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Service Providers: Bigger Isn't Always Better

by Eric Karofsky, Lance Travis, Eric Newmark, and Dana Stiffler

Midtier service providers offer significant value, the result of cost, culture, and specialized expertise. While the billion-dollar service providers are suited to address multifaceted projects for complex organizations, smaller service providers are often appropriate for most everything else.

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The Bottom Line

For companies in need of midsize service projects, midtier service providers may offer a better value than their larger counterparts.

Executive Summary

Business Problem: Service provider projects are risky, and picking the wrong partner compounds the risk

Systems integration projects are legendary for going over budget, being late, and failing to meet objectives. Picking the right service provider requires understanding their competencies, from the hard skills of expertise to the soft skills of cultural assimilation.

Market Overview

- Service providers are plentiful, but the market grows and consolidates in waves.
- Large service providers are moving downstream.

Characteristics of the participants in the midtier market

- Pricing structures are often negotiable.
- Employee depth, breadth, and bench size drive corporate strategy.
- Offshore capabilities provide an opportunity for savings.

Recommendations

- Take the midtier service providers to the limit.
- Hire a service provider that has the right cultural fit.
- Consider a midtier service provider to save costs rather than going offshore.
- Utilize many relationships.

Service providers featured in this Report:

Application Partners
Athens Group
Bristlecone
Clarkston Consulting
Cognizant
Crowe Chizek
EnteGreat
gedas USA
Hitachi Consulting
Inforte
Intelligroup
Luxoft
Neoris
Patni
Sapient
Sierra Atlantic

Business Problem: Service provider projects are risky, and picking the wrong partner compounds the risk

Buyers of IT projects risk unsuccessful implementations, but this problem is often compounded by high costs and strategic importance. AMR Research's "IT Spending Report, 2003–2004" shows that 25% to 45% of the companies surveyed did not achieve project success because of implementation problems or little to no Return on Investment (ROI). While the reasons for failure are plentiful, end users consistently talk about a service provider's ability to partner with them as a key factor in gauging success.

Choosing the correct service provider is a difficult decision. Large ones, comprising a few multibillion-dollar companies with tens of thousands of employees, are often best suited for extremely large, multifaceted projects for complex organizations. However, these providers have difficulty servicing less complex projects because of their cost structures and political makeup. Midtier service providers may provide a better fit for these projects. AMR Research has spoken with scores of these, and this Report highlights a sampling that provides compelling value propositions for their clients.

Market Overview

Service providers are plentiful, but the market grows and consolidates in waves

The midtier service provider market, comprising throngs of companies offering everything from small point applications to large-scale enterprise services, contracts and expands with new offerings and competitors. For example, **EnteGreat**, which specializes in integrating packaged business applications with manufacturing systems, was founded by several Raytheon employees. Conversely, **Inforte**, a company that specializes in customer management applications, acquired COMPENDIT to obtain additional **SAP** *Business Information Warehouse* (*BW)* experience.

AMR Research expects to see more of the midtier players get acquired as the large Indian offshore firms develop U.S. and Western European consulting expertise and the large, multibillion-dollar global firms expand their midmarket and managed services offerings. For example, **HP** recently acquired Synstar and **Tata Consultancy Services** (TCS) acquired Phoenix Global Solutions earlier this year.

Large service providers are moving downstream

AMR Research's IT spending studies have found that the Small and Midsize Business (SMB) market is enormous, and these companies spend considerably on technology. The global market, made up of millions of companies, spends 6% of revenue on IT, compared to 3% by large companies. Large service providers have begun to attack this market by changing sales strategies and services.

For instance, the large service providers are starting to consider fixed-price projects for smaller projects, but only upon significant negotiation. (Note: The large service providers sometimes bid out large projects to their long-time customers because there is more room for error and a good chance for follow-on work.)

All this said, AMR Research predicts that the large service providers will have limited success in the SMB market. The midtier service providers have some compelling competitive advantages:

- **They are less expensive.** Midtier participants are up to 25% less expensive than the large service providers for comparable work, the result of a cost structure that does not support expensive hierarchies of partners and vice presidents. For example, one technology company found **Neoris** to be on average 20% to 25% less expensive than its larger competitors.
- **They operate as business partners.** In order for projects to succeed, cross-organizational teams often must work together. The rigid processes of large service providers often jeopardize collaboration. Contrast this with a large energy company's description of **Sapient** as a strategic partner rather than a consultant. A midsize healthcare company also recognized Sapient's partnering ability, even during negotiation.
- **Their scope is more flexible.** The large service providers have enormous cost structures to support. Because of this, their consultants proactively look for follow-on work, which often takes place during scope discussions. Clients have more negotiating leverage with smaller service providers. AMR Research also found that smaller organizations often implement scope changes quickly without involving bureaucracy. As an example, a customer of Inforte told us that additional functionality did not require extensive change orders, which helped the project stay focused.
- **Escalation is effective.** Companies often prioritize their largest customers' needs first. Unless your company is a global behemoth paying millions of dollars to a large service provider, escalating issues may produce limited results.

Characteristics of the participants in the small and midtier market

The companies in the sample, ranging from small, 20-person companies to international enterprises, have varied offerings and experiences. They also differ along many lines, including expertise, bench strength, pricing structures, offshoring capabilities, and geographic coverage.

Table 1: Sampling of midtier service providers

Service Provider	Countries With Presence	Revenue	Employees
Application Partners	United States	Small	20
Athens Group	United States	Small	40
Bristlecone	United States, UK, Germany, India, Singapore	Small	550
Clarkston Consulting	Canada, United States	Small	250
Cognizant	India, Ireland, United States, UK, Germany, Switzerland, Japan, The Netherlands	Mid	14,000
Crowe Chizek	United States	Mid	800
EnteGreat	Canada, United States	Small	110
gedas USA	Argentina, Brazil, China, Spain, UK, Czech Republic, France, Germany, Japan, Mexico, Portugal, United States	Large	5,000
Hitachi Consulting	United States	Mid	850
Inforte	UK, Germany, India, United States	Small	300
Intelligroup	India, Japan, UK, Denmark, United States	Mid	1,800
Luxoft	United States, UK, Russia	Small	1,000
Neoris	United States, Spain, Portugal, Venezuela, Brazil, Argentina, Chile, Mexico	Mid	1,000
Patni	United States, Germany, Canada, UK, Australia, Sweden, India, Japan	Mid	8,000
Sapient	United States, Canada, Germany, UK, India	Mid	2,100
Sierra Atlantic	United States, UK, Canada, India, Singapore, Malaysia, Thailand, Indonesia	Mid	800

Small: Less Than $100M
Mid: $100M-$500M
Large: $500M or More

Source: AMR Research, 2004

Pricing structures are often negotiable

Most midtier service providers will change pricing structures, depending on the type of project and the customer's needs. Historically most projects were based on time and materials, but in the last several years, fixed-price and fixed-time structures have become standard. Progressive companies are starting to offer pay-for-performance pricing. In this model, the service provider usually charges services at cost to the client, and then ties profit to the achievement of specific metrics.

Managing pay-for-performance considerations

Pay-for-performance deals are often talked about during a sales cycle, but sometimes fall apart during contract negotiations. A few common problems need to be addressed:

- **Inaccuracy of measurements is a problem.** Deals are usually tied to an increase of a specific metric (e.g., sales, cost savings, etc.). However, the inaccuracy or lack of measurements is often the reason the service provider is called in the first place, so constructing the agreement may be difficult.
- **Deals often fall apart when they hit the CFO's desk.** A successful implementation may require an extremely large check to the service provider at the back end.
- **Changing scope can require significant escalation.** The service provider is gambling on the success of a project—as scope changes, the bet changes as well. This senior-level decision may need to be escalated, causing delays.

Employee depth, breadth, and bench size drive corporate strategy

Naturally, a company builds its sales and growth strategies upon the strengths of its assets. For a service provider, the primary asset is its employee base. By exclusively hiring seasoned executives, some companies have deep vertical knowledge that creates unique value for their clients. For instance, **Athens Group**, a small service provider, competes in the Oil and Gas industry on its 20-plus year average experience. Alternatively, other companies are more focused on technology applications. **Bristlecone** and **Sierra Atlantic** have intense knowledge of enterprise applications, as a significant portion of their revenue comes from developing enterprise code for SAP, **Oracle**, and **PeopleSoft**. Others hire droves of smart college graduates and train them. These companies are often most appropriate for large-scale projects where technical implementation, along with strategic business design, is necessary.

Table 2: High-level expertise of midtier service providers

Service Provider	Why You Call Them
Application Partners	EPM consulting and solution implementation of Hyperion, OutlookSoft, and SAP software
Athens Group	Small projects where heavy industry knowledge is essential in the Retail, Financial Services, Discrete Manufacturing, and Oil and Gas industries
Bristlecone	Implementation of SAP for supply chain, ERP, and CRM
Clarkston Consulting	Technology, regulatory, and supply chain consulting for the Life Sciences and CPG industries
Cognizant	Wide range of technical solutions, especially supply chain consulting and integration for Retail and Manufacturing industries
Crowe Chizek	Integration services for a wide range of industries
EnteGreat	Implementation of industry-specific manufacturing and associated systems
gedas USA	Wide range of global technology solutions for the Automotive and Manufacturing industries
Hitachi Consulting	Systems integration and change management for a variety of industries
Inforte	Strategy consulting and application development for customer-facing and analytical applications in the Financial Services, Media, and Hospitality industries
Intelligroup	Implementation and support for SAP, Oracle, and PeopleSoft
Luxoft	Custom application development and maintenance for a variety of industries
Neoris	Application development, implementation, and hosting primarily to the Latin American market
Patni	Application development and BPO for the Insurance, Manufacturing, and Financial Services markets
Sapient	Web-based application development and offshore capabilities across many industries
Sierra Atlantic	Integration implementation and support for SAP, Oracle, PeopleSoft, and Siebel

Source: AMR Research, 2004

Offshore capabilities provide an opportunity for savings

Many companies have offshore capabilities in low-wage, resource-rich countries such as India. These capabilities run the gamut from arm's-length partnerships, to offshore divisions, to Indian companies that have offices in the developed countries. Offshoring provides significant opportunities for cost and time savings, as well as for high quality. For more information, see the *AMR Research Report* "Indian Service Providers: A Credible Alternative to Traditional Global SIs for ERP Engagements," November 2004.

Table 3: Offshore resources available for midtier service providers

Service Provider	Little to No Resources	Significant Resources	Partner
Application Partners	√		
Athens Group	√		
Bristlecone		√	
Clarkston Consulting	√		
Cognizant		√	
Crowe Chizek			√
EnteGreat	√		
gedas USA		√	
Hitachi Consulting			√
Inforte		√	
Intelligroup		√	
Luxoft		√	
Neoris		√	
Patni		√	
Sapient		√	
Sierra Atlantic		√	

Source: AMR Research, 2004

Recommendations

- **Take the midtier service providers to the limit.** Just because a project is complex, do not assume that your favorite midtier service provider cannot handle it. Work with the provider and talk about options and opportunities. This class of provider is extremely customer focused and driven to meet and exceed expectations. Frequently they rely on their customers to help bring them to new markets and build new expertise. The payback is often a mutually beneficial, enduring partnership with a track record of successful projects.
- **Hire a service provider that has the right cultural fit.** Among the primary reasons that projects fail is the inability of the organizations to work together. Rigid, unyielding, and even arrogant consultants are the norm in some companies. In contrast, others are willing to assimilate into a client's culture while still maintaining an appropriate level of disciplined project management. As an example, a U.S.-based manufacturer that we spoke with said that **Crowe Chizek**'s ability to understand its unique culture was a critical factor to project success.
- **Consider a midtier service provider to save costs rather than going directly offshore.** Many end users decide to send work offshore to save money. Midtier service providers may provide comparable pricing yet have the benefit of location, language, and culture. These three factors are the top reasons for offshore outsourcing project failure, as illustrated in the *AMR Research Report* "Successfully Outsourcing IT Work Offshore Is in Your Hands," October 2004.
- **Utilize many relationships.** Customers that have many projects often choose large service providers to simplify and one-stop shop. Unless these are each multimillion-dollar engagements and you are a billion-dollar company, it still may not be enough to gain 100% attention from the large service providers. End users that we spoke with work with many midtier service providers at a time. While project size and complexity are obvious issues, they are comfortable managing up to five different relationships at a time.

Product and vendor summaries

Please refer to Appendix A for a review of service providers and their products in this market.

Appendix A: Midtier Service Providers

Application Partners

Application Partners provides Enterprise Performance Management (EPM) services primarily for discrete manufacturers. The company manages the full lifecycle of EPM, from management workshops to EPM implementations, primarily with SAP, **Hyperion**, and **OutlookSoft**. Application Partners' experience with packaged applications and use of strict methodology make its projects, on average, 50% to 60% shorter than its larger competitors'. A key component of its methodology is its Data Analysis Workshop. The one-week process, conducted at the client site, is to provide clarity of scope, develop consensus, and validate important information. The application development phase includes data model templates for financials, materials management, and sales. The templates that were created by Application Partners are used internally as well as licensed out to a large enterprise application company.

Application Partners is a private company located in Atlanta. It has 20 employees and approximately $4M in revenue.

Athens Group

Athens Group is a technology consulting company that provides services to the Retail, Financial Services, Discrete Manufacturing, and Oil and Gas industries. The company's forte is with projects where heavy industry knowledge and business acumen are critical. Examples of this include audits and quality assurance testing for operational software on offshore oil rigs, industry applications for Business Process Management (BPM), and retail price optimization applications. Athens Group uses metric tracking to help gauge success on its projects. One specific statistic that is measured is lines of code written versus development hours. On average, Athens Group spends 35% less time than the average firm when compared in national survey statistics.

Athens Group was founded in 1998 and is employee owned. The average Athens Group project uses two people for one to six months, although integration projects may include up to eight people for as long as one year. Athens Group's 40-plus employees are all hired from industry, average 20 years' experience, and are credited with publications, local governance seats, leadership in business ethics, and board affiliations with industry groups. Headquartered in Austin, Texas, the company does work across the United States and globally.

Bristlecone

Bristlecone is a niche SAP supply chain integrator and service provider for the Apparel, Footwear, Consumer Packaged Goods (CPG), and Oil and Gas industries. The company has developed proprietary and licensed tools, called *Value Accelerators*, to improve ROI from *SAP APO* implementations, and other proprietary tools for benefit realization and risk mitigation from *mySAP* enterprise applications. Bristlecone has also created *plannerDA*, an SAP-certified product that creates a visual cockpit to manage the supply chain. Bristlecone provides testing, outsourcing, and hosting services.

The five-year-old company was started by three ex-SAP employees. The company has strong ties with SAP development, as demonstrated by its frequent training of the SAP development staff on the supply chain business. Bristlecone was acquired in May 2004 by Mahindra Consulting, a global consulting company with roots in India. The acquisition by Mahindra has allowed Bristlecone to expand its services beyond SAP supply chain to include SAP Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) capabilities. Bristlecone has about 400 of its 550 people in Bombay and Bangalore, India; the rest are located in the United States, Germany, Singapore, and China.

Clarkston Consulting

Clarkston Consulting is a life sciences and CPG consulting company with strong SAP expertise. The company performs strategy and technology services for regulatory as well as supply- and demand-chain projects. The company has intellectual property to speed delivery and ensure consistency of approach. Examples include test scripts, requirement matrices, summary reports, tools, and templates, which save clients between 25% to 40% of implementation time as compared to industry averages.

Clarkston was founded in 1991 by four ex-Andersen Consulting partners. Revenue is approximately $50M, with a significant portion attributed to repeat business. Employee education is a central focus to the Clarkston delivery model. The average experience of Clarkston's 250 employees is 15 years, and all employees continually go through additional training classes.

Cognizant

Cognizant has a strong vertical focus in the Retail, Manufacturing, and Logistics industries. Within manufacturing and retail companies, it has executed multiple supply chain projects as well as retail point-of-sale projects. It offers a full range of business consulting, systems integration, and outsourced applications management. Cognizant has a reputation for customer service and relationship management.

Cognizant is an outsourcing services company with FY2003 revenue of $368M and $57.4M in net income. It is headquartered in New Jersey, but the bulk of its technical resources is located in 11 CMM Level 5 offshore centers in India. It is also in the process of developing a center in China. It was founded in 1994 as a division of Dun & Bradstreet. It now does business in 30 countries, and has over 150 large customers and over 14,000 employees.

Crowe Chizek

Crowe Chizek delivers consulting, custom development, and integration services. The company has centers of excellence in supply chain, application implementation, BPM, integration, and corporate governance. Among Crowe Chizek's strengths is its ability to manage a process with diverse groups of people and drive a project to a successful conclusion. Usually led by a dedicated executive, project teams typically comprise Crowe employees, client teams, and often contract firms or workers. Its integration methodology, which recently was adopted by The Integration Consortium (a group of 75 large end users, academics, and providers), allows for extreme team expansion and contraction to meet client goals. Accepting risk is part of the Crowe Chizek business model over 80% of the projects involve some form of fixed fee or pay for performance.

Crowe Chizek is the eighth largest CPA and consulting firm in the United States. Founded in 1942, it has over 1,800 employees, with about 800 in its consulting group. With 19 locations east of the Mississippi, the company has strong roots in the Midwest. Crowe Chizek is the leading North American member of Horwath International. This consortium of 110 companies enables Crowe Chizek to utilize member firms to deliver global projects.

EnteGreat

EnteGreat is a service provider and business process consultant for the Food and Beverage, Chemicals, Discrete Manufacturing, Life Sciences, and Pulp and Paper industries. 80% of the company's business is integrating packaged applications. The company does not write any code; instead, it leverages its relationships with vendor partners. Much of EnteGreat's business is from repeat customers, and approximately 70% of its work covers the entire project lifecycle, as opposed to piece work. The company's strength in industry-specific manufacturing processes and associated systems sets it apart from most service providers.

Originally the systems integration arm of Raytheon, EnteGreat was spun off by several employees. The privately held company employs 110 people, about 70 employees and 40 contractors. The average experience of its full-time staff is 21 years. EnteGreat is headquartered in Birmingham, Alabama and has three additional offices in North America.

gedas USA

gedas provides technology applications for the Automotive and Discrete Manufacturing industries. Approximately 60% of the company's revenue comes from outsourcing, with the remaining attributed to IT consulting and delivery of ERP/SAP, Product Lifecycle Management (PLM), and CRM applications. The company strictly adheres to the Information Technology Infrastructure Library (ITIL), which enables global support and consistency based on best practices. All project managers become certified by the Project Management Institute and adhere to a standard project management framework. gedas has a strong history in its SAP Practice for automotive and manufacturing implementations. SAP implementations are supported by SAP-certified consultants and a methodology for quick SAP implementations that is enhanced by gedas' quality assurance intellectual property. The implementation and deployment templates, most notably for SAP, give its customers nearly a 30% savings. In addition, the company employs a global sourcing model that creates cost savings.

gedas is headquartered in Berlin, and nearly 5,000 of its consultants are located in 13 countries. The 20-year-old global IT and consulting company has revenue of about $750M and is part of the Volkswagen Group.

Hitachi Consulting

Hitachi Consulting is a strategy, business improvement, and IT consulting company that offers services for the CPG, Manufacturing, Software and High-Tech, Telecommunications, and Utilities industries. Hitachi has technical experience selecting, implementing, and integrating most enterprise applications across the entire value chain (front office through supply chain). The company has combined the methodologies and best practices from seven major consulting companies to create its own set of industry-specific methodologies, all with a heavy focus on driving value and ensuring application adoption. Hitachi Consulting is building its practice around key locations and core industries within those markets. It sees this as an advantage to its clients in that they can build long-term relationships in a community while bringing global best practices to bear in their industries of focus.

Hitachi Consulting, a division of the $81B Hitachi Ltd., is an 850-employee company with a 2004 revenue run rate of more than $150M. Originally the consulting arm of accounting firm Grant Thornton, the company was acquired by Hitachi in 2000 and has been built through a number of acquisitions. Headquartered in Dallas, the company has 17 locations across the United States.

Inforte

Inforte's services include sales, marketing, forecasting, pricing, product strategy, and customer management (i.e., all things customer facing). The company serves clients in the Specialty Banking and Insurance markets as well as the Media and Hospitality industries. Inforte is strong in CRM implementations, and has won praise for high customer satisfaction. To build out its business intelligence competency, the company acquired COMPENDIT in March 2004, which focuses on SAP *BW* and *Strategic Enterprise Management*.

Founded in 1993, Inforte is a public company with FY2003 revenue of $32.7M and a net income of $1.7M. The company currently has approximately 300 employees, and is working on 40 projects and serving 30 clients. Inforte is headquartered in Chicago and has six additional U.S. locations, with international offices in the UK, Germany, and India.

Intelligroup

Intelligroup provides project and outsourcing services focused on ERP implementations. The bulk of its ERP resources are located offshore in India. The company has traction in the Discrete and Process Manufacturing and CPG markets, but its strongest industry is the Public Sector. This public sector group, which is a fully owned subsidiary named Empower Solutions, comprises ex-Andersen Consulting PeopleSoft implementers, and has become the model vertical practice for the company in its effort to redesign the rest of the company to leverage its sales and operational successes. The company's SAP capabilities across manufacturing are also robust. Intelligroup has intellectual property to aid in fast implementations, which saves clients 20% to 30% over average implementation costs.

Intelligroup received a $15M equity investment from the Softbank Asia Infrastructure Fund in October 2004. A public company, its FY2003 revenue was $118M, with a net income of $6.4M. The company's SAP practice contributes about 65% of revenue, with PeopleSoft at about 27% and Oracle at about 2%. The company has approximately 1,800 employees, with over 1,300 located in its CMM Level 5 development center in India. Intelligroup has four U.S. locations, and is headquartered in Edison, New Jersey. It has additional offices in the UK, Denmark, India, and Japan.

Luxoft

Luxoft focuses on customized application development and maintenance. It offers project-based services and dedicated development centers, and performs a limited amount of technology research and development in conjunction with the Russian Academy of Sciences. It has done projects for financial services, aerospace, automotive, and high-tech companies. Applications include data warehouse, supply chain, portals, and embedded systems.

Luxoft is part of Russia-based IBS Group, a $900M conglomerate. The company has more than 1,000 employees, and will generate about $25M in revenue in 2004. Luxoft has solid relationships with some of its customers dating back to its founding in 2000. As a testament to the company's commitment to quality, it is the first company in Europe to achieve both CMM and CMMI Level 5 certifications. The company has development centers in Moscow, St. Petersburg, Dubna, and Omsk, Russia, and sales offices in Georgia, New Jersey, and Washington as well as in the UK.

Neoris

Neoris is a full-service IT consulting company with competencies ranging from application development, package implementation, and system integration to outsourced hosting. Among Neoris' strengths is its ability to recognize, adopt, and develop new technologies. An example is a recent Radio Frequency Identification (RFID) project where Neoris patented technology to locate and track the contents of shipping containers. Approximately 50% of the company's revenue is from subcontracted work from larger integrators that use Neoris' services for specific technology expertise.

With revenue placing it among the top five service providers in Latin America, Neoris has 1,000 employees across its 13 locations. Neoris has grown organically and through acquisition—in 2002, Neoris acquired Andersen's Business Consulting Group in Mexico. The company's headquarters are in Miami and it has additional offices in the United States, Mexico, Venezuela, Brazil, Argentina, Chile, Spain, and Portugal.

Patni

Patni offers application development, management, and business process outsourcing services. Patni receives the majority of its revenue from the Insurance, Financial Services, and Manufacturing industries. In addition to participating in the Energy and Retail markets, the company strengthened its telecommunications practice by purchasing the services company Cymbal for $68M in October 2004. Patni also services the manufacturing market with its competency in embedded software, where it specializes in products that require high reliability, such as pacemakers.

The public company was founded in 1978 and is headquartered in Mumbai, India. Responding to customer demand, Patni has a specific competency in transitioning time and materials projects to fixed-time, fixed-price, or Service-Level Agreement (SLA)-based engagement models. These projects account for roughly 50% of its revenue. The company has grown at a compound annual growth rate of 41% since 1999, with revenue in 2003 of $250M. It has over 8,000 employees in CMM Level 5 development centers in India as well as in the United States, Canada, UK, Germany, Sweden, Australia, and Japan.

Sapient

Sapient provides consulting, system integration, and support services. It has always been known as a company with a strong employee culture; as a testament, the Harvard Business School is publishing a case study on the company. It has experience in value-based pricing; one example is with a major automobile manufacturer, where Sapient is compensated as customer retention rates increase. Sapient constantly measures client satisfaction to gauge client success and business value. During the late 1990s, Sapient was viewed as a leader in the e-commerce arena. Today it focuses its services to build and support business-critical applications for key industries such as Energy Services, Telecommunications, Automotive, and Government.

The company built its business on fixed-time and fixed-price engagements. Among the first to move into Web applications development, Sapient was also among the initial companies to have offshore development facilities in India. In total, the company currently has 2,100 employees, with over 1,000 in its Level 3 CMM facilities in India. Its FY2003 revenue was $184.8M with a net income of $4.9M. While officially headquartered in Cambridge, Massachusetts, its global delivery model extends to the corporation itself, with nonbillable corporate employees located around the globe.

Sierra Atlantic

Sierra Atlantic derives its revenue by implementing and supporting enterprise software, as well as by developing products for enterprise software vendors. The company generates approximately two-thirds of its revenue from implementation and follow-on support for SAP, Oracle, PeopleSoft, **Siebel**, and **Agile**, among others. This expertise is leveraged from its product development competency in creating software for many of the same vendors. Additionally, the company has created prepackaged applications called *Application Networks*, which automate business processes across application platforms. Sierra Atlantic concentrates its services in the Discrete and Process Manufacturing, Food and Beverage, Chemicals, Pharmaceuticals, and Software industries.

The company has roughly 800 employees; 30 are in professional services located in the United States, and the remaining are in India. With headquarters in Fremont, California, the company has nine sales offices across the globe, and a CMM Level 5 development center in India.

Company List

Agile	www.agile.com
Application Partners	www.apartners.com
Athens Group	www.athensgroup.com
Bristlecone	www.bcone.com
Clarkston Consulting	www.clarkstonconsulting.com
Cognizant	www.cognizant.com
Crowe Chizek	www.crowechizek.com
EnteGreat	www.entegreat.com
gedas USA	www.gedasusa.com
Hitachi Consulting	www.hitachiconsulting.com
HP	www.hp.com
Hyperion	www.hyperion.com
Inforte	www.inforte.com
Intelligroup	www.intelligroup.com
Luxoft	www.luxoft.com
Neoris	www.neoris.com
Oracle	www.oracle.com
OutlookSoft	www.outlooksoft.com
Patni	www.patni.com
PeopleSoft	www.peoplesoft.com
SAP	www.sap.com
Sapient	www.sapient.com
Siebel	www.siebel.com
Sierra Atlantic	www.sierraatlantic.com
Tata Consultancy Services	www.tcs.com

Acronyms and Abbreviations

BPO	Business Process Outsourcing
BPM	Business Process Management
CPG	Consumer Packaged Goods
CRM	Customer Relationship Management
EPM	Enterprise Performance Management
ERP	Enterprise Research Planning
ITIL	Information Technology Infrastructure Library
PLM	Product Lifecycle Management
RFID	Radio Frequency Identification
ROI	Return on Investment
SLA	Service-Level Agreement
SMB	Small and Midsize Business

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