

NEAT EVALUATION FOR INFOSYS:

Salesforce Services

Market Segment: Overall

Introduction

This is a custom report for Infosys presenting the findings of the 2024 NelsonHall NEAT vendor evaluation for *Salesforce Services* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Infosys for Salesforce services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering Salesforce services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in Experience Cloud Services, Field Services, Commerce Cloud Services, Marketing Cloud Services, Revenue Cloud Services, MuleSoft Services, and Vlocity Services.

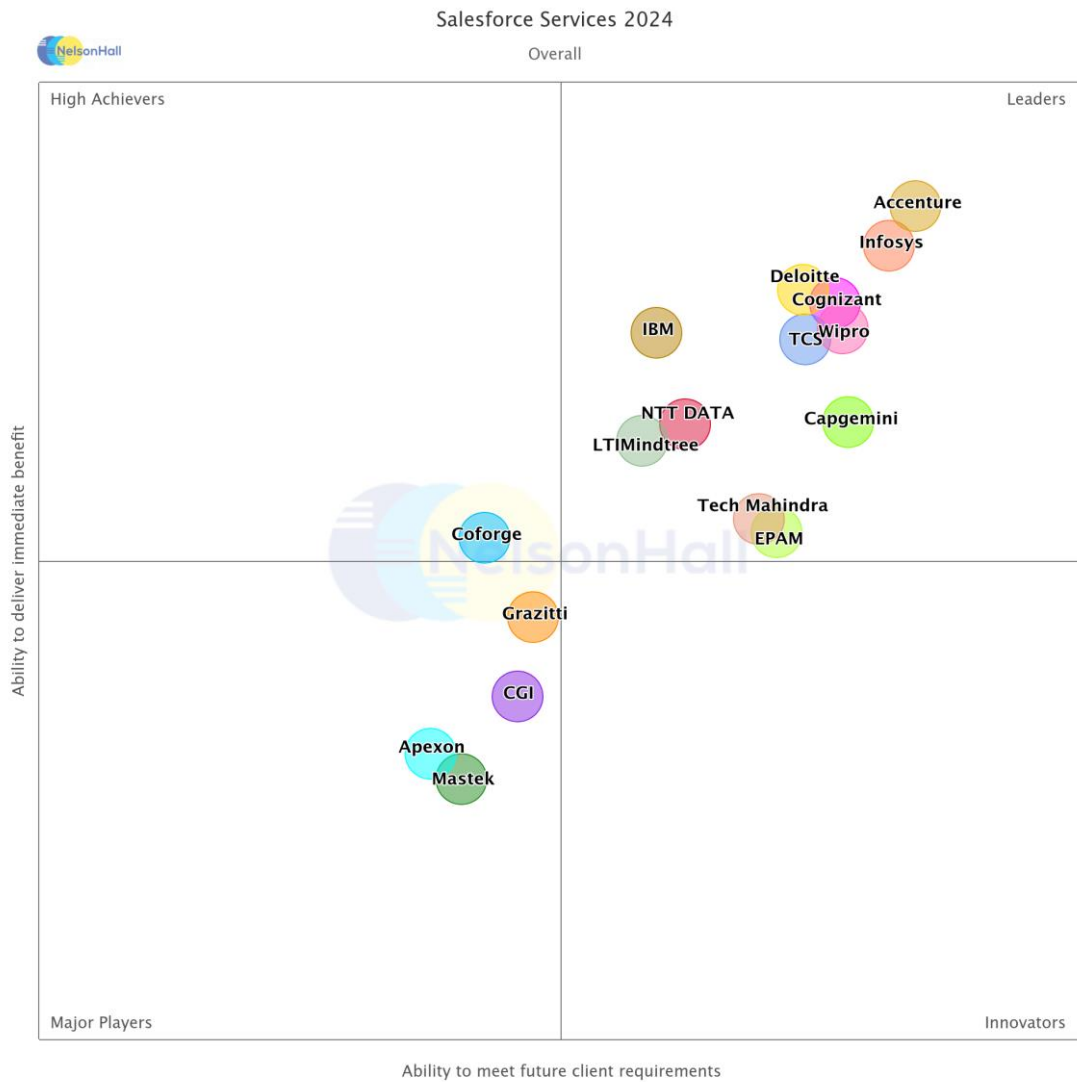
Evaluating vendors on both their ‘ability to deliver immediate benefit’ and their ‘ability to meet client future requirements’, vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Accenture, Apexon, Capgemini, CGI, Coforge, Cognizant, Deloitte Consulting, EPAM Systems, Grazitti Interactive, IBM, Infosys, LTIMindtree, Mastek, NTT DATA, TCS, Tech Mahindra, and Wipro.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: Salesforce Services (Overall)



NelsonHall has identified Infosys as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Infosys’ overall ability to meet future client requirements as well as delivering immediate benefits to its Salesforce services clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *Salesforce Services* NEAT tool (*Overall*) [here](#).



Vendor Analysis Summary for Infosys

Overview

Infosys has a dedicated Salesforce practice, ISP, that has its own P&L, sales force, and delivery organization. It is structured around four key components:

- Simplus in the U.S. and ANZ for client-facing activities, including sales, advisory services, and onsite delivery
- Fluido, initially in Finland and the Nordics, and now deploying its capabilities to Europe
- A delivery organization with its core in India
- A CoE in charge of portfolio and IP management, including industry solutions, accelerators, and methodologies, alongside training and upskilling.

ISP is part of Infosys' Horizon 2 portfolio, which includes practices and offerings with high growth potential, such as big data and analysis, cybersecurity, digital experience, API economy, IoT, AI, and automation.

NelsonHall estimates that at the end of 2022, ISP had ~8,200 personnel, including ~2,200 MuleSoft and 800 Vlocity practitioners. Additionally, it has 300 Tableau practitioners.

ISP has a comprehensive offering ranging from core products (Sales and Service Cloud) to Marketing, Community, and Commerce Cloud and consulting services and specialized services such as Revenue Cloud, Salesforce Industries, Einstein, Field Service, Data Cloud/Genie, and CloudSense (Commerce subscriber management).

ISP continues to expand its consulting capabilities, to be positioned early in the decision lifecycle, and drive follow-up implementation and post-implementation services. The acquisitions of Fluido and Simplus have enhanced its consulting capabilities.

Infosys has a rich partnership ecosystem. The company has partnered with AppExchange partners such as ServiceMax, IQVIA, Veeva, and ncino (mortgage origination). Thanks to Simplus, Infosys gained a quote-to-cash specialization in contract management with partnerships with Conga and DocuSign. It also has a regional GTM strategy, e.g., working with Xactly in APAC around sales performance management.

A vital element of ISP's strategy is to build IP in the form of industry solutions. Most of these are bolt-on (i.e., industry templates) with the intention of monetizing Infosys' systematic attempt at shortening implementations. One of ISP's priorities is to create micro-vertical solutions in partnership with Salesforce with an emphasis on automotive, telecom, CPG, and communications, along with healthcare.

During the pandemic, Infosys witnessed accelerated client interest in adopting quote-to-cash and B2C commerce in the U.S. Globally, ISP has also accelerated its upskilling effort towards specialized services, with Fluido leading the initiative.

Financials

NelsonHall estimates Infosys' CY 2023 Salesforce revenues were ~\$750m.



Strengths

- *Experience Cloud*: the company has developed its offering beyond pure expertise and created several solutions in manufacturing around automotive dealers. It has also focused on integrating knowledge management tools, including access to storage for heavy video files. Infosys has built solutions targeting several areas like the labor force, field service agents, contact centers, channel partners, social media, and automotive & transportation companies
- *Marketing Cloud*: Infosys has a comprehensive offering and specialized capabilities, such as campaign-as-a-service, classic email builder to Lightning email builder migration, and subscription centers. It has three tools: Customer Advocacy, a telecom-specific offering, and an education industry bolt-on. However, unlike its peers, the company does not have marketing operations
- *Commerce Cloud*: Infosys has a comprehensive portfolio, including capabilities around the three primary Commerce Cloud products. The company has developed its IP around integration and specialized features complementing Salesforce's core applications. It plans to create a microservices-based Commerce 360 solution. We would like to see more specialized offerings, starting with migration from competitors and legacy applications
- *Field Service*: unlike most competitors, Infosys has scale in Field Service, thanks to its background in Clicksoft. Infosys has experience in the four core components (asset management, scheduling and dispatch, mobile enablement, and communications). It has structured its services around data migration, scheduling logic comparison, feature comparison, and customization migration. It also has specialized offerings, including a Clicksoft V8 migration to Field Service and the Smart Field Manager solution
- *Revenue Cloud*: Infosys has a background in an ISV (SteelBrick) which Salesforce acquired and became the initial basis for the Revenue product. The company pushes its consulting capabilities and integration with other applications, including ERPs/general ledgers, and migration from other CPQs to Salesforce CPQ. It has accelerators for revenue operations, CPQ implementations, and solutions for the manufacturing and high-tech sectors
- *MuleSoft*: Infosys has positioned its MuleSoft capabilities as part of its integration practice, which provides strategy & architecture services, IBM and TIBCO migration to MuleSoft's Anypoint Platform, and MuleSoft automation methodology. It also has MuleSoft-specific offerings such as C4E, a project management methodology, and an API library aligned by sub-vertical
- *Vlocity*: Infosys has one of the most comprehensive offerings and largest scale. It has specialized offerings and accelerators around telecom, insurance, health, and utility sectors covering CPQ, order management, digital commerce, integration, and migration.

Challenges

- *Net Zero Cloud and Genie*: the Net Zero Cloud offering is nascent and reflects the lack of maturity of the Salesforce products and its lack of sustainability functionality. The Genie offering is in the early stages of development and is part of Infosys' future strategy
- *Global delivery network*: Infosys has a limited Salesforce presence in France, one of Europe's largest Salesforce markets. It covers Salesforce requirements in France through its Fluido subsidiary.



Strategic Direction

Infosys has created dedicated CoEs for most of the Salesforce Cloud areas with a focus on building capabilities and accelerators. The company has a multi-pronged strategy for the growth of its Salesforce practice. It plans to:

- Invest in accredited professional credential programs, enablement sessions, regular certification drives, and training to strengthen its Salesforce talent
- Increase focus on retail and CPG, manufacturing, healthcare, and financial services vertical clouds
- Continue to increase advisory and consulting capabilities and teams with a geography-specific focus. In the next 12 months, the company plans to grow the team by 20% and increase its presence in Salesforce Advisory Boards
- Build joint go-to-market with Salesforce partners and ISVs, e.g., ServiceMax, nCino, Conga, DocuSign, and Veeva
- Create industry-specific applications; it also plans to improve presence in new domains such as media, education, and healthcare.

Outlook

The Infosys Salesforce practice has been on a steady growth path, in line with Salesforce's 20% to 30% annual growth, year after year. While Sales, Service, and Experience Cloud remain its core offering, the company has diversified its services portfolio toward next-gen Salesforce services, building on its organic efforts and the Fluido (Marketing Cloud) and Simplus (Revenue Cloud and B2B Commerce) acquisitions.

Typical of Infosys, its Salesforce practice systematically identifies opportunities to create point solutions and technical accelerators. The company has well-rounded offerings, and is building new industry-specific solutions in the utilities, retail, healthcare, and communications areas.

Salesforce Services Market Summary

Overview

The evolution of the Salesforce services market is a significant success story. Its expansion is closely linked with the success of Salesforce's Cloud and software products, which have become a standard among front-office applications. Salesforce is growing quickly, with clients continuing to deploy it across products.

While Service Clouds continue to be significant, the growth of Marketing and Commerce Clouds is showing signs of slowing down. However, the Data Cloud continues to grow rapidly, driven by MuleSoft. Additionally, other new products, such as Revenue Cloud and vertical Clouds/Vlocity, will drive adoption.

The demand is shifting for analytics and automation through the deployment of AI and GenAI. Analytics and AI-based predictions have become an important element of Salesforce's portfolio.

As a result of massive Salesforce adoption, the service ecosystem is booming, led by implementation services. Salesforce projects are digital transformation projects. They require traditional process re-engineering, change management, new business models, and UX consulting services.

Buy-Side Dynamics

Two client segments dominate the market:

- *Business Adopters*, i.e., organizations adopting Salesforce for its CRM capabilities, process automation, personalized services, and reporting. It helps drive revenue growth, user productivity, and consistent customer experience. Business Adopters are multi-Cloud users
- *IT-Focused Organizations*, i.e., organizations considering their Salesforce investment as an IT project to simplify and rationalize their IT and lower operating costs.

Salesforce adoption is broad-based across sectors. Beyond horizontal applications for their customer service, marketing, and e-commerce functions, organizations require a sector-relevant solution. Salesforce is continuing to push its verticalization effort, adding new features. Salesforce Industries offers industry-specific applications, e.g., in communications, media and entertainment, energy and utilities, insurance, health, and government.

Market Size & Growth

Salesforce has emerged from a niche vendor (focused on sales automation) and has become the leader in enterprise applications and a platform on which clients create their software. Salesforce service spending will rise from \$19.2bn in 2023 to \$21.5bn in 2024, reaching \$31.9bn in 2027. This corresponds to a 10.7% CAGR between 2023 and 2027.

The U.S. is the largest market for Salesforce services, and Salesforce is focusing on international expansion to sustain its growth, with service spending increasing in global markets. If Salesforce makes further significant acquisitions as NelsonHall expects, these M&A transactions will further strengthen the service opportunity in the U.S.



Success Factors

To address the needs of 'Business Adopters', successful vendors need to bring core functional and technical expertise, including:

- Business consulting and business process re-engineering
- Salesforce configuration, additional development, integration with other applications relying on agile methodologies, and roll-out
- Technological accelerators and specialized offerings (e.g., Lightning Experience and data migration) to demonstrate their technical skills.

To address the needs of 'IT-Focused Organizations', successful vendors need to demonstrate the benefits of Salesforce, including:

- Simplifying IT infrastructure (e.g., hosting operations, including the deployment of new releases) and reducing costs
- At the application level, minimizing customization and lowering maintenance costs.

Outlook

The outlook for the Salesforce services market includes the following developments:

- New Salesforce products will drive growth, e.g., MuleSoft, Field Services Cloud, Revenue Cloud, and Salesforce Industries
- Service partners will focus on mining their clients that are adopting multiple Clouds. However, multi-Cloud implementations are increasing the complexity of engagements. Clients require vendors to expand their capabilities while mitigating implementation risks
- Service partners will also emphasize their industry solutions, which are reference architectures and templates. With Salesforce ramping up its vertical solutions, service partners will keep on adapting to Salesforce's growing vertical portfolio, balancing clients' immediate appetite for vertical solutions and Salesforce's vertical expansion
- A significant share of the client base of Salesforce is the mid-market, and mid-market clients will require more packaged offerings, such as health checks and assessments and vanilla template implementation in less than three months. While large clients need custom services, the offer of packaged services, especially during the consulting phase, is reassuring to clients
- SaaS implementations will bring post-implementation opportunities to help clients re-engineer their processes, improve their UX, and adopt new features brought by Salesforce
- Organizations currently focus on transactional systems to fill their functionality needs. However, they will need to turn to data analytics and AI to make sense of the wealth of data now stored in Salesforce applications
- BPaaS offerings will take time to become mainstream. While several vendors have launched BPaaS offerings, their commercial success will take time to materialize.



NEAT Methodology for Salesforce Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offering	<ul style="list-style-type: none"> Advisory and consulting services Implementation services Managed services Experience Cloud Marketing Cloud Commerce Cloud Field Service Revenue Cloud MuleSoft Vlocity Emerging products
Delivery	<ul style="list-style-type: none"> U.S. U.K. Continental Europe MEA Offshore and nearshore Japan RoAPAC LATAM Global
Presence	<ul style="list-style-type: none"> Customer presence in N. America Customer presence in U.K. Customer presence in CEMEA Customer presence in APAC Customer presence in LATAM Customer presence globally
Benefits Achieved	<ul style="list-style-type: none"> Level of cost savings achieved Timely implementation Improved access to next-generation Salesforce capabilities Increased sales engagement Increased customer satisfaction



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Levels of Investment	<ul style="list-style-type: none"> Advisory services Implementation services Testing Post-implemeantatoon and managed servoces Experience Cloud Marketing Cloud Commerce Cloud MuleSoft Field Service Cloud Revenue Cloud Vlocity Emerging products
Ability to Innovate	<ul style="list-style-type: none"> Mechanisms in place to deliver client innovation Extent to which client perceives that innovation has been delivered Suitability of vendor to meet future needs of clients Strength of partnership
Other	<ul style="list-style-type: none"> Market momentum Financial security

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



research.nelson-hall.com

Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:
Darrin Grove at darrin.grove@nelson-hall.com

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