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The Forrester Wave™: EMEA SOA Systems Integrators, Q2 2009

by Tim Sheedy
for Sourcing & Vendor Management Professionals

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IBM, CSC, And Wipro Lead, With THBS And Accenture Close Behind

by Tim Sheedy

with Christine Ferrusi Ross, Sean Galvin, and Elizabeth Rose

EXECUTIVE SUMMARY

In Forrester's 62-criteria evaluation of EMEA service-oriented architecture (SOA) systems integrators, we found that IBM Global Services (IBM), CSC, and Wipro lead the pack because of their broad and deep SOA experience and the quality of their reference accounts. Torry Harris Business Solutions (THBS), Accenture, Deloitte, and Logica were also Leaders in this Forrester Wave™ — these companies are very competent providers of SOA-based solutions, with a growing base of satisfied clients. HCL and Tata Consultancy Services (TCS) are Strong Performers — these two Indian firms specialize in efficient and effective implementation of technology-based solutions with an emphasis on faster time-to-value. Capgemini and T-Systems are also Strong Performers, but are held back primarily by their lower-than-average investment in SOA compared to the other service providers we evaluated. Altogether, this study found that the providers of SOA-based services in EMEA have matured significantly since The Forrester Wave™: EMEA SOA Integration, Q4 2006, and all providers now have a strong position in the market.

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NOTES & RESOURCES

Forrester held briefings with 11 providers, including Accenture, Capgemini, CSC, Deloitte, HCL, IBM, Logica, T-Systems, TCS, THBS, and Wipro and surveyed 35 client references.

Related Research Documents

"Scoping Strategic SOA Projects"
March 26, 2008

"The Forrester Wave™: ANZ SOA Consulting And Integration, Q3 2007"
July 17, 2007

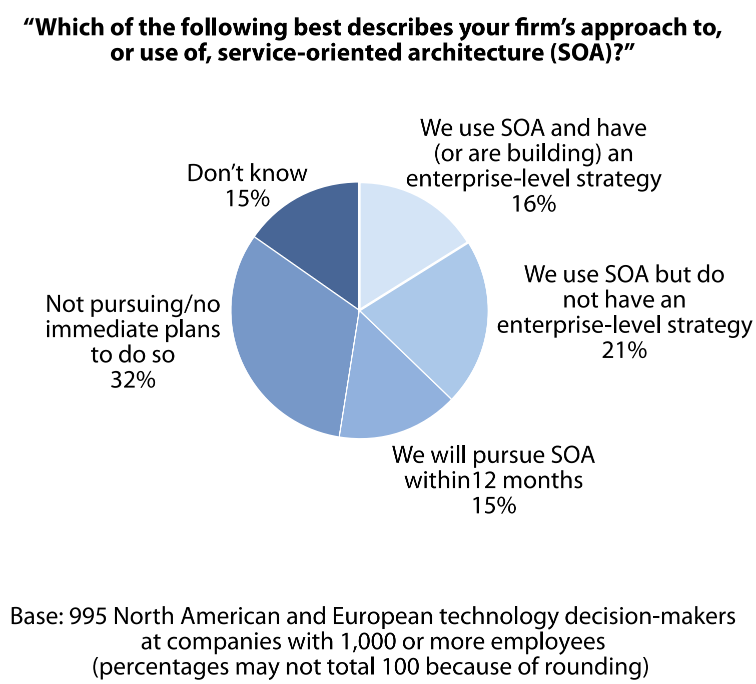
"The Forrester Wave™: EMEA SOA Integration, Q4, 2006"
December 19, 2006

"The Forrester Wave™: North American SOA Integration, Q3, 2006"
September 18, 2006

SOA IS BECOMING THE STANDARD APPROACH FOR ENTERPRISE ARCHITECTURE

While still not the mainstream approach to enterprise architecture, SOA is becoming the standard approach among the leading users of IT in EMEA. In fact, in Forrester's Enterprise And SMB Software Survey, North America And Europe, Q4 2008, 37% of enterprise respondents in North America and Europe were using SOA in some manner (see Figure 1). And as these firms adopt SOA, the rest of the market will quickly catch up — either by necessity (such as having to link into their supplier's or customer's systems) or desire (including wanting to stay competitive with the Leaders).

Figure 1 Adoption of SOA by North American And European Enterprises



Source: Enterprise And SMB Software Survey, North America And Europe, Q4 2008

46711 Source: Forrester Research, Inc.

But SOA Skills Are Still Lacking In Many Organizations

Despite the fact that many enterprises have adopted SOA, the reality of the situation is that there is still a significant gap in knowledge regarding how to successfully deploy SOA-based systems. Therefore, IT services partners have been integral to the success of many SOA implementations to date in EMEA — and until SOA skills are deeply embedded in IT teams across the region, there will be a continuing demand for SOA-based skills from IT services partners.

In a typical project that uses SOA strategically, there are typically five steps that organizations need to follow in order to successfully complete the project:[1]

- **Step one:** Develop a future state for the business to evolve toward.
- **Step two:** Map existing business services to current business processes.
- **Step three:** Map business services to IT solutions.
- **Step four:** Map IT assets to IT solutions.
- **Step five:** Design SOA governance and infrastructure.

Typically, Forrester has found that organizations seek partners for a number of these steps — sometimes for all — and many of the IT services providers themselves have developed specific solutions around these specific capabilities.

EMEA SOA Systems Integrators Offer Mature Solutions

Since we conducted The Forrester Wave™: EMEA SOA Integration in 2006, the market for SOA services has matured considerably, as have the service provider offerings. The market has moved from a fragmented one with no clear leaders, to one where most providers offer a similar core capability — and one where it is getting harder to differentiate beyond the usual capabilities (such as global presence, company size, and so on). There are obviously many providers beyond those profiled in this Forrester Wave, and many with niche capabilities, such as those that specialize in SOA testing or governance, are dedicated to specific SOA middleware platforms, or that focus only on a niche industry segment.

The Next Wave Of SOA-Based Services Is Beginning To Emerge

Forrester has a vision of "Lean software" which is an approach to building, delivering, and running software that values fit-to-purpose, simplicity, and time-to-results above all. Lean approaches minimize complexity, startup time, and resource usage and avoid features and methods not essential to fulfilling the application's business purpose. Developers can easily combine Lean software components with others when large systems require more features.[2] It encourages organizations, among other things, to follow standards that enable pluggable components for tools and applications. Some of the SIs with strong SOA skills are starting to understand this and are developing their own pluggable, SOA-based components to use as solution accelerators.

EMEA SOA SYSTEMS INTEGRATORS EVALUATION OVERVIEW

To assess the state of the EMEA SOA systems integrators market and see how the providers stack up against each other, Forrester evaluated the strengths and weaknesses of top EMEA SOA systems integrators.

Evaluation Criteria

After examining past research, user need assessments, and provider and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated providers against 62 criteria, which we grouped into three high-level categories:

- **Current offering.** We evaluated the service providers' vision for SOA within their clients, the ways they measure the success of their projects, and their SOA-specific capabilities, including the software platforms they support. We also examined the opinions of their clients regarding the work they have provided over the past few years.

- **Strategy.** We evaluated the service providers' methodologies for SOA implementations, and their strategies concerning acceleration of projects through templates, pre-configured services, and automated capabilities. We also looked at their growth plans for SOA and the integration of SOA-specific capabilities within their organization.

- **Market presence.** We evaluated the number of client engagements, the average size of the engagements, consultants performing these engagements, and overall visibility in this area. Much of this information was self-reported.

Forrester Evaluated 11 Providers With SOA Project Engagements Worth More Than US $200,000

Forrester included 11 providers in the assessment: Accenture, Capgemini, CSC, Deloitte, HCL, IBM, Logica, T-Systems, TCS, THBS, and Wipro. Each of these providers has (see Figure 2):

- **Market presence.** Each service provider had completed at least 50 considerable SOA-based projects in the previous 12 month period.

- **Size.** Each project (as defined below) was worth at least US$200,000. Where necessary, we also evaluated the number of consultants trained in SOA and the total revenue that the service provider believes was driven by SOA-centric services (where that information was available).

Forrester defined an SOA-based project as:

"Any business or IT consulting or systems integration work where a major outcome of the project is a re-architecture of IT services (or deployment of new IT services in the SOA) within the IT environment to reflect the qualities highlighted in Forrester's definition of SOA. The project does not have to be about the re-architecture of the system or software, but has to include re-architecture of the deployment of a new SOA environment as a major outcome."

The following do not meet Forrester's definition of a SOA integration project:

- **XML coding** — that is, what you do with the message when it arrives.

- **The build or re-coding of applications to Web services** — where there is no plan to couple or de-couple these services.

Figure 2 Evaluated Providers: Provider Information And Selection Criteria

Provider	Number of SOA projects in the past year
Accenture	>600
Capgemini	>40
CSC	>100
Deloitte	430
HCL	119
IBM Global Services	>200
Logica	150
T-Systems	50
TCS	90
THBS	>150
Wipro	112

Provider selection criteria

Market presence. Each service provider had completed at least 50 considerable SOA-based projects in the previous 12 month period.

Size. Each project (as defined below) was worth at least US$200,000. Where necessary, we also evaluated the number of consultants trained in SOA and the total revenue that the service provider believes was driven by SOA-centric services (where that information was available).

Source: Forrester Research, Inc.

EVALUATION ANALYSIS

The evaluation uncovered a market in which (see Figure 3):

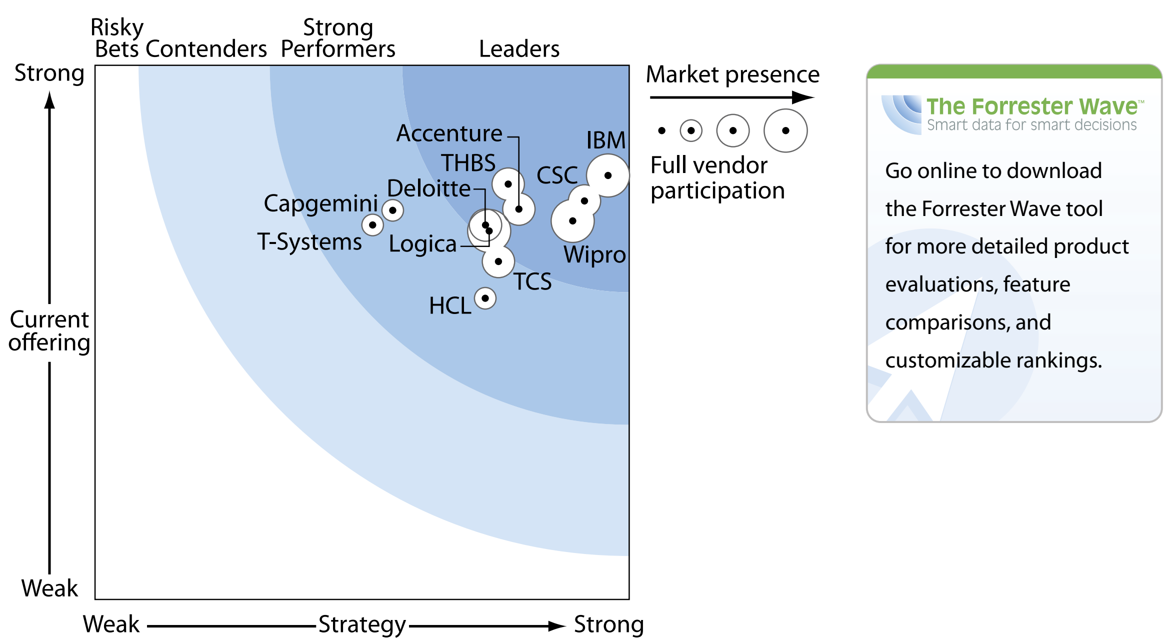
- **IBM, CSC, and Wipro achieved the highest numerical scores.** IBM has been the trailblazer for SOA-based services for some time now, and in the eyes of many, has defined this market. However, Wipro and CSC have both made significant investments in SOA capabilities and processes and have very satisfied clients in EMEA, which has shot them to the top of the pack with IBM. These three companies are all Leaders in the SOA integration services market.

- **THBS, Accenture, Deloitte, and Logica round out the Leaders.** All of these companies have very strong offerings in the EMEA market, with a focus on either business or technology outcomes, or both. THBS has a strong position across much of Europe and also the Middle East, where we spoke to a number of their very satisfied clients. Accenture, Deloitte, and Logica are focused on providing industry-specific solutions that are business-led. Their investments in SOA are strong and growing.

- **TCS and HCL offer competitive options.** These providers are consistent performers with proven SOA capabilities that were let down by customer references that, while satisfied, did not highly recommend them. As demonstrated in the Forrester Wave: North American SOA Systems Integrators, they have the ability to offer great solutions — however, in the EMEA market they were let down by various factors, be it average project management, unsuitable skills on the project, poor account management, or poor staff retention.[3]

- **Capgemini and T-Systems perform strongly, but lack the strategic positioning of the others.** These vendors are Strong Performers that have a clear capability to deliver SOA-based services to their clients. However, their general lack of investment in SOA capabilities within their organizations is reflected in their competitive position relative to the other evaluated integrators. That said, these companies have both done well to embed SOA within their solution offerings.

Figure 3 Forrester Wave™: EMEA SOA Systems Integrators, Q2 '09



Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: EMEA SOA Systems Integrators, Q2 ’09 (Cont.)

	Forrester's Weighting	Accenture	Capgemini	CSC	Deloitte	HCL	IBM Global Services	Logica	T-Systems	TCS	THBS	Wipro
CURRENT OFFERING	50%	3.61	3.64	3.72	3.46	2.80	3.92	3.42	3.49	3.18	3.86	3.54
Value proposition	15%	3.75	3.75	4.50	3.75	4.00	5.00	3.50	3.75	4.00	3.75	4.75
SOA specific project capabilities	20%	4.25	3.95	3.80	4.25	3.70	5.00	4.30	4.40	3.60	4.55	4.60
SOA client work and account management	60%	3.25	3.55	3.50	3.10	2.30	3.20	3.25	3.30	2.80	3.85	2.90
Vertical focus	0%	3.48	3.34	0.40	3.11	2.27	3.49	3.47	2.94	3.34	3.34	3.20
Global capabilities and experience	5%	5.00	3.14	3.62	3.77	1.58	5.00	1.79	1.34	3.58	1.49	3.44
STRATEGY	50%	3.98	2.79	4.57	3.66	3.66	5.00	3.68	2.60	3.78	3.88	4.49
Methodologies	25%	5.00	3.00	4.00	3.00	4.00	5.00	3.00	4.00	5.00	4.00	5.00
Integration with other service offerings	10%	4.00	5.00	5.00	5.00	4.00	5.00	4.00	3.00	3.00	5.00	5.00
Growth plans	60%	3.55	2.15	4.70	3.60	3.35	5.00	3.80	1.75	3.30	3.55	4.15
SOA center of excellence (COE)	5%	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
MARKET PRESENCE	0%	3.74	2.90	3.92	3.82	2.17	4.97	4.16	2.23	4.00	3.11	4.22
Number of clients	30%	5.00	1.00	4.00	4.00	1.00	5.00	5.00	2.00	2.00	2.00	3.00
Size of engagements	10%	0.00	5.00	4.00	4.00	3.00	5.00	5.00	2.00	5.00	1.00	5.00
Staff dedicated to SOA	25%	3.00	4.00	3.00	4.00	1.00	5.00	3.00	1.00	5.00	3.00	5.00
Skilled SOA consultants	25%	4.00	4.00	5.00	3.00	4.00	5.00	4.00	4.00	5.00	5.00	5.00
SOA projects	10%	4.90	1.00	3.20	4.70	3.20	4.70	4.10	1.80	4.00	4.10	3.20

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

Source: Forrester Research, Inc.

This evaluation of the EMEA SOA systems integrators market is intended to be a starting point only. We encourage readers to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Instead of SOA being the outcome, for many companies it is now just a way to get there. This is also reflected in both the service offerings in the market and this Forrester Wave. Instead of judging vendors on their SOA capabilities alone, Forrester expects that much of the time this report will be used in conjunction with another Wave (that is, if you are looking for an SAP solution, but want to move toward an SOA environment, you may use this Wave to analyze the SOA capabilities of a service provider, and The Forrester Wave: SAP Implementation Providers, Q4 2007, to determine the SAP implementation skills).[4]

VENDOR PROFILES

Leaders

- **IBM.** One of the first companies to embrace SOA, IBM has led the way in the provision of SOA-based services — from the early days when it was leading the "strategic SOA" projects, to more recently, where SOA is the chosen architecture for many projects. IBM's combination of a strong middleware platform, business-led Global Business Services (GBS) team, and technology-led Global Technology Services (GTS) team brings a full set of strategy, architecture, implementation, management, and support skills to the market. The challenge that you may have working with IBM is ensuring that its account and project management team has a full understanding of your requirements. There were two examples where a GTS team delivered a transformational project and a GBS team delivered a simple implementation project. While the final outcome was very good with both of these clients, if the account or project manager had brought the right team in from the start, certain project challenges could have been avoided. Luckily, this is easy to solve now that you know to look out for it. IBM can help most companies with any requirement around SOA services.

- **CSC.** CSC is emerging as a key player in the SOA systems integration market. While much of its work is still done within its existing outsourcing client base, the firm continues to invest in SOA capabilities and will drive further business both within and outside of its outsourcing clients. Considerable work has gone into developing CSC's SOAsure portfolio of services and, for the most part, clients are very satisfied with the work the company is doing. If you are currently a CSC client or are looking at a large deployment, then it is definitely worth exploring its SOA-based systems integration capabilities.

- **Wipro.** Wipro's SOA consulting and integration capabilities are very strong — the firm made some deep investments in tools and accelerators for taking much of the pain out of SOA integration projects. Like many of the Indian providers, its primary business comes from the systems integration work, not the business-led consulting — but that said, some of its longer-term clients are finding that Wipro is emerging as a serious contender for such work. When Wipro's recent investments in SOA begin to bear fruit in client projects, the firm will further consolidate its position as a leading provider of SOA systems integration services. If you are looking for a reliable SOA implementation provider, then Wipro may be a good fit for you.

- **THBS.** Torry Harris Business Solutions (THBS) is a midsize IT services provider with a strong focus on the European and Middle Eastern market. THBS specializes in SOA and integration-centric projects, and hence has deep experience in this type of engagement. Its large offshore development facility in India combined with strong program and project management capabilities as well as the firm's agile development capabilities mean that THBS can deliver solutions using SOA quickly and cost-effectively. Clients were highly satisfied with the integrator's work. If you are seeking a provider with deep SOA, middleware, and SOA experience, then THBS might be worth exploring.

- **Accenture.** Accenture's approach to help clients become "high-performing" organizations lends itself favorably to an SOA-enabled approach to many of the integrator's projects. For Accenture, SOA is quickly becoming the standard way of designing and implementing solutions for its clients, and it has made some good investments in upskilling consultants with SOA capabilities. While the firm has full implementation and management capabilities, Accenture is particularly strong at architecting and designing solutions upfront using SOA as the guiding principle for the project. If you are looking for a provider that can define and deliver real business value to your organization using SOA, then Accenture could be a good fit for you.

- **Deloitte.** Like Accenture, Deloitte is a company that can provide more than the technology component of a business solution. In its chosen industries, Deloitte offers proven and clear solutions for many of the business problems that its clients face. While the provider may not have the broad set of skills that some of the larger providers have, Deloitte consultants and architects are all very strong on "T-shaped skills" (that is, broad business focus and deep technology skills). What Deloitte lacks in strong SOA accelerators and reusable methodologies it more than makes up for in its focus on helping clients achieve their business goals — not just their IT ones. If you are looking for a company with deep industry knowledge that can design and deliver a complete solution, then Deloitte may be the company for you.

- **Logica.** Logica has completed many projects in EMEA that utilized SOA and has deep knowledge on the topic along with a great vision for SOA usage within its client base. Logica would benefit further by turning this knowledge into templates, software components, methodologies, and accelerators as a way of providing a quicker time-to-value for clients. The integrator's support of some of the midtier SOA software platforms is left a bit short, but clearly has not been in demand among its clients. Logica clients are generally quite satisfied. If you are looking for a provider with strong industry experience, that offers more than technology implementation, then Logica is worth considering.

Strong Performers

- **TCS.** TCS has a strong base of clients in EMEA that it has performed SOA-based projects for, and that has given it the experience to improve its methodologies and introduce a number of accelerators to improve the time-to-value. TCS primarily works within the implementation stage of projects, but as it develops a deeper working relationship with clients, more of those clients will trust TCS with a broader range of project design work. TCS clients are generally very satisfied with the integrator's work, and TCS tends to win further business from its client base — which is an important measure of success. If you are looking for a large provider with the strength both on and offshore to deliver a project using SOA, then it is worth exploring TCS.

- **HCL.** HCL is making great strides within its client base in the US in delivering well-thought-out SOA-based solutions.[5] Like most of the Indian-headquartered providers, its main capability is in the implementation of the solution as opposed to the design; however, the company is developing a good set of SOA-based software components for a number of industries in order to accelerate the implementation of solutions. If you are looking for a reliable provider that can achieve quick time to value, then HCL may be worth exploring.

- **Capgemini.** Capgemini, while not one of the larger SOA services providers, still has a good set of capabilities and SOA methodologies. Its clients are generally very satisfied with the work the firm is doing for them, and Capgemini consultants are very experienced with SOA — in fact, the global team is involved with a number of initiatives around SOA standards. The integrator's major weakness is mainly in the lack of focus that SOA receives among the other initiatives within Capgemini. While the firm has a clear value proposition and vision for SOA, and SOA is embedded in teams across the organization, it does not receive the same level of investment when compared with some of the other firms in this report. If you are looking for a provider that looks beyond the technology, and its software skills match what you are seeking, then Capgemini is worth short-listing.

- **T-Systems.** T-Systems has a strong capability around delivering SOA solutions to its clients — and is actively taking a part in thought-leadership activities around SOA in Europe. The integrator's lower-than-average investment in SOA and its focus on a few major SOA software platforms are its major challenges. However, T-Systems clients were generally satisfied with the firm's SOA-centric work. If you are looking for a provider to build you a solid platform for your SOA services, then T-Systems should be on your shortlist.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 3 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of two data sources to assess the strengths and weaknesses of each provider:

- **Provider surveys.** Forrester surveyed providers on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed provider surveys, we conducted calls with each provider for a more in depth briefing of their capabilities.

- **Client reference surveys and calls.** To validate provider qualifications, Forrester also conducted reference calls with at minimum three of each provider's current clients.

The Forrester Wave Methodology

We conduct primary research to develop a list of providers that meet our criteria to be evaluated in this market. From that initial pool of providers, we then narrow our final list. We eliminate providers that have limited client references and those that don't meet our qualifying criteria.

After examining past research, user need assessments, and provider and expert interviews, we develop the initial evaluation criteria. To evaluate the providers against our set of criteria, we gather details of product qualifications through a combination of questionnaires, briefings, 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 provider 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 document — and then score the providers based on a clearly defined scale. These default weightings are intended only as a starting point, and we 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 provider evaluations regularly as product capabilities and provider strategies evolve.

ENDNOTES

1 Sourcing teams should take a top-down, strategic view of SOA across the enterprise: start with developing a future-state environment; map key business processes, business services, IT solutions, and IT assets; and then define a governance and infrastructure strategy. By undertaking these five steps, sourcing teams will be well prepared to find an appropriate service provider to help implement enterprise SOA. See the March 26, 2008, "Scoping Strategic SOA Projects: Five Steps Sourcing Professionals Will Need To Take" report.

[2] Lean software is emerging as the antidote to bloatware, enabling architects and developers to rapidly assemble business solutions that deliver "just in time" the software capabilities that the business requires both today and tomorrow. The trend toward lean software has been building for years, but the worldwide recession is accelerating it. All application development professionals should know why and how to incorporate lean software into their software strategies for the future. See the December 12, 2008, "Lean Software Is Agile, Fit-To-Purpose, And Efficient" report.

[3] In North America, Forrester judged these organizations to also be Leaders in SOA services provision. These companies all have strong offerings and many years' experience in developing SOA-based solutions for their broad customer bases. They also have happy clients for these services who would all recommend their provider to peers in their industry. See the May 5, 2009, "The Forrester Wave™: North American SOA Systems Integrators, Q2 2009" report.

[4] Forrester evaluated the leading 16 SAP implementation providers across 108 criteria and found that Accenture and IBM have established leadership positions in this market thanks to the breadth, depth, maturity, and global nature of their SAP implementation practices. See the December 28, 2007, "The Forrester Wave™: SAP Implementation Providers, Q4 2007" report.

[5] Information was gathered for this report before HCL acquired Axon. Any increase in HCL's scale of operations, geographical reach, and vertical expertise as a result of the acquisition has not been taken into consideration in our evaluation.

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