

***ISG** Provider Lens™

Public Cloud – Services & Solutions

Consulting and Transformation Services for Midmarket

U.S. 2021
Quadrant
Report



A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:



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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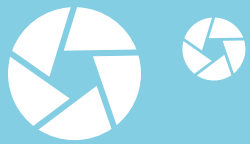
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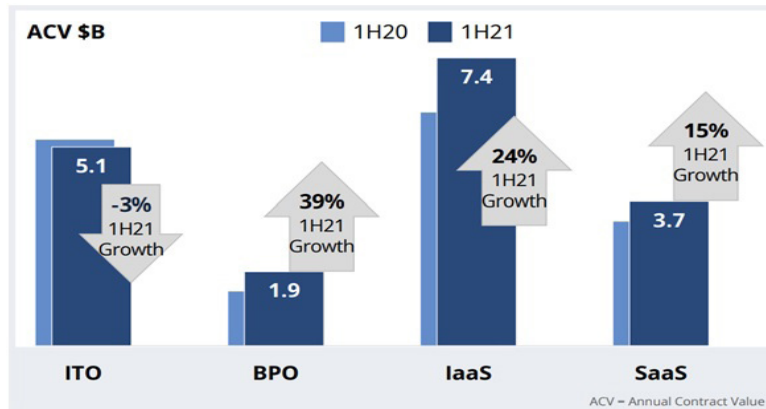
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EXECUTIVE SUMMARY

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

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

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.

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 through 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.

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

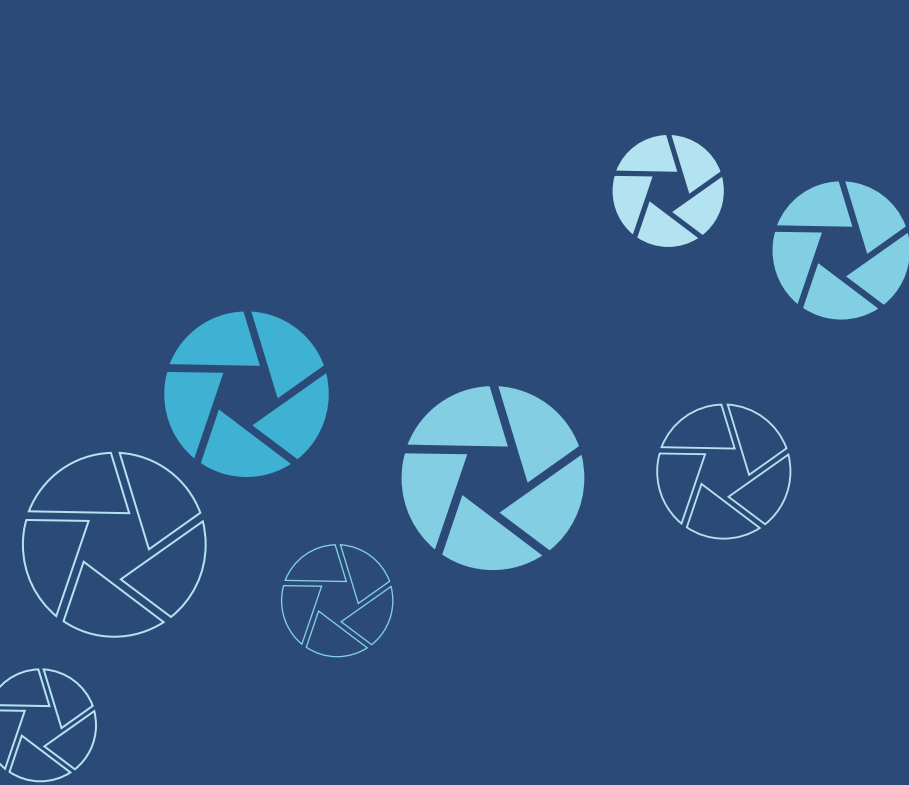
	Consulting and Transformational Services for Large Accounts	Consulting and Transformational Services for Midmarket	Managed Public Cloud Services for Large Accounts	Managed Public Cloud Services for Midmarket	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Deloitte	● Market 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

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



Public Cloud – Services & Solutions Quadrants

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.

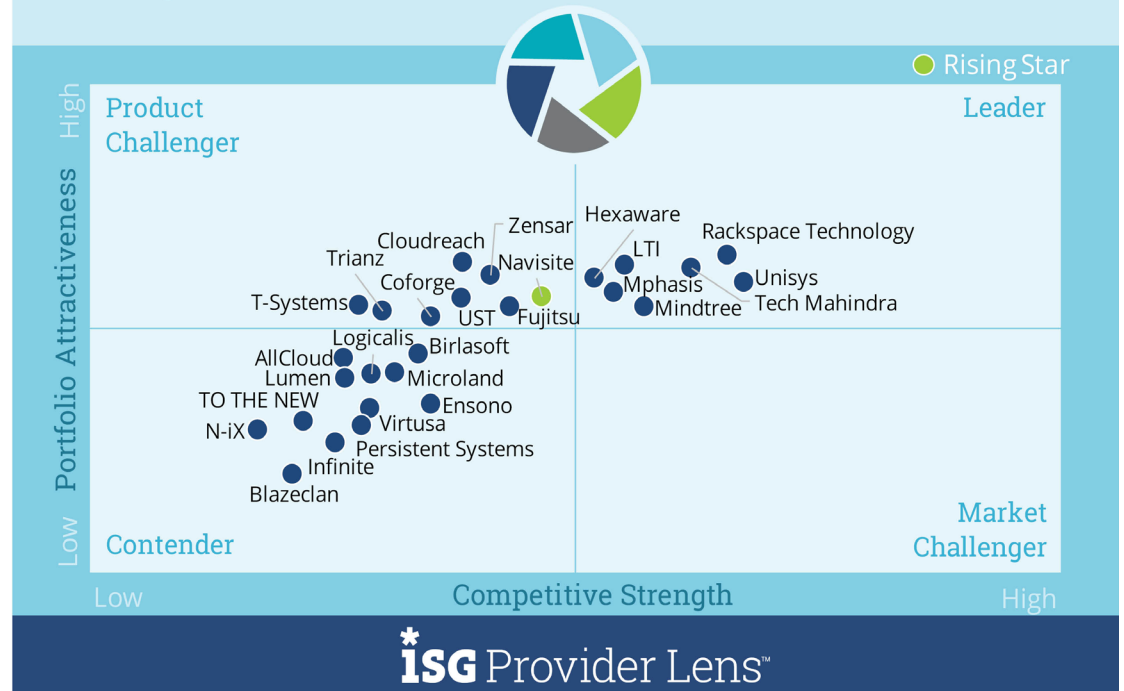
CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

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.

Public Cloud - Services and Solutions
Consulting and Transformational Services for Midmarket

2021
U.S.



Source: ISG Research 2021

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.

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.

HEXAWARE

Overview

Hexaware is a global IT services company headquartered in Navi Mumbai, India. The company has offices across three major locations across the U.S. that provide cloud consulting and transformation services. Hexaware has about 1,000 cloud certified professionals across hyperscalers in the U.S. The company gained AWS premier partner status through the acquisition of Mobiquity in 2019 and is a Microsoft Azure Gold partner. Hexaware has strong presence in the financial services vertical, followed by healthcare, business services and manufacturing industries.

Strengths

Significant practice growth: Since 2020, Hexaware has grown considerably in terms of its public cloud engagements, partner ecosystem and certified FTE count in the U.S. Under its Cloudify Everything™ practice, the company has brought in new logos for migrating its applications to cloud and new partners in the mix to develop new solutions and help clients improve their customer experience. The company also has more than doubled its certified cloud consultant count over the last year to cater large transformation requirements.

Platform-led transformation: Hexaware has recently partnered with Epic9, a cloud engineering and automation services provider, to accelerate clients' migration to the cloud. Epic9's offering, BuiltRight Cloud Foundation, which is a comprehensive and fully automated, robust UI-based, cloud engineering solution, bolsters Hexaware's Amaze™ cloud adoption acceleration platform. This combined solution offering will enable Hexaware to continue to expand its footprint in cloud migration and legacy transformation services and help clients accelerate the usage of public cloud and improve migration efficiencies.

Automation through IaC: Hexaware leverages infrastructure as code by default in its DevOps engagements to help clients develop, deploy and scale cloud applications with greater speed, less risk and reduced costs. It leverages more than 200 templates, including cloud native templates such as AWS CloudFormation, Azure ARM and Google Deployment Manager, along with other multicloud tools such as Terraform and Ansible.

Caution

Hexaware has an effective managed public cloud services practice for AWS and Microsoft Azure, but is still working to increase the number of engagements and revenues coming in from other hyperscalers such as Google Cloud Platform, IBM Cloud and Oracle Cloud.



2021 ISG Provider Lens™ Leader

Hexaware has aggressively built a robust cloud practice and has clear focus toward continuous improvement and innovation through its automation platforms to drive its clients' cloud journey.



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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Lead Author

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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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™ | Quadrant Report November 2021

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