

Private/Hybrid Cloud – Data Center Services

A research report comparing provider strengths,
challenges and competitive differentiators



Introduction	3	Advisor Involvement	
		Advisor Involvement - Program	
		Description	13
		Advisory Team	13
About the Study		Invited Companies	15
Quadrants Research	4		
Definition	5		
Quadrants by Region	8		
Schedule	9		
		About our Company & Research	20
Client Feedback Nominations	10		
Contacts for this Study	11		

This study assesses global and regional providers offering data center outsourcing, including the service providers of managed hosting, colocation facilities and managed services.

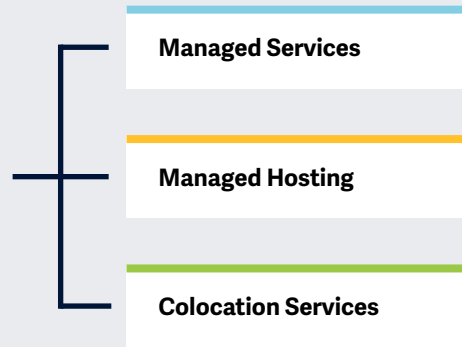
Data center outsourcing is the practice of transferring the responsibility of managing data center assets to a third-party provider. It encompasses orchestration, provisioning, integrated monitoring, and managing infrastructure components, including computing, storage, database and middleware. The data center may be owned by the enterprise client, service provider or a third-party colocation provider. A private cloud is an extension of a client's computing environment that leverages investments in virtual infrastructure and applications. A hybrid cloud connects the existing on-premises infrastructure services with a private cloud, a public cloud or multicloud arrangements. An enterprise may also leverage colocation and hosting providers, and not necessarily own a data center, to have a hybrid cloud setup.

Enterprises with stringent security and governance requirements, large data volumes and close integration of enterprise applications and workflow needs may prefer an on-premises or a private cloud environment and choose to host in their own facility. Enterprises are also increasingly opting for hybrid cloud setups as they offer a high degree of control and leverage the capabilities of public cloud platforms without the need to offload all their data to a third-party data center. ISG has also observed enterprises demanding the implementation of ESG initiatives by infrastructure services providers. The rapid increase in digital transformation engagements is accompanied by a rise in energy demands, contributing to climate changes, while government regulations are mandating a faster transition to carbon neutrality.



This study focuses on what ISG perceives as the most critical aspects of **private/hybrid cloud and data center outsourcing services** in 2024.

Simplified Illustration Source: ISG 2024



The ISG Provider Lens™ Private/Hybrid Cloud – Data Center Services offers the following to businesses and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers.
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness.
- Focus on different markets, including the APAC**, Brazil, France, Germany, Nordics, Netherlands, Switzerland, U.K. and U.S.

ISG Provider Lens™ studies serve as an important decision-making tool for positioning service providers, growing 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.

**APAC (ANZ, *ASEAN, India – ex China, Hong Kong, Japan, Korea, Taiwan)

*ASEAN = Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam



Managed Services

Definition

This quadrant assesses a provider's ability to offer ongoing management services for private and hybrid clouds and traditional data center infrastructures and platforms to midmarket and large enterprise clients. These services include managing physical and virtual servers, middleware, storage, databases and networking components across various environments, including client data centers, multicloud settings, provider facilities or third-party colocation centers.

Such providers typically offer transition services, guiding clients to optimize their existing IT landscapes. Common projects include large-scale data center consolidation, virtualization, cloud enablement and configuration, and implementation of a software-defined data center (SDDC). These services may also include expanding existing facilities, migrating workloads or creating new private/hybrid clouds.

Managed services involve transferring responsibilities to a service provider and are governed by SLAs with penalties for non-compliance. Key services include provisioning, real-time and predictive analysis, and monitoring and managing operations of a customer's on-premises, private and hybrid cloud environments. These activities aim to maximize workload performance on the cloud, reducing costs and ensuring compliance and security. Providers are expected to adeptly manage both traditional and cloud-native application releases, encompassing continuous integration and delivery processes. They must also leverage advanced AI and ML capabilities to automate operational activities, predict outages and offer actionable insights.

Eligibility Criteria

1. Offer **services for private and hybrid clouds and data center infrastructure** (servers, middleware, storage and databases) **on their own** without depending on partners
2. Provide services within a client's premises or remotely and preferably through its **shared service centers** (under the remote infrastructure management (RIM) model)
3. Demonstrate experience in **large transition** projects that include **automation, consolidation, virtualization and containerization** of data centers and cloud enablement
4. Act as an **extension of clients' IT organization** and get involved in creating blueprints, architecture frameworks and management processes at the client's location
5. Provide services for a **centralized orchestration**/management of hybrid IT infrastructure
6. Showcase **appropriate certifications** to ensure security and compliance at the local level



Managed Hosting

Definition

This quadrant assesses service providers that offer standalone enterprise-grade hosting solutions using their own or third-party facilities to midmarket and large enterprise clients. The providers assessed here are responsible for regularly managing and maintaining data center components such as servers, storage, operating systems and connectivity to the external network. Ideally, clients state their application and operating requirements, and the managed hosting provider takes on the responsibility of provisioning the infrastructure to keep applications running effectively, with optimal performance and security.

The assessment includes providers monitoring IT assets, such as legacy systems and private and public clouds, through hybrid cloud management platforms. However, this evaluation does not include providers solely offering hybrid cloud management tools or platforms. Key service levels considered in this benchmark are data center tiers, multilayered security, service availability and network (LAN) I/O performance during peak times.

The assessment focuses on providers that deliver a comprehensive managed hosting service, ensuring high performance, security and reliability for enterprise clients. Enterprises also expect managed hosting providers to offer automated backup and recovery services that use advanced techniques and hosting applications near the workload to get ultra-low latency capabilities.

Eligibility Criteria

1. Offer **enterprise-grade hosting** solutions using the provider's infrastructure
2. Offer active-active and active-passive **disaster recovery and backup services**
3. Have **technical and financial capacity** to upgrade infrastructure and maintain capacity plans to ensure hosting performance in advance if there is an increase in demand
4. **Can scale and maintain dedicated servers** and storage and shared cloud resources on the same network and management platform
5. Provide at least **five layers** of data center security



Colocation Services

Definition

This quadrant assesses colocation providers offering standardized data center operations for midmarket and large enterprise clients, focusing on renting space for servers and computing hardware in a third-party infrastructure space. Providers offer building, cooling, power and security services, while clients manage their hardware. Key offerings include high-quality data center setups and onboarding services, diverse connectivity with various carriers and telecommunication providers, low latency, high bandwidth for content delivery, scalability and flexibility in services. Security and compliance are paramount, ensuring data and infrastructure protection. These centers also serve as community access points, fostering collaboration among hosting providers, system houses and end users.

Enterprise clients procure colocation services to reduce operating expenditures while balancing quality and affordability, including professional support, remote hands, monitoring and maintenance. They expect a standardized and sophisticated data center setup, several carrier options, low latency and high bandwidth at affordable prices to deliver rich content or critical, latency-sensitive information to users within and outside major metropolitan areas. Colocation providers offer a secure, high-performance environment for critical IT infrastructure by leveraging next-generation AI and ML technologies that are adaptable to changing business needs.

Eligibility Criteria

1. Own facilities that offer **standardized data center** architecture design for colocation
2. Offer **secure** and high-quality **network** equipment, appliances and connectivity systems
3. Guarantee **power density** to support current and future technologies
4. Provide at least **five layers** of **data center security**
5. Possess **appropriate certifications** such as SSAE 16, HIPAA, ISO 14001, ISO 22301, ISO 27001, ISO 50001, EN 50600, PCI DSS, NIST2, FISMA and SOC Type 1 and 2
6. Amenable to SLAs related to **hands-and-feet support** and hardware replacement
7. Offer **facilities with traffic exchange points** in proximity to users and hyperscalers
8. Offer **disaster recovery and backup solutions**
9. Leverage **clean energy sources** and solutions to **reduce energy consumption**, including zero carbon emission and **green data center** initiatives



Quadrants by Region

As part of this ISG Provider Lens™ quadrant study, we are introducing the following three quadrants on Private/Hybrid Cloud – Data Center Services 2024.

Quadrant	APAC**	Brazil	France	Germany	Netherlands	Nordics	Switzerland	U.K.	U.S.	U.S. Public Sector
Managed Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Managed Hosting	✓	✓	✓	✓		✓	✓	✓	✓	✓
Colocation Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**APAC (ANZ, *ASEAN, India – ex China, Hong Kong, Japan, Korea, Taiwan)

*ASEAN = Indonesia, Malaysia, Philippines, Singapore Thailand, and Vietnam



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

Milestones	Beginning	End
Survey Launch	January 10, 2024	
Survey Phase	January 10, 2024	February 9, 2024
Sneak Previews	May 2024	
Press Release & Publication	June 2024	

The collection of client testimonials via the Star of Excellence Program requires early client referrals (no official reference needed) as CX scores have a direct influence on the provider's position in the IPL quadrant and the awards.

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2024 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.

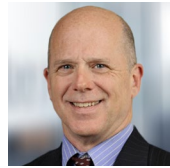
Here is the email address:
ISG.star@isg-one.com



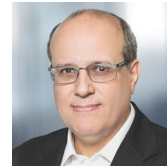
Contacts For This Study



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Guptill**
**Lead Analyst – U.S.
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Maschio**
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**Phil
Hassey**
**Lead Analyst –
APAC**



**Rohan
Thomas**
**Senior Lead Analyst –
U.K. and Nordics**



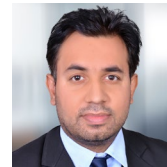
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Ulrich Meister
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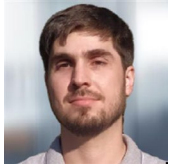
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**Senior
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Bandaru**

**Data
Analyst**



**Manikanta
Shankaran**

**Global
Project Manager**



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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Transformation Lead**



**Rob
Brindley**

Partner



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Perry**

Director



**Pierre
Puyraveau**

Director



**Anay
Nawathe**

Director



**Ben
Rossiter**

Principal Consultant



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Consulting Manager



Patrick
Nielsen

Senior Consultant



Susanta
Dey

Principal Consultant



Pieter van
den Broek

Principal Consultant



Rakesh
Parameshwara

Account Director



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.

11:11 Systems	Algar Telecom	Baden Cloud	Cema
23 Media	All for One Group	BANCADATI	CentralServer
365 Data Centers	alphosting	Bechtle	Centron
3DS OUTSCALE	Anexia	Bedag Informatik	CGI
3stepIT	Arvato Systems	BitHawk	CHEOPS
3U	Ascenty	BR.Digital	Cirion
Abilis IT	Aspectra	BrainServe	CKW
Abraxas	Aspire Systems	BSO	Claranet
Accenture	Asseco	BT	Cloud Temple
Acora	ATEA	BTC	Codero
ACP	Ativy	Bulk Infrastructure	Coforge
Adacor	AtlasEdge	CANCOM	Cogent
Advanced UniByte	Atos	Capgemini	Cognizant
Advania	Aveniq	CDNetworks	ColoBâle
akquinet	Axians	Cegeka	Colocation America



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ColocationIX	DARZ	Deutsche Telekom GK	EMC Home of Data
Cologix	Data Place	Devoteam	Ensono
Colt DCS	Data11	Digital Realty	eqipe
Computacenter	DATA4	DOKOM 21	Equinix
Conapto	DataBank	Dunkel	EVEO
Conet	Datacenter Leipzig	DXC Technology	EXA Infrastructure
Conscia	Datacenter One	EcoDataCenter	exaSys
Constellation	Datacenter Zug/Acdalis	Econis	Expedient
Controlware	DataEnv	EcoRacks	Felton
Coreix	DATAGROUP	Ecritel	Firstcolo
CoreSite	Datasource	Edge UOL	FNTS
Coretelligent	Datum	ELCA/EveryWare	Flexential
CWCS	DC2SCALE	Elea Digital	Fujitsu
CyrusOne	Dedalus	Embratel	GAVS
Cyxtera	Deloitte	Emбриq	Giant Swarm



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GleSYS	HYVE	IWB	maincubes
Global Switch	IBM	JMC	Materna
GRASS-MERKUR	ICME	KAMP	Matrix
Green	INAP	Koesio	Mediam
Green Mountain	Infomaniak	Kyndryl	Microland
GTT	Infosys	LAKE Solutions	Mivitec (WIIT)
HCLTech	inovTI	Latitude.sh	Mphasis
Hetzner Online	InterVision	LDeX Group	msg systems
Hexaware	IONOS	Leaseweb	MTF
Hitachi Vantara	Iron Mountain	Lefdal Mine	myLoc (WIIT)
HostDime	ITB2	Leuchter IT	Navisite
Hostserver	ITENOS	Liquid Web	Netcloud
Hosttech	ITpoint	Logicalis	Netcompany
Hostway	Itris One	LTIMindtree	Netfox
HPE	Iver	Lumen	netgo



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Netic	ODATA	Profi	SCC
Netskin	OneNeck	Pulsant	Serverius
Neurones	Oracle	PYUR	Servertown
NewTelco	Orange Business	q.beyond	Sievers
nexellent	Ordina	QTS	Skymail
Nextios	OVHcloud	Rackspace Technology	Smart IT
nine	oXya	ratiokontakt	Smartdc
Nomios	Park Place Technologies	Redcentric	Sonda
Nordlo	Penta	Rg19	Sopra Steria
noris network	Persistent Systems	RSM	space.net
NorthC Datacenters	PFALZKOM	Safe Swiss Cloud	Stack Infrastructure
Northern	phoenixNAP	Scala	STACKIT
Novatrend	PlusServer	ScaleSquad	Stefanini
NTS Workspace	Proact	ScaleUp Technologies	Sweden Dedicated
NTT DATA	procloud	Scaleway	Swisscom



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Switch	T-Systems	VVDN
Syntax Systems	UKFast	WIIT
Systematic	UMB	Wipro
Takoda	Under	Xelon
TCS	Unisys	Xfiber
Tech Mahindra	UnitedLayer	Yssy
Telefonica Tech	US Signal	Zensar Technologies
Telehouse	UST	Zones
TelemaxX	V.tal	
Telia	V8.Tech	
Telium	Vantage Data Centers	
ti&m	Verne Global	
TierPoint	VIRTUS Data Centres	
Tietoenvry	Vodafone	
TIVIT	VSHN	



iSG Provider Lens™

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

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

iSG Research™

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iSG

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JANUARY, 2024

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