



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

Managed Services for Midmarket

U.K. 2021

Quadrant
Report



A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:



June 2021

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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 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

The Next-Gen Private/Hybrid Cloud – Data Centre Services and Solutions 2021 study evaluated more than 100 niche hybrid IT, colocation and managed hosting service providers in the U.K. ISG Provider Lens™ has identified the key global and regional providers and analysed key trends driving the IT outsourcing, hybrid IT managed services, data centre managed hosting services and colocation markets in the U.K.

COVID-19 pandemic accelerates the adoption of hybrid IT solution and services

among enterprises: The impact of COVID-19 on the economy will be long lasting. As a result, enterprises are implementing hybrid IT and artificial intelligence (AI)-led IT operations to optimise IT assets, costs, productivity and capacity, as well as to reduce risks in the short term to stay prepared for the future. As businesses across sectors focus on technology-driven transformation, the IT outsourcing market in the U.K. continues to grow.

In the U.K., enterprise clients are shifting their focus towards IT outsourcing. They are adopting effective agendas to drive both bottom-line productivity and top-line business growth. Firms also are recognising the skills required to effectively manage business and supplier relationships. The enterprises are re-evaluating the balance in the IT supply chain ecosystem between insourcing and outsourcing, while ensuring that contracts with suppliers recognise and facilitate new ways of working, such as linear, agile and DevOps. They are also taking a pragmatic long-term view of the relationship with key suppliers. Over the next two to three quarters, many IT outsourcing deals are anticipated in the U.K. market, with the majority of enterprises planning to outsource at the same momentum. However, the true scale and implications will only become visible in the coming months.

Deal pipelines show continued growth, as the economy begins to emerge from

pandemic: According to the ISG Index for Q1 2021, the market in EMEA grew by 20 percent when compared to the last year, reaching US\$6 billion. However, the market experienced a 5 percent dip from Q4 2020. Both the as-a-Service and managed services segments showed strong results in the first quarter of 2021. The as-a-Service segment grew by 16 percent when compared to the last year, reaching US\$2.5 billion. It was driven by the increased demand for Infrastructure-as-a-Service (IaaS), with an annual contract value (ACV) of US\$1.8 billion, an increase of 19 percent when compared to the last year. Software-as-a-Service (SaaS) grew by 9 percent, reaching US\$658 million. On the other hand, managed services generated US\$3.5 billion of ACV, an increase of 23 percent compared to the previous year — its second straight quarter of sizeable results. ITO is growing by 17 percent year over year, reaching US\$3 billion, because of demand for ADM and infrastructure services.

The retail, pharmaceuticals, technology and utilities industries continue to invest in digital capabilities and core technology operations (cloud, network and data) to support artificial intelligence (AI) and machine learning (ML). Due to the COVID-19 pandemic, the travel, hospitality and retail sectors are looking for cost-saving options, which, in turn, has led to a rise in new sourcing partnerships, as well as revival and renewal of existing deals.

ISG provider Lens™ has observed the following trends in the global next-generation private/hybrid IT solution and services space:

Large enterprises are increasingly adopting hybrid IT services: The adoption of hybrid IT is high among large enterprises in the U.K., as they have the niche talent to implement specific solutions in the hybrid IT segment. ISG observed that small- and midsize companies are also moving towards this direction.

Cost optimisation and business transformation are the key factors driving outsourcing in the U.K. market: Desire for cost reduction is the main factor prompting organisations in the U.K. to outsource more by a significant margin, followed by business transformation and elevation in service quality. Adoption of hybrid IT services continues to grow in the region, with most companies planning to include hybrid IT solutions in their application portfolio by 2023. One of the key challenges enterprises face for a successful migration to the hybrid IT cloud is the integration of existing or legacy systems. Security and privacy issues and governance and internal capabilities to manage cloud providers/solutions are the other main challenges. Enterprises are adopting hybrid IT services to remain competitive, agile and effectively deliver value to their stakeholders' ecosystems. However, insufficient knowledge and skills often disrupt the adoption of hybrid IT services, driving enterprises to seek transformational sourcing options to revamp the business and IT operations. The trend of IT outsourcing and investments in technology services continues to grow. This, along with the impact of COVID-19, are pushing organisations to quickly move away from physical to the digital ecosystem. Various hybrid IT accelerators and technologies provide significant opportunities for service providers to deliver seamlessly.

Growth in the IT outsourcing market in the U.K.: In the next two to three years, IT outsourcing will continue in the region, as enterprises are planning to outsource, with significant investments in digital transformation. This contrasts with the last five years, which saw a slight drop in IT outsourcing deals across verticals in the U.K. However, there has been a fundamental shift between insourcing and outsourcing deals due to increased pressure on the chief technology officer (CTO) to drive digital transformation and cost reduction due to the impacts of COVID-19 pandemic. Although ISG observed many midsize IT outsourcing deals over the last year, these could not be categorised as billion-dollar, multiyear deals.

Milestone and outcome-based deals: Enterprises in the region have matured their IT outsourcing deal cycle, while selecting the right IT service provider to support their hybrid IT transformation journey. Milestone and outcomes-based engagement are becoming mainstream requirements, wherein clients are choosing providers as their joint partners rather than suppliers.

Workforce reskilling and upskilling: With the increasing alignment of automation in classic and new-edge data centres, talent management is a challenge. Also, carrying the risk of existing employee skills will soon become obsolete. Therefore, training and upskilling are critical. Several enterprises are collaborating with local universities and providers to upskill their workforces on digital skills such as workflow automation and modernisation with real-time analytics to empower them to focus on high-value tasks.

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

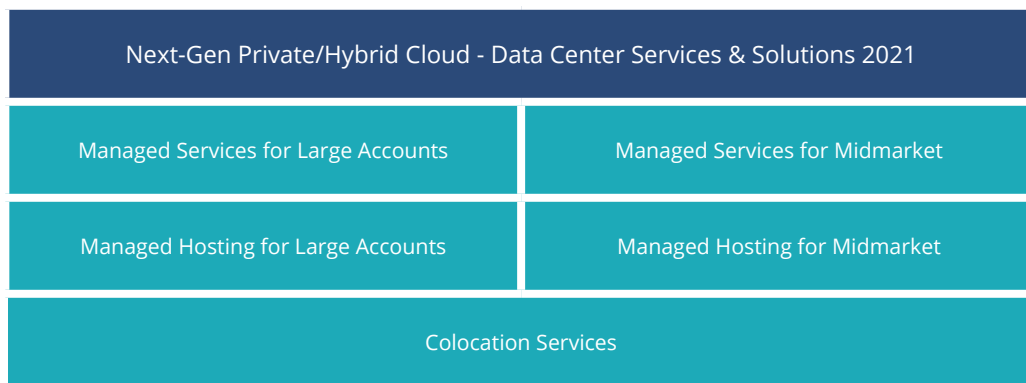
Colocation providers in the U.K. are being viewed as an extension of a customer's business: The U.K. colocation market is the fastest growing in Europe and is expected to grow in double digits over the next three years. Most briefings with the largest colocation players in the U.K. and globally revealed that the firms would grow their business in the coming quarters. The colocation market in the region is dominated by hyperscale sites, which include those owned and operated by the largest cloud computing providers in the U.K. such as Google Cloud, AWS and Microsoft. The U.K. continues to be the largest market in Europe for colocation data centres — which are seen as a less costly alternative to expensive dedicated premises. Public and private sector organisations in verticals such as finance, manufacturing and retail are consistently focussing and investing in acquiring colocation space as part of their global business expansion plans.

Large enterprises continue to accelerate hybrid IT adoption: It is estimated that 60 percent of enterprise workloads still reside on-premises, many in private data centres operated by internal staff. 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 centre facility to a third party, then leases the space required to operate.

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. As enterprises are expanding their businesses 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 centres are extremely flexible and offer governed solutions, ranging from simple data warehousing to data analytics, thereby promising a reduction in expenses. This is anticipated to have a positive effect on the global managed hosting services market over the next two years.

Introduction

Simplified illustration



Source: ISG 2021

Definition

Data centre outsourcing is the practice of transferring the responsibility of managing end-to-end data centre assets; orchestration provisioning; integrated monitoring; and management of computing, storage, database, middleware resources and other components of the infrastructure to a third-party provider. The data centre may be owned by the enterprise, service provider or a third-party colocation provider. Integrated monitoring and management services are usually delivered from the provider's location through an offshore/onshore/nearshore shared service centre or dedicated delivery centre model, classified as remote infrastructure management (RIM) services.

A private cloud is an extension of the existing computing environment of an enterprise and leverages the investments made in virtual infrastructure and applications. Enterprises with stringent security and governance requirements that need to handle large data volumes and ensure tight integration with other enterprise applications and workflows may prefer on-premises or a private cloud environment characterised by hardware hosted locally at a client facility. IT service providers can also create private clouds with scalable virtual compute, networking and storage resources running in their data centres or over a shared infrastructure and configure it to isolate a private cloud.

Definition (cont.)

A hybrid cloud combines the best of on-premises, private and public cloud. It connects the existing on-premises infrastructure services with a private or public cloud, or both. The goal is to combine services and data from a variety of cloud models and create a unified, automated and well-managed computing environment. One of the fundamental advantages of hybrid cloud deployment is the high degree of control offered to the organisation. Hybrid clouds allow businesses to leverage the capabilities of public cloud platform providers without the need to outsource their entire data to a third-party data centre. This provides greater flexibility, while keeping the vital components within the company's firewall.

Scope of Report

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

- A differentiated positioning of providers based on competitive strengths and portfolio attractiveness.
- A perspective on different markets, including the U.S., Germany, Switzerland, the U.K., Nordics and Brazil.

ISG studies serve 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 current vendor relationships and potential 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 virtualisation, consolidation and cloud-enablement services.

Definition (cont.)

Scope of Report

For standalone services such as colocation and managed hosting, the level of services and support varies from those in a fully managed data centre 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.

The studies comprise 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 centre infrastructure for large businesses. The client enterprises are subject to strict regulations that add to complexities. They typically have more than 5,000 employees and generate revenues of more than US\$1 billion.
- **Managed Services for Midmarket:** This quadrant assesses a service company's ability to provide ongoing management services for data centre infrastructure for medium-sized business. The enterprise client typically has less than 5,000 employees or generates less than US\$1 billion in revenue.

Definition (cont.)

Scope of Report

- **Managed Hosting for Large Accounts:** This quadrant assesses 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 centre 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 centre infrastructure for medium-sized business. The enterprise client typically has less than 5,000 employees or generates less than US\$1 billion in revenue.
- **Colocation Services:** This quadrant assesses service providers that offer professional and standardised data centre operations as colocation services. These providers typically supply network connectivity and access points for various hosting providers, system houses, independent software vendors (ISVs) and carriers or telecommunication providers.



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

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 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 fall 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 therefore have some potential to optimize their portfolio and increase their attractiveness.

Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential 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 - Quadrant Provider Listing 1 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
3stepIT	● Contender	● Product Challenger	● Contender	● Not In	● Not In
Accenture	● Leader	● Not In	● Not In	● Not In	● Not In
acora	● Not In	● Product Challenger	● Not In	● Not In	● Not In
Atos	● Leader	● Not In	● Leader	● Not In	● Not In
BT	● Product Challenger	● Leader	● Leader	● Leader	● Leader
CANCOM	● Not In	● Leader	● Product Challenger	● Rising Star	● Not In
Capgemini	● Leader	● Not In	● Not In	● Not In	● Not In
Centron	● Not In	● Contender	● Not In	● Not In	● Not In
Claranet	● Product Challenger	● Leader	● Not In	● Leader	● Not In
Cloudreach	● Contender	● Product Challenger	● Not In	● Not In	● Not In
Codero	● Not In	● Not In	● Contender	● Not In	● Not In
Cognizant	● Rising Star	● Not In	● Not In	● Not In	● Not In
Colt DCS	● Not In	● Not In	● Not In	● Not In	● Product Challenger

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 2 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
Computacenter	● Leader	● Not In	● Not In	● Not In	● Not In
Core IT Solutions	● Not In	● Contender	● Not In	● Not In	● Not In
Coreix	● Not In	● Not In	● Not In	● Not In	● Product Challenger
CWCS	● Not In	● Not In	● Not In	● Contender	● Not In
Cyrusone	● Not In	● Not In	● Not In	● Not In	● Contender
Cyxtera	● Not In	● Not In	● Not In	● Not In	● Product Challenger
Digital Realty	● Not In	● Not In	● Not In	● Not In	● Leader
DXC	● Leader	● Not In	● Market Challenger	● Not In	● Not In
Ensono	● Market Challenger	● Leader	● Leader	● Leader	● Not In
Equinix	● Not In	● Not In	● Not In	● Not In	● Leader
Fujitsu	● Leader	● Leader	● Not In	● Leader	● Not In
Global Switch	● Not In	● Not In	● Not In	● Not In	● Leader
gtt	● Not In	● Not In	● Not In	● Not In	● Market Challenger

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 3 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
HCL	● Leader	● Not In	● Not In	● Not In	● Not In
Hexaware	● Product Challenger	● Leader	● Not In	● Not In	● Not In
HYVE	● Not In	● Contender	● Not In	● Market Challenger	● Product Challenger
IBM	● Leader	● Not In	● Leader	● Not In	● Not In
Infosys	● Rising Star	● Not In	● Not In	● Not In	● Not In
IT Backbone	● Not In	● Contender	● Not In	● Not In	● Not In
Ldex Group	● Not In	● Not In	● Not In	● Not In	● Contender
Logicalis	● Product Challenger	● Product Challenger	● Not In	● Product Challenger	● Not In
LTI	● Product Challenger	● Not In	● Not In	● Not In	● Not In
Lumen	● Not In	● Not In	● Rising Star	● Not In	● Product Challenger
Microland	● Contender	● Not In	● Not In	● Not In	● Not In
Mindtree	● Product Challenger	● Rising Star	● Not In	● Not In	● Not In
Mphasis	● Not In	● Product Challenger	● Not In	● Not In	● Not In

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 4 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
Navisite	● Not In	● Not In	● Not In	● Market Challenger	● Not In
Nouveau	● Not In	● Contender	● Not In	● Not In	● Not In
NTT Ltd.	● Product Challenger	● Not In	● Product Challenger	● Not In	● Product Challenger
PlusServer	● Not In	● Not In	● Not In	● Product Challenger	● Not In
Pulsant	● Not In	● Not In	● Product Challenger	● Not In	● Product Challenger
Rackspace Technology	● Not In	● Leader	● Leader	● Leader	● Rising Star
Redcentric	● Not In	● Not In	● Product Challenger	● Contender	● Contender
Sopra Steria	● Not In	● Market Challenger	● Not In	● Product Challenger	● Not In
Sungard AS	● Not In	● Not In	● Product Challenger	● Rising Star	● Product Challenger
TCS	● Leader	● Not In	● Not In	● Not In	● Not In
Tech Mahindra	● Product Challenger	● Not In	● Not In	● Not In	● Not In
Telehouse	● Not In	● Not In	● Not In	● Not In	● Leader
TierPoint	● Not In	● Not In	● Contender	● Not In	● Not In

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

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
T-Systems	● Not In	● Leader	● Not In	● Leader	● Not In
UKFast	● Not In	● Not In	● Not In	● Not In	● Contender
Unisys	● Market Challenger	● Leader	● Product Challenger	● Not In	● Not In
UST	● Not In	● Contender	● Not In	● Contender	● Not In
Veber	● Not In	● Not In	● Not In	● Not In	● Contender
VIRTUS	● Not In	● Not In	● Not In	● Not In	● Market Challenger
Vodafone	● Product Challenger	● Leader	● Not In	● Not In	● Not In
Volta	● Not In	● Not In	● Not In	● Not In	● Product Challenger
Wipro	● Leader	● Not In	● Not In	● Not In	● Not In
Zensar	● Not In	● Product Challenger	● Not In	● Not In	● Not In



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



ENTERPRISE CONTEXT

Managed Services for Midmarket

This quadrant is relevant to midsize enterprises across industries in the U.K. for evaluating hybrid cloud managed service providers.

In this quadrant report, ISG defines the current market positioning of managed service providers in the U.K., and how they counter the key challenges midsize enterprises face in their hybrid cloud efforts. These providers are adept at managing data center infrastructure on behalf of their enterprise clients, sparing them to focus on other tasks.

Due to the COVID-19 pandemic, midsize enterprises faced challenges related to changing work environments, enabling remote working, ensuring the health and safety of employees and providing a consistent experience to employees working from home and in office premises. U.K. enterprises are looking for seamless delivery of data center managed services, anywhere, as a part of their remote work enablement to ensure business continuity.

Enterprises in the U.K. are trying to determine the best course of technical investments in the wake of Brexit. Hybrid cloud managed services can help enterprises unburden the responsibility of data center operations by providing localized infrastructure and a robust understanding of the operating environment. They can help enterprises comply with data protection, and data confidentiality and residency regulations.

Enterprises are focusing on leveraging automation, DevOps integrated framework, AIOps, and zero-touch support processes to accelerate agility in data center operations. They will benefit from a managed service provider's automation and AI capabilities to monitor infrastructure and predict failures to reduce maintenance costs.

ISG has observed midsize enterprises in the U.K. are increasingly opting for hybrid IT. Significant cost reduction is the main driver for enterprises planning to increase outsourcing in the U.K., followed by focus on business transformation and the need to improve service quality. Midsize companies have fewer complex requirements and smaller projects than large enterprises, and they prefer providers with strong niche offerings, competitive pricing and high integration capabilities.

Enterprises can also benefit from a managed service provider's expertise in application modernization, cost optimization, DevOps and cloud native journeys. Managed services providers may be able to deliver services in proximity to key client locations, which is particularly relevant for applications that are highly sensitive to latency.

IT and infrastructure leaders should read this report to better understand the relative strengths and weaknesses of managed services providers, and to ascertain how their approaches to the market can impact enterprise hybrid cloud strategies.

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

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

MANAGED SERVICES FOR MIDMARKET

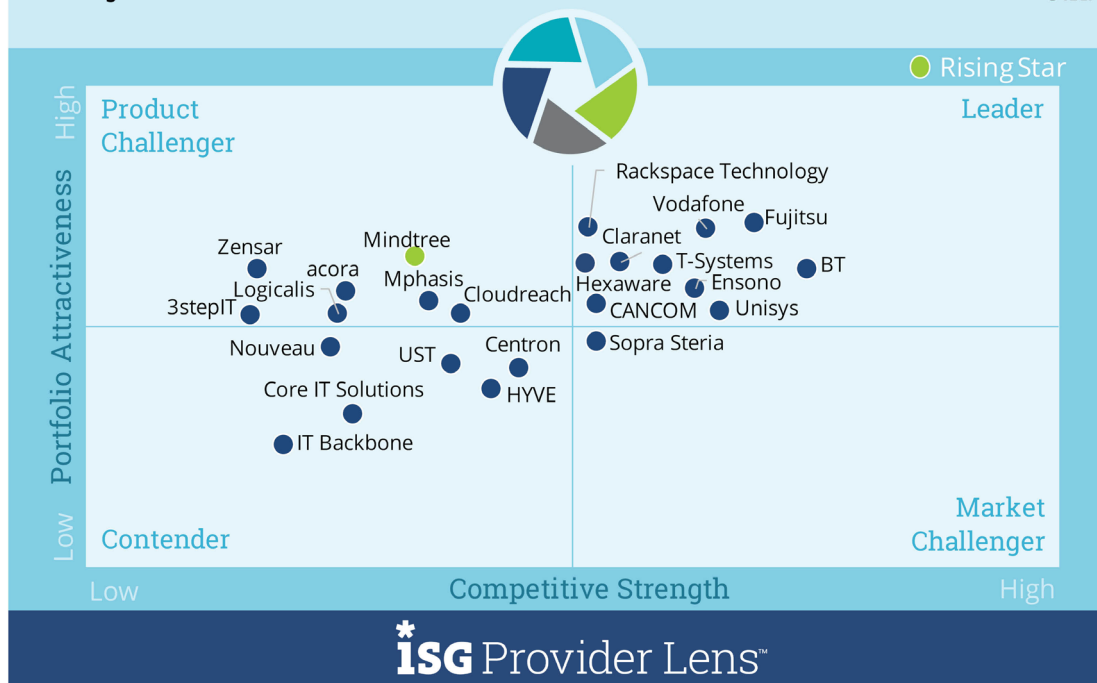
Definition

This quadrant assesses a provider's ability to offer ongoing management services for private and hybrid clouds as well as traditional data centre infrastructure and platforms that comprise physical and virtual servers, middleware, storage, databases and networking components. The infrastructure may reside in the client's data centre or the service provider's facility, or even be co-located in a third-party facility.

Participating companies usually take over the transition services where they guide clients to optimise their existing IT landscape. Typical projects include large-scale data centre consolidation, virtualisation, cloud enablement and configuration, and implementation of a software-defined data centre (SDDC). Transition services also include expanding the facilities, transferring new workloads or creating new private clouds. Managed services are characterised by the transfer of responsibility to a service provider, governed by SLAs and corresponding penalties

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

2021
U.K.



Source: ISG Research 2021

MANAGED SERVICES FOR MIDMARKET

Definition (cont.)

if any deviation. At a broad level, these services include provisioning, enabling real-time and predictive analysis and monitoring plus operational management of a customer's on-premises, private and hybrid cloud environments. These activities are aimed at maximising the performance of workloads in the cloud, reducing costs and ensuring compliance and security. Participants should have the capability to manage traditional as well as cloud-native application releases, which also include continuous integration and delivery processes.

A primary difference between managed service providers and managed hosting providers is that the former providers have stronger integrations practices that involve breaking monolithic and traditional applications into individual services or microservices.

Eligibility Criteria

- Ability to service data centre infrastructure (networks, servers, middleware, storage and databases) on their own, without the need of partners
- Ability to provide services within a client's premises or remotely, and preferably through its RIM/shared services centre
- 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, virtualisation and containerisation of data centres and cloud enablement
- Ability to act as an extension of a clients' IT organisation and involvement 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

MANAGED SERVICES FOR MIDMARKET

Observations

The key fundamental factors that drive the managed services market are lack of niche technology and IT talent and lower IT budgets to force enterprises to leverage managed services. Increased adoption of cloud and deep automation in classic and new edge data centre and continuous growth in the demand for managed services among midsize clients are expected to create ample opportunities for managed services vendors.

The requirement for managed services and transformation offerings has increased in the U.K. In the past few years, ISG has observed a cautious transformation from on-premises operations to the private cloud. Large accounts and midmarket CXOs believe that effective deployment of technology will be essential for all verticals to continue growing at the current significant pace. Many mid-sized companies are relying on cloud computing to make their IT infrastructure more flexible and scalable and, in turn, be able to respond quicker to the requirements of the IT departments. Service providers have extended their managed services portfolios to include cloud services.

In this quadrant, we evaluated 30 providers, of which nine are Leaders and one is a Rising Stars.

- **BT** has been evolving its hybrid cloud managed services portfolio in recent years and offers smart partnering options to provide its customers with an array of choices of different clouds to suit their respective needs in the U.K.
- **CANCOM** has done a series of acquisitions, which has bolstered its U.K. business in public cloud transformation and managed services segments.
- **Claranet's** managed services portfolio modernises legacy infrastructure to modern services that support customers throughout the entire life cycle of the applications.
- **Ensono** is one of the leading hybrid IT managed service providers in the U.K. that has experience in modernising legacy infrastructure.
- **Fujitsu's** technology portfolio enables companies to improve and innovate their IT landscape. It has a deep understanding of the complexities of IT systems.
- **Hexaware** offers a flexible hybrid IT management with autonomous-led intelligent IT operation platform that provides customers with a deep business view, out-of-the-box ready playbooks, and end-to-end automation.

MANAGED SERVICES FOR MIDMARKET

Observations (cont.)

- **Rackspace Technology** has a comprehensive managed services portfolio and offers excellent customer support delivery through its Fanatical Support services.
- **T-Systems** offers cloud infrastructure services based on the VMWare cloud foundation, which drives its future hybrid cloud business.
- **Unisys** offers automated hybrid IT operations to help companies scale IT operations and brings transparency into operations.
- **Vodafone** offers tailor-made managed services solutions that are flexible and cost-effective to support its clients to give them a competitive edge.
- **Mindtree** (Rising Star) has strong IT modernisation capabilities to enable enterprises to achieve digital and future-ready operations.



HEXAWARE



Overview

Hexaware's hybrid IT practice provides data centre consolidation, modernisation, managed services and various automation-centric advisory and consulting services with an automate everything approach in the U.K. Its management and monitoring services are built on proprietary platforms and frameworks that can proactively monitor and automate activities across the development and maintenance lifecycle. They cut across application, data and infrastructure layers in hybrid and multi-cloud environments. The firm serves hybrid IT centric clients across verticals in the region and had substantial growth in 2020.



Strengths

Data centre modernisation and consolidation: Hexaware has in-depth experience in executing some of the largest and most complex data centre modernisation and consolidation engagements globally. The firm's key differentiation in the data centre modernisation and migration space is its core ability to leverage automation, continuous in-line validation, and experience-driven process improvisations. This ensures a low total cost of ownership and empowers the customers' transformation journey, platform consolidation, and/or cloud-led digital modernisation.

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 modelling patterns has made it possible to automate L1 to L1.5 tasks, which were traditionally entrusted to individuals at small and medium enterprises (SMEs), by tapping into the judgment insights that lie within the data itself.

Multi-cloud governance platform built on open system architecture: Hexaware is investing heavily into its accelerators, Tensai™ and Amaze®, to drive customer excellence. These solutions deliver a unified single-pane monitoring and security management platform enabling faster, cheaper and better transformation from an organization's current estate to a multi-cloud estate



Caution

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

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



2021 ISG Provider Lens™ Leader

Hexaware provides advisory and consulting services as a foundation to its hybrid IT managed and implementation services, making its clients ready for its diverse hybrid IT modernisation approaches. Hexaware's Amaze® cloud adoption framework for end-to-end assessment, migration and multi-cloud governance, and Tensai™, its solution for operation modernization and consolidation, have been recognized across the industry. Together, this suite of solutions has helped various clients achieve true transformation.

The image features a dark blue background with a light blue horizontal band at the top. On the left side, there are several circular icons resembling camera apertures, arranged in a diagonal line from the bottom left towards the center. These icons are in various shades of blue and white. The word "Methodology" is written in a white, serif font on the right side of the image.

Methodology

METHODOLOGY

The research study “Next-Gen Private/Hybrid Cloud - Data Centre Services & Solutions 2021” analyses 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 Next-Gen Private/Hybrid Cloud - Data Centre Services & Solutions 2021 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. Leverage 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.

Authors and Editors



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At ISG, Manoj Chandra Jha is primarily responsible for research projects and working on the ISG Provider Lens™ (IPL) program. He actively contributes to 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 verticals. 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 the data centre outsourcing market.



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Authors and Editors



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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 more than 35 years of experience, he is highly skilled at analysing 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, Partner and Global Head - 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

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