

## Magic Quadrant for Cloud ERP Services

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Enterprises engage external services for cloud ERP applications to modernize their ERPs and drive better business outcomes. IT leaders should use this Magic Quadrant to evaluate providers of cloud ERP services as part of their composable ERP strategy.

**This Magic Quadrant is related to other research:**

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### Strategic Planning Assumptions

By 2027, at least 50% of the AI-enabled features within ERP applications will be enabled through generative AI (GenAI) capabilities.

By 2028, at least 60% of all ongoing ERP implementation initiatives will be leveraging ERP best-practice models.

### Market Definition/Description

Gartner defines cloud ERP services as services provided by third-party systems integrators to assess needs, implement solutions and evolve platforms that are transforming their back-office systems via the implementation of cloud-based ERP solutions. A cloud ERP solution is a set of applications (SaaS) that are sold/marketed as integrated products to support organizations. These integrated products include financial management (FM) functionality, human capital management (HCM), supply chain management (SCM) and other administrative ERP functionality.

The third-party ERP services used by clients include:

- Technology-agnostic assessment of client needs
- Creation of the technology options, roadmap and business case for the move to cloud ERP

- Decision support to help the client select the best-fit cloud ERP technology and the associated components that will deliver the desired business outcomes
- Implementation and change management for the chosen cloud ERP solution
- Continuing evolution and support of the cloud ERP platform components implemented

## Mandatory Features

The mandatory service provider competencies for this market include:

- Ability to provide services on the cloud ERP solutions (SaaS and associated PaaS) and to support clients across all phases of assessment, implementation and ongoing managed services of cloud ERP platforms. (Note: This excludes IaaS based solutions where noncloud ERP products are hosted on a cloud platform.)
- Ability to provide business consultancy; data transformation capabilities and tools; and change management within the enterprise executing the transformation.
- Domain expertise on the business requirements delivered by the cloud ERP components as well as industry expertise for the client engagements.

## Common Features

The common features for this market include:

- Ability to take accountability and contract for the outcomes expected
- Ability to provide ongoing evolution with a modern/remote support model
- Ability to support enterprises through the quarterly or biannual updates from the software provider
- Ability to provide expertise and vision related to the future capabilities that are needed and added to the cloud ERP product over time, plus work with the SaaS provider to get the client priorities addressed
- Expertise in Microsoft (Dynamics 365), Oracle cloud ERP Fusion, Oracle NetSuite, SAP cloud ERP products, Workday and/or other vendor products that provide cloud ERP solutions. Capabilities in more than one of these technologies is mandatory, **but** it is not required to be expert in **all** those quoted.

- Ability to support enterprises of varying sizes and across multiple geographies. Many providers will offer multigeography and service all sizes of organizations, but some will target a particular region or size of enterprise.

## Magic Quadrant

Figure 1: Magic Quadrant for Cloud ERP Services



## Vendor Strengths and Cautions

### Accenture

Accenture is a Leader in this Magic Quadrant. Headquartered in Ireland, it is an extra-large service provider. Gartner estimates that this market generates 13% of Accenture's revenue, with 11% of its workforce allocated to it. Accenture is primarily focused on Fortune 2000 companies and large organizations with more than \$3 billion in revenue, which represent an estimated 80% of clients. It can serve clients in any geography, but the largest client implementation numbers are in Western Europe (50%). Accenture can cover most featured cloud ERP technologies, with estimated revenue split among the major software platforms as follows: 27% from technology-agnostic consulting, 43% from SAP, 14% from Microsoft (Dynamics 365), 8% from Workday, 7% from Oracle (Fusion Cloud ERP), 1% from NetSuite and less than 1% from Infor.

Note: Accenture did not respond to requests for supplemental information or to review the draft contents of this document. Gartner's analysis is therefore based on other credible sources and expert opinion.

### Strengths

- **AI-enabled capabilities:** Accenture is a proven and capable partner for using ERP as the digital core to enable business transformation. Its consulting capabilities, industry insights, accelerated AI-enabled methods and outcome-based implementations help clients meet their business goals.
- **SAP supply chain investments:** Accenture has invested \$3 billion in AI and built the "supply chain nerve center" on the SAP platform for its clients. It offers 30 use cases across multiple industries to enhance supply chain processes, visibility, speed and accuracy.
- **Market understanding:** Accenture continues to cover most of the technology platforms in the scope of this research that are used to implement, evolve and support cloud ERP. It has certifications and a substantial number of staff for these ERP technologies and offers consulting to provide platform solutions rather than single-technology upgrades. Accenture has long-standing, executive-level relationships with the major vendors, especially SAP, Oracle, Workday and Microsoft.

### Cautions

- **Premium pricing:** Accenture is recognized as a premium service provider, and its pricing structure is aligned with this market position. With its focus on a holistic, 360-degree value-based approach, many transformation projects expand in scope and size during implementations. Clients engaging with this vendor should ensure they have strong project governance and controls in place to avoid overruns.
- **Not ideal for tactical clients:** Since Accenture leads with innovative, business-outcome-led thinking and solutions, it may not be suitable for clients with tactical needs, nor ideal for clients looking for lift-and-shift migrations or discrete process optimization projects.
- **Standard organizational change management (OCM):** Accenture uses a standard change management process across all clients, which may not meet many clients' unique needs. Clients needing customized OCM for their program may need to look elsewhere for change management services.

## **Capgemini**

Capgemini, new to this Magic Quadrant, is a Challenger. It is a large global services provider. Gartner estimates that this market generates 8% of Capgemini's revenue, with 5% of its workforce allocated to it. Capgemini's primary focus is on companies with more than \$3 billion in revenue, which represent an estimated 60% of clients. It can serve clients in any geography, but the largest client implementation numbers are in Western Europe (55%).

Capgemini can cover all featured cloud ERP technologies, with the revenue split in the following ranking: SAP, technology-agnostic consulting, Oracle (Fusion Cloud ERP), and Microsoft (Dynamics 365), followed by smaller revenue from Workday, NetSuite and Infor.

## **Strengths**

- **Strong change management capabilities:** Capgemini's digital core strategic framework includes ERP transformation roadmapping and industry-specific transformation solutions. Capgemini's Invent consultancy services and Change Adoption Platform focus on people change management, data and value tracking throughout the project life cycle.

- **Expertise and solutions in manufacturing:** Capgemini possesses a good understanding of the key change drivers in manufacturing. With its Digital Manufacturing offering, powered by SAP, Capgemini tackles critical areas like smart factories, product life cycle management, and manufacturing and supply chain planning. Additionally, its Manufacturing Advantage, powered by Oracle SCM, delivers an intuitive dashboard and industry-specific applications.
- **Focused on sustainable environmental, social and governance (ESG) solutions:** Its Green Core with SAP Solutions uses transactions across business functions in SAP applications to track carbon emissions and other sustainability KPIs and presents them in decision dashboards.

## **Cautions**

- **Limited “nearshore” coverage:** Capgemini has nearshore centers in Romania, Egypt and Mexico. However, clients in Eastern Europe, Middle East/Africa and Latin America, and those needing nearshore services, should validate the skills and continued availability of key allocated regional resources considering a lower percentage of nearshore engagements overall.
- **High attrition rate:** Capgemini made 10 acquisitions in 2023, more than its peers. This resulted in an increase of its full-time equivalents (FTEs) by 12%, which may have contributed to a natural attrition rate increase that is a percentage above the average compared to its peers.
- **Limited Workday capabilities:** Capgemini has the lowest number of Workday FTE compared to others in this research. Its Workday expertise is primarily in “greenfield” implementations for HR functions. Clients should consider alternative providers if looking for something more transformative for their talent management practices.

## Cognizant

Cognizant is a Challenger in this Magic Quadrant. With headquarters in the U.S., it is a large service provider. Gartner estimates that this market generates 8% of Cognizant's revenue, with 5% of its workforce allocated to it. Cognizant is primarily focused on large organizations with more than \$3 billion in revenue, which represent an estimated 60% of clients. It can serve clients in any geography, but the estimated largest client implementation numbers are in North America (65%). Cognizant can cover four of the six cloud ERP technologies profiled, with the estimated revenue split among the major software platforms as follows: 2.5% from technology-agnostic consulting, 45% from Oracle (Fusion Cloud ERP), 30% from SAP, 20% from Workday and 2.5% from Microsoft (Dynamics 365). NetSuite capabilities are integrated within Cognizant's Oracle practice. It has no Infor practice.

## Strengths

- **Focused on long-term deals:** With its strong ongoing support and implementation capabilities, Cognizant has developed long-term relationships with its more than 2,200 clients in all the technologies it supports. Cognizant's agile framework addresses core client priorities, such as enhanced customer experience and process efficiencies, while leveraging standardization, industrialization and automation.
- **Strong AI and automation capabilities:** Cognizant developed its ERP delivery automation factory, a collection of automation tools and accelerators used in ERP implementations, cloud migrations and support. These tools and accelerators include configuration functional bots, ERP data migration bots, cloud ERP configuration bots, ticket triaging automation, automated resolutions and GenAI labs.
- **Contractual flexibility and transparency:** In Gartner client inquiries, customers applauded Cognizant's pragmatic delivery approach, flexible contracting and evolving project demands. Fifty-five percent of Cognizant's revenue last year was generated with outcome-based deals.

## Cautions

- **Most resources are offshore:** Cognizant's service delivery is heavily aligned to offshore locations. Despite recent expansion into Latin America and the Middle East, 75% of resources are located offshore. This model may be suitable for commoditized services but could pose challenges in providing localized support and quick response times for more complex business transformation engagements.

- **Technical migration focus:** Cognizant invested last year in expanding its ERP advisory talent in Latin America, Asia/Pacific and the Middle East to support SAP, Oracle and Workday engagements. However, Cognizant still has a predominant focus on technical migration projects. Clients requiring industry-specific insights, functional business knowledge and business advisory expertise should validate Cognizant's capabilities before contracting.
- **SAP workforce constraints:** Cognizant is expanding its SAP workforce, having increased headcount by 5% in 2023 and also managing to keep attrition levels below corporate average. As it builds out its practice, it has experienced some difficulties in securing resources with SAP S/4HANA and Business Technology Platform (BTP) expertise. Clients requiring SAP capabilities should validate the continued availability of key individuals allocated to their engagements.

## **Deloitte**

Deloitte is a Leader in this Magic Quadrant. Headquartered in the U.K., it is an extra-large service provider. Gartner estimates that between 15% and 20% of its workforce is allocated to this market. Deloitte is primarily focused on organizations with more than \$3 billion in revenue. It can serve clients in any geography, but the largest client implementation numbers are in North America. Deloitte can cover all featured cloud ERP technologies, with the revenue split in the following ranking: technology-agnostic consulting, SAP, Oracle (Fusion Cloud ERP), followed by smaller revenue from Workday, Microsoft (Dynamics 365), NetSuite and Infor.

## **Strengths**

- **Strong SAP partnership:** Due to Deloitte's well-established partnership with SAP, it has invested significantly in a dedicated delivery framework. Deloitte has one of the largest pools of SAP experts globally. This close relationship offers new SAP developments and early access to innovation to Deloitte's clients, such as the Clean Core + Edge Innovation approach, leveraging SAP BTP for app extensions with low-code/no-code choices.
- **Powerful cloud platform:** Deloitte's Ascend platform was designed to accelerate its clients' digital transformation initiatives by assessing process maturity, efficiency, effectiveness and performance using industry-leading process models and benchmarking data.
- **Extensive digital transformation offerings:** Deloitte utilizes its Advise, Implement and Operate framework as an end-to-end model for supporting its clients' full-scale digital transformations, from Phase Zero through delivery and support offering.

## **Cautions**

- **Limited midsize enterprise (MSE) focus:** Deloitte continues to focus on large enterprise clients. Its services are designed with the scale and complexity of large organizations in mind, offering comprehensive, end-to-end transformation solutions. While Deloitte's offerings can certainly deliver value to midsize companies, the premium pricing and emphasis on extensive transformation initiatives may be less appealing to smaller organizations.
- **Limited engagements in certain technologies:** While Deloitte has good depth across the technologies covered in this research that support cloud ERP engagements, Deloitte Microsoft, Infor and NetSuite practices are still immature and have smaller engagements than other Leaders in this Magic Quadrant. Clients looking for services in these technologies should confirm the availability of certified technical resources and their experience level.
- **Premium pricing:** Deloitte is recognized as a premium service provider, and its pricing structure is aligned with its value proposition. For enterprises focused on maximizing the value of their investments, it may be more strategic to allocate their budgets toward Deloitte's specialized and commercially differentiating services. Potential clients can leverage its expertise in areas that deliver the most value, while potentially seeking more cost-effective alternatives for routine tasks.

## **DXC Technology**

DXC Technology is a Niche Player in this Magic Quadrant. Headquartered in the U.S., it is a midsize service provider. Gartner estimates that this market generates 6% of DXC Technology's revenue, with 7% of its workforce allocated to it. DXC Technology can serve clients in any geography, but the largest client implementation numbers (84%) are in Asia/Pacific, excluding Japan. DXC Technology can cover four of the six cloud ERP technologies profiled, with the revenue split among consulting and the major platforms as follows: 54% from technology-agnostic consulting, 18% from SAP, 12% from Oracle (Fusion Cloud ERP), 10% from Microsoft (Dynamics 365) and 6% from Workday. It does not support NetSuite or Infor.

## **Strengths**

- **Strong manufacturing industry expertise:** With over 45 years' experience supporting manufacturing customers and more than 1,300 FTEs with manufacturing and SCM expertise, DXC Technology has built strong capabilities in this industry. With deep expertise across various manufacturing sectors, DXC Technology is able to tailor solutions to meet specific industry needs for more than 260 active clients in manufacturing industries.

- **SAP AI and automation solutions:** DXC Technology has over 5,700 FTEs with SAP expertise and has an extensive library of AI-powered solutions for SAP implementations. Four SAP-specific solutions help customers increase efficiency and productivity: DXC AI Predictive Maintenance for SAP BTP, DXC AI FastInvoice Pro for SAP BTP, DXC AI Virtual Order to Cash Assistant for SAP BTP, and DXC AI Virtual Procure to Pay Assistant for SAP BTP.
- **Experienced resources:** Forty-seven percent of DXC Technology's resources have between five and 10 years of experience, which is above the average in this cohort. They deliver from onshore, nearshore and offshore locations around the world, but primarily from Asia/Pacific, and Western and Eastern Europe. DXC Technology maintains four global innovation and delivery centers (GIDCs) for cloud ERP in India, the Philippines, Eastern Europe and Vietnam.

### **Cautions**

- **Emerging tech-agnostic consultancy expertise:** DXC Technology continues to grow its consulting-led business transformation practice. However, clients seeking business transformation must ensure it can offer industry-specific expertise and the capability to support necessary changes.
- **Limited Workday and Microsoft capabilities:** DXC Technology's primary revenue is from Oracle and SAP clients, even though it continues to invest in providing Workday and Microsoft implementation services. Clients looking for services for Workday and Microsoft should verify that experienced, certified technical resources are available.
- **Slowing growth:** DXC Technology has divested certain parts of its business, which may have naturally impacted revenue and signaled slowing growth. Clients working with DXC Technology are encouraged to perform a thorough vendor risk assessment to recognize and address potential long-term partnership risks.

## Fujitsu

Fujitsu is a Niche Player in this Magic Quadrant. Headquartered in Japan, it is a midsize service provider. Gartner estimates that this market generates 3% of Fujitsu's revenue, with 3% of its workforce allocated to it. Fujitsu is primarily focused on organizations with less than \$3 billion in revenue, which represent an estimated 60% of clients in its global coverage. The largest client implementation numbers are in Japan (60%), but it can also serve clients in North America and Europe. Fujitsu covers three of the six featured cloud ERP technologies, with estimated revenue split among the major software platforms as follows: 6% from technology-agnostic consulting, 61% from SAP, 28% from Oracle (Fusion Cloud ERP) and 4% from Microsoft (Dynamics 365). It does not support Workday, NetSuite or Infor.

## Strengths

- **Strong SAP focus:** Fujitsu demonstrates significant expertise in SAP, with over 60% of its revenue from this practice. Fujitsu engages in its co-creation process to design and implement SAP solutions that are precisely aligned with the client's business goals. It uses its SAP Transformation Service, which includes automated tools for data migration and system integration, to reduce downtime and minimize risks during the transition.
- **Public-sector Oracle expertise:** Fujitsu has established an Oracle ERP delivery organization of 800 FTEs dedicated to cloud ERP services. With a 20-year Oracle partnership that is particularly strong within the public sector in the U.K., Fujitsu is known for delivering reliable and effective Oracle solutions.
- **Deep manufacturing expertise:** Fujitsu has extensive expertise in the manufacturing industry, leveraging its own manufacturing processes and Kaizen optimization techniques. Fujitsu offers preconfigured industry solutions that integrate Internet of Things (IoT) and AI to optimize production processes. These templates speed up deployment, reduce customization needs and ensure the solution aligns with industry best practices.

## Cautions

- **Limited cloud ERP solutions:** The company does not provide coverage for other key cloud ERP platforms, such as Workday, Infor and NetSuite, or any other ERP solutions. Clients that require services in these specific technologies should consider alternative providers.

- **Restricted geographical reach:** Fujitsu's primary markets are Japan and Western Europe, where it has established a strong presence. Clients in North America and other parts of EMEA that require onshore cloud ERP services should thoroughly assess Fujitsu's local capabilities to ensure it meets their needs and expectations.
- **Narrow multi-industry focus:** While Fujitsu is making efforts to expand its services into new industries, such as retail, wholesale and utilities, its core expertise remains in the manufacturing sector. Its focus on manufacturing may limit Fujitsu's ability to effectively support clients in other industries.

## **HCLTech**

HCLTech is a Challenger in this Magic Quadrant. Headquartered in India, it is a very large service provider. Gartner estimates that this market generates 15% of HCLTech's revenue, with 17% of its workforce allocated to it. HCLTech's client-size focus is broad, with 50% of clients earning over \$3 billion in revenue, 18% between \$1 billion and \$3 billion in revenue, and the remaining 32% under \$1 billion in revenue. It can serve clients in any geography, although the largest client implementation numbers are in North America (56%). HCLTech can cover all featured cloud ERP technologies, with revenue split among the major software platforms as follows: 18% from technology-agnostic consulting, 38% from SAP, 17% from Microsoft (Dynamics 365), 15% from Oracle (Fusion Cloud ERP), 5% from Workday, 5% from NetSuite and 2% from Infor.

## **Strengths**

- **Comprehensive technology expertise:** HCLTech possesses experience in executing complete ERP transformations across all six major ERP systems and their associated modules. The company has developed a portfolio of industry-specific accelerators and technology-focused service solutions, such as Factory+ and Base90 for SAP, enabling rapid deployment with up to 90% of processes preconfigured.
- **Outcome-based contracting:** HCLTech has significantly evolved its commercial approach, prioritizing contracts that emphasize measurable business benefits and outcomes. The company has increasingly adopted a results-oriented model, with 80% of its cloud ERP implementations having either outcome-based pricing or deliverables-based pricing.

- **Adaptive service delivery:** HCLTech operates a highly scalable and adaptable service delivery model with its Integrated Global Delivery Model (iGDM). iGDM combines onshore, nearshore and offshore resources to provide clients with a balanced approach to service delivery. The global distribution of teams enables a “follow the sun” model, where work continues around the clock, accelerating project timelines.

## **Cautions**

- **Focused on platform modernization:** While HCLTech is highly effective in upgrading and optimizing existing technology platforms, it has limited experience in handling extensive ERP transformations compared to its peers. Clients needing large-scale, complex business transformations, or those seeking a more holistic approach, may need to consider alternatives.
- **Limited market penetration in Latin America, the Middle East and Africa:** HCLTech continues to face challenges in converting its cloud ERP services into substantial revenue streams outside of North America, Western Europe and Asia/Pacific. Clients in Latin America, the Middle East and Africa that require onshore cloud ERP services should carefully evaluate HCLTech’s local capabilities, especially in strategic guidance, to ensure they align with their needs and expectations.
- **Targets large enterprises:** HCLTech primarily targets customers with over a billion dollars in revenue, which represent 66% of its client base. As a result, HCLTech may be less suitable for small and midsize businesses (SMBs), except in cases where industry-specific solutions are sought.

## **Huron**

Huron is a Niche Player in this Magic Quadrant. Headquartered in the U.S., it is a small service provider. Gartner estimates that this market generates 31% of Huron’s revenue, with 30% of its workforce allocated to it. Huron services client projects in North America, South America, Europe and Asia/Pacific, with its largest client implementation numbers in North America. Huron can cover four of the six cloud ERP technologies with the revenue split among the major software platforms as follows: 19% from technology-agnostic consulting, 50% from Oracle (Fusion Cloud ERP) and 31% from Workday. Huron does not have SAP S/4HANA, Microsoft (Dynamics 365), NetSuite or Infor practices.

## **Strengths**

- **Focused on service-centric enterprises:** Huron has developed industry-specific accelerators to ensure adoption of best-practice business processes within ERP. With a focus on key service-centric industries, healthcare and education are its largest addressable markets. Other industries include energy/utilities and U.S. federal and financial services.
- **Strong Oracle and Workday services:** Huron's service offerings continue to be primarily focused on Oracle and Workday ERP solutions. It has been an Oracle partner since 2012 and a Workday partner since 2014. Huron has built a competent delivery organization for vendors' products consisting of more than 980 FTEs for Oracle and more than 570 FTEs for Workday. It has been named a Workday Partner Innovation Award winner every year since 2021 and is also a beta partner in the Built on Workday program that is building new solutions sold on a subscription basis.
- **Client-centric staffing:** Huron staffs its projects with 70% onshore, on-site or remote consulting resources, which is substantially higher than nearly all vendors in this Magic Quadrant. Huron continues to be a strong fit for customers desiring a more high-touch approach to ERP transformation.

## **Cautions**

- **Limited global reach:** While Huron continues to expand its global reach, its resources for Workday and Oracle services are primarily centered in North America and Asia/Pacific (excluding Japan). Global customers that have multinational operations, particularly in EMEA, should thoroughly assess Huron's local capabilities to ensure it meets their specific needs and expectations.
- **Focused on finance services:** While Huron provides end-to-end projects in all functions, it continues to have a strong focus on the finance function, given its long history as an Oracle Fusion Cloud ERP and Oracle Cloud Enterprise Performance Management (EPM) partner. Customers seeking enterprisewide transformation should review and assess end-to-end services rendered.
- **Limited outcome-based pricing models:** Huron works collaboratively with clients using various pricing models, yet it still relies more on time and material pricing than any other vendor in this Magic Quadrant. While it has a moderate level of fixed-price contracting, it does not generate revenue via business-outcome pricing, as opposed to most of its peers in this research.

## IBM Consulting

IBM Consulting is a Leader in this Magic Quadrant. Headquartered in the U.S., it is a very large service provider. Gartner estimates that this market generates 22% of IBM Consulting's revenue, with 24% of its workforce allocated to it. IBM Consulting's clients tend to earn over \$3 billion in revenue, with an estimated 80% of clients in this category. It can serve clients in any geography, although the largest client implementation numbers are in North America (36%). IBM covers five of the six featured cloud ERP technologies, with the technology staff split among the major platforms as follows: 14% in technology-agnostic consulting, 65% from SAP, 14% from Oracle (Fusion Cloud ERP), 3% from Workday, 3% from Microsoft (Dynamics 365) and 1% from Infor. It does not support NetSuite.

### *Strengths*

- **Global breadth and depth:** IBM has ERP capabilities in 65 countries, with over 160,000 consultants. It offers end-to-end capabilities in advisory, transformation, implementation and ongoing managed services across all major industries, including the public sector. It leverages cross-IBM capabilities, such as IBM Technology, IBM Research, its watsonx.ai and data platform, and the Institute for Business Value, to deliver innovation and added value to clients.
- **Strong manufacturing and government experience:** IBM has extensive experience with over 800 implementations in manufacturing and natural resources, and almost 130 government agencies across SAP, Oracle and Microsoft that's also reflected in its high Net Promoter Score (NPS). Tools like IBM Intelligent Asset Maintenance for industrial manufacturing use an AI-augmented data retrieval and generation approach in manufacturing. Its cognitive equipment advisor provides predictive maintenance capabilities in government.
- **Focused on innovation investments:** IBM has made a significant investment in building out its delivery platform, which comprises IBM Consulting Advantage and IBM Delivery Central. These end-to-end, AI-enabled delivery execution platforms aim to improve productivity, predictability and collaboration.

### *Cautions*

- **More suitable for large and midsize businesses:** IBM often emphasizes a more strategic and transformational approach to cloud ERP involving in-depth reengineering of processes, data structures and workflows to unlock the full potential of cloud capabilities. While this approach can bring long-term value and operational improvements, it may be more comprehensive and resource-intensive than some clients need. Clients seeking more tactical, lift-and-shift implementations of cloud ERP should carefully evaluate whether IBM is a good fit for their needs.
- **Limited ESG experience:** IBM has shown limited ESG experience, despite having established partnerships to bolster its ESG advisory services with the Big Four consultancy firms that aim to help organizations integrate sustainability into their business strategies.
- **Focused on SAP and Oracle:** While IBM is a certified implementation partner for Workday and Microsoft, these two platforms form a relatively small part of its business, and it sees little to no revenue from Infor and NetSuite. Clients should carefully evaluate the capabilities of proposed consultants to ensure suitable resources.

## Infosys

Infosys is a Leader in this Magic Quadrant. Headquartered in India, it is a very large service provider. Gartner estimates that this market generates 17% of Infosys' revenue, with 9% of its workforce allocated to it. Infosys is primarily focused on organizations with more than \$3 billion in revenue, which represent an estimated 85% of clients. An estimated 65% of its delivery resources are offshore resources that can serve clients in any geography. Its largest client implementation numbers are in North America (51%). Infosys can cover four of the six featured cloud ERP technologies but specializes in Oracle and SAP, with the revenue split among the major software platforms as follows: 17% from technology-agnostic consulting, 40% from Oracle (Fusion Cloud ERP), 38% from SAP, 4% from Microsoft (Dynamics 365) and 1% from NetSuite. Infosys undertakes Workday projects but offers limited services in that technology because it is not yet a full Workday partner.

## Strengths

- **Comprehensive capabilities:** Infosys integrates technical, consulting, industry and functional expertise in its ERP delivery approach by deploying cross-disciplinary teams to ensure tailored solutions. Its AI-first strategy infuses relevant AI capabilities into its digital transformation methodology. Infosys' industry maps and vision solutions help clients fill in product white spaces and create differentiated solutions, based on the core ERP technology.

- **Strong ESG experience:** Infosys has almost 1,400 dedicated ESG resources, with 600 in advisory and 800 in implementation services across all the regions. This makes it a strong partner for ESG through its cloud ERP journey. REF-OR-M EcoWatch is Infosys' advanced advisory and technology solution to calculate carbon footprints, track green quotient packaging materials and track ESG suppliers.
- **Good fit for larger global enterprises:** Infosys' localization strategy enables it to deliver multicultural industry expertise and resources in the primary geographies in which it operates. Recent investments, acquisitions and joint ventures have expanded its global capabilities in North and Central America, EMEA, and the Nordic countries.

## ***Cautions***

- **Focused on large and upper-midmarket clients:** Infosys focuses on the upper midmarket and above and looks to drive long-term relationships and strategic partnerships with very large global enterprises. As such, it does not focus on the SMB market and would not be a good fit for clients in this space.
- **Resource knowledge inconsistency:** In Gartner client inquiries, customers indicated that Infosys' assigned consultants lacked product knowledge and technical and project management skills. Clients engaging with the provider must ensure the knowledge of personnel assigned.
- **Limited support in certain geographies:** Some products have geographic limitations. Infosys supports NetSuite exclusively within North America and the Asia/Pacific regions, and provides limited Microsoft support in Latin America and Japan. For customers in other geographies, alternative solutions or providers may need to be considered.

## **KPMG**

KPMG is a Leader in this Magic Quadrant. Headquartered in the U.K., it is a large service provider. Gartner estimates that this market generates 15% of KPMG's revenue, with 13% of its workforce allocated to it. KPMG focuses on organizations with more than \$3 billion in revenue, representing 70% of clients, and can serve clients in any geography, with the largest client numbers in Western Europe (33%). KPMG covers five of the six cloud ERP technologies with the revenue split as follows: 45% from technology-agnostic consulting, 19% from Oracle (Fusion Cloud ERP), 14% from SAP, 13% from Microsoft (Dynamics 365), 6% from Workday and 3% from NetSuite. It does not support Infor.

## ***Strengths***

- **Change management expertise:** KPMG continues to use its consultancy experience in change management to facilitate organizational transformations. Change Frame, part of the Powered Enterprise platform, oversees data-driven change initiatives. Tailored Change Journeys address specific organizational needs, and KPMG employs empathy maps to consider the emotional and psychological change aspects. Leadership visions are integrated to ensure alignment with strategic goals.
- **Supports AI, machine learning (ML) and data analytics:** KPMG has capabilities in AI, ML and data analytics, with a dedicated GenAI Center of Excellence and 67% of its total investments in advanced tools and solutions.
- **Addresses different client segments and regions:** KPMG addresses all segments of client sizes, among the most comprehensive in this Magic Quadrant. KPMG reports a sound distribution of client sizes, with 65% under \$10 billion in revenue, along with varied industry coverage focused mostly on banking, healthcare and manufacturing.

## **Cautions**

- **Gaps in industry coverage:** KPMG has specific gaps in industry experience, in sectors such as oil and gas, transportation, and agriculture, for Oracle and SAP. Additionally, KPMG's capabilities in Workday services appear limited compared to its peers in this Magic Quadrant, especially in terms of scaling and customizing solutions for large, enterprise-level clients.
- **Not suited for clients with only tactical needs:** KPMG continues to enhance its clients' value by assisting them in leveraging technology to differentiate, transform and evolve their organizations. Clients that have tactical needs, such as technical migration only (without an overarching transformation agenda) may find KPMG's offerings to be more than they need.
- **Emerging ERP vendor partnerships:** Despite significant investment in its ERP cloud business, especially emerging solutions, KPMG's strength in governance and risk management should be balanced with its technical execution ability, which might require heavy collaboration with third-party implementers.

## LTIMindtree

LTIMindtree is a Visionary in this Magic Quadrant. Headquartered in India, it is a midsize service provider. Gartner estimates that this market generates 20% of LTIMindtree's revenue, with 11% of its workforce allocated to it. LTIMindtree is primarily focused on clients with more than \$3 billion in revenue, which represent an estimated 60% of clients. It can serve clients in any geography, although the largest client implementation numbers are in North America (42%). LTIMindtree can cover five of the six cloud ERP technologies profiled, with revenue split among the major software platforms as follows: 9% from technology-agnostic consulting, 47% from SAP, 35% from Oracle (Fusion Cloud ERP), 6% from Microsoft (Dynamics 365), 2% from Workday and 1% from NetSuite. It does not support Infor.

### Strengths

- **Comprehensive AI tools and accelerators:** LTIMindtree offers a comprehensive portfolio of AI tools and accelerators. Its use of automation through AI integration increases the efficiency of its implementation processes, which are essential to industries such as manufacturing, banking and retail.
- **Clear focus on ERP processes rather than software packages:** LTIMindtree continues to have consistent tools, processes and methodologies across the technologies supported. Its three-layer architecture for cloud ERP helps clients fit to standard, extend for industry, and make the platform agile and extensible.
- **Strong ongoing services offering:** Instead of viewing systems as static or fixed, LTIMindtree focuses on creating flexible, industry-specific solutions that can grow and transform alongside the business. LTIMindtree's Timeless Enterprise concept recognizes that businesses are constantly evolving, and they require technology solutions that are not only resilient and scalable but also capable of integrating innovations and responding to shifting market demands.

### Cautions

- **Limited transformational insights:** While LTIMindtree demonstrates strong execution capabilities, its transformational insights and advisory services are limited. Clients seeking strategic guidance and co-innovation opportunities may find its offerings less comprehensive than larger firms in this research that provide extensive advisory services alongside implementation.

- **High offshore resource concentration:** As much as it helps LTIMindtree to deliver ERP projects at an optimal cost, 65% of its consultants are still based out of India. Clients looking for on-site consultants, and to roll out multicountry solutions, may need to check local support offered in respective geographies.
- **Lacks co-innovation initiatives:** LTIMindtree has limited co-innovation initiatives with major technology vendors. Collaboration and co-innovation with cloud ERP technologies enhance vendor offerings, so potential clients seeking advanced solutions may find limited options with LTIMindtree.

## **NTT DATA**

NTT DATA is a Challenger in this Magic Quadrant. Headquartered in Japan, it is a very large service provider. Gartner estimates that this market generates 11% of NTT DATA's revenue, with 11% of its workforce allocated to it. NTT DATA is primarily focused on large, global enterprise clients with more than \$3 billion in revenue. It can serve clients in any geography, but the largest client implementation numbers are in Western Europe (40%). NTT DATA serves three of the six featured cloud ERP vendors with estimated revenue split among the major software platforms as follows: 31% from technology-agnostic consulting, 65% from SAP, 3% from Oracle (Fusion Cloud ERP) and 1% from Microsoft (Dynamics 365). It does not support Workday, NetSuite or Infor.

### ***Strengths***

- **SAP capabilities and experience:** Much of NTT DATA's resources are focused on SAP services, particularly with migration services from legacy on-premises SAP ERP Central Component (SAP ECC) to SAP S/4HANA. NTT DATA is a certified partner for Rise with SAP and has developed a variety of toolsets to migrate data, mitigate legacy system customizations (using GenAI) and provide SAP business transformation services.
- **Industry and global reach:** NTT DATA excels within its SAP service offerings, boasting robust vertical industry expertise, particularly in manufacturing, healthcare and life sciences, and utilities. Moreover, NTT DATA's extensive global footprint enables it to effectively cater to its predominantly large-scale enterprise clientele worldwide.

- **Strong cloud application services:** NTT DATA offers a comprehensive portfolio of support services designed to manage the intricate SAP environments typically found in large, global enterprises. For organizations utilizing RISE with SAP, NTT DATA presents more than 350 intellectual property (IP) solutions and accelerators for application management, and a wide range of infrastructure services, providing tailored solutions to meet the complex demands of these environments.

## **Cautions**

- **Limited advisory services:** NTT DATA demonstrates strong capabilities for system implementation and support. However, its transformational, sustainability and change management consulting services are limited when compared to others in this research, and make up about 24% of its total customer base. Clients seeking strategic guidance may find its offerings less comprehensive in this area.
- **SAP-focused:** The vast majority of NTT DATA resources are allocated to SAP service offerings with only a small fraction of resources assigned to Oracle Fusion Cloud and Microsoft Dynamics. Potential clients operating multivendor landscapes should verify available resources and experience levels for non-SAP services.
- **Lack of advanced pricing model:** NTT DATA generates a significant portion of its revenue through time and materials as well as fixed pricing models, more so than through business-outcome pricing, when compared to other vendors in this Magic Quadrant; however there is an increase of engagement in this model.

## **PwC**

PwC is a Leader in this Magic Quadrant. Headquartered in the U.K., it is a very large service provider. Gartner estimates that this market generates 19% of PwC's revenue, with 10% of its workforce allocated to it. PwC is primarily focused on organizations with more than \$3 billion in revenue, which represent an estimated 50% of clients. It can serve clients in any geography, but the largest client implementation numbers are in North America (60%). PwC can cover five of the six featured cloud ERP technologies, with the revenue split among the major software platforms as follows: 37% from technology-agnostic consulting, 30% from SAP, 21% from Oracle (Fusion Cloud ERP), 7% from Workday, 4% from Microsoft (Dynamics 365) and 1% from NetSuite. It does not support Infor.

## **Strengths**

- **End-to-end transformation services:** PwC has a broad range of tech-agnostic consulting services and, when combined with specific vendor cloud ERP capabilities, it can provide substantial business transformation to customers on a global scale. It is a good fit for customers seeking cloud solutions tailored to their industry needs and ongoing advisory or strategic services beyond technical capabilities.
- **Broad vertical industry expertise:** PwC has one of the strongest portfolios of industry cloud solutions in this research. Its target verticals include financial services, manufacturing, retail, and energy and utilities. PwC is also broadening its industry portfolio by exploring micro verticals.
- **Offers advanced pricing models:** The majority of PwC's revenue is derived from outcome-based pricing arrangements. This approach offers clients greater certainty and financial predictability, minimizing the risk of significant cost overruns, particularly in large-scale, transformational projects.

## **Cautions**

- **Variable domain expertise:** Although PwC received positive feedback in the finance and procurement domains, Gartner Peer Insights reviews did not mention expertise in human capital management (HCM). Customers implementing HCM-domain-specific solutions should ensure that PwC has the domain knowledge to meet their needs.
- **Less focused on midsize enterprises:** As one of the largest cloud ERP service providers, PwC typically favors larger business transformational projects and has less appetite for small to midsize organizations. Smaller businesses may find that PwC is too high of a price point. It may not be a good fit for buyers looking for more point solutions or that are not ready to commit to larger transformation initiatives.
- **Potential conflict with audit clients:** Regulations prevent enterprises from using their audit firm to perform ERP implementation services. Given PwC's substantial audit practice, this may preclude a variety of enterprises from utilizing PwC for cloud ERP, particularly public-sector organizations.

## TCS

TCS is a Leader in this Magic Quadrant. Headquartered in India, it is a very large service provider. Gartner estimates that this market generates 19% of TCS's revenue, with 10% of its workforce allocated to it. TCS is primarily focused on large organizations with more than \$3 billion in revenue, which represent an estimated 55% of clients. It can serve clients in any geography, but the largest client implementation numbers are in North America (38%). TCS can cover four of the six featured cloud ERP technologies, with the revenue split among the major software platforms as follows: 28% from technology-agnostic consulting, 52% from SAP, 17% from Oracle (Fusion Cloud ERP), 2% from Workday and 1% from Microsoft (Dynamics 365).

### **Strengths**

- **Strong Oracle and SAP expertise:** TCS excels in consulting services across various competencies, with well-built expertise in SAP and Oracle implementation and support. Over the past year, TCS has successfully completed a similar number of implementation projects (around 70) for both SAP and Oracle solutions, reflecting its deep proficiency in these areas.
- **Global reach:** While TCS has the largest share of its customers, resources and revenue in North America and EMEA, it can serve clients in all regions globally for all of its service offerings, particularly in Asia/Pacific and Japan. This solidifies its position as a versatile and reliable partner for companies worldwide, including in emerging and high-growth markets.
- **End-to-end enterprise transformation capabilities:** TCS has launched a variety of initiatives to support customer business transformation, most notably with its TCS Crystallus, TCS Cognix and TCS Pace Port services. These allow customers to use industry accelerators for implementations, process automation and leveraging the latest AI innovations, either those of the solution vendor or those developed by TCS.

### **Cautions**

- **Limited advance pricing models offered:** As the cloud ERP service market is trending toward outcome pricing, particularly for larger business transformation projects, TCS lags behind other competitors in this Magic Quadrant. TCS instead has a balanced mix of time and materials contracts and fixed-fee models contracted, allowing for increased change orders.

- **Low Workday technology certifications:** Certifications for Workday continue to remain low, with less than 50 certified employees, even though it still has over 340 active Workday customers. Customers selecting TCS for Workday should ensure the requisite certified technical experienced resources are assigned to the project.
- **Limited advisory services:** TCS remains heavily focused on its technical capabilities among its peers in this Magic Quadrant. Clients that require strong functional business knowledge and advisory expertise should carefully assess and confirm that TCS possesses these competencies before entering into a contract. Ensuring that TCS can meet both technical and business-oriented needs is crucial for the success of such engagements.

## **Tech Mahindra**

Tech Mahindra is a Niche Player in this Magic Quadrant. Headquartered in India, it is a midsize service provider. Gartner estimates that this market generates 12% of Tech Mahindra's revenue, with 5% of its workforce allocated to it. Tech Mahindra is primarily focused on organizations with more than \$3 billion in revenue, which represent an estimated 60% of clients. It can provide services across all regions, although the largest client implementation numbers are in North America (25%). Tech Mahindra can cover all featured cloud ERP technologies, with estimated revenue split among the major software platforms as follows: 55% from Oracle (Fusion Cloud ERP), 39% from SAP, 2% from Workday, 2% from Microsoft (Dynamics 365), 1% from NetSuite and 1% from Infor.

## **Strengths**

- **SAP supply chain management expertise:** Tech Mahindra has strong capabilities in supply chain management, particularly for SAP implementations, especially with Tech Mahindra's background and core strength in manufacturing. SMBs may find this knowledge beneficial for providing specialized technical skills without the significant investment typically required by larger vendors.
- **Wide industry expertise:** Tech Mahindra leverages its deep industry expertise to effectively serve a diverse range of sectors. Its primary focus lies in key verticals, such as manufacturing, retail and transportation, where it delivers tailored solutions to meet the unique needs of these industries.
- **Automation-enabled service offering:** ADMSNXT.NOW, Tech Mahindra's comprehensive support solution for cloud ERP, is designed to enhance operational efficiency through accelerated end-to-end IT automation. It emphasizes self-service, enabling knowledge management that empowers users to upskill and cross-skill, thereby increasing overall productivity and adaptability within the organization.

## **Cautions**

- **Limited cloud ERP solutions:** Tech Mahindra primarily focuses on SAP and Oracle. It does not provide coverage for other key cloud ERP platforms, such as Workday, Microsoft, Infor and NetSuite. Clients that require services in these specific technologies might need to consider alternative providers.
- **Lack of advanced pricing model:** Tech Mahindra generates a significant portion of its revenue through time and materials as well as fixed pricing models, rarely with any at-risk amounts in its agreements and limited business outcome-based contracts to date. Mature clients seeking outcome-based approaches to contracting will need to spend time working through a suitable commercial model.
- **Evolving business transformation expertise:** While Tech Mahindra demonstrates strong technical transformation capabilities, its expertise in business-led transformation and consulting falls short when compared with its competitors in this research. This gap may limit its effectiveness in projects where strategic business insights and advisory services are crucial.

## **Wipro**

Wipro is a Visionary in this Magic Quadrant. Headquartered in India, it is a very large service provider and among the top 10 market share leaders in IT services, with an annual revenue of \$10.8 billion. Gartner estimates that this market generates 20% of Wipro's revenue, with 10% of its workforce allocated to it. Wipro is primarily focused on companies with more than \$3 billion in revenue, which represent an estimated 70% of clients. It can serve clients in any geography, but the largest client implementation numbers are in North America (46%). Wipro can cover five of the six cloud ERP technologies profiled, with the revenue split among consulting and the major platforms as follows: 8% from technology-agnostic consulting, 60% from SAP, 25% from Oracle (Fusion Cloud ERP), 4% from Microsoft (Dynamics 365), 2% from Infor and 1% from Workday.

## **Strengths**

- **Strong Oracle and SAP expertise:** Wipro's strongest competencies continue to be SAP and Oracle certifications with SAP- and Oracle-based revenue. This establishes it as a dependable partner for organizations in need of strong technical solutions. Its extensive utilization of tools and accelerators improves the efficiency and effectiveness of its implementations by reducing the time and effort required to deploy complex ERP systems. These accelerators not only speed up the project timeline but also minimize errors, ensuring a smoother and more reliable implementation.

- **AI and automation capabilities:** Wipro developed a collection of automation tools and accelerators used in ERP implementations, cloud migrations and support. These tools and accelerators under Wipro ai360 and Wipro eSymphony include intelligent operations and ticket handling, GenAI code accelerators, data migration and testing accelerators, and value management frameworks.
- **Long-term client relationships:** Wipro continues to have significant client relationships, with 80% being existing long-term clients. The institutional nature of these relationships demonstrates a client centricity and commitment to balancing the delivery of value-added services with continued price attractiveness.

## **Cautions**

- **Limited advisory services:** While Wipro demonstrates strong capabilities for system implementation and support, its transformational, sustainability and change management consulting services are limited when compared with others in research. Clients seeking strategic guidance may find its offerings less exhaustive than other providers in this area.
- **Geographic strategy limitations:** Wipro offers a standard global delivery structure to its clients, and it is currently strengthening its India hub. Clients requiring onshore and nearshore delivery services in various regions to improve stakeholder engagement should actively discuss alternative models to support their needs.
- **Targets large enterprises:** Wipro predominantly serves customers with revenue exceeding a billion dollars, constituting 83% of its clientele. While it specializes in industry-specific solutions, its offerings may be less aligned with the needs of SMBs, unless tailored solutions are required.

## **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 be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

### **Added**

The following vendors were added to this Magic Quadrant:

- Capgemini
- Fujitsu
- NTT DATA
- Tech Mahindra

## Dropped

The following vendors did not meet the inclusion criteria and the increased scope, and were dropped from this Magic Quadrant:

- Birlasoft
- EY
- Hexaware

## Inclusion and Exclusion Criteria

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

### Quantitative Criteria:

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

- Is able to provide cloud ERP services for at least three relevant ERP technology products for the following software vendors (Oracle, SAP, Microsoft, Workday, NetSuite, Infor).
- Has a minimum of \$300 million annual worldwide revenue in total (across all cloud ERP software products covered) during the period of January 2023 through December 2023 for cloud ERP services.
- Delivers cloud ERP services to current active clients headquartered in a minimum of two of five geographies (North America, EMEA, Asia/Pacific, Japan and Latin America).

### Qualitative Criteria:

- Overall market interest in and visibility of the service vendor as determined by serious consideration for selection from enterprise clients and Gartner analysis of internal and external search patterns.
- Gartner analysts' interactions with enterprise buyers that reveal interest in specific cloud ERP services vendors.
- Demonstrated capability to consistently invest in tools, automation, methodology, frameworks and processes as well as investing in resource development to deliver services in this market.
- Client feedback in Gartner Peer Insights specific to cloud ERP services as well as analyst opinion.

## Honorable Mentions

The criteria for inclusion of service providers in this Magic Quadrant are based on a combination of quantitative and qualitative measures, as noted in the Inclusion and Exclusion Criteria section. Below are several noteworthy providers that did not meet all inclusion criteria but could be appropriate for clients, contingent on requirements. The following is a nonexhaustive list:

- **EY** is a very large service provider in this market and is headquartered in London, U.K. EY covers most cloud ERP technologies, but is mostly focused on SAP. EY's audit affiliation with Workday, Oracle and NetSuite precluded it from developing partnership solutions that could be featured in this research.
- **Genpact** is a global IT services provider headquartered in New York, U.S. With its domain and operations depth, it can provide cloud ERP services in Oracle, SAP, Workday, NetSuite and Microsoft products, but not at a scale that meets the inclusion criteria for this Magic Quadrant.
- **Globant** is a global IT services provider headquartered in Luxembourg. It can provide cloud ERP services in Oracle and SAP products, but not at a scale that meets the inclusion criteria for this Magic Quadrant.
- **SaaS software providers (Workday, Oracle, SAP, Microsoft, NetSuite and Infor)** can all provide services to implement and support their own products. They are not featured here because the focus of the research is transformation of the function, not technical migration for a particular product.

## Evaluation Criteria

Gartner evaluates service providers 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 a provider 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 providers on the quality and efficacy of the processes, systems, methods or procedures that enable IT provider performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation within Gartner's view of the market.

**Solution/Service:** The provider's ability to execute cloud ERP services for service-centric enterprises such that delivered solutions are useful, valuable and adopted. This includes current service capabilities, quality, feature set and skills. The subcriteria include the following:

- Performance on critical capabilities
- Methodologies and processes
- Tools used to simplify and speed up implementations and evolution

**Overall Viability:** Viability includes an assessment of the organization's overall financial health, as well as the financial and practical success of the cloud ERP services part of the business. This criterion also includes the ability of the organization to focus its offering on the CES practice and to continue to evolve and maintain its systems integrator capabilities in the long term. The subcriteria include the following:

- Year-over-year growth
- Market-specific revenue growth and retention
- Strategic alignment of these services within the overall organization

**Sales Execution/Pricing:** The provider's ability to effectively understand the business problem and develop a clear proposal offering a creative solution and attractive pricing. This criterion also includes the provider's track record in sustaining organic growth through a mixture of repeat business from existing customers and winning new customers. The subcriteria include the following:

- Pricing models and contract flexibility
- Analyst perception of value provided
- Focus on business-outcome contracts and client success

**Market Responsiveness/Track Record:** The provider's 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 provider's history of responsiveness to changing market demands. The subcriteria include the following:

- Mechanisms for monitoring and responding to customer needs
- Examples of delivery against business outcomes
- Analyst perception of roadmap promises being met

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand, increase awareness of capabilities and establish a positive identification in the minds of customers. This "mind share" can be driven by a combination of thought leadership, referral relationship building and sales activities. The subcriteria include the following:

- Brand name recognition/customers' familiarity with the vendor
- Tailoring of marketing messages – by industry/enterprise/geography
- Leadership and vision demonstrated in publicity

**Customer Experience:** The ability of the provider to deliver solutions that delight customers and have a positive impact on their business. This includes the ability to understand the client's business goals; the ability to forecast accurately and deliver as promised; the steps taken when problems are found; the usability, reliability and responsiveness of the solutions delivered; and the client's overall perception of a provider's contribution to a successful project. The subcriteria include the following:

- Overall satisfaction with the provider's capabilities and delivery
- Customer and employee retention
- Reference feedback

**Operations:** The ability of the organization to attract and retain talent, thus building a capable and motivated workforce. Factors include quality of the delivery organizational structure, work location strategies, reputation in the industry as an employer, recruitment, training and personal development programs, creation of diverse and inclusive work environments, and management of attrition. The subcriteria include the following:

- Global and regional delivery capabilities
- Effective resource management that provides high-quality skills needed to deliver proposed solutions and outcomes
- Ethics and transparency mandates and standards
- Continuity of staff/attrition/certification rates

**Table 1: Ability to Execute Evaluation Criteria**

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Medium
Marketing Execution	Low
Customer Experience	High
Operations	High

Source: Gartner (November 2024)

### Completeness of Vision

Gartner analysts evaluate providers on their ability to convincingly articulate logical statements. This includes current and future market direction, innovation, customer needs, and competitive forces and how well they map to Gartner’s view of the market.

**Market Understanding:** Ability to understand customer needs and translate them into products and services. Vendors that show a clear vision of their market will listen, understand customer demands, and shape or enhance market changes with their added vision. The subcriteria include the following:

- Vision and strategic focus
- Competitive differentiators
- IP investments
- Knowledge of cloud ERP trends

**Marketing Strategy:** Clear, differentiated messaging consistently communicated internally and externalized through social media, advertising, customer programs and positioning statements. The subcriteria include the following:

- Go-to-market approach
- Market visibility
- Reference responses

**Sales Strategy:** A sound strategy for selling that uses the appropriate networks including direct and indirect sales, marketing, service, and communication. Partners that extend the scope and depth of market reach, expertise, technologies, services and their customer base. The subcriteria include the following:

- Customer acquisition strategy effectiveness
- Incentive plans for existing clients
- Reference response information

**Offering (Product) Strategy:** An approach to product development and delivery that emphasizes market differentiation, functionality, methodology and features as they map to current and future requirements. The subcriteria include the following:

- Product portfolio breadth and depth
- Investment levels in critical capabilities
- New delivery models
- Proprietary IP that delivers value in this market

**Business Model:** The design, logic and execution of the organization's business proposition to achieve continued success. The subcriteria include the following:

- Significance and alignment of the Magic Quadrant market to overall business
- Establishment and support of long-term customer relationship
- Sustainability

- Willingness to implement different commercial models

**Vertical/Industry Strategy:** The strategy to direct resources (sales, product, development), skills and products to meet the specific needs of individual market segments, including verticals. The subcriteria include the following:

- Clear and consistent vertical focus
- Vertical/industry-specific investment
- Industry knowledge

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, and defensive or preemptive purposes. The subcriteria include the following:

- Proprietary innovation platforms
- Commitment to innovation
- Use of automation
- Innovation use cases

**Geographic Strategy:** The provider'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. The subcriteria include the following:

- Clear and consistent region focus
- Region-specific partnerships/ecosystem
- Use of automation
- Widespread availability of in-country resources for functional work

**Table 2: Completeness of Vision Evaluation Criteria**

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Market Understanding	High
Marketing Strategy	Low
Sales Strategy	Low
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	High
Innovation	High
Geographic Strategy	Medium

Source: Gartner (November 2024)

## 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 (for example, 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 providers in this segment received positive client feedback, and many can be considered to be leading players within their niche market focus.

## Context

This Magic Quadrant addresses the cloud ERP services capabilities of providers for service-centric and product-centric enterprises combined that meet Gartner's criteria for inclusion.

This Magic Quadrant evaluates 17 providers. It is a point-in-time analysis, with the status of all provider profiles reflected as of August 2024. Quantitative data collected was for a 12-month period ending 31 December 2023. As part of the research, the analyst team generated more than 1,000 data points that collectively determined the placement of the dots on the Magic Quadrant.

When considering cloud ERP services, clients are advised not to simply select service providers in the Leaders quadrant. A provider 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, providers in the Challengers, Visionaries or Niche Players quadrants may prove to be more appropriate for the engagement. A more detailed analysis of the service providers' capabilities, with scoring based on use cases, is available in Critical Capabilities for Cloud ERP Services.

Additionally, because the inclusion criteria in the Magic Quadrant result in the analysis of a subset of providers in the cloud ERP services market, clients should not disqualify any potential competitors simply because they do not appear in this research. Other IT service providers not evaluated in this Magic Quadrant may present better alternatives for your business requirements. Consider using an analysis to ensure you have an optimum basis and evaluation criteria to down-select the most suitable providers (see [Quick Answer: How to Assess ERP, HCM and CRM Systems Integrators](#)). A Gartner analyst can help with a shortlist of the most suitable candidates based on client requirements.

## Market Overview

Like last year, this Magic Quadrant is focused on transformation and further refines the target audience to the service-centric enterprises and product-centric enterprises combined. This client segmentation mirrors the two Magic Quadrants that look at the options for SaaS products for building a modern ERP: [Magic Quadrant for Cloud ERP for Service-Centric Enterprises](#) and [Magic Quadrant for Cloud ERP for Product-Centric Enterprises](#).

If we look at the application services market overall, Gartner estimates that this will be approximately \$370 billion in 2024, of which approximately \$240 billion will be devoted to implementing and supporting software products. The remaining \$130 billion covers custom application software development. That \$240 billion covers services on all packaged products (including noncloud and non-ERP), and we estimate that the total services devoted to the specific cloud ERP market are about \$90 billion. The 17 service providers in this Magic Quadrant have estimated that, for this market, they received \$60 billion for the engagements in 2023. Many also receive revenue for technical consulting, and the Gartner forecast predicts about \$84 billion from these services in addition to the \$370 billion for application services.

For the 17 service providers evaluated, there are almost 500,000 resources engaged in cloud ERP services. This represents approx 10% of the 4.9 million FTEs that these 17 employ. With approximately \$60 billion in revenue of the \$470 billion, that equates to about 13% of revenue for the period of January 2023 to December 2023. Thus, in general, they charge more for these services than the general portfolio offered. The 17 in total have the following regional FTE split: 47% in Asia/Pacific, 22% in EMEA, 25% in North America, 3% in Latin America and 3% in Japan. Size definitions for this market are based on the number of aggregated resources used to provide cloud ERP services (see Note 1).

In terms of resource experience used on cloud ERP, 10% of the providers' FTEs have more than 15 years' experience, 17% between 10 and 15 years' experience, 32% between five and 10 years' experience, 25% between two and five years' experience, and 17% have less than two years' experience.

Most of the featured providers are focused on providing cloud ERP services using delivery and innovation centers in different regions of the world. In terms of global delivery model and geographical split, 20% of the consultants provided services from onshore (on-site), 15% from onshore (remote), 8% from nearshore and 57% from offshore locations. Providers have further invested in innovation to provide reusable industry assets, tools, training, data conversion utilities, automation, methodologies and APIs to accelerate delivery of cloud ERP services engagements. The 17 profiled here reported investing almost \$2.5 billion in 2023 to improve the services in this market.

The buyers of cloud ERP services were only 33% from the CIO/CTO and 71% from business-related roles, such as CFO (31%). Sixty percent of the cloud ERP services clients earned greater than \$3 billion in revenue. The ratio of existing clients to net new clients was 70:30.

The industries ranking based on the aggregate ranking of each of these 17 were (1) manufacturing and natural resources, (2) healthcare and life sciences, (3) banking and investment services, (4) retail, (5) power and utilities, (6) oil and gas, (7) government, (8) communications, media and services, (9) insurance, (10) transportation, (11) wholesale trade, (12) education, and (13) agriculture.

The 17 service providers profiled here added almost 6,300 net new clients in 2023 for these services. The technology breakdown of the principle technologies of these engagements was: 38% SAP, 18% technology-agnostic consulting, 17% Oracle (Fusion Cloud ERP), 16% Microsoft (Dynamics 365), 8% Workday, 3% NetSuite and 2% Infor.

The most common pricing models were fixed price, which represented 34% of the total revenue, followed by time and materials (24%), fixed price with revenue at risk (18%), business outcome (16%), and other (8%).

This Magic Quadrant assesses the relative positioning of the providers in delivering cloud ERP services. In the companion Critical Capabilities research, specific use cases have been identified so that the performance in each area can be judged. The seven use cases are:

- **Assessment and Roadmap Only:** A technology-agnostic consulting engagement to support a client through creating the roadmap for ERP transformation via cloud applications, supporting technology selection and creating a business case.
- **Oracle (Fusion)-Based Implementation and Evolution:** Includes implementing (solution work plus change management) and ongoing support based on Oracle Fusion products.
- **SAP-Based Implementation and Evolution:** Includes implementing (solution work plus change management) and ongoing support based on SAP cloud products (S/4HANA Public and Private Cloud editions, SuccessFactors, Concur, Ariba, IBP).
- **Workday-Based Implementation and Evolution:** Includes implementing (solution work plus change management) and ongoing support based on Workday Enterprise Management Cloud products.
- **Microsoft (Dynamics 365)-Based Implementation and Evolution:** Includes implementing (solution work plus change management) and ongoing support based on Microsoft Dynamics 365 products.
- **NetSuite-Based Implementation and Evolution:** Includes implementing (solution work plus change management) and ongoing support based on Oracle NetSuite product.
- **Infor-Based Implementation and Evolution:** Includes implementing (solution work plus change management) and ongoing support based on Infor CloudSuite product.

## Evidence

Evaluation in this Magic Quadrant is informed by:

- **Gartner client interactions:** Gartner inquiries between user organization clients and sourcing, procurement and vendor management analysts on service providers relating to cloud ERP services over 18 months (January 2023 through July 2024).
- **Primary research:** A detailed collection of data points via the Gartner vendor portal from the 17 participating service providers.
- **Primary research:** A 60-minute vendor briefing from each participating service provider addressing capability proof points of each evaluation criterion in the Magic Quadrant.

- Primary research: Feedback from 167 reference responses across the 17 participants in this Magic Quadrant.
- Secondary research: Press releases and publicly available information, including company websites and financial reports.
- Other Gartner analysts: Peer review by Gartner analysts. Their views and comments were considered. In addition, this research was reviewed at internal research community sessions.

## Note 1: Market Practice Sizing

Size definitions for this market are based on the number of aggregated resources used to provide cloud ERP services:

- Small: 2,000 or fewer
- Medium: 2,001 to 10,000
- Large: 10,001 to 20,000
- Very Large: 20,001 to 60,000
- Extra-Large: More than 60,000

## 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.

## Document Revision History

[Magic Quadrant for Cloud ERP Services for Service-Centric Enterprises - 20 November 2023](#)

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## Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[How Markets and Vendors Are Evaluated in Gartner Magic Quadrants](#)

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Table 1: Ability to Execute Evaluation Criteria

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Medium
Marketing Execution	Low
Customer Experience	High
Operations	High

Source: Gartner (November 2024)

Table 2: Completeness of Vision Evaluation Criteria

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Market Understanding	High
Marketing Strategy	Low
Sales Strategy	Low
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	High
Innovation	High
Geographic Strategy	Medium

Source: Gartner (November 2024)