

Magic Quadrant for Public Cloud Infrastructure Professional and Managed Services, Worldwide

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Enterprise architecture and technology innovation leaders can benefit from selecting a high-quality professional and managed services provider when implementing and operating solutions on Amazon Web Services, Microsoft Azure, Google Cloud, Alibaba Cloud, IBM Cloud or Oracle Cloud.

Strategic Planning Assumption

By 2025, more than 80% of public cloud managed and professional services deals will require both hybrid cloud and multicloud capabilities from the provider, up from less than 50% in 2020.

Market Definition/Description

Public cloud infrastructure as a service (IaaS) delivers compute, storage and network resources in a self-service, highly automated fashion. The leading public cloud IaaS providers also offer platform as a service (PaaS) capabilities and other cloud software infrastructure services as part of a cloud infrastructure and platform services (CIPS, previously referred to by Gartner as integrated IaaS+PaaS) offering.

Customers still need expertise to choose the right service elements and to configure them appropriately. Customers also retain responsibility for the proper configuration and maintenance of those aspects of the service over which they have control. This responsibility includes but is not limited to guest OSs, and middleware and applications that run on their IaaS compute instances, as well as their associated data services. Newer types of platform services for which there is no analog in on-premises data centers usually gain fast adoption and require new skills and management expertise. Therefore, CIPS introduces new challenges in governance, financial management and integration that do not exist in on-premises environments.

IaaS and PaaS capabilities are delivered typically together as CIPS; hence, customers look for CIPS assistance from a third-party provider because they lack cloud expertise, seek to optimize their operations or seek to scale their staffing. Engagements are either on a short-term tactical basis or as part of a long-term infrastructure management strategy. Consequently, an ecosystem of professional and managed service providers (MSPs) has arisen to provide services on top of public CIPS offerings. Many professional and managed services providers also act as a cloud service broker (CSB). (See [“Market Guide for Cloud Service Brokerage.”](#))

A public cloud infrastructure MSP, in the context of this Magic Quadrant, is a provider that offers both professional and managed services related to infrastructure and platform operations for one or more hyperscale CIPS providers. These providers include, specifically, Alibaba Cloud, Amazon Web Services (AWS), Google Cloud, IBM Cloud, Microsoft Azure and Oracle Cloud. The term “hyperscale providers” will be used to collectively and specifically refer to these six cloud service providers throughout this Magic Quadrant. The term “hyperscale cloud MSPs” will be used to refer to the providers that deliver professional and managed services in support of hyperscale CIPS.

The professional and managed services ecosystem for hyperscale providers is diverse. This Magic Quadrant is focused on MSPs that have deep technical expertise with hyperscale providers, effective cloud management platforms (CMPs), and managed services that leverage automation, where possible. The MSPs must also possess the ability to deliver cloud-optimized solutions, regardless of whether a customer is deploying new cloud-native applications or migrating legacy workloads from an existing traditional data center. This depth of expertise and technical integration, including exploiting the API-enabled automation of hyperscale providers, distinguishes these MSPs from data center outsourcing (DCO) providers. Traditional DCO providers usually offer solutions that largely treat hyperscale providers as if they were simply virtualization platforms, without emphasizing cloud-native approaches to solution design.

CIPS adoption comprises two overarching use cases: rehosting applications developed using traditional (precloud) architectural precepts and creating new or replacement applications that follow cloud-native architectural precepts. In the early days of cloud adoption, these two use cases tended to exist independently: Customers were doing one or the other, but rarely both. Recent trends, however, show that most organizations seeking to adopt cloud pursue both use cases, with more emphasis on cloud-native precepts as the architectural goal for strategic applications (see Note 1). Most typically, they migrate away from their existing on-premises data center into the cloud and simultaneously begin a long-term transformation in which applications are selectively modernized to leverage cloud-specific benefits to varying degrees. Consequently, MSPs that provide services atop the public clouds are usually required to support both use cases, although they are often better at one than the other.

Because it is a fundamental IT activity, cloud adoption is also bimodal. Gartner defines “bimodal IT” as the practice of managing two separate but coherent styles of work. One is focused on predictability and safety (Mode 1), and the other is focused on exploration and agility (Mode 2). But the way in which Mode 1 and Mode 2 relate to cloud adoption patterns has also changed over time.

Initially, Mode 1 was synonymous with rehosting of traditional workloads, largely because traditional workloads were the *de facto* instantiation of “stable IT.” Mode 2 IT was similarly conflated with cloud-native or born-in-the-cloud workloads because of these workloads’ natural alignment with the more dynamic and experimental aspects of Mode 2 activities.

Today, both modes can benefit equally well from cloud-native precepts, and the trend is for all new software to be written as such, including makeovers of traditional apps. For this reason, we no longer evaluate MSPs based on support for the two modalities, but rather, we evaluate them for

their support of traditional and cloud-native overarching use cases. We will not mention the bimodal aspects of cloud adoption in future iterations of this research as it is no longer centrally relevant in characterizing adoption patterns.

In the context of this Magic Quadrant, MSPs are expected to deliver three pillars of capabilities: a CMP, professional services (consulting, implementation and ongoing advice) and managed services. All three pillars must address the needs of customers exercising either or both traditional and cloud-native use cases:

- The MSP must have a management portal that offers cloud service expense management (CSEM) and governance of the cloud provider accounts, including integration with identity management. It may optionally provide additional CMP, IT service management (ITSM) or other automation functionality. All CMPs enable the configuration of the managed cloud services, but they differ in the way they implement access to those services. Some do it by allowing direct access to the services through the cloud service providers' (CSPs') native UI or API (cloud-native support). Others provide access by proxy through the CMP (a gateway, for more traditional support models). A few offer both access models. CMPs vary in their degree of functionality and uniformity, typically being a combination of software that the MSP has developed for itself and tools that it procures through partnership, acquisition or licensing. Market-leading providers can leverage their CMP capabilities, as well as automation and technical expertise, across both traditional and cloud-native use cases, rather than having separate tooling and skills for each.
- The MSP must provide technical support to various roles within its customers' organizations (infrastructure and operations [I&O] technicians and application developers), and the MSP may optionally also provision, monitor, configure, secure and manage the cloud provider's service elements. The coverage of services managed varies from MSP to MSP, but it must include the most commonly used services. The MSP may also optionally manage details of workloads not directly related to configuration of the underlying cloud service. For example, in the case of compute instances such as virtual machines (VMs), the MSP may also manage the OS patching and configuration, middleware integration, and the details specific to database and application integration. In some cases, MSPs must provide supplemental service for components that do not reside within the cloud provider. The most common cases include hybrid IT, in which an on-premises infrastructure is co-managed with the public cloud, and data protection solutions, in which a backup is maintained in a location outside the public cloud. Some MSPs, which we refer to as "hybrid hosters," also offer their own hosting services that can be used in combination with other public and private infrastructures.
- The MSP's professional services (whether sold stand-alone or bundled with managed services) must include solution architecture services, workload migration services and DevOps automation.

When to Use This Magic Quadrant

This Magic Quadrant is intended to be used to select an MSP when the customer strongly prioritizes best-practice adoption and management of a hyperscale CIPS provider. In these scenarios, the native capabilities of the hyperscale platform, combined with additional automation, are used to deliver greater reliability, security and agility, while potentially reducing costs for both traditional and cloud-native use cases, regardless of mode. Specifically:

- The MSP can design solutions that use the cloud provider in a best-practice fashion, regardless of whether the customer is migrating existing workloads or building new cloud-native applications.
- The MSP can help customers use the breadth of the hyperscale platform, including not only IaaS components, but also PaaS components and other higher-order services.
- The MSP can leverage the native management capabilities and customer support mechanisms provided by the hyperscale cloud provider.
- The MSP places a strong emphasis on the role of automation, including the use of DevOps tools and other automation tools that leverage “infrastructure as code.” Customers are frequently encouraged to adopt DevOps practices, and the MSP may adopt a site reliability engineering (SRE) approach (see [“Principles and Practices of DevOps That I&O Leaders Need to Cultivate”](#) for an introduction to these concepts).
- The MSP takes a best-practice approach to cloud infrastructure management, including the use of immutable infrastructure and DevSecOps, where viable.

Not all customers prioritize these capabilities. Some customers are willing to accept a “lift and shift” approach that treats CIPS much like traditional virtualized infrastructure, managed manually, even though it markedly reduces the benefits of adopting CIPS by largely ignoring the PaaS portion. Furthermore, it is usually significantly more expensive than the traditional virtualization alternative.

Customers for whom public cloud infrastructure professional and managed services are a peripheral part of a broader IT outsourcing contract, or who do not strongly prioritize best-practice adoption and management of a hyperscale provider, should instead consult the following research:

- [“Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, North America”](#)
- [“Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Asia/Pacific”](#)
- [“Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Europe”](#)

Format of the Vendor Descriptions

When describing each MSP, we first summarize the nature of the vendor. This summary includes its size, its category, its headquarters, how the cloud managed services business fits into the vendor's business structure, and whether it offers hybrid IT solutions.

In that description, we place each provider into one of four categories. Some MSPs could fit more than one category; in such cases, we use the category we believe that they fit best:

- **Hyperscale-only MSPs:** These MSPs were either founded specifically to provide services on hyperscale IaaS or pivoted to entirely focus their business on these services.
- **Hybrid hosters:** These MSPs are traditional managed hosting providers; however, they also have a hyperscale cloud management practice, and indeed they may now be focused on that business.
- **Hybrid MSPs:** These vendors offer a variety of services, not all of which may be cloud related. However, they have a hyperscale cloud-related professional and managed services practice. They are typically system integrators (SIs), value-added resellers or IT outsourcers, often with a local or regional focus. Some may have a focus on specific applications.
- **Global SIs (GSIs):** These SIs are typically large, global providers that have practices focused on delivering value on top of hyperscale cloud providers, including professional and managed services. They typically also offer value beyond the infrastructure layer due to their application expertise and strategy consulting services. They may also be able to assist with broader transformation initiatives, including business process redesign and organizational restructuring.

We provide information about each MSP's hyperscale cloud managed services in the following format:

- **Cloud service providers supported and audit status:** We list each of the six clouds of interest for which this vendor has support, in alphabetical order: Alibaba Cloud, AWS, Google Cloud, IBM Cloud, Microsoft Azure and Oracle Cloud. For three of these cloud providers, we further indicate the audit status with the notation "(audited)" if:
 - The vendor was an AWS MSP Partner as of 31 August 2019.
 - The vendor was a Google Cloud MSP Partner as of 31 August 2019.
 - The vendor was an Azure Expert MSP Partner as of 31 August 2019.

Clients should consider that many of the vendors featured in this research that did not have some of these certifications on 31 August 2019 may have since obtained them. See Note 2 for publicly available references to determine current audited status.

- **Sales presence:** We list in which of the following regions the vendor has direct sales presence:
 - North America
 - South and Central America
 - Western Europe (including the United Kingdom)
 - Eastern Europe
 - Africa and the Middle East
 - China
 - Australia and New Zealand
 - Asia/Pacific

Note that vendors may have sales presence in only a few regions, but they offer the actual managed services in two or more geographies.

- **Target customer:** We list the types of customer organizations that the MSP primarily targets.

We then provide the top three strengths and cautions for that vendor.

Magic Quadrant

Figure 1. Magic Quadrant for Public Cloud Infrastructure Professional and Managed Services



Source: Gartner (May 2020)

Vendor Strengths and Cautions

Accenture

Accenture, incorporated in Ireland, is a large GSI with multicloud managed services embedded into its overall global business. The company has dedicated organizational units (“Business Groups”) for Alibaba Cloud, AWS, Google Cloud and Microsoft Azure, as well as partnerships with IBM and Oracle. In 2019, it strengthened its Google Cloud capabilities by acquiring Cirruseo, a French consulting firm focused on Google Cloud Platform (GCP) services.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud (audited)

- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; Africa and the Middle East; China; Australia; and Asia/Pacific.

Target customer: Upper-midsize and large enterprises seeking transformative, large-scale cloud adoption.

Strengths

- Accenture was an early leader in the public cloud managed services market and has gained considerable public cloud experience throughout an extensive customer base. It challenges customers to consider the art of the possible, injecting its industry/vertical knowledge as part of its differentiation.
- Accenture has a broad, yet well-laid-out range of cloud services that extend from strategy consultation and transformation, through to engineering, cloud platforms, infrastructure and cloud security. It combines this with a global presence and significant volume of resources to enable cloud adoption and transformation at scale.
- Accenture's overall business places heavy emphasis on innovation architecture, engaging with over 5,000 startups in over 40 countries, and making selective investments. Knowledge gained from this type of research positions the company to challenge traditional customer thinking by going beyond commonly used solutions to include less-well-known disruptive innovators.

Cautions

- Accenture's commercial approach is adapted on a per-customer basis. Potential customers may find this approach entails more work to negotiate and customize proposed solutions to meet their needs, particularly when they have little experience with cloud managed services.
- Customers looking for support of small, early cloud projects or those with only moderate managed service requirements may find Accenture's size and scale of approach to be much more than is required to meet their needs.
- Accenture's historical strength in this market does not make it invulnerable to general challenges (e.g., resource contention for cutting-edge requirements). Clients must complement engagements with their own mature vendor management capabilities to ensure they get the best from Accenture on an ongoing basis.

Atos

Atos is a large GSI headquartered in France. In October 2018, it acquired Syntel, a midsize IT services provider in the U.S. In February 2020, Atos completed its acquisition of Maven Wave, a GCP-focused professional services firm. Atos provides support for hybrid IT through its Atos Canopy orchestrated hybrid cloud solution, with professional and managed services.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud
- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; Western Europe (including the United Kingdom); Eastern Europe; Australia; and Asia/Pacific.

Target customer: Large enterprises.

Strengths

- The Atos Managed OpenShift service helps customers implement containerization of workloads using a platform-based approach. Atos uses an open framework to support cloud-native application development, including DevOps enablement and implementation of continuous integration/continuous delivery (CI/CD) tool chains.
- Atos has large-scale migration experience and good consulting capabilities derived from its GSI heritage. It has specific experience in complex enterprise applications and integration. Atos operates a cloud migration factory with a well-developed framework for migration planning, which ranges from discovery and assessment to architecture and execution, with timeline, risks and cost analysis.
- Atos has a strategic partnership with Google Cloud, and it is building up expertise in the cloud provider quickly. Its acquisition of Maven Wave underscores this commitment. A significant number of its staff have obtained GCP certifications in professional cloud architect, professional data engineer and associate cloud engineer. Atos has a tight focus on data analytics, machine learning (ML)/artificial intelligence (AI), and migration of complex enterprise apps to GCP.

Cautions

- Despite the recent positive moves around GCP, Atos has yet to be certified as Google Cloud MSP. While it has a significant number of customer trials, many of them are still in the proof-of-

concept stage. Its deployment experience on GCP is also relatively small compared with its AWS and Microsoft Azure installations. In time, the Maven Wave acquisition could mitigate some of these concerns.

- Atos has relatively few Azure staff certifications, even though it has certifications for the broader Microsoft technology suite. In contrast, it has acquired a significant number of staff certifications for AWS. As Atos is signing up more Azure customers, it needs to close the gap to be credible against competitors that are investing more aggressively in the platform.
- Atos' cloud professional and managed services business has grown quickly in the past year, but many of its projects are still professional services-led, with relatively small contribution from automated and standardized managed services. It needs to change its revenue profile to more recurring revenue to be viable in the long term in this market.

Bespin Global

Bespin Global is a small hyperscale-focused MSP headquartered in South Korea, with a significant presence in China. It has recently established a foothold in the Middle East through its acquisition of Falcon 9, a small but fast-growing AWS advanced consulting partner based in the United Arab Emirates (UAE). It develops its own CMP, OpsNow.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud (audited)
- IBM Cloud
- Microsoft Azure (audited)

Sales presence: Africa and the Middle East; China; and Asia/Pacific.

Target customer: Midsize businesses and enterprises in South Korea and China, and multinational corporations (MNCs) expanding into China.

Strengths

- In the past year, Bespin Global has shown increasing ability to support large organizations with agile and reliable app requirements. This is due to its multipronged strategy to aggressively build up its cloud IT and traditional enterprise app capabilities ahead of the market, support a wide choice of cloud providers, and expand internationally into new growth markets. China now contributes a sizable portion of its revenue.
- Bespin Global takes full advantage of the hyperscale platforms' cloud-native capabilities, including its PaaS services, to effect business transformation. It supports customers with

design and architecture, application refactoring, DevOps enablement, and tools and processes for building CI/CD pipelines. It publicly states its baseline SLAs based on industry best practices and provides integration with legacy ITSM tools from BMC, ServiceNow and Atlassian for hybrid IT management.

- Bepin Global has significantly enhanced OpsNow by automating a variety of functions for its service management and delivery. These include single-click access to multiple cloud vendors' consoles using role-based access control, integration with AWS and Azure platforms in China, utilization analytics to improve reserved instance adoption, and automation of spot instance procurement.

Cautions

- Although Bepin Global has built up an impressive array of capabilities in a short time, most of its experience is based on AWS deployments. It is gaining experience on Azure and, to a lesser extent, other cloud platforms, but it has not yet built capabilities that are comparable to its current AWS competencies.
- Bepin Global has strong aspirations to be a major international player, and despite its rapid growth in the past few years, it is relatively small compared with the large GISs. Its presence is currently concentrated in South Korea and China, where it has an early-mover advantage. But it will face stronger competition from large players as cloud adoption picks up in these markets.
- Even though the company is getting stronger at winning large accounts, most of Bepin Global's customers are midsize. Consequently, Bepin Global has less exposure and experience handling large complex migrations. It also has limited experience with compliance requirements like General Data Protection Regulation (GDPR) or Health Insurance Portability and Accountability Act (HIPAA), as they are not compliance requirements endemic to its markets.

Capgemini

Capgemini is a large GSI headquartered in France. Its managed services are provided through the Capgemini Cloud Platform, which encompasses the consulting, services and tools that are employed from early-stage strategy through ongoing management of cloud-based applications. Hybrid IT scenarios are supported.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud
- IBM Cloud

- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; China; Australia; and Asia/Pacific.

Target customer: Enterprise or midmarket organizations from a broad range of industries at any point in their public cloud transformation, including hybrid configurations.

Strengths

- Capgemini has a strong process and toolset for application discovery and assessment. For cloud migration purposes, its economic Application Portfolio Management (eAPM) tool captures application characteristics and dependencies and applies analysis to assist in deciding the most appropriate destination and rework level for each application in a target hybrid environment. Business priorities, risk and other factors can be included in the analysis.
- Capgemini has invested heavily in tooling and intellectual property to support the management and operations of customers' environments. On top of the underlying operations and DevOps platform, Capgemini has introduced a new integrated CMP that covers both IaaS and PaaS environments in its multicloud capabilities. The CMP allows handoff to native cloud providers' console when appropriate.
- Capgemini brings knowledge and experience on a broad range of industry verticals from its role as a traditional GSI. In the public cloud space, Capgemini focuses on seven industry sectors, including the key verticals of financial services and public sector. It augments its capabilities by developing reusable industry-specific assets that are used in building solutions for customers.

Cautions

- Capgemini's value is maximized in transformational projects that exploit public cloud to get benefits beyond rented virtualization. Clients not ready for transformation or cloud-native projects or clients under business pressure to perform a simple rehost will need to make their requirements very clear from the outset.
- Capgemini has invested heavily in automation, cloud management platform and, in general, a tool-based approach to operations management. Although advantageous in many ways, the byproduct of such an approach is a reduction in manual interaction with customer environments and with the customers themselves. Clients that thrive on regular human interactions may feel that they are not getting enough attention from Capgemini.
- Capgemini has partnerships with many cloud providers, and it invests in its business to support each of them as appropriate to the market opportunity each CSP provides. Its AWS footprint is currently more substantial than it is with other CSPs, and customers may see major investments, such as in industry vertical solutions, offered in AWS before other platforms.

CenturyLink

CenturyLink's MSP business is categorized as a hybrid hoster within a large telecommunications service company headquartered in the U.S. It provides hybrid hosting and public cloud managed and professional services as a relatively small portion of its overall business, rooted in its acquisitions of ElasticBox in 2016 and Level 3 Communications in 2017.

Cloud service providers supported and audit status:

- AWS (audited)
- Google Cloud
- Microsoft Azure (audited)

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; Australia; and Asia/Pacific.

Target customer: Large and midsize enterprises.

Strengths

- As a global telecom company that is also a hybrid hoster and public cloud MSP, CenturyLink has exceptional capabilities to support flexible, network-centric hybrid cloud solutions. Its CenturyLink Cloud Connect service was one of the first in-market solutions providing pay-per-use, dynamically provisioned high-speed connectivity to the major public cloud providers. Its network has significant reach and offers physical-layer value-adds like wavelength encryption.
- CenturyLink's ElasticBox acquisition was a direct antecedent to the development of CenturyLink Cloud Application Manager (CAM). Effectively a CMP, CAM focuses on application packaging and deployment use cases with a primarily cloud-agnostic philosophy. Its integration with CenturyLink's networking infrastructure yields network automation for easy hybrid and multicloud connectivity tasks.
- CenturyLink offers many solutions that can be combined with its hyperscale cloud management services. These are most useful when hybrid cloud use cases require simpler or more conventional approaches. The CenturyLink Cloud (its own private cloud offering), CenturyLink Private Cloud on VMware Cloud Foundation and CenturyLink Private Cloud for VMware Cloud on AWS each benefit from the flexible connectivity of CenturyLink's network.

Cautions

- Although CenturyLink has been in the cloud MSP business for many years, it has been slow to attain recognition for this in our research. This is mostly due to the MSP business being a small part of the much larger CenturyLink, designed to increase sales of networking services. Clients considering CenturyLink must keep in mind that the provider has a network-centric view of

public cloud solutions and may not bring forward more holistic solutions as might other providers.

- Although the early investment in ElasticBox and build-out of CAM was bold, this approach to containerization and cluster management has been superseded in the market by the Open Containers Initiative and Kubernetes. Although CenturyLink continues to evolve its offerings to incorporate these new standards, customers may find that many aspects of CenturyLink's container solutions are proprietary or lag that of other providers of similar size.
- CenturyLink's support for the full range of cloud services lags the industry considerably. It reported "some" support for many cloud-native services like Kubernetes orchestration, function PaaS, NoSQL database, table storage and data warehousing. Our overall rating of cloud service coverage put it in the lowest 10% of providers in this regard. As with any provider, customers must confirm coverage as part of due diligence.

Cognizant

Cognizant is a large GSI headquartered in the U.S. Its cloud offerings are part of its broader technology service business, communicating a core message of the cloud as an enabler of digital imperatives. Cognizant also supports hybrid IT deployments as a foundational fabric for enabling these imperatives.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud
- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; Africa and the Middle East; China; Australia; and Asia/Pacific.

Target customer: Large enterprises, especially those with digital transformation initiatives.

Strengths

- The strategic focus of Cognizant's typical engagement is on enabling IT modernization by leveraging agile methodologies and architectural approaches like multicloud, microservices and containers. This shift accommodates a wide range of customer positions on the cloud journey. Enterprises with differing levels of cloud experience will likely find Cognizant equipped to address their specific adoption phase requirements.

- Cognizant's portfolio includes offerings around platform, application and data modernization, representing a thorough set of capabilities for deriving value from cloud implementation and operations. Industry solutions around verticals like financial services, healthcare and life sciences provide specific, relevant solutions that make the portfolio more comprehensive for organizations in those industries.
- Cognizant offers a wide array of capabilities via its Cloud360 platform. This platform integrates Cognizant intellectual property with third-party cloud management tools and native cloud provider technology to support public cloud hyperscale infrastructure, as well as infrastructure-agnostic platforms such as Cloud Foundry and OpenShift. These integrations provide customers with added flexibility by enabling multicloud use cases and increasing the number of tools that can be leveraged.

Cautions

- Customer reference data suggests that Cognizant engagements are not always designed to provide prescriptive guidance. Customers that are seeking strategic thought leadership or that are to be provided with high-level expertise will need to be clear about those expectations to ensure the engagement is appropriately scoped and staffed.
- Cognizant's experience managing complex commercial off-the-shelf (COTS) applications (e.g., Oracle EBS and SAP S/4 HANA) in the leading hyperscale cloud providers' environments is not as extensive as some other providers evaluated in this research. Customers looking for a provider with a high volume of projects hosting complex COTS with adjacency to the most popular cloud-native technologies may find that other providers are better suited for that use case.
- Although Cognizant has shown a willingness to serve smaller customers, its history of engagement with midsize enterprises in this market is shorter than some competitors. Although Cognizant's modularized approach enables it to address requirements regardless of customer size, customers requiring a provider that is predominantly focused on midsize organizations may want to approach other providers first.

Deloitte

Deloitte is a large global hybrid MSP headquartered in the U.K. In addition to its MSP business, called Deloitte's Cloud Managed Services, Deloitte provides audit and assurance, consulting, risk advisory, financial advisory, and legal and tax services. Deloitte entered the public cloud MSP space through acquisitions in 2017 and 2018. Hybrid IT scenarios are supported.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)

- Google Cloud (audited)
- IBM Cloud
- Microsoft Azure (meets requirements)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; Africa and the Middle East; China; Australia; and Asia/Pacific.

Target customer: Enterprise customers seeking to engineer and apply cloud and disruptive technologies to transform businesses and technology capabilities.

Strengths

- Due to Deloitte's traditional business that includes audit, risk advisory and financial advisory, it is in a good position as a subject matter expert to provide MSP services to customers in highly regulated industries. Its mastery of these topics can prove valuable also for other customers, and in general, Deloitte's position as an auditor can draw customers for whom compliance is an important topic.
- Deloitte has a strong focus on cybersecurity and cyber risk, both integrated into the base MSP and industry offerings and in individual cybersecurity offerings. This is advantageous for clients from the more risk-averse industries or clients that have yet to move their most mission-critical workloads to cloud for fear of security exposures.
- The OpenCloud CMP remains a strength for Deloitte through its comprehensive set of services comprising proprietary intellectual property, and open-source and commercial software. Recent areas of focus include extensions to its policy-based governance capabilities to ensure compliance through automated remedial actions, and a greater ability to integrate with external ITSM tooling.

Cautions

- As Microsoft's independent auditor, Deloitte is not a partner of Microsoft or reseller of Azure and therefore is not listed on the Microsoft Partner website. Although this does not affect Deloitte's ability to provide services for Azure, it may have fewer Azure-related projects than other MSPs of its size and global reach.
- Deloitte focuses predominantly on large, strategic, transformative projects, in often complex end-to-end engagements. Smaller-sized customers, or customers looking for constrained project-based engagements, may have trouble gaining and holding Deloitte's attention. Such customers must manage the relationship carefully, with expectations clearly detailed and agreed upon.

- Deloitte provides audit and other attest services to many organizations worldwide. As such, it is restricted in what services it can perform for such clients. Clients looking to engage with Deloitte as a cloud MSP must look beyond the IT domain of their business to determine if Deloitte is providing other services that might impact its ability to provide an MSP service.

DXC Technology

DXC Technology is a large GSI headquartered in the U.S., created from the 2017 merger between CSC and Hewlett Packard Enterprise's (HPE's) Enterprise Services division. DXC Technology's cloud business is part of a broader IT services offering. It acquired Luxoft, a digital strategy and software engineering service business, in 2019. It offers hybrid IT solutions as part of its MSP business.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud
- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; Africa and the Middle East; China; Australia; and Asia/Pacific.

Target customer: Large organizations.

Strengths

- DXC Technology has global presence, experience and depth of resources for servicing large clients. It brings a significant traditional IT operational track record to large-enterprise customers and has demonstrated competence in hosting complex COTS applications, such as ERP suites in the public cloud.
- With a focus on delivering end-to-end IT services, DXC Technology is positioned well to deliver hybrid management and to be flexible in meeting the requirements of clients with traditional data center operational requirements. Recent investments and acquisitions have built on its ability to deliver on cloud-native requirements, but it is stronger in addressing the hybrid use case favored by clients that still have significant on-premises footprints.
- DXC Technology has strong migration competencies, and its "Launch, Adopt, Run" approach is consistent with industry best practices for traditional IT organizations strategically moving

toward cloud-native operations. DXC Technology has designed a variety of workshops and self-assessments to help guide those organizations through their cloud journey.

Cautions

- DXC Technology has more experience with traditional legacy applications than with advanced DevOps use cases and related cloud-native technologies. Although it continues to expand the newer capabilities (as evidenced by the Luxoft acquisition), its current customer base tends toward more traditional workload types. Customers looking for an MSP with a long history of DevOps-focused cloud implementations may wish to compare DXC to other providers in this regard.
- Smaller organizations are not a core focus of DXC Technology's public cloud managed service business. The average footprint under management is one of the largest of the providers evaluated in this research. Startups, small businesses and midsize enterprises are not a target customer and may find that other providers have a more relevant offering and engagement style than DXC Technology.
- DXC Technology continues to build out its portfolio of public cloud service offerings, but its breadth of support is currently smaller than most peer providers evaluated in this Magic Quadrant. Support for GCP is relatively narrow, along with certain facets of a variety of up-stack technologies – such as Internet of Things (IoT) and AI/ML. Customers for which specific technologies are critical to a successful cloud deployment should verify that DXC Technology can support those technologies.

Fujitsu

Fujitsu is a large MSP headquartered in Japan that also has a broad portfolio of more traditional IT products and services. Its public cloud managed and professional services business is a stand-alone business inside the wider Fujitsu organization. Fujitsu's public cloud managed service business began to scale up significantly in 2018. It approaches the market with multicloud-centric messaging and has hybrid capabilities through heritage Fujitsu service lines.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; China; Australia; and Asia/Pacific.

Target customer: Enterprises with complex cloud adoption needs that include significant hybrid requirements.

Strengths

- Fujitsu has extensive experience dealing with enterprise clients in traditional contexts, particularly where complexity, security and technical debt are critical challenges for heritage IT systems. This positions it well for customers with distinctly hybrid portfolios.
- Customers pursuing a multicloud strategy will appreciate Fujitsu's deliberately independent stance on provider choice, where it aims to support customers in determining the best cloud platform for their needs. Fujitsu is also one of only a handful of providers in this analysis that showed a significant number of Oracle Cloud customers and case studies.
- Fujitsu's global network backbone places its own physical infrastructure capabilities close to customers in most regions. This could be particularly important for hybrid use cases and scenarios in which network latency and proximity are particularly sensitive to cloud adoption challenges.

Cautions

- Gartner saw little evidence in Fujitsu's briefing of lessons learned or continuous improvement delivered as outcomes of lost deals or customer attrition. This may be due to Fujitsu's recent acceleration in the MSP market (there is not enough history), or the conservative nature of its customers avoiding common risks of hyperscale adoption (architectures follow more traditional patterns).
- Fujitsu's target customer profile is broad and lacks distinct vertical focus. Customer wins appear to be typically complex, large-scale deals that involve incumbent customers evolving steadily toward a hybrid portfolio involving public cloud. Prospects seeking pure-cloud approaches or more radical application-led transformation may find other vendors in this market more suitable for their needs.
- Fujitsu continues to invest in its overall cloud-native capabilities but is behind some of its competitors in this market. It lacks partner specializations such as the AWS DevOps competency, and it demonstrated relatively few cloud-native accelerators, which may impact Fujitsu's initial credibility when engaging with more technical buyers of cloud services.

HCL Technologies

HCL Technologies is a large GSI headquartered in India. Its cloud MSP capabilities are provided by the cloud-native services offerings that include cloud consulting services, cloud-native applications, SaaS services, cloud platform services and vertical cloud solutions. HCL Technologies supports hybrid IT use cases.

Cloud service providers supported and audit status:

- AWS (audited)
- Google Cloud
- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; Western Europe (including the United Kingdom); Eastern Europe; Africa and the Middle East; Australia; and Asia/Pacific.

Target customer: Enterprises at all stages in their cloud adoption strategy, for both traditional and cloud-native workloads.

Strengths

- HCL Technologies' Cloud-Native Labs approach is ramping up with the intent to make it a mainstream part of many projects. Four labs are currently active in London (the U.K.), New York and Dallas (the U.S.) and Delhi (India). Customers work alongside HCL Technologies' engineers in short time-boxed projects to create "minimum viable products" using cloud-native development techniques.
- HCL Technologies uses its position as an independent software vendor (ISV) to bring many of its own software products into play for the migration and operation of cloud environments. It uses its software development skills to build its own CMP based on HCL Technologies' DRYiCE automation platform. Where necessary, these capabilities are augmented with integrations with other vendor products.
- HCL Technologies has observed different trends in business drivers and solution requirements in different geographies. It has reacted to these trends by putting the appropriate labs, sales structure and technical staff with the appropriate skills in place in different geographies to satisfy the diverse nature of the solutions.

Cautions

- Despite being powerful and feature-rich, from an overall solution point of view, HCL Technologies' toolset is a mix of many different tools. This may make self-service operations appear complex and give a disjointed management experience rather than a smooth, integrated experience. Self-service users should expect a steep learning curve.
- HCL Technologies moves energetically into many business and technology areas. It is willing to engage on and capable of executing almost any project, but this approach can lead to many one-off engagements without reusable assets for repeatable and predictable results. Clients

should challenge HCL Technologies if they think that a one-off solution is being built for projects that ought not to be out of the ordinary.

- HCL Technologies is a technology company, and it invests heavily in organic and inorganic technology evolution, in addition to forward-looking innovation research. Customers should be very firm in project oversight to ensure that this technological DNA does not influence the project objectives that should be driven by business goals and outcomes.

Infosys

Infosys is a large GSI headquartered in India. It offers cloud professional and managed services and has its own CMP, Infosys Infrastructure Management Solution (IIMS), which also supports hybrid IT deployments. It offers a broad portfolio of IT services, including transformation, business process redesign, and application development and maintenance.

Cloud service providers supported and audit status:

- AWS (audited)
- Google Cloud (audited)
- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; Western Europe (including the United Kingdom); Eastern Europe; China; Australia; and Asia/Pacific.

Target customer: Large enterprises with traditional migration and long-term cloud-native transformation requirements.

Strengths

- Infosys is building up visible expertise supporting large, complex deals. It tends toward transformation projects, and typically requires substantial consulting and cloud-native application development, both of which are its core competencies as a GSI. It also has deep experience with compliance requirements, including GDPR, Payment Card Industry (PCI) and HIPAA, due largely to its strong presence in the U.S. and the EU.
- Infosys focuses strongly on big data and analytics, leveraging the cloud providers' native AI and ML capabilities and combining them with its own intellectual property and services. These technologies are new and still evolving, yet Infosys has successfully deployed them in multiple industries, including retail, manufacturing and healthcare.
- Infosys takes a platform-centric and automated approach toward service delivery and operations. It has enriched its IIMS CMP beyond its full array of essential CMP functions and

strong integration with existing ITSM systems. The platform includes infrastructure as code, prebuilt catalog, support for DevOps enablement, CI/CD pipelines for agile development, and an AI-powered analytics workbench for pattern detection, correlation, prediction and forecasting.

Cautions

- Infosys is less focused on basic managed cloud service projects than on large projects that require transformation. Although this plays to its consulting and application development strengths, it means Infosys has significantly fewer customers for traditional and legacy applications. Customers seeking simpler rehosting services with a hybrid component, and with little emphasis on transformation, may find Infosys' approach to be more than they need.
- Infosys' experience is still largely concentrated on AWS and Azure, even though it has expanded its support to GCP and Oracle. Its number of staff certifications is significantly smaller than some of its global peers. In some cases, the distribution of certified head counts for each supported CSP does not track with the distribution of customer counts.
- Infosys' experience with traditional and legacy applications is generally undifferentiated. It is largely migration planning and execution, discovery and assessment, and cost optimization. Our data evidences relatively few migrations of complex enterprise applications or containerization of traditional workloads, which suggests that most projects are more lift and shift.

Logicworks

Logicworks is a small hybrid hoster headquartered in the U.S. It began offering managed services (for AWS) in 2013. It also offers hybrid IT solutions, including VMware-based hosting and private cloud IaaS, using Equinix data centers.

Cloud service providers supported and audit status:

- AWS (audited)
- Microsoft Azure (audited)

Sales presence: North America.

Target customer: Technology startups, midsize businesses and enterprises with an emphasis on those needing to achieve regulatory compliance in the cloud.

Strengths

- Logicworks is an early and long-lived success story, with deep experience in AWS and now a growing business around Microsoft Azure services. Its consistent delivery of public cloud managed services in the past decade gives it the well-deserved credibility of an early mover in this space. The company consistently earns high marks with customers for overall experience and trouble-free service.

- Logicworks has built a service focused on security and compliance objectives for highly regulated industries like financial services and healthcare. It uses a “policy as code” approach to continuous compliance automation, combined with a repository of prebuilt policy templates, and annual audits for HIPAA, HITRUST, SOC1, SOC2, PCI Data Security Standard (PCI DSS) and ISO-27001. These are strong evidence that the company has invested heavily to create real value for customers in this regard.
- As a smaller provider, Logicworks’ only business is the cloud MSP business. It does not have a cloud service of its own to sell, and it is not “leveraging” other practices as the GSIs do. This brings it clarity of purpose and exceptional customer focus, with no distractions from other businesses vying for the same corporate resources.

Cautions

- Logicworks is a ripe acquisition target. Two other companies with similar profiles (2nd Watch and Onica, both of which have appeared in previous iterations of this Magic Quadrant) were acquired in 2019. Should Logicworks be acquired, some of the advantages of its smaller size mentioned in the third Strength may be greatly reduced. Also, the potential disruptions caused by the integration of any two companies is always a concern, although such would likely be temporary.
- Logicworks remains a company with most of its customer relationships confined to North America. For its target customers, this is not usually a problem. However, customers considering Logicworks that have operations in other geographies and expect in-region account teams should consider other providers with a presence in the regions where they expect such services to be rendered.
- Logicworks is not a GSI. It is primarily an AWS MSP, with a relatively small but growing footprint in Microsoft Azure. While this can be a strength as mentioned previously, it is a contraindicator for customers looking for more complete end-to-end services that span infrastructure to application expertise, or broader coverage of multiple clouds and hybrid solutions.

Nordcloud

Nordcloud is a small cloud-native MSP headquartered in Finland that has offered managed services for AWS since 2012. Nordcloud is also a Microsoft accredited expert managed service partner for Azure and recognized by Google as an MSP partner. Nordcloud’s strategy is to continue its expansion to become a Europe-wide cloud-native SI.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud (audited)

- Microsoft Azure (audited)

Sales presence: Western Europe (including the United Kingdom); and Eastern Europe.

Target customer: Midsize to large enterprises seeking cloud adoption with a heavy cloud-native/agile focus and headquartered in Europe.

Strengths

- Nordcloud understands the challenges that enterprise customers face in public cloud adoption and claims to support over 60% of the Nasdaq Nordic (OMX) top 40 today. Nordcloud uses a combination of highly technical resources and a distinctly Mode 2 approach to differentiate in situations in which legacy MSPs cannot support the pace and agility needed by cloud adoption.
- Nordcloud continues to grow in markets beyond its home country of Finland, using its local sales and delivery teams and expanding office presence in 10 European countries to target customers with European roots. It has also delivered customer projects in Singapore, Australia, China, the Middle East and North America. Major delivery hubs are present in both Finland and Eastern Europe (Poland).
- Nordcloud has rapidly increased the number of Google Cloud Professional Certified Cloud Architects and Data Engineers on staff. This positions it particularly well to support emerging requirements for clients looking for support of the relatively new Finnish GCP regions. Nordcloud offers Site Reliability Engineering services and offers to embed experts in product teams.

Cautions

- Unlike most of its competitors, Nordcloud has yet to make major acquisitions. Other than a merger in 2018 with SC5 (a small organization focused on cloud-native application design), Nordcloud has yet to gain experience in navigating the challenges of integrating merger and acquisition (M&A) targets without disrupting existing customers. Potential customers should consider that an M&A event could temporarily negatively impact Nordcloud's service quality.
- Nordcloud is less capable than some competitors in delivering to requirements that extend beyond the public cloud. Although it has some limited ability to service clients with such needs, it views hybrid as a distinct set of requirements. Nordcloud's suitability for hybrid needs will likely be limited to project-specific requirements rather than comprehensive managed services.
- Nordcloud is experiencing rapid head count growth, with a sales team that grew 100% in 2019. In general, high-growth businesses experience unevenness in the quality of their workforce. As Nordcloud's sales team gains experience, customers must pay extra attention to what sales personnel believe can be delivered. This is especially important for Mode-1 customers with traditional project requirements.

NTT DATA

NTT DATA is a large GSI headquartered in Japan. It provides IT services for a range of segments, including infrastructure, application, security and business process outsourcing. Its acquisition of cloud service company Flux7 closed in January 2020. NTT DATA's cloud professional and managed services are provided as part of its hybrid IT offering.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud
- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); and Asia/Pacific.

Target customer: Large, global enterprises.

Strengths

- NTT DATA offers support for all IaaS providers evaluated in this research. It has customer environments and derives revenue in all six CSP ecosystems. Its service offerings, as well as the capabilities of its CMP – NTT DATA Nucleus – are largely equivalent across AWS, Microsoft Azure, Google Cloud and the Oracle Cloud. Customers interested in a provider with a broad, option-focused approach should find NTT DATA a good fit.
- NTT DATA has significant experience with implementing and managing complex COTS applications – such as Oracle EBS and SAP S/4 HANA – in the public cloud. It reports one of the largest numbers of customers hosting these types of workloads of providers evaluated in this research.
- NTT DATA has supported a range of use cases, and in conjunction with the entire network of its partners (as well as the family of companies in its extended corporate structure), can address both broad and specialized requirements. For example, NTT DATA supports a significant number of clients that must be compliant with the EU GDPR.

Cautions

- Despite generally positive customer feedback, NTT DATA's managed services are not significantly differentiated in the scope or method of delivery, with more emphasis on professional services. Its most successful customer stories are those in which NTT DATA

handled implementation via the design (or redesign) of workloads, rather than managing preexisting application architectures.

- Customer feedback data suggests that NTT DATA's engagements are typically customer-driven, such as when the customer is simply looking for cloud skills or tooling and not so much for strategic advice. Customers considering NTT DATA will need to be clear about the level of strategic leadership and consultative engagement expected of NTT DATA to ensure that it is appropriately scoped and staffed.
- NTT DATA has not demonstrated the degree of standout innovation that would be expected of a Leader in this Magic Quadrant. While it can deliver a wide range of services, fewer of those services are individually inventive than are seen in the portfolios of some other providers evaluated in this Magic Quadrant.

Progressive Infotech

Progressive Infotech is a midsize MSP headquartered in India. Its public cloud managed service practice is a stand-alone business unit inside the larger organization. Progressive Infotech is also the provider of a CMP product through a separate part of its business, Centilytics, which it uses in its MSP practice.

Cloud service providers supported and audit status:

- AWS (audited)
- Microsoft Azure (audited)

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Australia; and Asia/Pacific.

Target customer: Varies by region. India — Large and midsize enterprises. Rest of world — Small and midsize enterprises. U.S. — Only resellers. Progressive Infotech does not target the public sector or government.

Strengths

- Progressive Infotech demonstrated a strong ability to articulate its value proposition and service offerings with clarity and concision. Its go-to-market messages target specific enterprise client profiles in the 250 to 10,000 user space, and it has a cost-efficient pricing model as part of the offering differentiation.
- Progressive Infotech cites mature quality management and governance frameworks as ways it wins over competitors, and the company gains useful experiences as a downstream provider for larger GSIs. It showed an ability to learn from its execution experience, which has resulted in improved tooling and lessons embedded in its own company-developed CMP (Centilytics).

- With simple, straightforward SLAs and service options, Progressive Infotech's service model offers value-for-money services as a differentiator that will likely appeal to small and midsize customers who are unsure of the full extent of their cloud managed service needs.

Cautions

- Although Progressive Infotech's value-for-money service is an attractive point of entry to managed services, it relies on a highly reactive service style. Gartner clients would likely find Progressive Infotech most suitable for basic ticket-style requirements. Some offerings require additional service fees (e.g., application performance monitoring) or require provisioning steps (e.g., security monitoring), which could increase the initially low cost of entry.
- Progressive Infotech does not exhibit the same extent of thought leadership in the areas of cloud transformation as some of its competitors. Also, it favors more traditional (ITSM) ways of working, which will not suit all use cases and customer profiles. Examples of DevOps services cited were adequate but not extensive. No industry accelerators were cited, and the number of certified staff was well below average for a provider of this size.
- Progressive Infotech offers comprehensive support for only two of the six CSPs of interest in this analysis: AWS and Microsoft Azure. In the context of broad multicloud adoption plans, Progressive Infotech may lack the ability to service the full extent of a full portfolio of systems. This provider may also struggle to support clients wishing to differentiate through best-of-breed features in smaller, more specialized clouds.

Rackspace

Rackspace is a large hybrid hoster headquartered in the U.S. It is a cloud, managed hosting and application service provider that has, in recent years, pivoted to invest heavily in the public cloud service MSP market. In December 2019, it completed the acquisition of Onica, another MSP previously featured in this research.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud (audited)
- Microsoft Azure (audited)

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; Africa and the Middle East; China; Australia; and Asia/Pacific.

Target customer: Midsize to large enterprises.

Strengths

- Rackspace is the only company featured in this Magic Quadrant that is successfully repositioning itself as a next-generation GSI. The GSIs are investing heavily in cloud, but they still find themselves beholden to their traditional businesses when it comes to setting strategy, recognizing revenue and otherwise controlling their own destiny. Rackspace is growing to similar size and scale without these hangovers that could fragment the customer experience.
- As a large privately held company, Rackspace can direct significant resources toward growth and innovation without the scrutiny of public shareholders. Its considerable M&A activity over the past three years is a direct result of this private ownership, and those deals are accruing value. Customers benefit from the innovation and industry consolidation resulting from Rackspace's transformative growth.
- Rackspace's "customer fanaticism" is surviving the company's transformation, although it is also changing. Today marketed as "Fanatical Experience," the Rackspace culture still emphasizes customer outcomes and satisfaction as being the responsibilities of every "Racker" on staff and is still core to its corporate ethos.

Cautions

- CEO Joe Eazor was in the role less than two years before being replaced by Kevin Jones in April 2019, followed by the replacement of many tenured executives. Gartner perceives these moves to be consistent with private equity owner Apollo Global Management grooming Rackspace for a return to public markets. This could result in more frequent and profound changes to the service and customer experience than if such a strategy was not in motion.
- In 2019, we highlighted Rackspace's new pricing and contracting model — Rackspace Service Blocks — as an innovative strength. Although we still see it as a strength, the company has introduced many more blocks over the past year at the risk of potentially making it more complex than is necessary and reducing the value of this innovation. Customers should be sure they understand this model and all the options available before committing to a contract.
- The Onica acquisition is not as substantial as the Datapipe acquisition of 2017. However, we reiterate this Caution from the 2018 Magic Quadrant: Each company brings its own tooling, sales organizations and support organizations that must be integrated in the new corporate context. Onica customers should expect 2020 to be a year of significant change.

Smartronix

Smartronix is a midsize MSP headquartered in the U.S. Operating under the brand name Cloud Assured, it offers public cloud managed services for AWS, Microsoft Azure and Google Cloud. Smartronix also offers enterprise IT solutions, such as cybersecurity, development and networking solutions.

Cloud service providers supported and audit status:

- AWS (audited)

- Google Cloud (audited)
- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; Western Europe (including the United Kingdom); and Eastern Europe.

Target customer: Organizations of any size for which security or regulatory compliance is a priority.

Strengths

- Smartronix uses a flexible approach to customer engagements, providing support for the operating modes, technologies and architectures that align to both the current and future needs of the customer. Customers will find Smartronix well-equipped to guide them through their cloud journey, regardless of their current cloud maturity phase.
- Smartronix has an extensive history in implementing and managing resources on the public cloud for security-conscious organizations and organizations with significant regulatory concerns. It closely aligns its managed security services to its cloud managed services, providing a differentiating degree of focus on security.
- Customer reference data suggests that Smartronix has one of the highest degrees of customer satisfaction for services relevant to the practices evaluated in this Magic Quadrant. It received top marks from reference customers in nearly every category and was the only provider evaluated in this research to receive the highest overall satisfaction rating from every reference customer.

Cautions

- Smartronix's focus is on the U.S. public sector, which brings unique requirements to engagements with public cloud MSPs. The security and compliance expertise most relevant to these organizations may not be a priority for other organizations. Clients that are more interested in cutting-edge experimentation than data center migration may find Smartronix less aligned to those needs.
- Although Smartronix claims support for IBM Cloud and Oracle Cloud, it has limited experience managing them compared with others featured in this Magic Quadrant. Customers that prefer a provider with extensive experience in these platforms, or a specialized IaaS provider, should look to other MSPs.
- Smartronix's geographic presence is more constrained than most other providers evaluated in this Magic Quadrant, with limited coverage outside of North America and Europe. Customers

with significant requirements for account services to be delivered on-site in other geographies should understand that such services will not be available unless specifically negotiated with the provider.

Taos

Taos is a midsize hybrid MSP based in the U.S. The public cloud MSP business is the natural evolution of its traditional lines of business, and two-thirds of its employees are focused on public cloud MSP. Taos bills itself as “born in the valley and raised in the cloud” to emphasize its heritage as a Silicon Valley, California, native of 30 years.

Cloud service providers supported and audit status:

- AWS (audited)
- Google Cloud (audited)
- Microsoft Azure

Sales presence: North America.

Target customer: Midsize to large enterprises in the U.S.

Strengths

- Taos’ background is in delivering highly customized professional and managed services, which it refers to as rendering “full service,” a customer-driven engagement philosophy. Taos emphasizes listening to the customers and delivering to their expectations, even when they are outside the norm. Customer references we collected show exceptionally high satisfaction ratings and customers that would recommend Taos without hesitation.
- Taos DevOps NOW is a new solution targeting organizations that need help getting started with DevOps, need to increase their DevOps capabilities or need help sourcing DevOps talent. Whereas other providers may approach the DevOps talent problem by bringing their own talent to bear, Taos focuses more on creating the DevOps environment as a service, then partnering with on-site customer teams for ongoing delivery.
- Taos places significant importance on the process of recruiting and vetting technical skills to join its staff. The Taos Technical Interview (TIV) is Taos’ trademarked intellectual property that assesses both theoretical and practical experience of a potential hire or an existing staffer using quantitative measures. TIV also contributes to creating optimal assignments of staff to needs. Taos Talent Labs is Taos’ trademarked onboarding boot camp to train incoming staff.

Cautions

- By customer count, Taos is one of the smaller vendors featured in this Magic Quadrant. Small vendors can be flexible, as noted, but they lack the breadth and depth of capabilities found with

larger providers. Customers must be sure to vet the technical capabilities that Taos brings to any engagement. Customers must also require specific contractual guarantees and success tracking key performance indicators (KPIs) when the provider says it hasn't done something yet but will do it for you if you commit.

- Taos fits the profile of a potential acquisition target in this market. As we regularly note, a small company being acquired by a larger one nearly always results in significant changes for the acquired company's customers. Although the disruption may be temporary, the changes could be permanent. Customers can be better prepared for a potential M&A event by ensuring their contracts state that the contract can be revisited should an acquisition occur.
- Taos has no pronounced vertical market strategy. Because it focuses on customization so heavily, it tends to handle industry-specific requests as standard operating procedure. However, there are benefits to industry-specific expertise for compliance purposes that a simple willingness to "do whatever the customer wants" cannot overcome. If you have a specific compliance objective, there are other providers better suited to deliver successful outcomes.

Tata Consultancy Services

Tata Consultancy Services (TCS) is a large GSI headquartered in India. TCS delivers public cloud professional and managed services in addition to a broad portfolio of services that includes enterprise applications, cloud infrastructure, analytics and insights, cloud apps, automation, and AI. TCS supports hybrid IT use cases.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud
- IBM Cloud
- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; Africa and the Middle East; China; Australia; and Asia/Pacific.

Target customer: Enterprise or midmarket organizations at any point on their cloud transformation strategy.

Strengths

- TCS believes in using technology to underpin its services, building strong automation over manual task execution. It has created a library of assets and blueprints (accelerators) for quick

reuse when building solutions. Its CMP – Cloud Exponence – is a comprehensive multicloud management platform with integrations to provider native tooling and ITSM products.

- TCS takes a pragmatic approach to cloud projects with clients. It understands that every organization is at a different stage in its cloud transformation and that every organization has different goals and expectations. It will execute projects to simply gain efficiency for a client, or it will execute a project to support a cloud-native transformation with the same vigor.
- TCS is investing heavily in training a large number of its staff in the leading public cloud platform technologies. This shows a commitment to cloud platforms that exceeds current needs for its MSP business. TCS's Co-Innovation Network (COIN) has many partners to extend its capabilities and activities beyond its own organizational boundaries.

Cautions

- The use of automation above manual task execution is a strength of TCS. However, the breadth of scope and the uniqueness of many of the large customer projects being undertaken by TCS suggest that much of the automation being written may still have to reach its ROI through reuse. Customers may find that projects take a little longer than they might because of this investment for the future.
- In some areas where demand for cloud professional and managed services is growing extremely quickly, TCS's coverage is not growing fast enough to meet that demand. Customers in China, Japan and the Middle East may observe TCS struggling to meet all project requests promptly.
- TCS industry offerings are not equally appealing across all industries it targets, even though it has worked to improve the alignment of cloud services to its industry clients. Customers are encouraged to evaluate the offerings and ask for customer references or case studies for the specific vertical they wish to engage TCS for services.

Wipro

Wipro is a large GSI headquartered in India. It has a unique asset in Topcoder, a crowdsourcing company with an open global community of developers. Wipro is leveraging Topcoder's wide resources to fast-track its app development projects. Wipro supports multicloud as well as hybrid IT use cases.

Cloud service providers supported and audit status:

- Alibaba Cloud
- AWS (audited)
- Google Cloud
- IBM Cloud

- Microsoft Azure (audited)
- Oracle Cloud

Sales presence: North America; South and Central America; Western Europe (including the United Kingdom); Eastern Europe; Africa and the Middle East; Australia; and Asia/Pacific.

Target customer: Large enterprises with a focus on cloud-native, agile IT requirements.

Strengths

- Wipro is well-suited for organizations looking for cloud transformation, and it leads with consulting, using design thinking to reimagine the business and business process for customers. Wipro backs this transformation with vertical expertise. Wipro has an early and strong focus on supporting all major cloud providers, and it has built significant cloud-native app development capabilities, including support for DevOps and CI/CD.
- Wipro is gaining recognition for developing innovative solutions on cloud and is co-funding innovation labs with hyperscale players to jointly conceptualize and develop new industry solutions. Use cases such as the next-generation contact center, airline cargo management system, and integration framework for IoT, edge and cloud infrastructure are typical. Key investments include AWS Launch Pad, Google Innovation Arena, Azure Studio and IBM Novus Lounge.
- Wipro has an expansive view of its CMP. It continues to enhance its functionalities, including analytics integration, dynamic contract management and container orchestration. It has also integrated its CMP with its other platforms to enrich its functionalities, including using its HOLMES AI platform for AIOps and compliance monitoring, and its Enterprise Digital Operations Center for hybrid IT operations management.

Cautions

- Wipro focuses on large organizations that can make best use of its broad capabilities in system integration, application development and cloud-native capabilities, all of which contribute to the transformation. While it will support smaller initiatives within these large customer engagements, it's less suited for customers that want more basic managed services.
- Wipro's key CMP functionalities are at parity for major cloud providers such as AWS, Microsoft Azure and Google Cloud. However, these functionalities are not at parity for Alibaba Cloud, Oracle Cloud and IBM Cloud. Although these clouds do not have the same market penetration, Wipro is getting early success deploying customers on Oracle Cloud. We believe it must significantly strengthen its CMP capabilities for Oracle soon.
- Wipro's geographic sales presence is not as broad as other major global players. Its presence is concentrated in the U.S. and Western Europe. It is stepping up its presence in Asia/Pacific

and has won large deals in the past year. However, its presence in Asia/Pacific is still small, which limits its ability to support customers across the region.

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

- CenturyLink
- Fujitsu
- NTT DATA
- Progressive Infotech
- Taos

Dropped

- Cloudreach
- Unisys
- Samsung SDS
- 2nd Watch

Inclusion and Exclusion Criteria

Honorable Mentions

The large number of MSPs in this market required us to create stringent inclusion criteria that resulted in a constrained set of vendors selected for evaluation. There are many other capable vendors that did not meet one of these criteria but still warrant mention here due to distinguishing characteristics:

- **Claranet:** A suitable choice for midsize enterprises in the U.K., Europe and portions of South America that have broad multicloud requirements, Claranet holds audited certifications for each of the three major hyperscalers.
- **Cloudreach:** Cloudreach is a midsize hyperscale-only MSP headquartered in the U.K. It has offered managed services for AWS since its founding in 2009, and it has since expanded to Microsoft Azure and Google Cloud, with audited certifications for all three.

- **Ensono:** With both AWS MSP Partner and Azure Expert MSP certifications, Ensono also offers managed mainframe as a service. It's a good choice for customers needing multicloud coverage combined with mainframe or more traditional hosting environments.
- **Unisys:** Unisys is a large GSI headquartered in the U.S. with a long history of infrastructure management services. It launched its CloudForte-branded services in 2018, and it has audited certifications for AWS and Microsoft Azure.

Evaluation Criteria

For the purposes of this research, the *"hyperscale cloud providers"* term refers to the following CSPs:

- Alibaba Cloud
- Amazon Web Services (AWS)
- Google Cloud
- IBM Cloud
- Microsoft Azure
- Oracle Cloud

The *"audited cloud MSP partner certifications"* term refers to the following hyperscale cloud provider partner programs (see Note 3):

- AWS MSP Partner
- Google Cloud MSP Partner
- Azure Expert MSP Partner

The term *"certified hyperscale cloud providers"* refers to all the hyperscale cloud providers for which the MSP has an audited cloud MSP partner certification from the above list.

The term *"supported hyperscale cloud providers"* refers to all the hyperscale cloud providers for which the MSP provides professional and managed services. This includes, but is not limited to, the certified hyperscale providers they support.

The term *"total MSP-related sales revenue"* refers to revenue associated with all aspects of the MSP service, including the professional services and revenue associated with resell of the hyperscale cloud provider's services.

The term *"cloud management platform" (CMP)* is defined to be the tool or set of integrated tools that an MSP uses to enable its staff and/or customers to interact with cloud services under

management. CMPs provide capabilities that enable the automation, brokerage, governance and life cycle management of cloud services.

To qualify for inclusion, the candidate MSP met each of the following criteria on 31 August 2019, the market snapshot date:

- The MSP must hold at least two of the three audited cloud MSP partner certifications, as determined solely by Gartner observing the MSP's appearance on two of the three officially published lists the CSPs maintain for their respective audited certifications. (See Note 2.)
- The MSP must provide a CMP covering at least 16 of the following 19 features, including all features marked as **REQUIRED**:
 - A management portal (UI)
 - An API through which customers can interact with your service
 - Identity and access integration with customers' identity services
 - Identity and access integration with each hyperscale cloud provider's service
 - **REQUIRED**: Consolidated billing (across multiple accounts and/or multiple cloud providers)
 - **REQUIRED**: Service request management (self-service portal) or integration to popular ITSM tools
 - **REQUIRED**: Discovery, inventory and classification of services under management
 - **REQUIRED**: Monitoring and analytics, with dashboard reporting
 - Packaging and templating of workloads
 - **REQUIRED**: Provisioning and orchestration of cloud resources and services
 - **REQUIRED**: Cloud service expense management
 - **REQUIRED**: Resource and service optimization
 - Integration with CI/CD pipelines and/or DevOps toolchains
 - Approval workflows (ITIL use cases)
 - Hybrid IT (integrated management of on-premises resources, such as from VMware)
 - Multicloud (all clouds under management can at least be viewed in aggregate)
 - Application performance monitoring
 - Migration process support and tool integration

- Disaster recovery and data protection

- The MSP must provide reasonable parity of its CMP services across the clouds for which it holds audited certifications. Specifically, for each of the cloud services for which it has audited certification, the MSP must provide a common subset of *most or all* (more than 50%) of its CMP features to each of those clouds.

- The MSP must provide managed services covering at least eight of the following nine features, including all features marked as **REQUIRED**:
 - **REQUIRED**: Proactive monitoring of traditional IaaS services like VMs, containers and database instances
 - **REQUIRED**: Proactive monitoring of cloud-native services like functions, object stores and database services
 - **REQUIRED**: Incident management and resolution with a common triage point
 - High availability
 - **REQUIRED**: OS management and patching
 - Managed security
 - Managed DevOps environments and/or CI/CD pipelines
 - Managed disaster recovery
 - **REQUIRED**: Backup and restore

- The MSP must provide professional services covering at least eight of the following 10 features, including all features marked as **REQUIRED**:
 - **REQUIRED**: Cloud strategy assessment
 - SaaS advisory services (help client know what can move to SaaS)
 - **REQUIRED**: Migration planning
 - **REQUIRED**: Migration implementation (workload discovery, assessment and movement)
 - DevOps training and enablement
 - **REQUIRED**: Cloud solution architecture
 - Application refactoring services (modernization but not code rewriting)
 - Application reimplementations services (rewrite as cloud-native solutions)

- Ongoing, day-to-day advice and cloud transformation assistance
- Database administration and management
- The MSP must provide packaging options covering at least six of the following nine features, including all features marked as **REQUIRED**:
 - Customers can buy the CMP as a stand-alone service, with no managed or professional services.
 - Managed services are sold in multiple, distinctly tiered levels, such as “bronze,” “silver” and “gold” (these are just examples). Each tier is a consistent, defined product and not a list of optional upsells.
 - Customers can “bring their own CMP” instead of using the one you provide.
 - **REQUIRED**: Customers have the option but are not required to purchase onboarding (assessment, strategy, migration planning and implementation) services if they do not want to.
 - You offer an “agile” model for ongoing professional services, whereby customers can maintain a backlog of service requests and retain a share of your staff to retire backlog over time, perhaps flexing their share up or down according to need.
 - **REQUIRED**: Customers have the option but are not required to purchase other services (system integration, application development, application management, management of noncloud infrastructure, or other IT outsourcing services) unrelated to their core cloud managed services.
 - **REQUIRED**: Customers must have the option to buy migration services and managed services separately and independently.
 - **REQUIRED**: Customers have the option to “bring their own cloud” services (have their own hyperscale cloud accounts they wish you to manage) and are not required to buy them from you as a reseller.
 - You provide a service-block concept for your services that allows customers to make changes to their service. They can either add or remove related groups of services, potentially changing their monthly cost of the total set of services they consume, and without having to renegotiate their contract.

Ability to Execute

We evaluated vendors’ Ability to Execute in this market by using the following criteria:

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

- Proven deep and broad expertise with AWS, Microsoft Azure, Google Cloud, Alibaba Cloud, IBM Cloud and Oracle Cloud
- Breadth and depth of CMP features and other automation
- High-quality managed service delivery for both traditional and cloud-native workloads
- Migration services
- **Overall Viability (Business Unit, Financial, Strategy, Organization):** MSPs were 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 were evaluated on the quality of their sales team, proposal quality and value for the money.
- **Market Responsiveness and Track Record:** MSPs were 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 were 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 were 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 were evaluated on their ability to consistently meet commitments to customers, including delivering a continually available CMP 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.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Product or Service	High

Evaluation Criteria ↓	Weighting ↓
Overall Viability	Low
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Low
Marketing Execution	Low
Customer Experience	High
Operations	Medium

Source: Gartner (May 2020)

Completeness of Vision

We assessed vendors' Completeness of Vision in this market by using the following criteria:

- **Market Understanding:** MSPs were assessed on their understanding of three key aspects of the market, and their ability to articulate how these aspects impact their strategy. Those aspects were:
 - Professional and managed services in the context of cloud-native and digital business operations in hyperscale cloud providers
 - Professional and managed services in the context of organizations that are migrating existing workloads onto hyperscale providers
 - In terms of how the use of CIPS capabilities, along with DevOps tools and other automation, is transforming professional and managed services delivery
- **Marketing Strategy:** MSPs were 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:
 - “Pure play” cloud-only professional and managed services
 - Hybrid services that include cloud and noncloud infrastructure
 - Professional and managed services for CIPS 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 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 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.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
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 (May 2020)

Quadrant Descriptions

Leaders

Leaders have a track record of successful delivery of high-quality professional and managed services that thoughtfully exploit the capabilities of the cloud platform. They are well-positioned to continue delivering leading-edge services in the future.

Challengers

Challengers have a track record of successfully delivering cloud professional and managed services during the early stages of this market, but they might not be able to quickly evolve sufficiently to expand beyond their primary geography or use-case focus.

Visionaries

Visionaries are well-positioned for the future, but they do not yet have a strong track record of successful delivery of high-quality professional and managed services to many customers over a multiyear period.

Niche Players

Niche Players have not yet achieved broad success in this market, and they are not currently well-positioned to achieve broad success in the near future. Some Niche Players have a highly successful track record and are excellent at serving the customers that they target, but they might be limited to particular geographies or use cases. Others might be relatively new to the market: This market might not yet be core to their business, or they may be having challenges with consistently high-quality service delivery. They may be rooted in traditional managed services, rather than fully embracing a cloud-native style of service delivery.

Context

Hyperscale cloud infrastructure and platform services (CIPS) providers offer a wide array of self-service capabilities, but leveraging these capabilities in an optimal fashion requires expertise — more expertise than most organizations possess. Even when a business can maintain the necessary expertise, demand for those internal experts often exceeds what can be fulfilled by the organization's employees. Consequently, professional and managed services from MSPs are a vital part of cloud success for a growing number of businesses.

The greatest benefits are derived from hyperscale cloud platforms when they are used comprehensively, although customers do not need to adopt them comprehensively from the beginning. Customers also benefit from using best-of-breed solutions from the cloud provider's ecosystem when the cloud provider does not offer desired functionality. Nevertheless, customers must be careful to ensure that they maximize the value that they receive for the platform lock-in that they accept. The best MSPs treat services from different cloud providers as highly differentiated, not as commodities. However, MSPs should also explicitly help customers choose

where, and to what degree, they will accept the risk of lock-in in return for ease of integration, agility and faster time to value.

Total cost of ownership of an application running on a hyperscale cloud platform is not determined by the cloud provider chosen; rather, it is the application architecture and how it leverages platform services, in combination with the management approach used.

The more the native platform is leveraged, and the more standardized and automated the management approach, the less expensive it is.

The efficiency of automated management is reflected in MSP pricing, which typically incentivizes customers to move toward a more automated model. MSPs with strong cloud-native skills and expertise in DevOps – and that have experience migrating customers from traditional operations models toward greater automation in conjunction with CI/CD – are best positioned to help customers operate efficiently over the long term.

Cloud-native applications benefit the most from hyperscale cloud providers, but many other applications can also benefit strongly from exploiting cloud platform capabilities. The best MSPs can migrate applications from noncloud environments into hyperscale cloud environments. They also recommend the infrastructure architecture and operational changes that will make these applications highly available, performant and secure, while improving operational reliability and efficiency (cost) and reducing change-related risk.

Customers should expect that the hyperscale cloud platforms and the MSP services will continue to evolve quickly. The best MSPs can keep pace with the rapid innovation of the underlying hyperscale providers. They expose those innovations to the customers that can rapidly take advantage of them, and they gently incorporate those innovations into the services of less-agile customers.

Market Overview

Enterprise architecture and technology innovation leaders who are considering sourcing MSP services should take note of the following key aspects of this market:

- **GSI**s require end-to-end ownership of the customer problem to deliver maximum value as an MSP. We've previously reported that the trend for a "do everything" MSP is growing and that end users are seeking providers that can simply "get it done." GSIs are most advantaged by this trend because, as system integrators, their value is maximized when they own a solution in all its aspects. Unlike the pure-play cloud MSPs, GSIs have more likely invested in their own platform extensions or application accelerators that emphasize time to value and ease of maintenance. They also give customers incentives to turn over all aspects of the solution's

design and operation to the GSI because the GSI can more reliably provide the best outcomes that way. The more you turn over to a GSI, the more likely you will see success with it – but also, the more likely you will be locked into the MSP. Keep in mind that you are much more likely to break up with your MSP than with your CSP and that you will likely manage that lock-in based on business needs on a project-by-project basis.

- **MSPs are highly variable in their willingness to make public their SLAs.** The more traditional MSPs generally will not publish SLAs. They will say their SLAs are “customized” for each customer, and this opaque approach is consistent with many providers’ backgrounds as SIs. Cloud-focused MSPs that do not come from SI backgrounds are much more forthcoming about their SLAs, which is more consistent with the cloud providers themselves. As CSPs define and publish more standard SLAs for their services, we see the market insisting MSP SLAs be more publicly visible. Continuing to make SLAs a “secret” is not consistent with the cloud model. We note that a few of the larger providers have begun to publish SLAs in the past year, responding to market demand for transparency. If an MSP does not publish at least its baseline SLAs, ask for them *before* you make any further commitments to exploring a relationship with it.
- **The industry is amid a massive M&A wave for MSPs.** Although the total number of MSPs has exploded in the past four years, we are beginning to see growth in the number of them slowing, as almost every significant MSP that will enter has entered. MSP M&A activity saw a record year in 2019 with notable acquisitions like Onica and 2nd Watch being top-of-mind examples. This wave will continue during 2020 and beyond, despite the COVID-19 pandemic. We’ve also noticed a new trend of MSPs picking up application design and development service providers. However, choosing a larger vendor does not help insulate a customer from market consolidation, because such vendors will likely buy a small provider and replace portions of their own service offerings with that provider’s superior offerings. If minimizing the likelihood of M&A impact is important to you, choose large high-quality MSPs, and be sure to devise an exit strategy.
- **Hybrid IT capability is quickly becoming a firm requirement.** Gartner defines hybrid IT “as the blending of traditional services, public cloud services and private cloud services into a singular IT environment.” Hybrid IT subsumes the concept of hybrid cloud computing. Cloud computing is now solidly mainstream, and traditional enterprises are moving forcefully to broadly adopt the public cloud. However, putting everything into public cloud is not advisable, especially without some degree of transformation. Since nearly every organization needs it, hybrid IT use-case requirements have become more common among Gartner clients. MSPs that do not provide or partner to provide hybrid IT services are finding themselves servicing more limited or specific use cases.
- **The best MSPs are increasing their investment in employees.** In our last two reports, we noted that MSPs were investing heavily in employee recruiting, training and retention. This trend has further intensified as competition for these scarce resources becomes even fiercer. MSPs have even gone to the lengths of trademarking their recruitment, training, and talent assessment tools and processes to use as market differentiators with customers and potential employees

alike. This trend underscores the difficulty of procuring cloud talent, as well as illustrates why the MSP model is becoming not just popular but necessary for end users to find the cloud talent they need. The skills gap is real. Clients must understand their MSP's talent acquisition and development strategy and how it helps them provide the services they require.

- **MSPs are starting to bring their own tools to market as a software business.** We have reported in previous iterations of this research that MSPs are the way most end users get their CMP capabilities. In fact, many MSPs have built a substantial CMP in pursuit of their own business goals. Having solved their own problem, they are now bringing those solutions to market as software products they sell to other MSPs. Although some may see this as “enabling the competition,” there are many scenarios in which the other MSP is not a direct competitor due to industry or geographic differentiation. It isn't yet clear if or how the additional requirements of supporting a software business will affect the ability of the MSP business to deliver with the speed and agility to meet customer expectations.
- **Knowledge transfer is becoming a key requirement for MSPs.** In this iteration of the research, we made note of providers telling us that customers are demanding more training and knowledge transfer as part of the engagement. Although this is not unheard of, it has been relatively uncommon until lately. This may signal that the end-user population has matured to the point of being ready to learn, given that the end users have successfully navigated their initial migrations and are finding it so difficult to procure talent through new hires.
- **ServiceNow is a key player in the MSP market, even though it isn't an MSP.** It has always been the case that nearly every MSP we study has ServiceNow as a key partner or integration target. What is changing, though, is that many MSPs that don't have a CMP of their own are turning to ServiceNow as a base platform upon which to build one. Gartner's research of the cloud management platform market shows that ServiceNow is waking up to the opportunity of cloud management, and MSPs are a clear validation of this observation. Customers that use ServiceNow for ITSM stand to benefit the most from this trend.
- **MSPs are talking about site reliability engineering (SRE) more.** Google coined the phrase “site reliability engineering” to refer to its best practices for operating cloud infrastructure using software engineering principles. We've noticed a trend in our research for this Magic Quadrant in which MSPs are actively marketing SRE as a capability. We believe this demonstrates a maturing understanding in the customer base of what “infrastructure as code” really means, along with a desire to ensure the MSP has expertise in this regard.
- **MSPs are working hard to explain their value proposition for managed PaaS.** The value an MSP brings to managing PaaS services has long been a question analysts and customers alike have wanted MSPs to answer. PaaS is more targeted to developers, and in a DevOps environment, most of the management is done through code. We've seen a noticeable uptick in marketing narratives from MSPs explaining how they add value to PaaS. In most cases, it is through managed application development environments or through application design and development services.

Acronym Key and Glossary Terms

AI	artificial intelligence
CD	continuous delivery
CI	continuous integration
CIPS	cloud infrastructure and platform services
CMP	cloud management platform
COTS	commercial off-the-shelf
CSB	cloud service broker
CSEM	cloud service expense management
DCO	data center outsourcing
GDPR	General Data Protection Regulation
GSI	global system integrator
HIPAA	Health Insurance Portability and Accountability Act
I&O	infrastructure and operations
IaaS	infrastructure as a service
IoT	Internet of Things
ISV	independent software vendor
ITSM	IT service management
KPI	key performance indicator
M&A	merger and acquisition

ML	machine learning
MNC	multinational corporation
MSP	managed service provider
OMX	Nasdaq Nordic
PCI	Payment Card Industry
PCI DSS	PCI Data Security Standard
SI	system integrator
SRE	site reliability engineering
VM	virtual machine

Evidence

- Survey of 33 cloud MSPs in 2019
- Service provider interviews in 2018 and 2019
- Gartner client inquiries in 2018 and 2019
- Documentation from the service providers in 2019
- Customer references from the service providers in 2019
- Public information from sources such as U.S. Securities and Exchange Commission filings, press releases, vendor websites, social media platforms and community support forums

Note 1

Cloud Native Precepts

- The term “cloud native” is an overloaded modifier in current industry parlance, but generally is meant to convey some degree of modernization at the application architecture layer that takes direct advantage of cloud computing capabilities. These capabilities could range from using a CSP’s capabilities directly (like using a built-in autoscaler) to using third-party or open-source solutions that provide similar capabilities on any platform (like using Kubernetes to achieve autoscaling).

Note 2

Audited Certification Lists

The current list of audited partners can be found on these publicly available webpages:

- AWS MSP Partners: <https://aws.amazon.com/partners/msp/>
- Azure Expert MSP Partners: <https://azure.microsoft.com/en-us/partners/>
- Google Cloud MSP Partners: https://cloud.withgoogle.com/partners/?initiatives=MANAGED_SERVICES_PROVIDER

Note 3

CSPs Without Certification Programs

Alibaba Cloud, IBM Cloud and Oracle Cloud are not included in the list of certified cloud partner programs. Gartner was unable to find evidence (including asking the cloud provider itself) that *audited* cloud MSP partner programs exist for these cloud service providers.

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.

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