

# IDC MarketScape: Asia/Pacific Microsoft Dynamics 365 Implementation Services 2021 Vendor Assessment

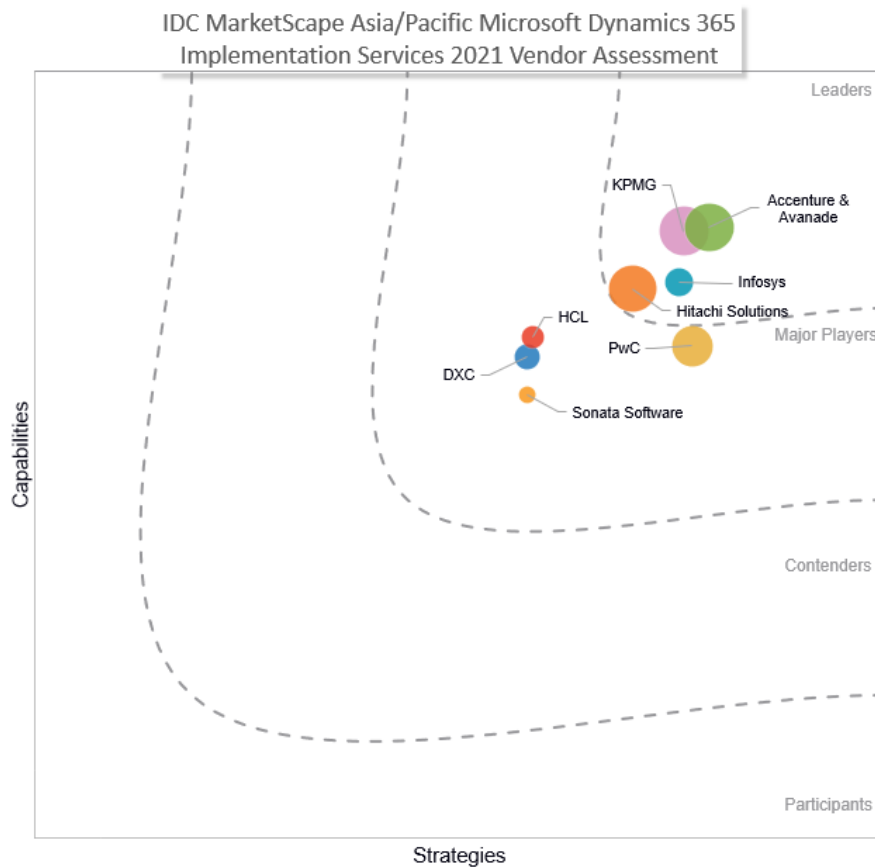
Rijo George Thomas

THIS IDC MARKETSCAPE EXCERPT FEATURES AVANADE

## IDC MARKETSCAPE FIGURE

FIGURE 1

### IDC MarketScape Asia/Pacific Microsoft Dynamics 365 Implementation Services 2021 Vendor Assessment



Source: IDC, 2021

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

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Asia/Pacific Microsoft Dynamics 365 Implementation Services 2021 Vendor Assessment (Doc # AP47687121). 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

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Microsoft Cloud and Business Applications stack provides the technology scaffolding for its customers to drive digital transformation (DX) initiatives. Microsoft Dynamics 365, a part of the Business Applications portfolio of offerings, aims to reimagine customer business functions including marketing, sales, customer support, finance, and supply chain for an artificial intelligence (AI)–first and collaboration-first world. In the Asia/Pacific region, Microsoft Dynamics 365 has had tremendous adoption among customers, driven primarily by the need to reinvent customer experience and core business operations.

Microsoft over the years has doubled down on its efforts to attach customer success along with scaling the adoption of its solutions and leverages its growing partner ecosystem to enable transformative outcomes for customers. Additionally, Microsoft's service provider (SP) ecosystem helps enterprise customers reduce the complexity in implementing its solutions by creating comprehensive road maps for implementation, providing local talent for support, managing the internal and external stakeholder experience, reducing risks, and ensuring the cost of implementation stays within the budget and timeline. Customers upgrading to Microsoft Dynamics 365 solutions also find the SP's expertise in conducting cloud readiness assessments, enabling change management, agile implementation methodologies, and innovation focus extremely critical in maximizing the value from their Microsoft Dynamics 365 investments.

This IDC study assesses Microsoft Dynamics 365 implementation vendors in the Asia/Pacific region on both the strength of their current implementation service capabilities and how well placed they are to grow the adoption of Microsoft Dynamics 365 application solutions with their respective sound growth strategies. The key findings include:

- **The top 5 capabilities and strategies that vendors did well:** The top 5 capabilities that vendors did extremely well are the range of services offered around Microsoft Dynamics 365 implementation; the firm's implementation capabilities in cloud solutions; ability to transfer innovation to clients via tools, IP, and innovative service delivery; customer satisfaction; and marketing initiatives in Asia/Pacific. From the overall assessment of the strategy criteria of participating vendors, IDC observed that vendors have made strategic plans to align solutions to customers' business priorities, to ensure development of offerings across the entire life cycle of Microsoft Dynamics 365 services, especially software as a service (SaaS) solutions, to attain functional superiority over competition by improving innovation in delivery methodologies, to reskill and upskill talent to meet demand and tools including co-innovation with ecosystem partners, and to support consulting services utilizing more efficient tools, platforms, frameworks, and methodologies in Asia/Pacific.
- **A platform fit for complex use cases:** Although Microsoft follows a surround strategy for its business applications portfolio, service providers have made considerable strides in Asia/Pacific to position Microsoft Dynamics 365 as a "platform of choice," capable of complex

use cases. In this regard, SPs have witnessed steady rise in services outside of Microsoft Dynamics 365 customer experience product portfolio especially in finance and operations, reinforcing the capabilities of Microsoft Dynamics 365 as a front-office and back-office transformation enabler.

- **Alignment with customer business priorities:** As customer success is now a KPI dictating the incentives and tiering of partners in the Microsoft ecosystem, Microsoft Dynamics 365 partners adopting a business-aligned approach to solution implementation have excelled in mapping Dynamics 365 solutions with the customers' business priorities. According to IDC analysis vendors continue to bolster design and consulting services utilizing more efficient tools, platforms, frameworks, and methodologies to unearth the customers' business challenges.
- **Moving of horizontal solutions to vertical aligned:** To support Microsoft's vision of providing solutions that are aligned to the customer's industry, Microsoft's SP ecosystem is making concerted efforts to verticalize solutions complementing its industry cloud offerings (retail, healthcare, manufacturing, financial services, and government). Although Microsoft's vertical strategy is still evolving, some of the Leaders in our evaluation are launch partners for Microsoft's cloud solutions and are expected to expand services across multiple cloud solutions.
- **Talent enablement across market units:** Microsoft Dynamics 365 services is a nascent but growing applications practice in the Asia/Pacific for vendors evaluated by IDC. Consequently, all vendors emphasized on the strong commitment to grow internal talent readiness to support Microsoft Dynamics 365 implementations in the Asia/Pacific region. Among the markets in Asia/Pacific, India holds the largest talent base, but there is a growing focus on strengthening talent base in mature markets such as Australia/New Zealand (ANZ), followed by Southeast Asia and Japan.

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

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This evaluation does not offer an exhaustive list of all the players in the Asia/Pacific Microsoft Dynamics 365 implementation SP ecosystem. IDC narrowed down the field of players based on the following criteria and subsequently collected and analyzed data on these eight implementation SPs for this IDC MarketScape:

- **Service scope:** The vendor should have demonstrated end-to-end service capabilities around Microsoft Dynamics 365 application implementation. This includes consulting and advisory services, customization/development services, systems integration (SI) services, and SaaS migration services in Asia/Pacific.
- **Revenue:** Each SP was required to have a 2020 total revenue (from Microsoft Dynamics 365 implementation services) that exceeds US\$10 million from Asia/Pacific.
- **Geographic presence:** Each participating vendor was required to have implementation services capabilities in at least six sub-Asia/Pacific including Japan (APJ) regions: ANZ, North Asia (South Korea), Greater China (China, Hong Kong, and Taiwan), Southeast Asia (Singapore, Malaysia, Thailand, Indonesia, Vietnam, and the Philippines), India, and Japan.
- **Modules covered:** Service providers should provide implementation services around three Dynamics 365 SaaS products (sales, service, marketing, commerce, supply chain, HR, finance, small and medium-sized business [SMB] solutions), power platform, and any on-premises solutions.

## ADVICE FOR TECHNOLOGY BUYERS

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This IDC study represents a vendor analysis and assessment of the 2021 Asia/Pacific Microsoft Dynamics 365 implementation services market through the IDC MarketScape model. This research explains vendors' success in the Microsoft Dynamics 365 implementation services marketplace and how well-placed they are to grow in the Asia/Pacific region.

Based on this study, IDC recommends that buyers consider the following pieces of advice before starting new Microsoft Dynamics 365 implementations or while embarking on an application transformation journey.

- **Start with a comprehensive road map.** The road to implementation will have several unforeseen challenges. It is critical that organizations address concerns of lines of business (LOBs), such as security, cost, skills, time to market, customizations, talent, and so forth, before the implementation kickoff. Hence, it is necessary that enterprises create a holistic modernization road map before embarking on an implementation and SP selection journey.
- **Regional capabilities are key.** We found that vendors varied significantly in terms of delivery capabilities and plans for future growth in the Asia/Pacific region, particularly in specific markets such as Southeast Asia, Greater China, and Japan. Many vendors with a significant customer base in the west had limited presence in Asia/Pacific. Although vendors leverage their global talent to execute implementation projects in the region, buyers need to take into consideration the vendor's commitment to support ongoing and future requirements in Asia/Pacific.
- **Partner assets drive differentiation.** Microsoft Dynamics 365 partners have made significant investments building proprietary consulting frameworks and out-of-the-box industry solutions to accelerate time to value for customers, leverage partner assets and IP to establish quick wins, and drive value early in the implementation cycle.
- **Co-innovate for success.** In the wake of growing uncertainties impacting businesses across industries, there is a need for organizations to build capabilities that enable them to continuously innovate and adapt to market changes. Organizations should also work with SPs and the larger Microsoft ecosystem to jointly create solutions beyond technology implementation that addresses short-term and long-term business goals, and stimulate a culture that fosters innovations and drives pockets of sustainable transformation

## VENDOR SUMMARY PROFILES

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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 here provides a summary of each vendor's strengths and opportunities.

### Accenture and Avanade

According to IDC analysis and buyer perception, Accenture and Avanade are positioned in the Leaders category in the 2021 IDC MarketScape for Asia/Pacific Microsoft Dynamics 365 implementation services.

Accenture and Avanade provide advisory, implementation (consulting, design, systems integration, migration, etc.), training, and managed services across the entire Dynamics 365 suite of solutions in Asia/Pacific. Accenture and Avanade elevated the "power of 3" relationship (Accenture, Avanade, and

Microsoft) through establishing the Accenture Microsoft Business Group (AMBG) that houses service capabilities from across Avanade and Accenture to provide innovations on top of Microsoft technologies.

At the core of Accenture's and Avanade's differentiation in the Dynamics 365 services market is the synergy between the two organizations, helping them combine Accenture's advisory and industry focus with Avanade's decades of Dynamics 365 product expertise to enable transformative outcomes for customers. This synergy also helps Accenture and Avanade increase service coverage to a broad category of enterprise customers of varying sizes and transformation appetites. Accenture and Avanade provide several tools and IP built on Dynamics 365 to improve time to market for clients including assessment tools, delivery framework, and industry templates. Some of the notable assets include the Accenture myConcerto platform, a digitally integrated platform containing a combination of design thinking frameworks, reference solutions, industry-specific preconfigured templates, automation tools, and delivery assets that accelerate Dynamics 365 implementation and the cloud transformation journey of clients. Additionally, Avanade Intelligent Enterprise Solutions (AIES) takes from Accenture's Industry Business Process Models and extends them to Microsoft's Dynamics platform.

At the time of this study, Accenture and Avanade had a larger distribution of clients in ANZ, followed by Japan, Greater China region (GCR), and Southeast Asia. The largest verticals in Accenture's and Avanade's Dynamics 365 services are the hi-tech and electronics, public sector, and banking and financial services. Additionally, Accenture and Avanade are the launch partners for four Microsoft industry clouds (health, retail, financial services, and manufacturing). Accenture and Avanade have local delivery capabilities and resources in all major market units in Asia/Pacific. Currently, Accenture and Avanade have a higher distribution of Dynamics 365-skilled resources in India, followed by Southeast Asia, GCR, Japan, and ANZ.

## Strengths

- **Breadth of assets and IP:** Accenture and Avanade host a plethora of IP aimed at helping customers at every stage of Dynamics 365 implementation, which is impressive. The breadth of IP across assessment, migration, implementation framework, and automation are also configured for specific client business cases making it highly repeatable.
- **Customer journey focused:** Accenture and Avanade emphasized strongly on their efforts to drive relevance across the client's end-customer journey with Dynamic 365 platform. In this regard Accenture and Avanade have contextualized solutions to align with critical junctions in a customer journey, which include awareness, consideration, acquisition, fulfilment, and loyalty.
- **Strong talent base in Asia/Pacific:** Based on IDC's assessment Accenture and Avanade combined had the largest numbers of skilled resources dedicated to Dynamics 365 implementation services with approximately 2,000+ practitioners working on projects in Asia/Pacific.
- **Customer feedback:** Customers interviewed by IDC praised Accenture's and Avanade's technical expertise with Microsoft products, regional delivery capabilities, and scalable talent in the Asia/Pacific region.

## Challenges

According to IDC, Accenture and Avanade need to improve their focus on Dynamics 365 HR module. Additionally, clients will likely appreciate it if Accenture and Avanade were more vocal on their ability to provide long-term support for Dynamics 365 stack.

## Consider Accenture and Avanade When

Accenture and Avanade are a good fit for enterprises looking for an implementation partner with strong Microsoft product expertise, experience in delivering large transformation programs with Dynamics 365 platform, and industry expertise especially in the healthcare, public, retail, and banking sectors.

## APPENDIX

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### 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 is a visual representation of the relative market shares of each individual vendor within the specific market segment being assessed but should not be taken to represent proportionate absolute market shares.

### IDC MarketScape Methodology

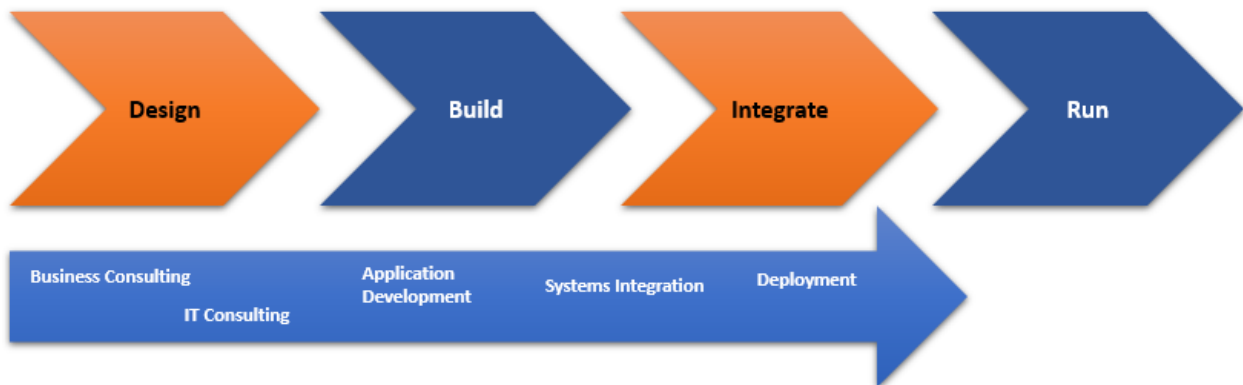
IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, 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 Dynamics 365 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, 2021

A significant component of this evaluation study is the inclusion of opinions from current Microsoft Dynamics 365 customers in Asia/Pacific. Some of the key capabilities that motivated customers to select Microsoft Dynamics 365 solutions are:

- Ability to scale
- Flexibility
- Cost effectiveness
- Access to innovation enabled by Azure
- User experience

IDC believes that before potential buyers evaluate a Microsoft Dynamics 365 implementation service provider, it is important to understand the key value propositions current customers in Asia/Pacific perceive in their Microsoft Dynamics 365 Implementation SPs. Buyers need to then correlate how well a service provider can bring out these value propositions in their solutioning approach and implementation offering portfolio. Customers interviewed by IDC were generally satisfied with the services from their Microsoft Dynamics 365 implementation service providers. Customers interviewed by IDC also identified five key capabilities that are perceived as differentiators before selecting a Microsoft Dynamics 365 implementation service provider. They are, in order of priority:

- Ability to deliver business outcomes
- Availability of technical talent and certified resource — availability of skilled technical and certified resource capable of solving technical problems
- Provide faster time to value — focus on driving faster time to value by shortening implementation duration, delivering value early in the implementation, among others
- Consulting and design capabilities — strong consulting and design capabilities, providing comprehensive vision and roadmap for implementations
- Strong industry capabilities — industry knowledge backed by IPs, ability to put the solution in context of our industry

Some of the areas pointed out by customers that are potential areas of improvement for vendors are (in order of priority):

- Cost effectiveness
- Automation for effort reduction
- Security posture
- Subject matter expertise: Business and Dynamics 365 products
- Engagement and pricing models

## LEARN MORE

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### Related Research

- *What Is the Most Preferred Application Modernization Strategy Adopted by Asia/Pacific (Excluding Japan) Enterprises?* (IDC #AP47380821, June 2021)
- *Asia/Pacific (Excluding Japan) Business Consulting Services Market Shares, 2020: IDC's Top 10 Vendors* (IDC #AP46320321, June 2021)
- *Asia/Pacific (Excluding Japan) Application Management Services Market Share, 2020: IDC's Top 10 Vendors* (IDC #AP46320221, May 2021)
- *The Application Modernization Imperative in Asia/Pacific (Excluding Japan)* (IDC #AP46320121, March 2021)
- *IDC Worldwide Services Taxonomy, 2019* (IDC #US44916019, March 2019)

### Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of service providers (SPs) participating in the Microsoft Dynamics 365 implementation services market with specific offerings and capabilities in the segment. It discusses both the quantitative and qualitative characteristics that lead to success in the ecosystem. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to one another and the criteria, and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"Microsoft over the years has doubled down on its efforts to attach customer success along with scaling the adoption of its solutions and leverages its growing partner ecosystem to enable transformative outcomes for customers," says Rijo George Thomas, research manager of software and services research, IDC Asia/Pacific. "In this regard, buyers need to look beyond traditional service delivery KPIs for service provider selection to include solution alignment to business priorities, change management expertise, tools and frameworks to enable faster time to value, industry expertise, and partnership maturity with the Microsoft," he adds.



## 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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