

IDC MarketScape

IDC MarketScape: Asia/Pacific Microsoft Business Applications Implementation Services Vendor Assessment, 2023–2024

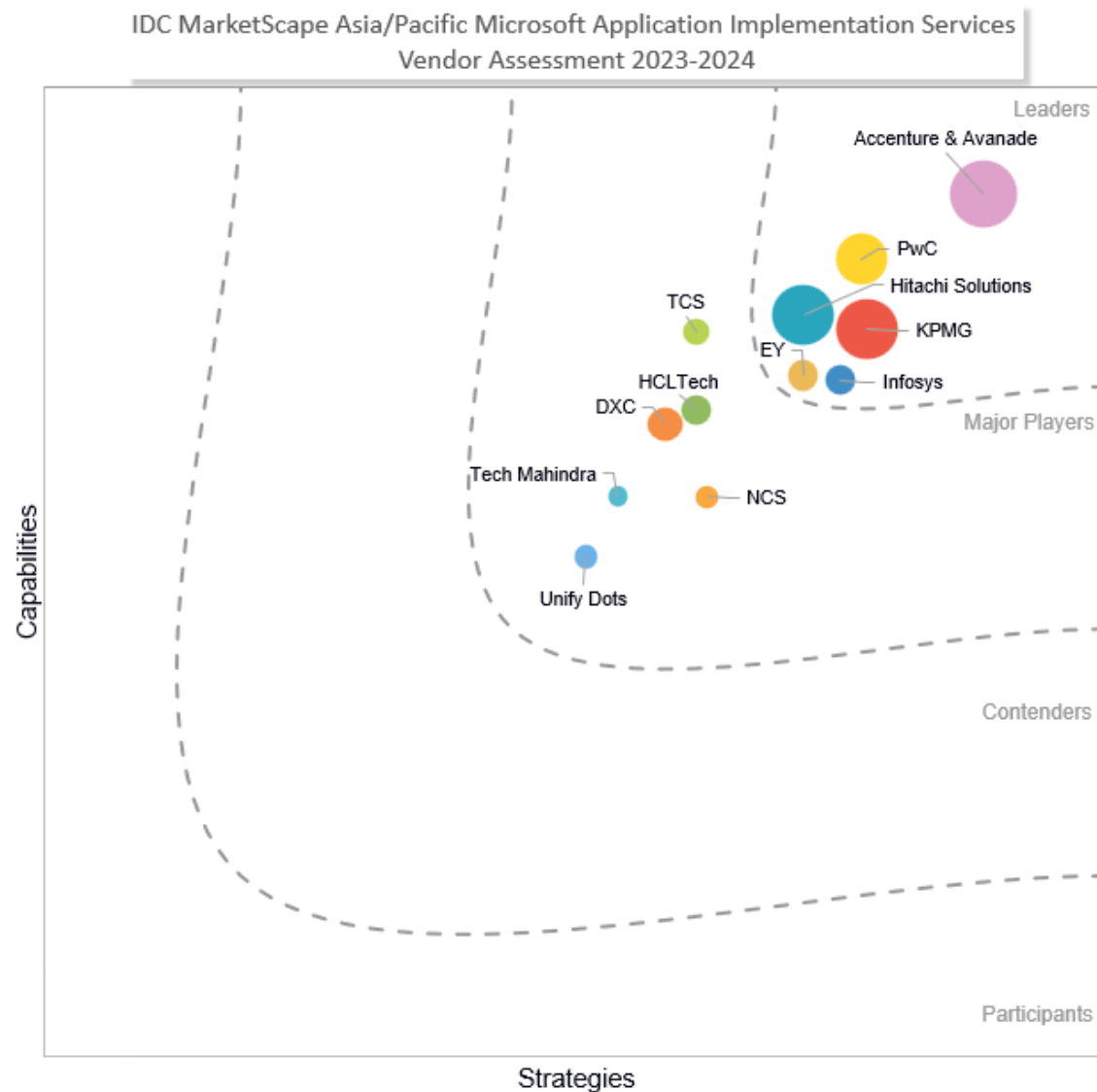
Rijo George Thomas

THIS MARKETSCAPE EXCERPT FEATURES: PRICEWATERHOUSECOOPERS

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Asia/Pacific Microsoft Application Implementation Services Vendor Assessment, 2023–2024



Source: IDC, 2023

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: Asia/Pacific Microsoft Business Applications Implementation Services Vendor Assessment, 2023-2024 (Doc #AP50165723). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Advice for Technology Buyers, Featured Vendor Profile, Appendix and Learn More. Also included are Figure 1 and Figure 2.

IDC OPINION

Microsoft's business applications, which include Dynamics 365 and Power platform suite of solutions, are one of their fastest-growing service lines globally. Microsoft's business applications solutions aim to provide cloud-based line-of-business (LOB) solutions for financial management, enterprise resource planning (ERP), customer relationship management (CRM), supply chain management (SCM), and application development platforms for enterprises of different sizes and digital maturity. Microsoft's investments in AI and the introduction of Dynamics 365 Copilot have further enhanced the value proposition of its business applications offerings among LOB users and continue to elevate adoption for complex use cases.

Microsoft, over the years, has doubled down on its customer success initiatives and leverages its growing partner ecosystem to enable transformative outcomes for customers. Additionally, Microsoft's service provider (SP) ecosystem helps enterprise customers reduce the complexity of implementing its solutions by creating comprehensive road maps for implementation, providing local talent for support, managing the internal and external stakeholder experience, reducing risks, and ensuring the cost of implementation stays within the budget and timeline. Customers upgrading to Microsoft Dynamics 365 solutions also find the SP's expertise in conducting cloud readiness assessments, enabling change management, agile implementation methodologies, and innovation focus extremely critical in maximizing the value of their Microsoft Dynamics 365 and Power Platform investments.

This IDC study assesses Microsoft Business Applications implementation vendors in the Asia/Pacific region on both the strength of their current implementation service capabilities and how well placed they are to grow the adoption of Microsoft Dynamics 365 and Power Platform solutions with their respective sound growth strategies. The key findings of this study include the following:

- **Expanding on the theme "platform fit for complex use cases."** Although Asia/Pacific customers in several instances have leveraged Microsoft Business Applications solutions to enhance and surround their core ERP/CRM solutions, SP ecosystems have made considerable strides in Asia/Pacific to position Microsoft Dynamics 365 as a "platform of choice," capable of complex use cases. In this regard, SPs have witnessed a steady rise in services for finance and operations portfolio, reinforcing the capabilities of Microsoft Dynamics 365 and Power Platform as a front-office and back-office transformation enabler.
- **Power Platform capabilities varied.** IDC analysis finds strong variation in SP capabilities to utilize Power Platform to deliver results for customers. Some vendors excelled in helping customers build Power Platform centers of excellence (COEs) to internalize software innovation capabilities, increase efficiency using Power Automate, and build composable agile applications using Power Apps. IDC continues to see strong commitment among SPs to grow internal talent readiness to support Power Platform–led engagements in the Asia/Pacific region.
- **AI-led engagements.** SPs continue to see growing interest among customers in enhancing the current deployments with new generative AI (GenAI) integrations available in Dynamics 365 and Power Platform solutions. Additionally, new implementations include assessments to

sharpen the organization's AI road map and technology adoption, including leveraging Azure Open AI stack to push projects to proofs of concept (POCs) faster. IDC analysis shows some vendors have supplemented fixed-priced engagement models with guaranteed outcomes enabled by AI (at a premium) indicating a drive to differentiate between AI services and new business models.

- **Aligning with customer priorities.** From the overall assessment of the strategy criteria of the participating vendors, IDC observes that vendors did well in the business alignment criteria compared with the last iteration of this study, indicating maturity growth among SPs' understanding of why customers buy Microsoft's Business applications. Additionally, SPs continue to strengthen consulting capabilities (design, business, and IT consulting) by utilizing more efficient tools, platforms, frameworks, and methodologies to unearth customers' business challenges, support Microsoft's initiatives to migrate existing on-premises customer base to cloud, and scale AI adoption (Accelerate, Innovate, Move [AIM] program).

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This evaluation does not offer an exhaustive list of all the players in the Asia/Pacific Microsoft Business Application implementation SP ecosystem. IDC narrows down the field of players based on the following criteria and subsequently collected and analyzed data on these nine implementation SPs for this IDC MarketScope:

- **Service scope.** The vendor should have demonstrated end-to-end service capabilities around Dynamics 365 and Power Platform application implementation. This includes business and IT consulting services, customization/development services, systems integration (SI) services, and migration services in Asia/Pacific.
- **Geographic presence.** Each participating vendor was required to have implementation services capabilities in at least three sub-Asia/Pacific regions: Australia and New Zealand (ANZ), North Asia (South Korea), Greater China (China, Hong Kong, and Taiwan), Southeast Asia (Singapore, Malaysia, Thailand, Indonesia, Vietnam, and the Philippines), India, and Japan.
- **Modules covered.** SPs should provide implementation services around a minimum of three Dynamics 365 SaaS products (sales, service, marketing, commerce, supply chain, HR, finance, SMB solutions, project management), Power Platform (Power BI, Power Apps, Power Automate), and tailored industry solutions.

ADVICE FOR TECHNOLOGY BUYERS

Based on this study, IDC recommends that buyers consider the following recommendations before starting new Dynamics 365 application implementations or while embarking on an implementation partner selection journey:

- **Start with a comprehensive road map.** The road to implementation will have several unforeseen challenges. It is critical that organizations address LOB concerns, such as security, cost, skills, time to market, customizations, talent, and so forth, before the implementation kickoff. Hence, it is necessary that enterprises create a holistic modernization road map before embarking on an implementation and SP selection journey.
- **Commit to the implementation.** Set the expectations with Microsoft and the partner on the desired business outcomes and financial goals from the implementation, identify key executives who will actively participate in regular steering committee meetings, and ensure the partners have the support to drive a smooth implementation.
- **Invest in upskilling and training.** It is important to champion a people strategy along with a tech strategy to ensure the availability of necessary skills to support the implementation project and ensure a smooth transition post-implementation. Invest in training and upskilling initiatives to

build internal talent readiness across Dynamics 365 and Power Platform solutions to manage change and drive continuous innovation.

- **Regional capabilities are key.** Many implementation SPs with a significant Dynamics customer base in the West have a limited presence in Asia/Pacific. Considering the partner's regional presence, ability to deliver support with local talent and plans to scale in the region will be a good measure to assess the vendor's long-term commitment to the relationship.
- **Look beyond the hype in AI.** Microsoft is at the forefront of contextualizing AI for business users and has integrated several AI capabilities into its core application offerings. Look beyond the implementation vendors' marketing messages to assess the ability to use AI as a business model (committing to cost takeouts) and experience in leveraging Microsoft's AI offerings to reinvent business processes and user experiences. Complement implementation with assessments to measure the organizational readiness to leverage GenAI and the immediate outcomes that can be delivered with prototype solutions.
- **Power Platform to deliver continuous value.** Consider the vendor's Power Platform capabilities not in isolation but how it is embedded in solution design and how the vendor leverages it to maximize value from existing Dynamics investments. Evaluate existing customer references in which the vendor's Power Platform service capabilities have enabled tangible business benefits and enhanced application capabilities.
- **Competitive evaluation.** Use this IDC MarketScape in contract negotiations and as a tool to not only short-list vendors for Dynamics 365 and Power Platform implementation projects but also evaluate a vendor's proposals and oral presentations. Understand where these players are truly differentiated and take advantage of their expertise (technical, industry based, or otherwise).

FEATURED VENDOR PROFILE

This section briefly explains IDC's key observations resulting in PwC's position in the IDC MarketScape. The description here provides a summary of the vendor's strengths and opportunities.

PricewaterhouseCoopers (PwC)

According to IDC analysis and buyer perception, PwC is positioned in the Leaders category in the 2023–2024 IDC MarketScape for Asia/Pacific Microsoft Business Applications implementation services.

PwC is a global professional service firm that provides end-to-end business and technology transformation services across the Asia/Pacific region. Currently, PwC provides implementation services (consulting, design, SI, migration, and so forth) across the entire Dynamics 365 application products and Power Platform suite of solutions in Asia/Pacific.

PwC goes to market with its global strategy called The New Equation, which aims to help clients build trust with their stakeholders and deliver sustained outcomes from IT investments. Building on this strategy, the Microsoft practice in PwC merges its deep technology expertise, industry, and functional knowledge to enable transformative outcomes leveraging the Dynamics 365 and Power Platform suite of solutions. PwC also draws on the strength of its extended service lines in consulting, financial advisory, and assurance to tailor solutions that enable high-value outcomes for clients with Microsoft's cloud solution stack. Additionally, PwC has co-created several industry-specific reusable solutions with Microsoft on Dynamics 365, to jump-start outcomes for clients in the healthcare, education, automotive, and transportation verticals.

At the time of this study, PwC had a larger distribution of clients in India, followed by ANZ and GCR. The largest verticals in PwC's Microsoft Business Application services are in the manufacturing, financial services, retail, and consumer goods verticals. PwC has local delivery capabilities and

resources in all major market units in Asia/Pacific. Currently, PwC has a higher distribution of MBAS skilled resources in India, followed by ANZ, GCR, and Southeast Asia.

Strengths

- **Deep expertise in functional transformation.** PwC has extensive experience in providing advisory services to clients in the Asia/Pacific region to transform their back-office, mid-office, and front-office operations. Combining its Microsoft cloud capabilities, PwC positions itself as an ideal partner to contextualize Microsoft solutions to transform finance, supply chain, retail, HR, sales, service, and marketing operations for customers.
- **Industry model solutions and IP are a key value-add.** PwC showcases a robust portfolio of integrated solutions and IP built on Microsoft Dynamics 365 and Power Platform solutions. Clients in specific industries looking to accelerate their LOB transformation will find these offerings particularly attractive.
- **Industry alignment with Microsoft GTM.** As part of its growth strategy, PwC has deepened its capabilities in core verticals and continues to broaden its industry offerings to cover hospitals, online fashion, private equity, and so forth. Additionally, PwC emphasizes its plans to align solution offerings tightly with Microsoft's key priority areas in healthcare, manufacturing, BFSI, and retail industry verticals.
- **Customer feedback.** Clients interviewed by IDC praise PwC's consulting and design capabilities, deep industry knowledge, and ability to create a comprehensive road map for implementation.

Challenges

- Some clients indicate that PwC needs to strengthen its onshore presence of Microsoft Dynamics and Power Platform consultants, especially in client locations.

Consider PwC When

PwC is a good fit for enterprises looking for an implementation partner with experience in large front-office and back-office transformation projects and strong design and consulting capabilities. Additionally, PwC's portfolio of integrated solutions will be useful to clients looking to accelerate time to market from Dynamics 365 solutions.

APPENDIX

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 with 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 GTM 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

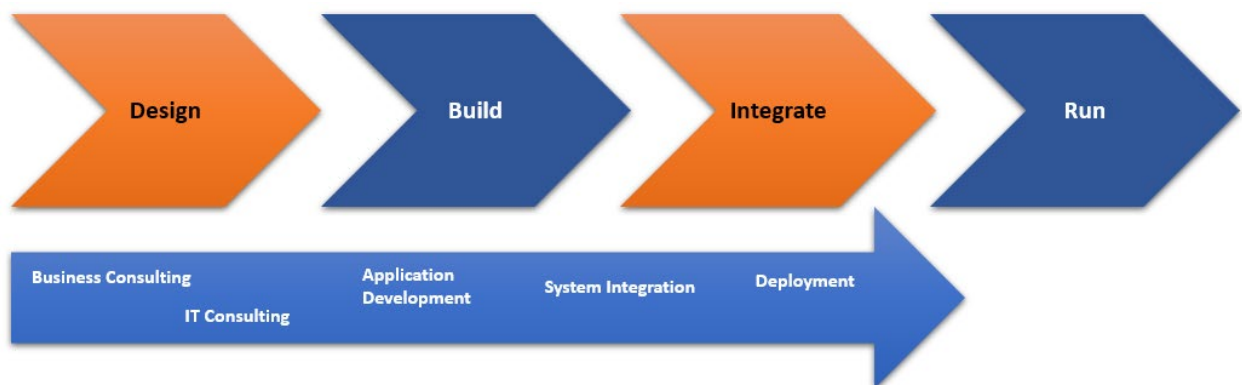
IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, 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 Dynamics 365 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, 2023

LEARN MORE

Related Research

- *Asia/Pacific (Excluding Japan) Business Consulting Services 2022 Market Share* (IDC #AP50336023, June 2023)
- *Asia/Pacific (Excluding Japan) Application Management Services Market Share, 2022: IDC's Top 10 Vendors* (IDC #AP50334523, May 2023)
- *Asia/Pacific IT Services Market Forecast, 2022–2027* (IDC #AP50334723, May 2023)
- *Asia/Pacific Perspectives: Top Cloud Adoption Challenges Among Enterprises* (IDC #AP50335323, April 2023)
- *The Application Modernization Imperative in Asia/Pacific (Excluding Japan) – Key Updates for 2023* (IDC #AP49173323, February 2023)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of service providers participating in the Microsoft Business Applications (Dynamics 365 + Power Platform) implementation services market with specific offerings and capabilities in the segment. It discusses both the quantitative and qualitative characteristics that lead to success in the ecosystem. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to one another and the criteria, and highlights the factors expected to be the most influential for success in the market in both the short term and the long term.

"Microsoft's investments in AI and the introduction of Copilot have further enhanced the value proposition of its business applications offerings among line-of-business users and continue to elevate adoption for complex use cases," says Rijo George Thomas, research manager of IT Services Research, IDC Asia/Pacific. "In this regard, buyers need to look beyond traditional KPIs for service provider selection to include change management expertise, tools and frameworks to enable faster time to value especially leveraging Power Platform, and ability to embed AI to enhance Microsoft investments."

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.).

IDC Asia/Pacific Headquarters (Singapore)

83 Clemenceau Avenue
#17-01 UE Square, West Wing
Singapore 239920
65.6226.0330
Twitter: @IDC
blogs.idc.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, and web conference and conference event proceedings. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/about/worldwideoffices. Please contact IDC report sales at +1.508.988.7988 or www.idc.com/?modal=contact_repsales for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or web rights.

Copyright 2023 IDC. Reproduction is forbidden unless authorized. All rights reserved.

