Everest Group Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023

Focus on Sonata

June 2023

Background of the research

- Enterprises, especially small and midsize ones, are adopting Microsoft Dynamics 365 to modernize customer experience, finance, and operations, enabling end-to-end visibility across the supply chain and streamlining marketing and sales. Large enterprises adopt Microsoft Dynamics 365 mainly to buttress their core Enterprise Resource Planning (ERP) and Customer Experience (CX) systems

- Microsoft Dynamics 365 has established its sweet spot through its ability to integrate with other Microsoft Office 365 apps and third-party apps. It has gained momentum in the market owing to its lower Total Cost of Ownership (TCO) compared to its close competitors and faster time-to-market as it is SaaS-enabled

- To help adopt Microsoft Dynamics 365 across the existing complex portfolios, service providers are skilling talent and building robust accelerators to help enterprises in their digital transformation journeys

- In this research, we present an assessment of 27 providers featured on the Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023

- The assessment is based on Everest Group's annual RFI process for the calendar year 2023, interactions with leading providers, client reference checks, and ongoing analysis of the Microsoft Dynamics 365 services market

The full report includes the profiles of the following 27 leading providers featured on the Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023:

- **Leaders:** Accenture and Avanade, Capgemini, EY, HCLTech, Hitachi Solutions, Infosys, LTIMindtree, and TCS
- **Major Contenders:** Alithya, Cognizant, Deloitte, EPAM, Eviden, HSO, IBM, NTT DATA, Sonata, Synoptek, Tech Mahindra, Visionet, and Wipro
- **Aspirants:** Birlasoft, GSLab-GAVS, Marlabs, Mastek, UST, and Yash Technologies

Scope of this report

Geography
Global

Providers
27 leading Microsoft Dynamics 365 services providers

Services
Microsoft Dynamics 365 services

Introduction and scope

Everest Group recently released its report titled, [Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023](#). This report analyzes the changing dynamics of the Microsoft Dynamics 365 services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 27 service providers on the Everest Group PEAK Matrix® for Microsoft Dynamics 365 services into the categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of Microsoft Dynamics 365 services providers based on their absolute market success and delivery capability.

Based on the analysis, **Sonata emerged as a Major Contender and a Star Performer.** This document focuses on **Sonata's** Microsoft Dynamics 365 services experience and capabilities and includes:

- Sonata's position on the Microsoft Dynamics 365 services PEAK Matrix® 2023
- Detailed Microsoft Dynamics 365 services profile of Sonata

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements and match them against the service provider capability for an ideal fit.

Source: Everest Group (2023)

Microsoft Dynamics 365 Services PEAK Matrix® characteristics

Leaders

Accenture and Avanade, Capgemini, EY, HCLTech, Hitachi Solutions, Infosys, LTIMindtree, and TCS

- Leaders are characterized by their ability to successfully execute large-scale, multi-continent, end-to-end Dynamics 365 services, underpinned by their strong global delivery network
- These providers have showcased end-to-end transformational case studies covering a large portfolio of Dynamics 365 and replacing multiple legacy Customer Relationship Management (CRM) and a few elements of ERP
- Leaders have helped enterprises with their advisory capabilities to navigate the business transformation and have leveraged in-house IP tools and accelerators to expedite engagement timelines
- Furthermore, they have a mature suite of Microsoft-certified, Dynamics 365, and verticalized solutions to accelerate time-to-market for their clients

Major Contenders

Alithya, Cognizant, Deloitte, EPAM, Eviden, HSO, IBM, NTT DATA, Sonata, Synoptek, Tech Mahindra, Visionet, and Wipro

- These providers have built meaningful capabilities to deliver Microsoft Dynamics 365 services – implementation and management/run; however, their service portfolios are not as balanced and comprehensive as those of Leaders (in terms of coverage across Dynamics 365 service segments, service type, geographies, or verticals)
- These providers have good partnerships with Microsoft and specialist technology partners to curate client-specific Microsoft Dynamics 365 solutions. They have been recognized by Microsoft with multiple partner awards for showcasing their credibility in the Dynamics 365 markets
- Major Contenders are also making continued investments in building proprietary tools and solutions, as well as scaling their talent for Microsoft Dynamics 365
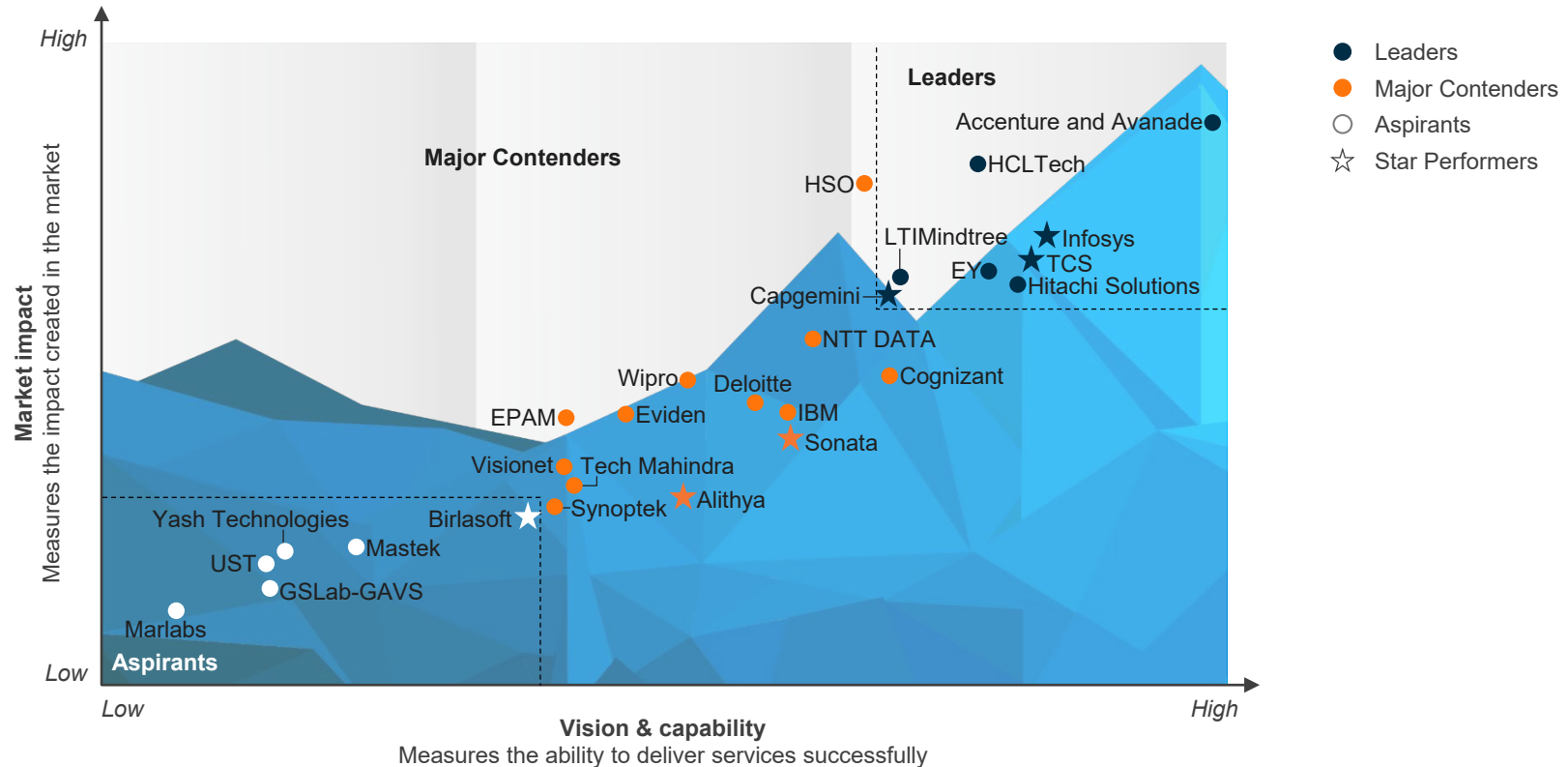
Aspirants

Birlasoft, GSLab-GAVS, Marlabs, Mastek, UST, and Yash Technologies

- Aspirants have good proof points in delivering low to medium-complexity implementation and maintenance of Dynamics 365 services for Small and Midsize Buyers (SMBs)
- They are either focused on a region(s) or vertical(s) or currently have a relatively small Microsoft Dynamics 365 practice
- Clients acknowledge Aspirants' pricing and commercial flexibility as well as account management flexibility

Everest Group PEAK Matrix®

Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023 | Sonata is positioned as a Major Contender and a Star Performer

Everest Group Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023[1,2,3]

Leaders

- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Major Contenders

Accenture and Avanade
HCLTech
HSO
LTIMindtree
EY
Infosys
TCS
Hitachi Solutions
Capgemini
NTT DATA
Cognizant
Wipro
Deloitte
EPAM
Eviden
IBM
Sonata
Visionet
Tech Mahindra
Synoptek
Alithya
Yash Technologies
Birlasoft
UST
Mastek
GSLab-GAVS
Marlabs

Aspirants

Market impact
Measures the impact created in the market

High / Low

Vision & capability
Measures the ability to deliver services successfully

Low / High

1 Assessments for Deloitte, EY, Hitachi Solutions, IBM, and Wipro exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers
2 Analysis of LTIMindtree is based on capabilities post the merger of LTI and Mindtree
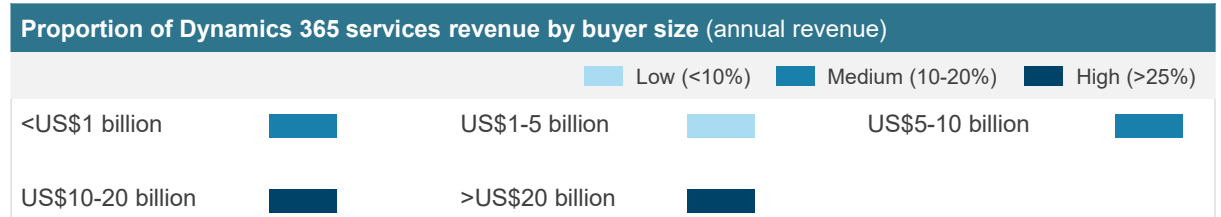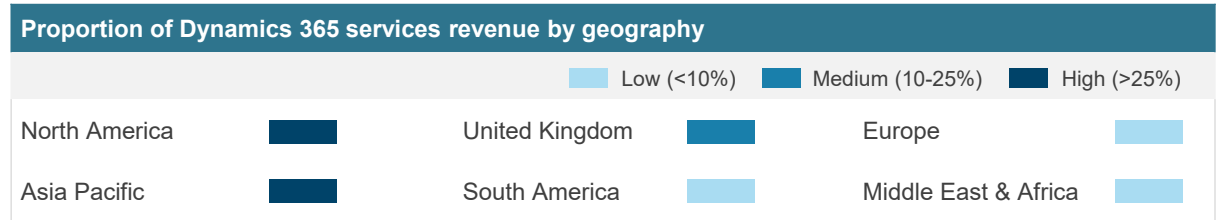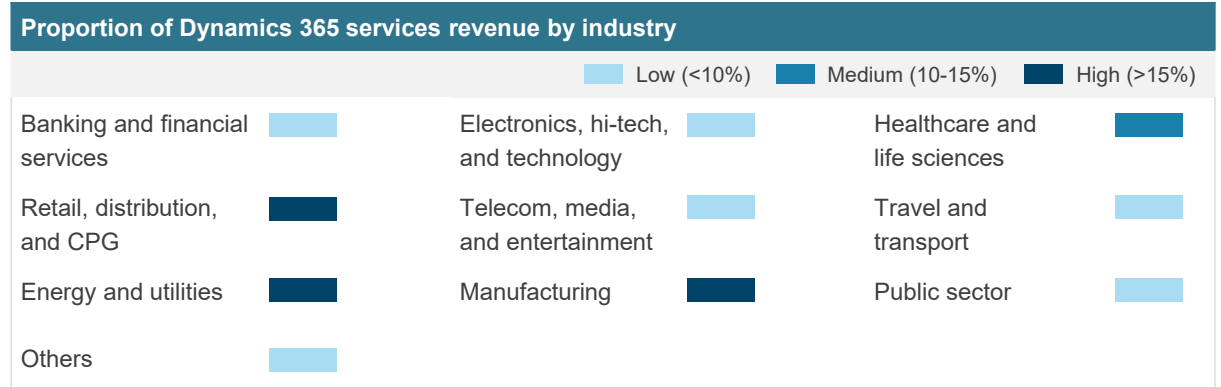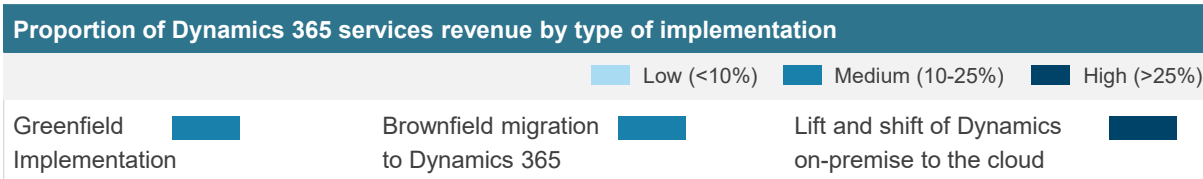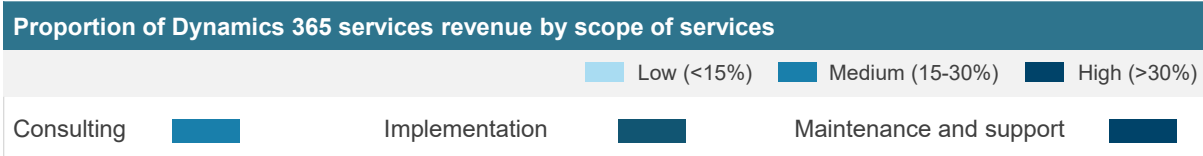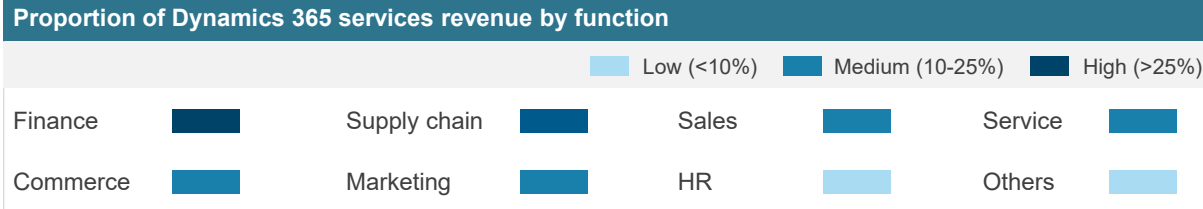3 Eviden is an Atos business
Source: Everest Group (2023)

Sonata profile (page 1 of 5)
Overview

Vision for Microsoft Dynamics 365 services: Sonata Software aims to be among the top Dynamics partners to help customers realize their digital vision in select industries such as retail, distribution, and CPG; manufacturing; healthcare and life sciences, and BFSI and energy and utilities, and help in the modernization of their current landscape.

Number of projects completed in 2022: 37

Number of Microsoft Dynamics 365 experts: 77

Proportion of Dynamics 365 services revenue by function

	Low (<10%)	Medium (10-25%)	High (>25%)

| Finance | High | Supply chain | Medium | Sales | Medium | Service | Medium |
| Commerce | Medium | Marketing | Medium | HR | Low | Others | Low |

Proportion of Dynamics 365 services revenue by scope of services

	Low (<15%)	Medium (15-30%)	High (>30%)

| Consulting | Medium | Implementation | High | Maintenance and support | High |

Proportion of Dynamics 365 services revenue by type of implementation

	Low (<10%)	Medium (10-25%)	High (>25%)

| Greenfield Implementation | Medium | Brownfield migration to Dynamics 365 | Low | Lift and shift of Dynamics on-premise to the cloud | High |

Proportion of Dynamics 365 services revenue by industry

	Low (<10%)	Medium (10-15%)	High (>15%)

Banking and financial services	Low	Electronics, hi-tech, and technology	Low	Healthcare and life sciences	Medium
Retail, distribution, and CPG	High	Telecom, media, and entertainment	Low	Travel and transport	Low
Energy and utilities	High	Manufacturing	High	Public sector	Low
Others	Low				

Proportion of Dynamics 365 services revenue by geography

	Low (<10%)	Medium (10-25%)	High (>25%)

| North America | High | United Kingdom | Medium | Europe | Low |
| Asia Pacific | High | South America | Low | Middle East & Africa | Low |

Proportion of Dynamics 365 services revenue by buyer size (annual revenue)

	Low (<10%)	Medium (10-20%)	High (>25%)

| <US$1 billion | Medium | US$1-5 billion | Low | US$5-10 billion | Medium |
| US$10-20 billion | High | >US$20 billion | High | | |

Everest Group®

Sonata profile (page 2 of 5)
Key solutions

NOT EXHAUSTIVE

Proprietary solutions (representative list)				
Solution name	**Focused industries**	**Focused Dynamics module(s)**	**Number of engagements leveraged in**	**Details**
Accelerator – Lightning Suite – Data migration tool	Horizontal component	Horizontal – across all industries	150+	This solution helps in the reconciliation of data after migration.
Proprietary Solution – Sonata Dynamics 365 for finance and operations DIXF scheduler	Horizontal – across all industries	Horizontal component	15+	This solution offers faster and seamless integration with different sources and targets.
Framework – AX Customization – Templates, Blueprints, and Checklists	Horizontal component	Horizontal – across all industries	20+	The framework helps in analysis and design with prebuilt reference architecture made available for specific verticals and domains.
Framework – Performance – oriented development	Horizontal component	Horizontal – across all industries	15+	The solution helps in the development of customization using the best practices laid out by Microsoft in Dynamics 365.
Accelerator – Ready to deploy store frontend with CRT	Commerce	Retail	5	This helps in the rapid and remote deployment of stores.

Microsoft–certified solutions on Microsoft-marketplace compatible with Dynamics 365 (representative list)				
Solution name	**Focused industries**	**Focused Dynamics module(s)**	**Number of engagements leveraged in**	**Details**
Brick & Click	Commerce	Retail	10	Provides digital-ready unified operations capability and best-in-class digital engagement – in-store, online, and social.
Modern Distribution	Supply chain	Supply chain	16	Helps any distribution-centric organization in getting complete visibility on their downstream supply chain by extending the ERP
CTRM	Commodity manufacturing and distribution	Supply chain	11	Offers control over contracts, cost, risk management, and higher visibility across all stakeholders.
Kartopia	Retail	Commerce	7	Provides support to B2B, B2C, and marketplace suites in a single suite to fit with diversified businesses.
Retina	Retail	Commerce	1	Provides a single view of all customer transactions for retailers to drive actionable insights.

Sonata profile (page 3 of 5)
Investments and partnerships

NOT EXHAUSTIVE

Key investments (representative list)		
Solution name	**Focused industries**	**Details**
GAPbusters Limited (GBW)	Customer engagement	Acquired GBW, a leading global player in the exciting Customer Experience (CX) space that enables Sonata Software to offer various CX solutions.
Sopris	Energy and utilities	Acquired Sopris, which enabled it to build talent in the areas of energy and utilities.
Scalable	Commodity, trading, and risk management	Invested to extend its supply chain capabilities focused on manufacturing and distribution industries.
Unified engineering training program	Across all modules	Trained more than 1,000 employees on unified engineering
Quant Systems	Customer experience, BFSI, and HLS	Acquired Quant Systems, which has specific IP and experience in the areas of BFSI, HLS, and CX
Encore	HLS, transportation, and BFSI	Encore provides services in the areas of user experience, data insights, and real-time collaboration services to clients in the financial services, hi-technology, life sciences, and retail and logistics verticals

Key partnerships (representative list)		
Partner ecosystem		
Aareon	HDS	Izara

Source: Everest Group (2023)

Sonata profile (page 4 of 5)
Case studies

NOT EXHAUSTIVE

Case study 1	Modernized the client's legacy Enterprise Resource Planning (ERP)

Customer Context
Dynamics 365 FO implementation for a leading global marketing and corporate communications company servicing over 5,000 clients in more than 100 countries

Business challenge
- To overcome the internal system's limitations and inability to manage the data as well as support the agencies
- To support the media agencies with manually managed data for their financial systems
- Standardization of business process

Solution
- Sonata Software leveraged Dynamics 365 products such as D365 finance, supply chain, and project management to upgrade the existing tool
- Logic apps used for complex integrations, scheduled triggering, and error logging
- Data lake - successfully implemented and transformed data to the Synapse application for analytics
- Performance benchmarking with 1,500 users

Impact
- Large-scale business integrations and building the system to provide shared services support
- Automated processes to enable new efficiencies
- Improved manageability and audits

Case study 2	Helped in the transformation and modernization of the client's multiple ERP systems

Customer Context
Dynamics 365 FO implementation for a leading audio product and solutions companies. Serving many customers across 13 countries, company is one of the most recognized audio companies in the industry.

Business challenge
- The client wanted to transform its multiple ERPs and organizations in order to provide actionable insights
- High lead time in introducing products to the market
- Lack of communication between disparate management systems that relied heavily on manual paperwork
- Supply chain inefficiencies due to the lack of streamlined workflows across applications

Solution
- Sustainable, holistic, and integrative solution
- Need for an application with collaboration, integration, and security capabilities
- Large-scale business integrations and building the system to provide shared services support
- Transformation of the company's IT infrastructure – a one-time replacement of 18 legacy applications

Impact
- Automated processes to enable new efficiencies
- Improved supply chain visibility

Source: Everest Group (2023)

Sonata profile (page 5 of 5)
Everest Group assessment – Major Contender and Star Performer

Measure of capability: ◔ Low ● High

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation and investments	Delivery footprint	Overall
◑	◑	◑	◑	◑	◔	◔	◑	◑

Strengths

- Sonata offers a balanced distribution of services across advisory, implementation, and managed services; clients looking for end-to-end transformation capabilities may consider it as a relevant partner to deliver Dynamics services
- Sonata has good proof points in executing transformational Microsoft Dynamics projects with a relatively higher focus on manufacturing, energy and utilities, and retail CPG industries
- Sonata offers good coverage across multiple Dynamics modules including finance, supply chain, sales, service, marketing, and commerce, and is suitable for buyers looking for across LoB engagements

Limitations

- Clients from industries such as BFSI, healthcare and life sciences, and the public sector may need to evaluate its capabilities to deliver Dynamics service within these verticals
- While Sonata has a good presence in North America and APAC region; clients in the European (excluding the UK) region may need to evaluate its delivery capabilities in the region

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
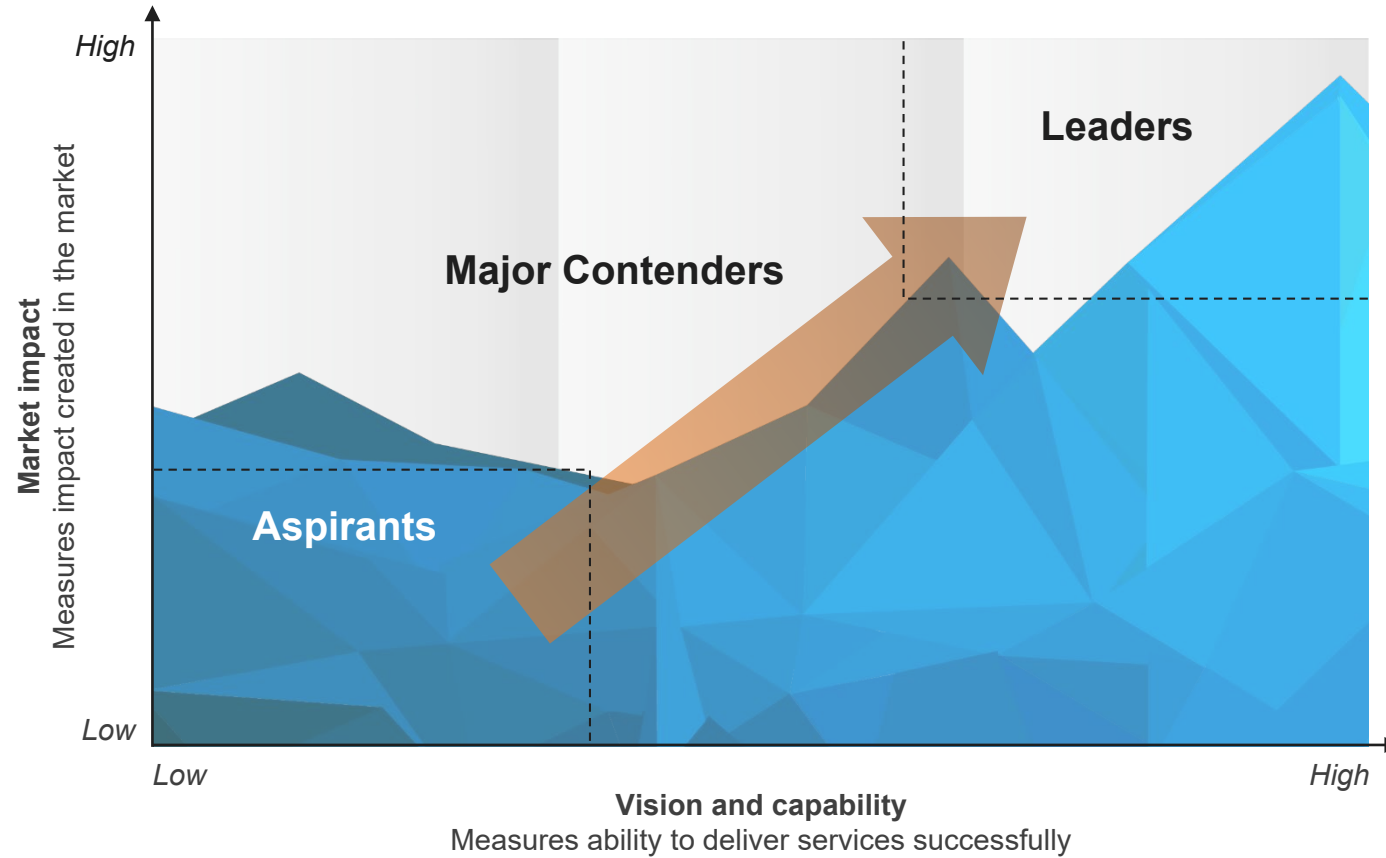
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market –
captured through three subdimensions

Market adoption

Number of clients, revenue base,
YoY growth, and deal value/volume

Portfolio mix

Diversity of client/revenue base across
geographies and type of engagements

Value delivered

Value delivered to the client based
on customer feedback and
transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability
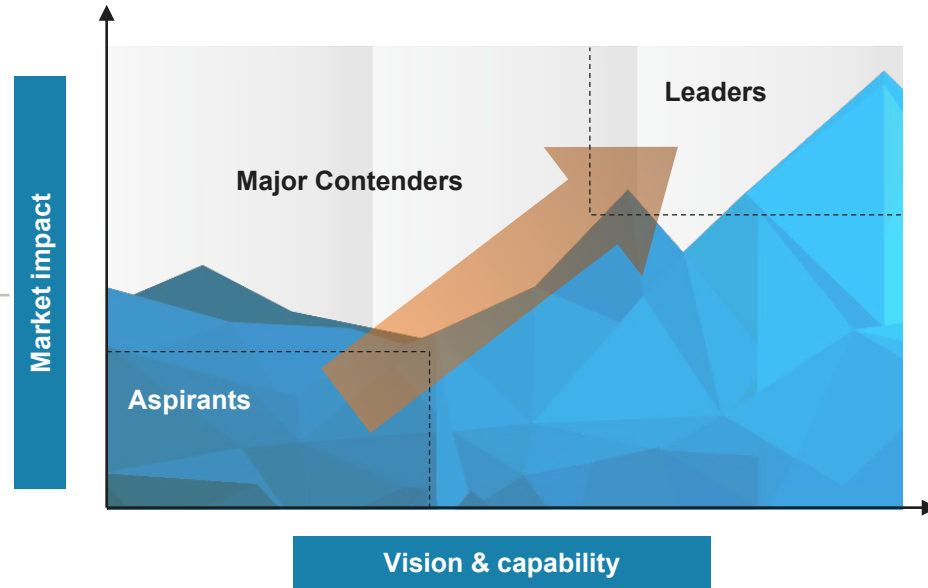
Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy

Vision for the client and itself; future
roadmap and strategy

Scope of services offered

Depth and breadth of services portfolio
across service subsegments/processes

Innovation and investments

Innovation and investment in the enabling
areas, e.g., technology IP, industry/domain
knowledge, innovative commercial
constructs, alliances, M&A, etc.

Delivery footprint

Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix

Market impact (y-axis)

Vision & capability (x-axis)

Year 1

Year 0

In order to assess advances on **market impact**, we evaluate each provider's performance across a number of parameters including:
- Yearly ACV/YoY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  - In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  - Issue a press release declaring positioning; see our citation policies
  - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  - Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

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With you on the journey

Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at **www.everestgrp.com**.

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