ïSG Provider Lens™

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

Managed Services for Midmarket

U.S. 2021

Quadrant
Report

A research report comparing provider strengths, challenges and competitive differentiators

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

General Trends

The adoption of private and hybrid cloud has been gaining significant traction during the last four quarters. Private and hybrid cloud have been a popular choice over public cloud. However, the infrastructure environments have become more complex and are becoming difficult to manage, with the growing demand for these hybrid solutions. ISG has observed that enterprises are ready to develop new applications on the cloud but are unwilling to move their existing workloads to the public cloud, as the apprehension persists around security and control of data and workloads. Enterprises have realized that outsourcing their IT infrastructure management is a great way to realign their IT with business objectives in the most cost-effective manner and gain other benefits, such as access to specific IT skills not found in standard IT departments; availability of shared resources such as facilities managers, security, engineers and other technical staff; and help predict costs that can facilitate better budget control.

In 2020, the crisis caused by the COVID-19 pandemic globally had a huge impact on IT out-sourcing in terms of business decisions and technology investments planned for 2021. ISG has observed that the number of companies planning to increase their use of IT outsourc-ing has been rising since the last year, and this trend is expected to continue in the future. According to ISG's Index 4Q 2020 figures, it was observed that in 2020, the annual contract value (ACV) for IT outsourcing contracts globally was around US$21.4 billion; an increase of 2.1 percent when compared to 2019. In the beginning of the pandemic, enterprises scaled down some of their teams and froze IT outsourcing. A few months into the crisis, they introduced new ways of working in terms of delivering everything virtually, and scaled up their IT development teams. Many enterprises that never outsourced are planning to begin outsourcing for the first time in 2021. Although enterprises have embraced a virtual managed services model, their delivery expectations have not changed. Most managed services are now virtually and remotely delivered, including transition and migration of workloads, sales and due diligence, meetings, and more, as it is faster, better and cost effective. Managed hosting and colocation providers have also realized the importance of the cloud ecosystem and have adapted their business models to integrate themselves as key parts of the IT infrastructure lifecycle.

Some of the trends observed over the last year are as follows:

Increased maturity in moving to cloud: Enterprises have realized that managed services can be used to reduce the management burden, and the cloud will help reduce the physical infrastructure costs. The tools developed for the assessment, planning and automated migrations have reached the desired level of maturity and reliability that allow for predictive results. The same tools provide a better understanding of the benefits of moving to the cloud, including the architecture and financial impacts, providing better business cases. This will enable enterprises to make decisions regarding which workloads to move to the cloud and which ones to retain in the existing infrastructure. It will also help them decide regarding the modernization of their on-premises ecosystem to improve the operating efficiencies.

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Enterprises want providers to be more flexible: Enterprises always prefer contracts with providers/vendors to be as flexible as possible. With the changing nature of IT outsourcing relationships, the expectations of clients are also changing. Providers should be able to ramp things up and down depending on client needs; hence, they need to be ready to restructure teams within the shortest time frame and be agile to deliver results faster. Enterprises also seek IT outsourcing partners that can accept their business ethics and adapt to them quickly. They will appreciate if offshore developers can easily integrate into their company and feel connected to the in-house team. Enterprises want providers to offer innovative solutions to enhance customer experience. They also expect their remote IT specialists to use these new technologies to improve customer satisfaction, leading to business growth.

Strategic partnerships are the new norm: When it comes to providers, it is no longer which one has the highest tiered partnership with technology vendors that clients seek; rather, enterprises are looking for providers that have strategic relationships with these technology vendors and can jointly innovate solutions, as well as have a joint go-to-market strategy to cater to new-age customers. As provider-client relationships become more reliable, the difference between outsourcing core and non-core tasks becomes less significant. Offshore teams are becoming part of the clients' organizations and covering any type of tasks necessary for the success of the client. Finding a reliable provider and establishing productive relationships are difficult. Previously, the trend was to outsource services within one project to multiple vendors; however, this trend has changed, and enterprises now need only one or two vendors that can offer a comprehensive managed services solution that can address all their IT infrastructure requirements. This will lead to lower risks associated with managing multiple vendors and ensure better pricing from one single provider/vendor for all their IT requirements.

Tackling cybercrimes through robust security measures: Securing proprietary data/workloads has been one of the top priorities for enterprises currently, as sophisticated cyberattacks are being carried out frequently. This, in turn, has led them to adopt a security-first thinking. Due to the COVID-19 pandemic, organizations are practically forced to work remotely, and without proper cybersecurity expertise, they become potential targets for cyberattacks. Managed service providers offer security solutions in the same managed services contracts in a bundled deal and strive to secure the service infrastructure of enterprise clients. This is important not only to have security solutions in place, but also to defend and recover against any attack. Also, enterprises do not have to deal with additional vendors for security solutions and can be assured that their data is safe. Another observation by ISG is that while cybercrime is causing immense damage to the business sector, cyberattacks are more frequently targeted at governments. This makes government organizations the major investors in cybersecurity. Some of the trending security features that are leveraged for securing IT environments include zero-trust, micro-segmentation, software-defined wide area network (SD-WAN) and artificial intelligence (AI) for threat identification and response.

Managed services for large accounts: In 2020, the large enterprise market saw several changes in outsourcing strategy and selection factors for managed service providers. Some of the key selection criteria included automation, a good track record with business continuity plans (BCP) and a robust infrastructure management platform. Automation is required to handle complexity and monitor or manage costs. Providers with large-scale operations have the ability to offer skilled practitioners; however, it cannot compensate for lower levels of automation as it cannibalizes their business. Considering long-term relationships and continued business, providers must be able offer cost savings and better customer experience by automating IT infrastructure managed services. Enterprises are

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getting prepared for the adoption of AI solutions and seeking new metrics and indicators such as cost optimization, utilization levels, response time and automation levels. Of the 34 companies assessed in this study, 22 have met the criteria to be included in this quadrant. Nine providers are leaders (Accenture, Capgemini, Cognizant, DXC Technology, HCL, IBM, Infosys, TCS and Wipro) and one is identified as a Rising Star (Rackspace Technology).

Managed services for midmarket trends: When compared to the large enterprise market, the midmarket continues to grow faster. Service providers are successful in bringing in new clients that had in-house data centers and are willing to experiment with the cloud. However, this market segment is witnessing intense competition, which will eventually erode service margins. Service providers in this space have gone above and beyond to satisfy their customers. To achieve this, they are also bidding the RFPs at a lower price. Midmarket enterprise clients that are concerned with costs should evaluate hybrid cloud services by considering the exit clause, as these clients mainly opt for short-term contracts. These clients provide opportunity to the midmarket providers and determine how they can leverage them better in terms of cost efficiencies and offering enhanced customer experience. Based on this, they will decide to engage with these providers even further and offer them additional contracts. In this quadrant, we had 22 eligible participants; of which, we have identified six leaders (Ensono, Hexaware, Mphasis, Rackspace Technology, Unisys and Zensar) and one Rising Star (Mindtree).

Managed hosting trends: A few years ago, the managed hosting market was losing its relevance. It has bounced back since the last year. Enterprises have shown growing interest in managed hosting providers, as many of them want to outsource their workload hosting to an external provider. This can help them concentrate more on their customers and not on the aging assets, following compliance regulations, security, costs,

infrastructure management, etc. The managed hosting providers also have invested in next-generation technologies, and have updated their traditional infrastructure. They offer high-quality hosting services involving mainframes, bare metal services and support for all operating systems, databases and more, along with excellent connectivity to the cloud environments. Several providers have also certified themselves to cater to specific highly regulated industries, which require certifications such as HIPAA, FISMA, PCI DSS and ISO, and are constantly updating their certifications. Several large providers have exited the managed hosting market because of intense competition and lower margins. In this quadrant, we had 17 eligible participants; of which, we have identified five leaders (Ensono, IBM, Lumen, NTT and Rackspace Technology).

Colocation services trends: The colocation market has emerged as one of the faster growing segments in IT infrastructure space. Colocation providers are capitalizing on economies of scale by building out tens of megawatts at a time. The total capital expenses are spread over a larger number of megawatts, thereby lowering the effective cost per megawatt built. Some providers claim they can develop operational capacity near or below US$10 million per megawatt, which is far below what an enterprise would encounter if it had to build its own data center. ISG has observed that the U.S.-based colocation providers have diverted their focus from reducing their carbon footprint to expanding their data center footprint and building units in a traditional manner. Only few providers are committed to leveraging renewable energy to power their data centers and following their green initiatives. In this quadrant, we had 23 eligible participants; of which, we have identified six leaders (CoreSite, CyrusOne, Cyxtera, DataBank, Digital Realty and Equinix) and one Rising Star (QTS Realty).

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 contracting the responsibility of managing end-to-end data center assets to a third-party provider. It includes orchestration provisioning; integrated monitoring; and management of computing, storage, database, middleware resources and other components of the infrastructure; the data center may be owned by the enterprise, service provider or a third-party colocation provider. Integrated monitoring and management services are usually delivered from the provider's location through an offshore/onshore/nearshore shared service center or dedicated delivery center model, classified as remote infrastructure management (RIM) services.

Definition (cont.)

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 stringent security and governance requirements, large data volumes and tight integration (with other enterprise applications and workflows) needs may prefer on-premises or a private cloud environment characterized by hardware hosted locally at a client facility. IT service providers can also create private clouds with scalable virtual compute, networking and storage resources running in their data centers or over a shared infrastructure and configure them to isolate a private cloud.

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

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

- A differentiated positioning of providers based on competitive strengths and portfolio attractiveness

- A perspective on different markets, including the U.S., Germany, Switzerland, the U.K., Nordics and Brazil

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

Scope of the Report

In this ISG Provider Lens™ quadrant study, ISG includes the following four quadrants on next-gen private/hybrid cloud – data center services and solutions:

Managed Services for Large Accounts: This market covers the provider's ability to deliver ongoing management services for data center infrastructures in the client's data center or the service provider facilities or even co-located in a third-party facility. Large enterprise clients are subject to strict regulations that add complexities. They typically have more than 5,000 employees and generate revenues of more than US$1 billion.

Managed Services for the Midmarket: This quadrant assesses a service provider's ability to offer ongoing management services on data center infrastructure for medium-sized businesses. The enterprise client typically has less than 5,000 employees or generates 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. These providers typically supply network connectivity, the access point 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:

- **Midmarket**: 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.

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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.

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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 & Solutions - Quadrant Provider Listing 1 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting	Colocation Services
365 Data Centers	Not In	Not In	Not In	Contender
Accenture	Leader	Not In	Not In	Not In
Atos	Product Challenger	Not In	Not In	Not In
BT	Not In	Contender	Not In	Not In
Capgemini	Leader	Not In	Not In	Not In
Codero	Not In	Not In	Contender	Not In
Coforge	Not In	Product Challenger	Not In	Not In
Cogent	Not In	Not In	Not In	Product Challenger
Cognizant	Leader	Not In	Not In	Not In
Colocation America	Not In	Not In	Market Challenger	Not In
Cologix	Not In	Not In	Not In	Contender
CoreSite	Not In	Not In	Not In	Leader

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Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 2 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting	Colocation Services
Coretelligent	Not In	Product Challenger	Not In	Not In
CyrusOne	Not In	Not In	Not In	Leader
Cyxtera	Not In	Not In	Not In	Leader
DataBank	Not In	Not In	Not In	Leader
Digital Realty	Not In	Not In	Not In	Leader
DXC	Leader	Not In	Product Challenger	Not In
Ensono	Not In	Leader	Leader	Product Challenger
Equinix	Not In	Not In	Not In	Leader
Expedient	Not In	Not In	Not In	Contender
Flexential	Not In	Contender	Product Challenger	Product Challenger
Fujitsu	Market Challenger	Market Challenger	Product Challenger	Not In
GAVS	Not In	Contender	Not In	Not In

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Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 3 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting	Colocation Services
HCL	● Leader	○ Not In	○ Not In	○ Not In
Hexaware	○ Contender	● Leader	○ Not In	○ Not In
Hostway	○ Not In	○ Not In	○ Contender	○ Not In
IBM	● Leader	○ Not In	● Leader	○ Not In
iland	○ Not In	○ Not In	○ Contender	○ Not In
INAP	○ Not In	○ Not In	○ Contender	● Market Challenger
Infosys	● Leader	○ Not In	○ Not In	○ Not In
InterVision	○ Not In	○ Not In	○ Contender	○ Not In
Iron Mountain	○ Not In	○ Not In	○ Not In	○ Contender
Liquid Web	○ Not In	○ Not In	● Product Challenger	○ Not In
LTI	○ Contender	● Product Challenger	○ Not In	○ Not In
Lumen	○ Not In	● Market Challenger	● Leader	● Product Challenger

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Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 4 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting	Colocation Services
Microland	Contender	Product Challenger	Not In	Not In
Mindtree	Contender	Rising Star	Not In	Not In
Mphasis	Product Challenger	Leader	Not In	Not In
Navisite	Not In	Not In	Product Challenger	Not In
NTT Ltd.	Product Challenger	Not In	Leader	Market Challenger
OneNeck IT	Not In	Contender	Not In	Not In
Orange Business Services	Not In	Contender	Not In	Not In
phoenixNAP	Not In	Not In	Not In	Contender
QTS	Not In	Not In	Not In	Rising Star
Rackspace Technology	Rising Star	Leader	Leader	Product Challenger
Sungard AS	Not In	Contender	Not In	Contender
TCS	Leader	Not In	Not In	Not In

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Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 5 of 5

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting	Colocation Services
Tech Mahindra	Product Challenger	Not In	Not In	Not In
TierPoint	Not In	Not In	Contender	Product Challenger
T-Systems	Not In	Contender	Not In	Not In
Unisys	Product Challenger	Leader	Not In	Not In
UnitedLayer	Not In	Contender	Not In	Contender
UST	Contender	Product Challenger	Not In	Not In
Wipro	Leader	Not In	Not In	Not In
Zayo	Not In	Not In	Not In	Product Challenger
Zensar	Product Challenger	Leader	Not In	Not In

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

ENTERPRISE CONTEXT

Managed Services for Midmarket

This quadrant is relevant to midsize enterprises across industries in the U.S., for evaluating hybrid cloud managed services providers. In this quadrant report, ISG defines the current market positioning of managed service providers in the U.S., and how they counter the key challenges faced by midsize 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. To be successful in the current digital business environment, enterprises must take a unified approach to their technical infrastructure across public and private clouds. Midsize enterprises have fewer complex requirements and smaller projects than large enterprises, and they prefer providers with strong niche offerings, competitive pricing and high integration capabilities.

Hybrid cloud managed services can help enterprises unburden the responsibility of data center operations. Enterprises are focusing on leveraging automation, business continuity planning, AIOps and zero-touch support processes that can accelerate agility in data center operations, which is enabling them to accelerate their journey to the cloud and adopt an asset-light approach to minimize on-premises footprint.

Enterprises can also benefit from a managed service provider's expertise in application modernization, cost optimization, DevOps and cloud-native journeys. 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, and 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 service providers in the U.S.

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MANAGED SERVICES FOR MIDMARKET

Definition

This quadrant assesses a provider's ability to offer ongoing management services for private and hybrid clouds, as well as traditional data center infrastructure and platforms that comprise physical and virtual servers, middleware, storage, databases and networking components. The infrastructure may reside in the client's data center, the service provider's facilities or even co-located in a third-party facility. Small and medium enterprise clients typically have less than 5,000 employees and generate revenues of less than US$1 billion.

Participating service provider companies usually take over the transition services where they guide clients to optimize their existing IT landscape. Typical projects include large-scale data center consolidation, virtualization, cloud enablement and configuration/implementation of a SDDC. Transition services also include expanding the facilities, transferring new workloads or creating new private clouds. Managed

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Managed Services for Midmarket

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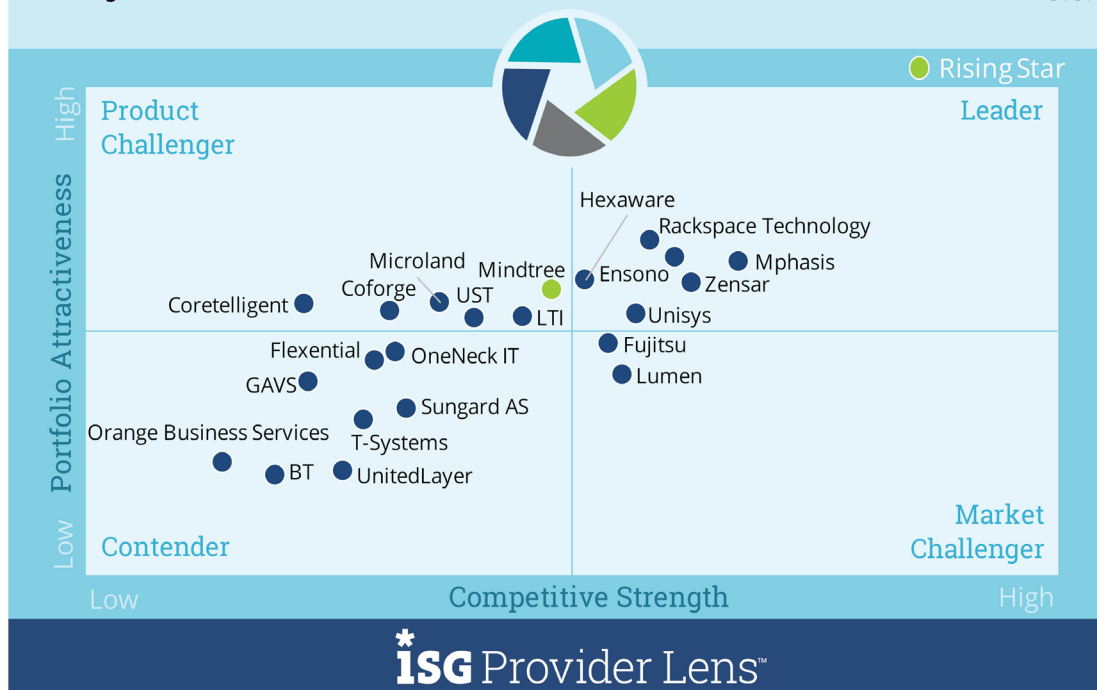
Source: ISG Research 2021

MANAGED SERVICES FOR MIDMARKET

Definition (cont.)

services are characterized by the transfer of responsibility to a service provider and being governed by SLAs and corresponding penalties, if there are any deviations. At a broad level, these services include provisioning, enabling real-time and predictive analysis and monitoring, and operational management of a customer's on-premises, private and hybrid-cloud environments. These activities are aimed at maximizing the performance of workloads in the cloud, reducing costs and ensuring compliance and security. Participants should have the capability to manage traditional as well as cloud-native application releases, which also include continuous integration and delivery processes.

A primary difference between managed service providers and managed hosting providers is that the former have stronger integrations practices that involve dividing monolithic and traditional applications into individual services or microservices.

Eligibility Criteria

- Ability to offer services for private and hybrid clouds and data center infrastructure (servers, middleware, storage and databases) on their own without relying on partners

- Ability to provide services within a client's premises or remotely and preferably through its shared service centers (RIM)

- Established or emerging basic/standard relationships with one of the major public cloud hyperscale 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 a client's IT organization and get involved in creating blueprints, architecture frameworks and management processes at the client's location

- Ability to provide a centralized orchestration/management of hybrid IT infrastructure

- Experience in business continuity planning, particularly managing a client's hybrid infrastructure remotely during the pandemic

- Appropriate certifications to ensure compliance at local level

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MANAGED SERVICES FOR MIDMARKET

Observations

In the midmarket segment, managed services have been gaining considerable traction since the COVID-19 pandemic last year, as several small and medium enterprises needed assistance in reducing their operational expenditures and move to a more on-demand structure of doing business. The pandemic has compelled these enterprises to accelerate their move to a cloud environment. This has resulted in hybrid cloud becoming a popular choice, as it offers flexibility as well as control over their data, infrastructure and workloads. The new tools for the assessment, planning and automated migrations have reached the desired level of reliability that allows for predictive results and better business cases.

Service providers are helping these enterprise clients in planning the transformation of each workload to help them move to the cloud in the right way, rather than just to lift and shift. This subsequently enables the hybrid cloud data center architecture to consider the best technology for each workload and leverage the best of both worlds. A hybrid cloud benefits enterprises with the resiliency delivered by

deploying applications in multiple clouds. Other benefits include lower deployment cost, disaster recovery and the use of modern computing technologies such as serverless, database as a service, hyper-convergence, infrastructure as code, DevOps and containers.

Of the 34 companies assessed in this study, 22 have met the criteria to be included in this quadrant. Six providers are leaders and one is identified as a Rising Star for providing robust managed services and offering differentiated services to attract new clients.

- **Ensono's** significant experience in modernizing legacy infrastructure enables it to cater the mid-market segment in infrastructure managed services.

- **Hexaware** has been flexible, automation oriented and focused on addressing every infrastructure request of its clients, making it one of the most preferred providers to work with.

- **Mphasis** has moved ahead and is now leading the midmarket segment due to its further investments in its InfraGenie™ intelligent platform, which has helped several clients reduce costs and deliver high-quality customer service.

MANAGED SERVICES FOR MIDMARKET

Observations (cont.)

- **Rackspace Technology** has a comprehensive managed services portfolio, excellent customer support and top accreditations from AWS, Microsoft and Google. These factors differentiate the company from the other leaders in this quadrant.

- **Unisys** focuses on offering professional services, cloud migration, security and managed services to enterprises of all sizes and has a strong security practice, which allows it to cater to the highly regulated markets.

- **Zensar** has been modernizing its service portfolio in recent years through its intelligent automation platform, called The Vinci™, and has improved its local partnerships with leading cloud providers. Unlike other providers, it has taken a different and more empathetic approach toward helping clients during the pandemic.

- **Mindtree** has been identified as a Rising Star for the second year in a row mainly due to its strong modernization capabilities and the potential to grow further in the coming years.

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UNISYS

Overview

Unisys is a global IT company headquartered in Pennsylvania. In the U.S., the company owns five data centers (but manages close to 50 client data centers), two service desk centers and one SOC location for local support. The company has strong presence in the public sector, followed by the banking, financial services and healthcare verticals.

Strengths

Large presence in highly regulated sectors: In the last four quarters, Unisys has been successful in acquiring several U.S.-based clients in highly regulated industries to help them with their hybrid cloud requirements with Azure and AWS Gov clouds for GTA, VITA, Dept of Homeland Affairs, and more. Additionally, Unisys has been serving several other government and public sector organizations for more than 15 years. Unisys is one among the very few providers that have the required certifications to serve clients in these highly regulated industries.

Strong security practice: Unisys has a robust security portfolio and is well known for its security solutions for infrastructure management. Unisys uses its award-winning Unisys Stealth security solution to secure and govern data movement, and to completely segment multi-tenant data center environments from each other. Unisys Stealth further enables encrypted protection to hybrid datacenters that extends to the cloud so that the cloud systems are equally protected. It has helped several clients migrate and manage multi-cloud environments with a secure landing zone.

Excellent infrastructure management platform: Unisys' CloudForte® solution is the company's IP that helps clients deploy hybrid cloud environments and manage them seamlessly. Its scope includes data center operations (24x7 technical support, consulting, managed services, network services such as cloud-enabled networking, and ITSM), along with connectivity within its data centers at different sites, data analytics and disaster recovery solutions. CloudForte® offers greater flexibility, security and faster time to market at a better price point.

Caution

The major portion of Unisys' infrastructure services revenues is coming from public sector and government clients. The company needs to diversify its client portfolio and bring in new solutions to address companies in other sectors such as the retail, energy and business services, where it has low presence.

2021 ISG Provider Lens™ Leader

Unisys is highly capable of offering a complete range of traditional and hybrid cloud infrastructure management services to help clients with transformation engagement that are cost effective, secure and efficient, by using its proprietary solutions such as CloudForte® platform and other resources.

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Methodology

METHODOLOGY

The research study "ISG Provider Lens™ 2021 – Private/Hybrid Cloud – Data Center Outsourcing services and solutions" analyzes the relevant software vendors/ service providers in the U.S. 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 Private/Hybrid Cloud – Data Center Outsourcing services and 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. Use of 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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Shashank Rajmane has more than a decade of extensive research experience and has led the ISG Provider Lens™ studies — Public Cloud Consulting & Transformation and Private/Hybrid Cloud & Data Center Outsourcing Services. He leads the efforts for the U.S. geography along with global geography reports. Apart from authoring these reports, Shashank has been part of many consulting engagements and helps ISG's enterprise clients select the right service providers and vendors based on their IT buying requirements. He is also responsible for authoring thought leadership papers, briefing notes, blogs and service provider intelligence reports, especially in the next-generation cloud and infrastructure services domain. He has also authored several research papers on best practices for choosing cloud vendors and cloud management platforms, along with writing a few whitepapers on the cloud industry.

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