

***ISG** Provider Lens™

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions

Managed Services- Midmarket

U.K. 2020

Quadrant
Report



A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:



July 2020

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 April 2020 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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1	Executive Summary
4	Introduction
18	Managed Services- Midmarket
22	Methodology

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EXECUTIVE SUMMARY

In the last couple of years, U.K. has seen a significant adoption of software defined data center, along with hyperconverged infrastructure, for remote and branch offices (ROBO). A significant percentage of enterprises are leveraging hyperconverged infrastructure (HCI) for mission-critical applications around container services for cloud native applications. IT outsourcing deals have shown steady development due to adoption of cloud and advances in the digital space.

The impact of Brexit has already been seen in the last two years. Companies are not circulating the large request for proposal and request for information (RFPs and RFIs) as the repercussions of Brexit are not yet clear. There is apprehension in the market that there could be a shortage of niche skills, especially in the areas of science, technology, engineering, and mathematics (STEM). This skill gap and continuous demand for innovation would lead to further traction in IT outsourcing deals. It is pertinent to watch out for trade deals between the U.S. and the U.K. that would define future captive centers and new offices establishment across verticals in the region.

Companies in Europe are also facing the challenge of staff working from home because of the COVID-19 pandemic. They are also dealing with processes they wish they had automated. Before most of their employees had to work from home. These circumstances will be the deciding factor for many European companies opening up toward the digitalization and automation of their work and business processes and lower the threshold for outsourcing in the future. Therefore, in the long run, European companies may be more likely to outsource their IT or business processes to other countries.

According to the latest 1Q20 ISG Index™ The annual value of outsourcing deals in the Europe, Middle East and Africa (EMEA) region rose almost 4 percent in the first quarter of 2020, but would have grown at a higher rate had the impact of COVID-19 not hit the market in March. In the first quarter, managed services average contract value (ACV) was up 6 percent year on year, to €2.7 billion (£2.3 billion), fueled by strong demand for information technology outsourcing (ITO), up 23 percent, to €2.4 billion (£2.1 billion). Strength in the DACH and Benelux regions countered a sluggish ACV performance in the Nordics and in the U.K., which continues to grapple with Brexit anxiety.

U.K. IT Outsourcing Market: In the next two to three years, IT outsourcing will continue with steady growth in the U.K. Enterprises are planning to outsource, with significant investments on digital transformation. This is in contrast to the last five years, which saw a slight drop in IT outsourcing deals across verticals in the U.K. But there has been a fundamental shift between insourcing and outsourcing deals due to increased pressure on chief technology officer (CTO) office to drive digital transformation. Over the last year ISG has noted many mid-size IT outsourcing deals but not the ones that can be categorized as billion-dollar, multiyear deals. Interestingly, U.K. based local IT service providers are emerging with robust portfolios to drive hybrid IT management and modernization for enterprises.

Colocation providers in the U.K. are being viewed as an extension of a customer's business: One major pain point for IT teams is the time required for redundant, manual processes, instead of innovation. In majority of ISG's briefings with enterprises, it is revealed that IT staff time is primarily taken up by routine operations such as provisioning, configuration, maintenance, monitoring, troubleshooting, and remediation, and only 10 to 15 percent is allocated to innovation and new projects. Colocation providers that build their businesses atop integrated and automated systems will be able to offer customers additional services, track provisioning status, interact with customer support and view health and monitoring in real time. Also, colocation providers can offer billing information All this through a customizable web portal and through the direct integration of back-of-fice systems between provider and customer.

Large enterprises continue to accelerate Hybrid IT adoption: It is estimated that 60 percent of enterprise workloads still reside on-premise and many in private data centers operated by internal staff. In an effort to save valuable time, costs and space, many large enterprises will increasingly look to move in-house IT operations to a managed colocation facility or engage in a sale-leaseback deal, where a company sells its own data center facility to a third party, then leases the space required to operate. Colocation providers will continue to expand in order to bolster larger, network-enabled footprints to house these workloads.

Colocation is being considered the home base for Hybrid IT: More than 80 percent of enterprises use a multi-cloud strategy; with the increase in multi-cloud deployments, ISG expects to see enterprises consider colocation as the backbone of their updated cloud strategy. Colocation allows them to place and manage data closer to their cloud, network, and security functions and, ultimately, closer to end user for reduced latency.

The U.K. data center colocation market is projected to grow significantly over the next couple of financial years. The factors that will be driving this growth include rising data sovereignty, data security concerns, the emergence of new regulations such as the General Data Protection Regulation (GDPR), and improved telecommunication infrastructure within the country. Enterprises in the U.K. seek five fundamental core services from datacenter colocation providers: multi-cloud access, high security, connectedness, scalability, and efficiency.

The U.K. is the largest colocation market in Europe and the third largest in the world due to well-established interconnectivity. The country has several data center clusters, representing sufficient colocation opportunities. The primary colocation data center markets in the U.K. are London, Manchester, Leeds, Birmingham and Woking. The U.K. is well connected to North America and Europe, with most submarine cables landing in Cornwall. There are more than four hundred data centers in the U.K and most of these colocation facilities are in and around London.

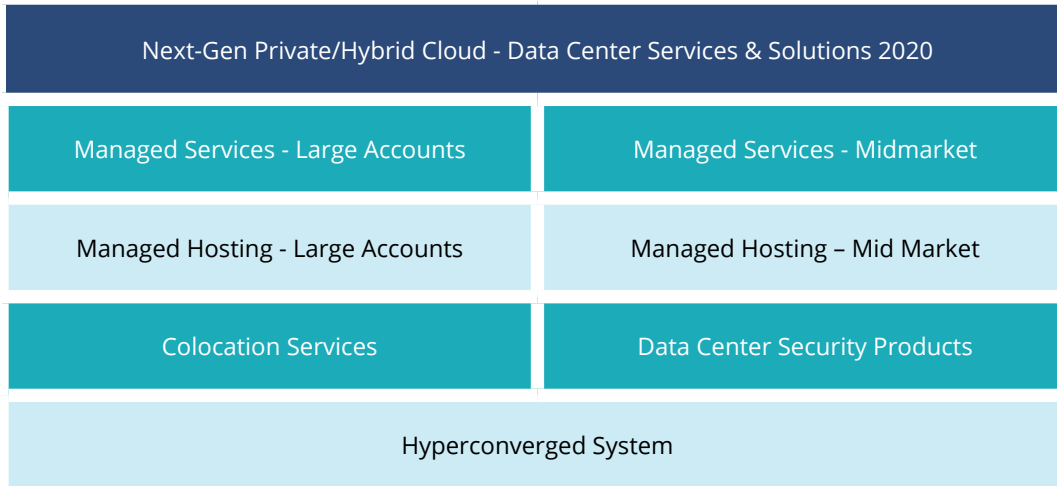
Managed hosting market will continue to grow reasonably: The U.K. managed hosting market is expected to grow at a reasonable pace over the new few years. Since enterprises are expanding business globally, the need for space and utilities has increased. Hosting service providers associated with cloud providers and hardware vendors have been offering exclusive services to their clients. These data centers are extremely flexible and offer governed solutions ranging from simple data warehousing to data analytics, thus promising a reduction in expenses, which is anticipated to have a positive effect on the global managed hosting services market over the next two years

Hyperconverged infrastructure: In the last couple of years, enterprises in the U.K. have increased hyper-converged infrastructure (HCI) for ROBO and edge computing services, where the integration of larger IT assets and data is fundamental to bring in new business opportunities. In such a scenario, the infrastructure silos of storage, networking and computation can no longer meet the needs of the cloud era and digital transformation. All the major hyper-converged market leaders are embracing hybrid cloud offerings and multi-cloud deployments. The growing usage of virtualization, increasing need for data protection and disaster recovery, and low capital expenditure (CAPEX) and total cost of ownership (TCO) are the prime growth drivers of the hyper-converged infrastructure market in the U.K. The adoption of HCI has increased primarily for mission-critical application. Since there is a great traction around hybrid and multi cloud, CXOs sees HCI as a one of the strong elements of the cloud ecosystem.

Enterprises want to reduce costs related to power, space and cooling are exploring and moving to HCI platforms. Enterprises that have evolved over the decades with complex data center IT landscapes are now seeking to consolidate their infrastructure with scale and agile capabilities. HCI is playing a critical role in such scenarios. The major players operating in this market have witnessed an increase in demand for HCI, led by the on-going data center modernization projects or initiatives in the data center industry, globally. Furthermore, major infrastructure vendors are adopting hybrid and multi-cloud deployments as either backup strategies or data disaster recovery options, or as an alternative for on-premises infrastructure. However, vendor lock-in is a major factor expected to hinder market growth to a certain extent. At the same time, rise in investments in data center infrastructure is an opportunistic factor for the market.

Introduction

Simplified illustration



Source: ISG 2020

Definition

A private cloud is an extension of an isolated IT or cloud system landscape, consisting of a company's existing computer environment and leveraging the investments already made in virtual infrastructure and applications. It is essential that the cloud infrastructure consists of either a physical or logical separation between systems on which no other customers are served. Companies with stringent security and governance requirements that need to handle large volumes of data and ensure tight integration with other business applications and workflows may prefer an enterprise cloud or a private cloud. Service providers or managed service providers can use cloud technologies to create private clouds with virtual machines or containers, network and storage resources running in their data centers or shared infrastructure, but in a suitably configured, isolated environment.

Definition (cont.)

A hybrid cloud combines the best of on-premises infrastructure at the customer/ user site, a hosted cloud in a service provider's data center, and a public cloud from a hyperscaler. It connects the existing on-site infrastructure services with a private or public cloud or both. The aim is to combine services and data from different cloud models to create a uniform, automated and well-managed computing cloud infrastructure environment. Hybrid clouds enable companies to leverage the capabilities of public cloud platform providers without having to outsource all their data to a third-party data center or a shared infrastructure environment. This gives them greater flexibility in sourcing workloads, while allowing them to continue to operate key components within their own firewall or private cloud.

Data center outsourcing is the practice of transferring the responsibility of provisioning, monitoring and management of computing and storage resources to a third-party provider. The data center may be owned by the enterprise, service provider or a third-party colocation provider. Monitoring services are usually delivered from the provider's location and are called remote infrastructure management (RIM) services.

Data center outsourcing is the practice of outsourcing the responsibility of provisioning, monitoring, and managing computing and storage resources to a third-party provider. The data center may be owned by the enterprise, service provider or a third-party colocation provider. Monitoring services are usually delivered from the provider's location and are called remote infrastructure management (RIM) services.

Definition (cont.)

Scope of the Report

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

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments;
- Focus on markets, including the U.S., Germany, Switzerland, U.K., the Nordics and Brazil.

This study serves as an important decision-making basis for positioning key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential new engagements.

Typical outsourcing activities include level 1, 2, and 3 technical support, server monitoring, application performance monitoring, storage and database administration, hosting, colocation, disaster recovery testing and execution, defining or setting up the architecture, standards and policies, and transformation projects such as virtualization, consolidation and cloud-enablement services.

For standalone services such as colocation and managed hosting, the level of services and support varies from those in a fully managed data center outsourcing contract. For example, a colocation provider will provide the facilities and infrastructure to host equipment and some basic support services. However, all other aspects of infrastructure management are the responsibility of the client, which may independently handle it or outsource it to a managed service provider.

ISG studies are intended to anticipate the investigation efforts and buying decisions of typical enterprise clients. While contemplating a significant strategy transformation, making purchase-versus-rent decisions for infrastructure, implementing agile practices, or incorporating automation into their environments, enterprise clients will benefit from a study that examines an entire ecosystem for a certain service line.

Definition (cont.)

The studies are comprised of multiple quadrants covering the spectrum of services that an enterprise client requires, as illustrated below:

The quadrant descriptions are as follows:

- **Managed Services for Large Accounts:** This quadrant assesses a service company's ability to provide ongoing management services for data center infrastructure for large businesses. The enterprises are subject to strict regulations that add to complexities. They typically have more than 5,000 employees and revenues of more than \$1 billion.
- **Managed Services for Midmarket:** This quadrant assesses a service company's ability to provide ongoing management services for data center infrastructure for medium-sized business. The enterprise client typically has less than 5,000 employees or generates less than \$1 billion in revenue.
- **Managed Hosting for Large accounts:** This quadrant ranks service providers that offer enterprise-grade hosting solutions and use their facilities and infrastructure. They take responsibility for the day-to-day management and maintenance of data center assets such as servers, storage and operating systems.
- **Managed Hosting for Midmarket:** This quadrant assesses a service company's ability to provide ongoing management hosting services for data center infrastructure for medium-sized business. The enterprise client typically has less than 5,000 employees or generates less than \$1 billion in revenue.
- **Colocation Services:** This quadrant assesses service providers that offer professional and standardized data center operations as colocation services. These providers typically supply network connectivity, access point for various hosting providers, system houses, independent software vendors (ISVs), and carriers or telecommunication providers.
- **Data Center Security Products:** This market ranks software and appliances that are designed to protect the IT infrastructure, regardless of whether they are installed in a public or private cloud. It assesses the capabilities of independent software vendors (ISVs).
- **Hyperconverged Systems:** This quadrant analyzes the systems built around preconfigured hardware and software appliances. The systems comprise network, storage and compute resources that are equipped with management software for orchestration purposes and are often the first step to build a private or hybrid cloud.

Provider Classifications

The ISG Provider Lens™ quadrants were created using an evaluation matrix containing four segments, where the providers are positioned accordingly.

Leader

The “leaders” among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The “product challengers” offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor’s size or their weak footprint within the respective target segment.

Market Challenger

“Market challengers” are also very competitive, but there is still significant portfolio potential and they clearly lag behind the “leaders.” Often, the market challengers are established vendors that are somewhat slow to address new trends, due to their size and company structure, and have therefore still some potential to optimize their portfolio and increase their attractiveness.

Contender

“Contenders” are still lacking mature products and services or sufficient depth and breadth of their offering, while also showing some strengths and improvement potentials in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) who ISG believes has a strong potential to move into the leader's quadrant.

Rising Star

Rising stars are mostly product challengers with high future potential. When receiving the “rising stars” award, such companies have a promising portfolio, including the required roadmap and an adequate focus on key market trends and customer requirements. Also, the “rising stars” has an excellent management and understanding of the local market. This award is only given to vendors or service providers that have made extreme progress towards their goals within the last 12 months and are on a good way to reach the leader quadrant within the next 12-24 months, due to their above-average impact and innovative strength.

Not In

This service provider or vendor was not included in this quadrant as ISG could not obtain enough information to position them. This omission does not imply that the service provider or vendor does not provide this service.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020 - Quadrant Provider Listing 1 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services	Data Center Security Products	Hyperconverged Systems
3stepIT	● Not In	● Product Challenger	● Not In	● Not In	● Not In	● Not In	● Not In
Accenture	● Leader	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
acora	● Not In	● Product Challenger	● Not In	● Not In	● Not In	● Not In	● Not In
Atos	● Leader	● Not In	● Leader	● Not In	● Not In	● Not In	● Not In
Barracuda Networks	● Not In	● Not In	● Not In	● Not In	● Not In	● Product Challenger	● Not In
Broadcom/Symantec	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In
BT	● Leader	● Leader	● Leader	● Leader	● Leader	● Not In	● Not In
Capgemini	● Leader	● Not In	● Leader	● Not In	● Not In	● Not In	● Not In
Centron	● Not In	● Contender	● Not In	● Not In	● Not In	● Not In	● Not In
CenturyLink	● Not In	● Not In	● Product Challenger	● Not In	● Product Challenger	● Not In	● Not In
Check Point	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In
Cisco	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader	● Leader
Claranet	● Product Challenger	● Leader	● Not In	● Leader	● Not In	● Not In	● Not In
Cloudreach	● Product Challenger	● Leader	● Not In	● Not In	● Not In	● Not In	● Not In
Codero	● Not In	● Not In	● Contender	● Not In	● Not In	● Not In	● Not In

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020 - Quadrant Provider Listing 2 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services	Data Center Security Products	Hyperconverged Systems
Cognizant	● Rising Star	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
Colt DCS	● Not In	● Not In	● Not In	● Not In	● Product Challenger	● Not In	● Not In
Computacenter	● Leader	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
Core IT Solutions	● Not In	● Contender	● Not In	● Not In	● Not In	● Not In	● Not In
Coreix	● Not In	● Not In	● Not In	● Not In	● Product Challenger	● Not In	● Not In
CWCS	● Not In	● Not In	● Not In	● Contender	● Not In	● Not In	● Not In
Cyxtera	● Not In	● Not In	● Not In	● Not In	● Product Challenger	● Not In	● Not In
Dell EMC	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader
Digital Realty	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In	● Not In
DXC	● Leader	● Not In	● Leader	● Not In	● Not In	● Not In	● Not In
Ensono	● Market Challenger	● Leader	● Rising Star	● Leader	● Not In	● Not In	● Not In
Equinix	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In	● Not In
FireEye	● Not In	● Not In	● Not In	● Not In	● Not In	● Product Challenger	● Not In
Fortinet	● Not In	● Not In	● Not In	● Not In	● Not In	● Product Challenger	● Not In
Fujitsu	● Market Challenger	● Leader	● Not In	● Leader	● Not In	● Not In	● Market Challenger

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020 - Quadrant Provider Listing 3 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services	Data Center Security Products	Hyperconverged Systems
Global Switch	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In	● Not In
gtt	● Not In	● Not In	● Not In	● Not In	● Market Challenger	● Not In	● Not In
HCL	● Leader	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
Hexaware	● Not In	● Rising Star	● Not In	● Not In	● Not In	● Not In	● Not In
Hitachi Vantara	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Contender
HPE	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader
HTBASE	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Contender
Huawei	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Product Challenger
HYVE	● Not In	● Contender	● Not In	● Market Challenger	● Product Challenger	● Not In	● Not In
IBM	● Leader	● Not In	● Leader	● Not In	● Not In	● Leader	● Not In
Infosys	● Product Challenger	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
Interxion	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In	● Not In
IT Backbone	● Not In	● Contender	● Not In	● Not In	● Not In	● Not In	● Not In
Juniper Networks	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In
Kaspersky	● Not In	● Not In	● Not In	● Not In	● Not In	● Market Challenger	● Not In

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020 - Quadrant Provider Listing 4 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services	Data Center Security Products	Hyperconverged Systems
Ldex Group	● Not In	● Not In	● Not In	● Not In	● Contender	● Not In	● Not In
Lenovo	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Product Challenger
Logicalis	● Product Challenger	● Leader	● Not In	● Rising Star	● Not In	● Not In	● Not In
LogRhythm	● Not In	● Not In	● Not In	● Not In	● Not In	● Product Challenger	● Not In
LTI	● Product Challenger	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
Maxta	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Contender
McAfee	● Not In	● Not In	● Not In	● Not In	● Not In	● Market Challenger	● Not In
Micro Focus	● Not In	● Not In	● Not In	● Not In	● Not In	● Contender	● Not In
Microland	● Contender	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
Microsoft	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Product Challenger
Mindtree	● Not In	● Market Challenger	● Not In	● Not In	● Not In	● Not In	● Not In
Mphasis	● Not In	● Product Challenger	● Not In	● Not In	● Not In	● Not In	● Not In
Navisite	● Not In	● Not In	● Not In	● Market Challenger	● Not In	● Not In	● Not In
NetApp	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Contender
Nouveau	● Not In	● Contender	● Not In	● Not In	● Not In	● Not In	● Not In

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020 - Quadrant Provider Listing 5 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services	Data Center Security Products	Hyperconverged Systems
NTT	● Product Challenger	● Not In	● Product Challenger	● Not In	● Product Challenger	● Not In	● Not In
Nutanix	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader
Orange Business Services	● Not In	● Not In	● Market Challenger	● Not In	● Not In	● Not In	● Not In
Palo Alto Networks	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In
Pivot3	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Product Challenger
plusserver	● Not In	● Not In	● Not In	● Product Challenger	● Not In	● Not In	● Not In
Pulsant	● Not In	● Not In	● Product Challenger	● Not In	● Product Challenger	● Not In	● Not In
Rackspace Technology	● Not In	● Leader	● Leader	● Leader	● Rising Star	● Not In	● Not In
Rapid7	● Not In	● Not In	● Not In	● Not In	● Not In	● Contender	● Not In
Red Hat	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Market Challenger
Redcentric	● Not In	● Not In	● Not In	● Contender	● Contender	● Not In	● Not In
SonicWall	● Not In	● Not In	● Not In	● Not In	● Not In	● Contender	● Not In
StorMagic	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader
Sungard AS	● Not In	● Product Challenger	● Product Challenger	● Rising Star	● Product Challenger	● Not In	● Not In
TCS	● Leader	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020 - Quadrant Provider Listing 6 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services	Data Center Security Products	Hyperconverged Systems
Tech Mahindra	● Product Challenger	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
Telehouse	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In	● Not In
TierPoint	● Not In	● Not In	● Contender	● Not In	● Not In	● Not In	● Not In
Trend Micro	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader	● Not In
T-Systems	● Not In	● Leader	● Not In	● Leader	● Not In	● Not In	● Not In
UKFast	● Not In	● Not In	● Not In	● Not In	● Contender	● Not In	● Not In
Unisys	● Market Challenger	● Leader	● Contender	● Not In	● Not In	● Not In	● Not In
UnitedLayer	● Contender	● Contender	● Not In	● Not In	● Not In	● Not In	● Not In
UST Global	● Not In	● Contender	● Not In	● Not In	● Not In	● Not In	● Not In
Veber	● Not In	● Not In	● Not In	● Not In	● Contender	● Not In	● Not In
VIRTUS	● Not In	● Not In	● Not In	● Not In	● Market Challenger	● Not In	● Not In
VMware	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In	● Leader
Vodafone	● Rising Star	● Leader	● Not In	● Not In	● Not In	● Not In	● Not In
Volta	● Not In	● Not In	● Not In	● Not In	● Product Challenger	● Not In	● Not In
Wipro	● Leader	● Not In	● Not In	● Not In	● Not In	● Not In	● Not In
Zensar	● Not In	● Contender	● Not In	● Not In	● Not In	● Not In	● Not In



Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020 Quadrants

ENTERPRISE CONTEXT ---

This report is relevant to mid-sized enterprises in the U.K. that are evaluating hybrid cloud managed services providers.

In this quadrant report, ISG lays out the current market positioning of managed services providers in the U.K., and how they interact with key challenges facing mid-sized enterprises' hybrid cloud effort. These providers are adept at managing datacenter infrastructure on their clients' behalf so those enterprises can focus on other tasks.

In order to be successful in the current digital business environment, enterprises must take a unified approach to their technical infrastructure across public and private clouds.

Enterprises in the U.K. have the unenviable task of trying to determine their best course of technical investment amidst significant turmoil brought about by the Brexit process. Managed services providers can help by providing localized infrastructure and a robust understanding of the operating environment in Britain. Furthermore, these providers can help by providing resources for operating in mainland Europe so enterprises can more easily comply with data protection and residency regulation.

Using hybrid cloud managed services can help enterprises by alleviating the burden of operating a private datacenter, while still allowing some control over the underlying hardware and systems that underpin the applications hosted there. Enterprises will get the benefit of the managed services providers' investment in systems and processes that make their datacenters more efficient and reliable.

In addition, managed services providers may be able to deliver services that are physically closer to key client locations, which is an important consideration for applications that are highly sensitive to latency.

IT leaders should read this report to better understand the relative strengths and weaknesses of managed services providers, as well as how those providers' approaches to the market can impact enterprise hybrid cloud strategies. Changing managed hybrid cloud services providers can have a significant impact on an enterprise's overall IT estate.

Software development and technology leaders should read this report to understand the positioning of managed services providers, and gain a better understanding of how those providers' offerings can impact the ongoing development of software products within an enterprise.

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

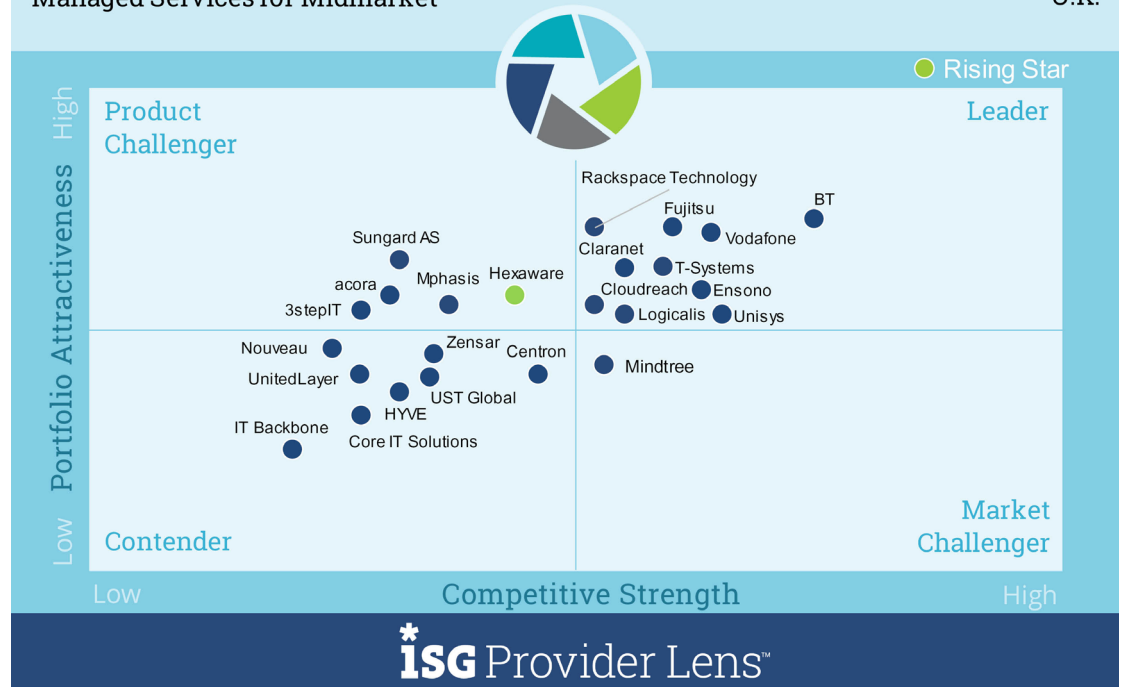
MANAGED SERVICES- MIDMARKET

Definition

This quadrant covers provider with the ability to provide ongoing management services for data center infrastructure and platforms that consist of servers, middleware, storage, databases, and networking components. The infrastructure may be at the client's data center or the service provider's facility or even co-located in a third-party facility. Participating companies usually take over the responsibility, including that of transition services. A characteristic of managed services is the transfer of responsibility to the service provider, governed by service level agreements (SLAs) and respective penalties for deviation from agreed upon performance goals. This quadrant assesses a provider's ability to provide ongoing management services for data center infrastructure, such as servers, storage, databases and networking. Transformation services are projects that include consolidation, virtualization and cloud enablement, and are now increasingly based on software-defined infrastructure.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Managed Services for Midmarket

2020
U.K.



Source: ISG Research 2020

MANAGED SERVICES- MIDMARKET

Eligibility Criteria

- Ability to service data center infrastructure (networks, servers, middleware, storage, and databases) on their own, without the need for partners.
- Ability to provide services within a client's premises or remotely, and preferably through its remote infrastructure management/shared services center.
- Established or emerging basic/standard relationships with one of the major public cloud hyperscale providers such as AWS, Microsoft, Google or IBM.
- Experience in large transition projects that include automation, consolidation, virtualization and containerization of data centers and cloud enablement.
- Ability to act as an extension of a client's IT organization and get involved in creating blueprints, architecture frameworks and management processes at the client's location.
- Ability to manage high memory and compute-intensive workloads and consulting on individual shoring alternatives.

Observations

The requirement for managed services and transformation offerings has increased in the U.K. In the last couple of years, ISG has noted a cautious transformation from on-premise operations to the private cloud. Large accounts and mid-market CXOs believe that effective deployment of technology will be essential if all vertical is to continue growing at its current significant pace. Many mid-sized companies are relying on cloud computing to make their IT-infrastructure more flexible and scalable, and thereby be able to respond quicker to the requirements of the IT departments. Service providers have extended their managed services portfolio to include cloud services.

- **BT's** managed services portfolio has evolved from traditional IT solutions to a hybrid cloud managed service model.
- **Claranet** blends innovative technology, practices, and expertise to deal with a customer's hybrid IT business challenges.
- **Ensono** has transformed its services from traditional to hybrid IT, along with IT modernization.

MANAGED SERVICES- MIDMARKET

Observations (cont.)

- **Unisys** offers artificial intelligence-led operations (AIOps) to help companies scale IT operations and brings transparency into operations.
- **Fujitsu** has deep understanding of the complexities of heritage IT systems and capabilities in state-of-the-art cloud platforms.
- **T-Systems** offers deep capabilities in the multi- and hybrid-cloud area, with strong strategic technology partnerships.
- **Vodafone** provides hybrid IT managed services and solutions that are cost effective and flexible.
- **Logicalis'** solutions take an integrated approach to enable enterprises to achieve scalable, digital, future-ready operations.
- **Cloudreach** enables clients to scale their cloud without scaling their hybrid IT managed service workforce.
- **Hexaware** offers a hybrid IT management and orchestration platform to manage IT workloads; the platform is accessible via a lightweight web interface.
- **Rackspace Technology** delivers managed services through its well-known and established fanatical customer services.

RISING STAR: HEXAWARE

Overview

Hexaware has a digitally empowered workforce of more than 19,000 employees and functions on the philosophy of customer success, first and always. The company reported a global revenue of \$677.7 million in 2018. Hexaware's digital offerings have helped clients achieve operational excellence and customer satisfaction. The organization is focused on taking a leadership position in helping clients attain customer intimacy as the means for obtaining a competitive advantage. Hexaware offers Automate Everything™ and Cloudify Everything™ to transform customer experiences.

Strengths

AI Led monitoring and management for Hybrid-IT workload: Hexaware's RAISE IT™ framework has a powerful monitoring module under Autonomous IT operations. This system monitors all devices in the organization; customers do not need to switch between multiple tools for everyday monitoring activities. The system also uses system telemetry, in addition to alerts, for early detection of anomalies which could eventually become serious incidents.

Hexaware autonomous IT operation: Hexaware's next-generation intuitive orchestration and autonomous-led intelligent IT operation platform provides customers with a deep business view, out-of-the box ready playbooks and end-to-end automation. The convergence of conversational AI and data modeling patterns has made it possible to automate L1 to L1.5 tasks, that were traditionally entrusted to individual small and medium enterprises (SMEs), by tapping into the judgment insights that lie within the data itself.

Caution

Hexaware needs to expand its customer base across verticals in the U.K.

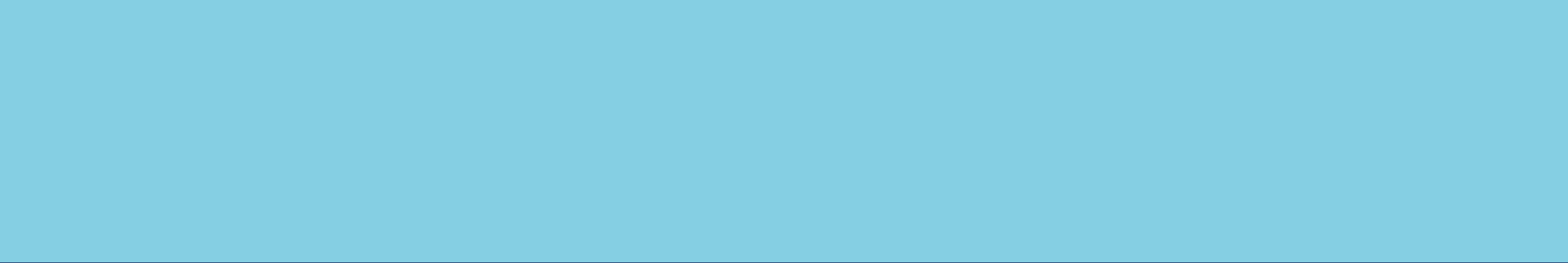
Hexaware needs to invest in R&D and customer experience studio in the area of hybrid IT to target large customers.



2020 ISG Provider Lens™ Rising Star

Hexaware offers comprehensive support for the hybrid cloud journey of its customers, thus ensuring seamless availability of systems across public/private cloud. The organization has witnessed exponential growth in the hybrid IT and multi-cloud segment to drive the digital transformation journey of its U.K.-based customers.

On the cloud adoption side, Hexaware has developed an end-to-end framework called Amaze™ and as part of that Amaze™ for Applications is an automated cloud re-platforming solution for migrating the legacy applications to the cloud, ensuring accelerated mass migrations at a much lower cost.



Methodology

METHODOLOGY

The research study “ Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020” analyzes the relevant software vendors/service providers in the U.K. 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 of Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions 2020 market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & 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



Authors and Editors



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Lead Analyst

At ISG, Manoj Chandra Jha is primarily responsible for research projects and working on the ISG Provider Lens™ (IPL) program. He actively contributes in gathering service provider intelligence through both primary and secondary research. He is responsible for writing thought leadership reports and papers on briefings provided by the service providers. In addition to these, Manoj also writes blogs on trending topics, specifically on cutting-edge technology. Manoj has executed several client requests for research and consulting assignments across industries, predominantly in the IT, manufacturing and insurance. He has handled client communication for the team, managing the client right from on-boarding to understanding their custom research requests to scheduling briefing calls. Along with this, he has been closely involved with the quadrant studies around cloud services and data center outsourcing market.



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Principal Analyst

Blair serves as an ISG enterprise analyst covering topics including artificial intelligence, cloud computing and Agile/DevOps transformation. This year, he is providing enterprise context for ISG Provider Lens reports on the service provider ecosystems around Private/Hybrid Cloud, Public Cloud, Microsoft, SAP and Next-Gen ADM. He provides enterprise IT decision makers with market-leading advice on key technology trends through research notes and personal consultation. Since joining ISG in 2018, Blair has provided clients with insights about how their strategy fits with emerging technology trends that are shaping markets worldwide, and how new technologies can help them drive better business value.

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Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

ISG Provider Lens™ Report: Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions July 2020

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