



# Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions

Managed Services for Large Accounts

Brazil 2021  
Quadrant  
Report



A research report  
comparing provider  
strengths, challenges  
and competitive  
differentiators

Customized report courtesy of:



June 2021

## About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of April 2021 for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

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## EXECUTIVE SUMMARY

This research study captures a year of services delivered under the influence and restrictions of the COVID-19 pandemic. The market responded rapidly to the challenges, creatively designing and deploying solutions in a short time. The capacity to keep enterprise applications running during the pandemic has been crucial to enable business continuity, and for reducing the economic and social impact.

### A year of changing the IT landscape, consolidating hybrid clouds.

When social distancing was mandated worldwide to restrict the spread of COVID-19, enterprises faced a dilemma between prioritizing the health of their IT staff by sending them home and preserving the jobs of the employees that could work from home by forcing the IT staff to work on-premises. But companies rapidly discovered they could do both — the ones that had migrated all computing resources to the cloud discovered that their IT staffs could support services from home, and the ones that had on-premises operations rushed to move as much as possible off-premises, moving (lift-and-shift) to colocation, hosting and private clouds configured on top of public cloud infrastructures, thus accelerating the creation of hybrid clouds.

### Market consolidation has started

In the past three years, we had been observing the emergence of new competitors in the managed services market, largely because public cloud providers are pushing to attract and develop a greater number of service partnerships. This trend came to an end in 2020.

COVID-19 has had a hard impact on the world economy; Brazil was one of the most impacted countries. Like in any economic downturn, the smaller competitors suffered more than the larger players and, consequently, many mergers and acquisitions took place, worldwide. Market consolidation will continue in 2021. In general terms, large service providers are emerging from this crisis far stronger than before.

### The hybrid cloud continues to grow

The push to move IT assets off-premises allowed for market expansion, despite the consolidation of vendors and service providers. Concurrently, data center colocation providers continued with investments in the construction of new data centers in Brazil, Chile and Colombia. Most of the managed service providers reported revenue growth in 2020.

### Trend of application performance management

Service providers that offer both infrastructure and application services have been moving up in the value chain. Monitoring virtual machines, storage, availability and systems throughput continues to be important, but automation tools have been leveling the competition. However, providers that can correlate system performance to customer experience have become more relevant to their clients' success. Monitoring application performance and customer experience are now the differentiators in the managed services market.

## Currency volatility impacted global providers in 2020

The economic challenges faced in 2020 created high volatility in the parity between the Brazilian real and the U.S. dollar. Some global providers in Brazil determine their fees by the U.S. dollar, converting to the Brazilian real on the day of issuing their invoice. Others have defined fixed fees for the year, based on the currency exchange rate pre-pandemic, a method that is impacting their financial results in 2021. At the same time, many global providers that track their profit and loss in Brazilian real were not affected by the currency volatility. This unprecedented situation has changed each provider's competitiveness, over the months, and will continue to impact service providers in 2021. Volatility has indirectly impacted sales performance and service providers' position on quadrants.

## Rising concerns around data privacy

The Lei Geral de Proteção de Dados (LGPD) — similar to the European GDPR — came into effect in 2020, defining severe implications for companies that do not circumvent unauthorized data access and protect individual privacy. The year was marked by many cyberattacks, ransomware events and data breaches. LGPD enforcement has, so far, not penalized any company, but a few are under investigation. These events have raised awareness of the importance of security measures and service provider compliance. Many providers are offering LGPD compliance assessments to help clients reduce risk.

## No traction for zero-carbon initiatives

This year we observed many global service providers demonstrating their commitment to energy efficiency, with long-term zero-carbon plans. However, Brazil-based enterprises do not seem to be responding to this service provider differentiation. It could indicate a lack of market maturity. The low importance to energy efficiency can also be attributed to the fact that 83 percent of electricity in Brazil is from renewable sources (63 percent hydroelectric, 9 percent wind, 9 percent biomass/biogas and 2 percent solar).

# Introduction

Simplified Illustration

Next-Gen Private/Hybrid Cloud – Data Center Services and Solutions 2021	
Managed Services for Large Accounts	Managed Services for Midmarket
Managed Hosting	Colocation Services

Source: ISG 2021

## Definition

Data center outsourcing is the practice of outsourcing the responsibility of provisioning, monitoring and managing of computing and storage resources to a third-party provider, where the data center may be owned by the enterprise, service provider or a third-party colocation provider. Monitoring services are usually delivered from the provider's location and are called remote infrastructure management (RIM) services.

A private cloud is an extension of the existing computing environment of an enterprise and leverages the investments made in virtual infrastructure and applications. Enterprises with strict security and governance requirements, large data volumes and a need for tight integration with other enterprise applications and workflows may prefer on-premises or private cloud deployments and operations. Service providers can implement cloud technology to create private clouds with virtual computing, networking and storage resources running in their data centers or over a shared infrastructure and configure it to isolate a private cloud.

## Definition (cont.)

A hybrid cloud combines the best of on-premises infrastructure, private and public cloud services. It connects the existing on-premises infrastructure services with a private or public cloud or both. The goal is to combine services and data from a variety of cloud models to create a unified, automated and well-managed computing environment. Hybrid clouds allow businesses to leverage the capabilities of public cloud platform providers, but without offloading their entire data to a third-party data center. This provides greater flexibility, while keeping vital components within a company's firewall.

The ISG Provider Lens™ study offers IT decision-makers:

- Transparency on providers' relevant strengths and weaknesses
- A differentiated positioning of providers by segments
- Focus on different markets. This study focuses on Brazil

ISG studies serve as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients use information from these reports to evaluate their current vendor relationships and potential engagements.

## Definition (cont.)

### Scope of Report

This study considers the next-generation private and hybrid cloud data center service providers. This ISG Provider Lens™ quadrant study evaluates this market by way of four quadrants, according to the market offerings of the service providers:

**Managed Services for Large Accounts:** This quadrant assesses a service provider's ability to deliver ongoing management services for data center infrastructures in a client's data center or its own facilities, or even co-located in a third-party facility. Large enterprise clients need to adhere to strict regulations that add complexities to data center management. Large accounts comprise clients that typically have more than 5,000 employees and revenues of more than US\$1 billion.

**Managed Services for the Midmarket:** This quadrant assesses a service provider's ability to deliver management services for the data center infrastructure of midsized businesses. Such providers offer support to enterprise clients that typically have less than 5,000 employees or generate less than US\$1 billion in revenue.

**Managed Hosting:** This quadrant assesses service providers that offer standalone enterprise-grade hosting solutions, using their assets. They take responsibility for the day-to-day management and maintenance of data center assets such as servers, storage and operating systems.

**Colocation Services:** This quadrant assesses service providers that offer professional and standardized data center colocation services. These providers typically supply network connectivity, access points for various hosting providers, system houses, independent software vendors, and carriers or telecommunication providers.

## Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Mid Market:** Companies with 100 to 4,999 employees or revenues between US\$20 million and US\$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above US\$1 billion, with activities worldwide and globally distributed decision-making structures.

## Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

### Leader

The Leaders among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

### Product Challenger

The Product Challengers offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the Leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or weak footprint within the respective target segment.

### Market Challenger

Market Challengers are also very competitive, but there is still significant portfolio potential and they clearly fall behind the Leaders. Often, the Market Challengers are established vendors that are somewhat slow to address new trends due to their size and company structure, and therefore have some potential to optimize their portfolio and increase their attractiveness.

### Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

## Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

### Rising Star

Companies that receive the Rising Star award have a promising portfolio or the market experience to become a leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market. This award is only given to vendors or service providers that have made significant progress toward their goals in the last 12 months and are expected to reach the Leader quadrant within the next 12-24 months due to their above-average impact and strength for innovation.

### Not In

The service provider or vendor was not included in this quadrant. There might be one or several reasons why this designation is applied: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not qualify due to market share, revenue, delivery capacity, number of customers or other metrics of scale to be directly compared with other providers in the quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer this service or solution, or confer any other meaning.

## Next-Gen Private/Hybrid Cloud - Data Center Services &amp; Solutions - Quadrant Provider Listing 1 of 3

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting	Colocation Services
Accenture	● Market Challenger	● Not In	● Not In	● Not In
Ascenty	● Not In	● Not In	● Not In	● Leader
Ativy	● Not In	● Leader	● Leader	● Not In
Atos	● Product Challenger	● Not In	● Product Challenger	● Not In
Capgemini	● Leader	● Not In	● Product Challenger	● Not In
CentralServer	● Not In	● Contender	● Not In	● Not In
Claranet	● Not In	● Leader	● Contender	● Not In
Compasso UOL	● Leader	● Leader	● Leader	● Not In
Dedalus	● Market Challenger	● Leader	● Not In	● Not In
Dell EMC	● Not In	● Contender	● Not In	● Not In
DXC	● Product Challenger	● Not In	● Not In	● Not In
Elea	● Not In	● Not In	● Not In	● Product Challenger

## Next-Gen Private/Hybrid Cloud - Data Center Services &amp; Solutions - Quadrant Provider Listing 2 of 3

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting	Colocation Services
Embratel	● Contender	● Product Challenger	● Product Challenger	● Contender
Equinix	● Not In	● Leader	● Leader	● Leader
EVEO	● Not In	● Contender	● Not In	● Not In
FWC	● Not In	● Contender	● Not In	● Not In
HostDime	● Not In	● Not In	● Contender	● Rising Star
IBM	● Leader	● Not In	● Leader	● Contender
Logicalis	● Product Challenger	● Not In	● Not In	● Not In
Lumen	● Not In	● Leader	● Market Challenger	● Leader
Mandic	● Not In	● Market Challenger	● Not In	● Not In
Matrix	● Not In	● Product Challenger	● Rising Star	● Product Challenger
Nextios	● Contender	● Leader	● Product Challenger	● Not In
ODATA	● Not In	● Not In	● Not In	● Leader

## Next-Gen Private/Hybrid Cloud - Data Center Services &amp; Solutions - Quadrant Provider Listing 3 of 3

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting	Colocation Services
Scala	● Not In	● Not In	● Not In	● Leader
Sonda	● Contender	● Not In	● Contender	● Contender
Stefanini	● Rising Star	● Not In	● Not In	● Not In
TCS	● Leader	● Not In	● Not In	● Not In
Tech Mahindra	● Contender	● Not In	● Not In	● Not In
Telium	● Not In	● Not In	● Not In	● Contender
TIVIT	● Leader	● Not In	● Leader	● Contender
T-Systems	● Leader	● Leader	● Leader	● Not In
Unisys	● Leader	● Not In	● Not In	● Not In
V8 Consulting	● Not In	● Contender	● Not In	● Not In
Wipro	● Leader	● Not In	● Not In	● Not In



# Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Quadrants



## ENTERPRISE CONTEXT

### Managed Services for Large Accounts

This quadrant is relevant to enterprises across industries in Brazil, for evaluating hybrid cloud managed service providers. In this quadrant report, ISG defines the current market positioning of managed service providers in Brazil, and how they counter the key challenges faced by large enterprises in their hybrid cloud efforts. These providers are adept at managing data center infrastructure on behalf of their enterprise clients, sparing them to focus on other tasks.

Due to the COVID-19 pandemic, enterprises faced challenges related to changing work environments, enabling remote working, ensuring the health and safety of employees and providing a consistent experience to employees working from home and in office premises. Brazil-based companies are looking for a seamless delivery of data center managed services, anywhere, as a part of their remote work enablement to ensure business continuity.

Hybrid cloud managed services can help enterprises unburden the responsibility of data center operations. Enterprises are focusing on leveraging automation, AIOps and zero-touch support processes that can accelerate agility in data center operations. They will benefit from a managed service provider's automation and AI capabilities to monitor infrastructure and predict failures to reduce maintenance costs.

Enterprises in Brazil are facing economic challenges due to the impact of COVID-19 and high volatility in the Brazilian real compared with the U.S. dollar. Service providers can help companies in the country operate their hybrid cloud infrastructure to improve reliability and performance, while offering consistent pricing that does not fluctuate with the Brazilian real's rate.

Enterprises can also benefit from a managed service provider's expertise in application modernization, cost optimization, DevOps and cloud-native journey support. Managed service providers may be able to deliver services in proximity to key client locations, which is particularly relevant for applications that are highly sensitive to latency.

**IT and infrastructure leaders** should read this report to better understand the relative strengths and weaknesses of managed service providers, as well as to ascertain how their approaches to the market can impact enterprise hybrid cloud strategies.

**Software development and technology leaders** should read this report to understand the positioning of managed service providers and gain a better understanding of how their offerings can impact the ongoing development of software products within an enterprise.

**Sourcing, procurement, and vendor management professionals** should read this report to have a better understanding of the current landscape of managed services providers in Brazil.

## MANAGED SERVICES FOR LARGE ACCOUNTS

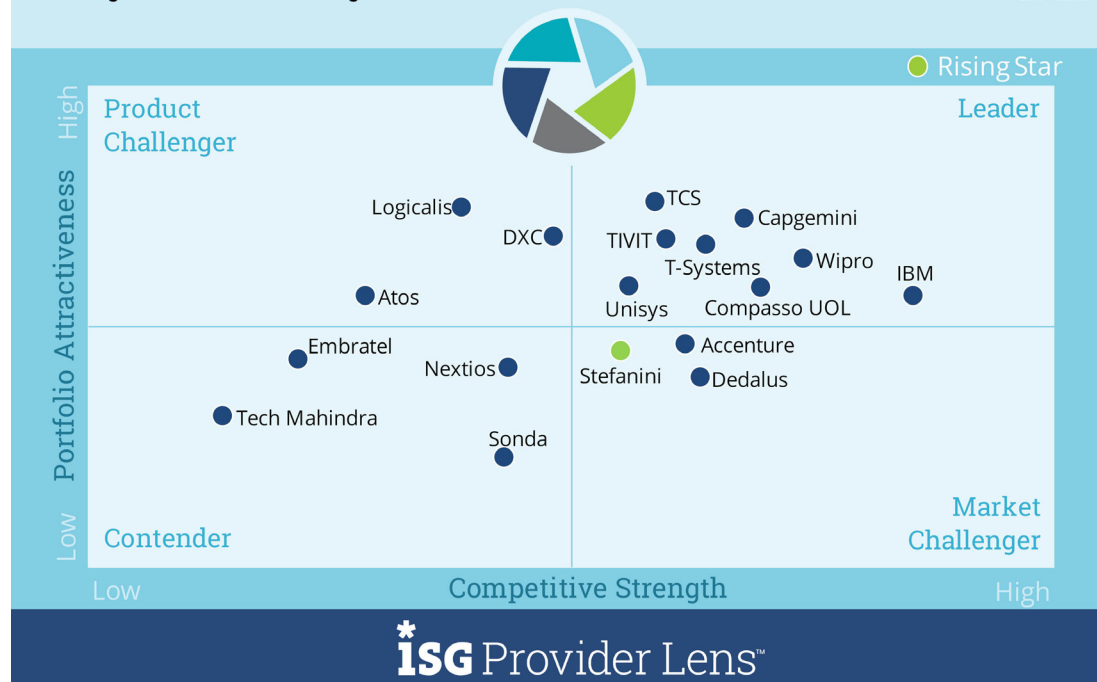
### Definition

This quadrant assesses a provider's ability to deliver management services for data center infrastructures in a client's data center or its own facility, or even co-located in a third-party facility. Large enterprise clients are compelled to comply with strict regulations that add complexities to data management. These clients typically have more than 5,000 employees and revenues of more than US\$1 billion.

Data center infrastructure and platforms consist of servers, middleware, storage, databases and networking components. Participating companies usually take over transition services. Typical projects include large-scale data center consolidation, virtualization, cloud enablement and a new configuration or implementation of a software-defined data center (SDDC). Transition services also include support for expanding the facilities, transferring new workloads or creating new private clouds. A characteristic of managed services is the transfer of responsibility to the service provider, governed by service level agreements (SLAs) and respective penalties for deviation from agreed performance goals. At a

### Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Managed Services for Large Accounts

2021  
Brazil



Source: ISG Research 2021

## MANAGED SERVICES FOR LARGE ACCOUNTS

### Definition (cont.)

broad level, these services include provisioning, real-time and predictive analysis, and monitoring and operational management of a customer's private and hybrid-cloud environment. These are aimed at maximizing the performance of workloads in the cloud, reducing costs and ensuring compliance and security.

### Eligibility Criteria

- Ability to service data center infrastructure (networks, servers, middleware, storage and databases) on their own, without depending on partners
- Ability to provide services within a client's premises or remotely, and preferably through its RIM/shared services center
- Established or emerging basic/standard relationships with one of the major hyperscale cloud providers such as AWS, Microsoft, Google or IBM
- Experience in large transition projects that include automation, consolidation, virtualization and containerization of data centers, and cloud enablement
- Ability to act as an extension of the clients' IT organization and participate in creating blueprints, architecture frameworks and management processes at the client's location
- Ability to manage high memory and compute-intensive workloads and provide consultations on individual shoring alternatives

## MANAGED SERVICES FOR LARGE ACCOUNTS

### Observations

Large account clients are traditionally more conservative in moving their workloads to the cloud. However, the COVID-19 pandemic has accelerated their migration to the cloud, for hosting and colocation, in response to the need to scale operations to respond to the increase in e-commerce activity and consequent impact on logistics, changing the dynamics of warehouse operations and home delivery services.

The hybrid cloud was a consolidated trend in 2020. Companies realize the resiliency that moving systems off-premises can bring to them. The economic impact of the COVID-19 pandemic and the requirements for social distancing alerted companies to the fact that that disaster recovery needed to include a way to enable people to work during a disaster. There is consensus that these learnings will survive the pandemic.

Global service providers could leverage their learnings worldwide to provide clients in Brazil with best practices on how to respond to a crisis. In general, global providers improved their market position by offering local clients the stability a large organization can provide.

Application performance monitoring is growing in importance and an increasing number of service providers are offering it, while some are adding customer experience (CX) monitoring as a value-added service. Indirect indicators measure CX and include website page load time, sales conversion ratio, application response time and others.

New tools are emerging, but in Brazil, Dynatrace is gaining more attention than other tools for the purpose of monitoring. On the service delivery front, ServiceNow and VMware continue to lead in adoption among service providers. The use of artificial intelligence (AI) and machine learning (ML) to power automation is evolving, permeating the delivery platforms of all service providers that serve large accounts. However, the level of automation and its effectiveness are different for each service provider.

ISG identified eight Leaders and one Rising Star in this quadrant. They are:

- **Capgemini** has long been providing data center services in Brazil. It has modernized managed services by leveraging its global practice, introducing automation of an end-to-end IT service platform that integrates all IT services — from user support to application performance management. Its holistic view enables large accounts to focus on digital business, while Capgemini manages the supporting infrastructure.

## MANAGED SERVICES FOR LARGE ACCOUNTS

### Observations (cont.)

- **Compasso UOL** has gone through a radical transformation since its rebranding in early 2020. It has deployed an innovative organization, with agile teams to support clients, which, in turn, has improved its service responsiveness and quality. The new organization merges application development, infrastructure services, cybersecurity and professional services to empower clients for robust digital transformations, including organizational culture. The company is building upon its experience to increasingly deliver sophisticated services that are often required by large accounts.
- **IBM** serves large accounts across the world. IBM's recently created Kyndryl independent company is responsible for a comprehensive infrastructure services portfolio that includes mainframe, public cloud, private cloud, colocation and networking. Kyndryl is a US\$19 billion annual revenue business. It has large operations in Brazil, and ISG expects it will continue to grow because of a stronger focus on integrating public clouds into hybrid clouds.
- **TCS** has been operating in Brazil since 2002. It has matured its local operations to serve large accounts in the country. It serves global clients as well as large Brazil-based corporations, including regional banks and insurance companies. TCS leverages a global automated platform that uses AI/ML broadly to enable self-healing and provide advanced client support. TCS' world-class services provide seamless quality to all clients.
- **TIVIT** operates in 10 countries in Latin America. It is a privately owned company, headquartered in São Paulo, with three data centers in Brazil and seven in other countries. TIVIT has long been providing managed services; it can manage and operate data centers on-premises, in the cloud, or in the company's data centers, and services can also include managed hosting and colocation. The company has updated its management platform, introducing automation, AI and modern tools that enable it to scale and improve service quality. The company has been growing in the hybrid cloud space, attracting new clients while retaining a large data center footprint.
- **T-Systems** has moved from Rising Star to being recognized as a Leader in 2021. The company has been growing consistently, acquiring new clients in Brazil while expanding its public cloud partnerships. In 2020, it enhanced its tooling to support its managed services with leading-edge technologies. The company has renovated its portfolio around hybrid cloud, positioning it to further improve its competitiveness.

## MANAGED SERVICES FOR LARGE ACCOUNTS

### Observations (cont.)

- **Unisys** has been evolving its portfolio and consolidating its position in the hybrid cloud space. This year, the company strengthened its partnership with Microsoft, while building new opportunities with Amazon Web Services (AWS) and Google Cloud Platform (GCP). It is moving away from its past of owning data centers and making mainframe hardware. Unisys ClearPath Forward® software can run on x86 or Microsoft Azure, integrated with hybrid clouds. The company leverages Unisys CloudForte® to serve clients with robust automation that integrates hybrid environments.
- **Wipro** is a global company that has been accelerating its growth in Brazil since 2018, when it acquired InfoSERVER and defined Brazil as the growth hub for Latin America. In 2020, it acquired IVIA, an application services company in Fortaleza. In the same year, it opened a cybersecurity center in São Paulo. Wipro focuses on large and strategic accounts to expand its infrastructure services, leveraging its global delivery capacity. It provides world-class services based on robust automation and key partnerships with public cloud providers.
- The Rising Star **Stefanini** is investing in expanding its portfolio around infrastructure services. The company already has large operations in contact centers and digital workplace services. It provides data center services for many clients and is gradually upgrading these legacy deals to modern hybrid cloud engagements. It is increasing its portfolio attractiveness by improving its automation levels, vendor partnerships and public cloud accreditations.

## CAPGEMINI



## Overview

Capgemini is a global consulting, technology and digital transformation service company, with a revenue of US\$19 billion and more than 270,000 employees in nearly 50 countries. Brazil is the company's hub in South America. It has two data centers and nine offices in eight states in Brazil. Capgemini's portfolio supports clients from strategy to operations.



## Strengths

**Technology and delivery capacity:** by employee count, Capgemini is one of the top five IT service organizations in Brazil. Two data centers and global partnerships with AWS, Microsoft Azure and Google Cloud Platform complement its strengths. Advanced technologies from Capgemini Cloud Platform (CCP) and the company's economic Application Portfolio Management (eAPM) support services with AI-powered automation that integrates hybrid cloud, cybersecurity and application performance management.

**A partner for a sustainable future:** Capgemini can balance growth and sustainability. In 2020, the company's digital and cloud services revenue grew 15 percent, while it stayed committed to its corporate, social and environmental responsibilities and initiatives. It had pledged to reduce carbon emissions, by 30 percent per employee by 2030, but achieved this in 2020. Its new goals are carbon-neutral operations by 2025 and net zero carbon by 2030, while helping clients reduce their carbon emissions by 10 million carbon metric tons before 2030.

**Large scale resilience:** Capgemini demonstrated agility when facing the COVID-19 outbreak. It maintained the promotions and salary increases that were announced before the pandemic and retained its onshore and offshore workforces. Capgemini's Pulse is a wellbeing platform that listens and responds to employees' questions on physical and psychological matters. In 2020, it partnered with Coursera to launch NEXT, a digital learning platform with more than 4,000 courses to help employees thrive.



## Caution

Capgemini focuses on large accounts that value single-source deals, including infrastructure and applications management. Clients adopting multi-source strategies should consider the additional effort required to integrate Capgemini with other large scale service providers.

As stated in previous years, Capgemini could leverage its global partnerships with cloud hyperscalers to improve its market reach in Brazil. ISG observed progress in 2020, but considers that the company can improve further.



## 2021 ISG Provider Lens™ Leader

Capgemini has designed a comprehensive portfolio to provide clients a robust digital experience covering data center, cloud, security and application performance.

## COMPASSO UOL



### Overview

Compasso UOL provides end-to-end IT services, including application development, cybersecurity, network and hybrid cloud. The company aims to be recognized as an ideal partner for digital transformation and IT services. Compasso UOL's managed services support all public cloud providers plus private clouds, data analytics, security, AI and Internet of Things (IoT), among other technologies.



### Strengths

**Governance services:** Compasso UOL helps clients in planning and implementing hybrid cloud governance. It leverages its managed services platform that automates monitoring, alerts and resolution. Multi-cloud consumption data integrate with analytics to provide cost control and usage insights. Compasso UOL insights enable clients to learn how to manage and control access, vulnerabilities, data exposure, risk and cost, enabling them to achieve higher hybrid cloud maturity.

**DevOps and containers expertise:** Compasso UOL focuses on enabling client agility. The company leverages best practices to deploy automated DevOps that include security scanning (DevSecOps) and container management services that best fit client needs. It ensures that configuration and updates achieve the best performance with access controls for appropriate compliance

**Focus on customer satisfaction:** Compasso UOL helps clients reduce downtime, gain infrastructure insights and improve user satisfaction by deploying high-end technologies. In 2020, it deployed an innovative service delivery model in which every client counts with a multifunctional service squad. To enhance teams' capacity, the company has added more than 500 new talents and improved certifications, adding more than 1,000 individual cloud certifications. New measurements around user satisfaction, including the Net Promoter Score method (NPS), proactively improve each squad's service quality.



### Caution

Compasso UOL can improve AI- and ML-led real-time incident management for proactive management and self-healing.



## 2021 ISG Provider Lens™ Leader

Compasso UOL has successfully deployed an innovative service delivery organization to support the ever-increasing agility expectations of large accounts.

## IBM (KYNDRYL)



### Overview

IBM is one of the largest IT companies in the world. In 2020, it announced it would spin-off of the Infrastructure Services business within the company's Global Technology Services. The newly created company was named Kyndryl and serves more than 4,600 clients globally. Data center services have been a part of IBM's portfolio for more than 40 years, and the company has a strong position in the Brazilian market. Its portfolio includes two data centers (not including IBM Cloud), mainframe services, on-premises data center management, private/public/hybrid cloud managed services, hosting, colocation and networking.



### Strengths

**Sharp focus on automation:** Kyndryl has been developing its automation platform to provide superior scalability and service quality. The company is a top VMware partner, and leverages RedHat and Ansible to extend automation. It offers real-time managed services on multi-cloud workloads with visibility across diverse environments. Services are provided through a flexible, modular and catalog-based approach, using a standardized delivery model.

**Data center modernization and consolidation:** Kyndryl uses virtualization, automation and orchestration technologies to help clients optimize their infrastructure. It transforms legacy or deploys new environments across private, public and hybrid clouds. The framework's building block model includes software-defined networking (SDN), SDDC and hyper-converged infrastructures (HCI). Kyndryl data center modernization enhances virtualization with automation, and adds container management tools integrated into a comprehensive management platform.

**High scale and service capacity:** As stated in previous years, IBM attracts and retains the best talents, while providing training and certification to serve clients with a large pool of highly skilled practitioners. Kyndryl should benefit from IBM's talent attraction capacity. It holds large accounts in its data centers, besides many clients in public clouds including AWS, Microsoft Azure and IBM Cloud.



### Caution

The IBM GTS spin-off of Kyndryl creates a robust infrastructure service provider. However, the company has not provided a formal definition of its service portfolio, human resources, geographic coverage and partners. ISG believes IBM will continue to be a robust service company in Brazil; however, clients should include warranties and exit clauses in their deals.

IBM application services are not a part of Kyndryl. Many clients in Brazil rely on IBM full-stack services (licenses, maintenance, applications and infrastructure services in one single deal). In such cases, clients should hire independent advisors to help negotiate the deal split and understand tax implications.



## 2021 ISG Provider Lens™ Leader

IBM has a successful service record in Brazil. The GTS spin-off may allow the new company to expand its service reach by leveraging new vendor partnerships.

## TCS (TATA CONSULTANCY SERVICES)



### Overview

TCS provides global-scale IT services and solutions. The company generates US\$22 billion in annual revenue, with more than 469,000 consultants in 46 countries. It has been operating in Brazil since 2002, serving large local clients mainly in the financial and insurance sectors as well as international accounts that have large operations in the country. TCS provides world-class services to local enterprises, comprising digital workplace, service desk, application services and infrastructure managed services.



### Strengths

**Culture around AI for better performance:** TCS' Machine First Delivery Model (MFDM™) drives the company culture, empowering each employee to seize the automation opportunity on each client interaction, fostering collaboration to automate tasks that improve quality and reduce costs. TCS Cognix™ for agile infrastructure is an AI driven human-machine collaboration suite powered by MFDM. It contextualizes data center solutions to industries and functions by harnessing TCS knowhow to realize a configurable enterprise, enabling TCS to digitally transform its clients.

**Automation framework:** TCS' ignio™ is a cognitive automation solution for predicting and preventing problems. The solution helps identify the root causes of problems and performs autonomous tasks. It enables AI operations (AIOps) to deliver resilient, agile and autonomous IT operations, while eliminating repetitive manual processes and contentious war rooms. ignio™ automation library covers more than 5,000 tasks such as patching, provisioning, validation, configuration, backup and restore, spanning more than 40 technologies.

**Holistic approach:** TCS designs a hybrid cloud roadmap for clients, comprising on-premises, colocation and public clouds. The company has the highest accreditations from key public cloud providers. It can scale with a robust certified talent pool, leveraging a global platform to deliver seamless services of high quality to clients in Brazil.



### Caution

TCS focuses on key accounts and long-term relationships. The company may not respond to transactional request for proposals (RFPs). Clients willing to leverage TCS' technology and expertise should work on developing a relationship before scoping services.

TCS's global portfolio includes hosting. However, it does not have data centers in Brazil, requiring clients to accept hosting their solution in the colocation facilities of TCS partners.



## 2021 ISG Provider Lens™ Leader

TCS has matured its operations in Brazil to serve large accounts, with comprehensive infrastructure services, based on leading edge technologies.

## TIVIT



### Overview

TIVIT operates in 10 countries in the Americas. The company has been operating in Brazil for more than 20 years. TIVIT's portfolio comprises Digital Business, Cloud Solutions, Digital Payments and Technology Platforms. The company has three data centers in Brazil, and key relationships with leading cloud hyperscalers. TIVIT's managed services portfolio includes data center, cloud, network, cybersecurity, digital workplace and field support.



### Strengths

**Intelligent hybrid cloud platform:** TIVIT has specialized in mission-critical applications, particularly including clients in the banking, financial services and insurance (BFSI) market. TIVIT's AIOps listens to events from monitoring tools, job-scheduling, backup, logs, and many other data sources to correlate them with a client's configuration management database (CMDB) to enrich and contextualize events. ML models suggest fixes and solutions that reduce the mean time to repair (MTTR). TIVIT's automation improves clients' efficiency and improves self-service provisioning and DevOps.

**Comprehensive portfolio:** TIVIT Cloud Managed Services (CMS) leverages the company's experience and proprietary solutions to improve automation and analytics. Private cloud options include Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS), running on TIVIT's data centers or integrated with the public cloud. TIVIT supports most vendor solutions, including IBM, Microsoft, Oracle and SAP, offering innovation, speed and cost reduction.

**Robust ecosystem:** TIVIT has top accreditations and joint go-to-market plans with key public cloud providers. This strategy enables the company to participate in the most competitive deals and keep its team updated with market trends and client demands. Implementation and service support includes technologies such as ServiceNow, VMware, Citrix, Automation Anywhere, IONATE, CloudHealth and NewRelic.



### Caution

TIVIT aims to extend its services into the midmarket. However, the company's tools and scale of operations are better for large enterprises.

The company had restructured its portfolio in 2019, and initiated its automation journey, which it consolidated in 2020. TIVIT has been adding digital competencies through niche acquisitions. The company went through organizational changes in 2020 to equip its sales and delivery teams around the new portfolio. Clients that signed deals before 2019 should review their scope of work and negotiate to leverage innovations introduced after 2019.



## 2021 ISG Provider Lens™ Leader

TIVIT merges experience and advanced technologies to offer a modern platform that can handle complex and large enterprise workloads.

## T-SYSTEMS

### Overview

T-Systems has been operating in Brazil for more than 20 years. The company has global operations, with headquarters in Germany. Its portfolio includes infrastructure and applications services. Hybrid cloud leverages a global service platform that scales to support global clients and a reasonable number of Brazil-based clients.

### Strengths

**Future Cloud Infrastructure (FCI):** The T-Systems management platform leverages automation and multi-cloud integration, including Cisco's network management and VMware stack. FCI delivers a next-gen platform with software-defined anything on a hyper-converged infrastructure, providing IT asset virtualization, IT blueprint repositories, advanced migration technologies and intelligent automation. It uses infrastructure as code in the onboarding process to handle cross-cloud complexities.

**Advanced service portfolio:** T-Systems can segment service modules, leveraging FCI. It offers Monitoring as a Service, enabling clients to add application performance management (APM) and business monitoring. Continuity services can include cybersecurity, compliance and disaster recovery. The company is prepared to support IoT and edge computing, extending its expertise around SAP and Industry 4.0.

**Consistent focus on quality:** T-Systems has long been recognized for its focus on quality. In the past, it achieved this status by focusing on strict standards. Today, the company has expanded its technology standards and enhanced its toolset coverage and governance processes to include the cloud. FCI is an evolution of T-Systems' Zero Outage methodology that drives the management process design, with security in mind. The company follows the highest levels of compliance, and always maintains top certification levels in services and partnerships.

### Caution

T-Systems entered the Leaders' quadrant this year because of its consistent growth. However, the company should win more deals to consolidate its position in the large account market.



## 2021 ISG Provider Lens™ Leader

T-Systems brings a global platform to Brazil-based clients, providing scalable and secure services that prioritize quality and security.

## UNISYS



## Overview

Unisys is a global service provider with US\$2 billion in revenue and more than 17,000 employees in 2020. In Brazil, it serves large enterprise clients from 11 locations in the states of São Paulo, Rio de Janeiro, Mato Grosso do Sul and Distrito Federal. Unisys portfolio leverages three service platforms, namely, Unisys IntelliServe™, Unisys Stealth® and Unisys CloudForte® that support hybrid cloud and provides managed service automation.



## Strengths

**Security first:** Unisys focuses on security for its clients, including it in all its offerings. For hybrid clouds it defines pre-configured landing zones and templates that conform to standards and best practices. These templates ensure secure deployments, and can be quickly adapted to specific application needs, over time. It enforces consistent security everywhere, by applying controls uniformly across data centers, cloud networks, physical servers, virtual machines, mobile and IoT devices, including digital identity management.

**AIOps maturity:** Unisys CloudForte® provides intelligent automation across operations, security, compliance, billing and resource optimization, supporting usage-based billing, spend tracking and budget reporting. These financial operations (FinOps) services can achieve up to 30 percent savings. Unisys CloudForte® unifies all aspects of data center infrastructure management into a single, productivity enhancing source of actionable information. Self-service and self-healing functionalities leverage more than 1,450 automation artifacts for provisioning, monitoring, running backups and patching.

**Loyal customer base:** Unisys' customer-first focus has earned it a 95 percent client-retention rate. The company ensures that world-class expertise is committed to every client installation. Unisys' agile migration squads for client onboarding deliver outcomes in 30/60/90 days. Unisys also has the ability to operate in highly regulated environments with a highly skilled workforce, operations and security solutions, allowing clients to focus on innovation.



## Caution

Unisys is building on its global partnerships. However, it has relatively more hybrid cloud cases with Microsoft Azure. Its portfolio attractiveness would have been higher if the company had showcased more AWS or Google Cloud Platform hybrid cloud integrations.



## 2021 ISG Provider Lens™ Leader

Unisys offers a secure and scalable service platform supported by mature automation and proficient practitioners to take large accounts to optimal performance levels.

## WIPRO



### Overview

Wipro is a global service provider, delivering US\$8.2 billion in revenue in 2020. The company employs more than 180,000 people, serving clients across six continents. Its service portfolio includes application and infrastructure services. Wipro holds the highest accreditations from public cloud hyperscalers. Brazil is a growth market and strategic investment to drive the company's expansion in Latin America. Wipro has four offices and two delivery centers in Brazil.



### Strengths

**Integrated service offering:** Wipro has built a global platform to share learnings. It enables new insights and best practices to permeate the company globally. The “Spirit of Wipro” embodies four company values — be passionate about clients’ success, treat every person with respect, be global and responsible, and unyielding integrity in everything it does — which translate to high customer satisfaction and client retention.

**Robust automation:** Wipro's ServiceNXT™ is a suite of next-gen IT infrastructure automation. The suite integrates data center, cloud, end-user computing and customized autonomies development. Wipro's AI-enabled predictive services power self-healing, self-service and analytics. On client onboarding, ServiceNXT™ runs automated discovery and builds runbook automation for reporting, service management and self-healing. ServiceNXT™ Analytics provides insights to improve services and system performance.

**Digital business platform:** Wipro's comprehensive solution includes infrastructure as code with automation to speed DevOps and enable business agility. Its programmable infrastructure supports new operating models to suit new ways of working. Wipro's FluidIT is a software-defined infrastructure solution that runs on multiple data centers, sharing a common set of application programming interfaces (APIs) to deploy a composable hyperconverged infrastructure over a software-defined network. Clients can dynamically change their infrastructure to quickly respond to business demands.



### Caution

Wipro scales through automation built on proprietary technologies. The company expects clients to engage in long-term deals to enable automation to mature and achieve the desired results. Clients looking for short duration deals, or transitory projects, may not find Wipro's automation competitive.



## 2021 ISG Provider Lens™ Leader

Wipro has been seeing consistent growth in the Brazilian market by offering robust automation and quality services to large enterprises.

## RISING STAR: STEFANINI



### Overview

Stefanini is a global service provider headquartered in São Paulo. With 27,000 employees in 41 countries, Stefanini supports clients in 35 languages. In 2020, it acquired two units of the Diebold Nixdorf, the OFD (on-line Fraud Detection) and Servcore, and five companies, namely, Mozaiko, Holding Haus, Longbank, CyberSmart Defense and N1 IT. The company operates in all states in Brazil with a comprehensive portfolio covering infrastructure, applications, operations, automation and business process services that it divides into four groups: Advisory, Digital, Workplace and Infrastructure, and Applications.



### Strengths

**Cognitive automation:** Stefanini leverages the cognitive automation platform that it deployed a few years ago. It implements ChatOps, a cognitive interface that enables system engineers to rapidly find solutions for the problems that self-healing did not capture or resolve automatically. It also automates the service approval workflow when development teams or business units require new instances provisioning.

**AIOps and advanced monitoring:** Stefanini provides automated monitoring routines for incident root cause identification and automated troubleshooting. It includes APM and CX. The service platform integrates with IT service management (ITSM) tools and third-party monitoring tools. Infrastructure as code relies on Ansible, Puppet and Docker. Stefanini manages workloads in a container environment, automating service support and orchestrating with Kubernetes on a hybrid cloud infrastructure.

**Flexible engagement models:** Stefanini is known for its flexibility in adapting to client needs. It can customize its services to better serve its clients. Stefanini has been successful in offering gain sharing based on productivity gains, or outcome-based contracts. Stefanini invests 12 percent of its revenue on research and development (R&D) to continually improve its portfolio, while acquiring innovative companies to add services for its current clients. The company leverages its extensive client references to attract new deals.



### Caution

Stefanini's robust client base pushes it into the Market Challengers' quadrant. It is gaining market share. However, not having a data center harms its portfolio attractiveness. The company could compensate for this by improving on its public cloud partner certifications (quantity and level) and formal partnerships with colocation data center providers.



## 2021 ISG Provider Lens™ Rising Star

Stefanini is improving its service portfolio with automation tools, enabling it to aim for a Leader position in the Hybrid Cloud Service market.

The image features a dark blue background with a light blue horizontal band at the top. On the left side, there are several circular icons resembling camera apertures, arranged in a diagonal line from the bottom left towards the center. These icons are in various shades of blue and white. The word "Methodology" is written in a white, serif font on the right side of the image.

# Methodology

## METHODOLOGY

The research study “ISG Provider Lens™ 2021 – Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions” analyzes the relevant software vendors/service providers in the Brazil market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology. The study was divided into the following steps:

1. Definition of Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
  - Strategy & vision
  - Innovation
  - Brand awareness and presence in the market
  - Sales and partner landscape
  - Breadth and depth of portfolio of services offered
  - Technology advancements



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Distinguished analyst and author, Pedro brings extensive experience in research in the Americas and Southern Europe Middle East and Africa (SEMEA) markets. With more than 30 years of experience in sourcing, he has developed vendor assessments plus contract restructuring, services scope and IT benchmarking programs for diverse vertical markets in the Americas and APAC. Before joining ISG, Pedro was a partner of TGT Consult and managing vice president at Gartner Inc., responsible for the consulting business in APAC and Latin America.



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Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle: as a client, an industry analyst, a service provider and an advisor. Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

# ISG Provider Lens™ Report: Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions

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