ISG Provider Lens™

Public Cloud – Services & Solutions

Managed Public Cloud Services for Midmarket

U.S. 2021 Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

November 2021

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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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ISG Provider Lens™

ISG Provider Lens™

ISG Provider Lens™ delivers leading-edge and actionable research studies, reports and consulting services focused on technology and service providers' strengths and weaknesses and how they are positioned relative to their peers in the market. These reports provide influential insights accessed by our large pool of advisors who are actively advising outsourcing deals as well as large numbers of ISG enterprise clients who are potential outsourcers.

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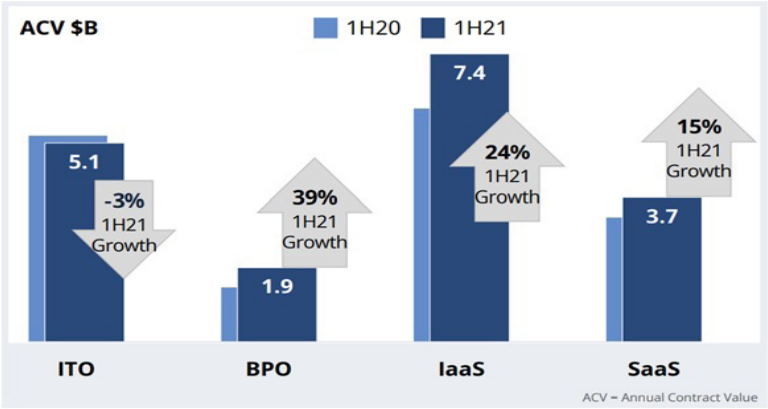
EXECUTIVE SUMMARY

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

Source: ISG 2021

Definition

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

Definition (cont.)

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

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

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

- Strengths and weaknesses of relevant providers
- A differentiated positioning of providers based on competitive strength and portfolio attractiveness
- A perspective on several markets, including global, the U.S., the U.K., Germany, Switzerland, France, the Nordics and Brazil

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

Definition (cont.)

Scope of the Report

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

The full set of quadrants covered in this study are:

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

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

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

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

Provider Classifications

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

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between US$20 million and US$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above US$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

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

Leader

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

Product Challenger

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

Market Challenger

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

Contender

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

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

Managed Public Cloud Services for Midmarket

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

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

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

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

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

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

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

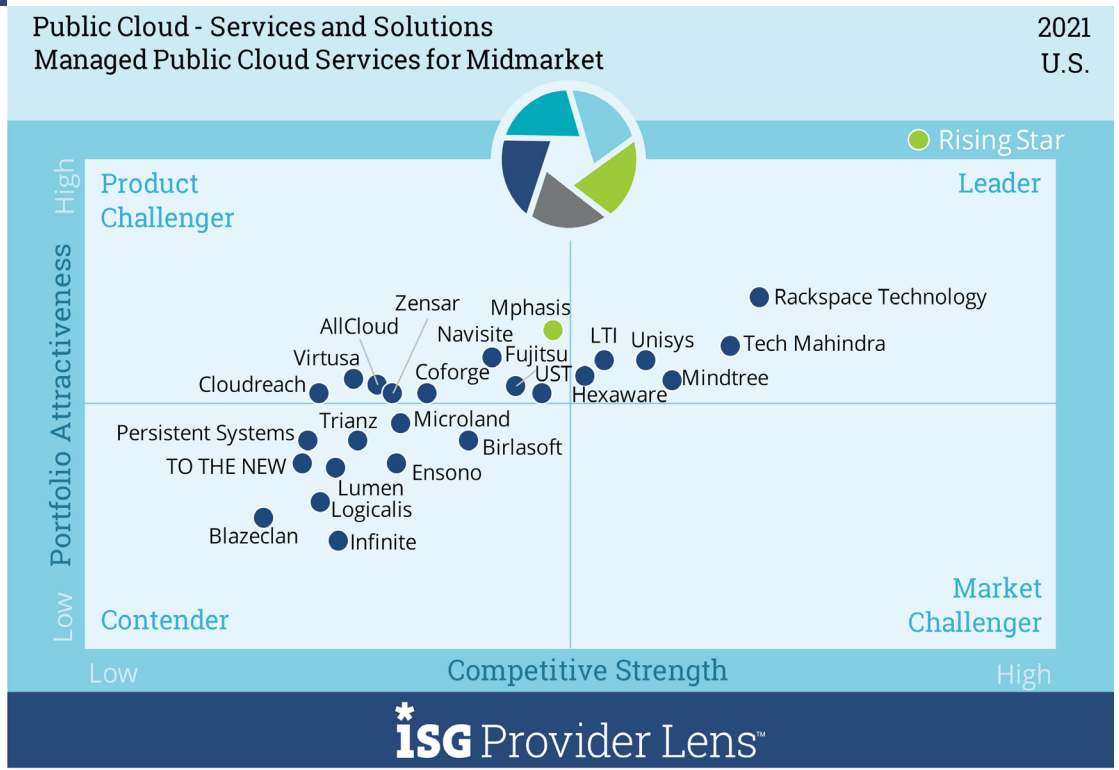
Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of managed service providers in the U.S.

MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

Definition

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

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



Source: ISG Research 2021

MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

Definition (cont.)

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

Provider services typically include the following:

- Professional services for the management and monitoring of CPU, storage, memory, databases, and operating systems as standalone or micro services or virtual machine and container services;
- Operating system, middleware and application upgrade services;
- Cloud infrastructure management platform for cloud-cost management (charge back and show back), identity management and IT service management;
- Monitoring, logging, patching, and predictive analytics services to guarantee performance and security improvements throughout a container lifecycle to enable continuous integration and delivery;
- Governance and compliance management, along with a robust cybersecurity framework and platform for securing client data in multiple geographies;
- Support services such as incident management, configuration, security services and automation setup.

MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

Eligibility Criteria

- Operational excellence and well-defined professional services;
- Experience in building and managing public and multicloud environments, along with expertise in managing configurations of platforms and systems as well as that of containers;
- Financial dashboards and cost analysis tools, providing visibility of variable costs associated with cloud providers through FinOps ecosystem;
- Support for software code development and cloud-native and legacy system integration by leveraging DevOps, API-enabled automation and cloud analytics services;
- Robust cybersecurity managed services offering;
- Partnerships with relevant public cloud providers and respective managed-service-provider certificates for AWS, Microsoft Azure, GCP, or others.

Observations

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

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

- **Hexaware** has invested heavily in its automation capabilities for managing public cloud infrastructure. Its Amaze for Manage™ platform helps clients manage their hybrid and multicloud environments using infrastructure as code to automate and provision cloud infrastructure.
- **LTI** has been improving its partnerships with hyperscalers and investing in other hyperscaler technologies. It has plans to expand its multiyear, global alliance with IBM to help enterprises transform their operations through open hybrid cloud adoption.

MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

Observations (cont.)

- **Mindtree** offers robust end-to-end managed public cloud services with its in-house MWatch platform. The company achieved the Data Analytics Services Partner Specialization in the Google Cloud Partner Specialization Program. Also, it completed the acquisition of the NxT Digital Business from Larsen and Toubro (L&T) in 2021.
- **Rackspace Technology** has a strong managed public cloud services practice in the U.S. and offers industry-leading customer support services through its Fanatical Experience™ solution. It has recently launched Rackspace Elastic Engineering to help customers build and operate modern cloud environments that support AWS, Azure and GCP environments.
- **Tech Mahindra's** share price hits a new high as the company targets the $100 billion cloud opportunity. It offers a robust cloud management platform, mPAC 3.0, which is integrated with its AIOps platform, TACTiX, to enhance automation capabilities.
- **Unisys** offers public cloud managed services to enterprises of all sizes through CloudForte®, a comprehensive managed services offering that help accelerate the secure move of data and applications to cloud. It has a strong security practice, which allows it to cater to the highly regulated markets.
- **Mphasis** (Rising Star) has a growing portfolio of public cloud managed services offerings. It has further invested in its InfraGenie™ intelligent platform, which has helped several of its clients reduce costs and deliver high-quality customer service.

HEXAWARE

Overview

Hexaware is a global IT services company headquartered in Navi Mumbai, India. It has offices across three major locations in the U.S. for delivering public cloud managed services and has about 1,000 cloud professionals to support its managed cloud services business. It serves around 40 clients in the U.S. primarily from the financial services vertical, followed by healthcare, business services and manufacturing industries. The company holds MSP accreditation from Microsoft Azure.

Strengths

Business value led deals: Hexaware is taking a business outcome-based approach to offer cloud managed services to clients. It not only provides IT services but also helps solve clients' business problems. It also offers differentiated pricing models such as outcome based, SLA-driven or pay-as-you-go. This helps the company to articulate its business priorities and align the business needs with cloud initiatives.

Robust cloud management: For providing efficient cloud managed services, Hexaware leverages its newly launched Tensai™ suite, which is highly integrated with its proprietary and third-party tools and platforms for optimizing public cloud infrastructure operations. This offering helps clients manage their cloud resources efficiently through automation-enabled self-service, financial management and secure multicloud environment. The solution also leverages AI and machine learning technologies for predictive analytics to resolve incidents with minimum MTTR.

Growing partnership with hyperscalers: Hexaware has listened to ISG's suggestions and has improved its partnerships with the hyperscalers. It has become a premier consulting partner with AWS and a gold partner level with Microsoft Azure. It also has an Expert MSP certification, along with other several competency certifications. It also increased the number of certified engineers in the last financial year. This collaboration enables Hexaware to co-develop and co-sell solutions with hyperscalers to its clients.

Caution

In the U.S., majority of Hexaware's cloud services revenues are generated from the banking, financial services and insurance, healthcare and life sciences, and business services verticals. The company must foray into other sectors such as the retail, telecommunication and government organizations. Also, it has developed vertical-specific solutions for the healthcare and pharmaceutical industries only. It must create similar solution offerings for other key verticals as well.

2021 ISG Provider Lens™ Leader

Hexaware markets itself as a cloud-first organization with an emphasis on automated management of cloud infrastructure. It has helped several clients through its flexible engagement models and robust managed services offerings.

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

Authors and Editors

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

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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.

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