*ISG Provider Lens™

Public Cloud – Services & Solutions

U.S. 2021

Quadrant
Report

A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:

wipro

November 2021

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of July 2021, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars ($US) unless noted.

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EXECUTIVE SUMMARY

In the past couple of years, ISG has seen strong growth in demand for multicloud services from enterprises of all sizes. Enterprises have recognized that moving to cloud is beneficial to their business. They are now willing to approach managed services providers to move to the cloud the right way and choose the right cloud for a particular workload as well as leverage multiple clouds to avoid vendor lock in. In the past, there were multiple cloud systems, but each one of them functioned independently. However, now there is a shift toward multiple cloud systems, which are interconnected, integrated and managed, and thus, creating a complex environment of multi hybrid cloud systems.
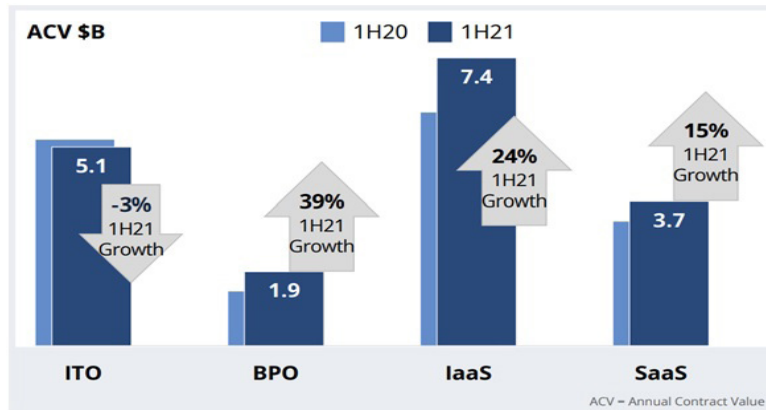
Source: ISG Index™ 2Q21.

The COVID-19 pandemic has changed the way most enterprises operate today, and the cloud ecosystem has played a major role. As the world moves to a near normalcy where employees have started returning to office, we strongly believe that the hybrid model of working will still continue where some form of restrictions will remain, and employees will have an option to work remotely. Most managed services are now virtually and remotely delivered, including transformation and migration of workloads, sales activities and due diligence. These activities are most preferred now to achieve faster, better and cost-effective delivery.

In the last financial year, almost all service providers have observed significant growth in their cloud practice and have several deals in pipelines. This completely aligns with ISG's predictions that the number of companies planning to outsource their managed cloud services activities will grow significantly in 2020, and this trend is expected to continue in the coming years. In the recent ISG Index™ call, for the Americas market, we saw that IaaS has gained more traction in the first half of 2021 and grew by 24 percent when compared to the last year, with the annual contract value (ACV) reaching to US$7.4 billion. ISG also observed that the SaaS market grew by 15 percent and reached to an ACV of US$3.7 billion, when compared to the growth in 1H20, which was 11 percent.

ISG also observed an increasing number of providers investing in talent upskilling in the U.S., mainly due to the shortage of skills in the market. Service providers are working closely with hyperscalers and third-party training institutes to train and certify their talent

pool of engineers in cloud technologies to support the rising demand and cloud market growth. A few providers are leveraging automation techniques to counterbalance the skill shortage, enabling them to support more clients. The service provider community uses several platforms and tools to automate cloud operations. Leveraging AI and machine learning technologies has also become a norm and creates a differentiation with the level of automation they can achieve, which can vary from 30 to 70 percent. Some companies are using automation to enhance customer experience and improve the bottom lines. Also, DevOps and security configurations for application migration have been widely adopted, with an accelerated acceptance in cloud native transformation initiatives.

Some of the trends that we are seeing in this space are as follows:

Business value focused engagements: Some of the provider leaders in the cloud consulting and transformation segment have shifted the conversations with enterprises to deliver business value, while helping them with application transformation strategies, rather than just migrating their workloads to the cloud. Service providers are helping them create a roadmap that suggests whether the workload needs a lift-and-shift transition or whether it should be rearchitected or replatformed to improve the performance and reduce the costs for running the workload. They have changed their commercial models wherein they are seeing several enterprises wanting to engage in value-based deals as it benefits the clients significantly. Providers offer a comprehensive partnership and bring value through CXO level agendas in every organization of the enterprise. Although this model has high investments and high risks, the outcomes or value realizations are immense to both the provider and its clients.

Investment commitments in cloud: In the last couple of years, we have seen several large global service integrators committed to investing in growing their cloud practice in some form or the other. They are investing in building a robust cloud partner ecosystem and developing intellectual properties by integrating the best of breed capabilities to improve client satisfaction. The investments can be seen primarily in developing cloud-focused offerings, creating innovation architecture, increasing the number of employees with cloud certification and creating cloud innovation labs, which are developed in collaboration with the cloud providers such as AWS, Azure, GCP and IBM. This has helped the providers to better orchestrate the cloud journey for its clients and improve the outcomes and deliver better customer experience.

The rise of cloud FinOps: Since early 2020, the adoption of FinOps principles and frameworks has grown considerably and will continue to grow their community every day. FinOps increases the business value of cloud by bringing together technology, business and finance professionals with a new set of processes, which helps the organization to efficiently monitor and track all their cloud resources, eventually reducing the cloud bills. FinOps practitioners continuously align and optimize their cloud investments to drive strategic business initiatives and bring in the needed discipline of using cloud resources effectively. The FinOps Foundation, a part of the Cloud Native Computing Foundation (CNCF), has been active in spreading the awareness of its principles. There is a large growing partner ecosystem, consisting of vendors and global service integrators, along with community members contributing to the FinOps initiative. Cost analysis and allocation tools such as VMware's CloudHealth or Apptio's Cloudability are prominent

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vendors in the market and play an important role in many organizations' FinOps journeys, as they help keep the finance and procurement team informed, enabling forecasting and driving accountability toward the actual users. These tools offer visibility and direction toward long-term purchases such as savings plans and reserved instances to reduce cloud bills.

Innovating through strategic collaboration: ISG has observed that many service providers have entered into strategic relationships with public cloud infrastructure providers such as AWS, Microsoft Azure and Google Cloud Platform. They work closely to co-develop cloud offerings and have a joint go-to-market strategy, which is a win-win situation for all involved parties. This collaboration brings in the best-in-class technologies, along with the best practices to develop cloud solutions for faster migrations, improved efficiencies in cloud resource management, increased adoption of next generation technologies and more. Providers and hyperscalers are also doubling their efforts on improving and strengthening security measures to help enterprise customers improve their customer experience in a highly secure cloud environment.

Consulting and transformation services (CATS) for large accounts: In the large enterprise market, ISG observed a change in the way of migrating workloads to public cloud. Cloud-native transformation was given a precedence by both providers as well as enterprises. The enterprises recognized that with a lift-and-shift method they cannot get the most of out of cloud environments, and instead should move the workload through rearchitecting. Also, leveraging microservices architecture and other cloud-native technologies will benefit in the long run. They are also leveraging AI and machine learning technologies to decide which workloads to prioritize based on the severity and criticality to

the business. Large global service integrators were also seen to acquire firms in the U.S. to bolster their cloud transformation capabilities and bring in the niche capabilities required to fill their gaps.

Consulting and transformation services (CATS) for midmarket: The providers catering to the small and medium-sized enterprise market segment saw significant growth in their cloud business. As the enterprise affected by the pandemic want to promptly move many of their workloads to cloud, the midmarket providers have been more than accommodating and going above and beyond to satisfy the customers and fulfil their requirements in a tight deadline. Many providers in this space were seen leveraging automation as key differentiation and pushing for cloud native transformation engagements. Also, we observed that providers took a platform-driven approach, where they leverage several proprietary platforms developed by them in-house to discover, assess and migrate workloads to the cloud as well as automate most of this process. Providers in this space were able to make a deep impact in the market by helping clients with their cloud journey in a cost-effective manner.

Managed services for large accounts: As the demand for cloud adoption grows significantly and moves from virtual machine-centric adoption to microservices architecture with containers and serverless architectures, the roles and activities under managed services have changed considerably. Large global service providers have been investing in empowering the developers with more self-services capabilities and enabling robust engineering of the cloud platform to become more self-managing and automated healing. Also, as enterprises migrate and modernize their applications for cloud, the main

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challenge observed was for them to transform their operations to meet the requirements of the modern applications and adopt modern cloud management services with principles of site reliability engineering, DevOps and infrastructure as code. It will also require large enterprises to transform their existing teams and process to focus more on optimization, automation and adoption, rather than focusing on standard ITIL framework of incident, problems and changes. Service providers catering to this market segment were seen to increase their cloud practice by certifying their cloud engineers in hyperscaler technologies, along with strategically engaging with the public cloud providers to develop joint go-to-market strategies and help large enterprises in the U.S. to manage their public cloud infrastructure efficiently.

Managed services for midmarket: The midmarket segment saw considerable growth in managed public cloud services space when compared to the large market segment. Service providers were successful in bringing in new clients and create an impact by helping them move their workloads to cloud environments more efficiently and at lower costs. To achieve this, service providers in this segment were seen heavily leveraging automation capabilities to improve operational efficiencies. They helped enterprises automate the complete management of the application and infrastructure stack. This, in turn, reduced the downtime, improved productivity and minimized the number of errors, which was beneficial, especially during the COVID times. Providers in this space developed in-house and third-party tools and platforms for better managing the multicloud infrastructure.

Infrastructure- and platform-as-a-service trends: With large number of workloads moving to the public cloud, system integrators and service providers are strengthening their credentials and partnerships with hyperscalers, as they are being viewed as key strategic partners by both service providers as well as large enterprises. Hence, public cloud infrastructure providers are doubling their efforts to improve and strengthen security measures for their offerings to entice customers that are hesitant to move to the public cloud due to security concerns. This has led to major investments by the hyperscalers in cyber competencies and expertise to prevent cyberattacks and help clients leverage their infrastructure with more confidence and entrust their mission-critical workloads on the public cloud. Hyperscalers are also developing vertical-specific offerings, especially in highly regulated industries where they must adhere to the regulations and compliance requirements.

SAP HANA infrastructure services trends: SAP has been working closely with the hyperscalers and has developed a robust partner ecosystem in the U.S. The announcement of RISE with SAP has accelerated the migration of SAP workloads to the cloud in 2021. In the U.S., hyperscalers are competitive and are assessing every SAP deal and are aggressively helping clients migrate their large complex SAP workloads to their cloud by incentivizing them and offering discounts. Although enterprises do not have any preferred cloud provider, they tend to migrate their workloads with the hyperscaler they are already familiar with or have a close relationship built over the years.

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Introduction

Simplified illustration

Public Cloud – Service & Solutions 2021	
Consulting and Transformation Services for Large Accounts	Consulting and Transformation Services for Midmarket
Managed Public Cloud Services for Large Accounts	Managed Public Cloud Services for Midmarket
Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services

Source: ISG 2021

Definition

In the last financial year, the increase in public cloud adoption among enterprises was mainly triggered by the COVID-19 pandemic, along with other factors such as the growing digital transformation engagements, increasing recognition of the importance of cybersecurity and expanding remote working environments. The increased maturity of the cloud industry made a major impact on both enterprises and IT service providers, with both buyers and consumers witnessing a huge shift in the buying behavior, from physical to digital. For enterprises, this has also impacted business models, requiring digital initiatives and recognizing the need to address governance, risk and compliance norms. Considering the widespread adoption of the as-a-service model, enterprises need to continuously evaluate cloud service providers, globally, mainly due to growing security concerns and the dynamic nature of the business landscape.

Definition (cont.)

Enterprises continue to seek providers that can act as strategic partners in carrying out cloud transformation engagements on major hyperscalers (AWS, Microsoft Azure and Google Cloud Platform). The provider will also continue to manage the workloads on an on-going basis and help enterprises control, optimize and manage cloud expenses though FinOps strategies.

ISG reports a strong demand for digital transformation engagements, which, in turn, is driving global contracts for cloud products and services, including infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS). According to the latest 2Q21 ISG Index™, the global market has grown by 32 percent in the combined market annual contract value (ACV) to reach its current value of US$19.1 billion year-over-year, while the as-a-service ACV has increased by 25 percent to reach US$11.2 billion in the same period. Also, the IaaS market grew by 29 percent to reach US$15.3 billion, while the SaaS market grew by 15 percent to reach US$5.7 billion in the first half of 2021.

The ISG Provider Lens™ study offers the following to IT decision-makers:

- Strengths and weaknesses of relevant providers

- A differentiated positioning of providers based on competitive strength and portfolio attractiveness

- A perspective on several markets, including global, the U.S., the U.K., Germany, Switzerland, France, the Nordics and Brazil

This study serves as the basis for important decision-making in terms of positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also leverage information from these reports to evaluate current vendor relationships and potential engagements.

Definition (cont.)

Scope of the Report

The Public Cloud – Service & Solutions 2021 U.S. report will assist buyers while reviewing a significant cloud transformation strategy and the capabilities of service providers in various geographies. Enterprise clients will also benefit from the study because it incorporates ISG's strengths in global sourcing advisory, contract knowledge databases, regional research and expertise in technology ecosystems and innovations. This study includes various reports from seven quadrants that cover cloud service models. Not all quadrants are covered in each geography. Coverage depends on provider responses, participation and relevance. Quadrants that are not covered in a region may be covered in future studies. The geographic report areas include global, the U.S., the U.K., Germany, Switzerland, the Nordics, France and Brazil.

The full set of quadrants covered in this study are:

Consulting and Transformation Services (CATS): This quadrant assesses providers of advisory and migration services for public cloud infrastructure, primarily AWS, Google Cloud Platform (GCP) and Microsoft Azure.

Managed Public Cloud Services: This quadrant covers providers that offer ongoing management and support services on top of public cloud infrastructure, primarily AWS, GCP and Microsoft Azure.

Hyperscale Infrastructure and Platform Services: In this quadrant, we evaluate service providers that provide virtual compute resources, middleware and software on a public cloud. These providers also include those in the hyperscaler PaaS segment, which offer multiple microservices and runtime engines for predefined, cloud-based application development processes that typically address full lifecycle needs for a developer.

SAP HANA Infrastructure Services: This quadrant assesses cloud infrastructures best suited to host the SAP software portfolio, with emphasis on SAP S/4HANA workloads and large-scale HANA databases.

Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between US$20 million and US$999 million with central headquarters in the respective country, usually privately owned.

- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above US$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Product Challenger

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Market Challenger

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

Contender

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in both products and services and a sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

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Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Rising Stars have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not In

The service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

Public Cloud – Services & Solutions - Quadrant Provider Listing 1 of 4

	Consulting and Transformational Services for Large Accounts	Consulting and Transformational Services for Midmarket	Managed Public Cloud Services for Large Accounts	Managed Public Cloud Services for Midmarket	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
2nd Watch	Contender	Not in	Contender	Not in	Not in	Not in
Accenture	Leader	Not in	Leader	Not in	Not in	Not in
Alibaba	Not in	Not in	Not in	Not in	Contender	Contender
AllCloud	Not in	Contender	Not in	Product Challenger	Not in	Not in
Atos	Product Challenger	Not in	Contender	Not in	Not in	Not in
AWS	Not in	Not in	Not in	Not in	Leader	Leader
Birlasoft	Not in	Contender	Not in	Contender	Not in	Not in
Blazeclan	Not in	Contender	Not in	Contender	Not in	Not in
Capgemini	Leader	Not in	Leader	Not in	Not in	Not in
CGI	Contender	Not in	Contender	Not in	Not in	Not in
Cloudreach	Not in	Product Challenger	Not in	Product Challenger	Not in	Not in
Coforge	Not in	Product Challenger	Not in	Product Challenger	Not in	Not in
Cognizant	Leader	Not in	Leader	Not in	Not in	Not in

Public Cloud – Services & Solutions - Quadrant Provider Listing 2 of 4

	Consulting and Transformational Services for Large Accounts	Consulting and Transformational Services for Midmarket	Managed Public Cloud Services for Large Accounts	Managed Public Cloud Services for Midmarket	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Deloitte	● Market Challenger	● Not in	● Market Challenger	● Not in	● Not in	● Not in
Digital Ocean	● Not in	● Not in	● Not in	● Not in	● Contender	● Not in
DXC	● Product Challenger	● Not in	● Product Challenger	● Not in	● Not in	● Not in
Ensono	● Not in	● Contender	● Not in	● Contender	● Not in	● Not in
Fujitsu	● Not in	● Product Challenger	● Not in	● Product Challenger	● Not in	● Not in
Google	● Not in	● Not in	● Not in	● Not in	● Leader	● Leader
HCL	● Leader	● Not in	● Leader	● Not in	● Not in	● Not in
Hexaware	● Not in	● Leader	● Not in	● Leader	● Not in	● Not in
IBM	● Leader	● Not in	● Leader	● Not in	● Product Challenger	● Product Challenger
Infinite	● Not in	● Contender	● Not in	● Contender	● Not in	● Not in
Infosys	● Leader	● Not in	● Leader	● Not in	● Not in	● Not in
KPMG	● Contender	● Not in	● Not in	● Not in	● Not in	● Not in
Logicalis	● Not in	● Contender	● Not in	● Contender	● Not in	● Not in

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Public Cloud – Services & Solutions - Quadrant Provider Listing 3 of 4

	Consulting and Transformational Services for Large Accounts	Consulting and Transformational Services for Midmarket	Managed Public Cloud Services for Large Accounts	Managed Public Cloud Services for Midmarket	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
LTI	Not in	Leader	Not in	Leader	Not in	Not in
Lumen	Not in	Contender	Not in	Contender	Not in	Not in
Microland	Not in	Contender	Not in	Contender	Not in	Not in
Microsoft	Not in	Not in	Not in	Not in	Leader	Leader
Mindtree	Not in	Leader	Not in	Leader	Not in	Not in
Mphasis	Not in	Leader	Not in	Rising Star	Not in	Not in
Navisite	Not in	Rising Star	Not in	Product Challenger	Not in	Not in
N-iX	Not in	Contender	Not in	Not in	Not in	Not in
NTT Ltd.	Rising Star	Not in	Product Challenger	Not in	Not in	Not in
Oracle	Not in	Not in	Not in	Not in	Product Challenger	Not in
OVHcloud	Not in	Not in	Not in	Not in	Contender	Contender
Persistent Systems	Not in	Contender	Not in	Contender	Not in	Not in
PwC	Contender	Not in	Contender	Not in	Not in	Not in

Public Cloud – Services & Solutions - Quadrant Provider Listing 4 of 4

	Consulting and Transformational Services for Large Accounts	Consulting and Transformational Services for Midmarket	Managed Public Cloud Services for Large Accounts	Managed Public Cloud Services for Midmarket	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Rackspace Technology	Not in	Leader	Product Challenger	Leader	Not in	Not in
SAP	Not in	Not in	Not in	Not in	Not in	Product Challenger
T-Systems	Not in	Product Challenger	Not in	Not in	Not in	Contender
TCS	Leader	Not in	Leader	Not in	Not in	Not in
Tech Mahindra	Product Challenger	Leader	Product Challenger	Leader	Not in	Not in
TO THE NEW	Not in	Contender	Not in	Contender	Not in	Not in
Trianz	Not in	Product Challenger	Not in	Contender	Not in	Not in
Unisys	Product Challenger	Leader	Product Challenger	Leader	Not in	Not in
UST	Not in	Product Challenger	Not in	Product Challenger	Not in	Not in
Virtusa	Not in	Contender	Not in	Product Challenger	Not in	Not in
Virtustream	Not in	Not in	Not in	Not in	Not in	Product Challenger
Wipro	Leader	Not in	Leader	Not in	Not in	Not in
Zensar	Not in	Product Challenger	Not in	Product Challenger	Not in	Not in

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Public Cloud – Services & Solutions Quadrants

ENTERPRISE CONTEXT

Consulting and Transformation Services for Large Accounts

This quadrant is relevant to large enterprises in the U.S. that are evaluating consulting and transformation service providers. In this quadrant report, ISG lays out the current market positioning of these providers in the U.S. and how they can address key challenges in large enterprises' migration journey to the public cloud environment.

Enterprises are shifting toward the public cloud and working with consulting and transformation service providers to overcome the difficulties such as assessing the workloads, change management, a shortage of talented specialists or skill gaps, and uncertainties about integration of existing infrastructure. In 2021, however, the urge to move workloads to the public cloud has become more pressing than ever, and many enterprises are accelerating their digital transformation focused on customer experience. This report can help with choosing the right provider to overcome the challenges and address the difficulties mentioned.

For enterprises, the benefits of working with consulting and transformation service providers include experienced workload assessment, transformation roadmaps, advisory on workload migration, re-architecture of legacy applications, integration of automation capabilities, optimizing cloud governance. Enterprises embracing the shift toward the cloud are looking for multicloud solutions to achieve their business goals.

ISG sees that enterprises are increasingly shifting their focus from lift and shift toward long-term application modernization, hence re-architecture, code reviews and cloud-native environments are on the rise in the U.S. Most enterprises in the U.S. looking to transform their applications as cloud native instead of lift-and-shift migration. Also, the demand for AI- and machine learning-based solutions is increasing, and the providers with right automation tools will have a competitive edge.

IT leaders should read this report to better understand the relative strengths and weaknesses of consulting and transformation service providers, as well as to help them lead the digital transformation drive in their enterprises.

Software development and technology leaders should read this report to understand the positioning of consulting and transformation service providers, learn how those providers' offerings can impact an enterprise's ongoing transformation initiatives, and discover the benefits they can achieve by moving to the cloud.
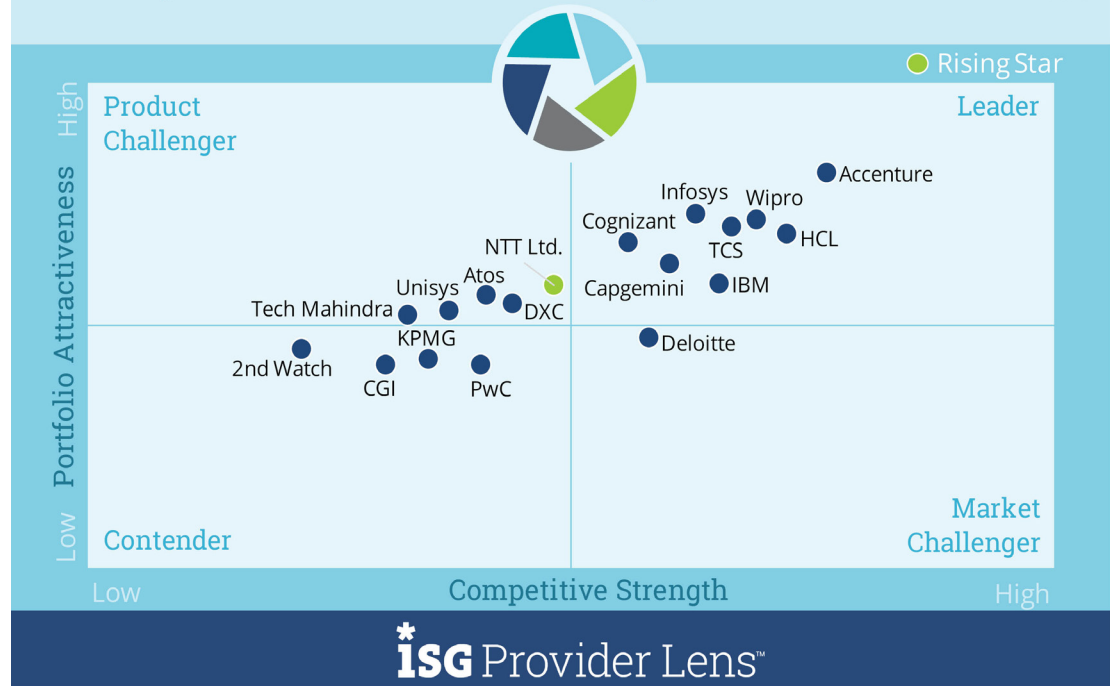
Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of consulting and transformation service providers in the U.S.

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CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

Definition

This quadrant assesses service providers or service integrators that offer consulting and transformation services for public cloud engagements. Public cloud enables enterprises to achieve agility and scalability without the need to invest in their own infrastructure, which makes it an integral aspect of digital transformation. Participating service providers have partnerships with public cloud infrastructure providers to offer ideation of multicloud programs, industry cloud solutions and manage customer-specific complexities of adopting and deploying public cloud solutions. These providers have highly skilled developers and software architects who leverage design thinking, SCRUM initiatives and short work cycles to meet growing customer demands.

Public Cloud - Services and Solutions
Consulting and Transformational Services for Large Accounts

2021
U.S.

Source: ISG Research 2021

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CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

Definition (cont.)

Provider services typically include the following:

- **Consulting services:** Consultants design a business case for cloud; assess a workload for migration; build a transformation roadmap, which includes addressing risk and compliance issues; and advise on migrating applications from the existing environment to a public cloud.

- **Transformation services:** Cloud experts design and build cloud architecture/environments and migrate and integrate applications to harness cloud computing features and benefits.

- **Governance, risk and compliance services:** Cloud experts design frameworks, policies, processes and functions to ensure that enterprise cloud workloads are run in a secure and compliant environment, regardless of location. As governance, risk and compliance has become a mainstream requirement from a CXO's office, the industry expects these to be an integral part of transformation engagements.

Eligibility Criteria

- Methods and frameworks to analyze a client's IT landscape, and help them avoid additional technical debts and realize value in their IT spending;

- Experience in planning and implementation of multicloud services for major industry verticals;

- Application migration experience (templates, automation engines and many more techniques) in conjunction with cloud-native application development for brownfield workloads;

- Hyperscale-provider-related partner program certifications;

- Robust APIs for application and service integration in public cloud;

- Ability to drive governance, risk and compliance for large transformation programs;

- Migration through cloud native application development for brownfield workloads.

CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

Observations

Consulting and transformation services (CATS) for large accounts: ISG observed a change in the way large enterprises migrate workloads to public cloud. Cloud-native transformation has become crucial to both providers and enterprises. Enterprises have recognized that they cannot make the most of cloud environments by the lift-and-shift method alone, and moving the workload through rearchitecting and leveraging microservices architecture and other cloud-native technologies will be beneficial in the long run. They are also leveraging AI and machine learning technologies for getting recommendations on which workloads to prioritize based on the severity and criticality to the business. It is seen that large global service integrators are also acquiring companies in the U.S. to bolster their cloud transformation capabilities and bring in the niche capabilities required to fill their gaps.

Of the 52 companies assessed in this study, 18 providers have met the criteria to be included in this quadrant. Eight providers are identified as Leaders, and one is identified as a Rising Star.

- **Accenture** leads the consulting and transformation services (CATS) market in the U.S. with its advocation of cloud-first strategy in its client engagements. It has partnered with all the top hyperscalers to offer the best-in-class public cloud services. It has also bolstered its cloud capabilities with a series of acquisitions in the last year.

- **Capgemini** has strengthened its footprint in the U.S. market and is focused on delivering public cloud services with a unified management mechanism. It has received the 2020 Google Cloud Global Industry Solutions Partner of the Year award for its achievements in the Google Cloud ecosystem, helping joint clients in the financial services sector, notably in banking and insurance, to achieve their cloud transformation goals.

- **Cognizant** has strong focus on automation with AI and cognitive capabilities to deliver enterprise-grade services to its clients. The company differentiates with its wide partnership network and strong U.S. presence. It announced the acquisition of Magenic, a U.S.-based digital technology consulting company, to strengthen its consulting offering.

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CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

Observations (cont.)

- **HCL** has received the 2020 Google Cloud Specialization Partner of the Year for Infrastructure award by building strong customer infrastructure and workflows on Google Cloud. In 2021, the company launched HCL SoFy, the cloud native solution factory, and HCL Now, a cloud-native-as-a-service offering to improve its cloud portfolio.

- **IBM** acquired Taos, a leading cloud professional and managed services provider, to advance its cloud migration and transformation capabilities. The company also acquired BoxBoat Technologies, a premier DevOps consultancy and enterprise Kubernetes certified service provider, to strengthen its container strategy and implementation services portfolio.

- **Infosys** has a strategic collaboration with AWS to develop quantum computing capabilities with Amazon Braket to explore and build multiple use cases in quantum computing as a part of Infosys Cobalt cloud offerings. In 2021, the company launched its customer engagement platform, Infosys Cortex, that leverages technology from Genesys, along with contact center AI services from Google Cloud and its managed AI and analytics services.

- **TCS'** cognitive automation capabilities, underpinned by the ignio™ platform, are resonating well with clients. Its Machine First Delivery Model (MFDM™) has helped some of the largest companies across North America with large, complex and multi-geo transformational projects.

- **Wipro** launched a dedicated business group for AWS to help customers accelerate their cloud transformation journey on AWS. It also received the 2020 Google Cloud Global Specialization Partner of the Year award for Application Development and announced the launch of the Wipro-Google Cloud Innovation Arena in Bangalore, India.

- **NTT Ltd.** (Rising Star) has a robust global delivery network and has achieved significant scale worldwide. It has a large footprint in the U.S. with its NTT DATA organization and has been growing steadily in the consulting and transformation services market.

WIPRO

Overview

Wipro is a global IT service provider headquartered in Bengaluru, India. The company has a strong presence in the U.S. with offices across 32 locations that offer public cloud consulting and transformation services. Wipro has highest level of partnership with AWS, Azure and GCP and has been increasing its number of competency certifications. In the U.S., it has strong client portfolio in financial services, retail, healthcare, and energy and utilities verticals. Wipro has more than 1,500 certified cloud professionals across hyperscalers in the U.S. The company continues to grow its consulting and advisory services through the acquisition of CAPCO and Ampion in the last year.

Strengths

Business-first approach: Wipro has changed its go to market strategy and has been marketing itself as a partner that can help customers improve their business outcomes by leveraging various technologies, rather than becoming a technology services provider. The company has been engaged in several U.S.-based customer engagements where it helped the clients with their business problems by leveraging next-gen public cloud transformation initiatives and engaging in an outcome based and/or gain sharing model.

Large investments: Wipro has recently launched FullStride Cloud Services with the commitment of investing US$1 billion in cloud technologies over the next three years. This will bring together the full portfolio of Wipro's cloud-related capabilities, offerings and talent, and combine its industry-leading cloud solutions with a high-touch, business-first approach to better orchestrate the cloud journey for its clients.

Strong startup ecosystem: Along with an established partner ecosystem, Wipro leverages its Wipro Ventures unit, which incubates 25 odd startups (US$250 million) to develop new industry-specific transformation solutions developed over the years. These startups have deep domain functionalities with industry cloud solutions and have deep knowledge about the industry-specific compliance and regulations.

Caution

Wipro has little to no presence in the federal, state and local government verticals in the U.S. The company has the capability to cater to this market and should direct its focus toward these customers to further grow its footprint in the U.S.

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Wipro's comprehensive portfolio of cloud transformation services and a change in its strategies have enabled the company to help clients achieve their business outcomes rapidly and more efficiently.

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ENTERPRISE CONTEXT

Consulting and Transformation Services for Midmarket

This quadrant is relevant to midsized enterprises in the U.S. that are evaluating consulting and transformation service providers. In this quadrant report, ISG lays out the current market positioning of these providers in the U.S. and how they can address key challenges in midsized enterprises' migration journey to the public cloud environment.

Enterprises are shifting toward the public cloud and working with consulting and transformation service providers to overcome the difficulties such as assessing the workloads, change management, a shortage of talented specialists or skill gaps, and uncertainties about integration of existing infrastructure. In 2021, however, the urge to move workloads to the public cloud has become more pressing than ever, and many enterprises are accelerating their digital transformation focused on customer experience. This report can help with choosing the right provider to overcome the challenges and address the difficulties mentioned.

For enterprises, the benefits of working with consulting and transformation service providers include experienced workload assessment, transformation roadmaps, advisory on workload migration, re-architecture of legacy applications, integration of automation capabilities, optimizing cloud governance. Enterprises embracing the shift toward the cloud are looking for multicloud solutions to achieve their business goals.

Midmarket clients have fewer complex requirements and smaller-scale projects than large enterprises, and they prefer providers with strong local delivery capabilities and

high integration capabilities. Most midsize clients look for service providers with consulting and migration capabilities and the ability to offer a ready-to-use framework and cultural integration in the transformation journey.

ISG sees that enterprises are increasingly shifting their focus from lift and shift toward long-term application modernization, hence re-architecture, code reviews and cloud-native environments are on the rise in the U.S. Most enterprises in the U.S. looking to transform their applications as cloud native instead of lift-and-shift migration. Also, the demand for AI- and machine learning-based solutions is increasing, and the providers with right automation tools will have a competitive edge.

IT leaders should read this report to better understand the relative strengths and weaknesses of consulting and transformation service providers, as well as to help them lead the digital transformation drive in their enterprises.

Software development and technology leaders should read this report to understand the positioning of consulting and transformation service providers, learn how those providers' offerings can impact an enterprise's ongoing transformation initiatives, and discover the benefits they can achieve by moving to the cloud.

Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of consulting and transformation service providers in the U.S.
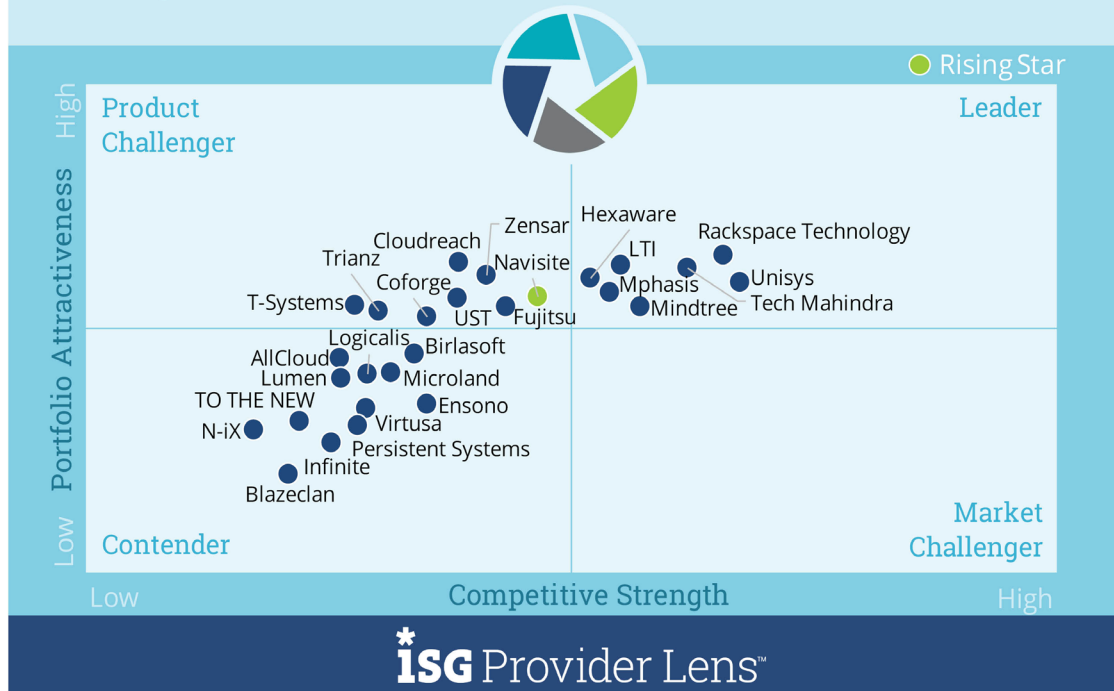
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CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

Definition

This quadrant assesses service providers or service integrators that offer consulting and transformation services for public cloud engagements. Public cloud enables enterprises to achieve agility and scalability without the need to invest in their own infrastructure, which makes it an integral aspect of digital transformation. Participating service providers have partnerships with public cloud infrastructure providers to offer ideation of multicloud programs, industry cloud solutions and manage customer-specific complexities of adopting and deploying public cloud solutions. These providers have highly skilled developers and software architects who leverage design thinking, SCRUM initiatives and short work cycles to meet growing customer demands.

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Consulting and Transformational Services for Midmarket

2021
U.S.

Rising Star

Product Challenger — Leader — Market Challenger — Contender

Portfolio Attractiveness (High / Low) — Competitive Strength (Low / High)

Zensar, Hexaware, Cloudreach, Navisite, LTI, Rackspace Technology, Trianz, Coforge, Mphasis, Unisys, T-Systems, UST, Fujitsu, Mindtree, Tech Mahindra, Logicalis, Birlasoft, AllCloud, Lumen, Microland, TO THE NEW, Ensono, N-iX, Virtusa, Persistent Systems, Infinite, Blazeclan

Source: ISG Research 2021

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CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

Definition (cont.)

Provider services typically include the following:

- Consulting services: Consultants design a business case for cloud; assess a workload for migration; build a transformation roadmap, which includes addressing risk and compliance issues; and advise on migrating applications from the existing environment to a public cloud.

- Transformation services: Cloud experts design and build cloud architecture/environments, and migrate and integrate applications to harness cloud computing features and benefits.

- Governance, risk and compliance services: Cloud experts design frameworks, policies, processes and functions to ensure that enterprise cloud workloads are run in a secure and compliant environment, regardless of location. As governance, risk and compliance has become a mainstream requirement from a CXO's office, the industry expects these to be an integral part of transformation engagements.

Eligibility Criteria

- Methods and frameworks to analyze a client's IT landscape, and help them avoid additional technical debts and realize value in their IT spending;

- Experience in planning and implementation of multicloud services for major industry verticals;

- Application migration experience (templates, automation engines and many more techniques) in conjunction with cloud-native application development for brownfield workloads;

- Hyperscale-provider-related partner program certifications;

- Robust APIs for application and service integration in public cloud;

- Ability to drive governance, risk and compliance for large transformation programs;

- Migration through cloud native application development for brownfield workloads.

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CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

Observations

Consulting and Transformation Services (CATS) for midmarket: The providers catering to the small and medium enterprise market segment saw significant growth in their cloud business. The midmarket providers have been accommodating and putting extra efforts to help the pandemic-hit enterprises in promptly migrating most of their workloads to cloud. Many providers in this space were seen leveraging automation as key differentiation and pushing for cloud-native transformation engagements. Also, we observed that providers took a platform-driven approach, where they leverage several proprietary platforms developed in-house by them, to discover, assess and migrate workloads to the cloud, along with automating most of this process. Providers were able to make a deep impact in the market by helping clients with their cloud journey in a cost-effective manner.

Of the 52 companies assessed in this study, 26 providers were qualified to be included in this quadrant. Seven providers were identified as Leaders and one as a Rising Star.

- **Hexaware** focuses on delivering touchless, immersive experiences and automation-led cost savings for customers that have moved to remote working. It has also partnered with Lightbend, a provider of cloud-native microservice framework to leverage its Akka Platform and new Akka serverless technology to help the joint customers create transformative solutions.

- **LTI** launched a dedicated cloud unit for AWS that focus on migration and modernization, SAP application workloads, data analytics, and IoT, complemented by LTI's advisory, professional services, and delivery capabilities. The company has been recognized as the Global Innovation Partner of the year by Snowflake, the data cloud company.

- **Mindtree** partnered with Databricks, a data and AI company, to help customers implement cloud-based data platforms for advanced analytics throughout the entire customer journey. The company achieved Analytics on Microsoft Azure advanced specialization and Data Analytics Services partner specialization in the Google Cloud partner specialization program.

- **Mphasis** is strengthening its cloud capabilities through acquisitions in the U.S. The company acquired Blink UX, a U.S.-based user experience research, strategy and design firm that works with some of the world's leading enterprises to create transformative digital products, brands and experiences.

CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

Observations (cont.)

- **Rackspace Technology** recently launched enhanced full-lifecycle Cloud Native Development (CND) Professional Services capabilities to the Rackspace Technology portfolio that help customers build modern applications. The company announced a US$70 million of new investments in 2021 that focuses on aligning the company's resources with fast-growing product and service offerings.

- **Tech Mahindra** has launched a dedicated Google Cloud Business Unit to accelerate cloud adoption for enterprises globally and expanded its collaboration with Microsoft and IBM to strengthen hybrid cloud capabilities.

- **Unisys** has invested heavily in improving its cloud services portfolio and offering clients an optimized way to continually assess the overall cloud environment, including cost, security and performance.

- **Navisite** (Rising Star) has a strong mid-market presence, with growing cloud transformation capabilities. In Jan 2021, it has acquired a global cloud services company called Velocity Technology Solutions, which will enhance Navisite's cloud service portfolio, that simplifies migration and management of public cloud environments for its clients.

ENTERPRISE CONTEXT

Managed Public Cloud Services for Large Accounts

This quadrant is relevant to large enterprises in the U.S. that are evaluating public cloud managed service providers (MSPs). In this quadrant report, ISG lays out the current market positioning of these providers in the U.S. and how they can address key challenges in large enterprises' infrastructure management in the public cloud environment. These providers manage client workloads on third-party, public cloud, hyperscale environments so enterprises can focus on other tasks.

ISG sees that enterprises in the U.S. are leading the charge when it comes to cloud adoption, though their overseas counterparts are not far behind. Enterprises are increasing the adoption of cloud native, Devops and IoT technologies and looking for service providers with expertise in re-architecture and re-platforming of existing applications in a cloud native environment. Using public cloud managed services can help enterprises with implementing cloud-native solutions leveraging containers and serverless functions to achieve cost efficiency.

ISG observes that enterprises are trying to move to an automation-centric operations model for managing their multicloud environments. Enterprises will get the benefit of the MSPs' automation and AI capabilities to monitor their infrastructure for proactive responses, predict the failures and reduce maintenance costs. This will reduce the overheads in maintenance and monitoring of cloud native applications.

COVID-19 crisis has created an increased demand for enterprises to focus more on business continuity and disaster recovery in their public cloud managed services. There are several such cloud offerings that target specific verticals based on the needs of individual industries. Also, enterprises are increasingly looking for innovative pricing models such as outcome-based or consumption-based models.

IT leaders should read this report to better understand the relative strengths and weaknesses of managed service providers, as well as how the MSPs' approaches to the market can impact enterprise public cloud strategies, improve business agility and reduce total cost of ownership.

Software development and technology leaders should read this report to understand the positioning of managed service providers and learn how MSP offerings can impact the ongoing development of an enterprise's software products.

Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of managed service providers in the U.S.

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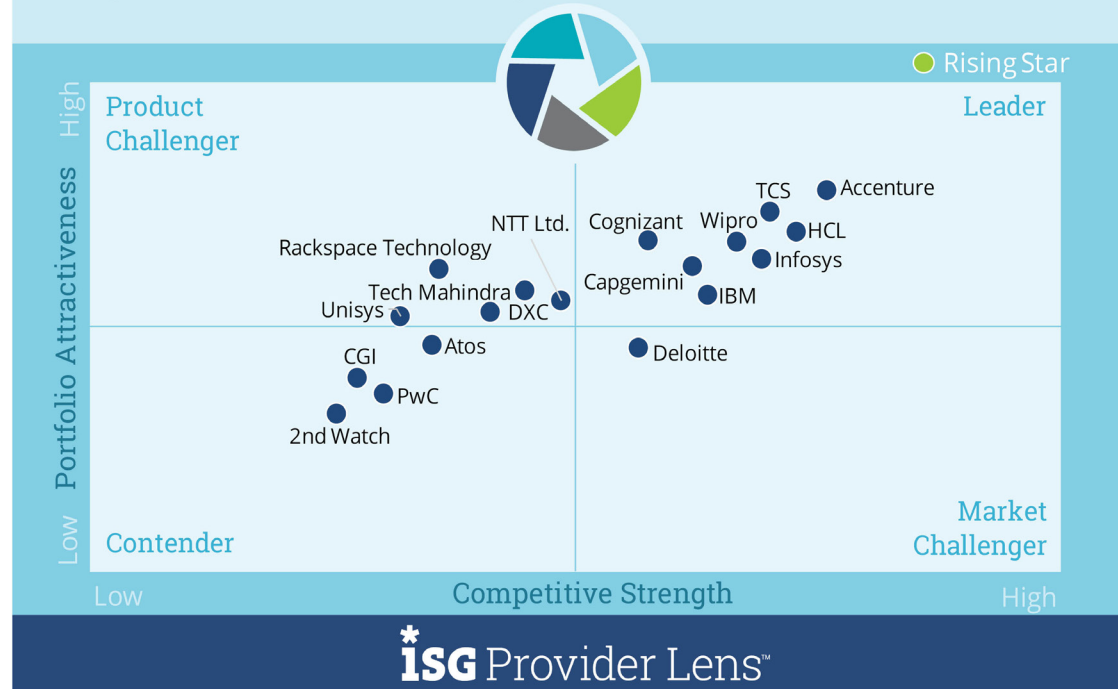## MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

Definition

This quadrant assesses service providers and service integrators that offer managed public cloud infrastructure and application services. Managed service providers of public cloud offer professional and managed services on top of public cloud IaaS providers/hyperscalers (AWS, Microsoft Azure, Google Cloud Platform) through a DevOps- and DevSecOps-centric approach and help enterprise build a robust CI/CD pipeline with strong container management capabilities. Under the managed public cloud services umbrella, a provider is responsible for providing site reliability engineering and business resiliency.

Broadly, these services include cloud services lifecycle management, real-time and predictive analysis, and monitoring and managing a customer's public and multicloud environment, with the aim to maximize the performance of workloads in the cloud, reduce costs and ensure compliance and security. Typically, specially developed or licensed cloud

Public Cloud - Services and Solutions
Managed Public Cloud Services for Large Accounts

2021
U.S.

Source: ISG Research 2021

MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

Definition (cont.)

management platforms and tools are used to serve customers with maximum automation, and provide the necessary transparency on the managed cloud resource pool, in terms of capacity utilization and costs, including self-service administration. In addition to the technical services a provider offers dashboards to analyze and forecast financial impacts and propose optimization of the services.

Provider services typically include the following:

- Professional services for the management and monitoring of CPU, storage, memory, databases, and operating systems as standalone or micro services or virtual machine and container services;

- Operating system, middleware and application upgrade services;

- Cloud infrastructure management platform for cloud-cost manage-ment (charge back and show back), identity management and IT service management;

- Monitoring, logging, patching, and predictive analytics services to guarantee performance and security improvements throughout a container lifecycle to enable continuous integration and delivery;

- Governance and compliance management, along with a robust cybersecurity framework and platform for securing client data in multiple geographies;

- Support services such as incident management, configuration, security services and automation setup.

MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

Eligibility Criteria

- Operational excellence and well-defined professional services;

- Experience in building and managing public and multicloud environments, along with expertise in managing configurations of platforms and systems as well as that of containers;

- Financial dashboards and cost analysis tools, providing visibility of variable costs associated with cloud providers through FinOps ecosystem;

- Support for software code development and cloud-native and legacy system integration by leveraging DevOps, API-enabled automation and cloud analytics services;

- Robust cybersecurity managed services offering;

- Partnerships with relevant public cloud providers and respective managed-service-provider certificates for AWS, Microsoft Azure, GCP, or others.

Observations

Managed services for large accounts: As the demand for cloud adoption grows significantly and moves from virtual machine-centric adoption to microservices architecture with containers and serverless architectures, the roles and activities under managed services have changed considerably. Large global service providers have been investing in empowering the developers with more self-service capabilities and enabling robust engineering of the cloud platform to become more self-managing and heal automatically Also, as enterprises migrate and modernize their applications for cloud, the main challenge observed was for them to transform their operations to meet the requirements of the modern applications and adopt modern cloud management services with principles of site reliability engineering, DevOps and infrastructure as code. It will also require large enterprises to transform their existing teams and process to focus more on optimization, automation and adoption, rather than standard ITIL framework of incident, problems and changes. Service providers catering to this market segment were seen to increase their cloud practice by certifying their cloud engineers in hyperscaler technologies, along with strategically engaging with the public cloud providers to jointly go to market and help large enterprises in the U.S. to manage their public cloud infrastructure efficiently.

MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

Observations (cont.)

Of the 52 companies assessed in this study, 18 providers have met the criteria to be included in this quadrant. Eight providers are Leaders.

- **Accenture** launched a Cloud First practice to enable digital transformations with 70,000 professionals. It is backed by an investment of US$3 billion that will be channeled into the division over the next three years. The company acquired Core Compete, a cloud analytics firm focused on the supply chain, retail and financial services industries.

- **Capgemini** provides public cloud managed services through its Capgemini Cloud Platform (CCP) offering. In 2021, Cloudify, a multicloud and edge service orchestration and automation platform, collaborated with Amazon Web Services (AWS), Intel and Capgemini Engineering dedicated to streamlining transformation process of telcos and enterprises to public cloud-based infrastructure using open-source, cloud native and DevOps based architecture.

- **Cognizant** expands its managed services business with acquisitions and dedicated hyperscalers business groups. The company acquired New Signature, a Microsoft Azure Expert MSP, Collaborative Solutions, a privately held U.S.-based global consultancy specializing in Workday enterprise cloud applications. Cognizant launched a new dedicated business group focused on Microsoft cloud solutions and dedicated Google Business Group (GBG) to help accelerate shared customers' cloud modernization journeys.

- **HCL's** offerings appeal to a new breed of IT service buyers that are focused on next-gen public cloud services. It recently launched HCL SoFy, the cloud native solution factory, and HCL Now, a cloud native as a service offering to improve its cloud portfolio.

- **IBM** has carved out its managed services business to form a new company called Kyndryl, which designs, runs and manages modern, efficient and reliable technology infrastructure as well as helps clients manage public cloud infrastructure.

- **Infosys** has won some of the largest deals in recent times, which has grown its position in this market significantly. Its recently launched Infosys Cobalt, which is a set of services, solutions and platforms that act as a force multiplier for cloud-powered enterprise transformation, has been beneficial for several U.S.-based customers.

MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

Observations (cont.)

- **TCS** offers robust public cloud managed services through its catalog-based service portfolio and uses automation blueprints and frameworks that it has built over the years to help clients manage their multicloud environments.

- **Wipro** launched its FullStride Cloud Services and has committed to invest US$1 billion in cloud technologies, capabilities, acquisitions and partnerships over the next three years. Wipro and Google have been building their SAP S/4HANA capabilities in recent years and have successfully helped several U.S.-based clients manage their complex SAP workloads on public cloud.

WIPRO

Overview

Wipro is a large global IT service provider headquartered in Bengaluru, India. The company has a strong presence in the U.S. with offices across 32 locations that offer managed public cloud services. It has more than 1,000 cloud certified engineers in the U.S. to serve its large client base in the country. Wipro holds MSP accreditations from AWS and Microsoft Azure and has won several accolades from all three hyperscalers.

Strengths

Excellent deal pipeline: With its proven long-term experience in managing complex transformation engagements, Wipro has been winning large deals in the U.S., where clients seek modern transformation capabilities on public cloud environments. Its new operating model includes reaching out to new as well as existing large global accounts that are looking for a partner that can help them set up an entire cloud center of excellence.

Growing infrastructure as code practice: Wipro has been driving the infrastructure as code initiative aggressively by creating several automation blueprints, which are cloud agnostic, script agnostic and service agnostic. These blueprints have scripts that are vertical specific to leverage Wipro's large talent pool, gig economy and few niche partnerships to deliver the next-generation managed public cloud services. This has helped several clients in scaling their workloads and ensuring auto-remediation of the outcomes. Wipro leverages internal Topgear and Topcoder to bring in the best candidates to strengthen the automation capability and delivering outcomes.

Boundaryless service: Wipro continues to enhance its BoundaryLess Enterprise (BLE) solution for managing public cloud infrastructure efficiently. This platform offers automation and orchestration capabilities across the infrastructure and application stacks for deployment, configuration, updates, monitoring and management of multicloud environments. DevLite underpins this platform by enabling DevOps across clouds and can be provisioned and optimized to run on IaaS or PaaS models in container, cloud native or microservice models.

Caution

Wipro primarily offers managed services to its U.S.-based clients through its global delivery center in India. Therefore, it heavily relies on offshore delivery. The company needs to expand its delivery center footprint in the U.S.

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Wipro is offering next-generation public cloud managed services through traditional as well as niche capabilities such as SRE and DevSecOps, which has enabled it to help clients improve their customer experience.

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ENTERPRISE CONTEXT

Managed Public Cloud Services for Midmarket

This quadrant is relevant to midsized enterprises in the U.S. that are evaluating public cloud managed service providers (MSPs). In this quadrant report, ISG lays out the current market positioning of these providers in the U.S., and how they can address key challenges in midsized enterprises' infrastructure management in the public cloud. These providers manage client workloads on third-party, public cloud, hyperscale environments so enterprises can focus on other tasks.

ISG sees that enterprises in the U.S. are leading the charge when it comes to cloud adoption, though their overseas counterparts are not far behind. Enterprises are increasing the adoption of cloud native, Devops and IoT technologies and looking for service providers with expertise in re-architecture and re-platforming of existing applications in a cloud native environment. Using public cloud managed services can help enterprises with implementing cloud native solutions leveraging containers and serverless functions to achieve cost efficiency.

Midsized enterprises have fewer complex requirements and smaller-scale projects than large enterprises, and they prefer providers with strong niche offerings with competitive pricing and high integration capabilities.

ISG observes that enterprises are trying to move to an automation-centric operations model for managing their multicloud environments. Enterprises will get the benefit of the MSPs' automation and AI capabilities to monitor their infrastructure for proactive responses, predict the failures and reduce maintenance costs. This will reduce the overheads in maintenance and monitoring of cloud native applications.

COVID-19 crisis has created an increased demand for enterprises to focus more on business continuity and disaster recovery in their public cloud managed services. There are several such cloud offerings that target specific verticals based on the needs of individual industries. Also, enterprises are increasingly looking for innovative pricing models such as outcome based-or consumption-based models.

IT leaders should read this report to better understand the relative strengths and weaknesses of managed service providers, as well as how the MSPs' approaches to the market can impact enterprise public cloud strategies, improve business agility and reduce total cost of ownership.

Software development and technology leaders should read this report to understand the positioning of managed service providers and learn how MSP offerings can impact the ongoing development of an enterprise's software products.

Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of managed service providers in the U.S.

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MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

Definition

This quadrant assesses service providers and service integrators that offer managed public cloud infrastructure and application services. Managed service providers of public cloud offer professional and managed services on top of public cloud IaaS providers/hyperscalers (AWS, Microsoft Azure, Google Cloud Platform) through a DevOps- and DevSecOps-centric approach and help enterprise build a robust CI/CD pipeline with strong container management capabilities. Under the managed public cloud services umbrella, a provider is responsible for providing site reliability engineering and business resiliency.

Broadly, these services include cloud services lifecycle management, real-time and predictive analysis, and monitoring and managing a customer's public and multicloud environment, with the aim to maximize the performance of workloads in the cloud, reduce costs and ensure compliance and security. Typically, specially developed or licensed cloud management platforms and tools are used to serve customers with

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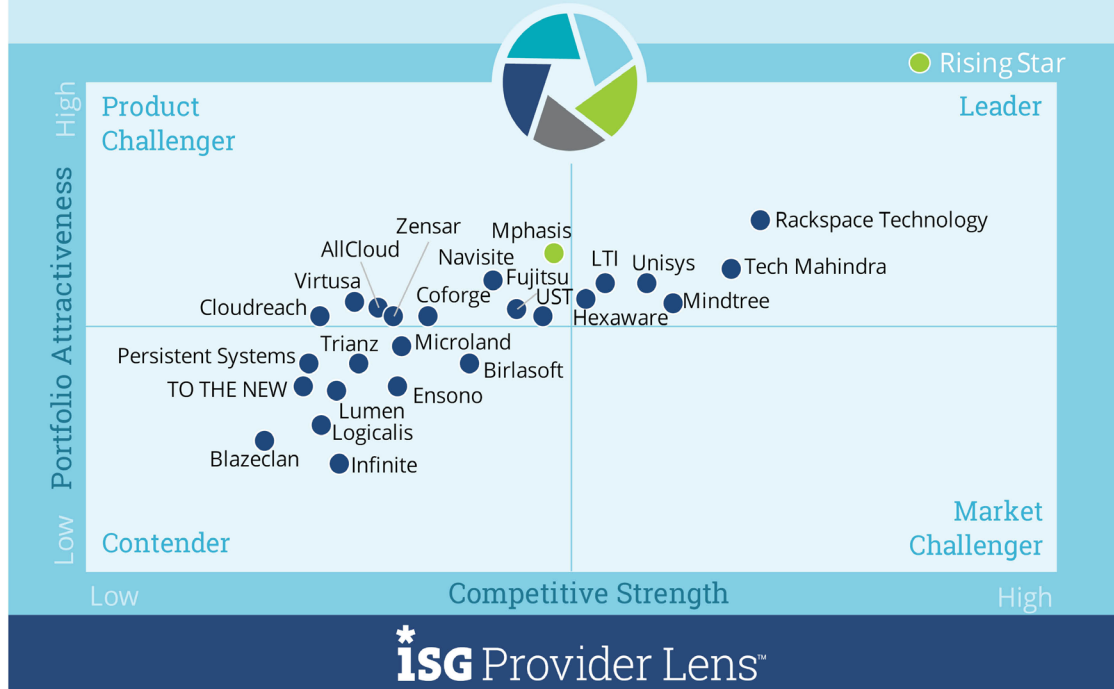
2021
U.S.

Source: ISG Research 2021

MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

Definition (cont.)

maximum automation, and provide the necessary transparency on the managed cloud resource pool, in terms of capacity utilization and costs, including self-service administration. In addition to the technical services, a provider offers dashboards to analyze and forecast financial impacts and propose optimization of the services.

Provider services typically include the following:

- Professional services for the management and monitoring of CPU, storage, memory, databases, and operating systems as standalone or micro services or virtual machine and container services;

- Operating system, middleware and application upgrade services;

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- Governance and compliance management, along with a robust cybersecurity framework and platform for securing client data in multiple geographies;

- Support services such as incident management, configuration, security services and automation setup.

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MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

Eligibility Criteria

- Operational excellence and well-defined professional services;

- Experience in building and managing public and multicloud environments, along with expertise in managing configurations of platforms and systems as well as that of containers;

- Financial dashboards and cost analysis tools, providing visibility of variable costs associated with cloud providers through FinOps ecosystem;

- Support for software code development and cloud-native and legacy system integration by leveraging DevOps, API-enabled automation and cloud analytics services;

- Robust cybersecurity managed services offering;

- Partnerships with relevant public cloud providers and respective managed-service-provider certificates for AWS, Microsoft Azure, GCP, or others.

Observations

Managed services for midmarket: The midmarket segment saw considerable growth in managed public cloud services space when compared to the large market segment. Service providers were successful in bringing in new clients and create an impact by helping them move their workloads to cloud environments more efficiently and at lower costs. To achieve this, service providers in this segment heavily leveraged automation capabilities to improve operational efficiencies. They helped enterprises automate the complete management of the application and infrastructure stack to reduce downtime, improve productivity and minimize errors, which has been helpful especially in COVID times. Providers in this space develops in-house and third-party tools and platforms for better multicloud infrastructure management.

Of the 52 companies assessed in this study, 25 providers have qualified for this quadrant. Six providers are Leaders and one is identified as a Rising Star.

- **Hexaware** has invested heavily in its automation capabilities for managing public cloud infrastructure. Its Amaze for Manage™ platform helps clients manage their hybrid and multicloud environments using infrastructure as code to automate and provision cloud infrastructure.

- **LTI** has been improving its partnerships with hyperscalers and investing in other hyperscaler technologies. It has plans to expand its multiyear, global alliance with IBM to help enterprises transform their operations through open hybrid cloud adoption.

MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

Observations (cont.)

- **Mindtree** offers robust end-to-end managed public cloud services with its in-house MWatch platform. The company achieved the Data Analytics Services Partner Specialization in the Google Cloud Partner Specialization Program. Also, it completed the acquisition of the NxT Digital Business from Larsen and Toubro (L&T) in 2021.

- **Rackspace Technology** has a strong managed public cloud services practice in the U.S. and offers industry-leading customer support services through its Fanatical Experience™ solution. It has recently launched Rackspace Elastic Engineering to help customers build and operate modern cloud environments that support AWS, Azure and GCP environments.

- **Tech Mahindra's** share price hits a new high as the company targets the $100 billion cloud opportunity. It offers a robust cloud management platform, mPAC 3.0, which is integrated with its AIOps platform, TACTiX, to enhance automation capabilities.

- **Unisys** offers public cloud managed services to enterprises of all sizes through CloudForte®, a comprehensive managed services offering that help accelerate the secure move of data and applications to cloud. It has a strong security practice, which allows it to cater to the highly regulated markets.

- **Mphasis** (Rising Star) has a growing portfolio of public cloud managed services offerings. It has further invested in its InfraGenie™ intelligent platform, which has helped several of its clients reduce costs and deliver high-quality customer service.

ENTERPRISE CONTEXT

Hyperscale Infrastructure and Platform Services

This report is relevant to enterprises across industries in the U.S. and will help them evaluate providers of hyperscale infrastructure and platform services. In this quadrant report, ISG highlights the current market positioning of these providers in the U.S. and the way they address the key challenges that confront enterprise clients in the country.

Enterprises face challenges in maintaining their own IT infrastructure due to higher costs. Hence, the adoption of public cloud services across industries is on the rise and enterprises prefer a multicloud setup when migrating their workloads to the cloud. In 2021, the urge to move workloads to public cloud has become more pressing than ever and many enterprises are accelerating their migration journey. This report can help with choosing the right hyperscale platform to migrate their workloads.

Enterprises are focusing more on digital transformation initiatives focusing on customer experience. Enterprises can benefit from investing in infrastructure and platform services that can manage their infrastructure with regular (end-to-end) updates and help in enhancing processes and ensuring operational efficiency. The major focus areas for enterprises are cloud migrations, IT system and process modernizations, managing data at scale, and generating ROI from it to build the next generation of IT processes and applications.

In addition, they can leverage hyperscalers' compute resources, middleware and software in a public cloud in a virtual or containerized software-defined environment

and serverless architectures. Along with the infrastructure, enterprises can also take advantage of platform as a service (PaaS) service that includes persistent resources, business process management, collaboration networks, databases, analytics and machine learning capabilities.

ISG sees that enterprises in the U.S. have started migrating critical workloads to public cloud platforms as a part of their digital journeys. The increase in public cloud adoption is due to factors such as improved data security and increased use of containerization and microservices technologies for application development and deployment.

IT leaders should read this report to better understand the relative strengths and weaknesses of hyperscale infrastructure and platform service providers, as well as learn how these providers' approaches to the market can impact enterprise public cloud strategies, reduce total cost of ownership, and improve business agility, scalability and flexibility.

Software development and technology leaders should read this report to understand the relative positioning and capabilities of hyperscalers, which can help them procure infrastructure and platform services to migrate their workloads to public cloud platforms.

Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of hyperscale infrastructure and platform service providers in the U.S.

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HYPERSCALE INFRASTRUCTURE AND PLATFORM SERVICES

Definition

This quadrant assesses suppliers that provide virtual compute resources, middleware and software in a public cloud environment. Clients consume infrastructure and platform (micro) services as on-demand and web-centric services. Typical services in the IaaS segment are compute services, storage and network resources, with all provided as virtual or containerized software-defined offerings and rounded up by serverless architectures. The hyperscaler PaaS segment offers multiple micro-services and runtime engines for predefined cloud-based application development that typically addresses full lifecycle needs for a developer building or modernizing applications. Services include middleware, persistent resources, business process management, collaboration networks, databases, analytics and machine learning capabilities. Internal and external (third-party) services are also being made available through marketplaces. In addition, IaaS or PaaS vendors support and manage independent software vendors in their go-to-market activities.

Public Cloud - Services and Solutions
Hyperscale Infrastructure and Platform Services

2021
U.S.

Source: ISG Research 2021

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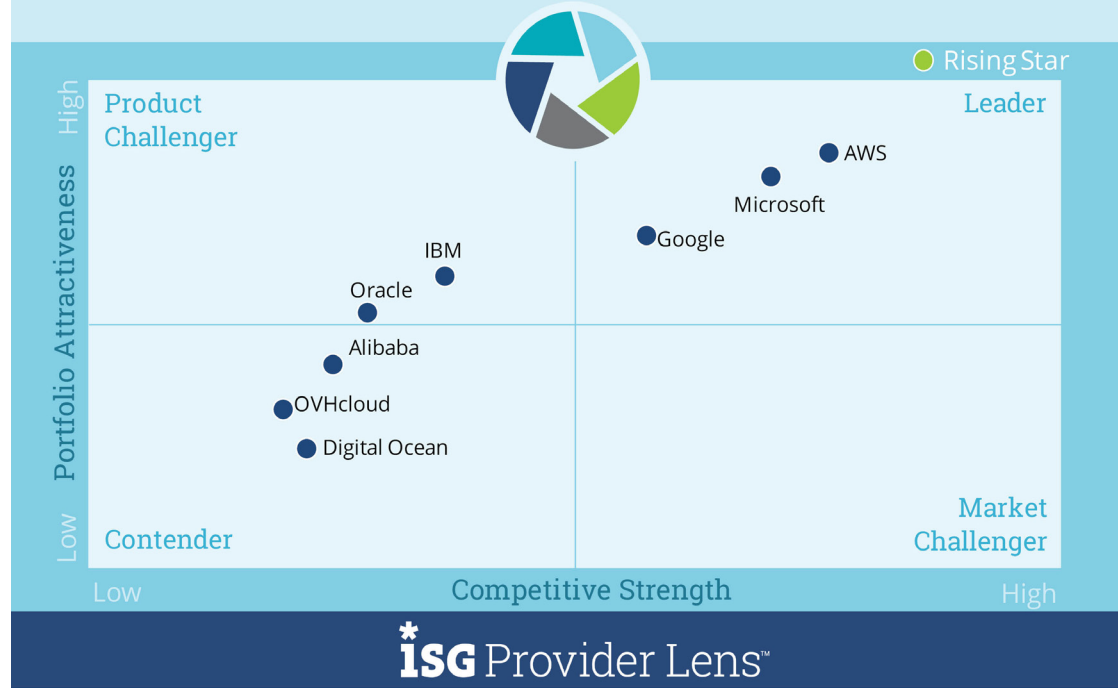
HYPERSCALE INFRASTRUCTURE AND PLATFORM SERVICES

Eligibility Criteria

- Innovative portfolio of infrastructure services (computing power, memory, network, backup, etc.) and container management functions;

- Easy access, transparent prices, dynamic (consumption-based) and fixed (reserved) billing models;

- Recognized standards and certifications, strong focus on data protection and sophisticated cybersecurity approach;

- Support for infrastructure as code (IaC) and serverless computing, in combination with highly automated provisioning, event triggering and failover;

- Test and development environments, including workflows and log/report functionality for rollouts;

- Specialized hardware for custom requirements and high-performance computing requirements for processes leveraging ML to train algorithms for AI services;

- Open architecture and well-documented (web service) APIs or middleware layer to join multiple clouds or services and platforms;

- Specialized partner program with a broad partner ecosystem to support local customer requirements.

Observations

Infrastructure- and platform-as-a-service trends: With a large number of workloads moving to the public cloud, system integrators and service providers are strengthening their credentials and partnerships with hyperscalers, as they are being viewed as key strategic partners by both service providers as well as large enterprises. Hence, public cloud infrastructure providers are doubling their efforts on improving and strengthening security measures for their offerings to entice customers that are hesitant to move to the public cloud due to security concerns. This has led to major investments by the hyperscalers in cyber competencies and expertise to prevent cyberattacks and help clients leverage their infrastructure with more confidence along with entrusting their mission-critical workloads on the public cloud. Hyperscalers are also developing vertical-specific offerings, especially in highly regulated industries where they are required to comply with the regulat ions.

Of the 52 companies assessed in this study, eight providers have met the criteria to be included in this quadrant. Three providers are identified as Leaders.

- **AWS** continues to lead the IaaS and PaaS market due to its continued investments in innovation and constant addition of new features and affordable storage options in its already large portfolio of services. The company has been improving its AI and machine learning solutions and developing several industry-specific solutions.

HYPERSCALE INFRASTRUCTURE AND PLATFORM SERVICES

Observations (cont.)

- **Google Cloud Platform** has been investing in opening new data center facilities in the U.S. Its acquisitions, such as Elastifile, have helped it to contend better in the file storage space. Its Anthos platform is finding success due to its hybrid capabilities and competitive pricing.

- **Microsoft Azure's** edge-centric solutions have been in demand. It has advanced storage facilities for enhanced hybrid capabilities. Its seamless integration capabilities with Microsoft products have made it popular among enterprises that have a dependency on Windows products and services.

ENTERPRISE CONTEXT

SAP HANA Infrastructure Services

This report is relevant to enterprises across industries in the U.S. and will help them evaluate providers of SAP HANA infrastructure services for SAP S/4HANA workloads and large-scale HANA databases. In this quadrant report, ISG highlights the current market positioning of these providers in the U.S., based on the depth of service offering and market presence.

Enterprises face challenges in maintaining their own IT infrastructure specific to the SAP product line owing to factors such as high costs, difficulties in data management and change management, and a shortage of talent or skills. However, many enterprises have implemented or are implementing SAP HANA as a part of their digital transformation initiatives, and they are choosing a hyperscale provider to overcome the challenges and address talent/skill gaps. This report can help with choosing the right hyperscale provider to migrate their SAP workloads.

Enterprises are looking for providers focus on cost reduction, agility, improved security and resilience, data and analytics and industry specific solutions for migrating SAP workloads. The use of third-party applications integrated with SAP S/4 HANA also increased over last few quarters.

Enterprises leverage hyperscalers' compute resources, storage and connectivity in a public cloud to host SAP workloads and facilitate scaling based on usage and infrastructure operations. Along with the infrastructure, enterprises can also take advantage of providers' expertise in data migration, system imaging, backup, restore, disaster recovery, resource usage, monitoring and management dashboards.

ISG sees that enterprises in the U.S. have started to adopt SAP HANA in their business processes. These enterprises have specific IT infrastructure needs such as scalability and adaptability of HANA-based workloads and integration with third-party tools. Also, enterprises expect to achieve an optimal IT infrastructure and SAP security in their transformation.

IT leaders should read this report to better understand the relative strengths and weaknesses of SAP HANA infrastructure service providers and learn how these providers' approaches to the market can impact enterprise public cloud strategies.

Software development and technology leaders should read this report to understand the relative positioning and capabilities of hyperscale SAP HANA infrastructure providers, which can help them to procure infrastructure and services to migrate their workloads to public cloud platforms.

Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of SAP HANA infrastructure service providers in the U.S.

ISG Provider Lens™
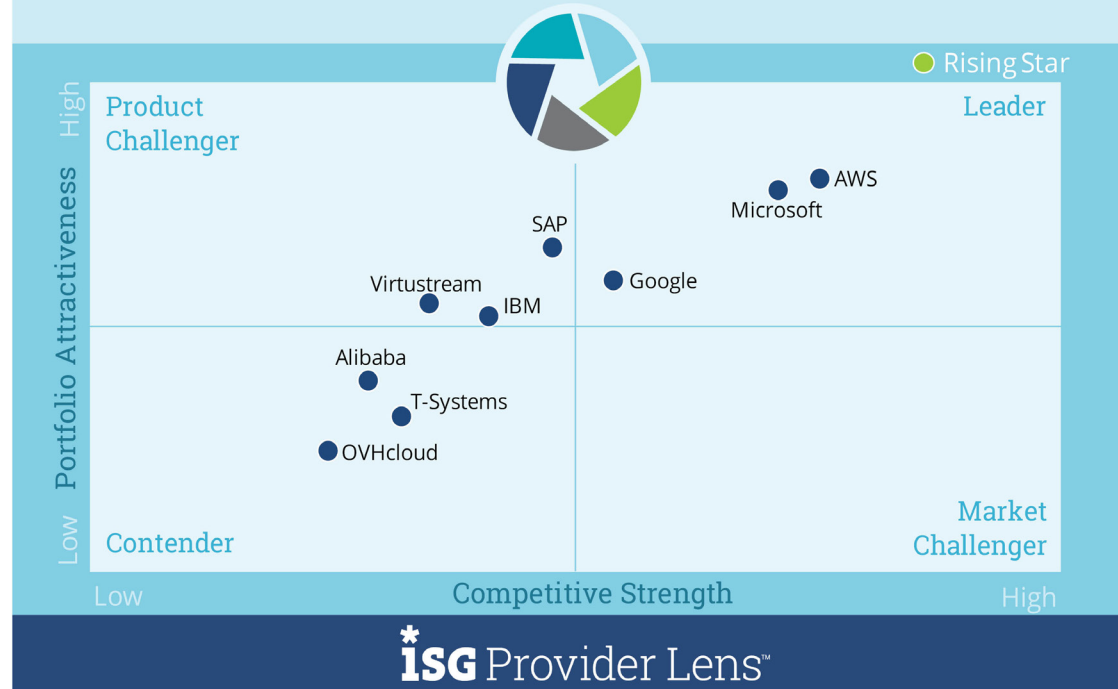
SAP HANA INFRASTRUCTURE SERVICES

Definition

This quadrant assesses cloud infrastructures best suited to host SAP's software portfolio, with emphasis on SAP S/4HANA workloads and large-scale HANA databases. Participating vendors offer IaaS, including infrastructure operations, facilities, provisioning and scaling capacity for SAP workloads. IaaS providers should offer data migration, system imaging, backup, restore, disaster recovery, resource usage monitoring and dashboard management services. Tools required for this can be a part of standard IaaS offerings or be provided by partners in a marketplace.

The participating vendor should also provide pre-sales support to help clients on the migration plan, cloud architecture, sizing and performance optimization, licensing, system and database configuration, virtual private network configuration and third-party vendor solutions (toolset). The support analysis focuses on the vendor's service partner ecosystem and the ability to conduct related migrations and operations.

Public Cloud - Services and Solutions
SAP HANA Infrastructure Services

2021
U.S.

○ Rising Star

Product Challenger

Leader

Portfolio Attractiveness
High

AWS
Microsoft

SAP

Virtustream
IBM

Google

Alibaba

T-Systems

OVHcloud

Low

Contender

Market Challenger

Low   Competitive Strength   High

iSG Provider Lens™

Source: ISG Research 2021

SAP HANA INFRASTRUCTURE SERVICES

Eligibility Criteria

- IaaS includes servers, storage and connectivity specific to the SAP product line;

- Memory capacity should be above 6 TBs;

- Easy access, transparent prices, dynamic (consumption-based) and fixed (reserved) billing models;

- Recognized standards and certifications, strong focus on data protection and sophisticated cybersecurity approach;

- Offer SAP IaaS certified platforms;

- Test and development environments, including workflows and log/ report functionality for rollouts;

- Direct operations or at least one authorized partner or client relationship and compliance with local regulations regardless of data center location.

Observations

SAP HANA infrastructure services trends: SAP has been working very closely with the hyperscalers and has developed a robust partner ecosystem in the U.S. The recent announcement of RISE with SAP has accelerated the migration of SAP workloads to the cloud in 2021. In the U.S., hyperscalers are competitive and are assessing every SAP deal and are aggressively helping clients migrate their large complex SAP workloads to their cloud by incentivizing them and offering discounts. Although, enterprises do not have any preferred cloud provider, they tend to migrate their workloads with the hyperscaler they are already familiar with or have a close relationship built over the years.

Of the 52 companies assessed in this study, nine providers have met the criteria to be included in this quadrant. Three providers are identified as Leaders.

- **AWS** continues to lead the infrastructure services offering market with its wide range of services to host for SAP HANA workloads on its platform. Its recently launched Nitro services allow users to get most out of their SAP workloads, improving the efficiencies.

- **Google Cloud Platform** has grown its portfolio to help enterprises host their complex SAP workloads on its platform through its rapid migration program with the help of its partners by leveraging automation tools and frameworks. It also offers robust infrastructure for legacy SAP applications.

- **Microsoft Azure** has developed solutions that can seamlessly integrate the Microsoft product and solution ecosystem with SAP products and services. Its premium storage offering provides improved performance to users as it leverages solid state drives (SSD) systems.

Methodology

METHODOLOGY

The research study "ISG Provider Lens™ 2021 – Public Cloud – Service & Solutions" analyzes the relevant software vendors/service providers in the U.S. market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Public Cloud – Service & Solutions market

2. Use of questionnaire-based surveys of service providers/vendor across all trend topics

3. Interactive discussions with service providers/vendors on capabilities and use cases

4. Use of ISG's internal databases and advisor knowledge and experience (wherever applicable)

5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.

6. Use of the following key evaluation criteria:
   − Strategy & vision
   − Innovation
   − Brand awareness and presence in the market
   − Sales and partner landscape
   − Breadth and depth of portfolio of services offered
   − Technology advancements

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Shashank Rajmane has more than a decade of extensive research experience and has led the ISG Provider Lens™ studies — Public Cloud Services & Solutions, and Private/Hybrid Cloud & Data Center Outsourcing Services. He leads the efforts for the U.S. geography along with global geography reports. Apart from authoring these reports, Shashank has been part of many consulting engagements and helps ISG's enterprise clients select the right service providers and vendors based on their IT buying requirements. He is also responsible for authoring whitepapers, thought leadership papers, briefing notes, blogs and service provider intelligence reports, especially in the next-generation cloud and infrastructure services domain. He has also authored several research papers on best practices for choosing cloud vendors and cloud management platforms, along with writing several whitepapers on the cloud industry.

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Katharina Kummer is a research analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Public Cloud Transformational Services, Private Hybrid Cloud Data Centre, Data Analytics, Microsoft Ecosystem and Cloud Native – Container Services. Her areas of expertise lie in cloud, data center, cloud native services, digital linguistics and NLP. Katharina develops content from an enterprise perspective and author the global summary report. Along with this, she supports the lead analysts in the research process and ad-hoc research assignments and writes articles about niche technologies, market trends and insights.

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ISG Provider Lens™ | Quadrant Report
November 2021

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