

Multi Public Cloud Services

A research report comparing provider strengths,
challenges and competitive differentiators

Customized report courtesy of:



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Report Author: Bruce Guptill

SLED sector's growing need for improvement drives opportunities for cloud service providers and FinOps solutions

The U.S. public sector is accelerating cloud adoption, driving service demand

The U.S. public sector, particularly state, local and educational (SLED) agencies, is finally witnessing the anticipated surge in cloud services adoption. This shift is transforming SLED IT organizations, spending and department operations, intensifying competition among cloud service providers and increasing the demand for FinOps capabilities.

Initial cloud investments and adoption were slower than expected due to post-pandemic fiscal and political challenges. However, SLED CIOs are now actively seeking cloud-based solutions to modernize their IT infrastructure and deliver enhanced services to agency workers, citizens and other constituents.

As a result, cloud adoption **rates among SLED IT workloads migrating to the cloud are steadily increasing, with estimates** suggesting that around 10-15 percent of large SLED IT workloads are now cloud-based, a significant increase from 5-10 percent in previous studies.

Moreover, municipalities' increasing reliance on state IT resources is driving cloud adoption. As local governments face staffing shortages and evolving skill requirements, they are turning to state-controlled and contracted cloud-based capabilities to meet the growing expectations of their constituents. These include IT infrastructure, managed services and domain- and department-centered functions, such as taxation, transportation and human services. This trend is expected to accelerate cloud adoption through the year-end of 2030, particularly for consulting, hyperscale infrastructure and managed services.

More spending attracts more providers

Service providers are adapting their strategies and offerings in response to these shifting market dynamics. Many have significantly

The U.S. public
sector **broadens
and accelerates
cloud adoption,**
driving service
demand.



Executive Summary

altered their market positioning, investing in new capabilities and partnerships to address the evolving needs of SLED agencies better. The number of providers competing in the market has also increased, reflecting the growing demand for cloud services.

Service providers have also intensified their efforts to engage with SLED organizations.

While most have dedicated resources to support SLED and other government client types, some providers such as Infosys have implemented and expanded wholly owned business units dedicated to sector clients and partners.

And even though sales and support requirements for state and local government agencies remain more complex than for their national government counterparts, the expanding market opportunity has spurred increased competition. For example, our 2023 study examined 37 providers of Consulting and Transformation services, including 25 in the quadrant and recognizing nine Leaders and one Rising Star; this study evaluated 43 providers, including 27 in the quadrant and recognized nine Leaders and two Rising Stars. We saw

similar increases in Managed Services, from evaluating 37 providers, including 20 in the quadrant and identifying seven Leaders and one Rising Star, to assessing 47 providers, including 24 in the quadrant, and recognizing eight Leaders and two Rising Stars.

The continued fragmentation of the SLED purchasing and contracting landscape presents challenges. However, the growing use of cooperative purchase/procurement contracts and contracting vehicles across multiple state agencies is a positive sign. Initiatives, such as the National Association of State Procurement Officials (NASPO) and OMNIA's cooperative purchasing platform, are streamlining processes and facilitating adoption.

Introducing public sector Cloud FinOps for 2024

Expanding cloud spending by SLED clients has also meant increased interest in and the need for FinOps capabilities.

Cloud FinOps is an indispensable practice for public sector organizations navigating the complex landscape of cloud services use and value. As these organizations increasingly rely

on cloud technologies to enhance efficiency and deliver public services, effective financial management has emerged as a critical concern. Cloud FinOps provides a framework that bridges the gap between financial goals and technical operations, enabling organizations to optimize cloud spending, improve transparency and drive better outcomes.

Key benefits of Cloud FinOps for public sector organizations:

Cost optimization: Cloud FinOps fosters data transparency between financial and technical teams, enabling organizations to identify and address inefficiencies, such as underutilized resources or inefficient provisioning. This feature ensures cloud spending aligns with organizations' mission and budget constraints, maximizing ROI.

Enhanced visibility: Cloud FinOps provides readily accessible, real-time insights into cloud usage and spending patterns. This data-driven approach empowers organizations to make informed decisions, identify areas for improvement, optimize resource allocation, forecast future costs accurately and respond proactively to changing needs and priorities,

ensuring effective and efficient use of cloud resources.

Improved governance and compliance: Cloud FinOps establishes clear financial governance processes, ensuring cloud spending aligns with regulations and maintains accountability for resource utilization. This reduces the risk of financial irregularities and strengthens overall governance frameworks, building public trust and confidence in organizations' use of taxpayer funds.

Increases agility and responsiveness: Cloud FinOps provides public sector organizations to enhance financial visibility and control, empowering them to scale cloud use as required to support rapid innovation and service delivery. This flexibility enables organizations to adapt to changing needs and priorities, ensuring effective and efficient delivery of public services in a dynamic and evolving environment.

This study includes our investigation of 47 FinOps services providers in a quadrant focused on SLED cloud cost optimization and our assessment of providers' FinOps capabilities within larger Managed Services portfolios.



What makes a Leader?

Their portfolio attractiveness and competitive strengths characterize Leaders in the cloud services market. Portfolio attractiveness encompasses having the right capabilities, tools and technologies to meet clients' current and future needs. Market presence, expertise influence, resources and geographic reach measure their competitive strength. **The most successful providers demonstrate portfolio attractiveness and competitive strength, effectively addressing the dynamic needs of SLED agencies.**

While the size of a provider's portfolio — i.e., the number and scope of offerings, functionality, tools and technologies included — is essential, what truly matters is the business value it delivers to clients. Demonstrating how client business is improved using the portfolio is paramount.

Competitive strength is not solely measured by the number and scope of resources, for example, full-time employees (FTEs), locations and partners. Leadership is better demonstrated by a provider's ability to influence what clients and partners do.

True leadership is exemplified not just by a provider's ability to demonstrate business value for clients and partners in current conditions. It is represented by a provider's ability to anticipate and respond to emerging trends, guiding clients and partners toward future market needs and satisfying upcoming, next-generation business IT requirements.

As the market evolves, providers must stay informed about emerging trends and invest in developing new skills and partnerships. **Those anticipating and responding to changing client expectations will be best positioned to maintain their leadership status.**

SLED agencies, are rapidly adopting cloud services to modernize IT infrastructure and improve service delivery. This shift has intensified competition among cloud service providers and created a surge in demand for FinOps capabilities.





Provider Positioning

Page 1 of 4

	Consulting and Transformation Services	Managed Services	FinOps Services and Cloud Optimization	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Accenture	Leader	Leader	Leader	Not In	Not In
AWS	Not In	Not In	Not In	Leader	Leader
Capgemini	Rising Star ★	Rising Star ★	Product Challenger	Not In	Not In
CGI	Leader	Leader	Product Challenger	Not In	Not In
Cognizant	Product Challenger	Product Challenger	Product Challenger	Not In	Not In
Dell (Virtustream)	Not In	Not In	Not In	Not In	Contender
Deloitte	Leader	Market Challenger	Leader	Not In	Not In
DigitalOcean	Not In	Not In	Not In	Contender	Not In
DXC Technology	Contender	Product Challenger	Product Challenger	Not In	Not In
Ensono	Product Challenger	Contender	Not In	Not In	Not In





Provider Positioning

Page 2 of 4

	Consulting and Transformation Services	Managed Services	FinOps Services and Cloud Optimization	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Eviden (Atos Group)	Contender	Contender	Contender	Not In	Not In
EY	Contender	Contender	Product Challenger	Not In	Not In
Fujitsu	Contender	Contender	Not In	Not In	Contender
Google	Not In	Not In	Not In	Rising Star ★	Product Challenger
HCLTech	Product Challenger	Rising Star ★	Rising Star ★	Not In	Not In
HPE	Market Challenger	Market Challenger	Contender	Product Challenger	Product Challenger
IBM	Leader	Leader	Leader	Leader	Leader
Infosys	Leader	Leader	Leader	Not In	Not In
KPMG	Contender	Not In	Not In	Not In	Not In
Kyndryl	Leader	Leader	Leader	Not In	Leader





Provider Positioning

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	Consulting and Transformation Services	Managed Services	FinOps Services and Cloud Optimization	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Microsoft	Not In	Not In	Not In	Leader	Leader
Mphasis	Contender	Not In	Not In	Not In	Not In
NTT DATA	Leader	Leader	Leader	Not In	Not In
Ollion (2nd Watch)	Product Challenger	Contender	Not In	Not In	Not In
Oracle	Not In	Not In	Not In	Market Challenger	Not In
OVHcloud	Not In	Not In	Not In	Contender	Contender
PwC	Not In	Contender	Not In	Not In	Not In
Rackspace Technology	Leader	Leader	Leader	Not In	Leader
Red River	Not In	Contender	Not In	Not In	Not In
SAP	Not In	Not In	Not In	Not In	Leader





Provider Positioning

Page 4 of 4

	Consulting and Transformation Services	Managed Services	FinOps Services and Cloud Optimization	Hyperscale Infrastructure and Platform Services	SAP HANA Infrastructure Services
Syntax	Not In	Not In	Not In	Not In	Contender
TCS	Rising Star ★	Product Challenger	Product Challenger	Not In	Not In
Tech Mahindra	Product Challenger	Product Challenger	Contender	Not In	Not In
Unisys	Leader	Leader	Leader	Not In	Not In
UST	Contender	Not In	Contender	Not In	Not In
Wipro	Product Challenger	Product Challenger	Product Challenger	Not In	Not In
Zensar Technologies	Product Challenger	Not In	Contender	Not In	Not In
Zones	Market Challenger	Not In	Not In	Not In	Not In



This study focuses on what ISG perceives as most critical in 2024 for **multi public cloud services**.

Simplified Illustration Source: ISG 2024

Consulting and Transformation Services

Managed Services

FinOps Services and Cloud Optimization

Hyperscale Infrastructure and Platform Services

SAP HANA Infrastructure Services

Definition

This ISG Provider Lens study evaluates providers offering public cloud solutions tailored specifically for U.S. public sector organizations, including state, local and educational (SLED) agencies. The study assesses consulting and transformation services, managed services, hyperscale public cloud infrastructure and platforms, FinOps services, SAP environments and related services.

Public cloud infrastructure has become the preferred choice for SLED agencies undertaking infrastructure transformation and application development projects. Intelligent automation tools streamline data management processes, allowing SLED agencies to focus on core missions and innovation rather than routine tasks. Furthermore, utilizing public cloud infrastructure aligns with sustainability goals by reducing the environmental impact associated with traditional data centers.

ISG is seeing rising interest in secure public cloud capabilities among data-sensitive agencies. Priorities include data sovereignty,

robust security and flexibility in data storage location selection, access control and encryption key management to ensure compliance with local regulations and safeguard sensitive information. Public clouds increasingly enable robust and enhanced security features, addressing data protection and privacy concerns.

SLED agencies are increasingly interested in GenAI to improve productivity, streamline operations and unlock new avenues for innovation. This trend highlights the importance of selecting cloud providers that lead in AI development, adoption, adaptation and integration capabilities for SLED agencies.



Scope of the Report

This ISG Provider Lens™ quadrant report covers the following five quadrants for services/solutions: Consulting and Transformation Services, Managed Services, FinOps Services and Cloud Optimization, Hyperscale Infrastructure and Platform Services and SAP HANA Infrastructure Services

The ISG Provider Lens™ Multi Public Cloud Services 2024 study offers the following to business and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers.
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness.
- Focus on the regional market.

Our 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.

Provider Classifications

The provider position reflects the suitability of providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the service requirements from enterprise customers differ and the spectrum of providers operating in the local market is sufficiently wide, a further differentiation of the 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 providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.

- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

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

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





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 Section

This report is relevant to U.S. public sector organizations for evaluating consulting and transformation service providers. In this quadrant, ISG lays out the current market positioning of service providers in the U.S. public sector and discusses how they address the key challenges organizations face while migrating to a public cloud environment.

ISG observes that public sector clients invest significantly in cloud IT after years of cautious adoption. This change is driven by the growing need to replace obsolete legacy systems, outdated IT models, a shortage of skilled workers and the pressure to optimize resources.

Public sector organizations are focusing on optimizing cloud governance in cost and resource management and cloud-native service development. Therefore, they seek providers with extensive expertise in specific industries, a considerable presence in the public domain and a strong background in cloud consulting and transformation services.

Public sector entities collaborate with providers to offer strong governance, risk and compliance (GRC) services to reduce risk exposure, improve governance and ensure proactive compliance management.

Organizations expect providers to continuously focus on delivering robust frameworks that include best practices and guidelines endorsed by hyperscalers to enhance the adoption of cloud infrastructure services. Additionally, their primary focus is to provide specialized guidance for workload migration, modernizing legacy applications, incorporating automation capabilities and optimizing cloud consumption.



IT leaders should read this report to understand the relative strengths and weaknesses of consulting and transformation service providers and how they can lead their organizations' digital transformation initiatives.



Sourcing, procurement and vendor management professionals should read this report to better understand the current landscape of consulting and transformation service providers in the U.S. public sector.

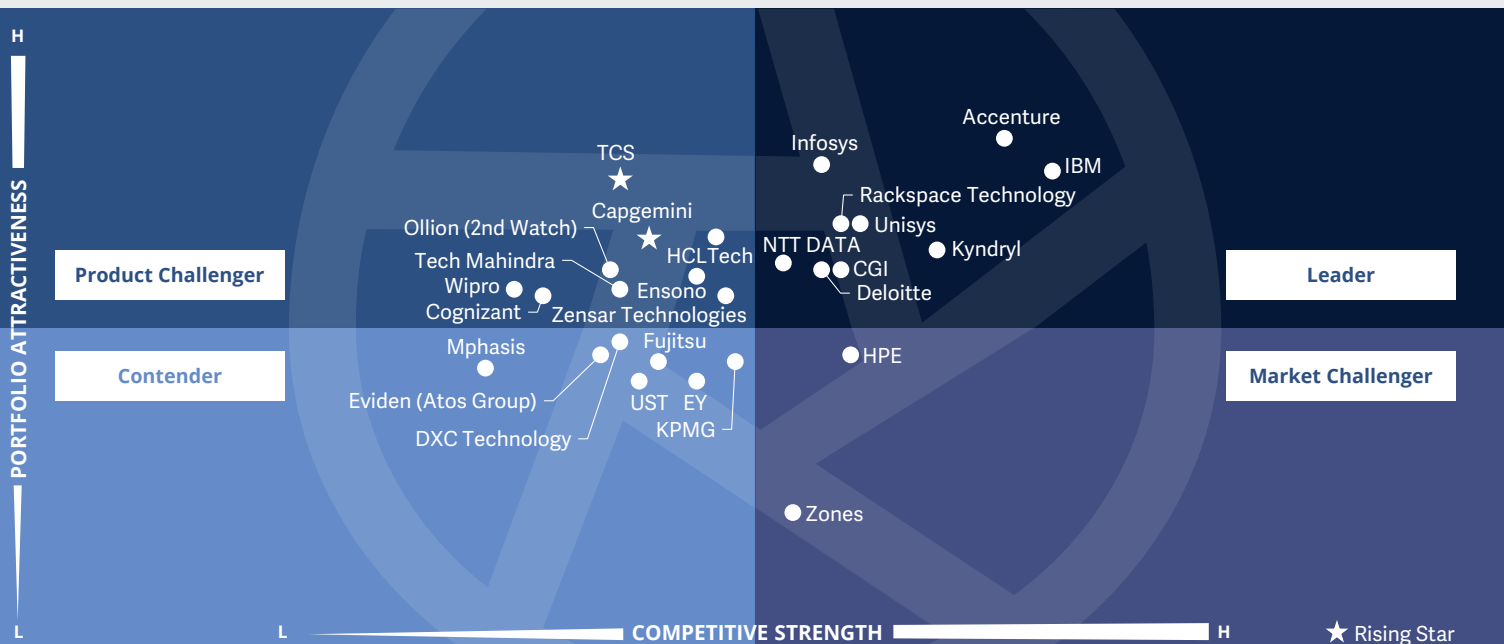


Software development and technology leaders should read this report to understand consulting and transformation service providers' positioning, offerings and how they can help organizations benefit from cloud migration.



Multi Public Cloud Services Consulting and Transformation Services

U.S. Public Sector 2024



This quadrant evaluates service providers offering **consulting and transformation** services that foster, enable, support and sustain the **efficient and effective adoption and use** of multi and public cloud capabilities for U.S. public sector clients.

Bruce Guptill



Consulting and Transformation Services

Definition

This quadrant assesses service providers that partner with multiple public cloud infrastructure providers to offer multicloud strategy and industry cloud solutions that manage client-specific complexities involved in adopting and deploying public cloud services. These providers typically employ highly skilled developers and software architects who use design thinking principles and short work cycles to meet client demands. Provider services typically comprise the following:

- **Consulting services** include business case design for multicloud environments and workload migration assessments. Service providers offer transformation road maps addressing security tools, networking and connectivity, data services, analytics, computing performance and guidance on application modernization for migration to public clouds.
- **Transformation services** include cloud architecture and engineering for designing, building and configuring multicloud environments. These services also support migrating and integrating applications to harness cloud computing security. Providers introduce AIOps and FinOps to enable advanced infrastructures that facilitate cloud-native application development and operations.
- **Compliance services** include environmental, sustainability and governance (ESG) and security services. Providers use best practices and frameworks to design cloud policies, processes and functions to enable healthy, sustainable, secure and compliant environments regardless of location. From a chief experience officer's (CXO)'s perspective, ESG has become a mainstream requirement, making it an integral part of every transformation engagement.

Eligibility Criteria

1. Established business in **planning and implementing multicloud services** among public sector client organizations, especially in SLED agencies
2. **Application modernization strategies** addressing cloud-native services and API libraries for service integration, including DevOps automation, AIOps, GenAI and infrastructure as code (IaC) deployments and cross-cloud integration
3. Methods and frameworks to **analyze clients' IT landscapes**, optimize IT spending and prevent additional technical debts
4. Experience in **application migration** (templates, automation engines and other techniques) **and cloud-native application development**
5. Certified competence with hyperscalers, including AWS, Azure and Google Cloud
6. Experience and solutions regarding **ESG transformation programs**, including carbon-neutral strategies and associated green business outcomes and benefits



Consulting and Transformation Services

Observations

After years of cautious adoption, public sector clients are embracing cloud IT with significant investments. This shift is driven by the obsolescence of legacy systems, outdated IT models, a shortage of skilled staff and the need to optimize resources. While initial cloud adoption was slower than anticipated due to economic uncertainties and political factors, recent trends indicate a growing momentum.

SLED agencies increasingly recognize cloud technologies' transformative yet achievable, strategic and operational potential — and are finally adapting IT budgeting and purchasing to reflect the same. This includes investing in cloud-based business consulting, application migration and modernization and digital government initiatives. This shift is evident in the growing number of agencies adopting cloud-first and cloud-optimal strategies and migrating complex legacy workloads to reliable and secure cloud platforms.

Providers well positioned to serve this evolving market must possess significant sector-specific contracting expertise. Those that can effectively

navigate the complexities of public sector procurement to deliver optimized, often tailored cloud solutions will have the best chance of capitalizing on this growing opportunity.

While cloud adoption may be gradual, the overall trend is clear: public sector clients increasingly turn to cloud IT to drive innovation, improve efficiency and enhance public services. They seek guidance and skills to do so at scale and speed.

From the 38 companies assessed for this study, 27 qualified for this quadrant, with nine being Leaders and two Rising Stars.



Accenture's Start from 0 methodology ensures tailored solutions aligned with client objectives. Its expanding AI investments leverage sector-specific resources and expertise to enhance service efficiency and effectiveness.



CGI offers comprehensive multi public cloud consulting and advisory services for public sector clients, leveraging deep expertise and partnerships to deliver cost-effective, efficient, innovative solutions that align with agency mandates.



Deloitte offers one of the most comprehensive cloud consulting and transformation portfolios for public sector clients, specializing in multicloud and hybrid environments. Sector contracting, cloud competencies and certifications further enable client success.



IBM leverages continuing GenAI advancements, acquiring expertise and sector-focused partnerships with major cloud providers with robust sector IT and business influence.



Infosys offers comprehensive cloud consulting and transformation services for public sector clients, leveraging GenAI, partnering with major cloud providers and demonstrating expertise in SLED business transformation and innovation.



Kyndryl is defined by its strategic approach, prioritizing business outcomes and leveraging advanced technologies such as SDMM and MicroID to efficiently modernize and migrate applications while ensuring seamless integration with client-centric cybersecurity optimization.



NTT DATA offers unique global WAN capabilities, outstanding contracting expertise and AI-driven automation for public sector cloud consulting and transformation, enabling flexible, secure and efficient solutions.



Consulting and Transformation Services



Rackspace Technology stands out with its Fabric platform for unified cloud management solutions, AI- and ML-powered automation, streamlining client workloads and a strong focus on reskilling and training.



Unisys offers cloud consulting and transformation services on agility, security and intelligence. It leverages AI and intelligent services with hyperautomation to enhance clients' cloud-native capabilities through continuous innovation with flexibility.



Capgemini (Rising Star) offers comprehensive public cloud consulting and transformation services encompassing XLAs, strategic investments, governance, risk and compliance (GRC) expertise and core application migration to help sector clients achieve continual economic efficiency and compliance.



TCS (Rising Star) offers comprehensive modernization services, leveraging strategic partnerships, AI-enhanced tools and platforms-led approaches to help public sector clients achieve successful cloud and multicloud transformations.



Unisys



“Unisys’ cloud consulting and transformation leadership stems from its focus on digital agility, applied intelligence and a secure enterprise, achieved through AI-enabled services, hyperautomation and sector-specific expertise.”

Bruce Guptill

Overview

Unisys is headquartered in Pennsylvania, U.S. It has more than 16,500 employees across 48 offices in 22 countries. In FY23 the company generated \$2.0 billion in revenue, with Enterprise Computing Solutions as its largest segment. It provides advisory services for AI-driven digital transformation and offers tailored cloud-native migrations with an integrated Software Development Life Cycle (SDLC) framework. As one of the longest-established IT hardware, software and services providers in the U.S. public sector, Unisys has offered cloud consulting and transformation services since 2010. It offers client-optimized services and solutions through dedicated public sector practices.

Strengths

Agility, security and intelligence:

Unisys’ cloud consulting and transformation strategy focuses on digital agility, applied intelligence and a secure enterprise. Leveraging AI and intelligent services, Unisys enhances clients’ cloud-native capabilities through continuous innovation, flexibility and community collaboration. Its key offerings include AI-enabled consulting, AI-ready infrastructure, ethical AI assurance and intelligent automation, aiming to improve efficiency, streamline workflows and ensure a secure and reliable cloud environment.

Public sector expertise: Unisys’ business transformation approach emphasizes innovation, problem-solving and deep understanding of public sector needs. Its services include organizational assessment,

advisory services and project management. Unisys’ size allows for flexibility and scalability, while its SDLC Framework accelerates cloud initiatives. Its public sector heritage fosters trust and expertise in delivering secure, automated multicloud environments.

Hyperautomation emphasis: Unisys prioritizes hyperautomation, embedding it across its cloud consulting and transformation services. It uses a capability framework and AI platforms to enable automation throughout the process, addressing design, timelines and security challenges. Its major offerings include assessment, application/data, security, migrations, transition and optimized-run phases.

Caution

Some ISG Public Sector reports note relatively few significant releases or announcements from Unisys aimed at SLED clients since 2021. Additionally, a relative absence of outcome-based pricing options compared to its peers could reduce Unisys’ appeal among SLED clients.





Managed Services

Who Should Read This Section

This report is relevant to the U.S. public sector organizations evaluating public cloud managed service providers. In this quadrant, ISG lays out the current market positioning of these providers in the U.S. public sector and how they address key challenges organizations face while managing infrastructure in a public cloud environment. These providers manage organizations' workloads in third-party, public cloud and hyperscale environments, allowing them to focus on core tasks.

ISG notes a growing demand for cloud managed services in the public sector, driven by the expanding adoption of public, private and hybrid cloud solutions. This trend has made identifying and selecting qualified managed service providers challenging.

Public sector organizations are increasingly seeking providers that offer cloud-based IT and workload management services designed to streamline essential IT processes and simplify the management of key applications. Service providers are addressing the rising demand by streamlining their offerings and focusing on

delivering clear business benefits, including the increased use of AI technologies. Service providers are leveraging generative AI (GenAI) to enhance their managed cloud service performance and flexibility while advancing AI solutions to support client IT teams struggling with staff shortages.

There is an increased focus on expediting organizations' digital transformation efforts using automated cloud operations platforms and ready-made cloud-native solutions. Additionally, providers are strongly focused on delivering ongoing services related to workload security, cloud governance practices and sustainability to drive their growth.



IT leaders should read this report to understand managed service providers' relative strengths and weaknesses and how they can impact public sector organizations' public cloud strategies, business agility and TCO.



Sourcing, procurement and vendor management professionals should read this report to better understand the current landscape of managed service providers in the U.S. public sector.

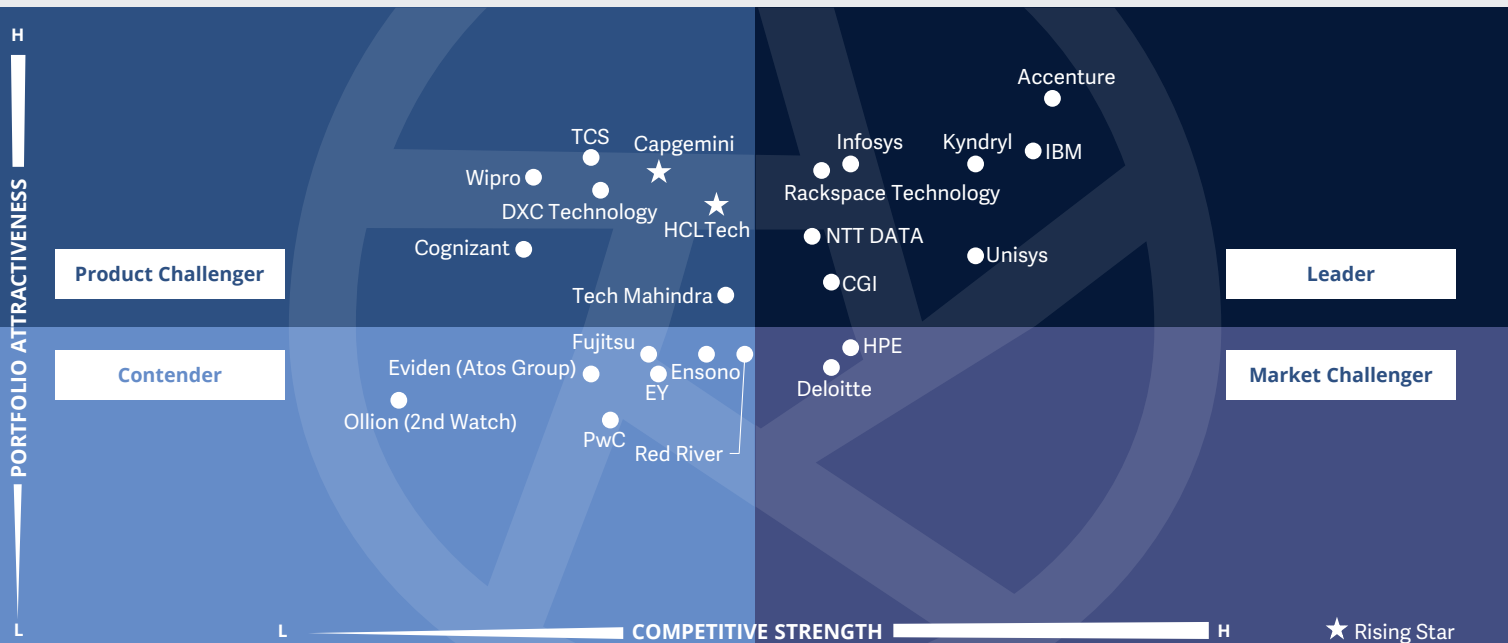


Software development and technology leaders should read this report to understand managed service providers' positioning and how their offerings can impact software product development for public sector organizations.



Multi Public Cloud Services Managed Services

U.S. Public Sector 2024



This quadrant assesses providers offering **managed services that enable and advance** the efficient and effective use of multi public cloud capabilities for U.S. public sector clients.

Bruce Guptill



Managed Services

Definition

This quadrant assesses providers specializing in managing day-to-day hyperscale environment operations. These providers adopt a DevOps-centric approach to support robust CI/CD pipelines with strong container management capabilities. They also offer expertise in site reliability engineering (SRE) and business resiliency.

These providers typically offer managed services such as cloud infrastructure lifecycle management and real-time multicloud monitoring with predictive analytics to maximize performance, reduce costs and protect compliance and security. Service providers use AIOps and GenAI tools to automate processes, auto-scale and optimize resources, offer predictive analytics and more. FinOps tools enable transparency in cloud utilization and costs. Typical service platforms include service catalogs, approval workflows and self-service and self-heal capabilities.

Provider capabilities typically include:

- Management and monitoring for virtual machine CPU utilization, memory, database performance, storage, microservices, containers, logs and service agents
- Patching and upgrading for operating systems, middleware and applications, plus security patching, access control and identity management
- ITSM, including incident management, problem management and release management
- FinOps-based monitoring and reporting, covering resource utilization, multicloud billing aggregation, invoice management, chargeback and showback
- ML and predictive analytics to improve performance and security
- Self-service catalogs that automate provisioning, container management, service on/off scheduling, IaC and DevOps automation
- Governance and compliance management, along with a robust cybersecurity framework

Eligibility Criteria

1. **Public sector-specific solutions and practice knowledge** for managing workloads on public cloud infrastructures
2. **Operational excellence** and well-defined professional services for public sector clients, especially SLED organizations
3. Experience in building and **managing public and multicloud** environments
4. Expertise in managing **platform configuration, integration, systems and containers**
5. **Financial dashboards and cost analysis** tools supporting FinOps
6. Support for software code development and **cloud-native and legacy system integration** by leveraging DevOps, API-enabled automation and cloud analytics services
7. Robust **security posture and cloud governance** services
8. **Partnerships with leading public cloud providers** and relevant managed service provider certifications with AWS, Microsoft Azure, Google Cloud and others



Managed Services

Observations

The growing adoption of cloud services by the public sector has created challenges in identifying and selecting qualified managed service providers.

As SLED organizations increasingly embrace cloud-first or cloud-plus-legacy strategies, the complexity of managing multiple cloud environments has pronounced. This shift has fueled clients' association with managed services providers. In response, the number of providers offering managed cloud services has grown significantly, making provider selection more challenging. Our 2023 report assessed 37 providers, with 20 qualifying for inclusion in this quadrant. This year, those numbers grew to 47 providers assessed, with 24 being qualified for inclusion.

Most qualified providers tend to have existing relationships with public sector clients. ISG research indicates that clients often initially procure managed services from their existing cloud services providers or through their extended partner ecosystems.

However, as client organizations gain experience and expertise, they may seek additional services and explore alternative providers.

Service providers are responding to this rising demand by consolidating portfolios and focusing on demonstrating business advantages for clients, including expanding the use of multiple forms of AI. Providers are leveraging GenAI to enhance the capabilities and adaptability of their managed cloud services. Leading providers are extending and improving AI use to augment IT staff within client organizations, facing increasing challenges.

From the 38 companies assessed for this study, 24 qualified for this quadrant, with eight being Leaders and two Rising Stars.

accenture

Accenture provides comprehensive AI-powered cloud managed services for public sector clients, specializing in migration, infrastructure, applications and data analytics to optimize costs, efficiency and innovation.

CGI

CGI specializes in public/multicloud cloud strategy, implementation intervention, turnaround, sovereign cloud expertise and cost-effective, secure and agile cloud solutions.

IBM

IBM provides multicloud managed services, including infrastructure, security and application management, across various hyperscale platforms. It offers tailored solutions based on client needs and leverages extensive contracting experience in the sector.

Infosys

Infosys' Cobalt, powered by Topaz AI, offers a comprehensive multicloud managed services portfolio for public sector clients, providing industry-optimized solutions, AI-driven automation and coordinated orchestration through its Polycloud platform.

kyndryl

Kyndryl offers managed cloud services with deep infrastructure expertise, AI-assisted automation and infrastructure-as-code capabilities, leveraging partnerships with hyperscalers and automation platforms to enhance operational efficiency, security and innovation.

NTT DATA

NTT DATA builds on its unique global networking expertise, deep hyperscaler partnerships and extensive Oracle Cloud capabilities to deliver tailored solutions through various SLED domains and contracting vehicles.

rackspace technology

Rackspace Technology offers comprehensive cloud managed services for public sector clients, including security, application modernization, AI and ML, leveraging strategic partnerships with hyperscalers and aligning solutions with clients' business needs.



Managed Services



Unisys offers managed cloud services focused on infrastructure management, automation and AI. Leveraging IaC, automation and AI-powered operations, Unisys delivers cloud-native services emphasizing best practices, simplification and optimization.



Rising Star **Capgemini** offers multicloud support, hybrid and edge integration, adaptable cloud operations frameworks and embedded cybersecurity features for continuous improvement.



Rising Star **HCLTech** continues investing in US SLED sector expansion while delivering AI-enabled solutions and industrialized approaches to automate processes, manage cloud infrastructure and ensure compliance while providing operational efficiency and effectiveness.



Unisys



"Unisys' leadership in cloud managed services is rooted in its focus on cloud-native infrastructure, automation, AI and innovation, enabling simplified operations, enhanced security and compliance, and optimized cost management in cloud environments."

Bruce Guphill

Overview

Unisys is headquartered in Pennsylvania, U.S. It has more than 16,500 employees across 48 offices in 22 countries. In FY23 the company generated \$2.0 billion in revenue, with Enterprise Computing Solutions as its largest segment. It provides advisory services for AI-driven digital transformation and offers tailored cloud-native migrations with an integrated Software Development Life Cycle (SDLC) framework. As one of the longest-established IT hardware, software and services providers in the U.S. public sector, Unisys has offered cloud consulting and transformation services since 2010. It offers client-optimized services and solutions through dedicated public sector practices.

Strengths

Infrastructure management emphases:

Unisys delivers cloud-native infrastructure services centered on DevOps, SecOps and FinOps, leveraging IaC and automation. Its approach emphasizes best practices, native tools, platform integrations and IP to simplify and accelerate configuration, move toward self-service and ensure security, compliance and cost optimization in cloud environments.

Automation and AI advancements:

Automation and AI are at the core of Unisys' managed services. Using hyperautomation, AI-powered operations and an automated service catalog, Unisys enables predictive, zero-touch operations, enhanced security and compliance and optimized cost management. This approach is supported

by a robust suite of tools and technologies, including CloudForte®, AIOps and cloud-specific AI automation capabilities.

AI-centric innovation road map: Unisys' managed services strategy focuses on intelligent operations, digital agility, applied intelligence and secure enterprise best practices. Its key service priorities include AI-enabled consulting, data-driven insights, ethical AI, enhanced observability, AI-ready infrastructure, intelligent operations automation, AI-infused security and legacy application modernization. This approach aims to deliver rapid implementation, innovation and collaborative partner strategies to meet client needs and market trends.

Caution

Despite its strong position in the U.S. public sector and ability to meet client needs, Unisys' sector investment and engagement levels may not be as extensive as those of other Leaders in this quadrant.





FinOps Services and Cloud Optimization

FinOps Services and Cloud Optimization

Who Should Read This Section

This report is relevant to the U.S. public sector organizations evaluating cloud FinOps service providers. In this quadrant, ISG highlights the current market positioning of FinOps service providers and how they address the key challenges organizations face.

U.S. public sector organizations are pursuing cloud cost optimization as a primary strategy for effectively managing their multi public cloud environments. There is a growing focus on data transparency between financial and technical teams, empowering organizations to identify and rectify cost inefficiencies, such as underutilized resources or suboptimal provisioning. This approach ensures that cloud expenditures are closely aligned with organizations' strategic goals and budgetary limits.

Organizations seek service providers that use advanced AI to identify anomalies in cloud usage and spending and propose architectural changes to improve performance and reduce costs. For robust FinOps, service providers use tools to manage service requests, configuring

approval workflows based on clients' governance requirements. There is a growing emphasis on establishing robust financial oversight, complete transparency regarding cloud resources and the ability to allocate costs across different business units.

Service providers deliver proactive cost management, with regular spending reports as value-added services, to public sector entities. There is a growing focus on governance framework encompassing FinOps custom policies, approval processes and notifications regarding policy violations to help organizations review and adjust their cloud budgets.



IT leaders should read this report to better understand the FinOps service providers' relative strengths and weaknesses and how they can influence enterprises' adoption of cloud-native technologies.



Software development and technology leaders should read this report to understand cloud FinOps service providers' positioning and how their offerings can influence the creation of new cloud usage dashboards.

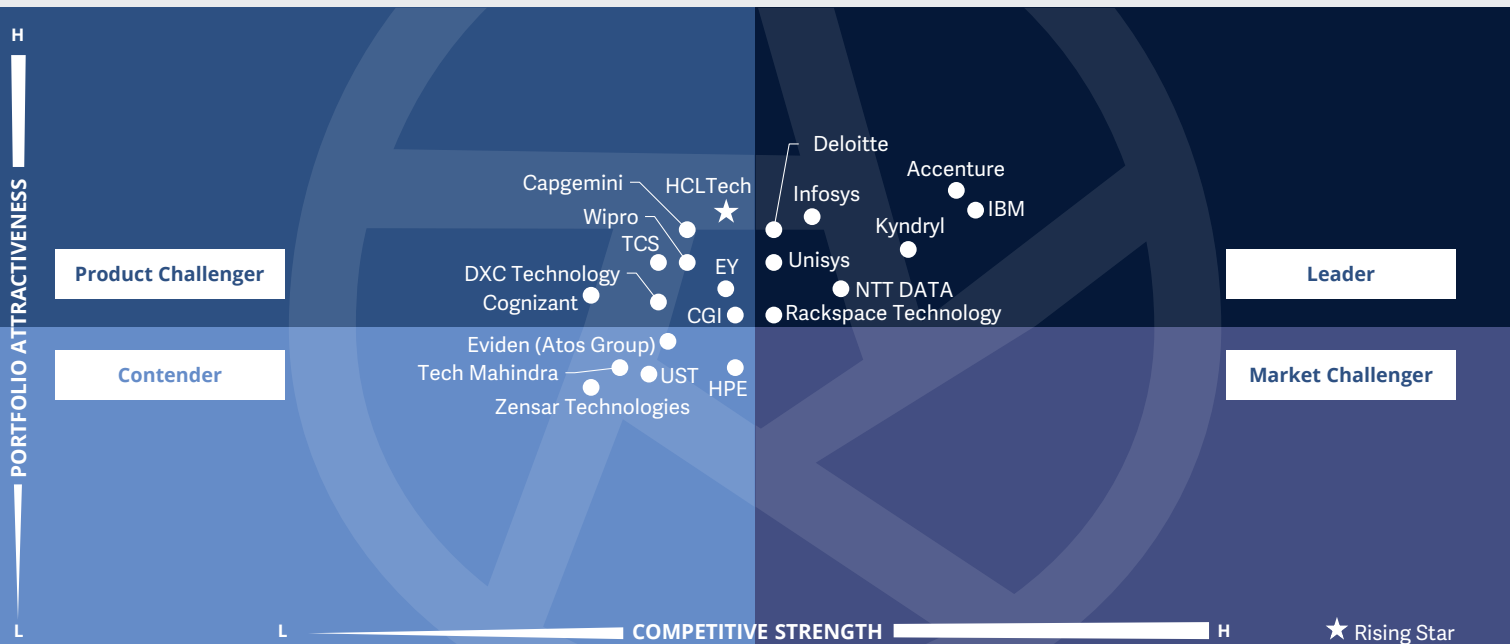


Sourcing, procurement and vendor management professionals should read this report to understand the current landscape of FinOps service providers.



Multi Public Cloud Services FinOps Services and Cloud Optimization

U.S. Public Sector 2024



This quadrant assesses service providers that offer **FinOps services and capabilities** to help U.S. public sector clients achieve **sustainable, cost-efficient** use and management of **multi and public cloud services**.

Bruce Guptill



FinOps Services and Cloud Optimization

Definition

This quadrant assesses service providers that offer cloud infrastructure cost optimization consulting and managed services for AWS, Microsoft Azure, Google Cloud and other public cloud platforms for public sector clients.

Clients expect providers to actively manage FinOps tools to maximize cloud resource utilization and improve automation and autoscaling capabilities. Contractual terms enable providers to operate on behalf of clients to facilitate activities such as buying and selling reserved instances, upscaling and downscaling resources and enabling dynamic cost allocation changes.

Leaders in this quadrant demonstrate the ability to predict clients' consumption patterns and cloud price changes using AI- and ML-based analytics. They use FinOps frameworks, comprising proprietary and third-party tools, to analyze and forecast usage, pricing and financial impacts. Providers also use data analytics to identify underutilized resources and optimization opportunities.

Typical engagements include workload assessments to analyze and reduce cloud expenses and maximize cost efficiency and cloud governance advisory services for activities such as user rights, service approval workflows, audit tracking (setting of logs/agents/reports) and defining compliance check methods, configuration policies, data access policies and service reporting configurations that include tagging, chargeback and showback functionalities.

Eligibility Criteria

1. Offer public sector-specific solutions and practice knowledge
2. Employ full-time employees (FTEs) that are FinOps-certified in multiple hyperscalers such as AWS, Microsoft Azure, Google Cloud and Oracle Cloud
3. Develop FinOps framework, strategy and implementation road maps optimized for sector needs and client organizations
4. Create engagement models, including cost-saving targets centered on budget control SLAs
5. Enable the development of clients' own, internal FinOps teams from various departments, agencies and operating groups
6. Empower clients with organizational change management (OCM) for sustainable FinOps practices
7. Demonstrate optimization expertise beyond FinOps data gathering, analysis and reporting



FinOps Services and Cloud Optimization

Observations

Cloud FinOps has emerged as a critical practice for public sector organizations leveraging cloud services. Effective financial management becomes essential as these organizations adopt cloud technologies to enhance efficiency and deliver public services. Cloud FinOps provides a framework that aligns financial goals with technical operations, enabling organizations to optimize cloud spending, improve transparency and compliance, and achieve better outcomes.

Key benefits of Cloud FinOps for public sector organizations include:

- **Cost optimization:** Cloud FinOps fosters data transparency between financial and technical teams, enabling organizations to identify and address inefficiencies, such as underutilized resources or inefficient provisioning. This ensures that cloud spending aligns with the organization's mission and budget constraints.
- **Enhanced visibility:** Data transparency provides readily accessible, real-time insight into cloud usage and spending

patterns. This enables data-driven decisions, identifies areas for improvement, optimizes resource allocation and forecasts future costs accurately.

- **Improved governance:** Cloud FinOps helps public sector organizations establish clear financial governance processes to ensure compliance with regulations and maintain accountability for cloud spending. This practice reduces the risk of financial irregularities and strengthens overall governance frameworks.
- **Increased agility:** Cloud FinOps empowers organizations to respond effectively to changing needs and priorities. Financial visibility and control enable organizations to scale cloud use as required, supporting rapid innovation and service delivery.

From the 38 companies assessed for this study, 21 qualified for this quadrant, with eight being Leaders and one Rising Star.

accenture

Accenture provides comprehensive FinOps services, including assessments, tooling and optimization. As a Premier FinOps Foundation member, Accenture offers government-specific FinOps tools, such as CloudTracker, via a large team of certified FinOps practitioners.

Deloitte.

Deloitte offers tailored solutions, platform-based execution and strong governance practices combined with business, tax and accounting expertise to optimize cloud costs, enhance financial visibility and ensure compliance.

IBM.

IBM offers a comprehensive FinOps suite that includes detailed insights, automation and a unified platform for optimizing cloud resources across various environments, helping organizations maximize cloud value and protect their business.

Infosys

Infosys delivers comprehensive FinOps capabilities for public sector clients, including aligned strategies, interactive dashboards and automated intelligent tools, such as COBALT, to optimize cloud spending, make data-driven decisions and achieve operational efficiency.

kyndryl

Kyndryl offers public sector clients a comprehensive FinOps service that combines prescriptive and retrospective governance, persona-focused AI integration and interwoven managed services to achieve sustainable cost optimization and accountability.

NTT DATA

NTT DATA delivers multicloud FinOps with GreenOps to optimize cloud spending, ensure compliance and foster sustainability for public sector clients. Its comprehensive approach includes visualization, forecasting, business analysis and Kubernetes cost assessment.



FinOps Services and Cloud Optimization



Rackspace Technology offers FinOps services for public sector clients that combine AI-driven automation and optimization with flexible pricing options, frequently integrated with managed cloud services for enhanced cost savings and efficiency.



Unisys provides comprehensive FinOps services for U.S. public sector clients, focusing on cost optimization, efficiency gains and governance through its consultative approach and rapidly expanding AI and ML capabilities.

HCLTech

Rising Star **HCLTech** provides comprehensive FinOps encompassing consulting, managed services and operational support. Leveraging AI and automation, HCLTech optimizes cloud consumption, identifies cost-saving opportunities and ensures compliance with sector regulations.



Unisys



"Unisys leverages deep sector expertise and AI-optimized automation to deliver significant cost savings and efficiency gains through its FinOps services while ensuring strict compliance and reporting requirements are met."

Bruce Guptill

Overview

Unisys is headquartered in Pennsylvania, U.S. It has more than 16,500 employees across 48 offices in 22 countries. In FY23 the company generated \$2.0 billion in revenue, with Enterprise Computing Solutions as its largest segment. As one of the longest-established IT hardware, software and services providers in the U.S. public sector, Unisys has offered private, public and hybrid cloud managed services since 2010. Unisys emphasizes client-optimized services and solutions sold and supported through its dedicated Public Sector practices. Its emphasis on AI-optimized automation and policy enforcement supports stringent compliance and reporting requirements of public sector clients.

Strengths

FinOps with cloud managed services: Unisys integrates FinOps with its cloud managed services through a consultative approach that addresses business ROI, transformation, advisory and governance at various levels. Case studies indicate significant cost savings and efficiency gains through FinOps-driven cloud migrations, modernization and optimization.

Portfolio road map emphasizing continued improvement: Unisys emphasizes TCO understanding, ROI analysis and financial stewardship, as well as improving and enforcing cloud management policies to ensure cost and performance best practices are met. Unisys builds FinOps improvement around analytics-based runtime services and aligns solution packaging with client

journeys. Key investments emphasize maximizing hyperscaler capabilities, enhancing its Inform, Operate, Optimize framework and advancing AIOps intelligent capacity management.

AI emphasis beyond automation: Unisys AI- and ML-driven automation capability provides tools for monitoring, alerting, scaling and intelligent capacity management to break down costs and usage for budgets, reporting and projections. Using ML-driven capacity management and AIOps, Unisys offers anomaly detection, self-healing and root cause analysis. ML solutions are often used for forecasting, event correlation and service intelligence analytics.

Caution

While Unisys remains a formidable player in the U.S. public sector, ISG observes a somewhat muted public profile compared to leading cloud service providers. Unisys could benefit from a more proactive approach to promoting its advancements to increase its visibility, attract more clients and solidify its position further.





Hyperscale Infrastructure and Platform Services

Hyperscale Infrastructure and Platform Services

Who Should Read This Section

This report is relevant to U.S. public sector organizations for evaluating hyperscale infrastructure and platform service providers. In this quadrant, ISG highlights the current market positioning of these providers in the U.S. public sector and how they address key challenges public sector organizations face.

U.S. public sector entities prioritize digital transformation but face challenges maintaining their IT infrastructure due to high costs. This trend has accelerated the adoption of public cloud services across various sectors, with a preference for hyperscale environments when migrating workloads to the cloud.

Public sector organizations are actively seeking strategies to leverage hyperscale providers within virtual or containerized, software-defined environments. This shift drives hyperscalers to develop, engineer and manage their offerings, focusing on meeting the stringent regulatory requirements associated with public sector clients.

ISG observes that organizations invest in infrastructure and platform services to manage their infrastructure efficiently, get regular end-to-end updates, enhance processes and ensure operational efficiency. They seek providers that can deal with compliance requirements and continue deploying new workloads on the cloud.

Organizations seek providers focusing on IaaS performance, cost reduction, agility, improved security and resilience, analytics and industry-specific solutions for migrating workloads.



IT leaders should read this report to understand hyperscalers' strengths and weaknesses and how they can impact public sector firms' public cloud strategies, TCO and business agility.



Sourcing, procurement and vendor management professionals should read this report to better understand the current landscape of hyperscale infrastructure and platform service providers in the U.S. public sector.

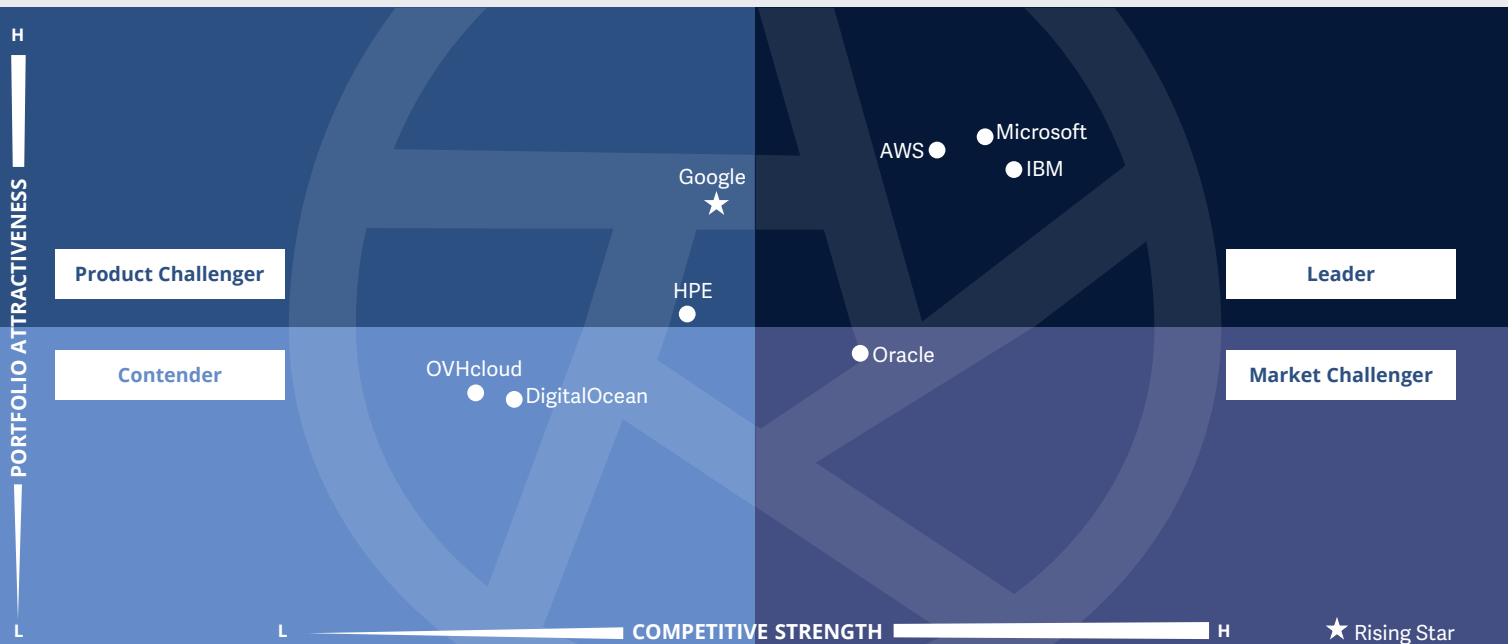


Software development and technology leaders should read this report to understand providers' relative positioning and capabilities in helping organizations migrate workloads to public cloud platforms.



Multi Public Cloud Services Hyperscale Infrastructure and Platform Services

U.S. Public Sector 2024



This quadrant evaluates providers of **highly scalable, on-demand, subscription-based** public cloud infrastructure, middleware and software solutions designed to meet the **unique needs of public sector** organizations.

Bruce Guptill



Hyperscale Infrastructure and Platform Services

Definition

This quadrant assesses providers offering and supporting virtual compute resources, middleware and software in highly scalable public cloud environments tailored for public sector client organizations, and consumed by clients as on-demand and web-centric services.

Compute services and storage and network resources are typical services in qualified providers' IaaS portfolios. All these services are provided as virtual or containerized software-defined offerings and complemented by serverless architectures. GenAI capabilities increasingly automate resource provisioning, cost and performance optimization, dynamic scaling and support.

Qualified hyperscaler PaaS portfolios usually include multiple microservices and runtime engines for predefined cloud-based application development that typically addresses developers' complete lifecycle needs in building or modernizing applications. Valuable offerings also include middleware, business process management, collaboration networks,

databases, analytics and ML capabilities. Additional internal and external (third-party) services are frequently accessible through marketplaces. Providers offer GenAI capabilities to optimize application deployment and DevOps integration, monitor application performance and suggest ways to optimize.

Eligibility Criteria

1. Portfolio with **computing power**, memory, storage, network, backup and container management functions **optimized for public sector clients**
2. Toolset with specialized hardware and large language models (LLMs) to enable and advance **AI- and ML-based projects**, including **GenAI services**
3. **Price transparency** with consumption-based and reserved billing models
4. Sector-focused **competency and service certifications**, including data center and facilities certification
5. Strong focus on **data location, data protection** and sophisticated **cybersecurity solutions**
6. Support for IaC and **serverless computing** in combination with **automated provisioning**, event triggering and failover
7. APIs to **connect multiple clouds**, SaaS and web services
8. **Partner program** with a vast partner ecosystem



Hyperscale Infrastructure and Platform Services

Observations

In ISG's 2022 study, we anticipated a rapid acceleration of cloud IT services adoption within U.S. public sector organizations. We noted in the 2023 study that, while the expected pace had not fully materialized, we had observed a steady increase in the scope and scale of public and multicloud cloud service usage.

Public sector clients have become more comfortable with and reliant on cloud-based infrastructure and associated capabilities since 2023. This growing confidence has accelerated cloud adoption across business-critical organizational functions within and outside of IT, including in sourcing and procurement, digital workspaces and call centers (including customer/constituent support services).

Hyperscalers have expanded their efforts to meet the growing resource needs of the public sector while adhering to stringent regulatory requirements. They have introduced enhanced services contracting methods, data security and privacy measures, advancements in managed services and widely integrated AI, including GenAI.

Systems integrators, IT consulting firms and other technology partners are also expanding their offerings and expertise to the public sector. We have seen an increase in the scope and number of providers competing for sector business in cloud consulting, transformation and managed services. Partnerships are crucial for hyperscalers, and the most successful providers in this quadrant will demonstrate their own technological capabilities and leverage the strengths of their partner networks.

From the 38 companies assessed for this study, eight qualified for this quadrant, with three being Leaders and one Rising Star.



AWS offers a comprehensive suite of hyperscale cloud services, including dedicated and shared resources, sector-optimized AI solutions and contracting guidance for its public sector clients.



IBM provides a unique combination of AI-powered cloud resource management, enhanced software management flexibility, expertise in government relationships and contracting vehicles for its IBM Cloud hyperscale platform.

Microsoft

Microsoft Azure provides public sector clients with a broad range of hyperscale cloud services, including advanced AI, virtual compute management and an extensive portfolio of sector-aligned solutions supported by the world's largest software partner ecosystem.

Google

Rising Star **Google Cloud** provides a full suite of AI-driven solutions, secure infrastructure options and domain-specific offerings tailored to meet the unique needs of U.S. state and local government agencies.





SAP HANA Infrastructure Services

SAP HANA Infrastructure Services

Who Should Read This Section

This report is relevant to U.S. public sector organizations for evaluating providers of SAP HANA infrastructure services for SAP S/4HANA workloads and large-scale HANA databases. In this quadrant, ISG highlights the current market positioning of service providers in the U.S. public sector based on the depth of their service offerings and market presence.

U.S. public sector firms face challenges when maintaining critical SAP workloads, including financial burden, data management and change control complexities, and skilled personnel shortage. In response, many of these firms are incorporating SAP HANA into their digital transformation initiatives and are actively seeking hyperscale providers to help them overcome these obstacles.

There is a growing focus on public sector organizations utilizing hyperscalers' compute, storage and connectivity resources on public clouds to host SAP workloads, enabling scalable infrastructure and operations based on demand. Providers have dedicated

resources to establishing an infrastructure platform with exceptional security, reliability and performance.

Service providers have developed specific automation capabilities to assess, plan and migrate SAP to public clouds, including legacy ERP central component (ECC) systems and data warehouses. Integrating cutting-edge technologies such as AI and ML into their services enables providers to assist clients in modernizing their SAP applications and enhancing their overall business value.



IT leaders should read this report to understand SAP HANA infrastructure service providers' relative strengths and weaknesses and how market advancements affect public cloud strategies.

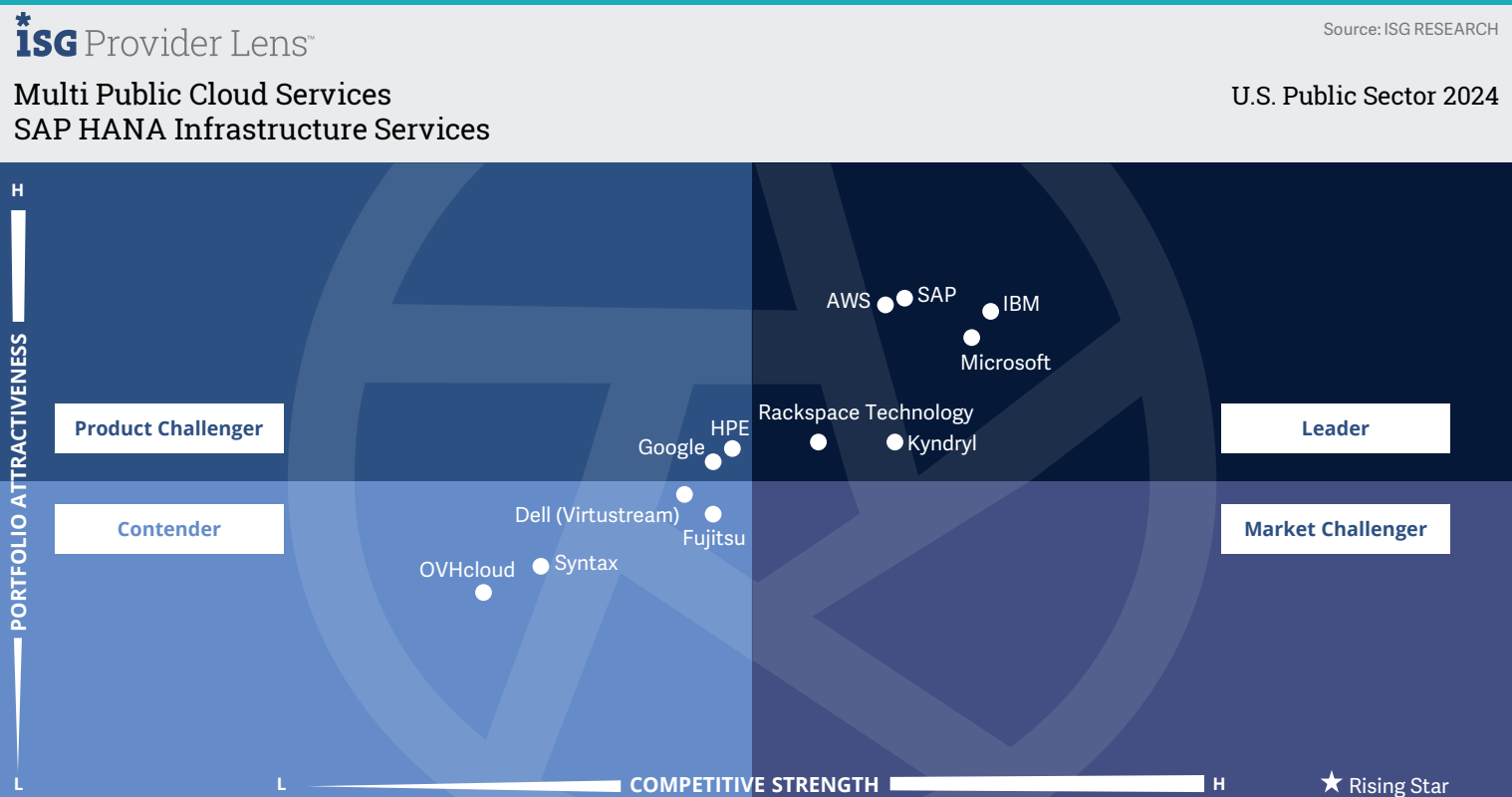


Sourcing, procurement and vendor management professionals should read this report to better understand the current landscape of SAP HANA infrastructure service providers in the U.S. public sector.



Software development and technology leaders should read this report to understand SAP HANA infrastructure providers' positioning and capabilities and how they can help procure infrastructure and services to migrate workloads to the public cloud.





SAP platforms and workloads provide critical ERP capabilities for public sector clients. This quadrant assesses **cloud infrastructure providers optimizing SAP's** software portfolio, particularly SAP S/4HANA and large-scale HANA databases.

Bruce Guptill



SAP HANA Infrastructure Services

Definition

This quadrant assesses cloud infrastructure providers best suited to optimize SAP's software portfolio for public sector organizations, including SAP S/4HANA workloads and large-scale HANA databases. Positioned providers offer IaaS, including infrastructure operations, facilities, provisioning and scaling capacity for SAP workloads.

Key criteria for assessment include IaaS providers' data migration tools, technical support, system imaging, backup and restore capabilities, disaster recovery solutions, resource usage monitoring and dashboard management solutions. These tools may be part of the standard IaaS offerings or provided by partners in a marketplace.

Ideally, the infrastructure provider should have a broad ecosystem, including SAP partners, enabling it to support clients in automating and operating their SAP instances in the cloud. Participation in the RISE with SAP program enables strong positioning in this quadrant. However, RISE participation is not mandatory for inclusion in these assessments.

The cloud infrastructure provider should also offer pre-sales support to help clients with migration planning, cloud architecture design, sizing and performance optimization, licensing considerations, system and database configuration, virtual private network (VPN) configuration and third-party vendor solutions (toolsets). The support analysis focuses on the vendor's service partner ecosystem and its expertise in conducting related migrations and operations.

The hyperscaler should offer GenAI capabilities to optimize tasks and operations, including resource allocation, dynamic scaling, performance and cost optimization and automate backup schedules.

Eligibility Criteria

1. Demonstrated expertise in **public sector SAP landscapes**, including application and data migration
2. IaaS offerings, including **SAP-certified servers** with storage and connectivity for SAP products
3. Availability of **SAP HANA instances** in multiple memory sizes, enabling **on-demand upscaling** to accommodate instance growth and upgrades with minimum service interruptions
4. Memory capacity exceeding **6 TB per virtual machine**
5. Easy access, **transparent pricing** and various billing models, including consumption-based, reserved instance and dedicated instance
6. Recognized **quality standards** and **service certifications**, with a strong focus on **data protection** and cybersecurity
7. **Low-cost storage** for backups and archiving
8. **Multiregion** disaster recovery capabilities, including automated **backup and restore functionality**
9. **Certified partners** specializing in SAP



SAP HANA Infrastructure Services

Observations

The Increasing global shift of ERP software to the cloud has significantly influenced public sector organizations, accelerating their adoption of cloud infrastructure and SaaS solutions. As the dominant ERP platform in the U.S. public sector, SAP is leading this trend.

The complex nature of SAP environments, often fragmented across SLED organizations, highlights the urgent need for public sector client to migrate and modernize their systems. This requires addressing data conformity and compliance challenges, as well as user experience and legacy systems to ensure a seamless transition to the cloud.

ISG forecasts a significant increase in SAP ERP migrations and implementations among SLED organizations through the end of 2027. This surge is fueled by mandatory cloud transitions and a growing preference for cloud-based solutions, creating a strong demand for migration, development, hosting and managed services.

The competitive landscape in this quadrant is dynamic, with providers' relative positions shifting based on factors such as sector client spending, technological advancements and go-to-market strategies. The relative value of providers' capabilities changes frequently due to shifts in sector client budgeting and spending and advancements by SAP and its technology partners. However, the most critical differentiators remain SAP migration and optimization experience within the public sector, supplemented with expertise in integration and managed services.

From the 38 companies assessed for this study, 12 qualified for this quadrant, with six being Leaders.



AWS delivers comprehensive SAP infrastructure services, including portfolio enhancements, partner-led support and integration with SAP BTP and RISE on AWS to help public sector clients modernize and optimize their SAP environments.



IBM provides a comprehensive suite of SAP infrastructure services, including Power platform options for flexible deployment and services for migrating and modernizing SAP on the cloud using RISE with SAP.



Kyndryl offers a solid suite of SAP infrastructure services, including cloud hosting, migration, modernization and management, leveraging its deep expertise and strategic partnership with SAP to optimize SAP environments for public sector clients.

Microsoft

Microsoft Azure combines deep business, codevelopment and technological partnerships with SAP, alongside its ubiquitous cloud and software presence and influence, to offer a robust SAP infrastructure solution for public sector clients.




As one of the most experienced cloud hosting providers, **Rackspace Technology** offers SAP HANA hosting, migration and managed services, leveraging its expertise in public cloud and SDDC environments to meet the unique needs of public sector clients.

SAP

SAP provides a comprehensive range of infrastructure services for its ERP software environments, leveraging strategic partnerships with hyperscalers and offering a tightly integrated cloud platform with advanced features tailored to public sector clients.





Star of Excellence

A program, designed by ISG, to collect client feedback about providers' success in demonstrating the highest standards of client service excellence and customer centricity.



Appendix

The ISG Provider Lens 2024 – Multi Public Cloud Services study analyzes the relevant software vendors/service providers in the U.S. Public Sector 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 study will include data from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

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

The study was divided into the following steps:

1. Definition of Multi Public Cloud 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



Bruce Guptill
Lead Analyst

Bruce Guptill brings more than 30 years of technology business and markets experience and expertise to ISG clients.

Bruce has helped develop and lead ISG's enterprise research development and delivery, global ISG Research operations, and Research client support. His primary research and analysis for ISG clients has focused on IT services market development, disruption, adaptation and change. He currently leads U.S. Public Sector research for ISG's Provider Lens global research studies, and also leads IPL studies in procurement and software vendor partner ecosystems.

Bruce holds a Masters' degree in Marketing and Finance, and a B.A. combining business and mass media communication psychology. He also holds certifications in a wide range of software, hardware, and networking technologies, as well as in mechanical and electrical engineering disciplines.

Enterprise Context and Overview Analyst



Manoj M
Senior Research Analyst

Manoj is a research analyst at ISG and supports ISG Provider Lens™ studies on Private/Hybrid Cloud – Data Center Services, Mainframes, Cloud Native Services & Solutions and Public Cloud Solution and Services. He also supports the lead analysts of multiple regions in the research process. Prior to this role, he supported the ROI process in sales intelligence platform and was an individual contributor in handling research requirements for advanced technologies in different sectors.

He has considerable expertise in predicting the automation impact by considering certain parameters such as productivity, efficiency and time reduction. During his tenure, he has supported research authors and authored Enterprise Context and Global Summary reports with market trends and insights.



Author & Editor Biographies

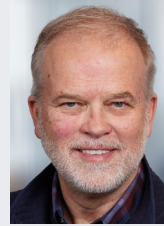


Study Sponsor

Heiko Henkes
Director and Principal Analyst

Heiko Henkes serves as Managing Director and Principal Analyst at ISG, where he oversees the Global ISG Provider Lens™ (IPL) Program for all IT Outsourcing (ITO) studies alongside his pivotal role in the global IPL division as strategic program manager and thought leader for IPL Lead Analysts. Additionally, Henkes heads the Star of Excellence, ISG's global customer experience initiative, steering program design and its integration with IPL and ISG's sourcing practice.

His expertise lies in guiding companies through IT-based business model transformations, leveraging his deep understanding of continuous transformation, IT competencies, sustainable business strategies, and change management in a Cloud-AI-driven business landscape. Henkes is renowned for his contributions as a keynote speaker on digital innovation, where he shares insights on leveraging technology for business growth and transformation.



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 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](#).

iSG Research™

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For more information about ISG Research™ subscriptions, please email contact@isg-one.com, call +1.203.454.3900, or visit research.isg-one.com.

iSG

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Founded in 2006, and based in Stamford, Conn., ISG employs 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit isg-one.com.





DECEMBER, 2024

REPORT: MULTI PUBLIC CLOUD SERVICES