Upcoming Contract Renewals – Infrastructure Services

Cloud & Infrastructure Services (CIS)
Market Report – February 2018: Complimentary Abstract / Table of Content

Our research offerings for global services

▶ **Market Vista™**
Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ Application Services	▶ Human Resources
▶ BPS | Banking Financial Services	▶ ITS | BFSI*
▶ BPS | Healthcare & Life Sciences	▶ ITS | Healthcare & Life Sciences
▶ BPS | Insurance	▶ IT Services Forecaster™
▶ Catalyst™	▶ Locations Insider™
▶ Cloud & Infrastructure	▶ PricePoint™
▶ Contact Center	▶ Procurement
▶ Digital Services	▶ Recruitment & Talent Acquisition
▶ Engineering Services	▶ Service Optimization Technologies
▶ Finance & Accounting	▶ 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)
  - **Cloud and Infrastructure services**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

Corporate Headquarters
Office: +1-214-451-3000
info@everestgrp.com

European Headquarters
Office: +44-207-129-1318
unitedkingdom@everestgrp.com

Delhi Office
Office: +91-124-284-1000
india@everestgrp.com

* Banking, financial services, and insurance

Everest Group®
RESEARCH

Table of contents

Table of contents
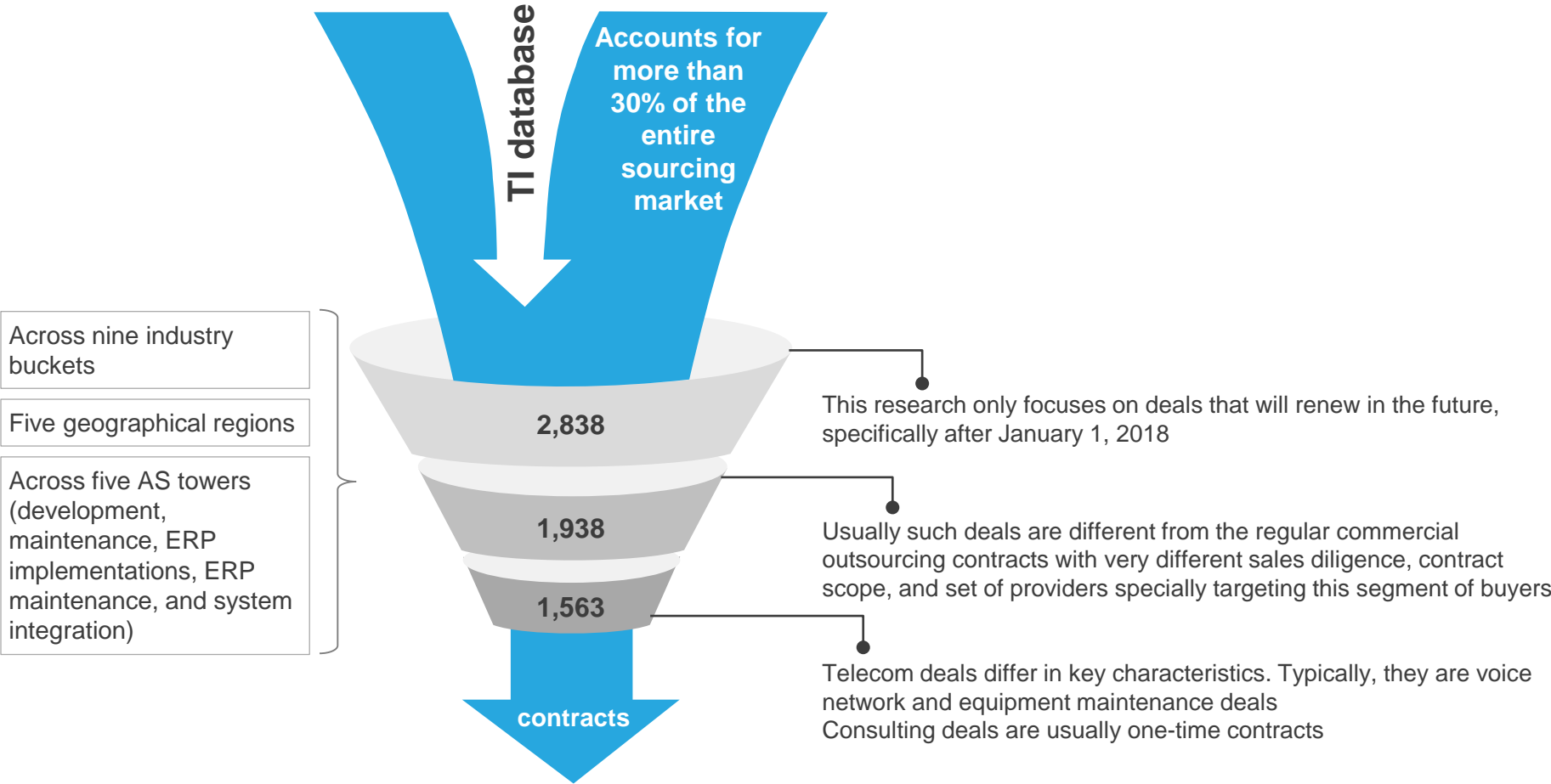
Background and methodology of the research

Background of the research

- The sourced services market is a large multi-billion dollar market, with deals lasting for an average of two to three years. As a result, a large portion of the market scope comes back to the planning/negotiating table as contracts keep expiring. Most of these deals had originally been procured via a competitive process involving Request for Proposals (RFPs), capability assessment, and short-listing of service providers

- Renewals and recompetes provide opportunity for non-incumbent players to expand their wallet shares amidst disruptive factors such as saturation, slowing growth rate, and newer and more agile competitors. It also allows buyers a chance to make course corrections based on lessons learned during the lifetime of the just-concluded engagement and adjust sourcing strategy to suit the current business environment

- In particular, buyers of application services with long-term multi-tower engagements are driving the productivity agenda hard, and are not averse to looking at alternative service providers to counter declining productivity levels

- This research analyzes renewals coming up in the next two years, with a focus on infrastructure services (IS) contracts

The scope of this report includes:

- Analysis of the ITS and BPS markets with deals in scope that are to be renewed in the future

- Key vertical, geographical, and scope-based analysis with a focus on IS and bundled contracts

- Analysis of IS and bundled contracts by scope (datacenter, network, helpdesk, and desktop) across geographies

Everest Group®
RESEARCH

The analysis shared in this research is based on Everest Group's "Transaction Intelligence Database", the most comprehensive organized record of publicly-announced outsourcing deals

TI database

Accounts for more than 30% of the entire sourcing market

Across nine industry buckets

Five geographical regions

Across five AS towers (development, maintenance, ERP implementations, ERP maintenance, and system integration)

2,838

1,938

1,563

contracts

This research only focuses on deals that will renew in the future, specifically after January 1, 2018

Usually such deals are different from the regular commercial outsourcing contracts with very different sales diligence, contract scope, and set of providers specially targeting this segment of buyers

Telecom deals differ in key characteristics. Typically, they are voice network and equipment maintenance deals
Consulting deals are usually one-time contracts

The analysis was performed on 1,563 outsourcing deals that expire on or after January 1, 2018.

Everest Group®
RESEARCH

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
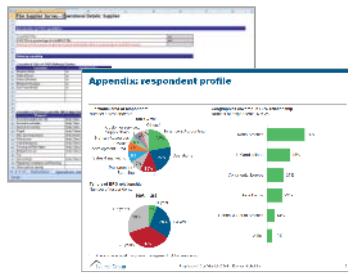- Syndicated and custom research deliverables

1 **Robust definitions and framework**
(PEAK Matrix, market maturity, and technology adoption/investment)
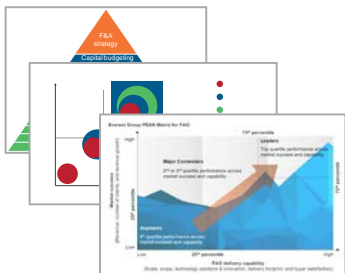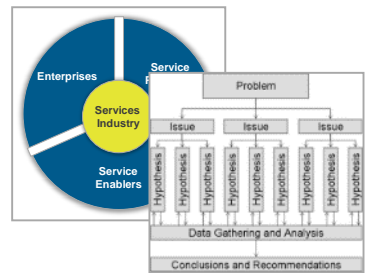
2 **Primary sources of information**
(Annual contractual and operational RFIs, service provider briefings, and market feedback)
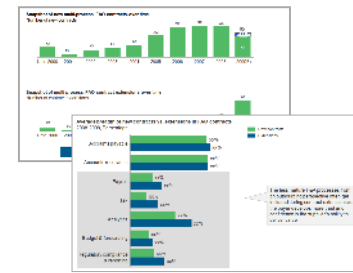
3 **Diverse set of market touchpoints**
(Ongoing interactions with key stakeholders, input from a mix of perspectives and interests, as well as support data analysis and thought leadership)

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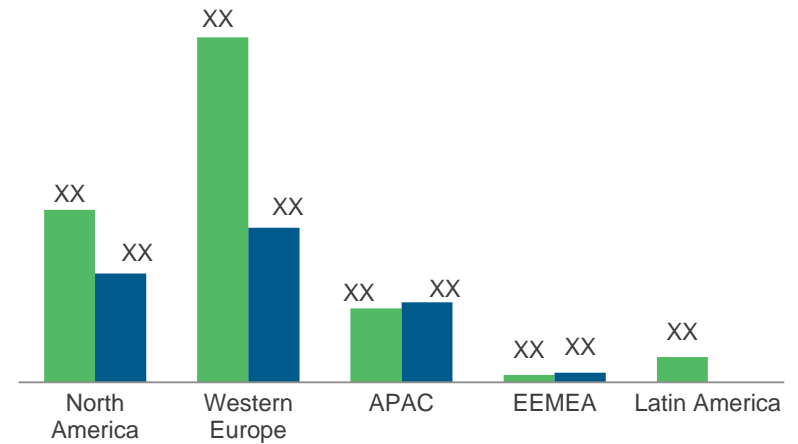

- Interaction with leading IT security service providers
- Dedicated team for IT security services adoption trends
- Over 20 years of experience in advising clients on global services decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

This study offers three distinct sections providing a deep dive into key aspects of upcoming contract renewals in infrastructure services market; below are four charts to illustrate the depth of the report
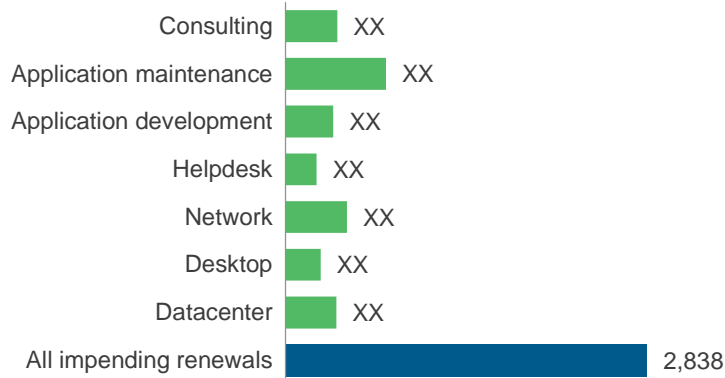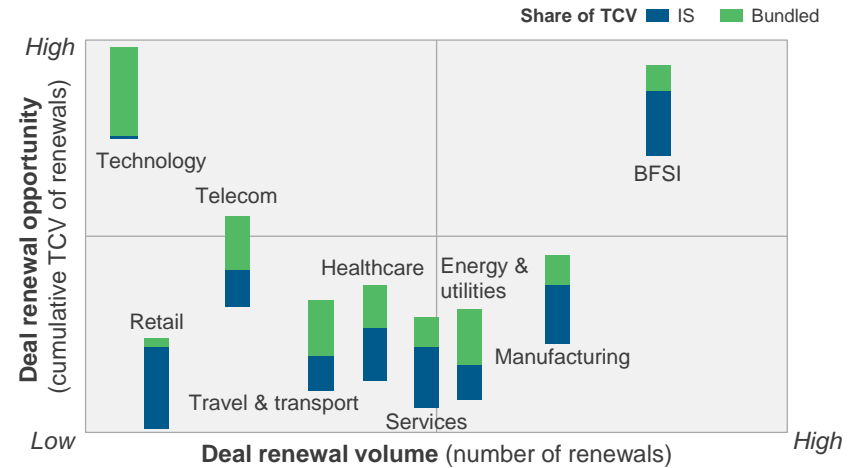
Sum of TCV of deals for renewal (US$ billion)

100% = 33, 52, 19

Bundled, BPS, ITS — X%
0-12 months, 12-24 months
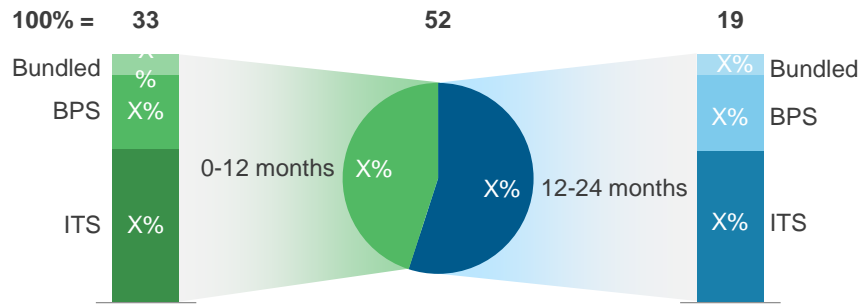
Sum of TCV of deals by signing geography – ITS (US$ billion)

North America, Western Europe, APAC, EEMEA, Latin America

Deals currently running within ITS (AS + IS) - Number of deals

Category	Value
Consulting	XX
Application maintenance	XX
Application development	XX
Helpdesk	XX
Network	XX
Desktop	XX
Datacenter	XX
All impending renewals	2,838

IS renewal opportunities by vertical and scope

Share of TCV: IS, Bundled

Deal renewal opportunity (cumulative TCV of renewals) — High, Low
Deal renewal volume (number of renewals) — Low, High

Technology, Telecom, BFSI, Healthcare, Energy & utilities, Retail, Travel & transport, Services, Manufacturing

Research calendar – Cloud and infrastructure services

| | Published | | Planned | | Current release |

Flagship CIS reports	Release date
Top 30 IT Security Trailblazers: Rise of the "Digital" Security Paradigm	January 2018
IT Infrastructure Services Automation – Market Update and PEAK Matrix™ Assessment for Solutions (Focus on IT service providers)	Q2 2018
Digital Workplace Services – Market Trends and PEAK Matrix™ Assessment	Q2 2018
Cloud & infrastructure Services Annual Report 2018	Q2 2018
IT Security Services – Market Trends and PEAK Matrix™ Assessment	Q3 2018
Cloud Enablement Services – Market Trends & PEAK Matrix™ Assessment	Q3 2018
Cloud Identity and Access Management (IAM) Trailblazers	Q4 2018
Software Defined Infrastructure (SDI) solutions – Market Trends & PEAK Matrix™ Assessment	Q4 2018

Thematic CIS reports	Release date
Upcoming Contract Renewals – Infrastructure Services	**February 2018**
Enterprise Pulse	Q1 2018
BigTech Wars - Public cloud offerings for AI & machine learning	Q1 2018
BigTech Wars - Container orchestration	Q2 2018
Viewpoint - Demystifying IT infrastructure services automation	Q2 2018
Viewpoint - Security services automation and analytics: hype vs reality	Q3 2018

Note: For a list of all CIS reports published by us, please refer to our website page

Everest Group®
RESEARCH

Additional ITS research references

The following documents are recommended for additional insight into 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. **Cloud & Infrastructure Services – Annual Report 2017: "The Future of Stack is No Stack!"** (EGR-2017-4-R-2423), 2017. This annual research deep dives into the cloud & infrastructure services landscape. It provides data-driven facts and perspectives on the overall market. The research covers cloud and IS adoption trends, demand drivers, next-generation themes such as, containers and SDI. The research analyzes buyer challenges, trends shaping the market, and also provides an outlook for 2017-2018 for the broader IT services as well as cloud & services market

2. **Upcoming Contract Renewals – Infrastructure Services: "Over 40% Incumbents Replaced Annually; Providers Beware!"** (EGR-2017-4-R-2089), 2017. The report 'Upcoming Contract Renewals – Infrastructure Services' includes data and insights, specific to deals nearing end of term, expanding on analysis of ITS and BPS deals nearing end of term by buyer geography and buyer industry, trends in IS and bundled deal renewals by buyer industry, buyer geography, and service provider category, and analysis of infrastructure services contract renewals by scope across geographies

For more information on this and other research published by the Everest Group, please contact us:

Chirajeet Sengupta, Partner: chirajeet.sengupta@everestgrp.com
Yugal Joshi, VP Research: yugal.joshi@everestgrp.com
Ashwin Venkatesan, Practice Director: ashwin.venkatesan@everestgrp.com
Deepika Saxena, Senior Analyst: deepika.saxena@everestgrp.com
Koshika Sood, Senior Analyst: koshika.sood@everestgrp.com
ITS research: ITSresearch@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-804-276-4533

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-416-388-6765

Stay connected

Website

www.everestgrp.com

Social Media

@EverestGroup

@Everest Group

Blog

Sherpas In Blue Shirts

www.sherpasinblueshirts.com