

Public Cloud - Solutions and Services

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

Customized report courtesy of:

AC3

Executive Summary 03

Provider Positioning 06

Introduction

Definition 10

Scope of Report 11

Provider Classifications 11

Appendix

Methodology & Team 42

Author & Editor Biographies 43

About Our Company & Research 45

Consulting and Transformation Services 14 - 21

Who Should Read This 15

Quadrant 16

Definition & Eligibility Criteria 17

Observations 19

Provider Profiles 21

Managed Public Cloud Services 22 - 29

Who Should Read This 23

Quadrant 24

Definition & Eligibility Criteria 25

Observations 26

Provider Profiles 29

Hyperscale Infrastructure and Platform Services 30 - 35

Who Should Read This 31

Quadrant 32

Definition & Eligibility Criteria 33

Observations 35

SAP HANA Infrastructure Services 36 - 40

Who Should Read This 37

Quadrant 38

Definition & Eligibility Criteria 39

Observations 40

Report Author: Phil Hassey

Australian cloud solutions are accelerating rapidly

Cloud is the real thing

The provision of technology through the cloud dominates technology and some would argue, increasingly business in Australia and globally. Cloud computing as a dominating platform for technology delivery has been imminent for a long time. The internet service provider (ISP) market or XISP (with X representing many opportunities that the new technology was meant to represent such as infrastructure, applications and business process) started gaining traction in 2000. This was in effect, version 1.0 of the cloud. The dotcom boom busted in 2000, the bottom fell out of the market and

people realised that XSPs did not even provide a fraction of what they had been claimed to do. So, version 1.0 of the cloud disappeared.

It only took a few years for the cloud to achieve success with improved and relevant modifications and a less ambitious solution. The cloud was expected to gain popularity through legacy IT outsourcers such as IBM, EDS or a telco. However, it gained popularity through an online bookstore from Seattle, Washington, that led to its tremendous growth. As of 2022, cloud has been considered valuable for technology, business, and digital transformation.

Cloud is acknowledged as the lever for transformation across enterprises in every aspect, including customer engagement, security, storage and applications. Cloud hosts business-critical ERP platforms, and ISVs swiftly deliver a unique range of services to clients around the world in

Clients want innovative business outcomes



real time, along with exclusive solutions that can be global or local in nature. The public cloud market is dominated by three providers: Amazon Web Services (AWS), Microsoft Azure (Azure) and the smaller yet equally dynamic Google Cloud Platform (GCP). These three offer a range of services across infrastructure as a service (IaaS), platform as a service (PaaS) and software as a service (SaaS). AWS, Azure and GCP dominate the first two and facilitate the growth of the ISV environment in the SaaS solution stack. The market has also matured to the extent where customers do not buy from a single public cloud provider. The best practice here is to have a hybrid cloud approach across both public and private cloud solutions, as it enables optimised investments covering specific workloads, data, security and governance requirements, alongside a defined and structured approach to optimise outcome-based investments in cloud.

Why ISG looks at the public cloud market in Australia

This ISG Australia Provider Lens™ research study examines public cloud service providers that develop, enable and deliver capabilities needed by Australian organisations as they work to improve operations, reduce costs, address digital change, and improve their ability to serve internal and external stakeholders.

This study assesses providers that offer business and IT cloud migration and transformation services, managed services, hyperscale infrastructure platform services, and SAP HANA infrastructure services. Each of these is described in more detail in the report.

ISG clients use this study for provider and vendor consideration, evaluation, and selection. ISG's advisory and consulting teams can also help clients understand the scope of capabilities and offerings

suitable to clients' requirements. The report also provides competitive insights for vendor and provider positioning, key relationships and go-to-market considerations.

Sustainability matters

While the hyperscaler cloud platforms attempt to outbid each other on their sustainability pitches, they all are eventually helping organisations to achieve their sustainability goals. Following the COP26 Glasgow Climate Pact in late 2021, the achievement of net-zero carbon emissions targets by 2030 has become the paramount sustainability goal for many large enterprises worldwide. All three providers have reported that their environmental performance has, over the past year, become a key consideration for enterprises looking to migrate from on-premises data centres to the public cloud. Despite massive increases in computing power, hyperscalers' data centres have

achieved remarkable improvements in energy efficiency over the past decade. Providers are also creating workspace solutions to support remote and hybrid working, which again has a beneficial environmental impact through reduced travel.

What does a hyperscaler leader look like

Effectively, there are two markets at play, the hyperscaler market and the service providers that support client investments in the hyperscalers. Though both are connected, each has a distinct way of operating. For the hyperscalers, AWS, Azure and GCP are the top three providers with no challengers from Australia or elsewhere on the horizon. They lead this space and have shaped the market as an oligopoly without any innovation pressure. The competitive tension between the three hyperscalers borders on the extreme, with each of them competing in terms of product, cost, ease of use



and many other measures, including sustainability as highlighted. All of the discussed market dynamics eventually benefit the clients and the ecosystem. This accelerated innovation makes it difficult to track for customers and partners. New products and capabilities are announced seemingly daily.

The location from which services are delivered is another area that is highly competitive. All leading hyperscalers have invested in Australia. While GCP operates in Sydney and Melbourne, AWS invests in expanding its reach in Sydney, alongside launching in Melbourne in late 2022 (date correct at time of publishing, but subject to change). Microsoft raised the stakes in Australia when it opened a data centre in Canberra to add to its existing base in Sydney and Melbourne. Whilst another location in Australia is currently not publicly planned, Perth would be the primary choice. These three providers and

their respective carriers and data centre providers have worked on increasing their bandwidth and eliminating the redundancy issue, while aggressively expanding their footprint in the existing locations by spreading across multiple sites.

How the services market is structured

The services market is fragmented virtually across all technology sectors in Australia, with cloud being no exception. The Australian market is typically dominated by global system integrators and consulting firms, yet there are several local firms that have relevant capabilities in the sector. Although not all these firms claim leadership positions due to the scale and breadth of the offerings global vendors make, they do support the market from an outcome, skills and capabilities perspective. However, a drawback of their limited scale is that these local vendors become acquisition targets for the larger

firms that seek to increase consolidation in the market and take advantage of the local capabilities.


In terms of the characteristics of a leader, there are a few capabilities that stand out. The first is relationships with multiple hyperscalers and SaaS leaders. Whilst focus on a single cloud provider is a relevant offering, it limits the vendor reach as the market shifts to a hybrid cloud world. Capabilities in change management are overlooked but they are essential as the shift to cloud is a genuine business transformation, and poor management of it can have strong negative outcomes. Likewise, security, governance and application integration skills are all relevant. With the requirements of customers of the cloud providers increasingly shifting to an industry-based focus, it is essential for a leader to have a strong functional capability in industry solutions.

The future is still cloudy

Despite being a global leader in terms of cloud adoption, Australia has a long way to go before it is a saturated market. While the local market will continue to grow, it is difficult to see any changes in the hyperscaler network. From a services point of view, capabilities will increasingly be automated, and business value will need to be measured more objectively. The market will witness increased consolidation with the entry of new providers, but the services market is remarkably resilient across time and technology, and therefore, it is anticipated to evolve and grow as the cloud matures.


A hybrid cloud approach is essential for both providers and buyers.



 Provider Positioning


	Consulting and Transformation Services	Managed Public Cloud Services	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Accenture	Leader	Leader	Not In	Not In
AC3	Leader	Leader	Not In	Not In
Alibaba	Not In	Not In	Contender	Not In
ARQ	Contender	Contender	Not In	Not In
AWS	Not In	Not In	Leader	Leader
Brennan IT	Not In	Contender	Not In	Not In
Capgemini	Leader	Product Challenger	Not In	Not In
Cognizant	Product Challenger	Product Challenger	Not In	Not In
Datacom	Product Challenger	Product Challenger	Not In	Not In



 Provider Positioning


	Consulting and Transformation Services	Managed Public Cloud Services	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Deloitte	Leader	Leader	Not In	Not In
DXC Technology	Market Challenger	Leader	Not In	Not In
EY	Product Challenger	Not In	Not In	Not In
Fujitsu	Market Challenger	Product Challenger	Not In	Not In
Google	Not In	Not In	Leader	Leader
HCLTech	Leader	Leader	Not In	Not In
IBM	Leader	Not In	Market Challenger	Not In
Infosys	Leader	Leader	Not In	Not In
KPMG	Product Challenger	Not In	Not In	Not In



 Provider Positioning

	Consulting and Transformation Services	Managed Public Cloud Services	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Kyndryl	Contender	Leader	Not In	Not In
Logicalis	Market Challenger	Product Challenger	Not In	Not In
Macquarie Telecom	Not In	Contender	Not In	Not In
Microsoft	Not In	Not In	Leader	Leader
NEC	Not In	Contender	Not In	Not In
NTT DATA	Product Challenger	Market Challenger	Not In	Not In
Oracle	Not In	Not In	Contender	Not In
OVHcloud	Not In	Not In	Contender	Contender
PwC	Leader	Contender	Not In	Not In



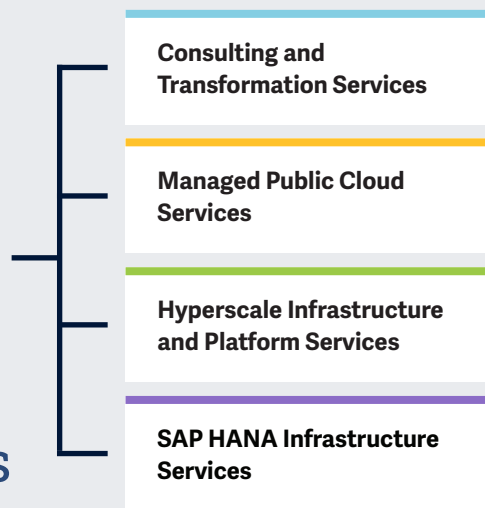
 Provider Positioning

	Consulting and Transformation Services	Managed Public Cloud Services	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Rackspace Technology	Contender	Product Challenger	Not In	Not In
SAP	Not In	Not In	Not In	Market Challenger
Slalom	Product Challenger	Not In	Not In	Not In
TCS	Leader	Leader	Not In	Not In
Telstra Purple	Product Challenger	Leader	Not In	Not In
Telstra	Not In	Not In	Contender	Not In
Unisys	Contender	Product Challenger	Not In	Not In
Versent	Product Challenger	Contender	Not In	Not In
Wipro	Leader	Leader	Not In	Not In



This study focuses on what ISG perceives as most critical in 2022 for **Public Cloud-Solutions & Services**

Simplified Illustration Source: ISG 2022



Definition

With the pandemic transition to the endemic stage, enterprises are rapidly increasing their investments in digital transformation engagements, which is leading to an exponential rise in public cloud adoption. Other key reasons for this move are a higher emphasis on cybersecurity, greater push towards IT cost optimization and operational efficiency, and increased deployment of automation tools for data management. The growing maturity of public cloud infrastructure providers has had a major impact on both enterprises and IT service providers, with both witnessing a significant shift in sourcing services, from physical hardware to digital applications/ platforms.

For enterprises, this has also impacted business models that require digital initiatives and aim to address governance,

risk and compliance norms. Given the widespread adoption of the as-a-service model, enterprises should continuously evaluate cloud service providers on a global level, mainly due to growing security concerns and the dynamic nature of the business landscape. They continue to seek providers that act as strategic partners in carrying out cloud transformation engagements on major hyperscalers – AWS, Microsoft Azure and Google Cloud Platform (GCP). These providers will continue to manage workloads on an ongoing basis and help enterprises control, optimize and manage cloud expenses through frameworks such as FinOps.

ISG reports a strong demand for digital transformation engagements and cloud-based XaaS solutions which, in turn, is driving global contracts for cloud products and services, including infrastructure-as-a-service (IaaS), software-as-a-service



(SaaS) and platform-as-a-service (PaaS). According to the 1Q 2022 ISG Index™ figures, the global market has grown 31 percent in combined market annual contract value (ACV) to reach its current value of \$24 billion year over year, while the XaaS ACV has increased by 43 percent to reach \$15.6 billion in the same period. The IaaS spending grew by more than 50 percent to reach \$11.7 billion, while the SaaS market grew by 22 percent to reach \$3.9 billion.

The ISG Provider Lens™ study offers IT decision makers:

- A differentiated positioning of providers based on competitive strengths and portfolio attractiveness
- Focus on different markets, including the U.S., the U.S. public sector, Germany, Switzerland, the U.K., Nordics, Brazil, Australia, France and global geographies

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

Scope of the Report

- In this ISG Provider Lens™ quadrant study, ISG includes the following four quadrants, Consulting and Transformation Services, Managed Public Cloud Services, Hyperscale Infrastructure and Platform Services, SAP HANA Infrastructure Services

This ISG Provider Lens™ study offers IT decision makers:

- Transparency on the strengths and weaknesses of relevant services and cloud platform providers

- A differentiated positioning of providers by segments
- Focus on the Australian market

Our study serves as the basis for important decision-making in terms of positioning, key relationships, and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The provider position reflects the suitability of IT services and platform providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is

sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product Challenger, Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include a service provider that ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.



Number of providers in each quadrant:

ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).





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.





Consulting and Transformation Services

Who Should Read This

This quadrant is relevant to Australian organisations that are evaluating consulting and transformation service providers. In this quadrant report, ISG lays out the current market positioning of these providers in Australia and shows how they can address the key challenges in enterprises' migration to the public cloud ecosystem.

It is an easy decision for enterprises and agencies to migrate to cloud but getting it right is a major challenge. The adoption of consulting and transformation services is the first step that shapes this transition.

Leveraging a range of providers that offer this capability will ensure that the foundational requirements around cloud transformation are in place. These fundamental requirements vary from client to client, but traditionally they are

focused on supporting migration to the cloud and understanding and managing cost, data issues, and skills.

While these issues remain essential in the process of shifting to the cloud, enterprises are faced with several other challenges, including formulating hybrid cloud strategy, complying with data sovereignty, privacy issues, and managing cyber risks. Perhaps the most challenging of all is identifying, measuring, and installing business outcomes from the investments in the cloud.

Unsurprisingly, there is intense competition in the consulting and transformation space for the cloud. Several local vendors provide these services, and they are joined by a range of multinational providers, most traditionally the large system integrators (SIs), big four accounting firms, and India-based vendors.



IT leaders should read this report to better understand the relative strengths and weaknesses of consulting and transformation service providers, as well as to help them lead the drive towards digital transformation in their organisations.



Software development and technology leaders should read this report to understand the positioning of consulting and transformation service providers and how the providers' offerings can impact an enterprise's ongoing transformation initiatives, while realising the benefits of moving to the cloud.



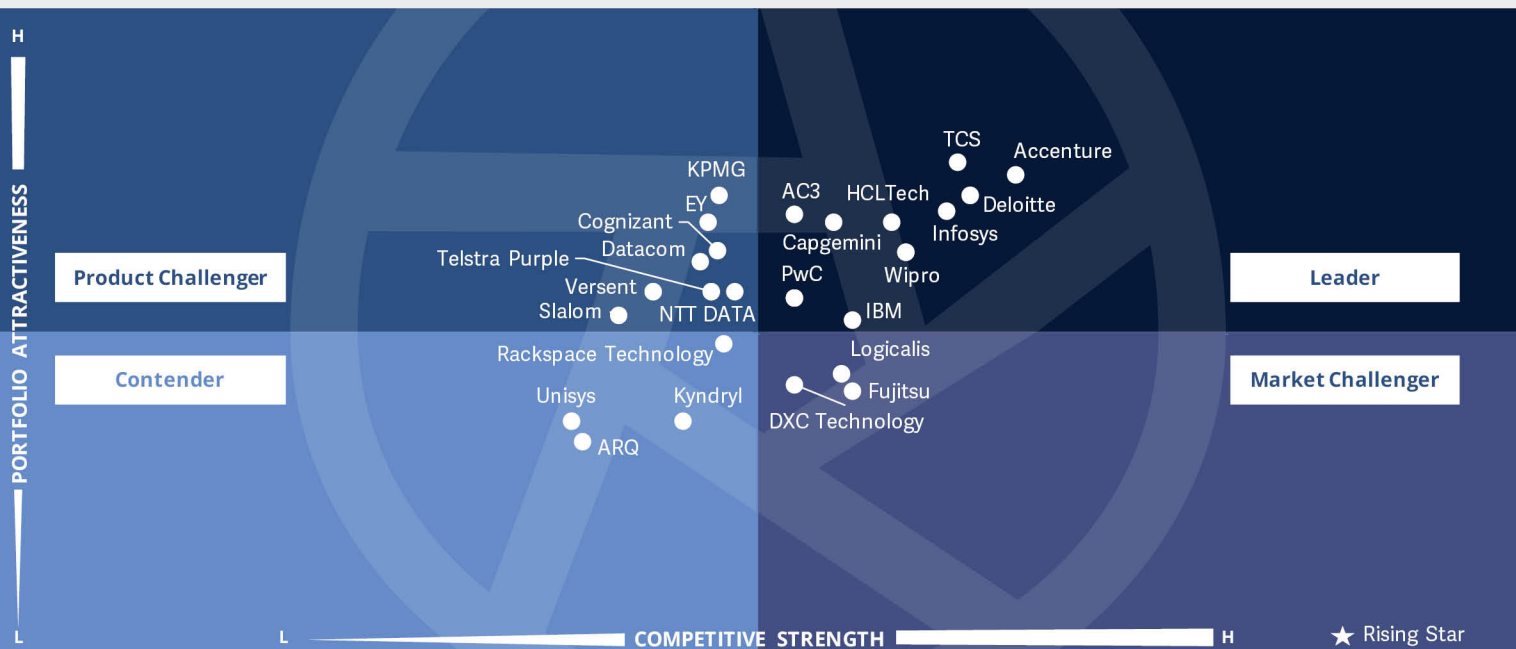
Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of consulting and transformation service providers in Australia.



ISG Provider Lens™
 Public Cloud – Solutions and Services
 Consulting and Transformation Services

Source: ISG RESEARCH

Australia 2022



This market is highly competitive, and the **key providers** need to demonstrate **genuine hybrid cloud capability** and skills to **migrate complex workloads to cloud environment**.

Phil Hassey



Consulting and Transformation Services

Definition

This quadrant assesses service providers or service integrators that offer consulting and transformation services for enterprise public cloud engagements in the context of their digital transformation. Participating service providers have partnerships with public cloud infrastructure providers to offer ideation for multi-cloud programs and industry cloud solutions and manage customer-specific complexities in the adoption and deployment of public cloud solutions. These providers have highly skilled developers and software architects that leverage design thinking, scrum initiatives and short work cycles to meet the growing customer demands. This quadrant evaluates providers that help enterprises modernize, optimize and transform their business operations to increase efficiency, agility and security. Hyperscale cloud

partners leverage platform-specific best practices to maximize and optimize the value of existing and new investments.

Provider services typically include the following:

- **Consulting services:** Consultants design a business case for multi-cloud environments and assess workloads for migration. They also build a transformation roadmap for addressing risk, security and compliance issues and advise on migrating applications from the existing environment to a public cloud.
- **Transformation services:** Cloud experts are involved in designing and building multi-cloud architectures or environment. They also offer support for migrating and integrating applications to harness cloud computing features and benefits.
- **Governance, risk and compliance services:** Cloud experts design frameworks, policies, processes and functions to ensure that enterprise cloud workloads are run in a secure and compliant environment regardless of location. As governance, risk and compliance have become a mainstream requirement from a CXO perspective, the industry expects these to be an integral part of transformation engagements.



Eligibility Criteria

- 1. Methods and frameworks** to analyze a client's IT landscape and help them avoid additional technical debts and **realize value** in their IT spending
- Experience in **planning** and **implementation** of Multicloud services for major industry verticals
- 3. Application migration** experience (templates, automation engines and many other techniques) in conjunction with cloud-native application development for **greenfield** and **brownfield** workloads
- 4. Hyperscale-related partner** program certifications
- 5. Competence** in at least two hyperscalers (preferred providers – AWS, Azure and GCP)
- Offers **API libraries** for application and service integration in public cloud
- Ability to drive **governance, risk and compliance** for large transformation programs
- Help clients with their **carbon neutral strategies** and help them understand benefits of a green strategy, by leveraging proprietary platforms
9. Migration through **cloud-native** application development for brownfield workloads



Observations

It is an easy decision for enterprises and agencies to migrate to cloud but getting it right is a major challenge. Consulting and transformation services are the first step that shape this decision.

Leveraging the range of providers offering this capability ensures that the foundational requirements should be in place. These fundamental requirements vary from client to client, but traditionally they are focused on supporting the migration to cloud and understanding and managing cost, data issues and skills.

While these issues remain essential in the shift to the cloud, enterprises are faced with several new challenges, including hybrid cloud strategy, data sovereignty, privacy issues and managing cyber risk. Perhaps the most challenging of all is

identifying, measuring and installing business outcomes from the investments in the cloud.

The competitive environment around the cloud is increasingly for consulting and transformation services. Several local vendors provide these services, and they are joined by a range of multinational providers, most traditionally the large SIs, Big Four accounting firms and India-based vendors.

A company requires several attributes to be listed as a leader in the market. Firstly, the rise of hybrid cloud requires leading providers to have relationships with Microsoft and AWS, and for most Google Cloud Platform (GCP), and alignment to private cloud solutions. In-depth knowledge of the core industry requirements, change management and the ability to align to measurable outcomes are other necessary factors that establish a company as a market leader.

From the 39 companies assessed for this study, 23 have qualified for this quadrant with 10 being Leaders.

accenture

Accenture is a Leader in Australian ISG IPLs for offering consulting services across the three major hyperscaler platforms.

AC3

AC3 caters to its strong client base, mainly in the public sector, with unique capabilities to transform and drive the approach to cloud solutions through a wide range of platforms.

Capgemini

Capgemini has significantly expanded its cloud capabilities, mainly in the AWS and Azure ecosystems in Australia, in recent years.

Deloitte

Deloitte is a long-term provider of platform-based solutions in Australia. It is well-established across all major cloud platforms.

HCLTech

HCLTech is actively engaged in developing infrastructure solutions for its clients. This, along with application capabilities, strengthens its candidature for leadership in the Australian market.

IBM

IBM has a long-standing presence in the local market for cloud services. It has realigned its entire business to meet customer requirements for cloud and data.



Consulting and Transformation Services



Infosys has expanded its range of acquisitions to enhance its capabilities to provide strong up-front consulting solutions to clients and to leverage this skillset across the public cloud use cases.

PwC

PwC leverages its presence and expertise in the local market across the portfolio to address business and technology requirements. This industry depth is critical to its market position.



TCS has strong consulting capabilities across the AWS portfolio. It utilises a blend of onshore and offshore delivery resources to strengthen its market position.



Wipro is a consistent provider of consulting services to clients in Australia. It is experienced in establishing up-front consulting requirements for the subsequent delivery of implementation services.





“AC3 plays to its market strengths in Australia with a focus on client intimacy”.

Phil Hassey

AC3

Overview

AC3 was established in 1999. It is based in Sydney and now has approximately 400 employees. It offers a range of capabilities across cloud, infrastructure and application platforms for clients in Australia. It has a strong history of serving government sectors and not-for-profit clients. It has a growing enterprise business and strong relationships with AWS and Microsoft, as well as private cloud providers.

Strengths

Use of DevOps and agile enablement:

AC3 leverages a DevOps culture to drive best practice and automation in client consulting. It seeks to help clients shift towards an agile methodology and achieve optimised benefits of the cloud. Considering the challenges the clients might face in their journey when adopting the agile approach, AC3 works closely with its clients to ease this process.

Solutions for highly regulated

industries: AC3 specialises in providing solutions for clients in heavily regulated industries in Australia and New Zealand. It actively engages in

developing complete understanding of the requirements around security and compliance of these industries to assist its clients in the best possible manner.

Engagement flexibility: As a growing local provider, AC3 maintains a strong focus on meeting client requirements. Therefore, it follows a highly flexible approach to ensure customers’ needs are met and decisions are made with full autonomy.

Caution

AC3 is particularly focused on NSW government and regulated industries. Although it takes a cautious approach to market expansion, investing in more industries will be a strong growth catalyst for its business expansion in the years ahead.





Managed Public Cloud Services

Who Should Read This

This quadrant is relevant to Australian organisations that are evaluating managed public cloud service providers. In this quadrant report, ISG highlights the current market positioning of providers in Australia and shows how they can address the key challenges of the shift towards managed services solutions in public cloud.

Historically, enterprises made investments in a single cloud, which meant one cloud for a specific workload or application. Because business requirements were limited, cloud integration was not functionally as essential as it is today. However, the dynamics swiftly changed to multi, or hybrid clouds, which not only represent the current state of the market but are also expected to be the primary cloud delivery platforms in the foreseeable

future. Hybrid cloud is aggressively reshaping the nature of demand for managed services on public clouds.

The key features of the public cloud that attract enterprises, including data, sustainability, compute and automation and machine learning, are complicated and require long-term investments and commitment. At the same time, it is noteworthy that the public cloud has not simplified the technology environment as was promised in the initial phases after its launch. As with most platforms and solutions, the nature, characteristics, and abilities of vendors vary across the spectrum from consulting to managed services.

The traditional view that consulting leaders are less developed in providing managed services has substantially changed.



Enterprise digital transformation leaders that spearhead initiatives to build a resilient and future-proof platform for long-term investment in public cloud should read this report to know how services providers design and execute long-term public cloud solutions.

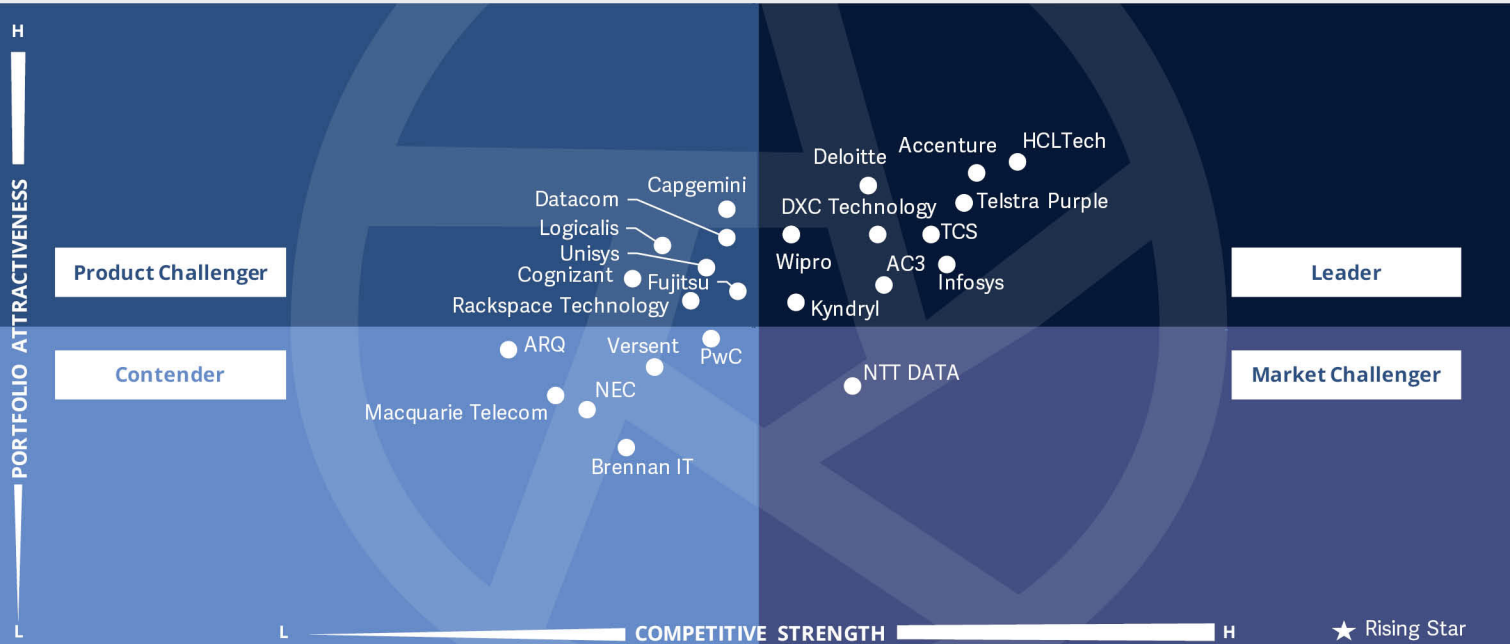


Engineers and architects responsible for public cloud management and implementations in Australia can use this report to understand the requirements of clients to have the experience of a long-term, successful, and outcome-driven engagement with managed public cloud service solutions.



Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of managed service providers in Australia.





The increasing maturity of cloud services in Australia fuels the demand for managed services, creating a strong competitive and innovative marketplace for clients.

Phil Hassey



Managed Public Cloud Services

Definition

This quadrant assesses service providers and service integrators that offer managed public cloud infrastructure and application services on public cloud infrastructure such as AWS, Microsoft Azure and Google Cloud Platform. They adopt a DevOps and DevSecOps-centric approach to help enterprises build a robust CI/CD pipeline with strong container management capabilities. Under the managed public cloud services umbrella, a provider is responsible for providing site reliability engineering (SRE) and business resiliency.

Broadly, these services include cloud services lifecycle management, real-time and predictive analysis, and monitoring and managing of a customer's public and multi-cloud environments. The aim is to maximize the performance of workloads in the cloud, reduce costs and ensure compliance and security. Typically, licensed cloud management platforms

and tools are used to serve customers with maximum automation and provide the necessary transparency on the managed cloud resource pool in terms of capacity utilization and costs, including self-service administration. In addition to technical services, a provider offers cloud optimization capabilities through the FinOps approach and leverages FinOps frameworks. These are used to analyze and forecast financial impacts plus proposed optimization of cloud resource consumption by bringing in stakeholders from various departments such as engineering or IT, finance, procurement, line of business and executive management.

Provider services typically include the following:

- Professional services for managing and monitoring CPU, storage, memory, databases, and operating systems as standalone or microservices, virtual machines and container services
- Automated upgrade services for operating system, middleware and applications on public cloud infrastructure
- Hybrid cloud infrastructure management platform for cloud-cost management (chargeback and show back), identity management, FinOps and IT service management
- Monitoring, logging, patching and predictive analytics services to improve performance and security improvements throughout a container lifecycle to enable continuous integration and delivery
- Governance and compliance management, along with a robust cybersecurity framework and platform for securing client data in multiple geographies
- Support services such as incident management, configuration, security services and automation setup



Managed Public Cloud Services

Eligibility Criteria

1. **Operational excellence** and well-defined professional services
2. Experience in **building** and **managing** public and Multicloud environments
3. Expertise in **managing configuration** and **integration** of platforms and systems and containers
4. **Financial dashboards** and cost analysis tools, providing visibility of variable costs associated with cloud providers through **FinOps** ecosystem
5. **Support** for software code development and cloud-native and **legacy system** integration by leveraging **DevOps, API-enabled automation** and cloud **analytics** services
6. Robust cybersecurity managed services offering
7. **Partnerships** with relevant public cloud providers and respective managed service provider certificates for AWS, Microsoft Azure, GCP or others



Managed Public Cloud Services

Observations

When enterprises first started to invest in cloud solutions, it was for one cloud for a specific workload or application. Cloud integration was limited, due to the prevalent narrow business requirements.

Dynamics swiftly changed to multi, or hybrid cloud, which represent the current state for the market but the primary cloud delivery platforms for the foreseeable future. Hybrid cloud is aggressively reshaping the nature of demand for managed services on public clouds.

The key features of public cloud that attract enterprises, including data, sustainability, automation and machine learning, and compute, are complicated and require long-term investments and commitment. At the same time, it is noteworthy that the public cloud did not simplify the technology environment.

As with most platforms and solutions, the nature, characteristics and abilities of vendors vary across the spectrum, from consulting to managed services.

The traditional view that consulting leaders are less developed in managed services has substantially changed.

While the managed services providers have made substantial investments in consulting capabilities, traditional consulting powerhouses have also invested in managed services.

This increasing interest of providers in expanding their capabilities has added to the competitive environment in the Australian market. It is also pertinent to consider that in Australia, and most markets, talent scarcity remains a significant constraint that hinders the expansion of managed services. As a result, most providers are making heavy

investments in increased certification on the AWS platform, alongside other hyperscale IaaS and SaaS providers.

From the 39 companies assessed for this study, 24 have qualified for this quadrant with 10 being Leaders.

accenture

Accenture has aggressively developed managed services capabilities in recent years and has a defined value proposition for clients looking at long-term stability.

AC3

AC3 provides clients with long-term experience in the managed services market, with a strong position as a local vendor.

Deloitte

Deloitte, although slow in targeting managed services, has now become a leading provider in the market, with a focus on driving innovation through engagement.

DXC Technology

DXC Technology is one of the longest established providers of outsourcing and managed services for infrastructure. The partnership it has with Microsoft is one of its key capabilities.

HCLTech

HCLTech has seamlessly created strong managed services capabilities across a range of public and private cloud environments.



Managed Public Cloud Services



Infosys has a strong legacy of managed services in the application and infrastructure space, which it delivers to local and global clients. It leverages this skillset across the public cloud use cases.

Kyndryl

Kyndryl is a spin off of IBM and is a specialised managed services provider. It is rapidly creating strong partnerships with a range of cloud providers.



TCS offers managed services across all hyperscalers, and it continues to invest in solutions.



Telstra Purple has the strongest network environment and invests in managed service solutions that meet the requirements of customers in the Australian market.



Wipro seeks to provide clients with innovation-led managed services across the contract and engagement lifecycles.





“AC3 has a range of managed services ideally suited to managed cloud requirements.”

Phil Hassey

AC3

Overview

AC3 was established in 1999. It is based in Sydney and now has approximately 400 employees. It offers a range of capabilities across cloud, infrastructure and application platforms for clients in Australia. It has a strong history of serving government sectors and not for profit clients. It also has a growing enterprise business. It has strong relationships with AWS and Microsoft alongside private cloud providers.

Strengths

Customised managed services offerings: AC3 has designed its managed services offering to allow for client flexibility. It has three tiers of managed services offerings for cloud platforms – Management; advanced management, which includes a package of services covering modern application technologies; and DevOps management, which provides complete coverage of modern application technologies, working in an agile method.

Alignment of managed services and security capabilities: AC3 has a small but capable functionality for security.

It is connected to the managed services capabilities on AWS and Azure to drive consulting, migration and managed services-related solutions for cybersecurity. It focuses on governance and compliance through automated remediation with security orchestration, automation and response (SOAR) capabilities.

Strength in multiple platforms: AC3 has been ranked as a Leader in the Microsoft Azure, AWS and ServiceNow ecosystems in the Australian market. This highlights the consistent strength and delivery capability that it provides to a range of clients.

Caution

AC3 particularly focuses on NSW government and regulated industries. Whilst it takes a cautious approach to market expansion, investment in more industries will be a strong growth catalyst for future expansion.





Hyperscale Infrastructure and Platform Services

Who Should Read This

This report is relevant to Australian organisations and will help them evaluate providers of Hyperscale Infrastructure and Platform Services. In this quadrant report, ISG highlights the current market positioning of these providers in the Australian context and shows the way they address the key challenges that confront organizations in the country.

The three hyperscalers, AWS, Azure and GCP, dominate the infrastructure as a service (IaaS) and platform as a service (PaaS) markets in Australia and globally. Their current market position reflects the long-standing presence of Amazon, Google, and Microsoft as the leading service providers in this space. Their legacy is evident by the fact that their names have come to be used as bywords for cloud. These hyperscalers have transformed economies.

Real estate environments and job markets have been distorted. They have also been an anchor point for considerable innovation in technology and business processes.

Their dominance is unlikely to change in the foreseeable future. Therefore, prospective clients must understand the functional nuances of each of these hyperscalers and realise how, together, they form the core of hybrid cloud strategy.



IT and infrastructure leaders should read this report to better comprehend the relative strengths and weaknesses, along with the modernization and service capabilities, of hyperscale cloud service providers. This will help them ascertain the advances in the market and their impact on the enterprise's hybrid cloud strategies.

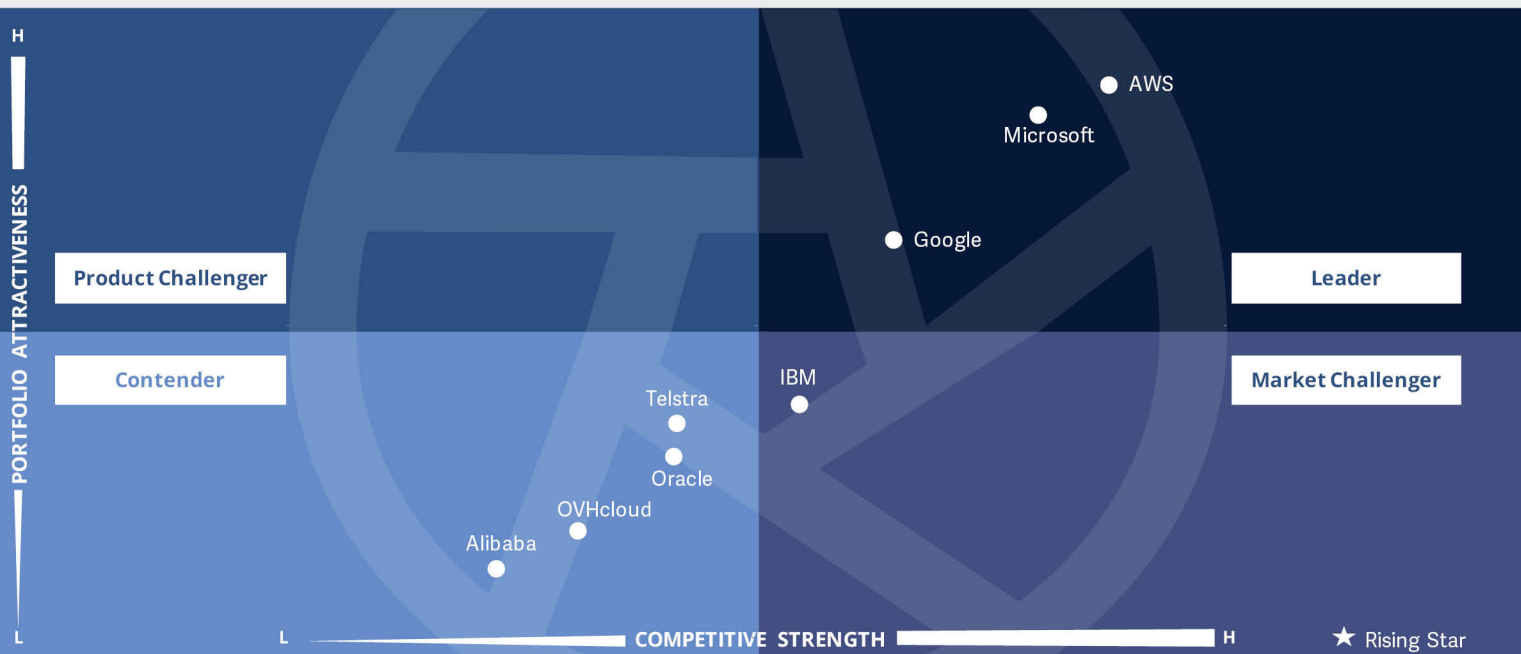


Software development and technology leaders should read this report to understand the relative positioning and capabilities of hyperscalers, which can help them procure the right infrastructure and platform services for migration of their workloads to public cloud platforms.



Sourcing, procurement, and vendor management professionals should read this report to develop a better sense of the current landscape of hyperscale infrastructure and platform service providers in Australia.





AWS, Azure and GCP lead the hyperscaler cloud market in Australia, and their status is projected to remain unchanged in the years ahead. Therefore, it is essential to understand their individual capabilities in this space.

Phil Hassey



Hyperscale Infrastructure and Platform Services

Definition

This quadrant assesses suppliers that provide virtual compute resources, middleware and software in a public cloud environment. Clients consume infrastructure and platform services as on-demand and web-centric services. Typical services in the IaaS segment are compute services, storage and network resources, where all are provided as virtual or containerized software-defined offerings and rounded up by serverless architectures. The hyperscaler PaaS segment offers multiple microservices and runtime engines for predefined cloud-based application development that typically addresses full lifecycle needs for a developer building or modernizing applications. Services include middleware, business process management, collaboration networks, databases, analytics and machine learning capabilities. Internal and external

(third party) services are also being made available through marketplaces. In addition, IaaS or PaaS vendors support and manage independent software vendors (ISVs) in their go-to-market activities.

Eligibility Criteria

1. Innovative portfolio of **infrastructure services** (computing power, memory, network, backup, etc.) and container management functions
2. Easy access, transparent prices, dynamic (consumption-based) and fixed (reserved) **billing models**
3. Support **sovereign cloud** mandates for **governance** and **data transparency** requirements
4. Recognized **standards and certifications**, strong focus on data protection and sophisticated **cybersecurity** approach
5. Support for **infrastructure as code (IaC)** and **serverless** computing in combination with highly automated provisioning, event triggering and failover
6. **Test and development** environments, including workflows and log/report functionality for rollouts
7. **Specialized hardware** for custom requirements and **high-performance computing** requirements for processes leveraging machine learning to



Hyperscale Infrastructure and Platform Services

train algorithms for **AI services**

8. **Open architecture** and **well-documented** (web service) APIs or middleware layer to join multiple clouds or services and platforms
9. Specialized partner program with a **broad partner ecosystem** to support local customer requirements



Hyperscale Infrastructure and Platform Services

Observations

The three hyperscalers, AWS, Azure and GCP, dominate the IaaS and PaaS markets in Australia and globally. Their current market position reflects the long-standing presence of Amazon, Google and Microsoft as the leading service providers in this space. Their legacy is evident by the fact that their names have come to be used as bywords for cloud. All these hyperscalers have changed the real-estate environments and distorted job markets. They have also been an anchor point for considerable innovation in technology and business processes.

Their dominance is unlikely to change in the foreseeable future. Therefore, it is critical for the prospective clients to understand the nuances of each of these hyperscalers and realise how they form the core of hybrid cloud strategy together.

It is uncertain from where the competition arises and there is no understanding regarding the threat. Given the current geo-political environment in Australia, it is unlikely that China-based cloud providers are going to become essential to engage anytime soon.

From the eight companies assessed for this study, eight have qualified for this quadrant with three being Leaders.

AWS

AWS launched its first Australian region in 2012. Since then, it has accelerated growth, enhanced capability and improved client outcomes in the local market at an unprecedented rate.

Microsoft

Azure has achieved a dominant position in the Australian cloud environment based on the breadth and strength of Microsoft. Its clients are aware of the range of services they get with Microsoft.

Google

Google is growing at a fast rate in the local market, driven by the need for hybrid cloud and increased investments by enterprises in the Google ecosystem.





SAP HANA Infrastructure Services

Who Should Read This

This report is relevant to Australian enterprises and agencies and will help them evaluate providers of SAP HANA infrastructure services for SAP S/4HANA workloads and large-scale HANA databases. In this quadrant report, ISG lays out the current market positioning of these providers in Australia, based on the depth of service offerings and market presence.

Hyperscaler cloud-based SAP migration and management are the most complex areas of the IT modernisation landscape on any platform. Cloud migration is a complex process that requires leadership from the highest level of the enterprise. While AWS and Microsoft Azure lead in terms of the offerings around SAP workloads, GCP is yet to fully establish itself in this space but has made a strong start.

Australian organisations are facing challenges in maintaining critical workloads specific to the SAP product line due to factors such as high costs, issues in handling data and change management, and a shortage of skilled workforce. Many organizations are implementing SAP HANA as a part of their digital transformation initiatives and are looking for hyperscale providers to overcome and address such challenges.



IT leaders should read this report to better understand the relative strengths and weaknesses of the providers of SAP on public cloud services, which would help them lead the drive towards digital transformation in their enterprises.

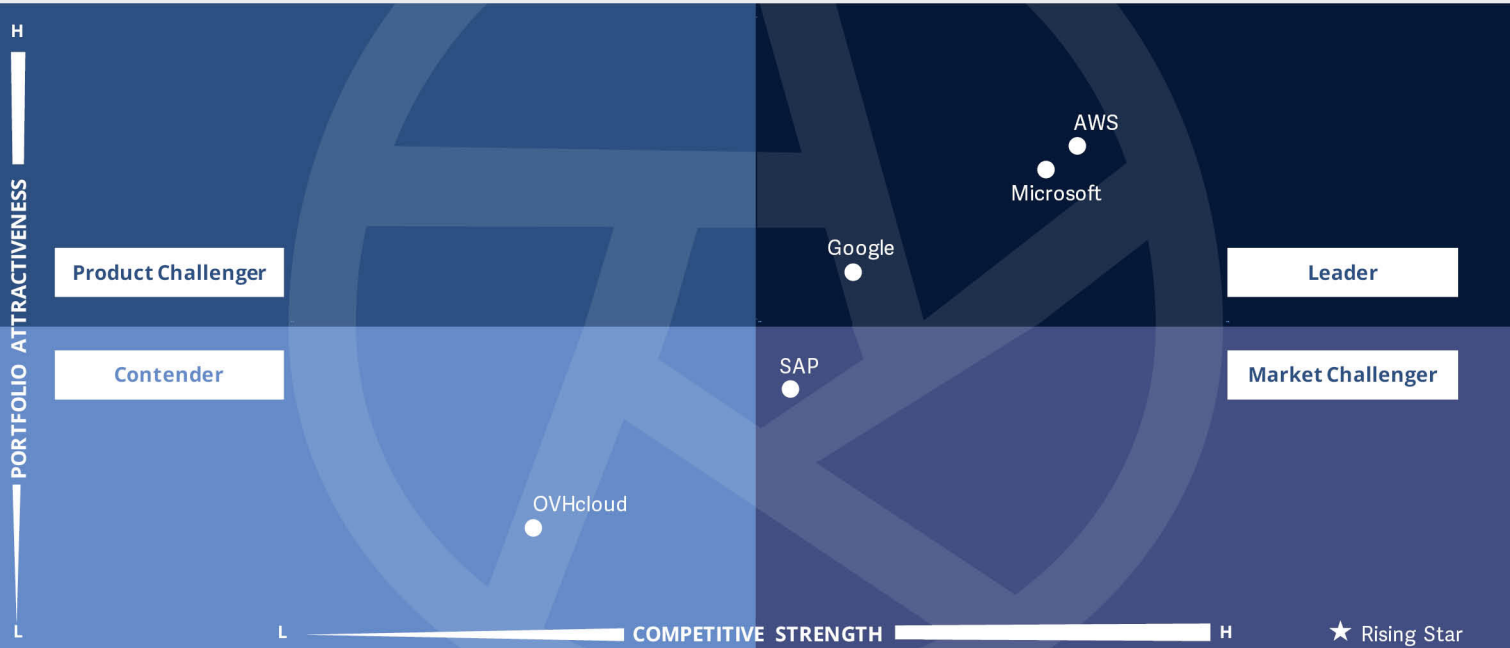


C-level executives should read this report to understand the profound changes impacting the SAP ecosystem. It will help them respond to this shift and enable their business to make the correct decision for continued investments.



SAP leaders should read this report to understand the positioning of SAP public cloud providers, learn how those providers' offerings can impact an enterprise's ongoing transformation initiatives, and discover the benefits they can achieve by moving to the cloud.





This quadrant assesses cloud platform providers that offer SAP services on the cloud. **Migration of SAP investments to cloud is growing rapidly as the hyperscalers can provide benefits in terms of scalability, security and business values.**

Phil Hassey



Definition

This quadrant assesses cloud infrastructures that are best suited to host SAP's software portfolio, with an emphasis on SAP S/4HANA workloads and large-scale HANA databases. Participating vendors offer IaaS, including infrastructure operations, facilities, provisioning and scaling capacity for SAP workloads. IaaS providers should offer data migration, system imaging, backup, restore, disaster recovery, resource usage monitoring and dashboard management services. The tools required can be a part of standard IaaS offerings or are provided by partners in a marketplace.

The cloud infrastructure provider should also offer pre-sales support to help clients on the migration plan, cloud architecture, sizing and performance optimization, licensing, system and database configuration, virtual private network configuration and third-party vendor

solutions (toolset). The support analysis focuses on the vendor's service partner ecosystem and the ability to conduct related migrations and operations.

Eligibility Criteria

1. **IaaS** to include servers, storage and connectivity specific to the **SAP** product line
2. **Memory capacity** to be above 6 TBs
3. Easy access, transparent prices, dynamic (consumption-based) and fixed (reserved) **billing models**
4. Recognized **standards** and **certifications**, strong focus on data protection and sophisticated **cybersecurity** approach
5. Offer **SAP IaaS-certified** platforms
6. **Test and development** environments, including workflows and log/report functionality for rollouts
7. **Direct operations** or at least one authorized partner or client relationship and compliance with **local regulations** regardless of data center location



Observations

Hyperscaler cloud-based SAP migration and management remains one of the most complex areas of the IT modernisation landscape on any platform. Cloud migration is a complex process, which requires leadership from the highest level of the enterprise. While AWS and Microsoft Azure lead the offerings around SAP workloads, GCP is yet to establish itself in this space.

SAP has invested considerable time and money in building an SAP Cloud solution. However, it has not been as successful as it expected due to several internal strategy and execution reasons, competitive challenges, and client requirements and preferences.

As a result, it is the hyperscalers or the SIs that help most clients migrate SAP workloads to public cloud in the Australian as well as international markets.

From the five companies assessed for this study, five have qualified for this quadrant with three being Leaders.

AWS

AWS has a strong history of assisting clients to migrate SAP workloads to the cloud. It has strong ties with SAP, and it focuses on building capabilities across the SAP portfolio.

Microsoft

Azure leverages its vast partner ecosystem and the long-term relationship between Microsoft and SAP to facilitate migration to a hosted SAP solution.

Google

Google has been quick to scale out SAP capabilities in the cloud and is able to drive some of the core GCP benefits such as data and analytics into solutions.





Appendix

The ISG Provider Lens™ 2022 – Public Cloud - Solutions & Services analyses the relevant software vendors/service providers in Australia, 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 September 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 Public Cloud - Solutions & Services market
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

Author



Phil Hassey
Lead Analyst

Phil has an enviable reputation for understanding, assessing and communicating insight into the increasingly diverse and complex technology sector as it attempts to tightly integrate to business requirements. He is constantly “tilting the world view” with unique but grounded perspectives for clients.

He has worked for some of the largest, and smallest enterprises in the world to help them understand the role of the intersection of technology and business. At the same time, he has

also worked with technology and business providers to help ensure they place the customer requirements at the centre of their business.

He has undertaken research and strategy projects on every continent, and for every possible application of technology and business.

IPL Product Owner



Jan Erik Aase
Partner and Global Head – ISG Provider Lens™

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 partner 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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DECEMBER, 2022

REPORT: PUBLIC CLOUD - SOLUTIONS AND SERVICES