



Private Cloud Enablement Services – Market Update and PEAK Matrix Assessment: Marry with Public Cloud or Die

Cloud & Infrastructure Services

Market Report – September 2016: Preview Deck

Our research offerings for global services

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▶ Locations Insider™

▶ Transaction Intelligence

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
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- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
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¹ Banking, financial services, and insurance

Table of contents (page 1 of 2)

Topic	Page no.
Introduction and overview	5
Section I: Cloud services market trends	10
Section II: PEAK Matrix for private cloud services	22
Section III: Profiles of private cloud enablement service providers	30
• Accenture	31
• Atos	33
• Capgemini	35
• CGI	37
• CSC	39
• Cognizant	41
• Fujitsu	43
• HCL Technologies	45
• Hewlett Packard Enterprise	47
• IBM	49
• Infosys	51
• L&T Infotech	53
• Microland	55
• Mphasis	57
• TCS	59

Table of contents (page 2 of 2)

Topic	Page no.
Section II: Profiles of private cloud enablement service providers (continued)	
• Tech Mahindra	61
• T-Systems	63
• Unisys	65
• Wipro	67
Appendix	69
• Glossary of key terms	70
• Service providers overview	72
• Cloud and Infrastructure Services research calendar	76
• References	77

Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

1 Robust definitions and framework
(PEAK Matrix, market maturity, and technology adoption/investment)

2 Primary sources of information
(Annual contractual and operational RFIs, service provider briefings, and market feedback)

3 Diverse set of market touchpoints
(Ongoing interactions with key stakeholders, input from a mix of perspectives and interests, as well as support data analysis and thought leadership)

4 Fact-based research
(Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers)

- Annual RFI process and interaction with leading IT infrastructure/cloud service providers
- Dedicated team for IT infrastructure/cloud services adoption trends
- Over 20 years of experience in advising clients on global services decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

Everest Group's private cloud services research is based on four key sources of proprietary information

- 1
 - Proprietary database of IT service contracts of major IT service providers with private cloud scope of work (updated annually)
 - The database tracks the following elements of each contract:
 - Buyer details including size and signing region
 - Contract details including service provider, contract type, TCV and ACV, service provider FTEs, start and end dates, duration, and delivery locations
 - Scope details including share of individual buyer locations being served in each contract, Line of Business (LoB) served, and pricing model employed
- 2
 - Proprietary database of IT service providers (updated annually)
 - The database tracks the following for each service provider:
 - Revenue and number of FTEs
 - Revenue split by region
 - Number of clients
 - Location and size of delivery centers
 - FTE split by different lines of business
 - Technology solutions developed
- 3
 - **Service provider briefings**
 - Vision and strategy
 - Annual performance and future outlook
 - Key strengths and improvement areas
 - Emerging areas of investment
- 4
 - **Ongoing buyer surveys and interactions**
 - Drivers and challenges for adopting private cloud enablement services
 - Assessment of service provider performance
 - Emerging priorities
 - Lessons learnt and best practices

Service providers assessed

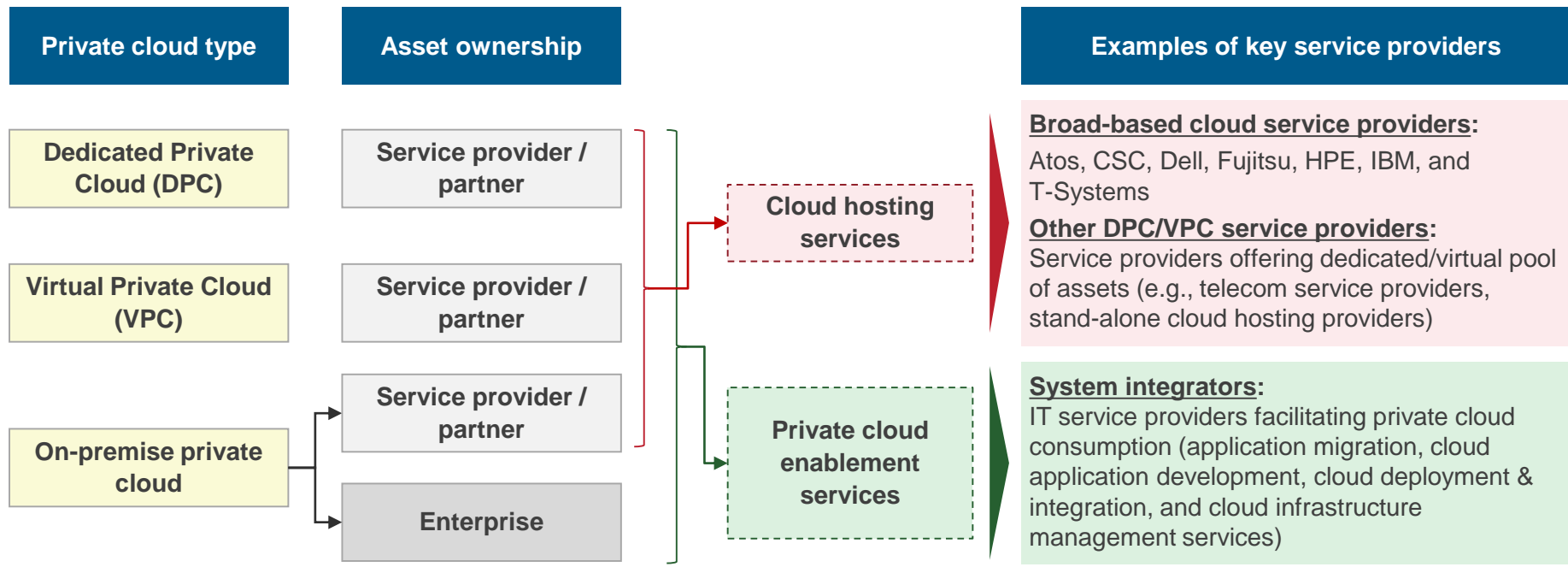


Note: Assessment for Capgemini, Fujitsu, IBM, Infosys, HPE, and T-Systems excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, service provider public disclosures, and interaction with buyers. Assessment for CSC excludes its erstwhile North American public sector business (merged with SRA); CSC to merge with HPE Services by March 2017

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information, that is contract-specific, will be presented back to the industry only in an aggregated fashion

This report focuses on private cloud enablement services and offers insights into prominent service providers operating in this space

NOT EXHAUSTIVE



Private cloud enablement services coverage

- Professional services:**
 - Cloud consulting services: Strategy, roadmap formulation, readiness assessment, Total Cost of Ownership (TCO) analysis, etc.
 - Design and build services: Designing and building ground-up cloud infrastructure/customization, implementation of cloud infrastructure, application migration, developing green-field applications with cloud features, etc.
- Management services:** Management of cloud assets, lights-on / helpdesk, orchestration, day-to-day operations, and other related activities (**excludes** day-to-day monitoring and management of cloud applications)



Background of the research

Background of the research

- Private cloud deployment continues to witness increasing acceptance/traction as enterprises are looking to make their IT setups more streamlined and flexible, while at the same time adhering to various industry- and geography-specific security and compliance requirements. Maximizing returns from existing investments in IT infrastructure/hardware and specialized performance requirements for high volume and resource-intensive workloads also remain some of the key drivers for private cloud adoption
- That said, the technology complexities associated with private cloud deployments and lack of internal skills is pushing enterprises to increasingly seek third-party support for private/hybrid cloud initiatives. Service providers are beefing up their private cloud enablement services capabilities, specifically around supporting multiple industry-standard private cloud platforms, hybrid cloud consulting & rapid migration, security, multi-cloud orchestration, and vertical-specific private cloud solutions
- In this research, we present the assessment and detailed profiles of 19 IT service providers featured on the private cloud enablement services PEAK Matrix. Each service provider profile gives a comprehensive picture of their private cloud enablement services vision, scale of operations, and domain investments
- The assessment is based on Everest Group's annual Request for Information (RFI) process conducted in H1 2016, interactions with leading private cloud service providers, and analysis of the broader cloud services marketplace

Scope of this report

- **Services:** Private cloud enablement services
- **Geography:** Global
- **Service providers:** 19 leading private cloud enablement service providers

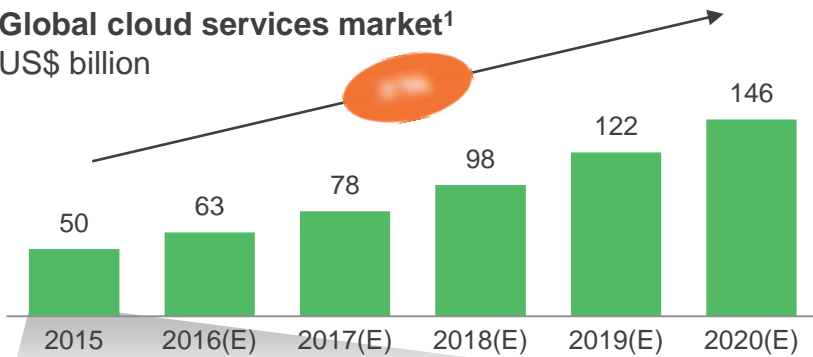
This report includes the profiles of the following 19 service providers on the private cloud enablement and management services PEAK Matrix:

- **Leaders:** Accenture, Atos, CSC, HPE, and IBM
- **Major Contenders:** Capgemini, CGI, Cognizant, Fujitsu, HCL Technologies, Infosys, Tech Mahindra, TCS, T-Systems, Unisys, and Wipro
- **Aspirants:** L&T Infotech, Microland, and Mphasis

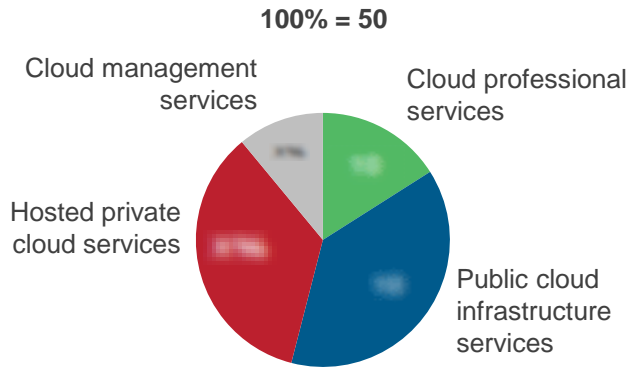
Private cloud deployments are being subsumed within a broader hybrid IT strategy adopted by enterprises

More than 77% of the enterprises believe that “hybrid cloud” strategy is the best way forward...

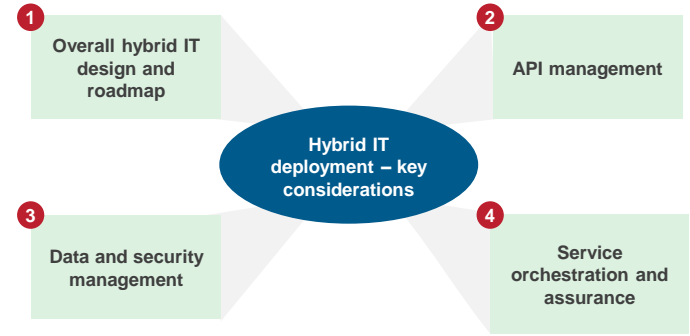
Global cloud services market¹
US\$ billion



Global cloud services market by service type
2015; US\$ billion



...however, hybrid cloud adoption comes with its own set of challenges



Private cloud adoption has multiple triggers

Security and regulatory compliance constraints are among the few key reasons/triggers for private cloud adoption within enterprises

Key enterprise drivers for private cloud adoption

Theme	Relevance	Details
Security and regulatory compliances	High	• [Details]
Theme B	Medium	• [Details]
Theme C	Medium	• [Details]
Theme D	Medium	• [Details]
Theme E	Low	• [Details]

Source: Everest Group (2016)

This private cloud enablement services provider compendium report has 19 IT service provider profiles, focusing on their private cloud enablement services solutions, scale of operations, and domain investments

XYZ | Private cloud enablement services profile (page 1 of 2)

Private cloud enablement services overview

Strengths

- Matured and highly credible end-to-end private cloud services capabilities leveraging its infrastructure legacy and "xxxx" entity, in partnership with X and Y (stated ambition to become the largest cloud player in Europe)
- Integration of ABC's ITO business has boosted private cloud delivery capabilities and business within the less-penetrated North American market

Areas of improvement

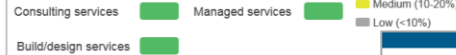
- Needs to invest further in building sales/account management capabilities in North America in order to build mindshare and expand within existing logos
- Given its current investments to build automation capabilities and strengthening offshore-based delivery, the company should ensure that historical client apprehensions around sub-standard delivery quality are adequately mitigated

Overview: XYZ provides end-to-end private cloud enablement services (as well as hybrid cloud) to its clients through its flagship brand "xxxx", powered by a strategic partnership with X and Y (leveraging private cloud solutions such as Enterprise Private Cloud and Digital Data Center). XYZ currently manages ~36k virtual machines, ~4K computational nodes, and ~52 PB of storage.

Private cloud enablement services-related revenue



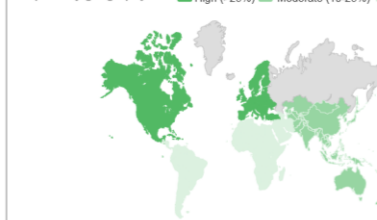
Adoption by service segments



Adoption by industry



Adoption by geography



Adoption by buyer groups



XYZ | Private cloud enablement services profile (page 2 of 2)

Private cloud enablement services capabilities

NOT EXHAUSTIVE

XYZ's overall cloud vision is to act as a cloud integrator, acting as a single point of contact for enterprises for managing multiple cloud environments. Within the private cloud enablement space, the company provides the complete spectrum of services across design, build, and management, while offering flexibility to its clients to choose their desired level of resource sharing, security, and management levels.

Proprietary solutions (representative list)

Solution	Details
xxxxxxx	<ul style="list-style-type: none"> A framework to transform an enterprise's cloud-first intent into reality through advisory on the right cloud strategy, aligning applications to cloud, and making cloud and non-cloud technologies work together Has collaborated with Microsoft and AWS to provide managed 'as-a-service' cloud solutions tailored to industry needs. Example of such solutions include XY and YZ
xxxxxxx	<ul style="list-style-type: none"> An Azure-like private cloud to help enterprises quickly deploy new applications, leverage competitively-priced managed services, and benefit from rapid deployment and configuration
xxxxxxx	<ul style="list-style-type: none"> An assessment framework, including business case and roadmap formulation, for helping enterprises migrate to public/private cloud environments Leverages XYZ's xxxxx Program, a cloud assessment framework for rationalizing and modernizing the enterprise IT application landscape

Private cloud enablement services partnerships (representative list)

Details
XYZ's key partners in the private cloud enablement services space include HPE, Cisco, Microsoft, AWS, and VMware.

Recent activities (representative list)

Development	Details
Acquisition of xxxx (2015)	The acquisition of xxxx for US\$4 billion will strengthen XYZ's presence in the North American region, as well as its offshore-based management services delivery capabilities.
Acquisition of xxxx (2016)	The acquisition has strengthened the company's capabilities for providing digital transformation services around Salesforce solutions and platform across Europe and Asia

Cloud and Infrastructure Services research calendar

■ Published
 ■ Current

Topic	Release date
Private Cloud Enablement Services – PEAK Matrix™ Assessment and Profiles Compendium	September 2015
Hosted Private Cloud Services – PEAK Matrix™ Assessment and Profiles Compendium	December 2015
IT Security Services: Market Update and PEAK Matrix Assessment	January 2016
Upcoming Contract Renewals – Infrastructure Services	March 2016
Enterprise Cloud Services – Annual Report 2016: “Cloud the Bedrock of Digital Business”	March 2016
Workplace Services – Market Update and PEAK Matrix Assessment and Profiles Compendium	June 2016
Infrastructure Services – Annual Report 2016: “Infrastructure As Code – Move Beyond Automation!”	July 2016
IT Infrastructure Services Automation: “Codified Consciousness is the Future”	September 2016
Private Cloud Enablement Services – Market Update and PEAK Matrix Assessment: Marry with Public Cloud or Die	September 2016
Hosted Private Cloud Services – PEAK Matrix™ Assessment and Profiles Compendium	Q4 2016
Internet of Things (IoT) : Market Update and PEAK Matrix Assessment and Profiles Compendium	Q4 2016
FIT Matrix for IT Infrastructure Automation	Q4 2016

Additional Cloud and Infrastructure Services research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents provide either additional details on the topic or complementary content that may be of interest:

1. **IT Infrastructure Services Automation - Codified Consciousness is the Future** ([EGR-2016-4-R-1885](#)); 2016. The lack of a “coherent and business context-centered” IT infrastructure service automation strategy is one of the key reasons that enterprises fail to realize desired benefits from IT infrastructure investments. This market update report investigates this trend and provides an in-depth analysis of the IT infrastructure services automation market. The research covers the current state of the market, enterprise adoption drivers, challenges, and best practices, imperatives for IT service providers, technology provider landscape, and outlook for 2016-2017
2. **Enterprise Cloud Services – Annual Report 2016: “Cloud the Bedrock of Digital Business”** ([EGR-2016-4-R-1728](#)); 2016. This Everest Group research analyses the key trends in cloud services market, how cloud fits into the broader digital agenda of enterprises, which industries lead cloud adoption, and what are the major cloud services deal trends

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