

## Magic Quadrant for Public Cloud IT Transformation Services

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Initiatives: [IT Services and Solutions](#)

With the continued migration to cloud, clients are seeking specialized help with IT transformation. Sourcing, procurement and vendor management leaders can use this assessment of 20 providers focused on cloud-native solutions associated with public cloud managed and transformation services.

**This Magic Quadrant is related to other research:**

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### Market Definition/Description

Providers in the public cloud IT transformation services (PCITS) market offer solutions designed to deliver transformational outcomes via cloud-native professional and managed application services built exclusively from public hyperscale cloud infrastructure and platform services. Organizations seeking to use public clouds like Amazon Web Services (AWS), Google Cloud Platform (GCP) and Microsoft Azure engage with providers in this market to realize the greatest transformational benefits. While there are many providers that have cloud transformation capabilities (examples include those in [Gartner's Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide](#) and [Critical Capabilities for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide](#)), this Magic Quadrant offers a view of providers more specifically focused on transformation through the use of public cloud services.

The market definition comprises the following key aspects:

- **Providers deliver positive business impacts born from IT transformation.** A “transformational IT outcome” is one that uses new technologies and paradigms to meet or improve upon achieving business objectives. For example, if the transformative outcome from building a cloud-native solution in a hyperscale cloud infrastructure and platform services (CIPS) platform results directly in significantly improved or new key performance indicators (KPIs) – like revenue, margin, or customer satisfaction and retention – then it is considered transformational.
- **Providers emphasize application-focused R’s.** Rehost, revise, rearchitect, rebuild and replace are generally considered the five R’s of cloud transformation. Rehost (lift and shift) and some portion of revise are considered infrastructure-led activities, while the remaining R’s (rearchitect, rebuild and replace) are the focus of application-led transformation services and require substantial software engineering competencies for success.
- **The engagement between the customer and the service provider is application-led rather than infrastructure-led.** Discussions of specific technical solutions are deferred until an understanding of the business objective has been achieved. Business objectives are more effectively stated as application and data requirements, rather than technical requirements for what infrastructure and platform services should be used to achieve them.
- **Solutions are built exclusively with public hyperscale CIPS and software as a service (SaaS).** Providers can deliver complete, transformative solutions using only public cloud resources, thereby freeing the customer from the responsibility of building, maintaining and managing a data center.
- **Cloud-native precepts are emphasized for application architecture and operational models.** Benefits of the cloud model are maximized when cloud services are used as designed, with technical and operational choices that result in autoscalability, resiliency and elastic, fine-tuned resource consumption.
- **Managed services capabilities are in scope.** Providers must offer the capability to deliver fully managed services for their clients. This includes oversight of daily operations and optimization of infrastructure operations and management in the public cloud.
- **Application development services are in scope.** Providers have application development capability, ranging from the ability to take existing code and modernize it for use in the cloud, to building new applications from scratch to be operated as custom services.

- **SaaS integration and management is in scope.** Providers may deliver services for managing and integrating SaaS into the customer's environment.
- **Complex application integration and management is in scope.** Providers may deliver services for integration and management of complex enterprise applications from vendors such as SAP, Oracle and JD Edwards in the public cloud.

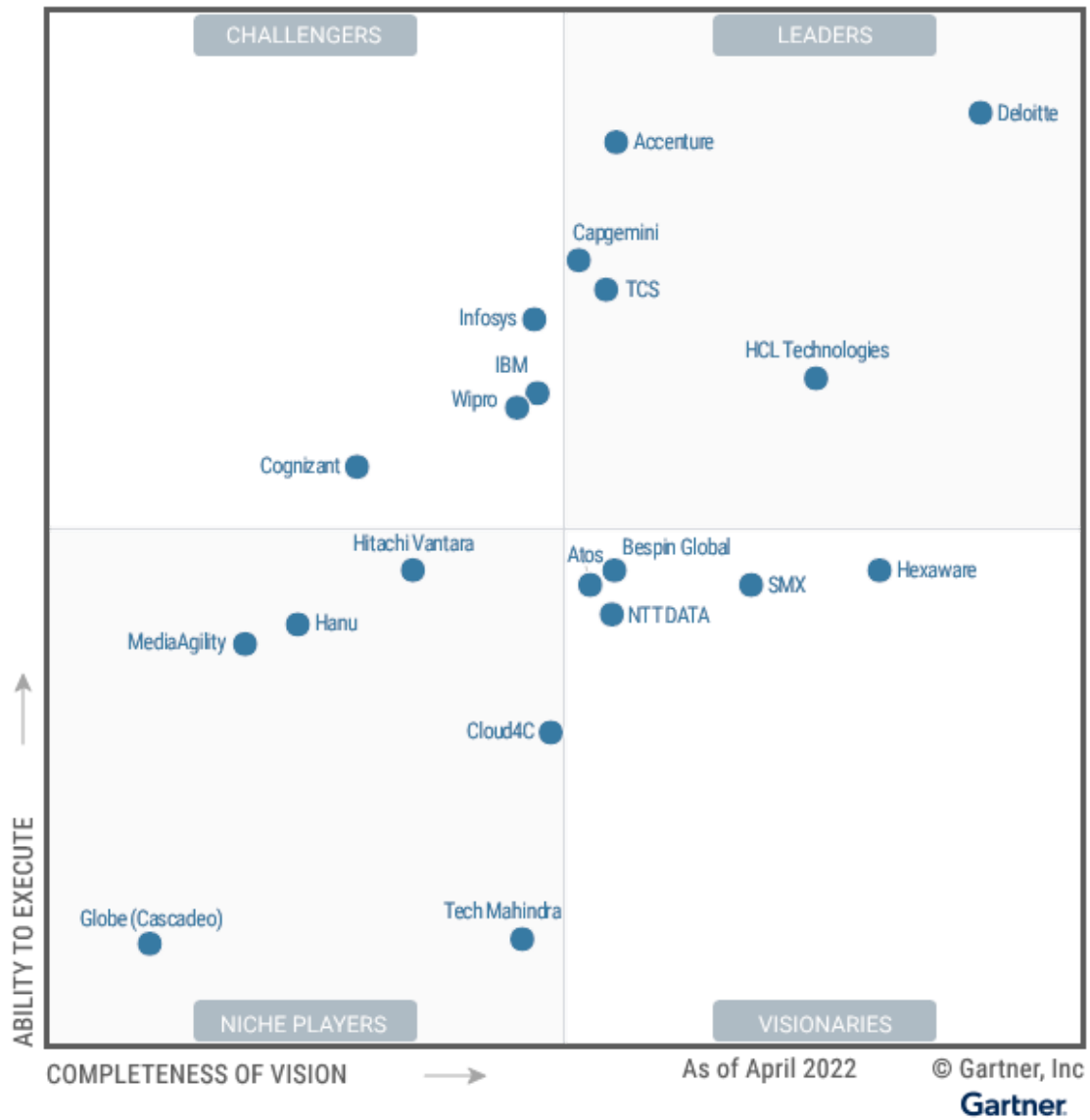
## Market Evolution

The market has been adopting public cloud primarily with an infrastructure-led approach for most of the last 16 years. Most organizations have done something in the public cloud and have experienced a taste of the transformative possibilities. The number of cloud IT service (CITS) providers has swelled as technology and service providers from declining markets seek relevance in the cloud market. The number of providers that qualified for this Magic Quadrant grew by 600% over the last year. The increased number of CITS providers has further promulgated the use of public clouds, and many acquisitions have been occurring as traditional managed service providers (MSPs) scramble to organize around cloud skill sets.

As the benefits of cloud-native solutions become self-apparent, underscored by the speed of transformation during the pandemic, a new market that focuses on cloud-native development and management engagements has quickly taken shape. In the PCITS market, customers are primarily responsible for conveying business needs, objectives and requirements to the provider. This usually manifests as application, data and performance requirements. Customers of this market are not driven to seek providers for marginal infrastructure efficiency improvements. Rather, their expectations are for providers to offer ingenuity, creativity and experience in harnessing public cloud differentiation to achieve transformative, application-centric outcomes.

## Magic Quadrant

Figure 1: Magic Quadrant for Public Cloud IT Transformation Services



Source: Gartner (July 2022)

## Vendor Strengths and Cautions

### Accenture

Accenture is a Leader in this Magic Quadrant. Accenture has global capabilities but focuses mainly on North America, Europe and APAC. Its primary verticals include financial services/insurance, government (federal, state or local) and life sciences/biotech/pharmaceuticals. Accenture supports multicloud use cases, and a majority of its managed services customers use AWS, followed by Microsoft Azure, Oracle Cloud and GCP. IBM Cloud and Alibaba Cloud represent less than 3% of its supported cloud service providers.

### Strengths

- **Transformational focus:** Accenture aids its clients' cloud transformation through the adoption and then optimization of their cloud environments. This is achieved with a services library that automates key activities, such as autoscaling and provisioning. Accenture provides direct reporting on performance against business KPIs, while using an outcome-based pricing model.
- **Strong multicloud capabilities:** Accenture offers global, multicloud capabilities with services in every region. It delivered almost 2,300 migrations of over 500 workloads in the past year, with a delivery average of four to five months. Several clients reported high quality of Accenture's services.
- **Depth of application skills:** Accenture's cloud business unit includes one of the largest PCITS staff focused on end-to-end services, providing over 78,000 individual cloud certifications. Accenture uses design thinking, site reliability engineering and DevSecOps within agile software teams to rapidly deliver value. It acquired 13 cloud-centric businesses in fiscal year 2021 to increase its capabilities.

### Cautions

- **Client centricity issue:** Accenture is very focused on the cloud capabilities it can deliver for clients, with less focus on client business outcomes. Although Accenture states that it conducts regular client satisfaction surveys, it does not share the results publicly. Clients that reported to Gartner on the Accenture service in the last year gave it an average rating for overall PCITS experience.
- **Poor fit for MSEs and operational services:** Accenture seeks strategic engagements with large enterprise clients in order to deliver long-term transformation through a C-suite relationship. It will not be a good fit for clients that do not match this profile, especially MSEs, which make up only an estimated 5% of its client base.

- **Lack of contractual commitments:** Despite its offering of outcome-based pricing models, only a very few of Accenture's cloud-based deals actually use this structure and only a small number of deals include co-creation. Accenture has limited experience in offering contractual responsibility for clients' compliance requirements, such as HIPAA, PCI, GDPR or FedRAMP.

## **Atos**

Atos is a Visionary in this Magic Quadrant. Atos has global capabilities but focuses almost exclusively on Europe and North America. Its primary verticals include general manufacturing, healthcare and telecom, media, and technology. Atos supports multicloud use cases, and its managed services customers almost exclusively use AWS, GCP and Microsoft Azure, with the client spread virtually equal between the three.

*Atos finalized its acquisition of Cloudreach on 4 January 2022. Cloudreach was in the Visionaries quadrant of the 2021 Magic Quadrant for Public Cloud IT Transformation Services. Cloudreach brings cloud-native competency, expertise and global partnerships with AWS, GCP and Microsoft Azure.*

## **Strengths**

- **Agile service offerings:** Atos uses a "tribes and squads" model to deliver agile cloud-native solutions, with substantial automation spanning the end-to-end cloud life cycle. It has a wide set of cybersecurity certifications, including for managed security services provision. Atos has an automated delivery methodology designed to deliver predefined outcomes faster.
- **Cloud services structure:** Atos PCITS has brought together 10 service offerings under its OneCloud brand, comprising 11,000 staff (7,700 cloud certified) in specialized groups for AWS, Azure and GCP. It has set out its cloud-native ambitions with its acquisitions of Maven Wave (U.S.) and Cloudreach (Europe).
- **Investments in sustainability and talent:** Atos has focused on sustainability by investing in tools to monitor and optimize clients' carbon emissions. Recognizing the risks of a digital talent crunch, Atos has invested in its talent academy, Atos University, which provides training to retain talent.

## **Cautions**

- **Offerings still maturing:** The benefits of Atos' new cloud brand and acquisitions are still maturing. Its cloud vision differs from most providers by including private cloud services. Under one-quarter of its deals include business outcome SLAs and, despite its certifications with multiple hyperscalers, few of its cloud deals are multicloud.
- **Acquisition coverage overlap:** Just over half of Atos' PCITS revenue comes from transformational services (below average for this research). Its growth through acquisitions has created overlaps between its products and services. Clients engaging with Atos should validate the alignment of Atos' product and services roadmaps.
- **Service quality issues:** Atos has one of the lowest customer satisfaction scores in this research, and some clients feel it is overly process-driven in its engagements, reducing agility. It has a high staff attrition rate, and clients should seek contractual protections against turnover issues and incentivize Atos to optimize costs for clients.

## **Bespin Global**

Bespin Global is a Visionary in this Magic Quadrant. Bespin Global has global capabilities but focuses almost exclusively on the APAC region. Its top verticals include automotive, financial services/insurance and telecommunications. Bespin Global supports multicloud use cases, and over 85% of its managed services customers use AWS, distantly followed by GCP, Microsoft Azure, Alibaba Cloud and Oracle Cloud.

## **Strengths**

- **Strategic investments for inorganic growth:** Bespin Global expanded its business through joint ventures (JVs) and acquisitions last year, improving its cloud capability and geographic reach and creating new IPs around cloud security (OpsNow Security). Investments followed, with Bespin creating a training center in South Korea and expanding its cloud consulting capabilities.
- **Low staff turnover:** Bespin Global enjoys one of the lowest workforce attrition rates of providers in this Magic Quadrant, indicating engaged team members dedicated to the company's success and its customers. Bespin Global has also taken a measured approach to growth, with a focus on measures to improve customer satisfaction.
- **Strong APAC, Middle East and specific industry footprints:** Bespin Global expanded its presence in APAC and the Middle East, adding Japan, Singapore, Vietnam, India and UAE coverage to its base in South Korea. Bespin Global has strong cloud-native capabilities and a high degree of automation, and offers industry solutions for financial services and retail.

## **Cautions**

- **Focus skewed toward the MSE sector:** Almost 95% of Bespin Global's clients are MSEs, and although it has global delivery capabilities, 90% of its revenue comes from clients in APAC and China. It may not be a good fit for clients seeking a global capability and presence.
- **Execution skewed toward lift and shift:** Approximately half of Bespin Global's migrations are lift and shift. Its revenue is skewed toward cloud managed services, with lower revenue in the transformation space than other providers in this Magic Quadrant. Bespin Global is limited in contracting for business outcomes in its contracts, but it uses JVs much more than the majority of evaluated providers. Clients looking for transformation capabilities should analyze Bespin carefully.
- **Low investments in R&D:** Bespin Global's R&D investment is limited outside of its JV investments, and is one of the lowest among the providers analyzed in this Magic Quadrant. This low R&D investment may prevent Bespin from expanding and evolving its cloud portfolio and could create challenges over time.

## **Capgemini**

Capgemini is a Leader in this Magic Quadrant. Capgemini has global capabilities but focuses mostly on Europe and North America. Its primary verticals include financial services/insurance, general manufacturing and retail. Capgemini supports multicloud use cases, and nearly 85% of its managed services customers use AWS and Microsoft Azure, distantly followed by GCP, Oracle Cloud, IBM Cloud and Alibaba Cloud.

## **Strengths**

- **Rapid modernization:** Capgemini has invested heavily in its cloud-native capabilities, analytics, automation and accelerators to enable rapid modernization of workloads. It uses a pod model (a group of people with different complementary competencies working collaboratively) for cloud-native development and supplements this with a low-code approach for rapid prototyping. Capgemini is increasingly willing to commit to contracts where the reward is tied to client success such as claims accuracy, client onboarding and plant efficiency.
- **Value creation:** Capgemini's strategic framework is to enable client transformation through technology by creating value, providing industry expertise and management of technology for cloud and data, with a focus on cybersecurity and sustainability. To enhance its cloud service, Capgemini has acquired RXP Services. This expands its end-to-end digital capabilities in Australia and enhances its cloud transformation and SAP skills on cloud.



- **Vertical specialization:** Capgemini Engineering allows Capgemini to offer a combined IT/OT cloud-based solution for heavy industry, which is a differentiating feature in this sector.

## **Cautions**

- **Recent consolidation and realignment in progress:** Capgemini only recently brought all its cloud groups together to create its new cloud framework, so it is still working out the process. Business outcomes are certainly a current focus, but historically business outcomes have not been a focus for Capgemini, so clients need to push to include them as contractual objectives.
- **Limited geographic and MSE reach:** Capgemini's business outside Europe and North America is limited. More than 95% of its revenue comes from these two regions. Clients outside these two regions should investigate Capgemini's capabilities in their respective locations. Capgemini may not be a good fit for MSE clients, which make up a very small portion of its total revenue.
- **Understand service relevance:** Capgemini continues to have a targeted acquisition focus. Clients need to ensure that they understand the future strategic relevance of the products/services they are getting from it. Despite a double-digit revenue growth over the last year, Capgemini's growth still lags when compared with other providers in this Magic Quadrant.

## **Cloud4C**

Cloud4C is a Niche Player in this Magic Quadrant. Cloud4C has global capabilities but focuses on mainly Africa and the Middle East and APAC, with some support in North America and Europe. Its primary verticals include financial services/insurance, general manufacturing and government (federal, state or local). Cloud4C supports multicloud use cases and a majority of its managed services customers use Microsoft Azure, followed by AWS, Oracle Cloud and GCP.

## **Strengths**

- **Cloud centers of excellence (CCOEs) to drive transformation:** Cloud4C is co-creating CCOEs with its large enterprise customers. This is to ensure that migrations continue into application modernization in order to achieve the best possible recurring business outcomes/solutions. Cloud4C has multiple cloud capabilities and provides service expertise on various cloud platforms.

- **Good fiscal performance:** Cloud4C has a popular offering that is growing rapidly while maintaining good financials, which allows the provider to invest in new capabilities. This performance has helped Cloud4C to be flexible in its business and expand its portfolio. Cloud4C's differentiation revolves around creating value for its clients.
- **Flexibility in performance and pricing:** Cloud4C provides a range of high-performance SLAs and flexibility to accommodate customized SLAs. In addition, its unit-price-based pricing offers customers cost flexibility with a range of options. This capability can help customers to optimize total cost of ownership.

## **Cautions**

- **Skewed toward SMB clients:** More than 90% of Cloud4C customers are SMB clients, and though it does have some large enterprise customers as well, prospective large enterprise customers should investigate Cloud4C's ability to scale their requirements.
- **Transformation capabilities are still evolving:** Much of the work Cloud4C does is rehost. Its automation is lagging behind the benchmark we see in the Magic Quadrant. However, Cloud4C has a full set of automation capabilities that can address some gaps. It is still relatively new to contracting for business objectives and measuring the value that it drives for the client. Its focus is more on traditional SLAs, like uptime availability.
- **Limited presence in North America:** While strong in regions like the Middle East and APAC, Cloud4C has a limited presence in North America, though it is trying to expand here. Cloud4C is expanding into Europe and North America markets, but it will take time to fully establish itself. Clients with complex multicloud requirements may need to evaluate Cloud4C's capabilities closely to ensure it can meet those requirements.

## **Cognizant**

Cognizant is a Challenger in this Magic Quadrant. Cognizant has global capabilities but North America dominates its focus, distantly followed by Europe. Its primary verticals include financial services/insurance, healthcare and life sciences/biotech/pharmaceuticals. Cognizant supports multicloud use cases and a majority of its managed services customers use Microsoft Azure and AWS, with an almost equal spread between the two. Its customers also use Oracle Cloud, GCP and IBM Cloud.

## **Strengths**

- **Advisory-led engagements:** Cognizant leads with advisory services, using its wide network of partnerships and knowledge of verticals. It has acquired businesses specializing in cloud modernization, cloud-native capabilities and low-code/no-code solutions.
- **Depth of cloud capabilities:** Cognizant has launched dedicated business units for AWS, Azure and GCP, and also offers other services. It has invested in a range of proprietary automation tools and accelerators to aid agile transformation capabilities, with AIOps specialists and the use of tools to accelerate application development. It has an integrated cloud security framework for end-to-end governance.
- **Well-developed cloud-native offerings:** Cognizant's cloud-native development uses human-centric design and is driven by one of the highest numbers of individual certifications in cloud. It offers flexible engagements centered on a guild- and pod-based agile delivery model, and supports this with a gamification approach to encourage knowledge sharing between pods and with clients.

## **Cautions**

- **Lagging on contract options:** Despite a focus on transformation, Cognizant derives nearly two-thirds of its revenue from IaaS. Cognizant has the largest number of traditional time and materials contracts in this research and lags progressive providers in offering fixed-deliverable and business outcome models.
- **Limitations in cloud capabilities:** Cognizant focuses mainly on North America and Europe with AWS and Azure capabilities, but with limited coverage on other clouds. It does not have a midmarket offering. Cognizant reported high attrition rates compared with other providers in this research, so clients must confirm that the provider has coverage and skills matching their needs for the length of the contract.
- **Patchy services coverage:** Gartner estimates that under 10% of Cognizant's PCITS revenue is from managed services – the lowest in this research. Despite an automation focus, its migration time scales are longer than most other providers, and most migrations still use a lift-and-shift approach.

## Deloitte

Deloitte is a Leader in this Magic Quadrant. Deloitte has global capabilities with a focus on clients in North America and Europe. Its primary verticals include financial services/insurance, government (federal, state or local) and healthcare. Deloitte supports multicloud use cases. Its managed services customers use AWS, Oracle Cloud, Alibaba Cloud, GCP and Microsoft Azure, with a small percentage using IBM Cloud.

### Strengths

- **Client-centric approach:** Deloitte takes a client-centric view by offering cloud integrated offerings that enhance its clients' business solutions using the best platform to augment and speed time to value. It offers focused industry solutions in almost every industry, with its strongest book of business in financial services and healthcare.
- **Contracts business outcomes:** Deloitte contracts on business outcomes more frequently than most providers in this Magic Quadrant. Some outcomes include eliminating large percentages of claims processed and accelerating payment to providers. One example is that Deloitte has delivered cloud-based smart factories for clients using its AWS-based smart manufacturing templates, resulting in significant business outcome achievements.
- **DevOps delivery style:** Deloitte believes that the cloud has become a fundamental enabler for digital transformation. It is actively pivoting more than 7,500 deals toward DevOps enablement. Deloitte is one of the most active providers in terms of driving clients toward containerization, edge and serverless, with 6,000 legacy workloads containerized.

### Cautions

- **Transformational focus a must:** Deloitte's solutions can focus on industry transformation well beyond many clients' needs or capabilities. Clients looking for a slow and steady approach may need to look elsewhere. Clients new to the cloud must be prepared to be moved at speeds for which they may not be ready.
- **Low number of cloud-native engineers:** While Deloitte has a high percentage of cloud transformation deals, its percentage of cloud-native engineers is below peer averages, and 35% of its PCITS staff are cloud-native engineers and application developers. Clients should be clear as to whether there could be a resource bottleneck for their particular cloud migration solutions.

- **Consultancy versus services:** While Deloitte is consultancy-led (90% of its deals include professional services), its managed services penetration is slightly below average at 25% of its client base. Deloitte is, however, shifting some additional focus toward managed services, which may push that percentage higher in the future.

## **Globe (Cascadeo)**

Cascadeo is a Niche Player in this Magic Quadrant. Cascadeo's focus is on APAC and North America. Its primary verticals include financial services/insurance, government (federal, state or local) and SaaS. Cascadeo supports multicloud use cases and almost 80% of its managed services customers use AWS; the remaining use Microsoft Azure, GCP and Alibaba Cloud. Cascadeo is a subsidiary of Globe Telecom.

### **Strengths**

- **Technology focus:** Cascadeo uses its own cloud management platform, providing FinOps capabilities, out-of-the-box integrations and taking an analytics-led approach to cloud operations to accelerate client onboarding and time to value. Cascadeo's wide range of technology capabilities is evenly distributed across IaaS, PaaS and SaaS.
- **Transformational effort:** Cascadeo has an effective portfolio of cloud-native transformational capabilities, delivering transformation as a key part of each client engagement. It supports this with a range of turnkey cloud solutions. Its strategic relationship with AWS allows it to access funding and resources for client projects, and to accelerate AI/MLOps with clients through use of the AWS DevOps Guru solution.
- **Multicloud capabilities:** Cascadeo has progressed from a predominantly AWS delivery capability to a multiplatform delivery capability by adding GCP and Azure. It has a good understanding of multiple cloud platforms and a range of competencies to support its initiatives. Cascadeo is taking steps to create a wider geographic footprint.

### **Cautions**

- **Lack of industry and business outcome focus:** Cascadeo is yet to develop industry-specific solutions. It has the lowest proportion of co-creation or business-outcome-based contracts of any provider in this research, just recently offering shared risk-reward contracts. Organizations seeking business-outcome-focused deals are likely to find other providers a better fit.

- **Geographic and client size challenges:** With 90% of Cascadeo's clients midsize or smaller, large enterprises should carefully evaluate its ability to scale. Cascadeo's multigeographical capabilities are limited and, while the majority of its clients are based in APAC, it considers North America to be its primary market. Clients with global reach should carefully evaluate Cascadeo's capabilities and geographic commitment.
- **Multicloud caution:** Cascadeo states that it is cloud neutral, and even with multicloud capabilities its investments in the market and client base are overwhelmingly AWS customers. Therefore, clients seeking Azure or GCP should carefully assess Cascadeo's experience and investments.

## Hanu

Hanu is a Niche Player in this Magic Quadrant. Virtually all Hanu's focus is on North America, distantly followed by APAC. Its primary verticals include healthcare, financial services/insurance and general manufacturing. Hanu focuses almost exclusively on Microsoft Azure, but also supports AWS in a limited capacity.

*On 1 June 2022, Hanu announced it had finalized a merger agreement with Insight, and will be known as Hanu, an Insight Company. This enhances its capabilities and enables it to better serve clients globally.*

## Strengths

- **Azure platform strength:** Hanu specializes in, and has a close relationship with, Microsoft, which often introduces Hanu into deals. This near-exclusive relationship with Microsoft Azure positions Hanu to deliver a more focused Azure platform solution.
- **Technology capabilities:** Hanu is actively investing in cloud-native development skills, analytics capability and cloud security, offering a wide range of cloud-specific services. Hanu's migration and postmigration application and data modernization and DevOps implementation accelerate customers' adoption of DevOps. Initial support from Hanu's application and data teams and DevOps tools help clients build their DataOps and DevOps COEs.
- **Industry focus:** Hanu has developed solutions focused on the healthcare, life science and manufacturing industries. These solutions can help clients accelerate their time-to-business value. For instance, Hanu created digital pathways for healthcare clients, linking IoT, big data, virtual reality, patient monitoring and digital therapeutics, delivered through its HealthCloud @Hanu.

## **Cautions**

- **Lack of business outcome deals:** Hanu has an acknowledged technology focus and modernization-based strategy, along with a reputation as a technology problem solver. Clients seeking long-term relationships with business outcome goals should carefully consider these core traits when assessing Hanu's approach.
- **Limited platform and geographic capability:** Hanu does not have a multicloud capability or any customers that it is serving with a multicloud prerequisite. Clients seeking a multicloud environment may find it lacking in this regard. Geographically, Hanu's North America focus means that customers with a presence outside of this region may find Hanu's coverage lacking.
- **Limited co-creation competencies:** Hanu is a small provider supporting only Azure and mainly Microsoft 365, with well over half its revenue in IaaS and PaaS. Clients seeking co-creation solutioning activities and a broader multicloud engagement may find Hanu's capabilities insufficient for their needs.

## **HCL Technologies**

HCL Technologies is a Leader in this Magic Quadrant. HCL has global capabilities but focuses mainly on North America and Europe. Its primary verticals include financial services/insurance, general manufacturing and life sciences/biotech/pharmaceuticals. HCL supports multicloud use cases, but almost 90% of its managed services customers use Microsoft Azure, distantly followed by AWS, GCP, Oracle Cloud, IBM Cloud and Alibaba Cloud.

## **Strengths**

- **Choice of routes to cloud:** HCL offers a consulting-led approach to cloud. Its cloud pathways provide engineering and integration services and support continuous cloud operations. Its Labs capability accelerates the adoption of necessary structures, culture and skills.
- **Co-creation capabilities:** Nearly half of HCL's deals are co-created through a consultative front-end process. It has a strong FinOps model, combining its platform and managed services for savings that are contracted on a gainshare model. HCL supports one of the widest ranges of regulatory and compliance commitments in this research. One-quarter of its clients are MSEs for which it offers vertical solutions through a standardized delivery model.

- **Strong partnering with clients:** HCL has delivered organizational design for over 700 clients and cloud training for more than 1,000 clients. Its automated approach to migrating clients to cloud reduces time scales considerably below the average, despite migrating one of the largest volumes of workloads of any provider in this research.

## **Cautions**

- **Legacy approach to contracting:** Despite a willingness to contract against business outcomes, about half of HCL's deals include contracted business outcome SLAs, while the other half of its deals are still done on a time and materials basis. Clients should aim for HCL to align contracts with business KPIs.
- **Cloud-native still an evolving capability:** HCL's client migrations have been more skewed toward rehosting rather than rearchitecting workloads. Despite strong cloud-native capabilities, fewer than half of its PCITS staff are cloud-native application developers and just over half of its deals are cloud-native.
- **Resourcing issues:** While its staff attrition is average in this research, some clients have found that HCL struggles to fill resource gaps quickly. Clients must ensure they have adequate contractual protection against turnover of staff.

## **Hexaware**

Hexaware is a Visionary in this Magic Quadrant. Hexaware has global capabilities, but its primary focus is North America, followed by Europe. Its primary verticals include financial services/insurance, life sciences/biotech/pharmaceuticals and retail. Hexaware supports multicloud use cases, but its total number of managed services customers is one of the smallest in this Magic Quadrant. Of those, most use Microsoft Azure and AWS, followed by IBM Cloud, Oracle Cloud and GCP.

## **Strengths**

- **Focus on automation capabilities:** Hexaware approaches its end-to-end cloud migration and transformation clients (61%) as solutions to be automated to the highest degree possible. This unlocks cloud-native benefits quickly and at scale for clients. Hexaware strives to develop a trusted advisor role with clients while bringing capabilities that might normally be expected of larger providers, like its multicloud expertise.



- **Pricing models and business outcomes:** Hexaware provides flexible pricing for most clients, including consumption-based, fixed price and outcome-oriented models, such as the delivery of fixed-priced pods against outcome-based contracts. It has business outcome contracts with 32% of its clients, with outcomes related to velocity, lines of code transformed and business benefit.
- **Customized self-service:** One-third of Hexaware's clients are MSEs provided with a platform-based, self-service offering tailored for them, including a free assessment and customized recommendations. Hexaware's significant investment in innovation helps continually evolve its services portfolio, migrating workloads consistently and rapidly.

## **Cautions**

- **Geographic reach limitations:** Although application modernization through automation is shortening migration times while increasing cloud-native benefits of ported code, customers should still scrutinize Hexaware's claims. Clients looking for comprehensive global services may need to look elsewhere first, as Hexaware has focused on clients located mainly in North America, with a small EMEA and APAC presence.
- **Automation cultural fit:** Hexaware is so heavily automated that, even though it has a high number of co-creation deals, it is professional-services-driven. Clients not focused on automation may not be a cultural fit.
- **Vertical industry limitations:** Hexaware's vertical/industry strategy is limited compared with most other providers of its size. It has developed only two industry blueprints (life sciences and financial services), but it does support requirements common to many regulated industries.

## **Hitachi Vantara**

Hitachi Vantara is a Niche Player in this Magic Quadrant. It has global capabilities but focuses mainly on North America, followed by Europe and APAC. Its primary verticals include financial services/insurance, general manufacturing and telecommunications. Hitachi Vantara supports multicloud use cases, but its total number of managed services customers is one of the smallest in this Magic Quadrant. Of those, most customers use AWS, followed by Oracle Cloud, Microsoft Azure and GCP. Hitachi Vantara is an independent, wholly owned subsidiary of Hitachi.

## **Strengths**

- **Co-creation approach:** Hitachi Vantara spends a good deal of time on the front end of engagements, establishing an overall strategy for its clients' cloud journeys through co-creation. It also engages in outcome-based deals mainly based on cost savings and time to market. It specializes in AI/ML, analytics and IoT, with strong expertise in the manufacturing and energy sectors.
- **Application modernization:** Hitachi Vantara has application modernization certifications on AWS, Azure and GCP, and offers Oracle Cloud Transformation and Infrastructure services. It provides industry solutions for key verticals including financial services, manufacturing, healthcare, life sciences and telecom.
- **Strong operations toolset:** Taking a product-centric view to services for clients, Hitachi Vantara provides centralized cloud operations and management, plus knowledgeable application and engineering teams. It offers a comprehensive end-to-end portfolio of edge-to-core-to-cloud solutions, services and industrial expertise, helping to optimize and modernize its clients' future environments.

## **Cautions**

- **Lack of multicloud experience:** While certified by the top three cloud platforms, fewer than 10% of Hitachi Vantara's deals are multicloud. Clients should therefore evaluate its ability to support their multicloud environments. Despite offering GCP services, Hitachi Vantara has limited support for GCP cloud-native capabilities.
- **PaaS focus:** Almost two-thirds of Hitachi Vantara's PCITS revenue is derived from PaaS services, and its focus appears to be more on AI/ML, analytics and IoT than cloud-native development. Given its PaaS focus, it may not be a good fit for clients seeking pure IaaS capability.
- **Pricing challenges:** Hitachi Vantara offers a range of pricing models for transformation services, with a preferred approach of charging a percentage of its clients' cloud spend for managed services, which doesn't incentivize it to optimize cloud costs. Only one-quarter of its clients use its managed services, and its automation of cloud operations lags the peer average, making higher costs likely over time.

## IBM

IBM is a Challenger in this Magic Quadrant. IBM has global capabilities but with a primary focus in North America and Europe, followed by APAC. Its primary verticals include financial services/insurance, consumer products and telecommunications. IBM supports multicloud use cases. Its customers are mainly on AWS, Azure, IBM Cloud or GCP and it also supports Alibaba, Oracle and other public cloud providers.

### Strengths

- **Co-creation capabilities:** IBM Garage provides the capability to co-create with clients and develop user-centric solutions. IBM believes that automation of the cloud stack will help drive higher-quality services at lower cost, and is investing in AIOps, AI/ML and tools such as its quality platform.
- **Acquisitions improve cloud capabilities:** Several significant acquisitions have set up a long-term strategy for providing hybrid and multicloud capabilities, which is still core to IBM's vision. These acquisitions include Neudesic, Taos and Nordcloud, all of which enhance its full range of public cloud capabilities.
- **Global player:** IBM offers PCITS services across all regions. It is a global provider and has amassed significant individual cloud certifications over the last year. It is focused on security and risk, with a zero-trust security approach underpinning its services. IBM has amassed an extensive portfolio of software assets for general and industry-specific capabilities, which give it immediate breadth in sourcing components for solutions.

### Cautions

- **Need to push business outcomes:** While IBM is open to business outcome pricing models, the majority of its contracts remain technology oriented rather than true business solutions. IBM's focus is on large enterprise customers, which make up the vast majority of its customer base. MSE customers (10%) may find it difficult to align with its approach.
- **Developing more capabilities:** IBM is still evolving from its primary focus on IBM Cloud to wider capabilities with the hyperscalers. Its automation capabilities are comparable to its peers in this Magic Quadrant. IBM does not publish data on the depth of its certifications with hyperscalers, so clients must confirm the execution abilities of deal staff as part of any engagement.

- **Scaling multicloud:** IBM is still scaling its multicloud capabilities post-Kyndryl divestiture. It relies heavily on its Nordcloud and Taos acquisitions for cloud-native delivery. Clients must confirm how integrated these businesses are and whether they will provide enough resources across the globe.

## **Infosys**

Infosys is a Challenger in this Magic Quadrant. Infosys has global capabilities, but its primary focus is North America followed by Europe, Australia and New Zealand. As opposed to identifying its primary verticals, Infosys lists a wide spectrum of vertical expertise. Infosys supports multicloud use cases, and most of its managed services customers use Microsoft Azure, AWS and Oracle Cloud, distantly followed by GCP, IBM Cloud and Alibaba Cloud.

### **Strengths**

- **Frameworks enhance time to value:** Infosys has consolidated all its cloud capabilities under the one marketing brand, making it easier for customers to find an ingress point into a comprehensive portfolio of offerings. It uses the Cobalt framework to drive innovation across clouds, with over 300 solution blueprints for cloud services. Infosys has a comprehensive end-to-end approach, from cloud advisory to cloud management, with an emphasis on automation.
- **Consulting partnerships:** Infosys partners with large consulting firms to bring broad C-suite engagement to its engagements, translating the value of cloud transformation projects to stakeholders outside of the IT organization.
- **Flexible pricing:** Infosys offers a flexible pricing model using a templated service catalog and predefined tooling with standardized blueprints, unit pricing for IaaS/PaaS and an end-to-end transformation subscription for cloud adoption and managed services. Infosys cloud managed services are also available in pay-as-you-use form.

### **Cautions**

- **Broad industry focus:** Infosys supports many use cases for the world's 2,000 largest enterprises. The trend is for providers to focus on a constrained set of use cases, acquiring deep expertise to deliver differentiating customizations, co-creation and innovation. Considering its heavy use of templates, clients need to understand the level of customization needed to meet their needs.

- **Limited MSE focus:** MSE clients accept Infosys' prepackaged solutions more than enterprise clients, yet MSE is not a focus area for Infosys, representing only 2% of its deals. The provider's focus on Global 2000 clients means that MSE clients need to carefully assess its ability to meet their needs.
- **High attrition:** Infosys' attrition rate for PCITS employees is high and ranks above the average for participants in the Magic Quadrant. While this is a widespread challenge, Infosys appears to be more impacted than most. High attrition rates generally indicate employee churn consistent with lower customer satisfaction. They can impact quality and cost over time. Clients should verify the different measures taken by Infosys to stabilize attrition rates.

## MediaAgility

MediaAgility is a Niche Player in this Magic Quadrant. MediaAgility has global capabilities, but its focus is evenly split between North America and APAC. Its primary verticals include media, financial services/insurance and life sciences/biotech/pharmaceuticals. MediaAgility supports multicloud use cases and primarily supports GCP. Its total number of managed services customers is one of the smallest in this Magic Quadrant.

*On 14 March 2022, Persistent Systems announced it had entered into an agreement to acquire MediaAgility. The acquisition was completed on 4 May 2022; thus MediaAgility and its affiliates have become wholly-owned subsidiaries of Persistent Systems. The acquisition builds on Persistent's existing partnership with Google.*

## Strengths

- **Strong GCP capabilities:** MediaAgility partners primarily with Google Cloud, emphasizing cloud-native solutions on that platform. MediaAgility is a cloud-native, transformation-led provider with strong engineering expertise in GCP and a track record of supporting clients new to cloud and in need of more support.
- **People-first focus:** MediaAgility places an emphasis on personal development and satisfaction in attracting and retaining talent, which can lead to sustained advantages in continuity of service and customer experience. It invests heavily in its staff, with a well-developed set of programs to build skills. This investment is a strength that is reflected in a below-average attrition rate of staff.

- **DevOps delivery style:** MediaAgility uses agile pods containing multiskilled teams to drive continuous application delivery. It uses a 12-factor approach to refactor applications to containers and microservices during migration for 80% of its clients. By using standard tools, templates, playbooks and scripts, MediaAgility has automated discovery by 75%, design by 70% and testing by 80%.

## **Cautions**

- **Weak multicloud capabilities:** MediaAgility is not a good fit for clients looking for deep expertise on a platform other than GCP. Its opportunistic Azure and AWS experience allows it to migrate to GCP, but it only has limited migration and management of services in Azure or AWS.
- **Technology versus business-led solutions:** MediaAgility uses its deep expertise of GCP and multitude of GCP-centric certifications (seven of 15 available) to solve issues with a heavy technology-led focus. While it cites media, financial services and life science as top verticals, it only has a limited set of solutions in those verticals.
- **Sustainability:** While MediaAgility invests strongly in its staff – promoting diversity, training, upskilling and providing support to staff working remotely – unlike its competitors, it neither has measures nor a tool to measure sustainability.

## **NTT DATA**

NTT DATA is a Visionary in this Magic Quadrant. NTT DATA has global capabilities with a major focus on North America and APAC, followed by Europe. Its primary verticals include financial services/insurance, general manufacturing and healthcare. NTT DATA supports multicloud use cases, and over 65% of its managed services customers use AWS. Its customers also use Microsoft Azure, GCP and IBM Cloud.

## **Strengths**

- **Unified cloud adoption framework:** NTT DATA's unified cloud adoption framework blends the formal adoption frameworks from AWS, GCP and Microsoft Azure into a single framework that fosters consistency in best practices, especially in multicloud deployments.
- **Deep industry strength:** NTT DATA goes to market with a vertical strategy and a consulting-led, agile delivery approach. It uses deep industry knowledge to create technical solutions that solve client-specific business problems. It offers a range of accelerators, including a capability to advise clients on the best practices and issues when setting up internal IT teams to take advantage of cloud-native agility and DevOps. It also offers an out-of-the box automated CI/CD pipeline.

- **Centralized CCOE:** NTT DATA offers regular access to top cloud consultants to tackle most complex cloud initiatives and help design cloud-native architectures using modern design principles and accelerators. This helps customers set up internal IT teams to take advantage of cloud-native agility.

## **Cautions**

- **Customer influence required:** Although NTT DATA has a considerably evolved vision for its services, its legacy customers often still want more traditional services with little modernization or transformation. Despite the leading nature of NTT DATA's pod structure, these services are not yet widely deployed, as its legacy client base is not yet employing them. As a result, clients must confirm both their own and NTT DATA's maturity in using this approach.
- **Lagging in talent development:** NTT DATA has many programs to attract, retain and train talent, but it lacks the cohesion at an enterprise level. More progressive providers actively market to talent as a way to solve the talent crunch experienced across all cloud IT service providers.
- **"Outcome-based" is still new:** Although NTT DATA prefers to structure deals to deliver outcome-based contracting and pricing, the model is not yet widely used in its business. Customers seeking such arrangements should perform extra due diligence on proposals before signing.

## **SMX**

SMX (formerly Smartronix) is a Visionary in this Magic Quadrant. Although SMX has global capabilities, virtually all its focus is on North America. Its primary verticals include financial services/insurance, government (federal, state or local) and healthcare. SMX supports multicloud use cases and over 80% of its managed services customers use AWS. Its customers also use Microsoft Azure, GCP, Oracle Cloud and IBM Cloud.

## **Strengths**

- **Security and compliance experts:** SMX has established itself as a highly credible midsize provider that serves customers with demanding requirements for compliance and security, most notably the U.S. federal government. For example, it supports the Department of Defense (DoD) Impact Levels 4 and 5 and AWS C2S deployments.

- **Focused growth through acquisitions:** SMX has strengthened its capabilities in public cloud transformation and in the federal government vertical with two acquisitions in 2021. Datastrong brings data and analytics capabilities and C2S Consulting Group brings cloud professional services, primarily targeting the intelligence community.
- **All in on agile:** SMX embraces a newer model of agile professional services delivery, dubbed “squads and pods.” In this model, small teams of subject matter experts and technicians are assigned to a customer-managed backlog of deliverables for six-month intervals, giving customers more flexibility in how SMX’s services are applied.

## **Cautions**

- **Predominantly North America:** Most of the business of SMX is skewed toward large North American government and highly regulated clients. Although SMX does support some global clients, it has limited physical presence outside of North America. Clients engaging with SMX should dive deep into its geographical presence and its ability to deliver in a particular client location.
- **Limited app development staff:** The percentage of SMX’s staff who are cloud application developers is the second smallest of all providers in this Magic Quadrant. Customers should query this provider for details on how it will deliver application development engagements.
- **Limited multicloud capabilities:** SMX has one of the smallest multicloud footprints of evaluated providers, focusing mainly on AWS. Clients with complex multicloud requirements should dive deep into SMX’s capabilities and investigate its ability to deliver against the specific use-case requirements.

## **TCS**

TCS is a Leader in this Magic Quadrant. TCS has global capabilities but focuses mainly on North America and Europe. Its primary verticals include financial services/insurance, life sciences/biotech/pharmaceuticals and retail. TCS supports multicloud use cases. Its managed services customers use Microsoft Azure, Oracle Cloud and AWS, with the spread virtually equal between the three, followed by GCP and IBM Cloud.

## **Strengths**



- **Solutioning focus:** TCS goes to market with a cloud-agnostic, co-creation-led strategy that focuses on delivering business value from technology solutions. TCS uses cloud to develop new business models for clients. Its consulting-led integration approach allows clients to visualize the solution before the journey begins. Some new deals are more tied to business outcomes, some with contracted business XLAs.
- **Deep market investments:** One-fifth of TCS's resources are dedicated to public cloud IT transformation services. It has the second largest number of employees dedicated to this business. It also has acquired the second largest number of expert MSP cloud certifications of all providers featured in this Magic Quadrant.
- **Cloud service provider alignment:** TCS has created separate business units for AWS, Azure and GCP. This organizational strategy has led to an above-average number of agile co-creation and business-outcome-based deals that leverage differentiated value of each platform.

## **Cautions**

- **A focus on large enterprises:** A small fraction of TCS's business serves midsize enterprises, and the number of customers is small relative to the size of its business. TCS may not be suitable for smaller deals, or for those organizations not seeking transformational outcomes.
- **Growth challenges:** TCS is experiencing significant growth while maintaining one of the lowest attrition rates of all providers in this Magic Quadrant. Clients comment that TCS is very good with resource planning, but with the global IT shortage, it may be challenged to rapidly add quality people resources to sustain growth.
- **Lack of contracted outcomes:** TCS has a track record of co-creation and driving business value, but contracted outcomes are not as apparent. Outcome-minded customers should insist on and negotiate contractual constructs that tie business outcomes to any measurements of successful fulfillment.

## **Tech Mahindra**

Tech Mahindra is a Niche Player in this Magic Quadrant. Tech Mahindra has global capabilities, but its primary focus is on North America, distantly followed by APAC and Europe. Its primary verticals include media, general manufacturing including auto, insurance and telecommunications. Tech Mahindra supports multicloud use cases, and its managed services customers use Microsoft Azure, AWS, GCP, Oracle Cloud and IBM Cloud.

## **Strengths**

- **Understanding of edge, IoT and cloud:** Tech Mahindra has communication industry, IoT and edge expertise that it can combine with its cloud capabilities to serve a wide range of use cases. It has invested in strategic acquisitions to support this view. It classifies clients based on need and offers lift and shift, cloud-native innovation or transformational cloud services, depending on the client.
- **Wide geographical footprint and MSE support:** Tech Mahindra provides PCITS globally, and the majority of its deals are multicloud. It offers a range of accelerators to help SME clients speed up cloud discovery, assessment, migration, transformation and support phases, including its business value framework and its hybrid cloud management offering, mPAC.
- **Rapid growth:** Tech Mahindra is gaining traction with clients and doubled its cloud services revenue last year. This growth indicates that cloud services is a strategic part of its business. This puts Tech Mahindra in a good position to remain invested in the cloud services part of the business and expand its portfolio and outreach to deliver continuing value to its clients.

## **Cautions**

- **Technology-led approach:** Tech Mahindra's engagement approach is technology-led, making differentiation difficult. Clients with heavy cloud-native and transformational requirements should investigate Tech Mahindra's capabilities and drive outcome-based transformational requirements when onboarding.
- **High attrition rates:** Tech Mahindra is experiencing high attrition rates. Even though this is an industrywide challenge at present, Tech Mahindra's attrition is higher than the benchmark. Clients engaging with this provider should investigate its ability to deliver under high attrition rates and consider contract exit clauses for excessive turnover that impacts performance.
- **Immature transformation focus:** Tech Mahindra has an emerging focus on transformation. Only a small percentage of its cloud deals are cloud-native. In addition, most of its PCITS revenue is derived from IaaS, and it focuses primarily on IT outcomes such as reducing cost or automating operations. Its vertical approach is still emerging and needs maturing. Clients seeking transformation capability should evaluate Tech Mahindra from this perspective carefully.

## Wipro

Wipro is a Challenger in this Magic Quadrant. Wipro has global capabilities but focuses mainly on North America and Europe. Its primary verticals include energy, financial services/insurance and healthcare. Wipro supports multicloud use cases, and its managed services customers primarily use Microsoft Azure, AWS and Oracle Cloud, followed by GCP, IBM Cloud and Alibaba Cloud.

### Strengths

- **Delivering end-to-end services:** Wipro goes to market with a combination of end-to-end services structures, platform skills and partners for an outcome focus. Its cloud focus uses separate business units to specialize in each major hyperscaler, creating dedicated skills, knowledge and IP specific to each CIPS provider.
- **Investments in building cloud capabilities:** Wipro has made active investments in its consulting and industry domain skills. It can offer a range of industry solutions for most major verticals and can provide advice on strategy, cloud-native engineering and security capability. Wipro can be a reliable partner for its clients in their cloud journey with its wide range of transformation capabilities.
- **Strong MSE offering:** Wipro has a strong MSE focus and a range of offerings. It has SMB sector solutions for loan mortgage, SAP industry templates, Salesforce templates, and others. Most notably, it combines the capabilities of Wipro Ventures to support MSE requirements for building industry-focused solutions.

### Cautions

- **Operating model disruption:** Wipro has recently restructured its operating model to bring decision making closer to the customer. To make this happen, Wipro is driving many changes across the board to drive synergy and better connect with account teams. However, this may impact some of its existing clients, and the outcome of these changes will take some more time to be visible.
- **High employee attrition:** Wipro has relatively high attrition rates, which may limit its ability to respond to the growing demand and prevent its growth. While Wipro is trying its best to address this, clients engaging with this provider should keep a close watch on its attrition rate and understand the implications on delivery from Wipro.

- **Emerging cloud-native and APAC footprint:** Wipro's global coverage is primarily in North America and Europe, and it has limited operations in LATAM, China, the middle East and APAC (except for ANZ). Wipro generates 44% of its cloud revenue from IaaS and its cloud native capabilities are less mature compared to other providers in this Magic Quadrant.

## Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

### Added

The following vendors were added to this Magic Quadrant. These providers did not meet the inclusion criteria last year, but have for the current iteration:

- Atos
- Hexaware
- Hitachi Vantara
- IBM
- NTT DATA
- TCS
- Tech Mahindra
- Wipro

### Dropped

The following vendors were dropped from this Magic Quadrant:

- **AllCloud** — AllCloud grew its managed services business to the point that it no longer met the inclusion criterion of transformational services representing at least 25% of the provider's total cloud services revenue.

- Cloudreach – Cloudreach was acquired by Atos and was consolidated into its review.
- Nordcloud – Nordcloud was acquired by IBM and was consolidated into its review.
- Taos – Taos was acquired by IBM and was consolidated into its review.

## Inclusion and Exclusion Criteria

For Gartner clients, Magic Quadrant research identifies and then analyzes the most relevant providers and their products in a market. Gartner uses, by default, an upper limit of 20 providers to support the identification of the most relevant providers in a market. On specific occasions, the upper limit may be extended by Gartner Methodologies where the intended research value to our clients might otherwise be diminished.

The inclusion criteria represent the specific attributes that analysts believe are necessary for inclusion in this research.

To qualify for inclusion, each provider had to meet all of the following criteria:

- Must meet one (or more) of these three conditions:
  - AWS MSP Partner with the DevOps competency
  - Google Cloud MSP Partner with the Application Development specialization
  - Azure Expert MSP with the Modernization of Web Applications to Microsoft Azure advanced specialization
- Transformational services must represent at least 25% of the provider's total cloud services revenue.
- The provider's annual revenue for cloud services must be at least \$30 million per year.
- The provider must have sales and customer account support teams in at least two of the following regions:
  - North America
  - South and Central America

- Europe
- Africa and the Middle East
- China
- Australia and New Zealand
- Rest of Asia/Pacific

## Honorable Mentions

Most large MSPs that participate in [Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide](#) and the associated [Critical Capabilities for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide](#) can provide public cloud IT transformation services.

While many of those providers have significant capabilities, the following providers failed to meet at least one of the inclusion criteria. We highlight some of their key capabilities below:

- **2nd Watch** – 2nd Watch is an AWS Premier Partner with four competencies, including DevOps competency. It is also a GCP and Microsoft Azure Gold Partner. In addition to managed services, it offers cloud advisory, data analytics and application modernization services, and has a strong North American presence.
- **DXC Technology** – DXC is an AWS Strategic Global System Integrator, Premier Consulting Partner and MSP with five competencies; a Microsoft Gold Partner and Azure Expert MSP with three advanced specializations; and a Google Premier MSP with one specialization.
- **Ensono** – Ensono is an Advanced Consulting AWS MSP Partner with two competencies, an Azure Expert MSP with four advanced specializations and GCP Partner. Ensono has public cloud IT transformation capabilities in North America and Europe.
- **Mindtree** – Mindtree is an Advanced Consulting and Public Sector Partner with DevOps and data and analytics competency with AWS. It is an Azure Expert MSP Partner with six advanced specializations, 10+ gold competencies, and has GCP specialization in application development and data analytics.

- **Lemongrass** – Lemongrass is an AWS MSP Premier Partner with two competencies, an Azure MSP with one advanced specialization and three competencies, and a GCP partner. Its AWS competency and Azure advanced specialization focus on SAP capabilities.
- **LTI** – LTI has nine AWS competencies including migration consulting, SAP consulting, and data and analytics. It is in five partner programs. It is an Azure Expert MSP Partner with 14 gold competencies and seven advanced specializations. LTI also has multiple certifications. It offers global capabilities and has accelerators to aid clients in their digital transformations.
- **Rackspace Technology** – Rackspace is an AWS MSP Partner with 15 competencies, an Azure MSP with four advanced specializations, and has four specializations and eight expertise designations as a GCP MSP Partner. It also offers public cloud architecture design, deployment, operational support, cost governance and optimization, and on-demand engineering.
- **SADA** – SADA is a GCP Partner with seven specializations, including cloud migration, workplace transformation and data analytics. It has global reach and services a wide range of industries. SADA focuses on not only migrating to the cloud, but also providing ongoing professional services and technical support to maximize its benefits.
- **Sopra Steria** – Sopra Steria is an AWS MSP with migration and financial service competencies. It is an Azure Expert MSP with four advanced specializations and Google MSP with infrastructure and cloud migration specializations. It has a strong European presence.
- **Techedge** – Techedge is a Microsoft Azure Partner with three advanced specializations including modernization of web applications to Azure, an AWS Advance Tier Services Partner with SAP competency, and GCP Partner. It offers a full spectrum of services, from cloud assessment, transformation and development, to optimization with a focus on SAP.

## Evaluation Criteria

### Ability to Execute

We evaluate vendors' Ability to Execute in this market by using the following criteria:

**Product or Service:** MSPs are evaluated on their current service capabilities, including both human-powered and automated capabilities. These capabilities include:

- Proven deep and broad expertise as an AWS MSP Partner with the DevOps competency; and/or Google Cloud MSP Partner with the Application Development specialization; and/or Azure Expert MSP partner with the Modernization of Web Applications to Microsoft Azure Advanced Specialization. Capabilities with other hyperscale providers will be regarded as supplementary value.
- High-quality delivery of cloud-native solutions, emphasis on use of hyperscale provider tools, distributed cloud support, and professional and application services.

**Overall Viability (Business Unit, Financial, Strategy and Organization):** MSPs are evaluated on the overall financial health of the company, their level of investment in this market and indicators of business success. For this market, we considered revenue, number of customers and the prominence of the service in the vendor's overall portfolio.

**Sales Execution/Pricing:** MSPs are evaluated on the quality of their sales team, proposal quality and value for money.

**Market Responsiveness and Track Record:** MSPs are evaluated on three aspects of their track record:

- Successful delivery in this market
- Rapid delivery of support for new hyperscale provider capabilities
- Implementation of current best practices on hyperscale providers

**Marketing Execution:** MSPs are evaluated on the market's awareness of their brand, prospective customers' understanding of the MSP's value proposition in this market, the quality of marketing campaigns and other efforts such as social media participation.



**Customer Experience:** MSPs are evaluated on the quality of their contracts and associated delivery documentation, as well as the quality of the service experience for both traditional and cloud-native use cases.

**Operations:** MSPs are evaluated on their ability to consistently meet commitments to customers, including delivering a continually available cloud management platform and meeting SLAs. MSPs were also evaluated on their ability to maintain adequate staffing and personnel expertise, and to offer flexibility without compromising reliability, by combining the rigor of process with the agility of empowered employees.

Ability to Execute is composed of seven main categories. The relevant weights are reported in the following table.

**Table 1: Ability to Execute Evaluation Criteria**

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Product or Service	High
Overall Viability	Low
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Low
Marketing Execution	Low
Customer Experience	High
Operations	Medium

Source: Gartner (July 2022)

### Completeness of Vision

We assess vendors’ Completeness of Vision in this market by using the following criteria:

**Market Understanding:** MSPs are assessed on their understanding of key aspects of the market and their ability to articulate how these aspects impact their strategy. The aspects were:

- Transformation services in the context of cloud-native and digital business operations in hyperscale cloud providers
- Transformation services in the context of organizations that are migrating existing workloads onto hyperscale providers
- How DevOps tools and other automation are used in transforming clients

**Marketing Strategy:** MSPs are assessed on their ability to articulate their position in the market and their competitive differentiation, and to communicate these messages clearly and consistently, both internally and externally to a bimodal audience.

**Sales Strategy:** MSPs were assessed on their understanding of the buyer centers for the market and the way that these different buying centers want to engage with sales, as well as their partner and channel strategy.

**Offering (Product) Strategy:** MSPs were assessed on the breadth, depth, quality and differentiation of their service roadmaps in this market, including cloud-provider-specific capabilities, multicloud capabilities and hybrid IT capabilities.

**Business Model:** MSPs were assessed on their value proposition in three aspects:

- Organizations focused on “pure play” public cloud transformation
- Hybrid services that include cloud and noncloud infrastructure
- Transformational services in conjunction with a broader solution such as application management

**Vertical/Industry Strategy:** MSPs were assessed on their ability to offer targeted services for focus areas, including regulated workloads and verticals such as healthcare, government and payment card industry (PCI)-compliant e-commerce; big data, analytics and IoT use cases; and digital business transformation.

**Innovation:** MSPs were assessed on the level of investment in the future of their business and the quality of those investments, whether financial or human capital. This criterion includes aspects such as the deployment of engineering resources (especially for automation), investment in personnel training and certification, partnerships and alliances, and mergers and acquisitions (M&As).

**Geographic Strategy:** MSPs were assessed on their ability to expand their offerings beyond their home region, serving the needs of multinational businesses, as well as adapting their offerings to other geographies and meeting country-specific requirements.

Completeness of vision is composed of eight main categories. The relevant weight is reported in the following table.

**Table 2: Completeness of Vision Evaluation Criteria**

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Low
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	Medium

Source: Gartner (July 2022)

## Quadrant Descriptions

### Leaders

Leaders have a track record of delivering high-quality, cloud-native modernization and managed services that thoughtfully exploit the capabilities of the cloud platform. They are well-positioned to deliver leading-edge services into the future and to indicate the direction of the market.

### Challengers

Challengers have a track record of successfully delivering cloud transformation services, but have a less defined and still maturing view of market direction. Challengers have a solid base of clients that are satisfied with the services provided. They have potential to move into the Leaders quadrant if they expand their vision.

### Visionaries

Visionaries are well-positioned for the future, but could improve or scale their delivery capabilities. Their track record of successful delivery to many customers over a multiyear period needs to improve.

### Niche Players

Niche Players have not yet achieved broad success in the market. Providers in the Niche Players category can be a perfect fit for some organizations because of their focus on a specific area of the market. Some are limited in geography or might not provide a full spectrum of transformational services, and others might be relatively new to the market.

## Context

The public cloud IT transformation services (PCITS) market continues its rapid evolution. Three of the providers in last year's Magic Quadrant were acquired (Taos and Nordcloud by IBM and Cloudreach by Atos) as larger providers recognized the need for additional cloud-native transformation capabilities and the skills of the organizations in this Magic Quadrant. One of this year's participants also recently announced its acquisition (MediaAgility by Persistent Systems). The market is making significant strides in co-solutioning and contracting for business value, with reported co-solutioning at over 40% of the deals and nearly 40% having business-outcome-related SLAs. The field of potential participants has grown exponentially from last year, as providers recognize the need for top-down, application-led, cloud-native transformations.

This Magic Quadrant still represents a broad range of participants, from those with easily recognizable names and billions of dollars of revenue to strong, smaller, born-in-the-cloud players that can deliver cloud-native application development and cloud managed services on a global scale. We expect that acquisition activity will continue around the smaller end.

Gartner's Magic Quadrant analysis offers must-have support for making informed decisions on selecting the right providers. This Magic Quadrant assesses the Ability to Execute and Completeness of Vision of 20 PCITS providers. The information and analysis can help organizations select a provider for application-led, cloud-native transformation projects and ongoing public cloud managed services that support critical functions and business objectives.

## Market Overview

As organizations continue their journey to the cloud and digital transformations, the need for top-down, application-driven transformation continues its rapid growth. Gartner's client inquiry related to identifying providers that assist in such transformations is therefore escalating. While the market evolves, it is also maturing and Gartner has seen significant growth in business-related outcomes, co-solutioning and skills enhancement. Gartner clients continue to encounter significant complexity in their cloud migrations, and they are seeking assistance with the development and management of public cloud environments.

The ability to provide transformation services, cloud-native application development, managed services and vertical industry insight are key factors of success for providers in this market. Additionally, clients seek data and analytics, and skills for microservices, containers and cloud-native capabilities.

The major trends that Gartner sees in analyzing this market include the following:

- **A move to business outcomes** — Gartner has seen significant maturation in this market related to contracting for business outcomes, with participants reporting that nearly 40% of their deals had contracted business outcomes.
- **Lack of skills** — Gartner continues to see a worldwide shortage of IT skills in general and cloud-native skills specifically. This talent crunch can be attributed to the growing postpandemic digital transformation investment, which has pushed the demand for digital talent far past its supply. We believe this talent crunch will last at least two years, perhaps significantly longer for some niche and critical skills.

- **Co-creation/solutioning** – The drive toward contracted business outcomes starts with a consultative front end that includes co-creation and solutioning between client and provider. Participants reported over 40% of their deals were initiated with these activities.

## Evidence

The evaluation of providers' capabilities for this Magic Quadrant comes from both Gartner primary and secondary research:

- Primary research includes:
  - Webex briefings from participating service providers
  - Feedback from clients through Gartner's Peer Insights platform during the assessment period
- Secondary research includes:
  - Client inquiry on providers' capabilities
  - Insight from other Gartner analysts who have spoken with the providers or clients of these providers related to their cloud transformation capabilities
  - Briefings delivered to Gartner outside of the Magic Quadrant process on providers' capabilities
  - Press releases and other publicly available information

[The Cloud Strategy Cookbook, 2021](#)

[Public Cloud IT Transformation Services to Replace Cloud MSP in Magic Quadrant Coverage](#)

[Move From Cloud First to Cloud Smart to Improve Cloud Journey Success](#)

"Gartner Cloud End User Buying Behavior Study," 7 September 2020. Sample size: n = 850.

## Evaluation Criteria Definitions

## Ability to Execute

**Product/Service:** Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability:** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market Responsiveness/Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

## Completeness of Vision

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

## Document Revision History

[Magic Quadrant for Public Cloud IT Transformation Services - 24 January 2022](#)

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## Recommended by the Authors



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Table 1: Ability to Execute Evaluation Criteria

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Product or Service	High
Overall Viability	Low
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Low
Marketing Execution	Low
Customer Experience	High
Operations	Medium

Source: Gartner (July 2022)

Table 2: Completeness of Vision Evaluation Criteria

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Low
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	Medium

Source: Gartner (July 2022)