

# Combating COVID-19 Through Infrastructure-led Transformation

July 2020: Complimentary Abstract / Table of Contents



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

01

### Robust definitions and frameworks

PEAK Matrix, market maturity, and technology adoption/investment

02

### Primary sources of information

Annual contractual and operational RFIs, service provider briefings, and market feedback

03

### Diverse set of market touchpoints

Ongoing interactions with key stakeholders, input from a mix of perspectives and interests, as well as support via data analysis and thought leadership

04

### Fact-based research

Data-driven analysis with expert perspectives, trend analysis across market adoption, contracting, and service providers

Proprietary contractual database of over 5,000+ IT infrastructure services contracts (updated annually)

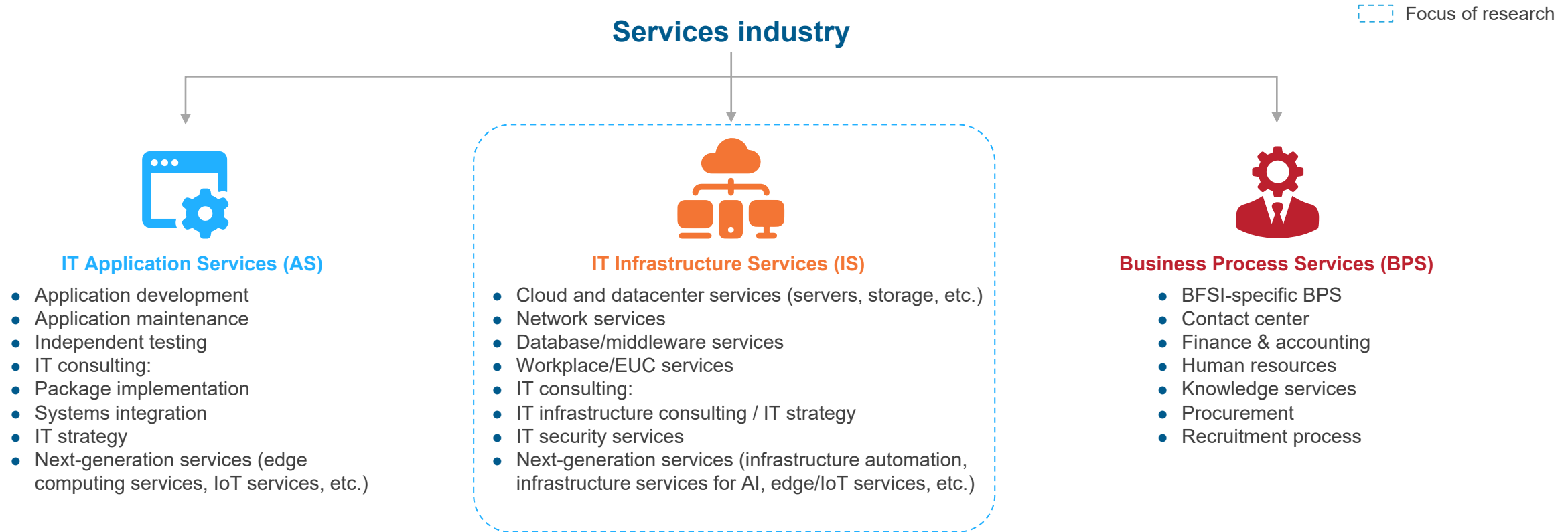
Year-round tracking of 30+ IT infrastructure service providers

Large repository of existing research in IT infrastructure services

Over 25 years of experience advising clients on strategic IT, business services, engineering services, and sourcing

Executive-level relationships with buyers, service providers, technology providers, and industry associations

# This report provides an insight into the current market trends and outlook for infrastructure services relationships in the global IT services industry



- The report provides insights across a comprehensive IT infrastructure services landscape. This includes analysis across buyers from different industries, geographies, and revenue segments
- The research also covers the global ITS market size and its distribution by service type, geography, and industry
- Apart from typical infrastructure services, the research also analyzes key trends in consulting services that are bundled with the broader engagements



## Introduction of the research

### Combating COVID-19 through infrastructure-led transformation

#### Background of the research

- COVID-19 has had a significant impact on IT services at a global scale including enterprise demand reduction, supply chain disruption, challenges in business continuity, cybersecurity risks, and services continuity challenges. More positively, it has caused an acceleration in remote working, but enterprises are facing the strain on their IT infrastructure as they need to shift their resources to a new working model.
- Companies offering cloud services have been at the forefront to minimize disruption. There has been a sharp uptick in demand for cloud computing, including resources for running applications on the cloud, cloud services, cloud security, and applications on the SaaS model.
- Network, which is the backbone of an IT infrastructure estate, has proved to be one of the biggest enterprise challenges during the pandemic. Legacy networks lack the agility and business alignment for enterprise digital transformation. The increase in on-demand services and the introduction of new working models has further strained the already ailing network infrastructure.
- COVID-19 has further pushed the narrative of including gig workers within the workforce. Enterprises' move to a distributed service delivery model with a remote workforce has further paved the way to include gig workers, but this has come with its own set of challenges.

#### The scope of this report includes:

- IT services market size (split across applications, consulting, infrastructure services, geographies, and industry verticals)
- IS buyer adoption trends across geographies, industry verticals, and revenue sizes
- Key trends shaping the cloud and IS market (exploring the effects of COVID-19 on IT infrastructure services)
- Outlook for 2020-21

#### Scope of this report:



**Geography**  
Global



**Services**  
IT infrastructure services

## Overview and abbreviated summary of key messages

The IT services industry is grappling with unprecedented challenges due to COVID-19. There is a severe demand slump in the industry including challenges for business continuity, cybersecurity, and disruption in the supply chain. A well-planned transformation will not only rescue enterprises in the short term, but also revitalize them for future growth. This research provides fact-based trends impacting the cloud and infrastructure services market. It analyzes multiple aspects such as overall cloud and infrastructure service market size, leading players, deal sizes, deal durations, and pricing

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

### Major highlights and key trends

- The COVID-19 pandemic has created unprecedented challenges for enterprises including demand reduction, supply chain disruption, business continuity challenges, service continuity challenges, and cybersecurity risks, among others
- Enterprises need to identify relevant infrastructure transformation opportunities across workplace, cloud, network, and security

### Overview

- With the rising expectations of enterprise employees in this pandemic, there is a need for an evolved WFH model of the future. Enterprises need to realize that work from home is not temporary, but an integral strategic pillar of the future workplace
- While infrastructure will play a key role in rescuing enterprises from this crisis, they will have to take a holistic view and focus on evolving the services delivery model, seek efficiency and optimization measures, push toward modernization and digitalization, pivot to new business models, and invest in talent of the future

### Buyer Adoption

- Deal size increased in 2019; 30-40% expected dip in CY 2020 due to COVID-19
- Deal values witnessed an uptick due to increasing adoption of modernization and next-generation initiatives; enterprises moved out of the “try and test” phase and were looking to ramp up their digital infrastructure initiatives in the pre-COVID-19 world

### Outlook for 2020-21

- IT infrastructure will play a key role in enabling structural changes in the global services industry and all infrastructure towers including workplace, cloud, network, and security will witness a growth uptick
- With work from home becoming the next normal, service providers need to overhaul their internal operating model and create seamless workplace of the future solutions for enterprises

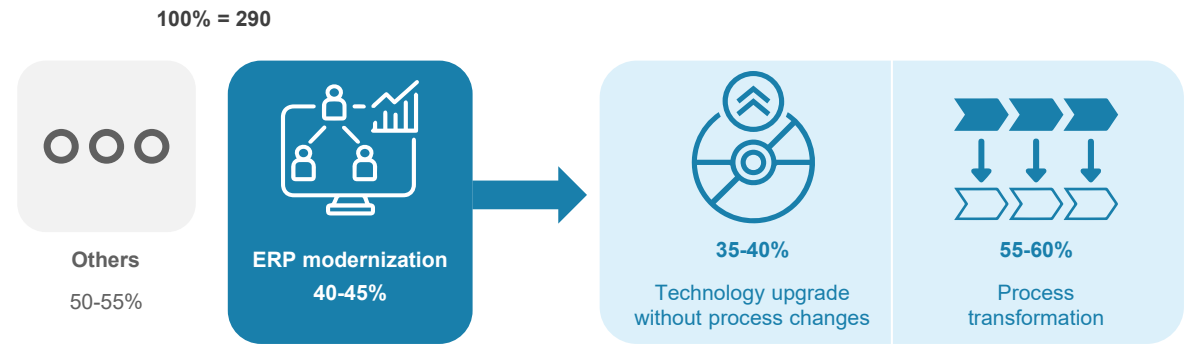


# This study offers two distinct chapters providing a deep dive into key aspects of IT infrastructure services market; below are four charts to illustrate the depth of the report

## Enterprises face unique business challenges as a result of pandemic

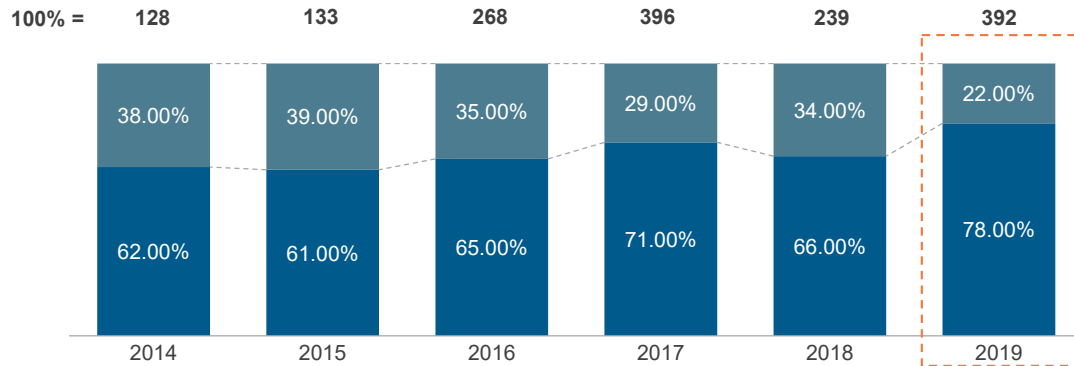


## ERP is the fulcrum of digital transformation



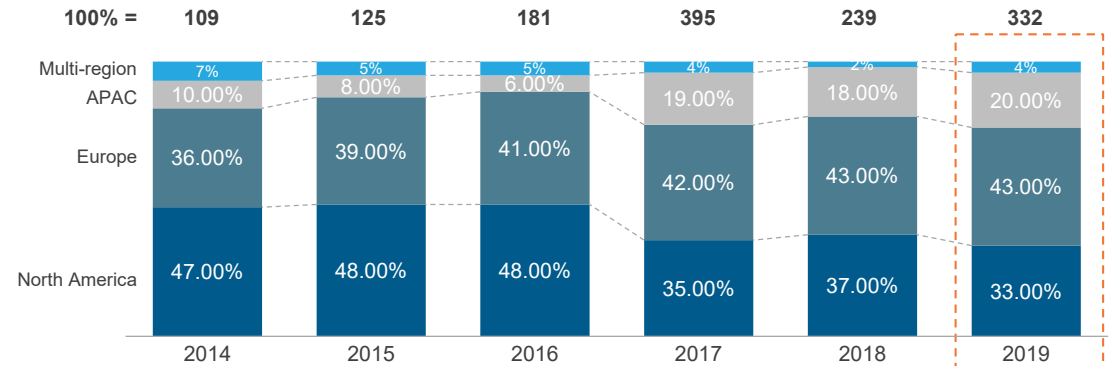
## New deals within IS continued their upward trend

Trends in contract type in IS engagements  
2014-19; Number of deals



## Slight decline in proportion of North American deals; APAC continues its momentum

Buyer adoption trends in IS engagements – buyer geography  
2014-19; Number of deals



# Research calendar

## Cloud and Infrastructure Services

■ Published
 ■ Planned
 ■ Current release

### Flagship CIS reports

### Release date

Network Transformation and Managed Services PEAK Matrix® Assessment 2020: Transform your Network or Lie on the Legacy Deathbed	December 2019
Network Transformation and Managed Services PEAK Matrix® Assessment 2020 – Focus on Communications Service Providers	March 2020
IT Security Services PEAK Matrix® Assessment 2020	June 2020
<b>Combating COVID-19 Through Infrastructure-led Transformation</b>	<b>July 2020</b>
State of the market: IT security services	August 2020
Digital Workplace Services PEAK Matrix® Assessment 2020	August 2020
Aware IT Infrastructure Automation Services PEAK Matrix® Assessment 2020	Q3 2020
State of the Market: Digital Workplace Services 2020	Q3 2020
Service Integrator Capabilities on AWS PEAK Matrix® Assessment 2020	Q4 2020
Service Integrator Capabilities on Azure PEAK Matrix® Assessment 2020	Q4 2020
Service Integrator Capabilities on GCP PEAK Matrix® Assessment 2020	Q4 2020

### Thematic CIS reports

### Release date

Connected Workplace – The Next Experience Frontier	January 2020
Enterprise Pulse Report: The Dissatisfaction Conundrum	January 2020
Upcoming Contract Renewals – Infrastructure Services	March 2020
Security Operations for a Digital World	Q3 2020

Note: For a list of all of our published CIS reports, please refer to our [website page](#)



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