

Microsoft Cloud Ecosystem

A report comparing provider capabilities to help
decision-makers in sourcing services



Introduction	3	Advisor Involvement	
		Advisor Involvement - Program	
		Description	13
		Advisory Team	13
About the Study		Invited Companies	14
Quadrants Research	4		
Definition	5	About our Company	
Quadrants by Regions	9	& Research	15
Schedule	10		
Client Feedback			
Nominations	11		
Contacts for			
this Study	12		

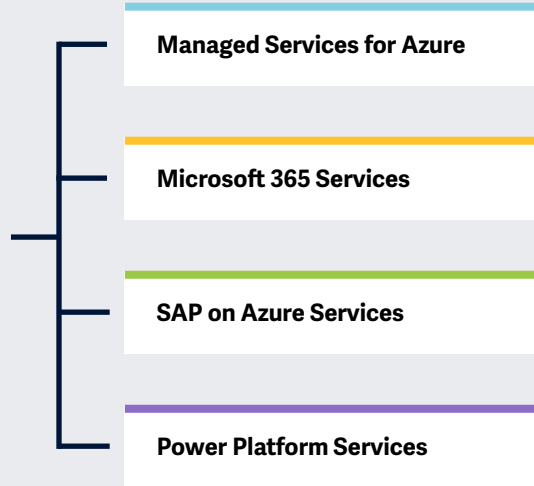
Microsoft is an influential technology provider among public sector agencies. Its extensive partner network develops, sells and supports Microsoft's offerings with sector-focused solutions and services. As Microsoft has transformed into a cloud-first entity, its partners have likewise changed — and continue to change — making selecting providers and services more challenging.

Microsoft's new model emphasizes three cloud environments: the Azure cloud platform; the Microsoft 365 suite of productivity offerings, which include Windows 10 and 11 and Office 365; and business and automation applications via Dynamics 365 and Power Platform. Its partners, ranging from large IT service providers to local value-added resellers (VARs), must offer robust and cost-optimizing services complemented with forward-thinking capabilities and supported by a strong relationship with Microsoft. Providers should demonstrate awareness of future developments within Microsoft's cloud offerings. They should also showcase the ability to adapt to changing workplaces, staffing shortages and IT environments undergoing massive shifts to the cloud.

This study focuses on Microsoft service and solution partners enable and deliver sustainable business value, including business improvement for U.S. public sector agencies. ISG evaluates Microsoft partners' portfolio strengths and sector competitiveness relative to what we ISG see as both important and emerging client requirements. While there are thousands of providers that deliver services for Microsoft products in the public sector, this study specifically focuses on the leading competitors, both global firms and local providers, in each quadrant studied by region.



This study evaluates providers' capabilities based on their product portfolios and competitiveness around the **Microsoft Cloud ecosystem.**



Simplified Illustration Source: ISG 2023

The ISG Provider Lens™ Microsoft Cloud Ecosystem study offers the following to business and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments, highlighting their competitive strengths and portfolio attractiveness
- Focus on the U.S. Public Sector market

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



Managed Services for Azure

Definition

This quadrant assesses managed public cloud service providers that offer professional and managed services, augmenting Azure's built-in capabilities, including IaaS and PaaS.

These services include provisioning, real-time and predictive analysis, monitoring and operational management of clients' public cloud and multicloud environments. The aim is to maximize enterprise cloud workload performance, reduce costs and ensure compliance and security.

Providers in this quadrant are evaluated based on their sector-relevant services, delivery, sales and support, which may be complemented by a combination of onshore, nearshore and offshore resources. Beyond the lift-and-shift of single workloads, service providers offer comprehensive tools, services and solutions to support clients' business-critical demands using the Azure cloud.

The services provided typically include the following:

- Professional services for managing and monitoring CPUs, memory, databases and operating systems, either independently or as microservices (virtual machines or container services)
- Update and patching services for operating systems, middleware and applications
- Service portal for cost management (chargeback and showback), identity management and IT service management
- Governance and compliance management
- Support services such as incident management, configuration, security and automation setup
- Services and solutions built on the Azure cloud to help clients meet their net-zero goals and environmental, social and governance (ESG) targets.

Eligibility Criteria

1. Demonstrated **presence and experience within public sector businesses and IT organizations**
2. Experience in designing, **building and managing public cloud and multicloud environments**, with a key focus on Microsoft Azure
3. Support in the development of software code and **cloud-native and legacy system integration**
4. Experience in **implementing Agile and DevOps methodologies and integrating them with enterprise clients' existing processes**
5. Experience in **API automation and cloud analytics**
6. **Well-developed security practices and capabilities**
7. Strong **partnership with Microsoft**, including the number and category of relevant certifications, duration of the relationship with Microsoft and evidence of strategic cooperation (around Azure) between the provider and Microsoft



Microsoft 365 Services

Definition

This quadrant evaluates service providers that aid enterprises with the adoption, integration and ongoing operation of Microsoft 365, Microsoft's SaaS-based productivity suite.

These services extend beyond deployment and migration to Microsoft 365. They focus on offering a quick, device-independent, high-quality productivity suite that enables seamless teamwork, irrespective of the location, and adapts to users' roles. From the clients' perspectives, Microsoft 365 is about collaboration and integration for globally dispersed teams. Integration and implementation services are necessary to enable such collaboration. This quadrant evaluates providers based on the support they offer for Windows as a part of their overall Microsoft 365 service portfolio.

Implementing SaaS-based workplace environments is a challenge for enterprise clients. ISG notes many challenges around collaboration, unified communication, file storage, performance, license costs,

provisioning procedures and maintenance plans. There are also challenges associated with data integration, process integration and application integration and other processes. Providers must extend their capabilities beyond implementing Microsoft 365 at a basic level to address such challenges proactively.

Providers in this quadrant are required to perform assessments and offer consulting services and solutions to support clients during their digital journeys. This level of support requires clear and open regional communication and unique selling propositions beyond providing workplace environments based on Microsoft's desktop and collaboration solutions.

Eligibility Criteria

1. Demonstrated **presence and experience within public sector** businesses and IT organizations
2. Technical **consulting, license purchases and integration** for Microsoft 365 implementation and operation
3. **Forward-thinking** offerings that integrate with Microsoft 365 to create a modern workplace for enterprise clients
4. Use of **Microsoft Office APIs**
5. **Migration of customer workplaces to cloud** and **workspace-as-a-service** models
6. Suitable proficiency with **identity and access management (IAM)** solutions and **mobile device management** software (Intune or others)
7. Depth and breadth of **partnership with Microsoft**, including relevant certifications (Office 365, Intune, Windows and Azure), relationship with Microsoft, and evidence of modern workplace development collaboration with Microsoft and partners



SAP on Azure Services

Definition

This quadrant evaluates service providers that offer capabilities related to adopting, managing and using Microsoft's dedicated SAP on Azure suite of cloud solutions.

Services these companies typically offer include architecture consulting, application landscape requirement analysis and technical design with support for configuration, deployment, escalation management, change and fault management, optimization and reporting. Providers in this quadrant must help clients migrate SAP workloads to Azure and optimize, design and develop new processes and business flows as a part of platform management, by combining providers' in-house services, SAP services and Microsoft Azure services.

Running SAP on Azure requires providers to possess the necessary resources for supporting clients along their digital journeys. Considering SAP's commitment to solution support through 2040 and beyond, providers in this quadrant should provide a clear roadmap that extends for the next two decades.

Service providers in this category should acquire Microsoft and SAP certifications and must have active and productive partnerships with both companies. They must also be well-versed in how the relevant underlying technology offerings are evolving. Consequently, they should be able to articulate how product and platform changes would impact enterprises using solutions, covering technical architecture considerations and business impacts.

Eligibility Criteria

1. Demonstrated **presence and experience** within public sector businesses and IT organizations
2. **Scope and depth of portfolio** for migrating SAP workloads to SAP on Azure and SAP application and services implementation customization, provisioning and support
3. Support for **hybrid cloud** and hybrid provider environments
4. Robust **partnerships with SAP and Microsoft**, including the number and category of relevant certifications, duration of the relationships with SAP and Microsoft, and evidence of strategic cooperation between the provider and Microsoft (around SAP on Azure)
5. Support for **multiple pricing models**, including pay-as-you-go
6. Robustness of the provider's **process for implementation**, including the use of Agile and DevOps methodologies and relevant automation for service delivery and quality



Power Platform Services

Definition

This quadrant assesses providers that offer services for the enterprise-wide implementation of Microsoft Power Platform, support services and related advanced training. Enterprise clients utilize services providers offer to create new and sophisticated software applications for digital transformation, obtain new insights on business operations and optimize business processes in a sophisticated manner. These services not only leverage the capabilities of Power Platform but also educate enterprises on the best practices for developing low-code applications and solutions. Providers in this quadrant excel in seamlessly integrating a range of Microsoft apps such as Office 365, Dynamics 365 and Azure and advanced concepts such as DevOps, DataOps and MLOps.

The trending concept of citizen development results in a massive demand for service and support to govern and embed apps created by users using low-code and no-code development tools on the Power Platform.

The ability to integrate or migrate third-party tools is also important. Furthermore, providers in this quadrant should support Power Platform's analytics, process management, IT management and process automation capabilities.

Providers in this quadrant understand clients' objectives and use their data literacy skills to provide necessary guidance. With an attention to detail, these providers undertake a holistic approach to drive client business performance.

Eligibility Criteria

1. Demonstrated **presence and experience** within public sector businesses and IT organizations
2. Services that **help clients adopt Power Platform solutions** – Power BI, Power Apps, Power Automate and Power Virtual Assistant
3. Structured offerings and intellectual properties that enable easy Power Platform solutions adoption and **streamline the software's ongoing operation**
4. **Technical support capabilities** that assist enterprises with adopting and managing platform solutions
5. **Clear business benefits** associated with using Power Platform solutions



Quadrants by Region

As part of this ISG Provider Lens™ quadrant study, we are evaluating the following four quadrants on the Microsoft Cloud Ecosystem:

Quadrant	U.S. Public Sector
Managed Services for Azure	✓
Microsoft 365 Services	✓
SAP on Azure Services	✓
Power Platform Services	✓



The research phase falls in the period between November 2023 and December 2023, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in March 2024.

Milestones	Beginning	End
Survey Launch	November 8, 2023	
Survey Phase	November 8, 2023	December 22, 2023
Sneak Previews	February 2024	March 2024
Press Release & Publication	March 2024	

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2023 research agenda.

Access to Online Portal

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

Research Production Disclaimer:

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.



ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of “Voice of the Customer.”

The Star of Excellence™ is a program, designed by ISG, to collect client feedback about service providers’ success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence™ [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

Here is the email address:
ISG.star@isg-one.com



Contacts For This Study



**Abhishek
Rammurthy**
**Lead Project
Manager**



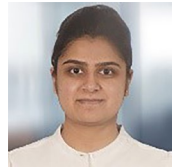
**Bruce
Guptill**
**Lead Analyst,
U.S. Public Sector**



**Sonam
Chawla**
**Senior Research Analyst,
U.S. Public Sector**



**Pooja Rani
Nayak**
**Senior Data
Analyst**



**Kruthika
Sulghur**
Data Analyst



ISG Provider Lens™ Advisors Involvement Program

ISG Provider Lens™ offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three advisors participate as part of each study's quality and consistency review team (QCRT). The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,
- Advise on service provider inclusion, participate in briefing calls,
- Give their perspectives on service provider ratings and review report drafts.

ISG Advisors to this study



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Anay
Nawathe

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Transformation**



Susanta
Dey

**Principal Consultant,
Technology Modernization**



Aman
Munglani

**Director and Principal
Analyst**



Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

Accenture

Atos

Capgemini

Cognizant

DXC Technology

Encore

Fujitsu

HCL

Hexaware

HPE

IBM

Infosys

Infogain

Logicalis

Logicworks

NTT DATA

Protiviti

Rackspace Technology

SMX

SoftwareONE

TCS

Tech Mahindra

Synoptek

Unisys

Wipro

Trianz



iSG Provider Lens™

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

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

iSG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: [Public Sector](#).

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iSG

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

For more information, visit isg-one.com.





NOVEMBER, 2023



REPORT: MICROSOFT CLOUD ECOSYSTEM