Public Cloud Solutions and Service Partners

Archetype Report

A research report aligning enterprise requirements and provider capabilities

February 2020
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 December 2019 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

Due to the rapidly changing and disruptive environment of information technology, businesses are forced to adapt to new technological advancements. Enterprises are realizing that they are not immune to this disruption and must have a strategy to compete in the modern marketplace that is driven by tech-savvy consumers. This digital journey requires next-generation public cloud infrastructure with new-age applications that are more flexible, agile and user friendly.

More than half of all public cloud enterprise customers have been using a multi-cloud environment in recent years. This trend is expected to surge irrespective of the enterprise size. However, there are some barriers to a multi-cloud setup. Orchestration is a challenge, as it involves several moving parts and a complex setup to be operated on a public cloud environment. Many users find it difficult to manage multi-cloud environments, citing complexity as one of the biggest barriers. They are adopting various tools to manage this complexity, but these are not mature enough. Other barriers include vendor lock-in by the public cloud provider and interoperability between two or more providers.

The public cloud managed service provider (MSP) ecosystem has been growing and adding more service providers. Early entrants have an advantage, but small and mid-sized providers are gaining traction with their unique offerings of public cloud managed services for multi-cloud environments. Several smaller providers are being acquired by large system integrators to either eliminate the competition or to acquire their niche/unique capabilities or client segments. This consolidation and shrinkage in the MSP market will prevail as technologies evolve. Public cloud providers have MSP certifications that every other system integrator is striving to acquire. In order to differentiate among MSPs, hyperscalers are conducting yearly audits and further tightening the MSP certification eligibility. Service providers are also differentiating themselves by creating their own intellectual property, bringing in vertical-specific expertise and forming strategic partnerships with public cloud providers.

Cloud management platforms (CMPs) have been an integral component of cloud managed services. Their primary role is to provide enterprises with a portfolio of cloud operation services along with the flexibility of working with the right cloud environment (private and public cloud). The CMP has a complete toolset for cloud-native development, application programming interface (API) management and integration, DevOps, integrated platform as a service (iPaaS) and container management. It should be a cloud-agnostic and vendor-neutral platform with a robust security layer on top of all the features and services provided. Service providers are either leveraging third-party platforms and tweaking the CMP to add features and white label it or are creating in-house products and selling them as standalone offerings. They can differentiate themselves with the help of a robust CMP for a potential client. The downside of using a provider’s CMP and not one from a vendor is the risk of leading the enterprise client into a vendor lock-in.
The increase in cloud consumption has led to a rise in spending. The top priority of enterprises is to control, manage and optimize cloud expenses. Many are finding it difficult to manage cloud spending due to the complex and vast cloud ecosystem. Service providers are playing an important role by helping enterprises to manage costs efficiently by leveraging their vast experience in managing cloud infrastructure and assets for several customers. They are also providing a long-term option of creating a roadmap with suggestions on whether the workload needs a lift-and-shift approach or should be re-architected or re-platformed to get the best performance and reduce costs.
Introduction

The Public Cloud - Solutions and Service Partners 2019-20 Archetype Report will assist buyers while reviewing a significant cloud transformation strategy and the capable service providers. Enterprise clients will also benefit from this study because it incorporates ISG’s strengths in global sourcing advisory, contract knowledge databases, regional research and expertise in technology ecosystems and innovations.

The internet is changing the way we conduct business and interact as a society. Traditionally, hardware and software were fully contained in a user’s computing environment. The computing environment was considered as the data and applications residing on a personal computer, on various servers, within the company network and in its data centers where access is restricted to authorized personnel. Cloud computing allows the user to access data and programs outside the user’s physical environment. Rather than keeping data and software on their personal computer or server, these are stored in the cloud. Cloud hosting can also include applications, databases, and email and file services.

A common analogy to describe cloud computing is renting vs. buying. Essentially, users rent capacity (server space or access to the software) from a cloud service provider and connect over the internet. Instead of buying their own IT resources, they rent from a service provider and pay for only the resources that they use.

Cloud computing has many models with different access and security options. Before users move their data into the cloud, they need to consider the model that works best for their business and data needs. The general model types are summarized as follows:

**Private cloud**

A private cloud is where the services and infrastructure are maintained and managed by the user or a third party. This option reduces security and control risks and will suit clients that treat data and applications as the core of their business, need more security, and have sensitive data requirements.

**Public cloud**

A public cloud is where the services are stored off site and can be accessed over the internet. Storage is managed by an external organization such as AWS, Google, IBM and Microsoft. This service offers a greater level of flexibility in resource deployment and pricing. However, the client has less flexibility with the terms and conditions that are dictated by the cloud provider.
**Hybrid cloud**

A hybrid cloud model takes advantages from both public and private cloud services. Users gain the benefits of each model by spreading their options across different cloud types.

The definitions of these various cloud types are simplistic. In the real world, the decision to migrate to the cloud is complex and involves many steps. It starts with creating a digital strategy for the company, of which cloud is just one key component. The application portfolio needs to be analyzed to decide which applications are ready to be migrated to the cloud. This analysis should consider the benefits of migrating to cloud as well as the technical, regulatory, financial and security aspects of each application. The manner in which these decisions are made varies among customers depending on their stage of digital transformation.

Some organizations may not an interest or need to migrate to the cloud. Others that are far along the journey require less support. In this report, ISG attempts to identify common customer types (archetypes) and the services they are seeking. The report also identifies the service providers that are best suited for each of the archetypes.

This report is focused on public cloud services. Other cloud types will be addressed in follow-up reports.
Introduction

About This Research

This ISG Provider Lens™ report summarizes the relative capabilities of 26 public cloud service providers and their abilities to address the requirements of four typical, frequently encountered categories of enterprise buyers (archetypes). Each archetype represents a unique set of business and technological needs and challenges. ISG research found no shortage of providers with capabilities to satisfy the needs of public cloud services across most user archetypes. This is largely due to two core realities:

1. The characteristics of each archetype are moving targets. This is because while the core requirements rarely change, the relative importance of different requirements can vary based on business and/or technological environment changes.

2. Most enterprises, especially larger firms, tend to include multiple archetypes. As the requirements of each archetype evolve based on business and technological changes, the presence and value of each archetype are change within the enterprise. Therefore, enterprises have an ongoing series of choices when it comes to deciding on a contact center services provider. They will need to strike a balance between the optimal business value and the relative cost of the provider engagement, integration and management. Market changes, new business models, fluctuating economic factors and other variables will continually add to and subtract from user needs.

This report uses leverages ISG’s long-running work with enterprise clients and public cloud services providers to identify and examine key changes, approaches and buyers of public cloud services. It maps the user-side requirements to provider-side offerings and capabilities. Not every user enterprise has the same requirement. The report uses four buyer archetypes to identify and assess buy-side requirements for business value relative to provider-side offerings and capabilities. All revenue references are in U.S. dollars ($US) unless noted.

The assessment methodology has been developed and refined over several years of working with buyers to understand and articulate their services requirements and from working with services providers to understand how those buyer requirements influence the development of suitable solutions and go-to-market strategies.

This report assesses the capabilities of 26 service providers. Those that are typically included in our work are not included in this report because they were unable or declined to participate. They may be included in future versions of this report, based on merit and on the services the willingness of providers to provide current and relevant materials. Readers should not make any inferences based on a provider’s absence from this report.
How to Use This Report

This report is intended to provide advice founded on ISG's experienced-based, proprietary assessment of services providers' relative suitability to the needs of the typical Digital Business Solutions and Services customer. This advice is then applied across each of the four archetypes as profiled. No recommendation or endorsement is indicated, suggested or implied. Clients must make the decision to engage with any provider based not only on their specific, current workplace needs, but also on other factors such as cost, culture and timing.

This report is organized as follows:

**Client archetype description:** This section identifies and describes the most common user-side archetypes that we have identified in our ongoing research and analysis.

**Assessments by archetype:** These sections first detail each of the client archetypes, along with the types of service offerings that each typically requires to realize the most business value. Each archetype section includes our assessment of the relevant capabilities and positioning of the services providers surveyed and interviewed. It covers the relative suitability of the providers for each archetype based on the information they have provided to ISG. These assessments are developed using the data, analysis and comparative methodology described in the methodology section.

**Methodology:** In this section, we outline and explain how we developed and applied the data, analysis and insights provided in this report.

**Please note:** This report presents services providers' known capabilities in the context of user enterprises' typical project needs (which are categorized as specific archetypes). This report is not meant to rank providers or to assert that there is one top provider with capabilities that can meet the requirements of all clients that identify themselves as a particular archetype.
The client archetypes in this report (and ISG’s ongoing advisory and consulting engagements) represent the various types of clients identified and how they’re classified according to their relative outsourcing maturity and objectives. Each client archetype encapsulates the typical characteristics of a specific type of buyer that is looking to outsource one or more processes or functions. The use of archetypes helps to develop sets of characteristics and needs that can be applied uniformly and repeatedly across multiple environments, industries, provider types and other variables within one service line.

The archetypes are not meant to be comprehensive examinations of all potential or likely client situations and requirements. They are meant to provide a simple, relevant and repeatable set of user-side requirements against which a similarly simple, relevant set of provider capabilities can be assessed.

The archetypes in ISG reports are based on the current marketplace knowledge on the prevalent buy-side goals, resources, initiatives and requirements. Archetype characteristics are also developed (and refined over time) based on ISG’s advisory and consulting work with enterprise clients and IT service providers and on its global business IT market research and advisory programs.
PRAGMATIC ARCHETYPE

Most of these buyers are second or third-generation outsourcers that have matured in terms of people, processes and practices. They are looking to engage with multiple service providers in a managed services and professional mode. In these relationships, service providers are required to comply with service level agreements (SLAs) or business-level agreements (BLAs) and comply with agreed deadlines. In this model, the client no longer micro-manages operational aspects and enables their key set of providers to ensure proper monitoring and measurement of productivity. As these relationships mostly follow a fixed-fee pricing engagement, it is important for the client to have a very well-defined service scope.

TRADITIONAL ARCHETYPE

The traditional buyer hasn’t accepted the relevance of cloud for its computing needs. Their IT environment is mainly mainframe and legacy applications. They have not embraced cloud computing due to regulations, security issues or pure disdain for new technology. However, this archetype is open to learning more about cloud computing benefits and is seeking assistance to assess its computing environment and strategy formulation. These clients are generally risk averse and are mostly focused on cost savings through an FTE-based/staff augmentation model. ISG finds that such clients have low IT maturity, for example, inadequate skilled staff or bandwidth to meet the IT needs of their business partners and low outsourcing maturity.
TRANSFORMATIONAL ARCHETYPE
The transformational buyer takes a strategic view of the entire IT ecosystem. Plans are in place to transform the current IT setup to a cloud environment. However, transformative clients will not force fit legacy infrastructure and applications to the cloud if the strategic value is not realized. They are willing to take risks to realize the strategic value. Their goals are to have quicker, more closely integrated, and user-friendly applications, platforms, and systems in place. Unlike managed services buyers that look for improvements in processes and systems, a transformation-oriented client is seeking to change the environment itself. Such a massive change in the IT environment requires mature service providers that have evolved over a period of time.

NEXT-GEN ARCHETYPE
The next-gen buyer is an early adopter of cloud and follows a "cloud first" approach. The focus is on using "born-in-the-cloud" applications to leverage cloud-native capabilities that are used to develop applications in containers, deployed as microservices, and managed on elastic infrastructure through agile DevOps processes and continuous delivery workflows. Next-gen clients are not encumbered by the requirements of legacy operations. They consider IT as a change agent and an enabler of revenue and profit growth. These buyers are highly customer centric and are trying to create a competitive advantage by leveraging emerging technologies. They can either be mature outsourcers or digitally born companies with multi-channel customer touchpoints.
Public Cloud Solutions and Service Partners Archetypes
These clients have little exposure to cloud computing, and their IT operations predominantly consist of a large mainframe or AS400 environment that the client would like to maintain. The client sees no urgency to move to a cloud environment. These buyers seek considerable control over their IT ecosystem. Their outsourcing needs include filling certain gaps in skills through staff augmentation or by offloading part of the management of their non-mission critical IT assets, primarily from a cost-reduction perspective. They outsource small to midsize projects, such as non-critical application migration and lift and shift of workloads.

The interest of traditional clients in cloud computing is confined to learning and educating their staff to keep them from falling far behind. The most common trait of a traditional client is that its IT organization is usually siloed, disjointed from other business organizations and viewed mostly as a support function and cost center. These clients are not inclined to try newer technology if there are security implications.
Traditional Archetype - Client Objectives

- Minimal to no disruption of services — “do not rock the boat”
- Filling only certain skill gaps
- Substantial control of the environment
- Avoidance of security risk
- Mostly project-based work such as standardization and virtualization

Traditional Archetype - Influence of Provider Capabilities

- Increase in future influence
- Decrease in future influence
- Security expertise
- Lift and shift expertise
- Legacy support expertise
- Staff augmentation focus
- T&M pricing

Size based on relative current importance in the archetype profile
Of the 26 services providers included in ISG’s research, eight stood out and matched the traditional archetype based on the assessment of their capabilities as described in the methodology section in the appendix. These eight, referred to as archetype leaders, and their relevant capabilities are presented in the below Figure 2 and briefly examined in the following sections.

Note: The service providers listed are arranged in alphabetical order. No ranking is implied.

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<thead>
<tr>
<th>A1</th>
<th>Staff Augmentation Focus</th>
<th>Lift and Shift Focus</th>
<th>Security Expertise</th>
<th>T&amp;M Pricing</th>
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OTHER NOTEWORTHY PLAYERS – TRADITIONAL ARCHETYPE

Some other providers scored high in or more areas that are important for the traditional archetype client. However, they were not categorized as leaders for this archetype because they did not rate high in enough categories.

Noteworthy providers (services providers with a high score in one or more categories) for traditional archetype clients are:

**Fig 3** Other Noteworthy Players – Traditional Archetype

**Staff Augmentation Focus**
- CGI
- HCL
- Infosys
- Tech Mahindra
- Wipro

**Lift and Shift Focus**
- CenturyLink
- Cognizant
- Mindtree
- Wipro

**Security Expertise**
- Accenture
- Capgemini
- DXC
- IBM
- TCS

**T&M Pricing**
- Capgemini
- Infinite
- Infosys
- LTI

**Legacy Support Expertise**
- Atos
- Fujitsu
- IBM
- Mindtree
- TCS
The pragmatic client advocates a prudent use of cloud services where value can be realized. Value is determined by a combination of agility, flexibility and cost optimization. Pragmatic clients emphasize on realizing value (especially cost) in a short time frame. They are focused on improving their IT operations with an aim of attaining cost savings and improving efficiency.

The typical infrastructure of pragmatic clients consists of legacy and virtualized systems. These clients have been running their data centers for a long time and now want to leverage the public cloud. Cost and efficiency are the prime drivers and clients will consider tradeoffs between the two. Pragmatic clients are willing to entertain SaaS and PaaS wherever applicable. Usage-based chargeback is important to these clients because it can tie costs to the resources consumed.

Pragmatic clients are willing to seek beyond consulting for cloud strategy formulation, evaluation, migration and implementation if the costs can be justified. They are also willing to use outside resources to satisfy their technical skill gap because they do not have enough experience and resources for automation and DevOps-related technologies.
Pragmatic Archetype - Client Objectives

- Cost and efficiency as the prime drivers. Clients will consider tradeoffs between the two.
- Usage-based chargeback — desire to tie costs to the resources consumed.
- Prudent use of cloud services where value can be realized; want the ability to centrally manage infrastructure resources spread across legacy, private cloud, co-location and public cloud environments.

Fig 4
Pragmatic Archetype - Influence of Provider Capabilities

- Increase in future influence
- Decrease in future influence

Size based on relative current importance in the archetype profile.
Of the 26 services providers included in our research, 11 stand out and matched the pragmatic archetype based on the assessment of their capabilities as described in the methodology section in the appendix. These 11, referred to as archetype leaders, and their relevant capabilities are presented in Figure 5, and briefly examined in the following sections.

Note: The service providers listed are arranged in alphabetical order. No ranking is implied.
Mindtree is an IT outsourcing and managed services provider co-headquartered in Bangalore, India, and Warren, New Jersey. It has significant automation and workload assessment capabilities along with multiple tools to support migration and governance and manage processes. MWatch is its proprietary cloud management platform with strong integration capabilities and functionality of IT service management, monitoring, application performance management and log analytics providing integrated cloud operations and governance. It also facilitates easy accessibility and visibility of the entire IT landscape through a single pane of glass. It enables clients to automate the DevOps process and build a CI/CD pipeline backed by a platform called CAPE. More than 50 percent of Mindtree's managed services revenue comes from the fixed pricing model. Mindtree has a rich DevOps practice consisting of more than 200 trained professionals. Mindtree services and platform deliver integrated support for hybrid cloud environments with unified SLAs and services dashboards. It also has various automation and self-healing in-house tools such as D-Engine and Minimum Viable Cloud (MVC). More than 90 percent of Mindtree's existing managed services clients have renewed their contracts. The company manages the entire infrastructure for one of the largest IaaS providers, which showcases its expertise despite its relatively average size.
OTHER NOTEWORTHY PLAYERS – PRAGMATIC ARCHETYPE

Some other providers scored high in or more areas that are important for the pragmatic archetype client. However, they were not categorized as leaders for this archetype because they did not rate high in enough categories.

Noteworthy providers (those with a high score in one or more categories) for pragmatic archetype clients are:

**Fig 6  Other Noteworthy Players – Pragmatic Archetype**

- **Hybrid Cloud management platform**
  - Accenture
  - DXC
  - NIIT

- **Multi-Cloud Integration capabilities**
  - Capgemini
  - Cognizant
  - DXC
  - Mphasis
  - NIIT

- **Outsourcing Experience**
  - Capgemini
  - Cognizant
  - DXC
  - IBM
  - NTT
  - Unisys

- **Fixed Pricing**
  - Birlasoft
  - CenturyLink
  - Microland
  - NTT
  - Unisys
  - Zensar

- **DevOps practice**
  - Accenture
  - IBM
A transformative client is constantly reinventing and transforming itself to stay ahead of the curve, gain a leading edge and be more effective. Reinvention is not limited to a single business unit or a functional area. It extends to all aspects of the business. In that context, IT is a key element for transformation and is an enabler of change.

The transformative client has an exceptionally diverse mix of legacy systems and newer technologies that include cloud services. Senior executives do not consider IT as a cost center but rather as a growth enabler. In most cases, transformative clients consider enterprise IT as a siloed and disjointed function. However, there is a desire and readiness to transform and embrace digital and cloud disruption.

Transformative clients are mature in sourcing enterprise IT services. They often use a focused operating expenditure (OPEX) business model to avoid being held back by sunk technology costs for owned devices.

A transformative client has a skilled IT staff that is well versed in the latest technology, including cloud, DevOps, agile development, containers and tools such as Chef and Puppet. Most of the development staff has mid-to-high level certifications from hyperscale cloud providers. They have extensive experience and knowledge on public cloud services. If additional resources are needed, transformative clients are willing to acquire technical expertise and resources from outside organizations to complete projects.
Transformational Archetype - Client Objectives

- Consider IT not as a cost center but a growth enabler
- Use a long-term planning horizon to justify investments
- Considerably reduce investments in the run as of part of IT management activities and redirect the savings into the change part
- Treat the service provider as a partner and not an employee
- Automating routine tasks
Of the 26 services providers included in this research, 10 stand out and match the transformational archetype based on the assessment of their capabilities as described in the methodology section in the appendix. These 10, referred to as archetype leaders, and their relevant capabilities are presented in Figure 8 and briefly examined in the following sections.

Note: The service providers listed are arranged in alphabetical order. No ranking is implied.

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OTHER NOTEWORTHY PLAYERS – TRANSFORMATIONAL ARCHETYPE

Some other providers scored high in or more areas that are important for the transformational archetype client. However, they were not categorized as leaders for this archetype because they did not rate high in enough categories.

Noteworthy providers (services providers with a high score in one or more categories) for transformational archetype clients are:

- Fujitsu
- LTI
- Mindtree
- Mphasis
- Rackspace
- Tech Mahindra
- IBM
- Microland
- Mindtree
- Tech Mahindra
- Unisys
- Birlasoft
- LTI
- NIIT
- Rackspace
- Zensar
- Infinite
- Microland
- Mphasis
- NIIT
- Tech Mahindra
- Zensar
A next-gen client truly believes in a consumption-based and as-a-service model. These clients believe in using the as-a-service
model to achieve true differentiation and market leadership. For a next-gen client, adopting transformative cloud technology is
not driven only by cost savings, but by leveraging cloud tech for a competitive advantage.

Next-gen clients do not have a large backlog and significant dependency on historic legacy applications and data. They are open
to taking the cloud journey. They are not burdened with integrating newer (to be developed) applications with legacy systems.
They will have their enterprise IT operations deeply integrated with business functionalities. Transformation demands will come
from business units, and transformation impacts will be measured by business outcomes more often than by cost savings.

For these clients, the transformation is not just aimed at improving operational efficiency. Their goals may be related to enhanc-
ing employee productivity, achieving a competitive advantage or creating business differentiation.
Next-gen Archetype

**Client Objectives**

- Adoption of transformative cloud technologies for a competitive advantage
- Adopt a cloud-first approach
- Flexible service provider contractual arrangements that are linked to business outcomes
- Advanced use of automation and AI to promote self-service and optimize costs along with agility and flexibility

**Influence of Provider Capabilities**

- Increase in future influence
- Decrease in future influence

- Cloud native using container technology
- Outcome-based pricing
- Usage of next-gen tools
- AI/ML-led automation
- Future vision – R&D
- Strategic partnership with hyperscalers

Size based on relative current importance in the archetype profile
Of the 26 service providers included in our research, eight stood out and match the next-gen archetype based on an assessment of their capabilities as described in the methodology section in the appendix. These eight, referred to as archetype leaders, and their relevant capabilities are presented in Figure 11 and briefly examined in the following sections.

Note: The service providers listed are arranged in alphabetical order. No ranking is implied.

<table>
<thead>
<tr>
<th></th>
<th>Future Vision - RnD</th>
<th>Cloud native using container technology</th>
<th>Strategic Partnership with hyperscalers</th>
<th>Outcome Based Pricing</th>
<th>AI/ML Led automation</th>
<th>Usage of Next-Gen tools</th>
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<td>●</td>
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</tr>
</tbody>
</table>
OTHER NOTEWORTHY PLAYERS – NEXT-GEN ARCHETYPE

Some other providers scored high in or more areas that are important for the next-gen archetype client. However, they were not categorized as leaders for this archetype because they did not rate high in enough categories.

Noteworthy providers (services providers with a high score in one or more categories) for Next-Gen Archetype clients are:

<table>
<thead>
<tr>
<th>Future Vision</th>
<th>Cloud native using container technology</th>
<th>Strategic Partnership with hyperscalers</th>
<th>Outcome Based Pricing</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Atos</td>
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<td>Atos</td>
<td>LTI</td>
<td>Atos</td>
<td>Infosys</td>
</tr>
<tr>
<td>Mphasis</td>
<td>NTT</td>
<td>Infosys</td>
<td>NIIT</td>
<td>LTI</td>
<td>LTI</td>
</tr>
<tr>
<td>Rackspace</td>
<td>Rackspace</td>
<td>Mindtree</td>
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<td>Mindtree</td>
</tr>
<tr>
<td>Tech Mahindra</td>
<td></td>
<td>Rackspace</td>
<td></td>
<td>Tech Mahindra</td>
<td>Mphasis</td>
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<tr>
<td>Zensar</td>
<td></td>
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<td></td>
<td>Zensar</td>
<td>NIIT</td>
</tr>
</tbody>
</table>

Fig 12 Other Noteworthy Players – Next-Gen Archetype
### SERVICE PROVIDERS ACROSS ARCHETYPES

<table>
<thead>
<tr>
<th></th>
<th>Traditional Archetype</th>
<th>Pragmatic Archetype</th>
<th>Transformational Archetype</th>
<th>Next-Gen Archetype</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accenture</td>
<td>✓</td>
<td>✓✓</td>
<td>★</td>
<td>★★</td>
</tr>
<tr>
<td>Atos</td>
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<td>Capgemini</td>
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<td>CenturyLink</td>
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<tr>
<td>Fujitsu</td>
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<td>★</td>
<td>✓✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

- ★ = Leaders
- ✓ = Noteworthy Providers (number of check marks indicate the degree of alignment with the capability requirements of each client archetype)
- □ = Not In (the Service Provider wasn’t considered a leader in any of the capability requirements for this archetype)

**NOTE:** All Service Providers evaluated for this report have the abilities to service all four archetypes, only those with the best fit to the capability requirements were identified as Leaders or Noteworthy Providers.
<table>
<thead>
<tr>
<th>Service Providers Across Archetypes</th>
<th>Traditional Archetype</th>
<th>Pragmatic Archetype</th>
<th>Transformational Archetype</th>
<th>Next-Gen Archetype</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCL</td>
<td>✓</td>
<td>⬤</td>
<td>⬤</td>
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<td>✓</td>
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<tr>
<td>Infinite</td>
<td>✓</td>
<td>□</td>
<td>✓</td>
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</tr>
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<td>□</td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Rackspace</td>
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</tr>
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GUIDANCE

This report is focused on four diverse client archetypes for the public cloud, namely solutions and services. The archetypes are based on an enterprise’s journey that includes assessing existing IT workload, migration strategy, business and digital strategy alignment, building a vertical solution and increasing the global market share. Over the last couple of years, enterprises have clearly indicated their cloud consumption needs and the possibility of embarking on their digital transformation journey with the belief that the public cloud has become a more secure and mainstream digital business enabler.

The report also distinguishes the archetypes based on buyer objectives and constraints. For example, in the traditional archetype, the buyer hasn’t accepted the relevance of cloud for its computing needs. Their IT environment is mainly comprised of mainframes and legacy applications due to regulatory and security issues or pure disdain for new technology. However, these buyers are open to learn more about cloud computing benefits and are seeking assistance to assess the computing environment and strategy formulation. On the other hand, in the pragmatic archetype, most buyers are second- or third-generation outsourcers that have matured in terms of people, processes and practices. They are seeking to engage with multiple service providers in a managed and professional services mode. In these relationships, service providers are required to comply with SLAs and agreed deadlines. Transformational and pioneering archetypes have a different mindset based on years of outsourcing experience, expertise and relatively fewer budget constraints. They view service providers as strategic partners that can innovate and participate in gain share deals based on business outcomes.
Enterprise Leadership Actions

In today’s world, CIOs and CTOs face new challenges every day when it comes to running their IT operations. The demand for new cloud applications spur a corresponding complexity of service delivery models. IT departments prefer a hybrid model for applications that incorporate several options such as developing “born-in-the-cloud” applications, sunsetting legacy applications, renting new software in a SaaS delivery model, and modifying existing applications that can be hosted either on-premises or in the cloud. In the end, IT executives must ensure that each application meets the business needs and computing architecture policies of the company. Enterprises need to take following steps to implement a successful cloud strategy.

Enterprises should stop using the one-size-fits-all strategy. Moving to public cloud has its own benefits and overarches the cons. Applications on the public cloud are more scalable, agile and flexible, which will save time and costs for enterprises. It is particularly important for traditional buyers to change their mindset and start building a cloud strategy.

Enterprises should re-look their strategy on how to reuse legacy applications and must consider a cloud-native strategy while re-architecting or modifying an existing legacy application. Cloud native has been a tremendous game changer in developing “born-in-the-cloud” applications. Microservices such as containerization have been a boon as they are easier for developers and bring applications faster to the market.

Buyers that fit in the managed services archetype typically have too many manual tasks, which consumes a significant amount of time to manage day-to-day operations. Such enterprises should seek service providers with an integrated toolset that employs analytics and predictive intelligence concepts to preemptively detect and resolve incidents. Clients should evaluate the processes, metrics and KPIs that service providers use to assure cost savings or productivity improvements over the length of the contract. Each of these should be clearly defined and measurable. For transformation projects, enterprise clients should look for service providers that have proven technical proficiency and experience in providing end-to-end solutions.

While hosting application on-premises, there is a high possibility that it will be more expensive than public cloud infrastructure. Enterprises should seek the support of service providers that have expertise in crafting a cloud strategy to provide clients with migration plans and frameworks. They can also ask the service provider to manage their entire cloud infrastructure with strict SLAs.
Provider Leadership Actions

With the IT landscape changing rapidly, service providers should be updated and keep themselves on par with the newest and best of technologies available. Automation is a key area where service providers should maintain a strong focus. Due to the monotonous nature of managed public cloud services, there is a large scope for automation in this area. Service providers need to build tools and frameworks for automating these tasks with a real-time analytics story and identify ways of reducing their overheads. This, in turn, would help enterprises get their applications faster to the market.

As service providers will have similar public cloud capabilities, enterprises will find it difficult to distinguish them. In order to bring in the value differentiation and a competitive edge, providers need to build their public cloud certified engineer headcount as well as rack up domain and technology competency certifications from popular hyperscalers.

Service providers should continue to invest in building exclusive centers of excellence across verticals with popular hyperscalers. Enterprises need an agile ecosystem that can address their requirements in a short span of time. Therefore, it is important for providers to focus on creating an ecosystem that would help proactively address the challenges faced by enterprises. This strategic joint investment between hyperscalers and service providers across regions develops strong trust among enterprises.

It is also crucial that the hyperscalers educate their customers on the new additions or changes that are needed in their IT organizational structure, governance, budgeting and other processes for a successful implementation of a cloud environment. Service providers need to emphasize to clients that cloud is not just a technical IT solution and that its effects are multi-dimensional, affecting all facets of the organization. This will help the enterprises better understand and define where they want to head in the cloud journey.
Methodology
As previously noted, this report uses four archetypical sets of buy-side client requirements to assess the relative suitability of public cloud solutions and services providers. Data regarding the providers’ capabilities and positioning was provided to ISG via briefings, ISG advisor interviews and surveys of service providers, including client references if appropriate.

Public cloud solutions and services providers (SPs) shared their data across different public cloud solutions and service dimensions through the research initiatives noted above. These dimensions cover their technological competency, preferred engagement models, scope of work performed, service capability, functional expertise, and industry and regional presence.

Report Methodology

1. Categorize and assess provider data
2. Weight importance of capability requirement
3. Determine provider position in quartile
4. Create cumulative score
5. Categorize providers in archetypes
Methodology Details

1. The data provided by the services providers were categorized and assessed according to the requirements of public cloud solutions and services that are described for each of the four client archetypes. In cases where provider descriptions and data were not worded as precisely as our archetype requirements, ISG analysts for public cloud solutions and services relied on their expertise and experience to classify provider capabilities.

2. Each archetype capability requirement was weighted based on its relative importance to that archetype’s typical requirements. Weightings for each archetype’s requirements add up to a total of 100 percent. Specific weightings are not disclosed in this report. The relative importance of each capability requirement is depicted in illustrations at the beginning of each archetype section using differently sized “hexagon” icons.

3. Once the relative ability of each services provider was assessed for each of the archetype requirements, the provider was then positioned in a relevant quartile (for example, top 25 percent, second 25 percent and so on). The top quartile was awarded a numerical “capability score” of 4/4; the second quartile earned a score of 3/4, the third quartile earned a score of 2/4, and the fourth quartile earned a score of 1/4. Those with no capabilities to meet the archetype requirements were not included in the assessment.

4. Provider capability scores from Step 3 were then multiplied by the weightings developed for each client archetype requirement in Step 2. The results for each provider were then totaled to develop a cumulative score for each service provider. These cumulative scores are not disclosed in this report.

5. The cumulative scores were then used to identify the service providers that are most suited to each archetype’s requirements. These providers are listed alphabetically and briefly profiled in each archetype section. Wherever relevant, additional services providers with noteworthy capabilities are also mentioned (for example, providers that may have scored well on a specific requirement but not across all the requirements for that archetype).

Please note: This report simply presents services providers’ known capabilities in the context of user enterprises’ typical project needs. This report is not meant to rank providers or to assert that there is one top provider with abilities that meet the requirements of all clients that identify themselves with a particular archetype.
### Provider Capability Scores as Harvey Balls

<table>
<thead>
<tr>
<th>Score</th>
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</thead>
<tbody>
<tr>
<td>Score 4 out of 4</td>
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</tr>
<tr>
<td>Score 3 out of 4</td>
<td>🎈</td>
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<tr>
<td>Score 2 out of 4</td>
<td>🎂</td>
</tr>
<tr>
<td>Score 1 out of 4</td>
<td>🎁</td>
</tr>
</tbody>
</table>

The cumulative score for each of the selected services providers against each archetype requirement is represented using Harvey Balls. For example: if a provider is assessed with a score of 4 out of 4, then a full Harvey Ball is used to represent their capability against that requirement. Similarly, if a provider is assessed a score of 1 out of 4, then a one-quarter Harvey Ball is used, as shown in below.
Shashank Rajmane, Author
Senior Analyst
Shashank Rajmane is the Lead Analyst for Public Cloud Transformation and Data Center Outsourcing studies and has a total experience of 10 years in the technology research industry. Shashank is responsible for authoring quadrant reports around public and private cloud services and data center outsourcing market.

He has authored articles around the best practices in the cloud services domain and infrastructure services. Along with this Shashank helps ISG's enterprise clients with their cloud strategy, service provider selection, contracts negotiation, etc. He also works with advisors and clients' requests for ad-hoc research assignments in the cloud domain, across industries, predominantly in Automotive, BFSI, Retail CPG and Energy sectors.

Jan Erik Aase, Editor
Director
Jan Erik Aase is a director and principal analyst for ISG. He has more than 35 years of collective experience as an enterprise client, a services provider, an ISG advisor and analyst. Jan Erik has overall accountability for the ISG Provider Lens™ reports, including both the buyer-centric archetype reports and the worldwide quadrant reports focused on provider strengths and portfolio attractiveness. He sets the research agenda and ensures the quality and consistency of the Provider Lens™ team.