



Topic: Remote Infrastructure Management – “Gearing Up for the Big League”

Information Technology Outsourcing (ITO)
Market Report: September 2012 – Preview Deck

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Background and methodology of the research

Background of the research

- The infrastructure services market is witnessing disruptions and offshore providers are gearing up to serve the opportunities emerging out of industry dynamics
- These providers were already witnessing a growing acceptance of their Remote Infrastructure Management (RIM) model. Now due to this significant emergency in the market, they are going beyond the typical RIM services and evolving their capabilities
- Multiple factors are impacting the sourcing strategies of the buyers, not limited to technology changes such as cloud. Buyers are taking a fresh look at their requirements and analyzing existing engagements to pursue higher value
- This research focuses on the trends in the RIM market, changing infrastructure service landscape, and how offshore providers are strategizing to exploit these trends

The scope of analysis includes:

- RIM market trends (size, current and projected market share of various providers)
- Adoption trends of RIM (deal size, buyer geography/industry/size, etc.)
- Disruption in infrastructure service market
- Strategic initiatives of RIM providers to exploit the newer opportunities
- Implications for buyers, RIM providers, and competitors

Table of contents (page 1 of 2)

Topic	Page no.
• Summary of key messages	6
• Section I: Market update	8
– Summary	9
– Market size analysis	10
– Market update: Tier-1 offshore providers	12
– Market update: Tier-2 offshore providers	13
• Section II: Adoption trends: Offshore providers' IO offerings	14
– Summary	15
– Deal size in 2011	16
– RIM adoption by buyer geography	18
– RIM adoption by buyer industry	19
– RIM adoption by buyer size	20
– Deal size trend	21
• Section III: Disruption in infrastructure services	22
– Summary	23
– Disruptions in infrastructure services	24
1. Decline of traditional services	25
2. Cloud/utility infrastructure	26
3. Sourcing strategies	27
4. Openness to RIM	28

Table of contents (page 2 of 2)

Topic	Page no.
● Section IV: RIM providers preparing for the big league	29
– Summary	30
– Initiatives of RIM providers	31
1. Focus as a strategic service	32
2. Delivery model	33
3. Result based engagement	34
4. Transformation services	35
● Section V: Implications for key stakeholders	36
– Implication for buyers	37
– Implication for providers	38
● Appendix	39
– Glossary of terms	40
– Research agenda	42
– Recommendations	43

Summary of key messages (page 1 of 2)

Infrastructure service market is witnessing a significant disruption. Apart from the technology and next-generation delivery models such as cloud, the market is evolving in terms of increasing adoption of Remote Infrastructure Management (RIM) services. Offshore providers are gearing up for this disruption and are investing on various strategic initiatives. This report focuses on the growing adoption of RIM delivery (deal size, duration, scope of services, buyer adoption across geographies, industries, and revenue size)

Buyers of IT services will benefit from this report to understand the evolving RIM landscape and how they can leverage these providers for services beyond typical RIM. Service providers will gain by understanding the road ahead for RIM and strategies of RIM providers to exploit the market disruptions.

Some of the findings in this report, among others, are:

Market update

- Helped by the economic slowdown, RIM service continue to grow. We expect an aggregate growth of ~20% and the revenue for major RIM providers to go beyond US\$7 billion by 2013
- The growth trajectories of various RIM players are different depicting unique strategic bets these providers are undertaking

Adoption trends: Offshore providers' IO offerings

- Offshore providers are increasingly focusing on Europe as an attractive market for large RIM engagements. Moreover, RIM adoption is spread well across buyer industries indicating its growing value proposition
- Many offshore RIM providers signed a significant number of large deals that pushed the average contract size for these engagements

Summary of key messages (page 2 of 2)

Disruption in infrastructure services

- Apart from the newer delivery models such as cloud, infrastructure service is getting further disrupted due to the increasing adoption of RIM services
- The buyers are evolving their sourcing strategies and are becoming more open to leverage offshore providers for infrastructure services beyond the typical RIM

RIM providers preparing for the big league

- Offshore providers are aggressively exploiting the opportunity arising out of the disruptions in infrastructure service market
- These providers are strategizing on various aspects such as focusing on infrastructure as a “must-sell” service, offering “result-oriented” engagements, evolving delivery models, and introducing transformational services

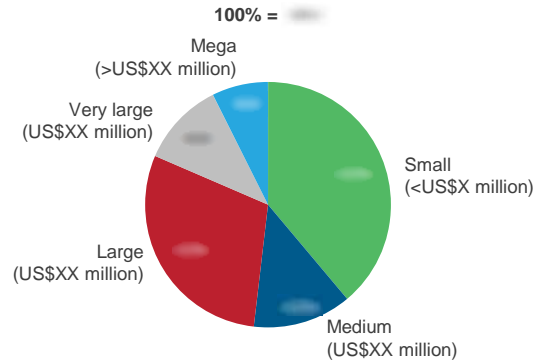
Implication for stakeholders

- Buyers need to evaluate RIM providers for “strategic services” beyond the typical low-cost services. They may have to evolve their sourcing strategies and market observations to track these RIM providers
- RIM providers should message their value beyond cost savings to the market. Competing providers need to track the evolving strategies and growth aspirations of offshore RIM providers

RIM providers are strategizing to exploit the newer opportunities arising out of the disruptions in the infrastructure service market

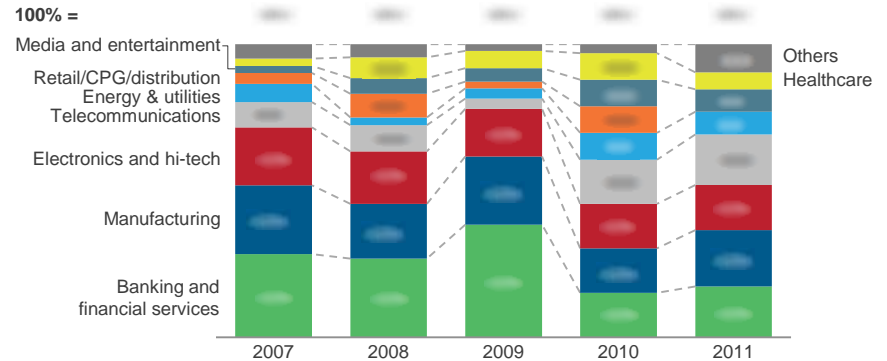
Large deals signed by RIM providers

Distribution of total deal size of RIM providers
2011; Number of deals



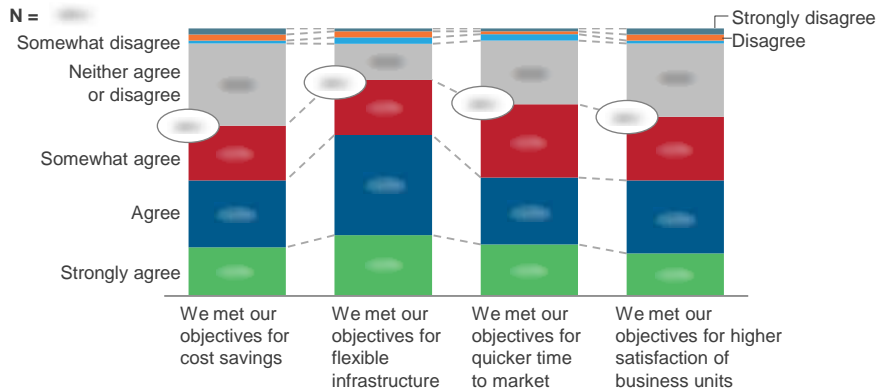
Broad adoption of RIM services

Adoption of offshore infrastructure services across industries
2007-2011; Number of deals



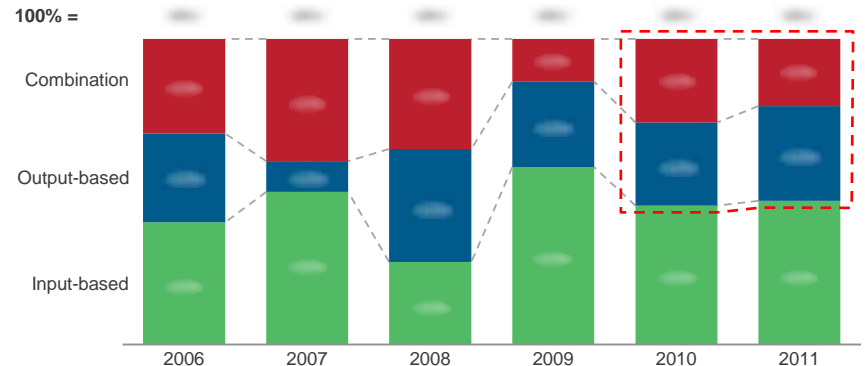
Buyer satisfaction with cloud infrastructure

Enterprise cloud adoption – objective fulfillment
Buyer responses



Growing “result-oriented” RIM engagements

Pricing model adoption trend in offshore IO deals
2006-2011; Number of deals



Source: Everest Group (2012)

ITO research agenda

Published Current

Topic	Release date
Value Creation in Cloud Infrastructure: It Varies, but mostly from Good to Excellent	January-2012
Webinar Deck: 2012 Global Services Market Predictions – Context, Growth, Disruption	January-2012
Mergers & Acquisitions (M&A): "Doing Good in Bad Times"	February-2012
Social Networks for Global Delivery – Get that ITCH	March-2012
Webinar Deck: 3 Reasons Why Your IT Deal Pricing Should Not Increase	March-2012
Impending Contract Renewals – "Back to the Future"	June-2012
Application Outsourcing Market Update 2012	June-2012
Infrastructure Outsourcing Market Update 2012	July-2012
Cloud Strategies for IT Service Providers	July-2012
Contract Renewal Database (July 2012-June 2013)	August-2012
Remote Infrastructure Management – “Gearing Up for the Big League”	September-2012
Consumerization of IT	Q3-2012
ITO Landscape	Q4-2012
Crowdsourcing in ADM Services	Q4-2012

Additional ITO research recommendations

The following documents are recommended for additional insight on the topic covered in this research. The recommended documents either provide additional details on the topic or complementary content, which may be of interest.

- 1. Infrastructure Outsourcing Market Update 2012** ([EGR-2012-4-R-0703](#)); 2012: This research focuses on large infrastructure engagements and gives an insight into the buyer landscape segmented along geographies, industry, buyer size, etc. It covers detailed trends such as deal size, duration, scope of services, bundling. It also analyzes the infrastructure engagements of offshore and MNC providers and offers insights into the evolving infrastructure service market.
- 2. Remote Infrastructure Management – Expanding the wings of RIMO** ([EGR-2011-4-R-0629](#)); 2011: This report analyzes various key trends across the remote infrastructure management market. The report details the adoption of RIMO in various industry verticals and geographies as well as analyzes deal trends, value levers, and growth. It also analyzes the future of RIMO and the key changes and challenges that the providers need to address to continue to grow their infrastructure service business.

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