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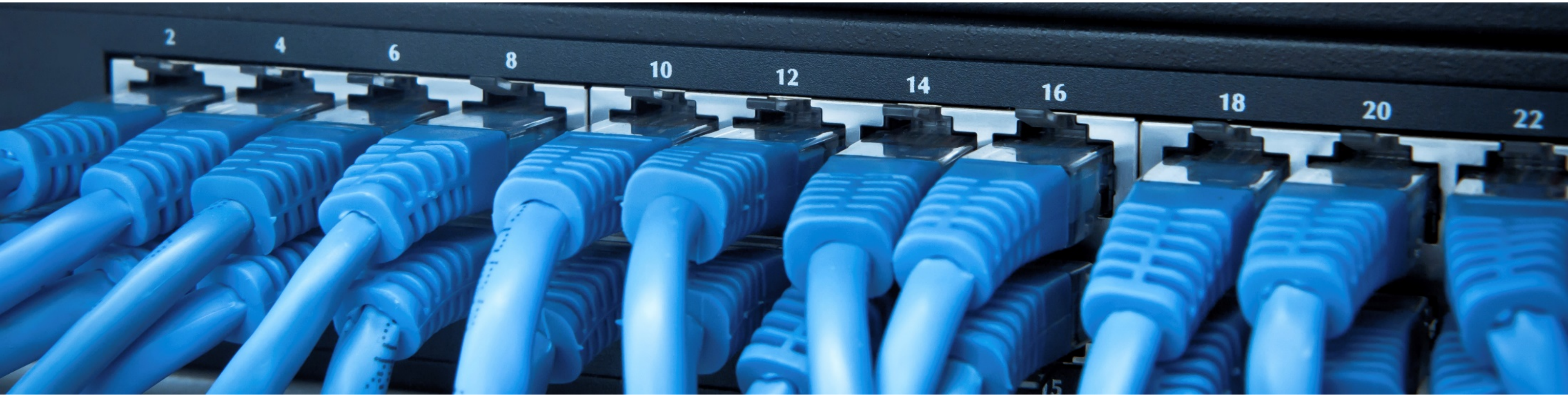

Cloud Enablement Services PEAK Matrix™ Assessment 2019 and Market Trends: An Enterprise Primer for Adopting (or Intelligently Ignoring!) Cloud Native

Cloud & Infrastructure Services
Market Report – November 2018: Complimentary Abstract / Table of Contents

Everest Group®
PEAK MATRIX™

EGR-2018-29-CA-2850

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**
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Membership information

- This report is included in the following research program(s)
  – **Cloud & Infrastructure Services**
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More about membership

In addition to a suite of published research, a membership may include

- Price book
- Accelerators™
- Data cuts
- Analyst access
- Virtual Roundtables
- Workshops

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

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Background of the research

Background of the research

- Cloud deployment continues to witness increasing acceptance/traction as enterprises look to align their IT setups with business goals, 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 cloud adoption
- That said, the technology and management complexities associated with cloud native deployments and lack of internal skills are pushing enterprises to increasingly seek third-party support. This phenomenon has new-found implications given the rapid rise of containers & PaaS solutions, microservices architecture, API economy, and software-defined concepts within enterprise datacenters. Service providers are beefing up their cloud enablement services capabilities, specifically around hybrid cloud consulting & rapid migration, security, multi-cloud orchestration, and vertical-specific cloud solutions
- In this research, we present the assessment and detailed profiles of 24 IT service providers featured on the cloud enablement services PEAK Matrix. Each service provider profile gives a comprehensive picture of the cloud enablement services vision and strategy, scope of services offered, innovation and investments, and delivery capabilities of the specific provider
- The assessment is based on Everest Group's annual Request for Information (RFI) process conducted in H2 2018, interactions with leading cloud service providers, and analysis of the broader cloud services marketplace

Scope of this report

- **Services:** Cloud enablement services
- **Geography:** Global
- **Service providers:** 24 leading cloud enablement service providers

This report includes the profiles of the following 24 service providers on the cloud enablement and management services PEAK Matrix:

- **Leaders:** Accenture, Atos, Cognizant, DXC Technology, HCL Technologies, IBM, TCS, and Wipro
- **Major Contenders:** Capgemini, CGI, CSS Corp, Ensono, Fujitsu, Hexaware, Infosys, LTI, Microland, Mphasis, NTT DATA, and Tech Mahindra
- **Aspirants:** GAVS Technologies, Syntel, YASH Technologies, and Zensar

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

Cloud type

- Public cloud
- Dedicated Private cloud (DPC)
- Virtual Private cloud (VPC)
- On-premise private cloud

Asset ownership

- Service provider / partner
- Enterprise

Cloud enablement services

System integrators:
IT service providers facilitating cloud consumption (application migration, cloud application development, cloud deployment & integration, and cloud infrastructure management services) across cloud types

Focus of this PEAK Matrix™ assessment

Cloud hosting services

Broad-based cloud service providers:
Cloud hosting business of Atos, Dell, DXC Technology, Fujitsu, IBM, and T-Systems; third-party cloud providers such as Alibaba, AWS, Azure, Google, and Oracle

Other DPC/VPC service providers:
Service providers offering dedicated/virtual pool of assets (e.g., telecom service providers and stand-alone cloud hosting providers)

The assessment includes professional and management services around cloud; it excludes core hosting services and productized offerings/solutions

What is included in the analysis

- **Professional services (for both private and public cloud deployments; private clouds considered here can be of any type; on-premise or off-premise)**
  - 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 (only for cloud infrastructure)
- **Types of constructs that are included within the private cloud:**
  - On-premise private cloud: The private cloud is deployed within the client datacenter with assets that are owned either by the client or by the provider. In either case, service providers offering upfront design, build-out, migration, and ongoing management services are included are the analysis
  - Off-premise private cloud (dedicated or virtual): The assets are owned by, and hosted within the datacenter, owned by the service provider or a provider partner. In this case, service providers providing upfront assessment and migration services are included in the analysis. Additional management services, such as middleware management (web server software, application servers, database servers, etc.), storage management (backup and data recovery), and security management, are also included in the scope

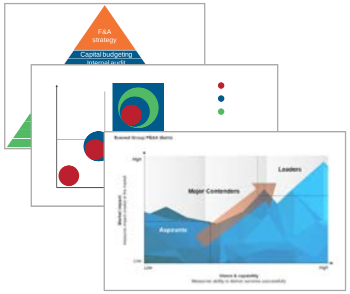
What is excluded from the analysis

- Ongoing day-to-day monitoring and management of cloud applications
- Stand-alone SaaS/BPaaS implementations
- Boxed cloud-based solutions (offered in a SaaS or BPaaS model)
- Stand-alone cloud hosting engagements
- Revenue from core hosting services for off-premise private clouds

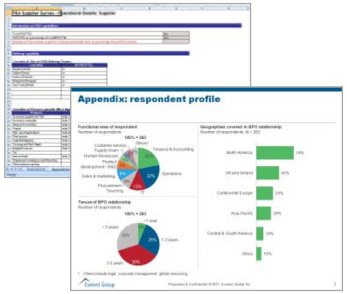
Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

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

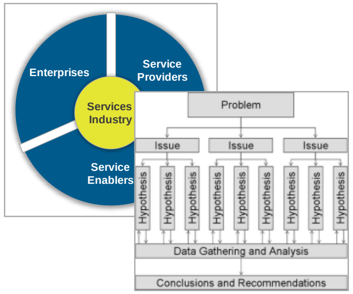
1 Robust definitions and frameworks
(F&A pyramid, multi-process FAO definition, Total Value Equation (TVE), PEAK Matrix™, market maturity)



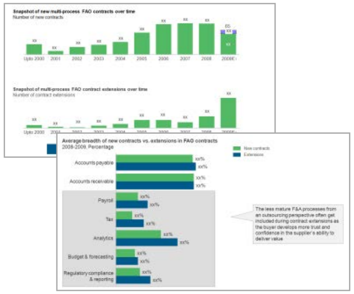
2 Primary sources of information
(Annual contractual and operational RFIs, service provider briefings and buyer interviews, web-based surveys)



3 Diverse set of market touchpoints
(Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both 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 and cloud service providers
- Dedicated team for IT infrastructure and cloud services adoption trends
- Over 25 years of experience in advising clients on global services decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

This report is based on two key sources of proprietary information

- Proprietary database of IT services contracts of major IT service providers with cloud services in 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 & ACV, service provider FTEs, start & 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

- Proprietary database of IT service providers (updated annually)
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different lines of business
  - Revenue split by region
  - Location and size of delivery centers
  - Technology solutions developed

- **Service provider briefings**
  - Vision and strategy
  - Annual performance and future outlook
  - Key strengths and improvement areas
  - Emerging areas of investment

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
  - Drivers and challenges for adopting workplace services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

Service providers assessed

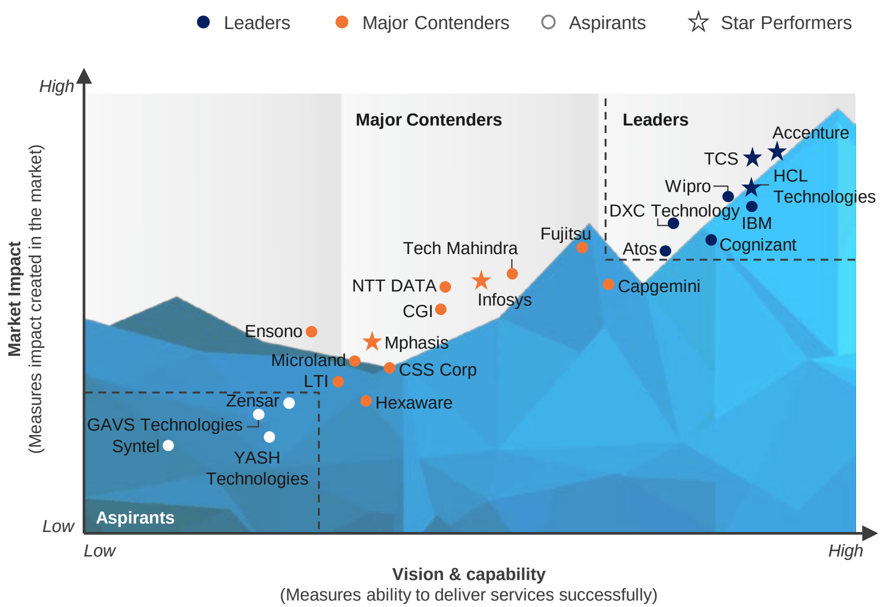
accenture, Atos, Capgemini, CGI, Cognizant, CSS Corp, DXC.technology, ensono, Fujitsu, GAVS, HCL, Hexaware, IBM, Infosys, LTI, Microland (Extraordinary. Everyday.), Mphasis (The Next Applied), NTT Data, Syntel (Consider IT Done), Tata Consultancy Services, Tech Mahindra, wipro, YASH Technologies (More than what you think), Zensar Technologies (Your Transformation Partner)

Note: Assessment for Capgemini, CGI, Fujitsu, GAVS Technologies, and IBM excludes service provider input in this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, service provider public disclosures, and interaction with buyers. **Atos has acquired Syntel (transaction closed in October 2018); the combined entity is now called Atos Syntel**
The source of all content is Everest Group unless otherwise specified

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

This study offers a deep dive into key aspects of cloud enablement services market

Everest Group PEAK Matrix™ for Cloud Enablement Services 2019[1,2]



1 Assessment for Capgemini, CGI, Fujitsu, GAVS Technologies, and IBM excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with enterprises

2 Analysis for Atos and Syntel is based on their individual capabilities before the announcement of Syntel's acquisition by Atos

Capability assessment

Illustrative example

Measure of capability: High Low

Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
Service provider 1									
Service provider 2									
Service provider 3									
Service provider 4									
Service provider 5									
Service provider 6									
Service provider 7									
Service provider 8									
Service provider 9									

Everest Group's remarks on service providers

Illustrative example

Measure of capability: High Low

Market impact				Vision & capability			
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall

Strengths

- Service provider has a strong focus on building end-to-end cloud service capabilities and making investments aimed at building its partner network and maturing its capabilities across themes such as intelligent automation and DevOps
- Clients have appreciated its flexibility in terms of providing specific solutions as per enterprise requirement

Areas of improvement

- While service provider is taking steps to mature its cloud services portfolio, it needs to significantly enhance its consulting capabilities to position itself as a transformation partner for enterprises
- Proof points around building and executing on large-scale transformation roadmaps are still limited in number

This report has 24 IT service provider profiles, focusing on their cloud enablement services vision and strategy, scope of services, innovation and investments, and delivery footprint

Service Provider | Cloud enablement services profile (page 1 of 2)
Overview

Strengths
- Focus on building end-to-end cloud service capabilities and making investments aimed at building its partner network and maturing its capabilities across themes such as intelligent automation and DevOps
- Clients have appreciated service providers' flexibility in terms of providing specific solutions as per enterprise requirement

Areas of improvement
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Cloud enablement services revenue

<US$200 million	US$200-US$500 million	US$500 million-US$1 billion	>US$1 billion

Scope of coverage
Service provider's cloud enablement services cover cloud assessment, cloud migration & transformation, hybrid cloud management, and disaster recovery services. It leverages ITIL principles to ensure that the services are managed as per the SLAs. It leverages its partner ecosystem to offer cloud services to enterprises, enabling them to adopt a cloud-first approach.

Adoption by service segments High (>20%) Medium (10-20%) Low (<10%)

Consulting services
Managed services
Build/design services

Adoption by industry High (>20%) Medium (10-20%) Low (<10%)

BFSI
Technology
Manufacturing
Public
Energy and utilities
Healthcare and life sciences
Retail, distribution, and CPG
Telecom, media, and entertainment

Adoption by geography High (>25%) Moderate (10-25%) Low (<10%)

Adoption by buyer groups High (>20%) Medium (10-20%) Low (<10%)

Small (annual revenue < US$1 billion)
Medium (annual revenue = US$1-5 billion)
Large (annual revenue > US$5 billion)

Source: Everest Group (2018)

Service Provider | Cloud enablement services profile (page 2 of 2)
Offerings

NOT EXHAUSTIVE

Service provider's vision for enterprise transformation includes IT transformation, end-user experience transformation, and business transformation. It aims to leverage the cloud as the backbone across all these areas of transformation. It aims to enable assessment and migration to the target cloud platform with zero downtime and zero data loss. Through the migration of the workloads to public, private, and hybrid cloud environments, it claims to ensure higher service quality in terms of availability, scalability, and security, while providing on-demand and automated access to computing resources.

Proprietary solutions (representative list)

Solution	Details
Solution 1	Provides automated provisioning of cloud-based environments using repeatable and configurable templates targeted at IaaS and PaaS delivery models
Solution 2	Cloud management platform that includes both migration and orchestration. It simplifies migrating an "on-premises" application to any public or private cloud, and enables multi-cloud provisioning and automation
Solution 3	Microsoft intelligent cloud for enabling easy adoption of cloud by enterprise customers
Solution 4	Offers an integrated solution of application/service development, testing, deployment, scaling and monitoring. It is available in both on-premise and hosted model and supports multiple private and public cloud deployment options including DevOps-driven engineering, infrastructure automation, cloud management, and cloud command center
Solution 5	Next-generation IT algorithmic operations platform providing predictive and prescriptive analytics using ML and NLP techniques

Cloud services partnerships (representative list)

Partner name	Type of partnership	Details
Partner 1	Technology partnership	Partnership for cloud platform and application development (Tier 1 – direct Microsoft cloud solution provider)
Partner 2	Technology partnership	Partnership to implement virtualization and cloud computing solutions
Partner 3	Technology partnership	Partnership to provide security and information management solutions
Partner 4	Service partnership	Partnership to provide XYZ solutions
Partner 5	Technology partnership	Partnership to offer software for advanced enterprise Desktop-as-a-Service (DaaS) solutions

Some of service provider's other key partners include Partner 1, Partner 2, Partner 3, Partner 4, Partner 5 among others.

Recent activities (representative list)

Development	Details
Investments in training	Service provider learning academy to enable employees to enhance knowledge on the latest technology trends including automation; joint research with IIT Madras in the field of AI in IT infrastructure management
IP investments (2014-ongoing)	There is a XYZ-member team working on service provider"s exclusive IP solutions – XYZ, XYZ, and other cloud-based IP solutions

Source: Everest Group (2018)

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
Digital Workplace Services – Market Trends and PEAK Matrix™ Assessment: Enterprise's Wish is Not Service Provider's Command!	June 2018
IT Infrastructure Services Automation – Market Update and PEAK Matrix™ Assessment for Solutions (Focus on IT service providers)	July 2018
Cloud & infrastructure Services Annual Report 2018	July 2018
Cloud Enablement Services PEAK Matrix™ Assessment 2019 and Market Trends: An Enterprise Primer for Adopting (or Intelligently Ignoring!) Cloud Native	**November 2018**
IT Security Services – Market Trends & PEAK Matrix™ Assessment	Q4 2018

Thematic CIS reports	
Upcoming Contract Renewals – Infrastructure Services	February 2018
Enterprise Pulse	March 2018
Enterprise primer for Artificial Intelligence & Machine Learning	July 2018
AIOps – IT Infrastructure Services for the Digital Age	August 2018
BigTech Wars - Container Orchestration	Q4 2018

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

Additional Cloud and Infrastructure Services research references

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

1. **Cloud and Infrastructure Services – Annual Report 2018: "AI Stands to Make IT Infrastructure Services Invisible"** (EGR-2018-29-R-2720): The report focuses on how the trinity of analytics, automation, and AI can make the infrastructure run the way business needs it to without requiring significant oversight or bandwidth. The report also provides insights across a comprehensive IS landscape. This includes analysis across buyers from different industries, geographies, and revenue segments. The research also covers global IT services market size and its distribution by service type, geography, and industry.

2. **Digital Workplace Services– Market Trends and PEAK Matrix™ Assessment 2018: "Enterprise's Wish is Not Service Provider's Command!"** (EGR-2018-29-R-2659): Despite all the clamor around digital workplace, there seems to a significant gap between the definition of a true digital workplace and its interpretation by market participants. Most service providers still provided half-hearted digital workplace solutions that revolve around enforced self-service, homogenous persona-based service partitioning, and automation & analytics on reactive, ticket-based service delivery models. Enterprises are equally responsible for this situation as they want to achieve the benefits of digital transformation without necessarily driving the right strategic intent and investments. This report provides a market trend assessment of Digital workplace services along with the detailed profiles and assessment of 20 IT service providers featured on Everest Group's PEAK Matrix for digital workplace services.

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

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