

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

Managed Services for Large Accounts

A research report comparing provider strengths,
challenges, and competitive differentiators

Customized report courtesy of:



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High demand for IT or cloud services in Germany

The infrastructure outsourcing market continues to grow, but unit prices are falling significantly. Providers are trying to use service automation to compensate for this price reduction, along with higher employee turnover and rising employee costs. In addition, cyber threats and the complexity of cloud landscapes are increasing.

The IT and business services market in Europe is growing steadily. The strong performance of the managed services segment continued in the first quarter of 2022. During this period, the overall market, which includes aaS and managed services segments,

grew by 24 percent year on year. ISG attributes this growth to an increase in IT and business process outsourcing. In addition, there were strong results in the U.K., France, Germany, Austria and Switzerland. In the IT outsourcing domain, the main contributors were ADM services or application development and maintenance, along with infrastructure services.

The rising demand for cloud services is driven by the growing use of digitalization, combined with the need for resilience and increased agility in modern enterprises. To improve agility, enterprises are using cloud technologies in data centers and hosting and colocation facilities to enable the rapid deployment of new services in the most suitable infrastructure. The demand for service support has increased, as the handling of such architectures and technologies is complex and, in most cases, cannot be managed by in-house

Rise in digitalization drives managed services and hosting markets



staff. Enterprises are investing less in their own hardware and relying on the flexibility and scalability of cloud providers to reduce their capital expenditures. Most service providers offer both managed services and managed hosting. Hence, offerings overlap easily. Therefore, it is important for clients to choose the right provider that can offer comprehensive support in planning, implementation and operation.

Managed hosting providers that own and operate their own data centers are increasingly relying on colocation services. As a result, the need for additional colocation data centers is increasing. Clients include integrators, companies that are downsizing or closing their data centers and public cloud providers, some of which are no longer building their own data centers but use the space and services provided by colocation providers. More than 1,000

service providers or hosting providers in Germany, Austria and Switzerland look to win almost 100 million residents and more than five million midsize companies and corporations as their clients. Cloud-native applications are designed to use APIs and microservices to share data quickly. Legacy applications that reside outside the cloud infrastructure should not slow down these data transfers, for which they require low-latency networks. Hosting and colocation providers offer better networks than the ones configured on-premises by customers. Low-latency networks are essential for high-quality services over long distances.

The number of enterprises that require a maximum latency of 35 milliseconds or even less is growing and will continue to grow in the future due to ongoing digitalization projects.

Managed Services

Managing hybrid infrastructure requires tools for integrated infrastructure operations. In most cases, VMware and ServiceNow products serve as the foundation for service providers to run machine learning for automation development. Advanced service platforms automate incident analysis to suggest possible root causes, provide more contextual information to support teams and/or automate incident resolution, reducing the mean time to detection (MTTD) and mean time to repair (MTTR). Service providers will continue to automate operations to improve service levels and reduce costs. Midsize enterprises want to simplify infrastructure management and reduce their operational risk. On the other hand, large enterprises want to reduce service disruptions to improve their quality of service. Leading

service providers offer robust automation to improve quality and simplify management.

Managed services have evolved to support multicloud and multiplatform landscapes, regardless of private, public or hybrid cloud. In some cases, mainframe services are also integrated. As a result, infrastructure management has become complex. Managed service providers can help clients address these management issues, as they have well-trained experts with appropriate service, product-specific and partnership certifications. Relevant providers maintain partnerships with several hyperscalers, such as AWS and Microsoft Azure. Providers have enhanced their machine learning models to offer customers usage analytics and insights and optimize infrastructure through consolidation and right sizing.



Large enterprises use the services of multiple public cloud providers, as they offer different functions. If one cloud goes down, the other can be used as a backup. Multicloud services are becoming more refined and are mainly distinguished by automation and intelligence to improve management quality, speed up production and improve security, while ensuring proactive management and self-healing in case of any failure.

Customers expect customized infrastructure services.

The challenge for service providers is to offer industry-specific technology stacks.

Leading providers for large enterprises in Germany are Accenture, Arvato Systems, Atos, Capgemini, Computacenter, DXC Technology, Fujitsu, IBM, Infosys and T-Systems.

Leading providers for SMEs in Germany are All for One Group, Axians, CANCOM, Claranet, DATAGROUP, Deutsche Telekom (TDG), Materna, PlusServer and q.beyond.

Managed Hosting

The study found more competitors in the managed hosting market in 2021. This market, once threatened by the emergence of public cloud hyperscalers, is now being reinvigorated with new technologies. Hosting providers offer automated, self-service platforms that mimic the public cloud services portfolio. Hosting platforms are integrated with cloud providers through hyper connectivity. High-end infrastructure technology makes hosting attractive for running stable applications that would not benefit from cloud services such as auto scaling. Many hosting providers offer bare metal servers on a pay-per-use basis to address customer requirements.

The asset-heavy nature of the business is leading to a widening gap between the large, established providers and new and smaller providers. It has been long since providers shifted their focus to cloud. The study focuses on private cloud hosting resources and their integration into hybrid operating models. Providers have developed their offerings and provide hybrid cloud services that can be combined as necessary and are operated on a single platform.

Many companies find it difficult to integrate legacy applications into public cloud infrastructure, and they prefer to run them on colocation data centers or migrate them to managed hosting services. Providers can manage colocation, hosting and cloud from a single AIOps platform and offer customers a cloud-like experience on any infrastructure.

Most providers have partnerships with at least one of the major public cloud providers, such as Microsoft. Depending on the size and configuration of the provider and customer requirements, there are additional public cloud partnerships with AWS, Google, IBM, Oracle or Alibaba. Providers' service experts are certified accordingly and take a comprehensive approach to operations across all cloud environments. Customers are supported when migrating to the cloud, in some cases, all the way from transformation to commissioning. In addition to housing services, some colocation providers have expanded their range of managed cloud hosting services.

With the trend toward managed services, some hosting companies give up all or part of their own data centers for various reasons, such as a lack of space for computing resources or an aging technical infrastructure that is currently difficult



to upgrade without further investment in areas such as IoT and edge. In addition, adherence to compliance policies often become challenging, and some hosting companies prefer to rent dedicated space or cages in the highly secure and certified buildings of colocation providers. This offers a huge advantage to providers because colocation operators are highly specialized in data center infrastructure. Their core business is to take care of technical components, network and server hardware, physical building security, general data center standardization, carrier and public cloud connectivity, energy consumption, and CO2 levels. The disadvantage of this development is that the remaining service portfolio is significantly reduced, and only efficient providers survive.

Cloud operations are mainly supported with products from VMware, Nutanix, Red Hat or Microsoft. Providers develop

their offerings, increasing operational automation and acceleration with AI support and simplifying workloads with container management solutions such as Kubernetes. This makes management more secure and prevents business interruptions. The data is processed and stored on geo-redundant data centers for security reasons.

Leading providers for large enterprises in Germany are Atos, Arvato Systems, Fujitsu, IBM, Rackspace and T-Systems.

Leading providers for SMEs in Germany are Axians, CANCOM, Claranet, DATAGROUP, Deutsche Telekom (TDG), NTT DATA, PlusServer and q.beyond.

Colocation Services

Cloud computing accounts for one-third of the data center capacity in Germany. Several studies predict that cloud data centers will become the majority by

2025. This drives the expansion of digital networks and the rapid advancement of digitalization in Germany, which is clearly visible in the year-on-year comparison of the data throughput of the DE-CIX node in Frankfurt, one of the largest in the world. With around 1,100 connected customers, the throughput increased from 9.1 Tbit/s in 2020 to 10 Tbit/s in 2021, an increase of 1 Tbit/s for the second year in a row. Similar increases were also recorded in network nodes in Hamburg and Munich. DE-CIX handled a total of 38 exabytes worldwide. Topics such as integration and security have been successfully mastered and have reached a new standard. Last year's developments were, therefore, aimed at increasing usability to enable the easier handling of booked services.

Increasing demand, combined with a persistent shortage of resources, has led to new economic awareness regarding the construction of data centers in

recent years. In 2020, the average Power User Effectiveness (PUE) value was 1.63, but the average PUE value of each new data center is falling to 1.3 and below currently. In contrast, the number of installed workloads per kilowatt hour of electricity has increased fivefold since 2010. Data centers in Germany have a huge energy requirement and consume about three percent of country's electricity requirement. To achieve energy efficiency, modern cooling and passive concepts were created; technical innovations are not limited to the temperature. Within the racks, the focus is on optimal hardware interoperability, which increases the power density in the available space. The risk of fire has been significantly reduced, and existing hardware is used optimally and for a longer time.

Investments in data centers below 40 KW are no longer profitable, and the era of large data centers with more than 5



Executive Summary

MW has begun. There are currently about 90 of them in Germany, and they supply half of the capacity available in Germany. The urgent need for more capacity has given data center providers a financial advantage in terms of sustainability and should serve as an incentive to invest in the same. The German Federal Republic should not only supply reliable electricity but also make its sustainability policy lucrative. Advancing digitalization should be taken into account in the approval procedures because data center operators are still concerned about the complex procedures. Thus, the market in Germany is limiting innovations for more sustainability, although the issue was already addressed by the eco competence group in 2018.

Leading providers for large enterprises in Germany are CyrusOne, Datacenter One, Equinix, Interxion, ITENOS, maincubes,

noris network, NTT GDC and Telehouse. Atlas Edge is the Rising Star.

Leading providers for SMEs in Germany are KAMP, myLoc, PFALZKOM, PlusServer, STACKIT and TelemaxX. akquinet is the Rising Star.



Provider Positioning

Page 1 of 10

| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|-------------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| *um (Orange) | Contender | Not In | Product Challenger | Not In | Not In | Product Challenger |
| 23 Media | Not In | Not In | Not In | Not In | Not In | Contender |
| 3 U | Not In | Not In | Not In | Not In | Not In | Contender |
| Abilis IT | Not In | Contender | Not In | Not In | Not In | Not In |
| Accenture | Leader | Not In | Not In | Not In | Not In | Not In |
| ACP | Not In | Contender | Not In | Not In | Not In | Not In |
| Adacor | Not In | Not In | Not In | Product Challenger | Not In | Not In |
| Advanced Unibyte | Not In | Contender | Not In | Not In | Not In | Not In |
| akquinet | Not In | Not In | Not In | Not In | Not In | Rising Star ★ |
| All for One Group | Not In | Leader | Not In | Not In | Not In | Not In |




Provider Positioning

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| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|-------------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| Anexia | Not In | Not In | Contender | Not In | Not In | Not In |
| Arvato Systems | Leader | Not In | Leader | Not In | Not In | Not In |
| AtlasEdge | Not In | Not In | Not In | Not In | Rising Star ★ | Not In |
| Atos | Leader | Not In | Leader | Not In | Not In | Not In |
| Axians | Not In | Leader | Not In | Leader | Not In | Not In |
| Baden - Cloud | Not In | Not In | Not In | Not In | Not In | Contender |
| Bechtle | Not In | Market Challenger | Not In | Market Challenger | Not In | Not In |
| BT | Not In | Not In | Product Challenger | Not In | Not In | Not In |
| BT es Global Unit | Contender | Not In | Not In | Not In | Product Challenger | Not In |
| BTC | Not In | Not In | Contender | Not In | Not In | Not In |



 Provider Positioning

| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|---------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| CANCOM | Not In | Leader | Not In | Leader | Not In | Not In |
| Capgemini | Leader | Not In | Not In | Not In | Not In | Not In |
| Cegeka | Contender | Not In | Not In | Not In | Not In | Not In |
| Cema | Not In | Contender | Not In | Not In | Not In | Not In |
| Centron | Not In | Contender | Not In | Contender | Not In | Contender |
| CGI | Market Challenger | Not In | Market Challenger | Not In | Not In | Not In |
| Claranet | Not In | Leader | Not In | Leader | Not In | Not In |
| Cognizant | Product Challenger | Not In | Not In | Not In | Not In | Not In |
| Colocation IX | Not In | Not In | Not In | Not In | Not In | Contender |
| Colt DCS | Not In | Not In | Not In | Not In | Product Challenger | Not In |



Provider Positioning

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| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|------------------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| Computacenter | Leader | Not In | Not In | Not In | Not In | Not In |
| Conet | Not In | Contender | Not In | Not In | Not In | Not In |
| Controlware | Not In | Product Challenger | Not In | Not In | Not In | Not In |
| CyrusOne | Not In | Not In | Not In | Not In | Leader | Not In |
| Cyxtera | Not In | Not In | Not In | Not In | Not In | Product Challenger |
| DARZ | Not In | Not In | Not In | Product Challenger | Not In | Product Challenger |
| Datacenter Leipzig | Not In | Not In | Not In | Not In | Not In | Product Challenger |
| Datacenter One | Not In | Not In | Not In | Not In | Leader | Not In |
| DATAGROUP | Not In | Leader | Not In | Leader | Not In | Not In |
| Deutsche Telekom (TDG) | Not In | Leader | Not In | Leader | Not In | Not In |



Provider Positioning

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| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|------------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| Devoteam Alegri | Contender | Not In | Not In | Not In | Not In | Not In |
| dokom21 | Not In | Not In | Not In | Not In | Not In | Contender |
| Dunkel | Not In | Not In | Not In | Contender | Not In | Not In |
| DXC | Leader | Not In | Market Challenger | Not In | Not In | Not In |
| Ecotel | Not In | Not In | Not In | Not In | Not In | Contender |
| EMC Home of Data | Not In | Not In | Not In | Not In | Not In | Product Challenger |
| Ensono | Contender | Not In | Product Challenger | Not In | Not In | Not In |
| Equinix | Not In | Not In | Not In | Not In | Leader | Not In |
| Firstcolo | Not In | Not In | Not In | Not In | Not In | Contender |
| Fujitsu | Market Challenger | Not In | Leader | Not In | Not In | Not In |



Provider Positioning

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| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|----------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| Global Switch | Not In | Not In | Not In | Not In | Product Challenger | Not In |
| Grass-Merkur | Not In | Not In | Not In | Contender | Not In | Product Challenger |
| gridscale | Not In | Not In | Not In | Contender | Not In | Not In |
| gtt | Not In | Not In | Contender | Not In | Not In | Contender |
| HCL | Product Challenger | Not In | Not In | Not In | Not In | Not In |
| Hetzner Online | Not In | Not In | Not In | Market Challenger | Market Challenger | Not In |
| Hexaware | Contender | Not In | Not In | Not In | Not In | Not In |
| Hostserver | Not In | Not In | Not In | Contender | Not In | Not In |
| Hostway | Not In | Not In | Not In | Not In | Not In | Market Challenger |
| Infosys | Leader | Not In | Not In | Not In | Not In | Not In |



Provider Positioning

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| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|----------------------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| Interxion (Digital Realty) | Not In | Not In | Not In | Not In | Leader | Not In |
| Iron Mountain | Not In | Not In | Not In | Not In | Contender | Not In |
| ITENOS | Not In | Not In | Not In | Not In | Leader | Not In |
| KAMP | Not In | Not In | Not In | Not In | Not In | Leader |
| Kyndryl | Leader | Not In | Leader | Not In | Not In | Not In |
| Logicalis | Not In | Contender | Not In | Not In | Not In | Not In |
| Lumen | Not In | Not In | Product Challenger | Not In | Product Challenger | Not In |
| maincubes | Not In | Not In | Not In | Not In | Leader | Not In |
| Materna | Not In | Leader | Contender | Not In | Not In | Not In |
| Mivitec (WIIT) | Not In | Not In | Not In | Not In | Not In | Contender |



Provider Positioning

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| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|----------------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| msg systems | Not In | Product Challenger | Not In | Not In | Not In | Not In |
| myLoc (WIIT) | Not In | Not In | Not In | Contender | Not In | Leader |
| Netfox | Not In | Not In | Not In | Contender | Not In | Not In |
| noris network | Not In | Not In | Not In | Not In | Leader | Not In |
| NorthC | Not In | Not In | Not In | Not In | Contender | Not In |
| NTT DATA | Product Challenger | Not In | Not In | Leader | Not In | Not In |
| NTT GDC | Not In | Not In | Not In | Not In | Leader | Not In |
| Operational Services | Not In | Not In | Contender | Not In | Not In | Not In |
| Pfalzkom | Not In | Not In | Not In | Not In | Not In | Leader |
| PlusServer | Not In | Leader | Not In | Leader | Not In | Leader |




Provider Positioning

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| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|----------------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| Profi | Not In | Contender | Not In | Not In | Not In | Not In |
| q.beyond | Not In | Leader | Not In | Leader | Not In | Not In |
| Rackspace Technology | Product Challenger | Not In | Leader | Not In | Not In | Not In |
| ratiokontakt | Not In | Not In | Not In | Product Challenger | Not In | Contender |
| release42 (WIIT) | Not In | Product Challenger | Not In | Contender | Not In | Not In |
| ScaleUp Technologies | Not In | Not In | Not In | Contender | Product Challenger | Not In |
| Sievers | Not In | Contender | Not In | Not In | Not In | Not In |
| Sopra Steria | Product Challenger | Not In | Product Challenger | Not In | Not In | Not In |
| STACKIT | Not In | Not In | Not In | Not In | Not In | Leader |
| Syntax Systems | Not In | Product Challenger | Not In | Market Challenger | Not In | Not In |



 Provider Positioning

| | Managed Services for Large Accounts | Managed Services for Midmarket | Managed Hosting for Large Accounts | Managed Hosting for Midmarket | Colocation Services for Large Accounts | Colocation Services for Midmarket |
|----------------------|-------------------------------------|--------------------------------|------------------------------------|-------------------------------|--|-----------------------------------|
| TCS | Product Challenger | Not In | Product Challenger | Not In | Not In | Not In |
| Tech Mahindra | Product Challenger | Not In | Not In | Not In | Not In | Not In |
| Telehouse | Not In | Not In | Not In | Not In | Leader | Not In |
| TelemaxX | Not In | Not In | Not In | Contender | Not In | Leader |
| Trivadis (Accenture) | Product Challenger | Not In | Not In | Not In | Not In | Not In |
| T-Systems | Leader | Not In | Leader | Not In | Product Challenger | Not In |
| Unisys | Product Challenger | Not In | Product Challenger | Not In | Not In | Not In |
| Vantage Datacentres | Not In | Not In | Not In | Not In | Product Challenger | Not In |
| Vodafone | Contender | Not In | Contender | Not In | Not In | Not In |
| Wipro | Product Challenger | Not In | Not In | Not In | Not In | Not In |



This study focuses on what ISG perceives as most critical in 2022 for Private/Hybrid Cloud Data Center Solutions & Services

Simplified Illustration Source: ISG 2022



Definition

Data center outsourcing is the process of outsourcing managing responsibility for the entire data center facilities to a third-party provider. This includes orchestration, integrated monitoring and management of compute, storage, database, middleware and other infrastructure resources. The data center may be owned by the enterprise, service provider, or colocation provider. Integrated monitoring and management services are typically delivered from the provider's site via an offshore, onshore or nearshore shared service center or dedicated delivery center model. They are classified as remote infrastructure management or RIM services.

A private cloud is an extension of an organization's existing computing environment, using investments already made in virtual infrastructure and

applications. Companies with strict security and governance requirements that need to process large volumes of data while ensuring tight integration of business applications and workflows, may prefer on premises or private cloud, with hardware hosted on site at the customer's premises. IT service providers can build private clouds using scalable virtual computing, networking, and storage resources running in their data centers or over shared infrastructure, but in an adequately configured and isolated environment.

A hybrid cloud combines the best of on-premises infrastructure with private and public cloud services. It combines existing on premises infrastructure services with a private or public cloud, or both. The goal is to combine services and data from different cloud models and set up a unified, automated and well managed computing environment. One of



the fundamental benefits of hybrid cloud deployment is the high level of control offered to the enterprise. Hybrid clouds allow enterprises to use the capabilities of public cloud platform providers without having to outsource all of their data to a third-party data center. As a result, they benefit from greater flexibility while still being able to operate key components within their own firewall.

Scope of the Report

In this ISG Provider Lens™ quadrant study, the following three quadrants are presented:

- Managed Services for Large Accounts
- Managed Services for Midmarket
- Managed Hosting for Large Accounts
- Managed Hosting for Midmarket

- Colocation Services for Large Accounts
- Colocation Services for Midmarket

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

- A differentiated provider positioning based on competitive strengths and portfolio attractiveness
- Focus on different markets, including the U.S., U.S. Public Sector, Germany, Switzerland, the U.K., the Nordic countries, Brazil, Australia, the Benelux countries, France, Malaysia and Singapore

ISG studies provide an essential decision-making basis for positioning, partnership and go to market considerations.

ISG Advisors and corporate customers also use information from these reports to evaluate their current and potential new supplier relationships.

Provider Classifications

Provider positioning reflects the suitability of the respective IT providers for a defined market segment or quadrant. Unless otherwise stated, the positioning applies to all company sizes and industries. If the IT service requirements of large enterprises and SMEs differ and the range of IT providers operating in the local market is large enough, IT providers will be further differentiated by service according to the target group for products and services. Either industry requirements or the number of employees as well as the corporate structures of the customers are taken into account and the IT providers are placed based on their focus. As a result, a distinction is made between two customer groups, which are defined as follows:

Midmarket: Companies with 100 to 4,999 employees or sales between U.S.\$20 million and U.S.\$999 million, headquartered in the respective country, mostly privately held.

Large Accounts: Multinational companies with more than 5,000 employees or more than U.S.\$ 1 billion in revenue, with worldwide operations and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created based on a scoring matrix and contain four fields of provider classifications: Leader, product and market challenger and contender. Each quadrant of an ISG Provider Lens™ study may also include a provider that ISG believes has great potential to achieve a leader position. Those providers may be classified as rising stars.



Number of providers per quadrant:

ISG evaluates and places key providers according to the scope of consideration for each study; the number of providers per quadrant is limited to 25, but exceptions may apply.





Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios 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 in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: 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 meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.





Managed Services for Large Accounts

Who Should Read This

This report is relevant to large enterprises across all industries in Germany for evaluating hybrid cloud managed service providers.

This quadrant highlights the current market positioning of managed service providers in Germany and how they address the key challenges faced by enterprises in the region.

To make optimum use of resources for data center infrastructure management, appropriate services are needed. Managed service providers offers advanced data-based workload assessment, transformation roadmaps and advisory on workload migration. They also help enterprises re-architecture legacy applications, integrate automation capabilities, adhere to the latest security requirements and optimize cloud governance.

With the shift in use of private cloud environments, hybrid cloud service providers face challenges in focusing on interoperability in the public cloud and meet security requirements for private cloud solutions concerning core applications and sensitive data, which includes setting up integration architecture that involves IoT, AI, autonomous IT and Industry 4.0 applications. The data center architecture reflects the presence of interoperative hardware and an underlying efficient setup, where there is synergy between technical requirement and user experience.

In Germany, 2021 was the year where hastily executed approaches were discarded in favor of holistic and sustainable futuristic solutions. Enterprise level clients are looking for scalability and interoperability of all systems, while simultaneously reducing expenses.



IT and infrastructure leaders should read this report to better understand the relative strengths and weaknesses, along with the modernization and service capabilities, of managed service providers, and how the advancements in the market impact enterprises' hybrid cloud strategies.



Software development and technology leaders should read this report to understand providers' positioning, their offerings and their impact on the ongoing infrastructure transformation initiatives, along with the availability and scalability of developed applications, tools, etc., within an enterprise.

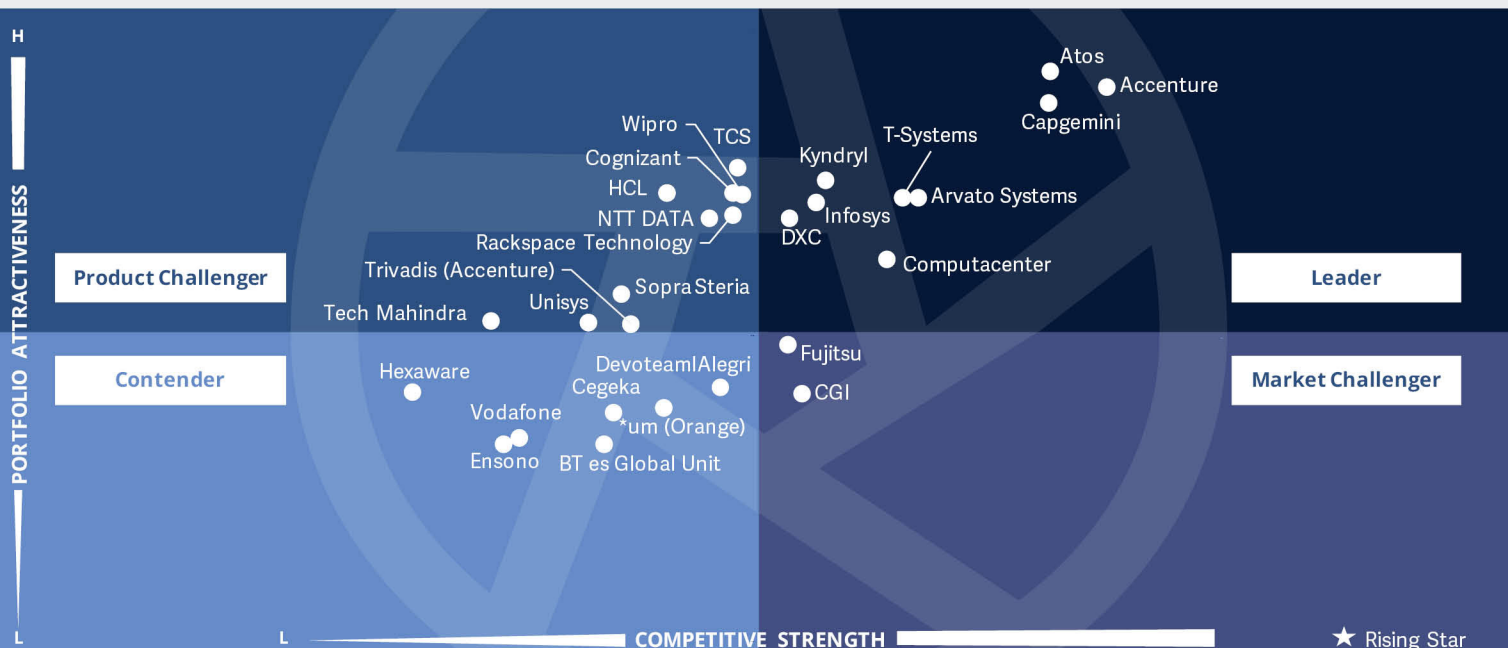


Sourcing, procurement and vendor management professionals should read this report to better understand the current landscape and partner ecosystem of managed service providers in Germany.



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

Germany 2022



This quadrant evaluates providers that offer **managed services** for **large enterprise** customers. Service offerings range from building **flexible workflows** to **professional, end-to-end** responsibility.

Ulrich Meister, Wolfgang Heinhaus



Managed Services for Large Accounts

Definition

This quadrant evaluates providers' ability to provide ongoing management services for private and hybrid clouds, including traditional data center infrastructures and platforms that include physical and virtual servers, middleware, storage, databases and networking components. The IT infrastructure is located in the customer's or service provider's data center or provided by a third party as a colocation service.

The participating providers usually take over the transition services and accompany the customers in optimizing their existing IT landscape as part of this changeover. Typical projects include the consolidation of large data centers, virtualization, cloud enablement, and the configuration or implementation of a software defined data center or

SDDC. Transition services also include the expansion of existing facilities, the relocation of new workloads or the creation of new private clouds. Managed services are characterized by the transfer of responsibility to a service provider and are governed by service level agreements or SLAs and penalties in case of non-compliance. On a broad scale, these services include deployment, real time and predictive analytics, monitoring and operational management of customers' on-premises, private and hybrid cloud environments. The goal is to maximize workload performance in the cloud, reduce costs, and ensure compliance and security. The participant should be able to manage both traditional and cloud native application releases that include continuous integration and delivery processes.

Eligibility Criteria

1. Provide in house services for private and hybrid clouds, and data center infrastructure, such as servers, middleware, storage and databases, without relying on partners
2. Provide services on the customer's premises or remotely and, if possible, as part of a shared service center
3. Established or emerging basic or standard relation with one of the major hyperscalers, such as AWS, Microsoft, Google, or IBM
4. Experience with large transition projects, including automation, consolidation, virtualization and cloud enablement
5. Ability to act as an extended arm of the customer company and participate in the design of blueprints, architecture frameworks and management flowcharts at the customer site
6. Provide centralized orchestration or management of hybrid IT infrastructure
7. Experience with business continuity planning, specifically remote management of a client's hybrid infrastructure
8. Relevant certifications to ensure compliance locally



Observations

The demand for managed cloud service offerings is growing continuously. The COVID-19 pandemic has accelerated this growth further. Hybrid clouds and multiclouds have become the standard delivery model for modern infrastructures that require new technologies to ensure efficient and smooth operations.

The main factor driving the use of managed services is the exponential growth in the complexity of technologies and business requirements for digitalization. There is also a need to control transformation costs through increased automation using intelligent operational processes and tools.

In addition to the increasing use of multiple public cloud services (currently an average of three providers), it is important to strengthen public cloud partnerships, without building any further

silos. Therefore, existing core systems must be brought together with public cloud services.

There is an increase in the pressure to leverage third-party outsourcers, especially for large and globally active customers, due to the shortage of skilled workers for necessary scaling, to bring in new business ideas and to address economic challenges. Hence, enterprises seek managed service providers that can act as supporting partners to build flexible workflows and provide the necessary scaling and professional end-to-end accountability.

Clients demand more industry-specific services, and managed service providers are striving to offer the same. However, they have not been able to completely address this requirement.

With the increased demand for transparency, customers are gaining control. Providers are able to identify every aspect of the system status and resource utilization to meet the expected demand and optimize the consumption of resources.

Of the 100 service providers assessed for this study, 28 have qualified for this quadrant, with nine being Leaders.

accenture

Accenture continues to consolidate its position as a market leader with an attractive and compelling portfolio and a large client base. Customers benefit greatly from the Accenture Cloud Platform (ACP) and its ability to manage any solution in the aaS model.

Arvato Systems

Arvato Systems continues to strengthen its market offerings and position in the external market, scaling its diverse portfolio for the retail, healthcare, utilities and media industries, which primarily benefit from its application expertise.

Atos

Atos is optimizing its portfolio and can offer its edge, analytics, security and cloud orchestration competencies as an overall profitable solution to its customers. It can also scale these solutions at the same time.

Capgemini

Capgemini has a strong position with an exceptional understanding of security and cost, which are addressed with a complete, innovative and cloud-agnostic portfolio.



Managed Services for Large Accounts

Computacenter

Computacenter secures its position as a leading provider, with excellent operational and strategic performance, along with its data center modernization and transformation skills, scope and high level of security.

DXC Technology

DXC Technology must strengthen its position by offering its customers first-class platform management and innovative contracts.

Infosys

Infosys is growing faster than the market and can effectively bring more key disciplines into managed cloud business and combine them with a profound consulting approach.

Kyndryl

Kyndryl is a successful integrator that offers strategy, migration, development and management from a single source and has many USPs.

T-Systems

T-Systems offers the best of the old and new worlds; with the level of automation it has achieved, the provider addresses the needs of many customers and can increase its attractiveness even further.





“Computacenter offers a wide range of cloud services and always strives for long-term customer loyalty.”

Ulrich Meister, Wolfgang Heinhaus

Computacenter

Overview

Computacenter is headquartered in Hertfordshire, England, and operates in 15 countries. The service provider employs more than 18,000 employees across 70 branches worldwide. In FY21, the company generated a revenue of \$7.4 billion, a 7.7 percent increase year on year, with technology sourcing as its largest segment.

Strengths

Data center modernization as a core competency: Computacenter is proficient in all disciplines of data center modernization and has years of experience in designing and managing all types of on-premises and cloud environments. With its broad portfolio, it can drive all aspects of data center modernization and transformation. Customized solutions are developed and implemented by highly trained consultants based on VMware.

Continuous improvements of automated portfolio: Automated deployments are constantly being added to the portfolio to improve

scalability and flexibility levels. Container management offerings enable the SLA-compliant management of private and public cloud environments. Through partnerships, it can help implement multiple projects for hybrid IT solutions from major providers.

Application modernization: A new application modernization and development center was opened in Romania.

Caution

To address the disruptive impact on the product and solution portfolio and to complement the service offerings with AI and machine learning, acquisitions are likely to be helpful, or even necessary, to create the right momentum.





Appendix

The ISG Provider Lens™ 2022 – Next-Gen Private/Hybrid Cloud– Data Center Solutions & Services research study analyzes the relevant software vendors/ service providers in the German market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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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 May 2022, 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.

The study was divided into the following steps:

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



Author & Editor Biographies

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Ulrich is closely involved with the ISG Provider Lens™ quadrant studies. He primarily writes around digital technology, IT services and cloud technology. His research agenda covers assessing impact of digital transformation, analysing market dynamics, provider positioning in the market, writing POV's, tracking software market and identifying opportunities for enterprises.

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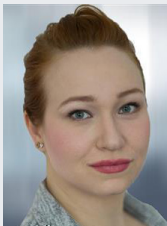


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Wolfgang Heinhaus has more than 25 years of IT infrastructure experience and was in a managerial role in a global food company. He has more than 8 years of extensive research experience in the fields of colocation services, IT infrastructure, IT security and cloud computing. He has written several IPL studies for the German and Swiss markets and also advises customers on these topics.



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Katharina Kummer is a research analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Public Cloud Transformational Services, Private Hybrid Cloud Data Centre, Data Analytics, Microsoft Ecosystem and Cloud Native – Container Services. Her areas of expertise lie in cloud, data center, cloud native services, digital linguistics and NLP. Katharina develops content from an enterprise perspective and author the global summary report. Along with this, she supports the lead analysts in the

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IPL Product Owner

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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™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this [webpage](#).

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