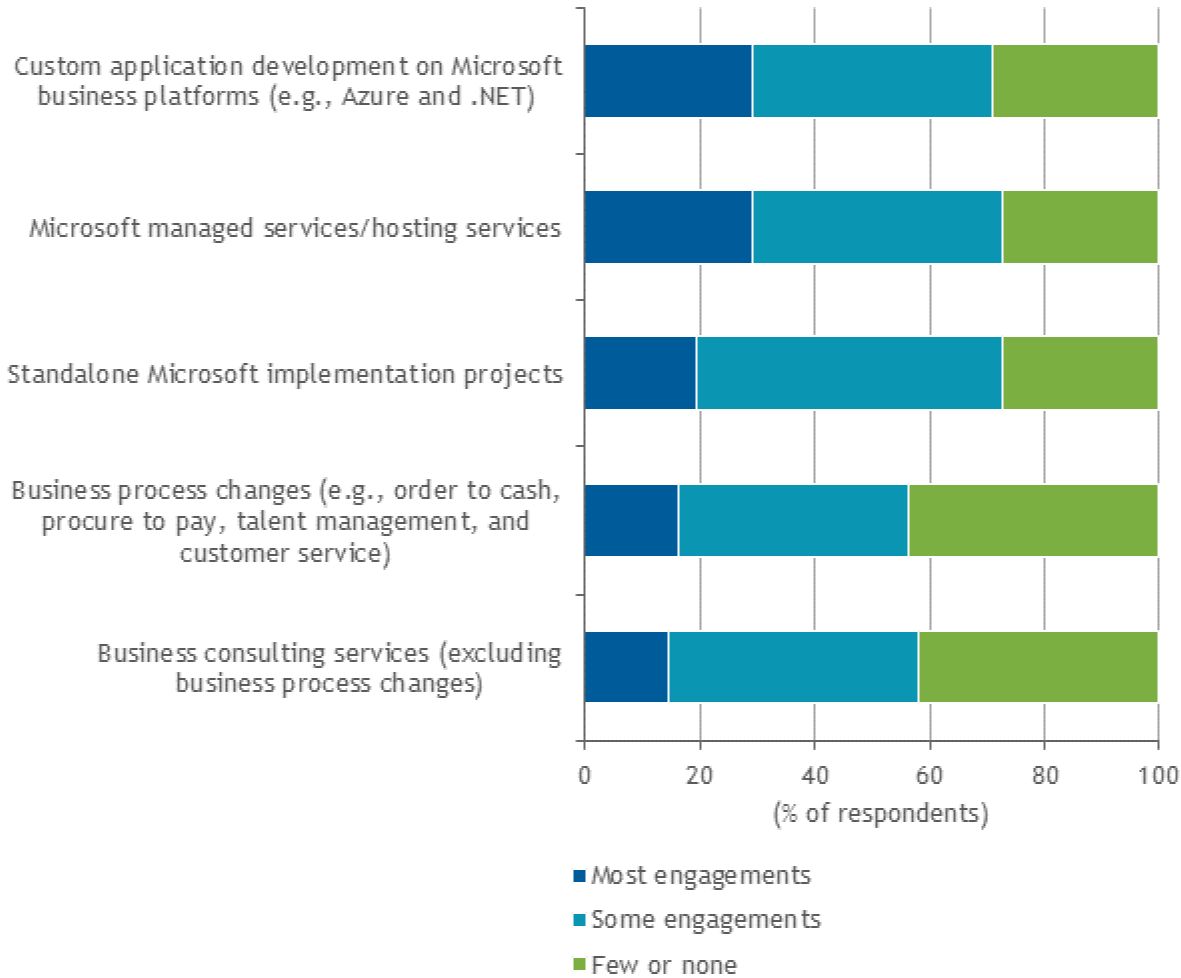
Note: Notable write-ins included department heads, functional heads, IT consultants, and program managers and architects.

Source: IDC's *Microsoft Implementation Buyer Perception Survey,* 2019

Interestingly, the buyer perception survey highlighted that, when it comes to taking on Microsoft implementation services projects, only 19.4% of projects are purchased as standalone projects most of the time (see Figure 6). In most cases, enterprises buy Microsoft implementation services projects in conjunction with another service. Among these, 29% of clients responded that they take on custom application development on Microsoft business platforms such as Azure on most projects when they consume Microsoft implementation services. Same percentage of clients also indicated that consumption of managed services was the most frequent bundling for most projects.

FIGURE 6

Solutions Bundled with Microsoft Implementation Projects



n = 62

Source: IDC's *Microsoft Implementation Buyer Perception Survey*, 2019

LEARN MORE

Related Research

- *Market Analysis Perspective: Worldwide and U.S. IT Consulting and Systems Integration Services, 2018* (IDC #US44283917, September 2018)
- *Worldwide and U.S. Systems Integration Services Forecast, 2018-2022* (IDC #US43753618, April 2018)
- *Worldwide and U.S. IT Consulting Services Forecast, 2018-2022* (IDC #US43748118, April 2018)

- *IDC MarketScape: Worldwide Microsoft Implementation Services 2017 Vendor Assessment* (IDC #US43072917, September 2017)

Synopsis

This IDC study represents a vendor assessment of the Microsoft implementation services market through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the Microsoft implementation services market. This IDC MarketScape covers a variety of vendors participating in the Microsoft implementation services space. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and to one another, and it highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"Enterprises consuming Microsoft implementation services are shifting from utilizing Microsoft solutions for handling compliance and regulations to improving operational efficiency and increasing innovation across their organization. At the same time, enhancing customer experience remains a key driver for consuming Microsoft solutions. Enterprises are also investing in developing custom solutions on Microsoft business platforms, such as Azure and .NET, in addition to continuing investment in adopting key Microsoft business application solutions." — Ali Zaidi, research director, IT Consulting and Systems Integration Business Strategies at IDC

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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