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Magic Quadrant for Oracle Cloud Applications Services, Worldwide

Published 5 May 2020 - ID G00403362 - 81 min read

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On-premises application users are increasingly considering moving to Oracle cloud products in the next two to three years. This Magic Quadrant supports sourcing, procurement and vendor management leaders in their Oracle Cloud Applications service vendor selection.

Strategic Planning Assumptions

By 2025, 85% of large organizations will have engaged external service providers to migrate applications to the cloud, up from 43% in 2019.

By EOY 2021, 50% of Oracle application service revenue will be cloud-related as enterprises accelerate their move to the cloud in response to the massive disruption of the COVID-19 contagion.

By 2025, the top four ERP vendors will rebrand themselves as business platform providers.

Market Definition/Description

Gartner defines Oracle Cloud Applications (OCA) services as only those services associated with the Oracle Cloud Applications products. To qualify, each vendor project must have an "anchoring" OCA product from at least one of the solutions identified in the Oracle Cloud Excellence Implementer (CEI) Program on the Oracle PartnerNetwork website. Currently, this is version 3787137 and consists of cloud service modules that cover:

- Customer experience (CX)

- Enterprise performance management (EPM)

- Enterprise resource planning (ERP)

- Human capital management (HCM)

- Supply chain management (SCM)

This Magic Quadrant evaluates the worldwide capabilities of vendors. It provides metrics grouped within North America, Latin America, Asia/Pacific and EMEA based on the Oracle CEI regional geographies.

This Magic Quadrant does not cover other Oracle services, such as:

- All application services related to Oracle products outside those Oracle Cloud Applications identified previously (for example, NetSuite is not included in this analysis)

- All activities relating to business process outsourcing

- All ongoing infrastructure and hosting-only services

- Any physical — on-premises and cloud — compute assets' associated revenue

- Product-only activities, such as from the resale of Oracle licenses or the vendor's third-party products

(See Note 1 for a list of industries included in this Magic Quadrant.)

A more detailed analysis of the included vendors' capabilities, with scoring based on use cases, is available in "Critical Capabilities for Oracle Cloud Applications Services, Worldwide."

About the Vendor Profiles

Each vendor profile includes a summary of key characteristics of that vendor's practice. It also reviews that provider's strengths and cautions regarding Oracle Cloud Applications services (see the Vendor Strengths and Cautions section), as well as emphasizing the areas where the vendors are strong and the areas that need improvement.

Gartner has chosen to include information on each vendor's practice according to the following areas:

- **Introduction**: This outlines the genre of deals that Gartner believes are a good fit for the vendor — that is, its delivery "sweet spot."

- **Resources**: The number of full-time employees (as of end of June 2019) dedicated to the Oracle Cloud practice (not consultants in another business unit who are occasionally performing work on Oracle Cloud engagements). Dedicated resources indicate focus of practice, but for sustainable nonlinear growth, revenue should not be entirely connected to full-time equivalent (FTE) growth. A breakdown is provided for the Oracle Cloud products supported and overall proportions by geography. We note that Asia/Pacific figures may appear relatively higher than related revenue for the region for some vendors that have offshore centers of excellence in locations such as India.

- **Client geography:** Breakdown of where the vendor's revenue comes from, indicating the regions where the vendor is strongest and has the largest number of clients.

- **Cloud Applications focus:** This looks at the proportion of the overall Oracle business that is dedicated to Oracle Cloud Applications services for the in-scope products. NetSuite services are not included.

- **Growth:** This year, we have counted vendors' annual revenue for the 12-month period ending 30 June 2019. The data is for a one-year period that does not necessarily represent the vendor's fiscal-year reporting period. The vendors in this Magic Quadrant are estimated to have grown Oracle Cloud Applications revenue, as a group, 41% year over year. The ability to grow solidly provides an indication of the vendors' investment and focus in the Oracle Cloud Applications practice and ability to take advantage of opportunities. Note that the overall Oracle practice business for this group grew by 6% while the noncloud revenue shrank by 15%. The growth of Cloud Applications with vendors is a combination of overall growth along with a pivot from on-premises services.

- **Industry:** Some vendors are industry-agnostic, some are laser-focused on only a few industries, and some are more focused on a set of industries but work with clients in multiple industries. This area serves as an indication of the industries that are more prominent (based on projects completed) in the vendors' focus and the industries in which the vendors have experience. However, a focus on a particular industry does not always mean that other industries are excluded from coverage.

- **Client size:** Participating vendors were asked to provide a percentage breakdown of revenue derived from clients of different sizes by number of employees (July 2018 through June 2019). This information was used to determine the size of the organization that is the vendor's sweet spot. The segments shown are the smallest organizations, up to 999 employees; small and midsize organizations, from 1,000 to 10,000 employees; and large organizations of more than 10,000 employees.

- **Product focus:** Oracle Cloud Applications are split into five application areas:

  - Oracle CX Cloud Suite (CX Cloud) covers the cloud applications within the customer experience suite.

  - EPM Cloud covers the products aligned to enterprise performance management.

  - The ERP Cloud comprises the financial products.

  - HCM Cloud covers the HR applications.

  - Oracle SCM Cloud is for supply chain and procurement.

  A breakdown of the Oracle-defined product areas is included earlier in this section.

Due to this Magic Quadrant's inclusion criteria and methodology, many capable vendors were not assessed as part of this analysis (see the Inclusion and Exclusion Criteria section). However, they may be a better fit for specific Oracle Cloud Applications engagements, depending on the size and complexity of the engagement, geography, industry, and other factors. Clients are advised to talk with a Gartner analyst to narrow down a shortlist of best-fit service providers covered in this Magic Quadrant, as well as to discuss providers not covered here.

Magic Quadrant

Figure 1. Magic Quadrant for Oracle Cloud Applications Services, Worldwide

Source: Gartner (May 2020)

Vendor Strengths and Cautions

Accenture

Accenture is in the Leaders quadrant and is primarily a good fit for global enterprises engaged in multifunctional, multiservice, multiyear transformations. Accenture is able to do end-to-end multipillar OCA engagements, including organizational change management (OCM), domain consultancy and continuous OCA optimization.

The following numbers are Gartner estimates:

- **Resources:** Accenture has an estimated 13,731 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 1,510; EPM Cloud, 961; ERP Cloud, 4,119; HCM Cloud, 3,158; SCM Cloud, 1,236; and other cloud, 2,746. The

geographic breakdown of these FTEs is North America, 34%; Latin America, 5%; EMEA, 23%; and Asia/Pacific, 38%.

- **Client Geography:** The breakdown of Accenture's Oracle Cloud Applications service revenue is as follows: North America, 65%; Latin America, 3%; EMEA, 23%; and Asia/Pacific, 9%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 31% of all the Oracle revenue and utilize 23% of the Oracle practice FTEs for Accenture.

- **Growth:** Accenture's Oracle Cloud Applications service revenue grew by an estimated 171% YoY.

- **Industry:** The top five industries where Accenture had the most projects are industrial machinery components, higher education and research, automotive, banking, and telecommunications.

- **Client Size:** Of Accenture's Oracle Cloud Applications service revenue, 36% originates from clients with 1,000 to 10,000 employees and 64% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 11%; EPM Cloud, 7%; ERP Cloud, 27%; HCM Cloud, 13%; SCM Cloud, 12%; and other cloud; 30%.

Strengths

- **Popular and strongly growing service:** At the last Magic Quadrant, Accenture had one of the largest Oracle cloud practices. The OCA revenue has almost tripled for this analysis (organic and acquisitions), and that growth is not just from converting current Oracle customers to cloud. The combination of business consulting and technical delivery combined with tools like MyConcerto fit well with what is needed for large-business-led OCA engagements.

- **Even more business outcome focus:** Accenture as an organization is changing from technology practices staying in their package silos to what it calls "Intelligent Platform Services." This holistic initiative brings together the innovation, intelligence and industry knowledge from across Accenture to deliver solutions and services that are business-focused, and it is resonating well with OCA clients.

- **Customer satisfaction:** Accenture's reference clients gave the company a perfect score for overall satisfaction, and it was above the peer average in 20 of the 20 capabilities scored. Accenture's clients recognize the organization's broad and deep capabilities, which is evident in that it was also in the top three in 19 of 20 capability categories. Multiple clients specifically noted how strong the Accenture teams were, with high-quality resources and good Oracle expertise, but a key take-away was how pleased clients were with the focus on business outcome and successful transformation.

Cautions

- **Single-pillar engagements**: Accenture's market proposition is large, multiyear, transformative Oracle cloud implementations. While Accenture delivers effective single-pillar deals, clients seeking only cost-focused core services may not always consider Accenture the best fit for their needs.

- **Client size**: Accenture is focused on large enterprises. The small and midsize business (SMB) market segment is not a focus presently. They have no revenue from organizations with less than 1,000 employees, and almost two-thirds is with those of over 10,000 staff.

- **Contracting and price**: Despite scoring highest on value for money, there were reference comments noting higher pricing and difficulty in contracting. Although reference clients did not score Accenture below the group average in any of the 20 capabilities, contracting practice and price category scored the lowest.

Birlasoft

Birlasoft is in the Niche Players quadrant and is primarily a good fit for companies in the Americas, Middle East or Asia looking for single OCA SCM or ERP implementations.

The following numbers are Gartner estimates:

- **Resources**: Birlasoft has an estimated 540 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 23; EPM Cloud, 4; ERP Cloud, 135; HCM Cloud, 133; SCM Cloud, 245; and other cloud, 0. The geographic breakdown of these FTEs is North America, 12%; Latin America, 3%; EMEA, 2%; and Asia/Pacific, 83%.

- **Client Geography:** The breakdown of Birlasoft's Oracle Cloud Applications service revenue is as follows: North America, 67%; Latin America, 7%; EMEA, 5%; and Asia/Pacific, 21%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 12% of all the Oracle revenue and utilize 26% of the Oracle practice FTEs for Birlasoft.

- **Growth:** Birlasoft's Oracle Cloud Applications service revenue grew by an estimated 3% YoY.

- **Industry:** The top five industries where Birlasoft had the most projects are high tech, life sciences, oil and gas, consumer products, and higher education and research.

- **Client Size:** Of Birlasoft's Oracle Cloud Applications service revenue, 5% originates from clients with fewer than 1,000 employees, 20% from clients with 1,000 to 10,000 employees and 75% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 7%; EPM Cloud, 2%; ERP Cloud, 15%; HCM Cloud, 12%; SCM Cloud, 64%; and other cloud, 0%.

Strengths

- **Supply chain focus:** Birlasoft was once again awarded an Oracle's Supply Chain Partner of the Year accolade in 2019, reflecting its keen focus on the domain. The company has invested in developing domain-specific solutions, platforms and services, along with preconfigured industry solutions for logistics and pharmaceuticals.

- **Migration tools:** Birlasoft has developed a suite of cloud adoption solutions focused on moving data to the cloud in order to make Oracle cloud migrations and implementations more successful. It claims that Migra, its cloud migration tool, reduces effort required by 30%.

- **Value within focus area:** Birlasoft reference clients scored the company above the group average in 10 of 20 capabilities and in the top three for total cost of contracted services and contracting practices. Birlasoft was also above the group average on overall value for money, with reference clients noting that Birlasoft was easy to work with and provided capable resources that were delivered with reliability and quality.

Cautions

- **Slow pivot to cloud:** The merger of KPIT Technologies and Birlasoft has not grown the Oracle practice or Oracle cloud capabilities. Revenue and staff are similar to the previous Magic Quadrant for KPIT alone, and Birlasoft is falling back compared with the other service providers evaluated.

- **Organizational change management capability:** KPIT's focus on technology stands in contrast to a lighter focus on organizational change management and business consulting. KPIT's model for services delivered primarily from offshore locations emphasizes that its offering is a technology transformation play, not a business transformation one. Reference clients noted that training and project management delivered from offshore was not effective and that, although the system was delivered effectively, the business process needs improvement.

- **Managing engagements:** Birlasoft reference clients scored the company in the bottom three for overall vision and thought leadership. Multiple reference clients noted that KPIT could have taken more of a lead and managed projects better by using on-site management resources.

Capgemini

Capgemini is in the Niche Players quadrant. It is primarily a good fit for enterprise clients looking for complex multipillar Oracle Cloud Applications implementations covering a range of Oracle Cloud Applications and those who are willing to invest in industry platform as a service (PaaS) solutions.

The following numbers are Gartner estimates:

- **Resources:** Capgemini has an estimated 1,501 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 98; EPM Cloud, 24; ERP Cloud, 480; HCM Cloud, 351; SCM Cloud, 548; and other cloud, 0. The

geographic breakdown of these FTEs is North America, 34%; Latin America, 5%; EMEA, 25%; and Asia/Pacific, 36%.

- **Client Geography:** The breakdown of Capgemini's Oracle Cloud Applications service revenue is as follows: North America, 59%; Latin America, 2%; EMEA, 37%; and Asia/Pacific, 2%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 17% of all the Oracle revenue and utilizes 12% of the Oracle practice FTEs for Capgemini.

- **Growth:** Capgemini's Oracle Cloud Applications service revenue grew by an estimated 20% YoY.

- **Industry:** The top five industries where Capgemini had the most projects are retail, consumer products, banking, media, and engineering construction and operations.

- **Client Size:** Of Capgemini's Oracle Cloud Applications service revenue, 1% originates from clients with fewer than 1,000 employees, 31% originates from clients with 1,000 to 10,000 employees and 68% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 25%; EPM Cloud, 1%; ERP Cloud, 30%; HCM Cloud, 11%; SCM Cloud, 9%; and other cloud, 24%.

Strengths

- **Solid track record and results from investments in tools and solutions:** Capgemini is continually investing in industry and functional solutions to fill gaps in the SaaS product suite by leveraging capabilities of the PaaS platform. This also includes solutions such as automation tools, integration utilities and blockchain cloud.

- **Investment in resources and capabilities:** Capgemini has a good certification density with over 500 individual certifications for its 1,500 OCA staff. Capgemini puts a substantial effort into training and management development. The company focuses on employee retention, and that people and capability focus was apparent during the analysis.

- **Delivery and staff continuity:** Although Capgemini was not ranked above the group average on any of the 20 capabilities, Capgemini's best scores from reference clients were in regional capability, remote delivery and continuity of staff. The improvement in the staff continuity scores over last year's Magic Quadrant is a positive indication of resource development.

Cautions

- **Tech focus:** Capgemini's value proposition in Oracle Cloud is much more targeted to technology than to the business. Solutions are designed to appeal to technology transformation and optimization instead of business transformation and optimization.

- **Slow to pivot to cloud:** Capgemini showed modest growth in the Oracle Cloud practice as compared with its cohorts in this research. There is a substantial installed base of clients with

on-premises Oracle, but Capgemini's work to move some of that base to the cloud does not yet seem to have caught fire. Capgemini cites cautious clients and resistance to the cloud products, yet the market is growing as evidenced by others in this research.

- **Proactiveness and innovation**: Capgemini scored below the group average in 20 of 20 capabilities and in the bottom three for 15 of the 20. The lowest scores were for proactiveness, innovation realized and contracting practices.

Cognizant

Cognizant is in the Niche Players quadrant and is primarily a good fit for U.S.-based, non-federal government organizations looking to move to a complex environment focused on ERP and HCM.

The following numbers are Gartner estimates:

- **Resources**: Cognizant has an estimated 777 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 68; EPM Cloud, 27; ERP Cloud, 228; HCM Cloud, 415; SCM Cloud, 39; and other cloud, 0. The geographic breakdown of these FTEs is North America, 27%; Latin America, 0%; EMEA, 7%; and Asia/Pacific, 66%.

- **Client Geography:** The breakdown of Cognizant's Oracle Cloud Applications service revenue is as follows: North America, 86%; Latin America, 0%; EMEA, 13%; and Asia/Pacific, 1%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 8% of all the Oracle revenue and utilize 5% of the Oracle practice FTEs for Cognizant.

- **Growth:** Cognizant's Oracle Cloud Applications service revenue grew by an estimated 23% YoY.

- **Industry:** The top five industries where Cognizant had the most projects are banking, retail, high tech, healthcare, and industrial machinery.

- **Client Size:** Of Cognizant's Oracle Cloud Applications service revenue, 6% originates from clients with fewer than 1,000 employees, 33% from clients with 1,000 to 10,000 employees and 61% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 6%; EPM Cloud, 3%; ERP Cloud, 28%; HCM Cloud, 59%; SCM Cloud, 4%; and other cloud, 0%.

Strengths

- **Solution accelerators**: With a heritage in technology, Cognizant has invested in and harvested from projects a wide range of solution accelerators. To support its assessments, implementations and ongoing support, it has over 60 proprietary and branded tool accelerators that it claims reduces effort by 25%.

- **Good industry coverage**: Cognizant has completed ERP Cloud and HCM Cloud implementations over a wide range of industries. It has more than five clients in 17 of the Gartner industry categories.

- **Effective OCA resources**: Cognizant reference clients scored it above the group average in 19 out of 20 capabilities and in the top three for remote delivery, technical skills, innovation, relationship management and knowledge management. Reference clients noted that Cognizant had focused, insightful and knowledgeable OCA specialist resources that combined well with senior management on both sides to deliver system go-lives very effectively.

Cautions

- **Not pivoting fast enough to cloud**: Only 770 of its over 15,000 Oracle FTEs are dedicated to cloud delivery. This was a caution in the last Magic Quadrant, and progress has been very slow (only an additional 200 resources). Cloud is the future for Oracle services, and Cognizant's large incumbent Oracle client base should challenge Cognizant to increase its specific cloud capabilities much more quickly and reduce turnover in order to support clients' journey to cloud.

- **Predominantly U.S.**: Of the recent revenue for cloud applications services, 86% have been from the U.S. market. There will be a natural predominance in the U.S. for Oracle Cloud Applications because the market is growing in the U.S. first, but Cognizant will need to build non-U.S. capability and experience.

- **Focus only on platform go-live**: Cognizant reference clients scored the company below the group average in only quality of industry expertise. Reference clients commented that there was a lack of focus on the impact of change management. Cognizant did not flag what was needed and tended to focus only on system go-live and technical milestones. Clients need to ensure they provide oversight for change management and user training when engaging with Cognizant.

Deloitte

Deloitte is in the Leaders quadrant and is primarily a good fit for any midsize or large organization that is looking to exit legacy platforms through a business transformation approach. Deloitte is able to do end-to-end multipillar OCA engagements, including organizational change management, domain consultancy and continuous OCA optimization.

The following numbers are Gartner estimates:

- **Resources**: Deloitte has an estimated 18,617 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 2,979; EPM Cloud, 1,862; ERP Cloud, 6,330; HCM Cloud, 5,771; SCM Cloud, 1,676; and other cloud, 0. The geographic breakdown of these FTEs is North America, 26%; Latin America, 8%; EMEA, 15%; and Asia/Pacific, 51%.

- **Client Geography:** The breakdown of Deloitte's Oracle Cloud Applications service revenue is as follows: North America, 63%; Latin America, 7%; EMEA, 19%; and Asia/Pacific, 11%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 64% of all the Oracle revenue and utilize 63% of the Oracle practice FTEs for Deloitte.

- **Growth:** Deloitte's Oracle Cloud Applications service revenue grew by an estimated 41% YoY.

- **Industry:** The top five industries where Deloitte had the most projects are industrial machinery components, public sector, banking, high tech and consumer products.

- **Client Size:** Of Deloitte's Oracle Cloud Applications service revenue, 4% originates from clients with fewer than 1,000 employees, 64% from clients with 1,000 to 10,000 employees and 32% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 16%; EPM Cloud, 10%; ERP Cloud, 34%; HCM Cloud, 31%; SCM Cloud, 9%; and other cloud, 0%.

Strengths

- **Continued focus on cloud-driven business transformation and optimization:** Deloitte has continued to concentrate its Oracle business on cloud applications. Almost two-thirds of the practice revenue and practice FTEs are engaged in services related to cloud applications. It engages with business leaders and can build large, multicountry engagements around business transformation and ongoing optimization using capabilities across its diverse organization.

- **Access to industry and domain specialists:** Cloud application implementation and management are more successful and cost-effective when the business conforms to the best practices within the product, rather than when difficult customizations are made to re-create historical business processes. This requires decisions to be made around the suitability and impact of that change within the business. Deloitte's multidisciplinary organization provide it the ability to use tax, finance, HR, supply chain, CX and industry specialists across its business consulting organization to supplement these Oracle Cloud Applications implementations and ongoing updates. This multidisciplinary approach fits well for complex engagements that require a transformation approach, resulting in engagements that are larger in size and revenue.

- **Extremely satisfied clients:** Deloitte is top three for overall satisfaction. Deloitte reference clients scored the organization above average in all 20 capabilities and top three in all except total cost. Deloitte's clients praised it for bringing complete end-to-end services in the delivery of business transformations and ongoing optimization.

Cautions

- **Client size and auditor exclusions**: Over 95% of Deloitte's current Oracle Cloud Applications revenue is with midsize or large companies. It is not as good a fit for small enterprises looking for single-pillar, low-cost implementations. Legally, Deloitte also has to exclude itself from financial transformation projects at any public organization where it is acting as auditor.

- **Scaling of certified resources**: Deloitte grew its Oracle Cloud practice headcount by 36% since the last Magic Quadrant, and that was not just converting on-premises skilled FTEs to cloud services — it added almost 5,000 staff to the practice. Deloitte is focused on hiring experienced OCA practitioners and increasing SaaS product certifications, but clients should ensure they are getting experienced and certified technical staff for their engagements.

- **Relatively more expensive services**: Although scoring well on value for money, Deloitte client references scored the company relatively low on the total cost of contracted services. This was the only attribute not in the top three.

DXC Technology

DXC Technologies is in the Niche Players quadrant and is primarily a good fit for clients looking for a technology-focused provider to implement a complex technology transformation. It offers a portfolio of technologies and services that can support diverse OCA architectures.

The following numbers are Gartner estimates:

- **Resources**: DXC Technologies has an estimated 2,181 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 72; EPM Cloud, 613; ERP Cloud, 623; HCM Cloud, 692; SCM Cloud, 160; and other cloud, 21. The geographic breakdown of these FTEs is North America, 6%; Latin America, 2%; EMEA, 10%; and Asia/Pacific, 82%.

- **Client Geography:** The breakdown of DXC Technologies' Oracle Cloud Applications service revenue is as follows: North America, 4%; Latin America, 4%; EMEA, 45%; and Asia/Pacific, 47%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 30% of all the Oracle revenue and utilize 30% of the Oracle practice FTEs for DXC Technologies.

- **Growth:** DXC Technologies' Oracle Cloud Applications service revenue grew by an estimated 3% YoY.

- **Industry:** The top five industries where DXC Technologies had the most projects are engineering, construction and operations, public sector, aerospace and defense, finance, and utilities and energy.

- **Client Size:** Of DXC Technologies' Oracle Cloud Applications service revenue, 5% originates from clients with fewer than 1,000 employees, 71% from clients with 1,000 to 10,000 employees and 25% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 5%; EPM Cloud, 18%; ERP Cloud, 39%; HCM Cloud, 11%; SCM Cloud, 19%; and other cloud, 8%.

Strengths

- **Technology solutions:** DXC has differentiated itself through a focus on technology, not business transformation. It offers a global ability to deliver OCA combined with other Oracle products at a client's location of choice combined with technologies to deliver process optimization via Platform DXC and robotics.

- **Industry solutions:** Through its acquisition of Red Rock, DXC gained mature industry solutions for beverage, universities and manufacturing. In the past year, it has built upon this with healthcare, travel and transportation, insurance, banking, and capital market offerings. It is looking to grow out additional project numbers using these new industry accelerators and increase the number of industries covered. DXC currently has more than five clients in 10 of the Gartner industry categories.

- **Technical skills:** DXC scored above the peer average with reference clients for technical skills (cloud and general Oracle). Reference clients noted that DXC communicated well and had good project management skills: "They were a trusted and transparent partner."

Cautions

- **Falling behind on cloud:** DXC reported the lowest annual growth on Oracle Cloud Applications services. In addition, the number of cloud implementations completed was relatively low compared with other vendors in this research. Clients looking for business transformations should be aware that DXC's focus on technical capabilities and CIOs as the buying audience may lead to a growth of moving on-premises workloads to public cloud rather than the true SaaS implementations. SaaS implementations are the focus of this Magic Quadrant.

- **Lack of business transformation focus:** DXC's limited focus on organizational change management and emphasis on technology might not be a good fit for C-level executives prioritizing business transformation.

- **Change management:** DXC only provided a few references, which did score it above the peer average for overall satisfaction. However, its reference clients also scored DXC below the group average in 12 of 20 capabilities, with the lowest scores for innovation and relationship management. DXC reference clients specifically cited that DXC should be more proactive on the change management needed.

EY

EY is in the Niche Players quadrant and is primarily a good fit for midsize and larger organizations that aim to transform their business models for long-term value.

The following numbers are Gartner estimates:

- **Resources**: EY has an estimated 4,129 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 172; EPM Cloud, 896; ERP Cloud, 1,751; HCM Cloud, 319; SCM Cloud, 980; and other cloud, 11. The geographic breakdown of these FTEs is North America, 30%; Latin America, 3%; EMEA, 27%; and Asia/Pacific, 40%.

- **Client Geography:** The breakdown of EY's Oracle Cloud Applications service revenue is as follows: North America, 68%; Latin America, 1%; EMEA, 27%; and Asia/Pacific, 4%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 51% of all the Oracle revenue and utilize 61% of the Oracle practice FTEs for EY.

- **Growth**: EY's Oracle Cloud Applications service revenue grew by an estimated 51% YoY.

- **Industry:** The top five industries where EY had the most projects are consumer products, banking, high tech, professional services and healthcare.

- **Client Size**: Of EY's Oracle Cloud Applications service revenue, 4% originates from clients with fewer than 1,000 employees, 62% from clients with 1,000 to 10,000 employees and 34% from clients with more than 10,000 employees.

- **Product Focus**: The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 4%; EPM Cloud, 21%; ERP Cloud, 44%; HCM Cloud, 10%; SCM Cloud, 21%; and other cloud, 0%.

Strengths

- **Focus on business outcome**: In 2018, EY had over 6,000 FTEs supporting on-premises Oracle engagements, but this was not a large focus area within EY as a whole (3% of organization compared with over 10% with other leading consultants). With the pivot to cloud in 2019, EY sees the opportunity to provide the business leadership needed for cloud implementation and ongoing evolution and is growing rapidly on OCA projects. The EY consulting practice focused on Oracle and grew revenue by over 10%, and OCA engagements contributed over 50% of Oracle-related revenue.

- **Domain expertise**: EY is known for its consulting expertise, especially in the finance and supply chain area, and has often been engaged as the change management specialist in support of other technical-only implementers. As it grows out its internal technical capabilities, this area is a strength and provides a differentiator in the OCA space that allows EY to offer business transformation as a focus rather than a technical upgrade.

- **Professional leadership:** EY reference clients scored EY above the group average for seven of 20 capabilities. Reference clients put EY in the top three for functional expertise, noting that the organization brought professional leadership and functional leads with strong domain knowledge who were able to articulate business concepts effectively.

Cautions

- **Ability to scale technical resources**: As EY looks to grow its technical OCA capabilities rapidly, it will be difficult to match the consulting resources it already has. The density of OCA certifications is relatively low compared with the peer group, and multiple references noted issues with resource availability.

- **Relatively expensive**: Some reference clients deemed the cost to be high. EY leverages offshore resources with 40% of FTEs based in APAC, which does help to reduce unit cost, but EY ranked below the group average on value for money.

- **More innovation expected**: EY reference clients scored the company below the group average in 13 of 20 capabilities and in the bottom three for innovation proposed and relationship management. Several reference clients specifically cited that more innovation was needed and that they wished EY would have brought "outside the box" thinking to deliver a truly innovative solution.

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Evosys

Evosys is in the Niche Players quadrant. It is a cloud-native provider that is a good fit for midsize enterprises looking for an innovative approach to transitioning from on-premises to a range of cloud applications within key focus industries.

The following numbers are Gartner estimates:

- **Resources**: Evosys has an estimated 966 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 48; EPM Cloud, 69; ERP Cloud, 372; HCM Cloud, 237; SCM Cloud, 198; and other cloud, 42. The geographic breakdown of these FTEs is North America, 4%; Latin America, 0%; EMEA, 27%; and Asia/Pacific, 69%.

- **Client Geography:** The breakdown of Evosys' Oracle Cloud Applications service revenue is as follows: North America, 27%; Latin America, 0%; EMEA, 63%; and Asia/Pacific, 10%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 72% of all the Oracle revenue and utilize 74% of the Oracle practice FTEs for Evosys.

- **Growth**: Evosys' Oracle Cloud Applications service revenue grew by an estimated 167% YoY.

- **Industry:** The top five industries where Evosys had the most projects are public sector, healthcare, engineering and construction, manufacturing, and professional services.

- **Client Size:** Of Evosys' Oracle Cloud Applications service revenue, 46% originates from clients with fewer than 1,000 employees, 39% from clients with 1,000 to 10,000 employees and 15% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 2%; EPM Cloud, 16%; ERP Cloud, 42%; HCM Cloud, 31%; SCM Cloud, 10%; and other cloud, 0%.

Strengths

- **Excellent execution:** Evosys delivered strong YOY growth by a clear focus on execution. Core to its focus on execution is the development and deployment of specific industry-relevant application extensions and technology solutions, the outcome of which is an accelerated journey to the Oracle Cloud for Oracle EBS, PeopleSoft and converting SAP users.

- **Willingness/ability to contract with some portion at risk based on KPIs:** Evosys declares that it can deliver threefold ROI to clients and back this up with an ability to contract with some portion of the engagement at risk. Twenty percent of Evosys' revenue comes from outcome-based contracts.

- **Functional expertise:** Among its reference clients, Evosys received the highest marks in contracting practices, quality of functional expertise and relationship management. One reference client noted, "Evosys is a technically competent implementation partner who is easy to work with."

Cautions

- **Lack of business transformation capability:** Evosys created an OCM practice in 2019, but the capability is still limited. There is still limited business consultancy, and translating the desirability of Oracle Cloud upgrades to the business is not a focus. The company is clear that "SaaS is much more about business than technology" and is focused on hiring accountants and business graduates. Thus, it is a better fit for technology-focused engagements or in partnership with a business consulting firm that would handle the business, functional and OCM elements.

- **Limited in country support:** As a smaller service provider, Evosys has limited "boots on the ground" compared with other cohorts in this research. Clients should consider engaging OCM consultancy alongside Evosys, or provide it in-house, due to a lack of OCM and local services.

- **Vision and leadership:** Evosys scored below the group average in all 20 capabilities and was in the bottom three for seven. These include overall Oracle Cloud Applications service vision and thought leadership, remote delivery, quality of change management, innovation realized, and proactiveness. One client noted: "The more specific we can be with the problem, the better they are with the solution. The challenge is in the proactive area. Oracle is constantly upgrading [its] systems and it's hard for us to know if we should be taking advantage of new features or not."

IBM

IBM is in the Leaders quadrant and is primarily a good fit for complex, multipillar, multigeography business transformation programs centered around industry differentiation and business

platforms.

The following numbers are Gartner estimates:

- **Resources**: IBM has an estimated 6,560 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 760; EPM Cloud, 510; ERP Cloud, 2,300; HCM Cloud, 1,630; SCM Cloud, 1,360; and other cloud, 0. The geographic breakdown of these FTEs is North America, 25%; Latin America, 2%; EMEA, 26%; and Asia/Pacific, 47%.

- **Client Geography:** The breakdown of IBM's Oracle Cloud Applications service revenue is as follows: North America, 55%; Latin America, 0%; EMEA, 33%; and Asia/Pacific, 12%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 50% of all the Oracle revenue and utilize 41% of the Oracle practice FTEs for IBM.

- **Growth:** IBM's Oracle Cloud Applications service revenue grew by an estimated 176% YoY.

- **Industry:** The top five industries where IBM had the most projects are public sector, industrial machinery, banking, professional services and consumer products.

- **Client Size**: Of IBM's Oracle Cloud Applications service revenue, 5% originates from clients with fewer than 1,000 employees, 47% from clients with 1,000 to 10,000 employees and 48% from clients with more than 10,000 employees.

- **Product Focus**: The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 8%; EPM Cloud, 8%; ERP Cloud, 37%; HCM Cloud, 24%; SCM Cloud, 23%; and other cloud, 0%.

Strengths

- **Assessment investment paying dividends**: As noted in our last Magic Quadrant, IBM was embarking on a strategy to work with its current Oracle clients to deliver roadmaps to OCA migration. This has realized an almost threefold growth in OCA revenue, and now half of the Oracle practice business has pivoted to OCA engagements.

- **Renewed industry and business focus**: Although still focused on technology for execution, IBM has focused the migration roadmaps on delivering industry differentiation through business platforms centered around Oracle Cloud and intelligent workflows. This business focus and improved vision, combined with the platform capability, has moved it into the Leaders quadrant.

- **Quality resources and delivery:** IBM reference clients scored IBM above the group average for 13 of 20 capabilities and in the top three for regional capability and technical skills. Reference clients specifically noted that IBM resources were professional and knowledgeable and that they worked in partnership with the client to provide excellent on-time/on-budget delivery of business outcomes.

Cautions

- **Business consulting capability:** IBM has improved its industry and business understanding to support OCA engagements but does not have the pure business consulting capability to provide the full change management and business model consulting that some of its competition can provide. IBM's strength is technology, and the new approach on technology-driven industry and business outcomes will be appropriate for many clients, but not all.

- **FTE Certification levels:** IBM has approximately 1,600 individual OCA product certifications spread across the over 7,000 FTEs engaged in OCA projects. Although IBM has one of the larger pools of certifications, this is at a lower density than some of the other Leaders in this space. Clients should ensure that the staff allocated to their project are from the group that does have certifications for the activities related to functional and product understanding.

- **Ensuring value for money:** IBM reference clients scored the company below the group average in remote delivery, functional expertise, proactiveness and overall vision, and it scored in the bottom three for total cost of contracted services and additional value. In addition, IBM rated in the bottom five on value for money. Reference clients specifically said, "IBM needed to truly understand my business needs and have more boots on the ground."

Infosys

Infosys is in the Leaders quadrant and is primarily a good fit for large, global companies looking for a cloud engagement partner that can deliver and execute tech-powered solutions in a bundled way.

The following numbers are Gartner estimates:

- **Resources:** Infosys has an estimated 4,897 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 1,169; EPM Cloud, 558; ERP Cloud, 1,032; HCM Cloud, 1,311; SCM Cloud, 814; and other cloud, 14. The geographic breakdown of these FTEs is North America, 32%; Latin America, 0%; EMEA, 4%; and Asia/Pacific, 64%.

- **Client Geography:** The breakdown of Infosys' Oracle Cloud Applications service revenue is as follows: North America, 75%; Latin America, 1%; EMEA, 14%; and Asia/Pacific, 10%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 37% of all the Oracle revenue and utilize 31% of the Oracle practice FTEs for Infosys.

- **Growth:** Infosys' Oracle Cloud Applications service revenue grew by an estimated 50% YoY.

- **Industry:** The top five industries where Infosys had the most projects are banking, industrial machinery, high tech, automotive and retail.

- **Client Size:** Of Infosys' Oracle Cloud Applications service revenue, 5% originates from clients with fewer than 1,000 employees, 33% from clients with 1,000 to 10,000 employees and 63%

from clients with more than 10,000 employees.

- **Product Focus**: The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 24%; EPM Cloud, 11%; ERP Cloud, 21%; HCM Cloud, 27%; SCM Cloud, 17%; and other cloud, 0%.

Strengths

- **Client-friendly engagement model**: Infosys is using flexible pricing and outcome-based models. A solutions-based consulting model via bundling (services and Oracle software) is a growing portion of its offering. Of the 56 new accounts in 2019, 20 of them were bundled deals. Infosys is willing to put skin in the game through outcome-based financial support to transformation programs.

- **High conversion rates of installed base**: On the issue of converting existing on-premises clients to cloud clients, Infosys is posting meaningful conversion rates, driving cloud practice growth and implementing a deliberate strategy to convert this client segment. This is significant because it signals an ability to address the new cohort of business decision makers rather than only interacting with IT and technology leaders. This is a new vision to deliver business solutions, not just technical migrations.

- **Going the extra mile**: Reference clients scored Infosys above the group average for 16 of 20 capabilities. In four capabilities, Infosys ranks in the top three. Reference clients gave relatively high scores for contracting practices, total cost of contracted services, desire to "go the extra mile," and quality and professionalism of assigned staff. Quotes from reference clients include: "Infosys is a great service provider with commitment toward customer success" and "Infosys has been a great partner — always ready to provide insights and options."

Cautions

- **Need to further expand local presence**: Of Infosys' Oracle cloud revenue, 75% comes from North America, but only 32% of the resources are located there. EMEA has only 4% of the OCA resources. Global clients working with this provider should define their requirements for proximity of resources and ensure that they are benefiting from the localization drive that Infosys is currently pushing.

- **Need to improve change management**: Infosys' lowest rankings from its reference clients were in quality of change management and innovation realized. Infosys leverages OCM expertise from its consulting practice — however, this seems limited to very large transformation engagements.

- **Staffing and continuity**: Although it received high overall scores relative to its cohorts, Infosys ranked lower among its reference clients for continuity of staff and regional capability. One reference client indicated constraints in the availability of on-time on-site resources.

Inspirage

Inspirage is in the Niche Players quadrant and is primarily a good fit for midsize and some larger product-based organizations that are upgrading their ERP to Oracle Cloud with a supply chain management focus.

The following numbers are Gartner estimates:

- **Resources**: Inspirage has an estimated 465 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 9; EPM Cloud, 12; ERP Cloud, 104; HCM Cloud, 2; SCM Cloud, 338; and other cloud, 0. The geographic breakdown of these FTEs is North America, 43%; Latin America, 0%; EMEA, 9%; and Asia/Pacific, 48%.

- **Client Geography:** The breakdown of Inspirage's Oracle Cloud Applications service revenue is as follows: North America, 77%; Latin America, 0%; EMEA, 20%; and Asia/Pacific, 3%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 68% of all the Oracle revenue and utilize 84% of the Oracle practice FTEs for Inspirage.

- **Growth:** Inspirage's Oracle Cloud Applications service revenue grew by an estimated 46% YoY.

- **Industry:** The top five industries where Inspirage had the most projects are industrial machinery, consumer products, high tech, life sciences and wholesale distribution.

- **Client Size:** Of Inspirage's Oracle Cloud Applications service revenue, 0% originates from clients with fewer than 1,000 employees, 61% from clients with 1,000 to 10,000 employees and 39% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 3%; EPM Cloud, 8%; ERP Cloud, 28%; HCM Cloud, 0%; SCM Cloud, 62%; and other cloud, 0%.

Strengths

- **SCM capability:** Inspirage gets the majority of its cloud revenue from SCM engagements. That does not mean that it is single-pillar SCM only; they mostly do full ERP transformations with a very strong supply chain focus. In addition, they have recently acquired Vertical Edge Consulting Group, which has added an EPM capability. In the SCM product area, it is a global leader and has added more Oracle Specialized Partner of the Year awards, for ERP and SCM, in 2019.

- **Midsize product companies**: Given its scale and Oracle-only focus, Inspirage is a good fit for midsize companies looking to get a specialist motivated to deliver services on relatively smaller engagements. Product manufacturing companies will likely have a larger FTE base, even if they are small in terms of revenue, and hence, the high proportion of clients with more than 10,000 FTEs.

- **Good partner for those in target industries:** Inspirage reference clients scored the company above the group average in 12 of 20 capabilities, and in the top three for overall vision and thought leadership. Reference clients noted that Inspirage had staff with great technical skills and was an organization that they could partner with for the long term to deliver solutions based on Inspirage's deep industry expertise.

Cautions

- **Ability to scale:** Although Inspirage can deliver to larger global enterprises, especially if the focus is supply chain, the small scale (under 500 FTEs) on cloud engagements will prevent it from taking on multiple large engagements concurrently. Therefore, clients should make sure sufficient resources are available for their proposed time frame.

- **Multipillar capability:** For clients looking to go beyond ERP and SCM, Inspirage may not have the capability to deliver. Reference clients noted a lack of expertise outside its core products. Its strength is likewise in product-based companies; thus, it may not be a good fit for public sector, healthcare or banking.

- **Ensure best-available pricing:** Inspirage reference clients scored the company below the group average for regional capability, functional expertise, general SaaS application expertise and plan management. They scored in the bottom three for total cost of contracted service, and multiple reference clients noted that initial quotes were high and that rates were higher than they expected. Clients did score Inspirage above the group average on value for money.

IT Convergence

IT Convergence (ITC) is in the Niche Players quadrant. It is primarily a good fit for small and midsize companies with operations in Latin America, Brazil and China that are looking for resources and flexible scalability in regions where they have a presence.

The following numbers are Gartner estimates:

- **Resources:** IT Convergence has an estimated 440 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 0; EPM Cloud, 27; ERP Cloud, 359; HCM Cloud, 15; SCM Cloud, 39; and other cloud, 0. The geographic breakdown of these FTEs is North America, 40%; Latin America, 22%; EMEA, 1%; and Asia/Pacific, 37%.

- **Client Geography:** The breakdown of IT Convergence's Oracle Cloud Applications service revenue is as follows: North America, 64%; Latin America, 22%; EMEA, 5%; and Asia/Pacific, 9%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 23% of all the Oracle revenue and utilize 62% of the Oracle practice FTEs for IT Convergence.

- **Growth:** IT Convergence's Oracle Cloud Applications service revenue grew by an estimated 97% YoY.

- **Industry:** The top five industries where IT Convergence had the most projects are industrial machinery, high tech, professional services, chemicals, and engineering construction and operations.

- **Client Size**: Of IT Convergence's Oracle Cloud Applications service revenue, 38% originates from clients with fewer than 1,000 employees, 60% from clients with 1,000 to 10,000 employees and 2% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 0%; EPM Cloud, 5%; ERP Cloud, 74%; HCM Cloud, 5%; SCM Cloud, 16%; and other cloud, 0%.

Strengths

- **Latin America and China capability:** IT Convergence works with a number of U.S.-headquartered global companies that operate in Latin America, Brazil and China. It has 22% of its Oracle cloud resources located in Latin America, which gives it local and nearshoring capabilities in delivering Oracle EPM, ERP and SCM SaaS products.

- **Boutique Oracle provider:** IT Convergence is an Oracle-only service provider and a good fit for small and midsize businesses. It works with a number of customers in industrial machinery, insurance and consumer product industries for technology-focused cloud implementations.

- **Solid tech skills with value pricing**: IT Convergence scored above average in 18 of 20 capabilities and in the top three of four capabilities: quality of change management, handling change, remote delivery and plan management. In overall satisfaction, IT Convergence came in the top three. Feedback from reference clients includes: "implementation was prompt, well-defined and collaborative"; "talented offshore and accommodating team members"; and "great implementation services."

Cautions

- **Limited global capability:** IT Convergence is one of the smaller Oracle Cloud service providers in the cohort of this research. Its limited global reach can be a constraint for enterprises with global supply chains. The gap is particularly pronounced in EMEA. It is more convincing as a regional/select markets delivery partner.

- **More direction needed**: IT Convergence is sometimes too accommodating to client demands. Although this certainly can be a positive trait in the right circumstances, it carries a price of reduced consistency and overcomplex implementations.

- **Reach:** IT Convergence's reference clients ranked it lower on both regional capability (beyond Latin America) and knowledge management and transfer capabilities. Reference clients noted: "onshore resources weren't as sharp as I would have liked," "remote services, with time zone differences and some language/accent barriers, at times were a challenge," and that it should "hire more local talent."

KPMG

KPMG is in the Niche Players quadrant and is a good fit for larger clients, primarily in North America, looking to transform their back and middle office by leveraging Oracle Cloud.

The following numbers are Gartner estimates:

- **Resources**: KPMG has an estimated 2,944 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 82; EPM Cloud, 353; ERP Cloud, 1,201; HCM Cloud, 688; SCM Cloud, 557; and other cloud, 62. The geographic breakdown of these FTEs is North America, 61%; Latin America, 4%; EMEA, 12%; and Asia/Pacific, 23%.

- **Client Geography:** The breakdown of KPMG's Oracle Cloud Applications service revenue is as follows: North America, 83%; Latin America, 3%; EMEA, 11%; and Asia/Pacific, 3%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 70% of all the Oracle revenue and utilize 85% of the Oracle practice FTEs for KPMG.

- **Growth:** KPMG's Oracle Cloud Applications service revenue grew by an estimated 36% YoY.

- **Industry:** The top five industries where KPMG had the most projects are retail, banking, healthcare, high tech and consumer goods.

- **Client Size**: Of KPMG's Oracle Cloud Applications service revenue, 5% originates from clients with fewer than 1,000 employees, 25% from clients with 1,000 to 10,000 employees and 70% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 7%; EPM Cloud, 20%; ERP Cloud, 38%; HCM Cloud, 21%; SCM Cloud, 14%; and other cloud, 0%.

Strengths

- **Deep functional expertise**: KPMG positions its Oracle Cloud practice squarely in the middle- and back-office process space. It leverages substantial expertise in functional and process consulting — for example, finance and HR. This functional expertise is a differentiator both in assessment and implementation services and also in helping clients to understand and leverage features in the quarterly update cycle.

- **Strong and growing pipeline:** KPMG's Oracle Cloud practice is well-positioned for growth and shows resonance with key client segments. There is good momentum and focus on customer success in middle- and back-office transformation.

- **Quality staff and good OCA skills:** KPMG's reference clients scored them above the group average in six capabilities, although none in the top three. These are: quality and professionalism of assigned staff, quality of technical skills for core Oracle Cloud Applications functionality, quality of functional expertise, overall Oracle Cloud Applications service vision

and thought leadership, total cost of contracted services, and innovation proposed. Multiple reference clients cited professionalism and Oracle Cloud Applications skills and knowledge as strengths.

Cautions

■ **Geographic balance:** KPMG generates 83% of its Oracle Cloud revenue from North America. Although there is business in EMEA, it is small compared with North America — 61% of its cloud delivery FTEs are based out of North America with a proportionally smaller offshore team compared with competitors.

■ **Expect more business vision/ambition:** For an enterprise with a strong heritage of business consulting, the focus of the Oracle Cloud practice appears light on business focus. Although the focus on functional expertise is good, it is not as business-transformation-led as the Leaders in this Magic Quadrant.

■ **Needs more and better remote offshore delivery:** KPMG scored below the group average in 14 capabilities and in the bottom three for two capabilities: remote delivery and quality of technical skills for required associated Oracle products — for example, PaaS, infrastructure as a service (IaaS) and on-premises solutions.

Oracle

Oracle is in the Challengers quadrant with its Oracle Consulting Services (OCS). It is primarily a good fit for clients engaged in complex technical implementations where its Oracle product knowledge and advanced tools can greatly simplify the project or solve issues that others cannot.

The following numbers are Gartner estimates:

■ **Resources:** Oracle has an estimated 4,560 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 1,278; EPM Cloud, 183; ERP Cloud, 1,729; HCM Cloud, 795; SCM Cloud, 375; and other cloud, 200. The geographic breakdown of these FTEs is North America, 27%; Latin America, 2%; EMEA, 38%; and Asia/Pacific, 33%.

■ **Client Geography:** The breakdown of Oracle's Oracle Cloud Applications service revenue is as follows: North America, 52%; Latin America, 4%; EMEA, 32%; and Asia/Pacific, 12%.

■ **Cloud Focus:** The Oracle Cloud Applications service engagements provide 19% of all the Oracle revenue and utilize 19% of the Oracle practice FTEs for Oracle. As the provider here is Oracle itself, the Oracle practice number is very high, and this percentage will be understated compared with the other providers included here. Within OCS, North American Application (NA Apps) Consulting FTEs are 100% and International Application Consulting FTEs are 80% engaged in OCA services.

■ **Growth:** Oracle's Oracle Cloud Applications service revenue grew by an estimated 21% YoY.

- **Industry:** The top five industries where Oracle had the most projects are professional services, retail, banking, high tech and healthcare.

- **Client Size:** Of Oracle's Oracle Cloud Applications service revenue, 9% originates from clients with fewer than 1,000 employees, 46% from clients with 1,000 to 10,000 employees and 44% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 36%; EPM Cloud, 5%; ERP Cloud, 38%; HCM Cloud, 15%; SCM Cloud, 6%; and other cloud, 0%.

Strengths

- **Product knowledge:** Oracle has the deepest product knowledge and its internal training provides strong expertise in the Oracle Cloud Applications product set. This expertise is across all five products, and product understanding is both wide and deep. Multiple clients cited how OCS product knowledge was appreciated and contributed to the success of their implementation.

- **Access to product development:** In addition to understanding the individual products well, the OCS staff has direct access to the product development staff. This not only helps in getting a very deep product understanding as needed, but also provides a channel for clients to get tricky product issues resolved or taken up in future releases.

- **Client relationship:** Oracle scored above average in 11 of 20 capabilities and in the top three for relationship management. Multiple reference clients noted the deep knowledge of the product and the strong partnership that OCS engaged in, focused on client success.

Cautions

- **Higher focus on products, not services:** OCS provides assessment and implementation services like all the service providers in this research, but unlike the others, the primary motivation is not to build a profitable service business. Instead, it is to make the migration to cloud simple and easy so that Oracle overall can rapidly increase cloud adoption of its products. OCS management has significantly moved toward a more client-centered offering over the past year, and the feedback from reference clients has improved, but it is still behind the Leaders in this space.

- **Federated structure and interregion cooperation:** OCA services are provided by three very distinct regional organizations: North America, Latin America and International. Cooperation and alignment have markedly improved recently, and single-region implementations will not experience any difficulty, but multinational corporations will need to work with the separate organizations.

- **Contracting practices:** Reference client's feedback on OCS has improved since the last Magic Quadrant, but Oracle was still in the bottom three for contracting practices and ranked relatively

low for total cost of contracted services.

PwC

PwC is in the Leaders quadrant and is primarily a good fit for organizations whose goal is business transformation leveraging Oracle Cloud, particularly in ERP and HCM, in high-complexity, multinational engagements.

The following numbers are Gartner estimates:

- **Resources**: PwC has an estimated 3,260 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 61; EPM Cloud, 404; ERP Cloud, 1,737; HCM Cloud, 729; SCM Cloud, 328; and other cloud, 0. The geographic breakdown of these FTEs is North America, 59%; Latin America, 1%; EMEA, 10%; and Asia/Pacific, 30%.

- **Client Geography:** The breakdown of PwC's Oracle Cloud Applications service revenue is as follows: North America, 78%; Latin America, 1%; EMEA, 13%; and Asia/Pacific, 9%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 63% of all the Oracle revenue and utilize 51% of the Oracle practice FTEs for PwC.

- **Growth:** PwC's Oracle Cloud Applications service revenue grew by an estimated 60% YoY.

- **Industry:** The top five industries where PwC had the most projects are insurance, healthcare, utilities, banking, and travel and transportation.

- **Client Size**: Of PwC's Oracle Cloud Applications service revenue, 10% originates from clients with fewer than 1,000 employees, 48% from clients with 1,000 to 10,000 employees and 42% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 2%; EPM Cloud, 13%; ERP Cloud, 50%; HCM Cloud, 23%; SCM Cloud, 12%; and other cloud, 0%.

Strengths

- **Forward-thinking bet on late-adopter industries**: PwC's well-established industry approach is advantageous for clients wanting to hit the ground running with Oracle Cloud. In addition, PwC has targeted some late-adopter industries — such as hospitality, oil and gas, and utilities — with the deliberate aim of helping those industries leapfrog using industry benchmarking, preconfigured industry model systems, prebuilt integrations and migration automations.

- **Focus on giving clients a future view on "how your business runs on Oracle Cloud"**: PwC's strong heritage of functional and business consulting inform its focus in Oracle Cloud. Finance, HR, and supply chain are priority solutions. PwC has an Oracle Immersion Center that allows clients to see what it would look like for their business to run on Oracle Cloud. PwC's focus is

on enriching the customer experience while striking a balance between cloud solutions and relevant tailored solutions.

- **Business focus and impact**: PwC reference clients scored the company above the group average in 10 of the 20 capabilities, with relationship management, continuity of staff and desire to go the extra mile ranking highest. More than a few clients noted that PwC pushed their organization to think differently, to question the norm and to drive forward. One said, "PwC helped us see that technology transformation is not the endpoint [but is instead] the starting point to a continuum of change and innovation."

Cautions

- **Managed services portion of the practice needs to catch up**: Managed services in PwC's Oracle Cloud practice accounts for roughly one-tenth of the practice's engagements. Assessments and implementations comprise most engagements. Although this is to be expected as PwC moves to grow in cloud managed services, clients will need to challenge PwC to enhance its ongoing service delivery model and capabilities if they are to commit to ongoing service postimplementation.

- **Disproportionate allocation of resources in mature markets**: PwC's revenue and resources primarily come from the U.S., and capabilities are much more present in territories where commercial opportunity originates. PWC is investing into maturing markets as part of its global growth strategy, but clients should challenge PWC to provide an effective delivery model that can provide competent capabilities locally and reduce cost through low-cost delivery locations when possible.

- **Resource constraints**: PwC reference clients scored the company below the group average in total cost of contracted services, quality of innovation proposed and quality of innovation realized. Clients cited overall good knowledge and skills yet commented that there are not enough of them. CPQ and MDM were specifically mentioned, as were more general IT resource gaps, as either being not readily available or not quite at the level desired. Some clients noted that this resulted in delays, rework or scrambling to hire a third party to complete the work.

Tata Consultancy Services

TCS is in the Challengers quadrant and is primarily a good fit for large organizations looking for a reliable technology partner to support complex upgrades and evolution of their legacy platforms.

The following numbers are Gartner estimates:

- **Resources**: TCS has an estimated 5,692 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 1,394; EPM Cloud, 772; ERP Cloud, 1,971; HCM Cloud, 1,124; SCM Cloud, 431; and other cloud, 0. The geographic breakdown of these FTEs is North America, 12%; Latin America, 1%; EMEA, 14%; and Asia/Pacific, 73%.

- **Client Geography:** The breakdown of TCS's Oracle Cloud Applications service revenue is as follows: North America, 45%; Latin America, 0%; EMEA, 53%; and Asia/Pacific, 2%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 32% of all the Oracle revenue and utilize 27% of the Oracle practice FTEs for TCS.

- **Growth:** TCS's Oracle Cloud Applications service revenue grew by an estimated 147% YoY.

- **Industry:** The top five industries where TCS had the most projects are telecommunications, industrial machinery, banking, retail and media.

- **Client Size:** Of TCS's Oracle Cloud Applications service revenue, 0% originates from clients with fewer than 1,000 employees, 34% from clients with 1,000 to 10,000 employees and 66% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 23%; EPM Cloud, 8%; ERP Cloud, 29%; HCM Cloud, 28%; SCM Cloud, 13%; and other cloud, 0%.

Strengths

- **Reliable and global provider:** TCS is a large, global services provider and has strong experience in delivering large-scale Oracle implementations. Clients consider TCS as a reliable partner due to its quality resources, consistent delivery, and use of standard methodologies and processes.

- **Rapidly improving cloud capability:** TCS has more than doubled the FTEs supporting OCA projects since the last Magic Quadrant and now has almost 30% of Oracle practice staff on OCA engagements (up from 12%). It is getting strong traction in being the cloud partner for its large base of Oracle clients.

- **Painless implementation:** TCS reference clients scored the company above the group average in 16 of 20 capabilities and top three for proactiveness and going the extra mile. Nearly all the client references called out the seamless and painless execution with well-managed, on-time and on-schedule implementations.

Cautions

- **Attracting new clients:** The TCS OCA service growth has been large but has been mainly by converting on-premises capabilities and clients to cloud products. Execution has been very good for the clients that know the company, but new clients looking for a "go to" service provider that can transform the business through technology, not just be a trusted technology provider, may not be a good fit.

- **OCM and transformation skills:** Despite TCS's investments in business consulting and industry domain knowledge, many Oracle practice customers still perceive it as a provider of technology skills rather than a partner that can transform the client's organization.

- **Business change support**: TCS reference clients scored the company below the group average for vision and change management. Several clients specifically noted that more help on business change was needed and documentation of business processes could have been better.

Tech Mahindra

Tech Mahindra is in the Niche Players quadrant and is primarily a good fit for small and midsize businesses in their focus industries moving from on-premises Oracle to Oracle Cloud.

The following numbers are Gartner estimates:

- **Resources**: Tech Mahindra has an estimated 1,157 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 301; EPM Cloud, 107; ERP Cloud, 201; HCM Cloud, 278; SCM Cloud, 128; and other cloud, 143. The geographic breakdown of these FTEs is North America, 12%; Latin America, 2%; EMEA, 9%; and Asia/Pacific, 77%.

- **Client Geography:** The breakdown of Tech Mahindra's Oracle Cloud Applications service revenue is as follows: North America, 25%; Latin America, 5%; EMEA, 19%; and Asia/Pacific, 51%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 13% of all the Oracle revenue and utilize 13% of the Oracle practice FTEs for Tech Mahindra.

- **Growth**: Tech Mahindra's Oracle Cloud Applications service revenue grew by an estimated 16% YoY.

- **Industry:** The top five industries where Tech Mahindra had the most projects are telecommunications, healthcare, banking, high tech and public sector.

- **Client Size**: Of Tech Mahindra's Oracle Cloud Applications service revenue, 23% originates from clients with fewer than 1,000 employees, 66% from clients with 1,000 to 10,000 employees and 11% from clients with more than 10,000 employees.

- **Product Focus**: The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 28%; EPM Cloud, 10%; ERP Cloud, 16%; HCM Cloud, 26%; SCM Cloud, 7%; and other cloud, 13%.

Strengths

- **On-premises migrations for its focus industries**: Tech Mahindra has a solid general Oracle practice with skills on the current Oracle on-premises solutions such as JD Edwards, PeopleSoft and EBS for its focus industries. They have a primary focus on telecom, retail, utilities and high tech and a plan to expand out their growing focus in logistics, manufacturing, public sector and aviation.

- **Solid uptake within SMB segment**: Of Tech Mahindra's Oracle cloud business, 89% is with organizations with fewer than 10,000 FTEs.

- **Some quality individuals**: Tech Mahindra had relatively few reference clients, and it did not score above the group average in any of the 20 capabilities; the only capability not in the bottom three was relationship management. Reference clients noted that Tech Mahindra was flexible and had some good resources.

Cautions

- **Slower growth on cloud**: Tech Mahindra had great ambitions for its Oracle business in our last Magic Quadrant and continues to believe it will rapidly grow. The performance for this Magic Quadrant has not been good and, while they have improved, the rest of the pack is pulling away. They only grew cloud revenue by 16% and the pivot to cloud is now 13% (up 1%) compared with a group average pivot to cloud of 36% of Oracle practice revenue.

- **Limited business outcome focus**: Tech Mahindra is quite focused on technology in its Oracle cloud offering, perhaps to the point that it is in danger of oversimplifying its offering as "just" an automated solution. In the absence of OCM capability, clients looking for a business outcome solution rather than a technical migration may not find Tech Mahindra a good fit.

- **Immature delivery**: Tech Mahindra reference clients scored the company below the group average in all 20 capabilities and in the bottom three for 19 of the 20. Tech Mahindra clients specifically called out a lack of experience in OCA engagements and an inability to suggest best practices or do change management. This suggests that the OCA capability is still immature for Tech Mahindra compared with its general Oracle technical-focused abilities.

TransSys Solutions

TransSys Solutions is in the Niche Players quadrant and is primarily a good fit for small and midsize businesses, especially in the Middle East and Africa, looking for single or multiple OCA implementations across the full product set.

The following numbers are Gartner estimates:

- **Resources**: TransSys has an estimated 315 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 64; EPM Cloud, 13; ERP Cloud, 92; HCM Cloud, 100; SCM Cloud, 47; and other cloud, 0. The geographic breakdown of these FTEs is North America, 0%; Latin America, 0%; EMEA, 27%; and Asia/Pacific, 73%.

- **Client Geography:** The breakdown of TransSys' Oracle Cloud Applications service revenue is as follows: North America, 1%; Latin America, 0%; EMEA, 78%; and Asia/Pacific, 21%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 86% of all the Oracle revenue and utilize 67% of the Oracle practice FTEs for TransSys.

- **Growth:** TransSys' Oracle Cloud Applications service revenue grew by an estimated 87% YoY.

- **Industry:** The top five industries where TransSys had the most projects are public sector, engineering and construction, banking, travel and transportation, and consumer products.

- **Client Size:** Of TransSys' Oracle Cloud Applications service revenue, 13% originates from clients with fewer than 1,000 employees, 67% from clients with 1,000 to 10,000 employees and 20% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 13%; EPM Cloud, 5%; ERP Cloud, 34%; HCM Cloud, 29%; SCM Cloud, 18%; and other cloud, 1%.

Strengths

- **Cloud focus:** TransSys is an all-Oracle boutique that is rapidly pivoting to cloud engagements. Of its revenue, 86% is now with these five cloud application products. Its client base is small and midsize businesses, and it can offer single and multipillar implementations across the full product set.

- **Middle East and Africa experience:** TransSys has built up a client base of cloud applications implementations in the Middle East and Africa and, as a result, it is strong in this area and is likely a good fit for client organizations based in the EMEA region.

- **Flexible, skilled and willing staff:** TransSys reference clients scored it above the group average in five out of 20 capabilities, from which it was relatively high in functional expertise, technical skills and innovation. Reference clients noted that TransSys staff were committed and dedicated people, and they appreciated the company's willingness to adjust plans and commit to additional work hours to get the job done.

Cautions

- **Technical boutique:** TransSys is a boutique with under 500 staff as an organization. Clients may find that TransSys will be unable to scale as this market grows very rapidly over the next few years. Clients in single geographies (such as Africa) or specific industries (such as travel and transportation) may find TransSys a good option. However, as the larger service providers pivot their much larger Oracle practices to OCA engagements, TransSys will likely be a fit only in these niche areas.

- **Limited NAM and OCM capabilities:** Although TransSys can partner with other partners to cover its limitations, TransSys has no revenue from North America and cannot provide organizational change management along with the technical implementation services.

- **More direction and control expected:** TransSys reference clients scored the company below the group average in 15 of 20 capabilities and in the bottom three for remote delivery, regional capability, knowledge management and continuity of staff. A consistent comment was that

clients expected TransSys to show more leadership and take control of the delivery. They needed to push, supervise and show patience and expected TransSys to engage with the business more.

Wipro

Wipro is in the Challengers quadrant. It is primarily a good fit for large, global companies looking for a long-term cloud engagement partner with cloud investments and digital technologies that can deliver business outcomes around new technologies and strong execution capabilities.

The following numbers are Gartner estimates:

- **Resources:** Wipro has an estimated 2,792 Oracle Cloud Applications service full-time equivalents (FTEs) worldwide, which are focused by product as follows: CX Cloud, 731; EPM Cloud, 134; ERP Cloud, 880; HCM Cloud, 815; SCM Cloud, 231; and other cloud, 0. The geographic breakdown of these FTEs is North America, 27%; Latin America, 3%; EMEA, 14%; and Asia/Pacific, 56%.

- **Client Geography:** The breakdown of Wipro's Oracle Cloud Applications service revenue is as follows: North America, 60%; Latin America, 3%; EMEA, 29%; and Asia/Pacific, 8%.

- **Cloud Focus:** The Oracle Cloud Applications service engagements provide 17% of all the Oracle revenue and utilize 21% of the Oracle practice FTEs for Wipro.

- **Growth:** Wipro's Oracle Cloud Applications service revenue grew by an estimated 102% YoY.

- **Industry:** The top five industries where Wipro had the most projects are high tech, consumer products, retail, industrial machinery and banking.

- **Client Size:** Of Wipro's Oracle Cloud Applications service revenue, 10% originates from clients with fewer than 1,000 employees, 27% from clients with 1,000 to 10,000 employees and 63% from clients with more than 10,000 employees.

- **Product Focus:** The breakdown for worldwide Oracle Cloud Applications service revenue by cloud product is as follows: CX Cloud, 27%; EPM Cloud, 3%; ERP Cloud, 35%; HCM Cloud, 24%; SCM Cloud, 11%; and other cloud, 0%.

Strengths

- **Cloud investments are paying off**: Wipro has more than doubled its OCA revenue since the last Magic Quadrant and now has almost 2,800 of its 13,500 Oracle practice engaged in OCA engagements. The continued investments in Oracle Cloud on both the technology and resource fronts, as noted in the previous Magic Quadrant, are improving satisfaction on OCA engagements.

- **Improved execution with "skin in the game"**: Wipro has always been strong in Oracle technology execution. Over the past year, it has invested in bringing up the OCA and process

consulting capabilities. Wipro is strong on technical migration execution and offers fixed-price engagement on over 70% of its OCA engagements.

■ **Flexible resource pool:** Wipro scored in the top five for overall satisfaction and above the peer average in 11 of 20 capabilities. It was in the top three for continuity of staff, and multiple reference clients noted that Wipro provided knowledgeable staff and was able to respond to issues by providing quality additional staff from its OCA resource pool.

Cautions

■ **Low business consulting capability:** Wipro is investing in growing its business consulting capabilities but realizes that technology is its strength. It plans to remain focused on delivering technology-inspired digital transformation. For companies looking for deep business consulting capability in addition to good implementation skills, Wipro may not generally be a good fit.

■ **SMB applicability:** Over two-thirds of Wipro OCA revenue is from organizations with more than 10,000 staff. Growth to date has been supporting its large current customers that run Oracle technologies on their "journey to cloud." They are not set up as yet to deliver small-scale "greenfield" implementations for small organizations at a low fixed cost.

■ **Need to improve local delivery:** Wipro reference clients scored Wipro below the peer average in nine of 20 capabilities and in the bottom three for functional expertise, industry expertise and relationship management. Some reference clients specifically noted that they would have preferred more on-site resources and that working with offshore project managers and executive leaders in different time zones with cultural differences was challenging.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may reflect a change in the market and, therefore, changed evaluation criteria, or a change of focus by that vendor.

Added

EY and KPMG were added.

Dropped

Zensar was dropped.

Inclusion and Exclusion Criteria

The criteria for inclusion of service vendors for this Magic Quadrant are based on a combination of quantitative and qualitative measures.

The inclusion criteria represent the specific attributes that analysts believe are necessary for inclusion in this research.

Quantitative Criteria

Service vendors included in this Magic Quadrant must satisfy *all four* of the following quantitative criteria:

- A minimum of 20 staff certifications in each of at least two Oracle Cloud Applications products.

- A minimum of 10 implementation projects started since 1 July 2018 in each of at least two Oracle Cloud Applications products.

- A minimum of two of four geographies with new implementation customers.

- A minimum of $20 million *annual* worldwide revenue for Oracle Cloud Applications services.

Qualitative Criteria

- Overall market interest in and visibility of the service vendor as determined by serious consideration for selection from enterprise clients.

- Gartner analysts' interactions with enterprise buyers, which reveal interest in specific Oracle Cloud Applications service vendors.

- Broad capabilities and technical/package expertise in combination with domain and process knowledge of the Oracle Cloud Applications suite.

Evaluation Criteria

Gartner evaluates service vendors on their Ability to Execute and their Completeness of Vision — as per the definitions below. When the two sets of criteria are evaluated together, the resulting analysis provides a view of how well the vendor performs a spectrum of services compared with its peers and how well it is positioned for the future.

For more information on Gartner's Magic Quadrant research methodology, refer to our Research Methodologies on the Gartner website.

Ability to Execute

Gartner analysts evaluate vendors on the quality and efficacy of the processes, systems, methods or procedures that enable vendor performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation. Ultimately, vendors are judged on their ability in capitalizing on their vision.

Product or Service: This criterion involves core services offered by the vendor for the defined market. This includes current service offerings, as defined in the market definition and expressed

by growth, capacity, market penetration, skills availability, and breadth and depth of offering.

Overall Viability: Financial viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit continuing to invest in the service and continuing to offer the service. It also includes advancing the state of the art within the organization's portfolio of services, especially new, emerging solutions.

Sales Execution/Pricing: This criterion assesses the vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: This is the ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, client needs evolve, and market dynamics change. This criterion also considers the vendor's history of responsiveness and ability to quickly address changing requirements.

Customer Experience: This criterion considers:

- Specific client feedback on the experience of working with the vendor

- Demonstrated ability to deliver on key metrics that drive the overall client experience

Operations: This is the vendor's ability to achieve its goals and meet its commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other aspects that enable the organization to operate effectively and efficiently.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Product or Service	High
Overall Viability	Low
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High
Marketing Execution	Not Rated
Customer Experience	High

Evaluation Criteria ↓	Weighting ↓
Operations	High

Source: Gartner (May 2019)

Completeness of Vision

Gartner analysts evaluate vendors on their ability to convincingly articulate logical statements about current and future market direction, innovation, client needs, and competitive forces and how well they map to the Gartner position. Ultimately, vendors are evaluated on their understanding of how market forces can be exploited to create opportunity for the vendor.

Market Understanding: This is the vendor's ability to understand buyers' needs and to translate that understanding into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those wants and needs with their added vision.

Marketing Strategy: This assesses the vendor's delivery of a clear, differentiated set of messages that are consistently communicated throughout the organization and externalized through the website, advertising, client programs and positioning statements.

Sales Strategy: This criterion assesses the strategy for selling services, which uses the appropriate network of direct and indirect sales, marketing, service, and communications affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and client base.

Offering Strategy: This is the vendor's approach to solutions offering development and delivery, with an emphasis on differentiation, functionality, methodology and features in relation to current and future requirements.

Vertical/Industry Strategy: This is the vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: This criterion assesses direct, related, complementary, and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes.

Geographic Strategy: This criterion assesses the vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography. This may be done either directly or through partners, channels and subsidiaries, as appropriate for that geography and market.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓

Evaluation Criteria ↓	Weighting ↓
Market Understanding	High
Marketing Strategy	Low
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Not Rated
Vertical/Industry Strategy	High
Innovation	High
Geographic Strategy	Medium

Source: Gartner (May 2019)

Quadrant Descriptions

Leaders

Leaders are performing well today, gaining traction and mind share in the market; they have a clear vision of market direction and are actively building competencies to sustain their leadership position in the market.

Challengers

Challengers execute well today for the portfolio of work selected, but they have a less well-defined view of the market's direction than Leaders do. Consequently, they may be tomorrow's Leaders, or they may not be aggressive and proactive enough in preparing for the future.

Visionaries

Visionaries articulate important market trends and directions. However, they may not be in a position to fully deliver and consistently execute on that vision. They may need to improve their service delivery.

Niche Players

Niche Players focus on a particular segment of the market, such as a particular industry, size of client, functional area (such as human capital management or supply chain) or geography. Their Ability to Execute is limited to those areas of focus. Their ability to innovate may be affected by

their narrow focus. Many of the vendors in this segment were given higher scores for customer satisfaction, and *many can be considered to be leading players within their niche market focus.*

Context

This Magic Quadrant addresses the worldwide Oracle Cloud Applications service capabilities of vendors that meet Gartner's criteria for inclusion. This Magic Quadrant is a point-in-time analysis, with all the vendor profiles reflecting the status as of March 2020. Quantitative data collected was for a 12-month period ending on 30 June 2019.

When considering Oracle implementation partners, clients are advised not to simply select service vendors in the Leaders quadrant. A vendor may appear in a particular quadrant based on Gartner's extensive analysis across the full-service life cycle in many industries and other criteria. However, for any given deal, a client company's selection criteria will be narrower and more specific. Consequently, vendors in the Challengers, Visionaries or Niche Players quadrants may prove to be more appropriate for the engagement. A more detailed analysis of the service vendors' capabilities, with scoring based on use cases, is available in "Critical Capabilities for Oracle Cloud Applications Services, Worldwide."

Additionally, because the inclusion criteria in the Magic Quadrant result in the analysis of the largest vendors in the Oracle Cloud Applications service market, clients should not disqualify any potential competitors simply because they do not appear in this research. Other IT service vendors not evaluated in this Magic Quadrant may present better alternatives for your business requirements. A Gartner analyst can help with a shortlist of the most suitable candidates based on client requirements.

Use the Magic Quadrant as a tool to help inform your shortlist and evaluation of vendors, but do not discount a vendor simply because of its quadrant placement, or because it does not appear in this Magic Quadrant. For example, consider using a deal sweet-spot analysis to ensure you have an optimum basis and evaluation criteria to down-select the most suitable vendors.

Market Overview

Through 2022, the cloud-related IT services market was expected to grow at a five-year compound annual growth rate (CAGR) of 20.5%. The COVID-19 pandemic is currently changing all future forecasts for IT investment, but one likely outcome will be a greater focus on digital transformation and for organizations to invest their scarce IT funds into "bringing the future forward." Oracle has already fully embraced the applications-as-a-service paradigm, and it is no longer actively selling new installations of on-premises application software. Oracle was expecting 60% to 70% of its on-premises customers to have moved some portion of their current Oracle applications to Oracle Cloud Applications (OCA) by the end of 2023.1 On the March 2020 earnings call, Oracle reported 38% growth on ERP Cloud subscriptions and 27% growth on HCM Cloud subscriptions. It is too early to say just what the impact of COVID-19 will be. However, the expectation is that the move to OCA will continue to accelerate, perhaps even faster, as organizations take decisive action to become more resilient and to reduce operating costs. This will require third-party service vendors to provide OCA services, and all the service vendors in this

research are actively pivoting their application services to focus on cloud application services. The revenue from Oracle Cloud Applications services for the 19 vendors featured here was $9.7 billion, up from $5.6 billion. All vendors are increasingly focusing on OCA engagements and for the vendors in this analysis, 36% (up from 23%) of their total Oracle revenue is from OCA engagements.

The product set is now more mature beyond ERP and HCM and, as a result, the Oracle cloud solutions are more compelling and attractive to large enterprises. The growing maturity of SCM means that Oracle now has a more complete integrated suite solution for product companies, and larger global organizations that use Oracle are embarking on multi-OCA migrations. In addition, there is a large base of on-premises proprietary ERP installations that need to exit their obsolete ERP applications and quickly move to cloud (i.e., approximately 55% of the total ERP installed base). Oracle will continue high R&D investment to improve its OCA products to attract these new Oracle customers. Almost 12% of the reference clients provided for this research were implementing Oracle products for the first time, up from 10% in the previous Magic Quadrant.

In order to be successful with cloud application services, the service vendors need to adapt their service offerings, revisit their global delivery models, and refine these for implementing and supporting OCA-based applications. Transitioning to new Oracle SaaS products is often much more complex than a purely technical migration. Because the cloud application can only be configured or extended, not customized, the business needs to adopt the best-practice concepts built into the product rather than rebuilding its historic processes. In addition, the opportunity to incorporate automation and other new technologies means that the journey to SaaS cloud is a business transformation project.

The best vendors start with and justify the cloud journey to the business leaders, with a focus on innovation. Value is based on not only reducing the technology delivery cost, but also creating new customers or revenue streams or gaining business operational efficiencies. Using managed services is not only "keeping the lights on," but also driving yet more business value through the incorporation and use of continuous updates.

All the providers are adapting their ongoing services to be evolution or optimization services and creating new delivery models based on centers of excellence with non-dedicated staff providing services. The successful service vendor has to have technical, domain and industry expertise, and it must connect that to an ability to lead the client through business process and the organizational change management required in both implementation and then ongoing. This is challenging for many large vendors that have built their reputations on broad technical excellence. However, it is a great opportunity for the consulting firms that can provide this "three in the box" (i.e., technology, domain and industry capabilities) and for the boutique vendors that provide all three in a very focused and particular industry or domain area.

Technology excellence is still required, and service vendors are building up capabilities to support new technologies as well as creating new solutions to complement Oracle's own product portfolio. But they must start with business transformation and how the technology solves a business problem — not acquiring the technology itself.

In addition to implementing and supporting cloud applications, service vendors are increasingly engaged in the establishment of a transformation or application migration strategy and, critically, the business case for the change. The Oracle choice for clients now ranges from a single Oracle application integrated into the current portfolio to a complete system change deploying multiple Oracle Cloud Applications at the same time as a radical business transformation program.

Service vendors are often an active part in this process of making the correct choice and creating a roadmap for the correct cloud or on-premises strategy. This is done through various cloud readiness assessments of the current Oracle portfolio, priorities, and challenges in order to understand where to focus and what Oracle products and solutions can be used. Vendors bring in a range of jump-start tools, accelerators and prepackaged offerings in the process of helping clients move to the cloud.

Increasingly with cloud, organizations are looking for a vendor that can support them throughout their cloud journey, rather than engaging separate organizations to design the transformation, implement the solution, and then provide ongoing technical support for their heavily customized environments.

This Magic Quadrant assesses the relative positioning of the vendors in delivering the full life cycle of cloud services. In the companion Critical Capabilities research, these use cases have been separated so that the performance in each area can be judged: assessment, implementation and optimization (see "Critical Capabilities for Oracle Cloud Applications Services, Worldwide").

The shift to cloud represents a big disruption, not only to end-user clients, but also to service vendors. Vendor resources need to be trained on new technology platforms and be certified on Oracle Cloud to meet client demand. For the 19 providers analyzed here, there are 250,000 staff engaged in Oracle services, of which approximately 75,000 (up from 50,000) are engaged in projects on these five OCA products.

Approximately half of the overall practice staff are engaged in long-term managed service engagements. This support will have a long tail as Oracle supports the older software into the 2030s, and some organization will "lift and shift" their on-premises licensed software to cloud rather than going to true SaaS. The necessary OCA skilled implementation resources will need to at least double through 2021. In total, these 19 vendors have 24,334 individual accredited certifications in these products (CX, 18%; EPM, 7%; ERP, 36%; HCM, 20%; and SCM, 20%). There is significant effort still needed to move the Oracle practices to cloud and to have the new skills that are necessary. In addition to the new technical skills needed, the way that OCA is supported also needs to change. Updates are more frequent but smaller, and staff can be dedicated not to clients, but rather to delivering remotely from centers of excellence in a more ad hoc way, yet with knowledge of the client configurations and setup. See "Contracting Terms to Buy Supplementary Maintenance Services for SaaS ERP."

Vendors need to be able to invest ahead and to recruit and hire team members who are able to work with clients on cloud application projects. They also must understand the context of the client's business in order to recommend the correct solutions from a business value perspective

and be proficient on the Oracle product portfolio. These resources are not easy to find, and vendors are often challenged to fill positions. At the same time, although vendors need to invest ahead of time on cloud and digital, they must also keep enough expertise to support clients still remaining on legacy Oracle applications.

Evidence

[1] Oracle Cloud Day: 15 January 2019.

[2] Evaluation in this Magic Quadrant is informed by:

- Primary research — Gartner inquiries with user organization clients. Services and sourcing analysts collectively took almost 2,500 inquiries with end-user clients on service vendors relating to Oracle services and products over the 14 months (January 2019 through February 2020). Of these, 43% were related to cloud.

- Primary research — In the same period, 1,000 of the Gartner's 3,000 inquiries discussing cloud ERP were considering Oracle.

- Primary research — Feedback from 226 client references worldwide, submitted by the participating service vendors using online surveys.

- Primary research — A 60-minute vendor briefing from each participating service vendor addressing capability proof points of each evaluation criterion in the Magic Quadrant.

- Primary research — A detailed vendor survey covering revenue, staffing, geographic capabilities, investments and other relevant information, totaling more than 1,000 data points.

- Secondary research — Press releases and publicly available information, including company websites and financial reports.

- Other Gartner analysts — Peer review by eight Gartner analysts. Their views and comments were considered. In addition, this research was reviewed at internal research community sessions.

Note 1
Industries

This Magic Quadrant addresses the capabilities of the included vendors in the following 27 industries:

- Aerospace and Defense

- Agriculture

- Automotive

- Banking

- Chemicals

- Consumer Products

- Defense and Security

- Engineering, Construction and Operations

- Healthcare (Providers)

- High Tech

- Higher Education and Research

- Industrial Machinery and Components

- Insurance

- Life Sciences

- Media

- Mill Products

- Mining

- Not for Profit

- Oil and Gas

- Professional Services

- Public Sector

- Retail

- Sports and Entertainment

- Telecommunications

- Travel and Transportation

- Utilities and Energy

- Wholesale Distribution

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth

of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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