Upcoming Contract Renewals – Infrastructure Services

Cloud & Infrastructure Services (CIS)
Market Report – March 2020: Complimentary Abstract / Table of Contents

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- 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

Membership information

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  – Cloud & Infrastructure Services (CIS)
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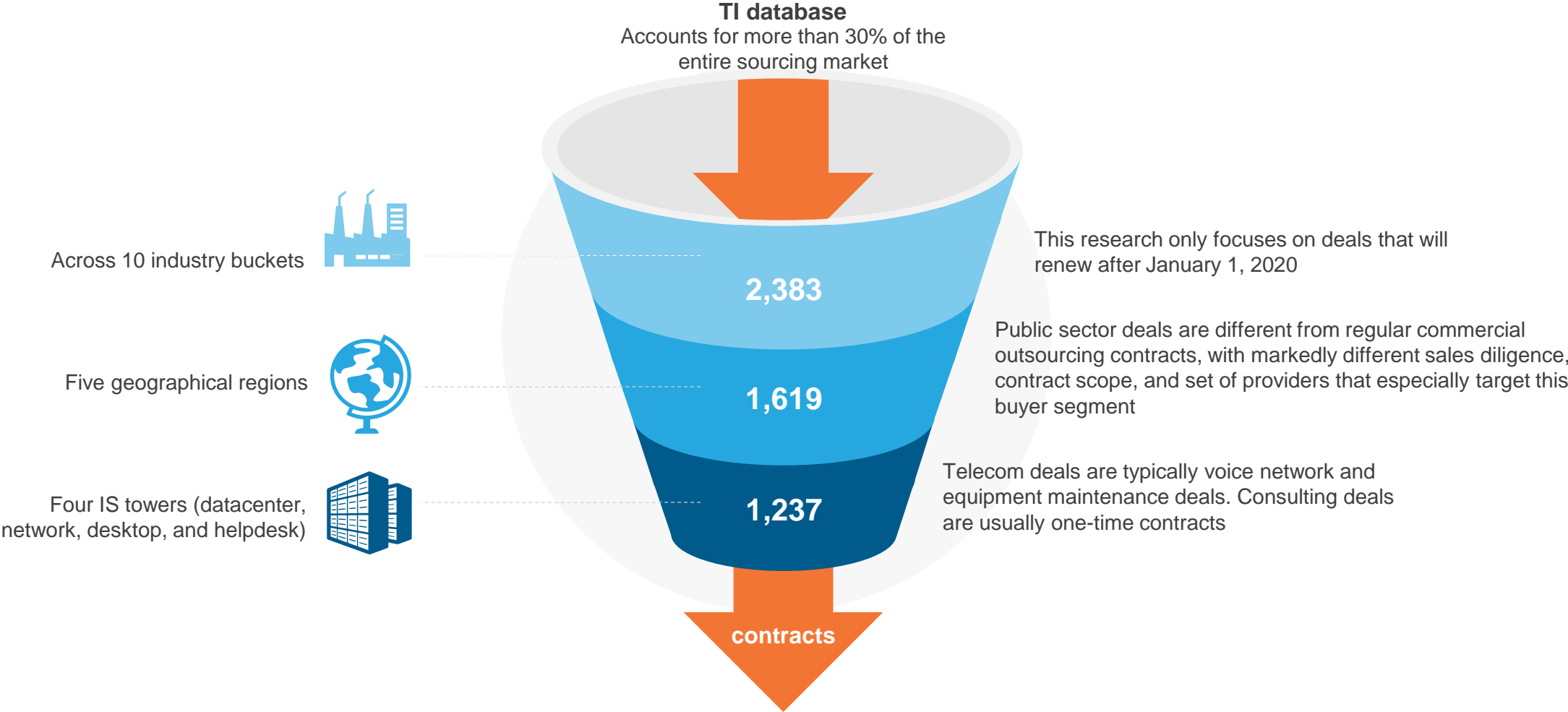
Background and methodology of the research

Background

- Sourced services are a large, multi-billion dollar market, characterized by deals lasting for an average of two to three years. Most of these deals are originally signed via a competitive process involving Request for Proposals (RFPs), capability assessment, and shortlisting of service providers

- Renewals provide an opportunity to non-incumbent players to expand their wallet shares amid disruptive factors such as saturation, slowing growth rate, and new and more agile competitors. They also allow buyers a chance to make course corrections based on lessons learned during the lifetime of the just-concluded engagement and adjust their sourcing strategies to suit the current business environment

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

Scope

- Analysis of the ITS and BPS markets, with focus on deals 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

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Our analysis is based on Everest Group's *Transaction Intelligence Database*, the most comprehensive record of publicly announced outsourcing deals

TI database
Accounts for more than 30% of the entire sourcing market

Across 10 industry buckets

Five geographical regions

Four IS towers (datacenter, network, desktop, and helpdesk)

2,383

1,619

1,237

contracts

This research only focuses on deals that will renew after January 1, 2020

Public sector deals are different from regular commercial outsourcing contracts, with markedly different sales diligence, contract scope, and set of providers that especially target this buyer segment

Telecom deals are typically voice network and equipment maintenance deals. Consulting deals are usually one-time contracts

We analyzed 1,237 outsourcing deals that expire on or after January 1, 2020.

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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
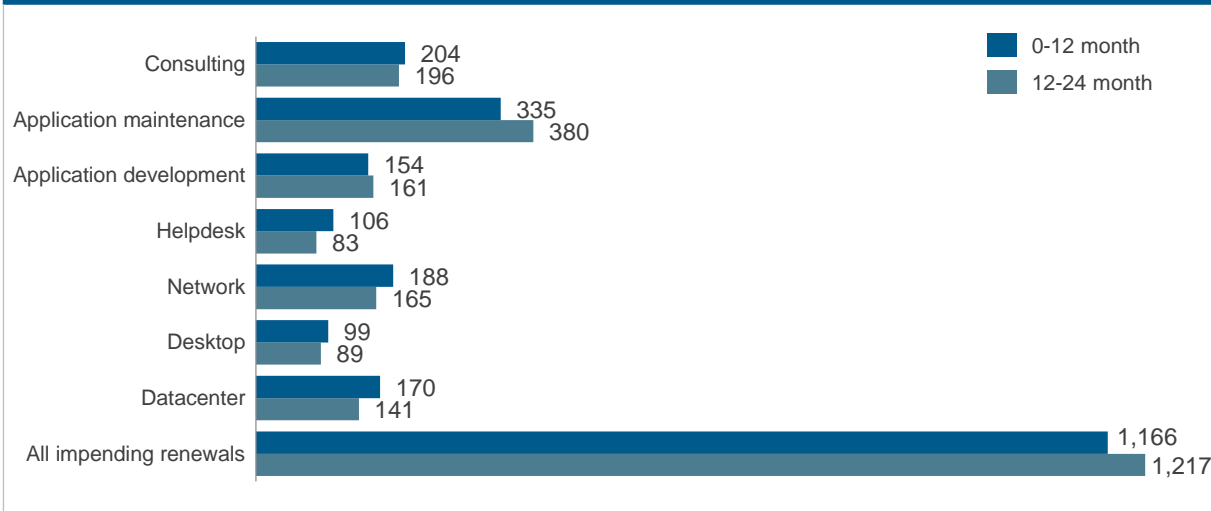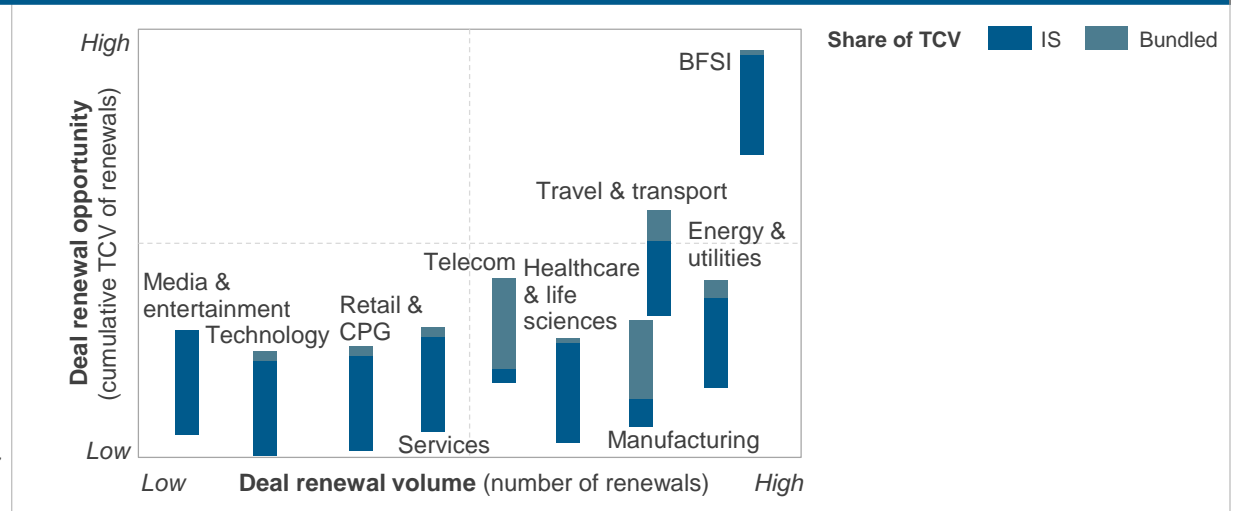
Sum of TCV of deals for renewal; US$ billion

100% = 22.3

BPS — 38%
ITS — 62%

46%
0-12 month

54%
12-24 month

100% = 26.7

Bundled — 4%
BPS — 22%
ITS — 74%
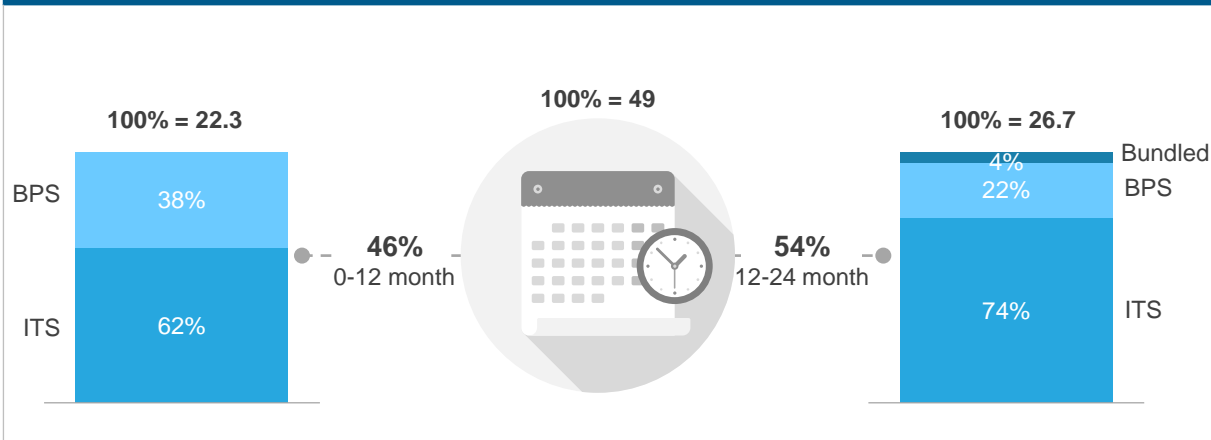
Sum of TCV of deals by signing geography – ITS; US$ million

Legend: 0-12 month, 12-24 month

Geography	0-12 month	12-24 month
North America	1,986	6,043
Western Europe	8,299	12,926
Asia Pacific	3,346	408
EEMEA	253	1,095
Latin America	52	198
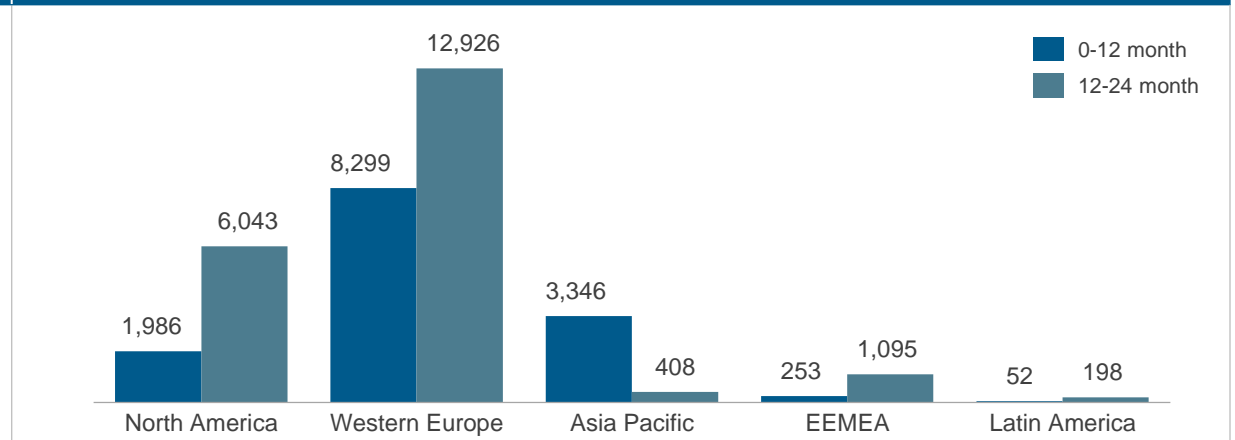
Deals currently running with specific IT functions in scope; Number of deals

Legend: 0-12 month, 12-24 month

Function	0-12 month	12-24 month
Consulting	204	196
Application maintenance	335	380
Application development	154	161
Helpdesk	106	83
Network	188	165
Desktop	99	89
Datacenter	170	141
All impending renewals	1,166	1,217

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

Verticals: BFSI, Travel & transport, Energy & utilities, Media & entertainment, Technology, Retail & CPG, Telecom, Healthcare & life sciences, Services, Manufacturing

Research calendar – cloud and infrastructure services

■ Published   ■ Planned   ⬚ Current release

Flagship CIS reports	Release date
Network Transformation and Managed Services PEAK Matrix® Assessment (Focus on CSPs) 2020	Q1 2020
Network Transformation and Managed Services PEAK Matrix® Compendium (Focus on CSPs) 2020	Q1 2020
IT Security Services PEAK Matrix® Assessment 2020	Q1 2020
IT Security Services PEAK Matrix® Compendium 2020	Q1 2020
State of the Market: IT Security Services 2020	Q2 2020
Aware IT Infrastructure Automation Services PEAK Matrix® Assessment 2020	Q2 2020
Aware IT Infrastructure Automation Services PEAK Matrix® Compendium 2020	Q2 2020
State of the Market: Aware IT Infrastructure Automation Services	Q2 2020

Thematic CIS reports	
Enterprise Pulse Report: The Dissatisfaction Conundrum	January 2020
Upcoming Contract Renewals – Infrastructure Services	**March 2020**
Tech Bytes – Debunking Myth Around Containers	Q1 2020
Security for the Next Digital Frontiers – SecOps	Q1 2020
Security for the Next Digital Frontiers – IoT and Edge	Q2 2020
Security for the Next Digital Frontiers – Serverless	Q2 2020

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

Flagship CIS reports	Release date
Digital Workplace Services PEAK Matrix® Assessment 2020	Q3 2020
Digital Workplace Services PEAK Matrix® Compendium 2020	Q3 2020
State of the Market: Digital Workplace Services 2020	Q3 2020
Cloud Services PEAK Matrix® Assessment 2020	Q4 2020
Cloud Services PEAK Matrix® Compendium 2020	Q4 2020
State of the Market: Cloud Services 2020	Q4 2020

Thematic CIS reports	
Exploring the Need for Enterprise Network Transformation	Q3 2020
Exploring the SOC 2.0 Model	Q4 2020

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

Additional ITS research references

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

1. **Cloud and Infrastructure Services – Annual Report 2019: Exploring the Enterprise Journey Towards "Invisible" IT Infrastructure** (EGR-2019-29-R-3406); 2019: This report explores enterprises' shift toward invisible infrastructure, which is agile and adapts to changing business needs (intelligent), delivers seamlessly across stacks through open architectures (interoperable), and protects the business (invincible).The report also provides insights into the overall IS landscape, including buyer analysis across industries, geographies, and revenue segments; the global IT services market size; and its distribution by service type, geography, and industry.

2. **Top 10 SD-WAN Trailblazers: The Missing "Link" in Enterprise Digital Transformation Story** (EGR-2019-29-R-3410); 2019: Traditional WAN architecture is suboptimal to meet the demands of enterprise digital transformation initiatives. Software Defined Wide Area Network (SD-WAN) is emerging as a key transformation lever to address these challenges. Multiple start-ups have emerged to serve this space and drive innovation across network segments through next-generation concepts. This report provides market trends in SD-WAN along with the detailed profiles and assessment of 10 SD-WAN start-ups providing services and solutions such as edge SD-WAN appliances, multi-cloud connectivity, enhanced application performance, branch platforms, optimized bandwidth usage, cloud security, and managed SD-WAN.

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

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