IDC MarketScape

IDC MarketScape: Worldwide Microsoft Implementation Services 2024 Vendor Assessment
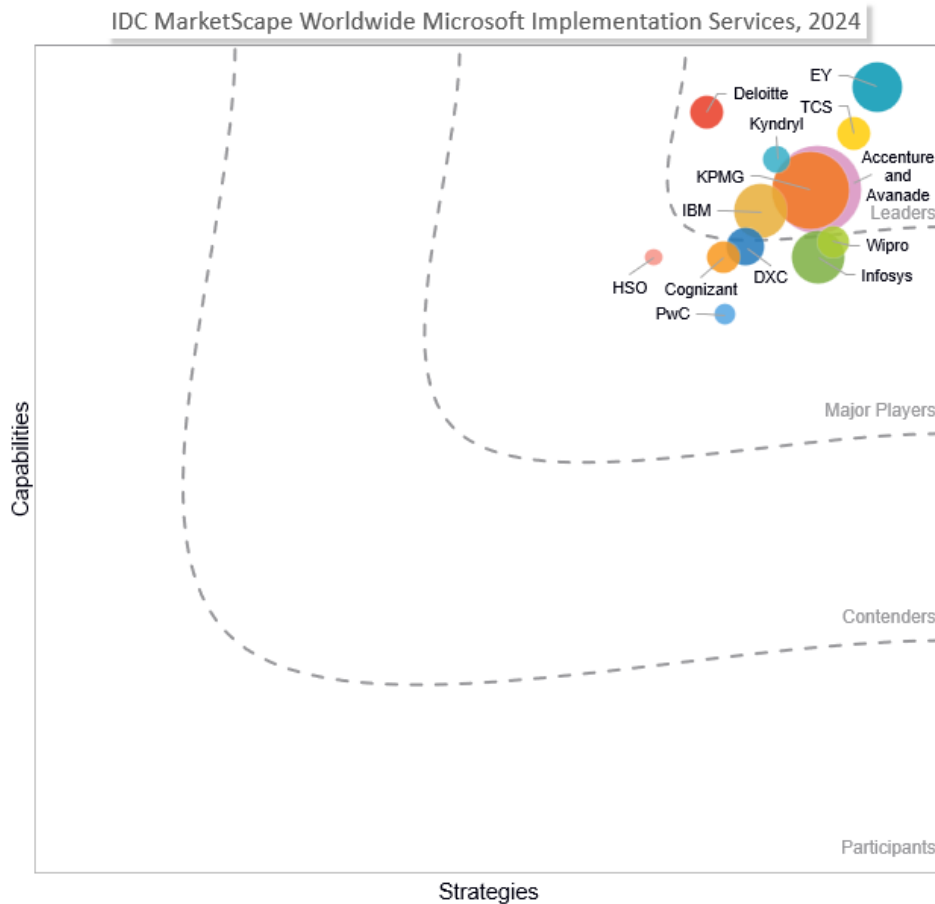
Brian Wood

THIS IDC MARKETSCAPE EXCERPT FEATURES KPMG

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Microsoft Implementation Services Vendor Assessment

Source: IDC, 2024

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Microsoft Implementation Services 2024 Vendor Assessment (Doc # US50539623). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1 and 2.

IDC OPINION

This IDC study represents a vendor assessment of the 2024 Microsoft (MS) implementation services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate the vendor's ascendancy.

This IDC MarketScape covers a variety of vendors participating in the worldwide Microsoft implementation services market. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing Microsoft implementation services in both the short term and the long term. A component of this evaluation is the inclusion of the perception of Microsoft implementation services buyers of both the key characteristics and the capabilities of these providers. Buyers indicated the following three business priorities:

- Improving customer relationships
- Achieving cost reduction goals
- Increasing revenue

In addition, buyers indicated the following three characteristics of Microsoft implementation services vendors as most critical to success:

- Ability to achieve desired business outcomes
- Ability to integrate vendor engagement team with internal team
- Ability to provide technical insights and competency

The scope of this IDC MarketScape includes all six of the Microsoft AI Cloud Partner Designations:

- Solutions partner for Business Applications
- Solutions partner for Data and AI (Azure)
- Solutions partner for Digital and App Innovation (Azure)
- Solutions partner for Infrastructure (Azure)
- Solutions partner for Security
- Solutions partner for Modern Work

IDC believes there are clear synergies between and across these designations. For example, when customers move to a cloud SaaS application from traditional on-premises applications, they typically also need some IaaS (Azure), some security, data and artificial intelligence (AI), and often some Modern Work. Part of this evaluation includes analysis of how well the participants leverage these synergies.

Because of the breadth and complexity of the Microsoft solutions as described previously, IDC has decided that the weighting between strategy and capabilities should emphasize the strategy in a 75:25 ratio to capabilities.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes an analysis of 13 Microsoft solutions services providers with broad portfolios spanning IDC research coverage and on a global scale. This assessment is designed to evaluate the characteristics of each firm — as opposed to its size or the breadth of its services. The inclusion criteria include:

- At least $275 million in revenue coming from a vendor's Microsoft implementation services practice at a worldwide level
- A minimum of 2,700 Microsoft implementation-associated global resources
- At least 10% of the vendor's worldwide Microsoft revenue and head count coming from each of IDC's macroregions

ADVICE FOR TECHNOLOGY BUYERS

Holistic Approach

When considering a partner for Microsoft implementation services, consider the breadth of Microsoft-related services and the synergy across those solutions. For example, digital transformation, business applications, data and AI, and security often go hand in glove. Look for a partner that will evaluate your requirements holistically while delivering on the outcomes that drive your business case. This requires that you spend the time and effort to identify and prioritize these outcomes explicitly.

Outcome-Based Pricing

Based on the identification and prioritization of desired outcomes, consider partners that are willing to provide outcome-based pricing. This can and should include hybrid pricing with a fixed base price plus value sharing options based on outcomes. The process of identifying and prioritizing outcomes should include baseline measurements for these outcomes. These baselines should be presented and agreed on with your potential partners along with the business case used to justify the project.

End-State Architecture

Many organizations engage in transformation or project-based work with very little focus on the end-state architecture. Most large organizations will end up with a double-hybrid architecture, and not by design. By this, we mean that both the infrastructure and applications architectures' future states are not planned but evolve organically. One stakeholder with a budget chooses a business application running in one of the public clouds, another may choose a business application from a different vendor running in a different public or private cloud, and the IT stakeholders might choose a hybrid cloud/on-premises architecture for the analytic data infrastructure and integration platform. It is therefore important to discuss the pros and cons of an end-state architecture with your services partners. It is best to at least understand the consequences of various approaches, even if your organization has not explicitly chosen an end-state architecture (for infrastructure and/or applications).

VENDOR SUMMARY PROFILES

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

KPMG

According to IDC analysis and buyer perception, KPMG is positioned in the Leaders category in this 2024 IDC MarketScape for worldwide Microsoft implementation services.

KPMG, in partnership with Microsoft, helps clients adapt to the fast-changing AI and technology landscape, and the firm offers its clients a range of technical accelerators and digital innovations on Microsoft technology. Currently, KPMG has 12 priority solutions with Microsoft originating from over 50 solutions it has developed since 2017. The company continues to enhance these solutions to ensure relevancy in the current GenAI landscape.

KPMG understands the trend toward multicloud environments and offers expertise and accelerators for cross-platform integration. Its assets support delivery and become useful tools for its clients to use after implementation. KPMG's Microsoft practice services span the entire project life cycle, from strategy to architecture to implementation to managed services.

KPMG promotes business-led transformation: Over 80% of its application development projects begin with a business consulting engagement. KPMG suite of business transformation solutions include KPMG Powered Enterprise (PE): start with vision, validate, construct, deploy, and evolve as we go into post-go-live support. It also includes preconfigured solutions for Powered Finance, Powered HR, Powered SCM, and Powered Marketing Sales and Service.

KPMG's strategy of using Connected, Powered, and Trusted (CPT) assets is still the core of the firm's growth, as the firm is expanding and creating new ways to access more revenue opportunities. It has built the essential capabilities to enable enterprise transformation, based on the major assets it has developed, and adding elements from other KPMG service lines to the CPT solution. CPT is its way of scaling up using its Global Delivery Network locations for Microsoft implementation.

Strengths

Buyers had positive feedback about KPMG's ability to integrate vendor project team with internal team; provide customer service, particularly onsite; and resolve problems/issues related to customer service. Strengths of KPMG are functionality or offering road map and cost management strategy.

Challenges

IDC believes KPMG's corporate-level visibility strategy could be improved by adding a section to the landing page for Microsoft Services. Also, KPMG would benefit from adding external review to ensure service delivery consistency.

Reading an IDC MarketScape Graph

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

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

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

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

IDC MarketScape Methodology

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

Market Definition

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

FIGURE 2

IDC's Design-Build-Run Function Chain
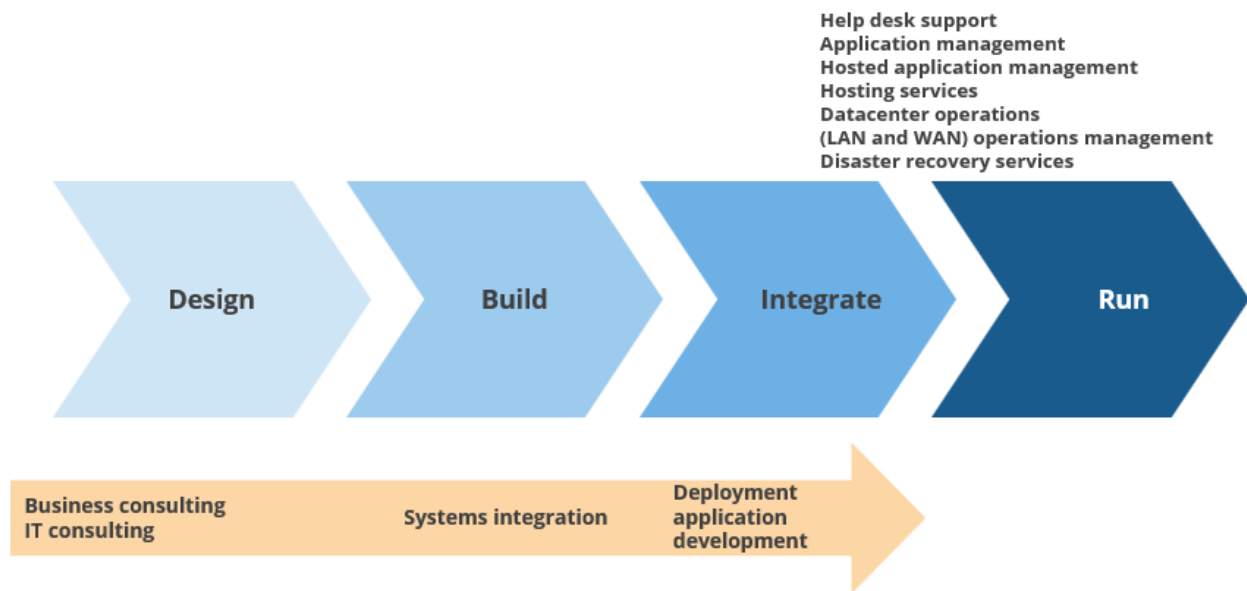
Source: IDC, 2024

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Voice of the Customer Applications 2023-2024 Vendor Assessment* (IDC #US50052123, November 2023)

- *Future of Digital Infrastructure: Choosing the Right Partners for Your Dedicated Cloud IaaS Journey* (IDC #US50866323, July 2023)

- *IDC MarketScape: Asia/Pacific Intelligent Digital Workplace Services 2023 Vendor Assessment* (IDC #AP49091222, March 2023)

- *IDC MarketScape: Asia/Pacific Salesforce Implementation Services 2022 Vendor Assessment* (IDC #AP48916222, November 2022)

- *IDC MarketScape: Asia/Pacific SAP Implementation Services Vendor Assessment, 2022* (IDC #AP48871022, August 2022)

Synopsis

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

The Microsoft implementation services market is broad and complex. The breadth of the offerings spans IDC's foundation markets of IT consulting and systems integration, which implies the need to satisfy the requirements of an array of stakeholders. IT and line-of-business (LOB) stakeholders will have different priorities and goals with respect to Microsoft implementation services. This means that in order to be successful in the market, service providers will need to address these varying requirements through specific marketing and go-to-market messaging and deliver effective solutions across industries at the IT, LOB, and C-suite level.

The market is also quite dynamic as Microsoft rapidly adds functionality and technology to the platform, applications, and tools. This means that services organizations have to be continuously acquiring or developing new skills and capabilities. Some vendors will offer only one or a few of the categories of solutions in the Microsoft portfolio, while others plan to deliver the full range of solutions across the six Microsoft AI Cloud Partner Designations mentioned previously. Buyers of these services should be aware of the full scope of Microsoft solutions and look for service providers that have experience with and understand the synergies across these solutions.

"In a rapidly evolving Microsoft implementation services market, strategic partnerships and innovative AI solutions are key to unlocking sustainable business value," says Brian Wood, research director, IT Consulting and Systems Integration at IDC.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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