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The Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017

The 13 Providers That Matter Most And How They Stack Up

by Ashutosh Sharma and Somak Roy
December 20, 2017

Why Read This Report

Buyers of Microsoft Dynamics 365 are increasingly enterprises. Our 30-criteria evaluation of Microsoft Dynamics 365 service providers identified the 13 most significant ones — Avanade, DXC Technology, HCL Technologies, Hitachi Solutions, IBM, Infosys, KPMG, Larsen & Toubro Infotech (LTI), PwC, Sonata Software, Tata Consultancy Services (TCS), Tech Mahindra, and Wipro — and researched, analyzed, and scored them. This report shows how each provider measures up and helps application development and delivery (AD&D) professionals make the right choice.

Key Takeaways

Avanade, KPMG, Hitachi Solutions, Wipro, And DXC Technology Lead The Pack
Forrester's research into the Microsoft Dynamics 365 services landscape reveals a market where Avanade, KPMG, Hitachi Solutions, Wipro, and DXC lead the pack. HCL, PwC, Infosys, TCS, IBM, and Sonata Software offer competitive options. LTI and Tech Mahindra have some catching up to do.

The Dynamics Platform Becomes A Lever For Better CX, Not Just A System Of Record
The goal of CRM design is now more often about empowering front-end personnel with the data they need to serve customers better and improve the customer experience (CX). To a lesser extent, the Microsoft Dynamics enterprise resource planning (ERP) portfolio is following suit.

Consulting Capabilities And Scale Are Key Differentiators
Successful vendors are differentiating via their consulting capabilities, scale, and industry-specific capabilities. Consulting is becoming key as more enterprises make Dynamics 365 a central part of their digital transformation and it remains difficult to find skilled Dynamics resources. Most large players either started early or made acquisitions to build scale. Some small players are achieving success through niche industry solutions.

The Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017

The 13 Providers That Matter Most And How They Stack Up

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Table Of Contents

Related Research Documents

The Forrester Wave™: EMEA Applications Outsourcing Services, Q1 2014

The Forrester Wave™: North American Applications Outsourcing Services, Q1 2014

Vendor Landscape: Digital Services Providers For Microsoft Dynamics CRM And AX

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Microsoft Dynamics Gains Relevance For Digital Transformation

Over the past few years, Microsoft has steadily improved the relevance of both its ERP and CRM solutions to account for a broader set of use cases in the large enterprise market segment. It is increasingly positioning its CRM product as an enabler of digital transformation initiatives via its role as the link between customer-facing systems that drive the customer experience as well as core enterprise applications. AD&D professionals considering these products will find that:

› **Dynamics ERP is now relevant to the enterprise.** Microsoft Dynamics 365 for Finance and Operations is emerging from its subsidiary-only, midmarket roots. With AX 2012 and later releases, Microsoft steadily upgraded features until they were deep enough. While Dynamics has yet to attain best-of-breed status, its price and age-old advantages such as easier integration with other technology in the Microsoft stack make it an attractive option. As the global ERP lead at one Microsoft services specialist put it: "It's becoming a discernible trend: Companies in the $1 billion to $2 billion range are selecting AX to manage finance. Three years ago, they would have gone with SAP for sure." This pattern should lead enterprises to favor Microsoft service partners with consulting and process re-engineering competencies.

› **Vendors increasingly position Dynamics as an enabler of digital transformation.** About one-third of the implementation projects (ERP, CRM, or both) executed by the 13 vendors in this report were part of broader digital transformation initiatives. While legacy modernization, application consolidation, and sunsetting of older versions still drive most Dynamics projects, those aimed at meeting the digital mandate are gaining steam. As one service provider told us, "It used to be about lead, opportunity, campaign, and service requirement management. Now firms are asking for more comprehensive CX strategy enablement, like omnichannel interactions." The rise of the digital imperative necessitates a service provider partner that brings together platform, consulting, industry sector, and design skills.[1]

New Releases Build On Traditional Portfolio Strengths

In 2016, Microsoft announced a major set of Dynamics releases under the Microsoft Dynamics 365 moniker. What used to be Microsoft Dynamics AX — briefly released as software-as-a-service (SaaS)-only AX7 in March 2016 — is now Microsoft Dynamics 365 for Finance and Operations. And what used to be Microsoft Dynamics CRM is now Microsoft Dynamics 365 for Sales, Customer Service, Field Service, and Project Service Automation.[2]

Microsoft's New Dynamics Themes Are Cloud, Agility, And Tight Integration

In addition to the new releases of ERP and CRM solutions, Microsoft announcements include its focus on cloud, embedded analytics (Cortana and Power BI), the AppSource SaaS app marketplace, and a lightweight workflow solution called Microsoft Flow.[3] The common theme in these releases and announcements was a reduction in both time-to-value and the complexity involved in introducing change. A year after these announcements, interviews with clients and service providers reveal that:

› **SaaS ERP is getting a positive reception, especially at the lower end of the enterprise.** The focus on cloud predates the Microsoft Dynamics 365 announcement. In March 2016, Microsoft announced AX 2016 (formerly known as AX7), a SaaS ERP platform with term licensing and subscriptions.[4] The reception has been positive, and many enterprises seem to have gotten over their qualms about SaaS ERP. In fact, the interest in cloud-only and hybrid deployments among firms with about $1 billion in revenue is widespread.[5] Conversations with the service providers we evaluated indicate that 30% to 40% of Microsoft Dynamics 365 for Finance and Operations projects underway in 2017 are cloud or hybrid implementations.[6]

› **Joint ERP and CRM deployments are gaining traction.** Increased modularization and tighter integration of the ERP and CRM modules were highlights of the Microsoft Dynamics 365 release in Q3 2016.[7] Our research shows that 5% to 15% of current Microsoft Dynamics implementation projects involve modules from both the CRM and ERP portfolios, and less for enterprises with more than $1 billion in revenues. While Microsoft is making a big push for integrated ERP and CRM, we do not expect this deployment pattern to dominate in the foreseeable future. As one former COO of a Microsoft Dynamics specialist told us when asked about the case for convergence, "You are assuming I'd encourage that — but there is just so much change an organization can take at one time."

› **Some releases, such as AppSource, have received a muted response.** Microsoft is making a big push for a marketplace like Salesforce's AppExchange, but the platform has gotten minimal traction thus far. Of the 13 service providers evaluated in this Forrester Wave™, 12 have fewer than 10 clients using apps published on AppSource. Several, particularly those from the Big Four audit club, publish nothing on AppSource.

Traditional Portfolio Strengths Play To Microsoft Dynamics' Advantage

Enterprises we spoke with have taken note of the recent announcements and are looking forward to some of the changes. However, their rationale for going the Microsoft Dynamics way recounts what has always been true of Microsoft. AD&D professionals should note that:

› **Price, the Microsoft ecosystem, and flexibility drive Microsoft Dynamics adoption.** Enterprises cite familiar user interfaces, the availability of in-house .NET skills, the broad availability of Microsoft skills in the market, easier integration with other Microsoft solutions, lower licensing costs, and a perceived ease of customization relative to the competition as the primary drivers for going the Microsoft way.

› **Dynamics buyers continue to value the on-premises option.** Often, when competitive evaluations lead customers to choose Microsoft over other cloud options such as Salesforce, it's because the on-premises option is important. This happens when the CRM solution needs to integrate with a host of applications that reside in the enterprise data center.

› **xRM is still relevant.** The bulk of enterprises interviewed for this report believe Dynamics' promise of quicker time-to-value. These enterprises almost always limit customization and stick to what came out of the box. But there are some strong proponents of the Dynamics xRM framework, and

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

December 20, 2017

The Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017
The 13 Providers That Matter Most And How They Stack Up

members of this community are stretching the limits of what is possible with the platform. A jeweler with manufacturing and retail operations has fashioned a product management solution from the framework and is currently working on a solution that would track the building and rollout of new jewelry stores. Nearly every service provider featured in this report has client stories or intellectual property (IP) based on xRM.

Microsoft Dynamics Services Evaluation Overview

To assess the state of the Microsoft Dynamics implementation and managed services market and see how the providers stack up against each other, Forrester evaluated the strengths and weaknesses of the top providers. We did this with three goals in mind: vendors' ability to leverage the Dynamics platform to bring about digital transformation; alignment with Microsoft's recently articulated strategic direction; and ability to fulfill the long-unchanged core demands of the Microsoft services market, such as quick time-to-value.

This report focuses on the largest Microsoft Dynamics services partners with a global, pan-industry footprint and competencies that go beyond the technical. The latter assumes particular importance as the Dynamics platform becomes an agent of digital transformation and gains relevance among large enterprises. It does not cover any of the several dozen credible Microsoft Dynamics specialists that have hundreds of consultants and focus on mostly midsize enterprises in specific industries and geographies. However, it's important to note that many of the service providers in this evaluation have strengthened their offerings by acquiring one or more Dynamics specialists.

We evaluated vendors against 30 criteria, which we grouped into three categories:

› **Current offering.** These criteria cover the competencies essential to digital transformation, such as business consulting, service design, and user experience design. We also evaluated service providers on their record of helping clients use Microsoft Dynamics in their digital transformation. We also evaluated service providers' alignment with Microsoft's strategic direction, such as SaaS ERP, integrated ERP and CRM, AppSource, and Power BI.

› **Strategy.** We evaluated service providers' strategies for their Microsoft Dynamics practice, assessing planned investments in IP, data science capabilities, ability to manage talent in a market where talent is scarce, and preparation for a SaaS-dominated business applications landscape.

› **Market presence.** We assessed the size of the Microsoft Dynamics practice, incorporating service revenues and the number of clients for both implementation and managed services engagements.

Evaluated Vendors And Inclusion Criteria

Forrester included 13 vendors in this assessment: Avanade, DXC Technology, HCL Technologies, Hitachi Solutions, IBM, Infosys, KPMG, Larsen & Toubro Infotech (LTI), PwC, Sonata, Tata Consultancy Services (TCS), Tech Mahindra, and Wipro. Each of these vendors has (see Figure 1):

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

December 20, 2017

The Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017
The 13 Providers That Matter Most And How They Stack Up

› A global, pan-industry footprint.

› At least $10 million in annual revenue from Microsoft Dynamics services.[8]

› At least 50 Microsoft Dynamics 365 for Finance and Operations practitioners dedicated to the platform.

› At least 150 Microsoft Dynamics 365 for Sales, Customer Service, Field Service, and Project Service Automation practitioners dedicated to the platform.

› Demonstrated interest from Forrester clients.

FIGURE 1 Evaluated Vendors: Vendor Information And Selection Criteria

Vendor

Vendor
Avanade
DXC Technology
HCL Technologies
Hitachi Solutions
IBM
Infosys
KPMG
Larsen & Toubro Infotech (LTI)
PwC
Sonata Software
Tata Consultancy Services (TCS)
Tech Mahindra
Wipro

Vendor inclusion criteria

The provider has a global, pan-industry footprint.
The provider receives at least $10 million in annual revenue from Microsoft Dynamics services.
The provider has at least 50 Microsoft Dynamics 365 for Finance and Operations practitioners dedicated to the platform.
The provider has at least 150 Microsoft Dynamics 365 for Sales, Customer Service, Field Service, and Project Service Automation practitioners dedicated to the platform.
The provider has received demonstrated interest from Forrester clients.

Vendor Profiles

This evaluation of Microsoft Dynamics services market is intended to serve as a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool (see Figure 2).

FIGURE 2 Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017

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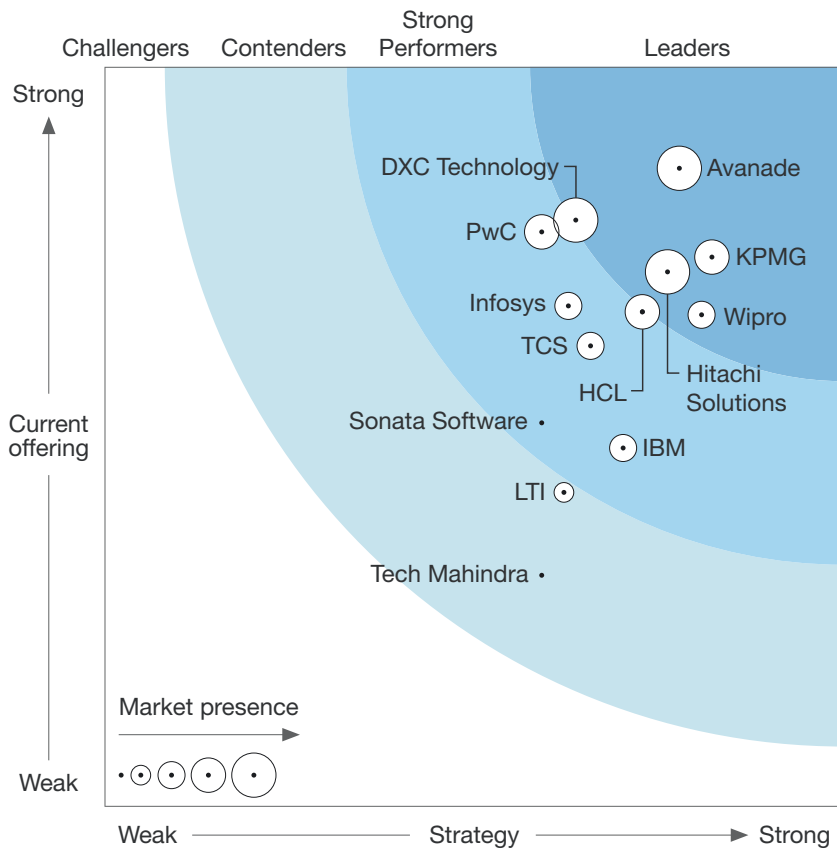**The Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017**
The 13 Providers That Matter Most And How They Stack Up

December 20, 2017

FIGURE 2 Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017 (Cont.)

	Forrester's weighting	Avanade	DXC Technology	HCL Technologies	Hitachi Solutions	IBM	Infosys	KPMG
Current offering	50%	4.31	3.96	3.34	3.61	2.42	3.38	3.71
ERP and digital transformation	15%	4.55	3.95	2.90	2.25	4.50	3.75	3.65
Managed services capability	20%	5.00	5.00	4.00	4.00	2.00	2.00	4.00
Product competency	25%	5.00	4.10	3.70	3.70	2.50	4.30	3.70
Next-generation Dynamics capability	10%	4.05	2.70	3.95	4.35	3.30	2.65	3.25
Product partnership with Microsoft	5%	3.00	0.00	2.00	4.00	0.00	5.00	3.00
Industry sector competency	25%	3.30	4.30	2.75	3.65	1.55	3.30	3.85
Strategy	50%	3.88	3.18	3.63	3.80	3.50	3.13	4.10
Service vision	15%	5.00	3.00	5.00	5.00	5.00	3.00	5.00
Execution road map	30%	4.25	4.25	3.25	4.50	3.50	1.25	5.00
Performance	15%	2.00	2.00	5.00	4.00	2.00	4.00	1.00
Innovation road map	25%	3.20	2.20	3.40	2.60	3.20	3.80	4.40
SaaS ERP readiness	15%	5.00	4.00	2.00	3.00	4.00	5.00	4.00
Market presence	0%	5.00	5.00	3.50	4.50	2.50	3.00	4.00
Revenue	50%	5.00	5.00	3.00	5.00	3.00	3.00	5.00
Installed base	50%	5.00	5.00	4.00	4.00	2.00	3.00	3.00

All scores are based on a scale of 0 (weak) to 5 (strong).

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

The Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017
The 13 Providers That Matter Most And How They Stack Up

December 20, 2017

FIGURE 2 Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017 (Cont.)

	Forrester's weighting	LTI	PwC	Sonata Software	Tata Consultancy Services	Tech Mahindra	Wipro
Current offering	50%	2.12	3.88	2.59	3.11	1.56	3.32
ERP and digital transformation	15%	2.20	4.30	2.05	3.70	1.95	4.00
Managed services capability	20%	2.00	4.00	2.00	4.00	1.00	3.00
Product competency	25%	1.90	3.90	3.60	2.60	1.70	3.00
Next-generation Dynamics capability	10%	2.65	3.60	4.30	1.95	1.15	2.90
Product partnership with Microsoft	5%	1.00	0.00	5.00	5.00	1.00	3.00
Industry sector competency	25%	2.40	4.40	1.20	2.65	1.90	3.70
Strategy	50%	3.10	2.95	2.95	3.28	2.95	4.03
Service vision	15%	3.00	3.00	5.00	5.00	5.00	5.00
Execution road map	30%	3.00	2.00	2.50	1.75	1.00	1.75
Performance	15%	5.00	4.00	4.00	4.00	3.00	5.00
Innovation road map	25%	2.80	3.40	1.60	3.80	4.00	5.00
SaaS ERP readiness	15%	2.00	3.00	3.00	3.00	3.00	5.00
Market presence	0%	1.50	3.50	1.00	3.00	1.00	3.00
Revenue	50%	1.00	3.00	1.00	3.00	1.00	3.00
Installed base	50%	2.00	4.00	1.00	3.00	1.00	3.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Leaders

› **Avanade's scale, cross-industry footprint, and lineage give it a unique proposition.** Accenture subsidiary Avanade not only has nearly twice as many Microsoft Dynamics pros as its closest competitor, it's also one of the few service providers with a balanced portfolio, employing CRM and ERP practitioners in equal proportions. It has been quick to take advantage of Dynamics' growing acceptance for enterprisewide ERP deployments, with more than 50 such engagements in recent

years. This is where its Accenture lineage comes in handy. As Microsoft Dynamics' ERP modules emerge from their subsidiary heritage and as the ERP and CRM modules both become enablers of digital transformation, the ability to tap into Accenture's consulting and industry sector competency becomes a proposition that is hard to beat. Consider Avanade particularly when the Dynamics implementation is part of a broader business model and business process transformation — and, of course, where the tech stack for transformation is primarily Microsoft.

› **KPMG.** KPMG is the rare Big Four consultancy to dive headfirst into building scale, first by acquiring Crimsonwing in 2014 and Hands-On Systems in 2015 and then by consolidating country-level and regional practices into a proposition that works for global transformational requirements. In terms of the number of practitioners, KPMG's ERP practice is second only to Avanade's. KPMG offers the dual benefits of large offshore delivery (from Malta and the Philippines) with consulting capability for both industries and functions such as supply chain management, finance, and regulatory compliance. Evaluate KPMG when business process re-engineering will be a significant part of the project and when the footprint is global.

› **Hitachi Solutions.** The other Microsoft specialist among the Leaders, Hitachi Solutions, has a formidable market presence and was second to Avanade in competitor mentions. Its ERP-heavy Microsoft Dynamics practice has nearly 1,000 practitioners — one of the largest contingents. Reference clients include Amway, Okuma, and Pandora Jewelry. Consider Hitachi particularly when the request is deep and technical and the appetite for customization is high. Hitachi's reference customers spoke highly of the quality of its personnel and its ability to get things right the first time. Hitachi's clients often push the limits of what can be achieved with the Microsoft Dynamics platform, such as with the xRM framework.

› **Wipro.** Wipro organically built a 700-strong Microsoft Dynamics practice with a clear CRM tilt. The offshore service provider was also early to recognize the growing relevance of the ERP portfolio to large clients and has had more enterprisewide (as opposed to subsidiary-level) deployments of AX Dynamics 365 for Finance and Operations than any other of its offshore-headquartered counterparts. Wipro's aggressive SaaS plans are also noteworthy; it acquired cloud specialist Appirio and its projections assume a high incidence of Microsoft ERP on SaaS. Wipro also scores well on consulting and experience design, aided by the acquisitions of Designit in 2015 and Cooper in 2017. Wipro has invested a greater proportion of its Dynamics revenues in IP development than any of the other evaluated vendors. Consider Wipro when offshore leverage is important and digital transformation is part of the mix, especially in manufacturing, banking, insurance, retail and distribution, and oil and gas.

› **DXC Technology.** DXC has a strong combination of transformation consulting and Microsoft Dynamics expertise. DXC's Dynamics practice, like the rest of the company, is a product of acquisitions. In the past five years alone, HPE and CSC — the two constituents of DXC —acquired seven different Microsoft Dynamics specialists.[9] This is a positive: Enterprises need a Dynamics practice at scale, where the primary barrier is hiring talent fast enough. What also works for DXC

is the erstwhile CSC's consulting capabilities, which are significant among service providers with similar business models. Evaluate DXC closely when business transformation is a requirement, particularly in the public sector, manufacturing, healthcare, retail, and distribution.

Strong Performers

› **HCL Technologies.** The offshore service provider boosted its Microsoft Dynamics practice by acquiring Minneapolis-based PowerObjects in 2015. An old hand at Microsoft Dynamics CRM in North America and the UK, PowerObjects brought in close to 300 practitioners. One unusual part of the PowerObjects proposition is its PowerPack repository of apps, leased on a term licensing basis; PowerPack long predates Microsoft AppSource. PowerPacks are an important source of value and flexibility. Consider HCL when you need a combination of close on-the-ground support from highly experienced consultants coupled with the ability to scale offshore. This applies particularly to CRM deployments, as HCL's Dynamics practice is still CRM-heavy.

› **PwC.** As expected, PwC does well at business consulting; it's a Big Four firm with thousands of consultants, augmented by its acquisitions of Booz & Company, Diamond, PRTM, and parts of BearingPoint. PwC has also organically built an 800-strong Microsoft Dynamics practice, well balanced across ERP and CRM skill sets. Consider PwC when business model shifts and/or business process re-engineering precedes implementation, especially in the retail, manufacturing, healthcare, media, telecom, and financial services verticals. While the provider has a relatively large installed base of managed services clients, application maintenance and support is not an area of focus currently.

› **Infosys.** The traditional strengths of India-headquartered majors — scale and offshore rates — apply to Infosys; in addition, most of its implementations have involved large enterprises with more than $1 billion in revenue. This is true of neither Microsoft specialists nor firms that built their practice by acquiring Microsoft Dynamics specialists. This history gives Infosys a clear edge in Microsoft Dynamics 365 for Finance and Operations, which began making inroads into the large enterprise space relatively recently. It also does well on consulting capabilities and user experience design. Consider Infosys for large, business transformation-heavy requirements, especially for the banking, insurance, manufacturing, business services, and construction industries.

› **Tata Consultancy Services.** TCS has built a 700-strong, CRM-dominant Microsoft Dynamics practice that gets 85% of its business from enterprises with more than $1 billion in revenue. Its considerable experience leveraging the Dynamics CRM platform for digital transformation, makes TCS one of the top-ranking business transformation consultancies; it surpasses all of its offshore peers except Cognizant. TCS's sheer size, offshore and nearshore contingent, and early progress in emerging tech areas such as the internet of things (IoT) give it a strong proposition for large, complex deployments of which Dynamics is a part, especially in banking, insurance, manufacturing, and utilities. Special mention goes to TCS's automation portfolio in the managed services context. Those considering outsourcing application maintenance and support of their Microsoft Dynamics estate should evaluate TCS and its ignio platform.

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

The Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017
The 13 Providers That Matter Most And How They Stack Up

December 20, 2017

› **IBM.** While IBM's presence in the market is not commensurate with its overall size, its global workforce and traditional strengths in business consulting and experience design still apply. Following a path that many of its peers have traversed, IBM also acquired a specialist, Optevia, which brought in UK public sector clients and a CRM workforce. IBM leads the pack in terms of next-generation technologies, like Azure Machine Learning, Cortana, HoloLens, and IoT, that will increasingly be part of Microsoft Dynamics implementation projects. Consider IBM when the initiative involves business transformation and encompasses emerging technologies such as preemptive monitoring in manufacturing, HoloLens-enabled field services, and chatbot-equipped CRM.

› **Sonata Software.** Sonata, a midsize provider headquartered in India, has a relatively large Microsoft Dynamics practice. With more than 700 ERP and CRM consultants — some of whom came via its 2015 acquisition of Dynamics specialist I.B.I.S. — its practice is similar to those of much larger offshore counterparts. Sonata focuses on three industries — retail, travel, and distribution — and has some presence in manufacturing and business services. It has built industry-specific IPs on Microsoft AppSource and is a select ISV Development Center partner. Reference clients spoke highly of consultants' technical acumen, customer orientation, and willingness to be a long-term partner. Consider Sonata for tech-focused deployments when offshore delivery and strong product knowledge are a priority.

Contenders

› **Larsen & Toubro Infotech.** A midsize offshore systems integrator with about $1 billion in revenue, LTI has a 350-strong Microsoft Dynamics 365 contingent, equally distributed across CRM and ERP. More than 90% of the service provider's Dynamics revenue comes from $1 billion-plus enterprises. The practice has done well in the insurance, retail, oil and gas, construction, and manufacturing verticals and in the field services horizontal and has built solutions in highly niche areas such as specialty retail and entertainment. For a vendor its size, LTI does well in business consulting and state of preparedness for emerging technologies such as Cortana and IoT. Consider LTI for tech implementation-focused use cases in the aforementioned industries.

› **Tech Mahindra.** Tech Mahindra's Microsoft Dynamics practice, consisting of more than 300 practitioners with a CRM tilt, is small considering the firm's overall size: It had revenue of $4.35 billion in its 2017 fiscal year and more than 80% of its clients are $1 billion-plus enterprises. Tech Mahindra has traditionally had a strong presence in telecommunications and manufacturing; as expected, its Dynamics practice does well in manufacturing, utilities, retail, and banking. As Dynamics has had a slim presence in the telecom industry, telcos should consider Tech Mahindra, which has deep roots in the sector going back to the mid-'80s. This is particularly interesting in areas where telco and retail overlap, such as telco retail stores. The service provider has also developed solutions for highly specific niches using the xRM framework, including an application for the department of motor vehicles in a US state. Consider Tech Mahindra when offshore leverage is important, particularly if the industry in question is one of the above.

FOR APPLICATION DEVELOPMENT & DELIVERY PROFESSIONALS

December 20, 2017

The Forrester Wave™: Microsoft Dynamics 365 Services, Q4 2017
The 13 Providers That Matter Most And How They Stack Up

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Supplemental Material

Online Resource

The online version of Figure 2 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings. Click the link at the beginning of this report on Forrester.com to download the tool.

Data Sources Used In This Forrester Wave

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution. We evaluated the vendors participating in this Forrester Wave, in part, using materials that they provided to us by November 11, 2017.

› **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.

› **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria for evaluation in this market. From that initial pool of vendors, we narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave evaluation — and then score the vendors based on a clearly defined scale. We intend these default weightings to serve only as a starting point and encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve. For more information on the methodology that every Forrester Wave follows, please visit The Forrester Wave™ Methodology Guide on our website.

Integrity Policy

We conduct all our research, including Forrester Wave evaluations, in accordance with the Integrity Policy posted on our website.

Endnotes

[1] This echoes partner selection in other packaged software implementation services markets. In the Salesforce.com services market, design thinking and business strategy (and business consulting) are becoming important considerations. See the Forrester report "The Forrester Wave™: Salesforce Implementation Partners, Q3 2017."

[2] The Microsoft Dynamics 365 announcement broke down the ERP and CRM portfolios into individual modules. Source: Takeshi Numoto, "Turning business process into business advantage for organizations everywhere," Official Microsoft Blog, July 6, 2016 (https://blogs.microsoft.com/blog/2016/07/06/turning-business-process-into-business-advantage-for-organizations-everywhere/).

[3] PowerApps — an approach to building apps through a low-code development platform using Microsoft Dynamics data and the common data mode — was among the highlights of the Q4 2016 announcements. PowerApps would reside in and be accessible through AppSource. Another category of apps, Solution Apps, are envisioned as more complex apps built by ISVs. Continuing on the theme of agility, Microsoft released Flow, a lightweight workflow tool, at the same time. Source: Sandeep Chaudhury, "Common Data Services (CDS), Data Integrator and Dynamics 365,

What will you do?" Microsoft Dynamics 365 Blog, July 20, 2017 (https://community.dynamics.com/enterprise/b/
dynamics365bysandeepchaudhury/archive/2017/07/20/common-data-services-cds-data-integrator-and-dynamics-
365-what-will-you-do).

[4] The announcement came in March 2016. Source: Sandeep Chaudhury, "Common Data Services (CDS), Data
Integrator and Dynamics 365, What will you do?" Microsoft Dynamics 365 Blog, July 20, 2017 (https://community.
dynamics.com/enterprise/b/dynamics365bysandeepchaudhury/archive/2017/07/20/common-data-services-cds-data-
integrator-and-dynamics-365-what-will-you-do).

[5] Microsoft Dynamics for Finance and Operations is featured in a Forrester vendor landscape on SaaS ERP. For more
information, see the Forrester report "Vendor Landscape: SaaS ERP Applications, 2017."

[6] Around 24% of client organizations were considering SaaS ERP in 2014. See the Forrester report "Application
Adoption Trends: The Rise Of SaaS."

[7] Microsoft announced plans for the November 2016 release of Microsoft Dynamics 365 in July. While its primary
technical constructs for easing integration were the common data model and common data services, the integration
theme goes much further than providing tools to reduce custom coding for integration. In fact, Microsoft is so bullish
on the idea of convergence that the Microsoft Dynamics 365 release did away with the ERP and CRM monikers
altogether. What used to be Microsoft Dynamics AX is now Microsoft Dynamics 365 for Finance and Operations. And
what used to be Microsoft Dynamics CRM is now Microsoft Dynamics 365 for Sales, Customer Service, Field Service,
and Project Service Automation. Source: Takeshi Numoto, "Turning business process into business advantage for
organizations everywhere," Official Microsoft Blog, July 6, 2016 (https://blogs.microsoft.com/blog/2016/07/06/turning-
business-process-into-business-advantage-for-organizations-everywhere/).

[8] This includes revenues from Microsoft Dynamics 365 and previous versions (CRM and AX) only, not Microsoft
Dynamics GP or Navision.

[9] In some cases, the acquired company had acquired other, smaller specialists. For example, UXC Eclipse had acquired
the Microsoft Dynamics and business intelligence units of Koorb Consulting in 2015. Source: "UXC Eclipse acquires
Microsoft Dynamics AX and Microsoft BI divisions of Koorb Consulting," Eclipse News, October 1, 2015 (http://www.
uxceclipse.com/uxc-eclipse-acquires-microsoft-dynamics-ax-and-microsoft-bi-divisions-of-koorb-consulting/).

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