ISG Provider Lens™

AWS - Ecosystem Partners

AWS Managed Services

Australia 2021

Quadrant Report

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

VERSENT

December 2021

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of September 2021, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

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

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ISG Provider Lens™ delivers leading-edge and actionable research studies, reports and consulting services focused on technology and service providers' strengths and weaknesses and how they are positioned relative to their peers in the market. These reports provide influential insights accessed by our large pool of advisors who are actively advising outsourcing deals as well as large numbers of ISG enterprise clients who are potential outsourcers.

For more information about our studies, please email ISGLens@isg-one.com, call +49 (0) 561-50697537, or visit ISG Provider Lens™ under ISG Provider Lens™.

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EXECUTIVE SUMMARY

AWS Services Ecosystem in Australia Continues to Grow

Since the outbreak of the COVID-19 pandemic in 2020, there has been a dramatic increase in the range and pace of enterprise spending on cloud-based IT. Massive disruption in the allocations and locations of workforces and resources, in supplier and customer relationships and communication, as well as business planning and operations, have accelerated digital transformation worldwide.

The global scale of cloud adoption has accelerated significantly. This, in turn is helping to boost the resource utilisation of hyperscalers such as Amazon Web Services (AWS) to levels beyond previous expectations. Innovative IT service providers are adjusting, by extending and promoting their services and capabilities to build on this trend.

Initial digital transformation is rapidly morphing into unified Everything as a Service (XaaS), and service providers building with AWS are reaping the benefits. Providers report significant business challenges as they themselves adapt to widespread work-from-anywhere practices, and an increasing amount of client work is being done remotely. AWS has been making huge investments in tools to enable new capabilities and services beyond its traditional platform position. It is also spending heavily on partnerships with service providers.

The effects on services providers partnered with AWS are summarized below.

AWS Managed Services: The role and value of managed service providers (MSPs) have been rapidly expanding into areas traditionally referred to as systems integration. The impact of COVID-19 on cloud adoption and integration requirements has pushed MSPs farther into the traditional role of a system integrator. In response, MSPs are investing in more skills, expanding their roles with AWS, and acquiring more technology and tools providers.

AWS SAP Migration and Implementation Services: SAP is the major enterprise app modernization and migration service provider. It is pushing customers to move to cloud-based versions of its software by announcing cutoff dates for the support of the on-premises versions within the next few years. This has helped catalyse some of the business app modernisation and data discovery trend, which is leading to increased need for better analytics and MSP capabilities. Meanwhile, the larger trend towards enterprise-scale, cloud-based Software as a Service (SaaS) is driving more enterprises to outsource the ongoing management of their SAP applications and environments.

AWS Data Analytics and Machine Learning Services: Work-from-anywhere environments are now the catalyst for increased enterprise data discovery. Business leaders are focussing more on what data exists across all aspects of an enterprise, rather than in specific functional areas. The scope and affordability of a growing range of IoT capabilities are adding to this. The result is accelerating interest and investment in analytics within business operations, especially including the use of machine learning. An increasing number of enterprises now see the benefits of using machine learning and AI within business applications to process and gain insights from the massive volume of available data, quickly and effectively.

AWS IoT Services: Interest and investment in IoT had been growing rapidly in the past five years, even before the outbreak of COVID-19. There have been growing capabilities to improve and manage productivity, processes, devices and environments. However, work-from-anywhere realities are now broadening and accelerating enterprise IoT investments. Work-from-anywhere functionality significantly expands the scope of devices connected to enterprise systems beyond traditional industrial sensors and data. A growing range of devices and data types, and more connections, is stimulating increased investments in edge computing, networking, security, application programming interfaces (APIs) and data analytics.

AWS Migration Services: With the growth of digital business, many enterprises with major applications are not able to adapt quickly to changed business environments. This has triggered a global move towards rationalising and modernising traditional business software environments. COVID-19 catalysed this transformation, with many enterprises moving most of their applications into AWS and other hyperscaler platforms. The ubiquity of affordable and adaptable container technologies such as Kubernetes and Docker has further accelerated interest and investment by enterprises and services providers.

AWS Consulting Services: Most IT service providers have already started to move beyond digital enablement and initial operational improvements to provide clients with more refined digital business strategies. The primary focus for most engagements has shifted from cost reduction to improved business outcomes. This is leading to more consultative approaches by providers, which, in turn, is driving more client interest in change management and design thinking that closely ties cloud IT investment with business impacts. DevOps has become a core component of providers’ portfolios, especially as clients investigate the benefits of cloud-native development and infrastructure-as-code (IaC).

Introduction

Simplified Illustration

AWS - Ecosystem Partners 2021	
AWS Managed Services	AWS SAP Workloads
AWS Data Analytics and Machine Learning	AWS Internet of Things (IoT) Services
AWS Migration Services	AWS Consulting Services

Source: ISG 2021

Definition

Amazon Web Services (AWS) continues to grow its presence and influence as a global provider of IT-as-a-service. As a result, its AWS Partner Network (APN) is expanding significantly, as providers of technologies and services leverage AWS to develop and deliver an expanding array of enterprise IT and business services. Primarily, AWS certified partners help customers find strategies for fast, secure and sustainable public cloud solution deployments. Ecosystem partners address all types of customer queries related to architecture, implementation, migration, and professional operation of XaaS solutions based on AWS infrastructures and platforms.

Definition (cont.)

ISG reports strong demand for digital transformation engagements, which, in turn, is driving global contracts for cloud products and services, including those for infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS). According to the 1Q21 ISG Index™, the global market has grown 11 percent in combined market annual contract value (ACV) to reach its current value of $17.1 billion year-over-year, while the as-a-service ACV has increased by 17.2 percent to reach $9.9 billion during the same period. Concurrently, the IaaS market grew by 18 percent to reach $7.2 billion, while the SaaS market grew by 7 percent to reach $2.7 billion.

The ISG Provider Lens AWS Ecosystem Partners 2021 study analyzes the AWS partner landscape in Australia, Brazil, Germany and the U.S. in terms of their portfolio attractiveness and competitive strength in each market. ISG consultants and user clients can use this information to evaluate current supplier relationships and the potential for establishing new relationships, with objective insights.

Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between US$20 million and US$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with 5,000 or more employees or revenue above US$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

Leader

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Product Challenger

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Market Challenger

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

Contender

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Rising Stars have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not In

The service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

AWS - Ecosystem Partners - Quadrant Provider Listing 1 of 3

	AWS Managed Services	AWS SAP Workloads	AWS Data Analytics and Machine Learning	AWS Internet of Things (IoT) Services	AWS Migration Services	AWS Consulting Services
AC3	Leader	Not in	Not in	Not in	Leader	Leader
Accenture	Leader	Leader	Leader	Leader	Leader	Leader
ARQ	Contender	Not in	Not in	Not in	Contender	Contender
ASG	Contender	Not in	Not in	Not in	Not in	Not in
Aspire Systems	Not in	Not in	Not in	Not in	Product Challenger	Not in
Atos	Product Challenger	Not in	Market Challenger	Not in	Market Challenger	Not in
Capgemini	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger
CMD	Not in	Not in	Not in	Not in	Not in	Rising Star
Cognizant	Leader	Not in	Not in	Not in	Leader	Leader
CyberCX	Contender	Not in	Product Challenger	Not in	Contender	Product Challenger
Datacom	Rising Star	Contender	Product Challenger	Not in	Leader	Product Challenger
Deloitte	Leader	Leader	Leader	Leader	Leader	Leader
DXC Technology	Product Challenger	Leader	Product Challenger	Leader	Leader	Leader

AWS - Ecosystem Partners - Quadrant Provider Listing 2 of 3

	AWS Managed Services	AWS SAP Workloads	AWS Data Analytics and Machine Learning	AWS Internet of Things (IoT) Services	AWS Migration Services	AWS Consulting Services
EPAM	Not in	Not in	Not in	Contender	Not in	Not in
FPT Software	Not in	Not in	Not in	Not in	Contender	Contender
HCL	Leader	Not in	Not in	Not in	Leader	Product Challenger
Hitachi Vantara	Contender	Not in	Not in	Not in	Not in	Contender
IBM	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger	Product Challenger
Infosys	Leader	Not in	Leader	Not in	Leader	Leader
Intellify	Not in	Not in	Leader	Not in	Not in	Not in
ITOC	Not in	Contender	Not in	Not in	Not in	Not in
Lemongrass	Not in	Rising Star	Not in	Not in	Not in	Not in
Logicworks	Not in	Not in	Contender	Not in	Not in	Not in
LTI	Contender	Not in	Not in	Not in	Product Challenger	Not in
Mechanical Dock	Product Challenger	Not in	Not in	Not in	Not in	Product Challenger
Mindtree	Contender	Not in	Contender	Not in	Not in	Not in

AWS - Ecosystem Partners - Quadrant Provider Listing 3 of 3

	AWS Managed Services	AWS SAP Workloads	AWS Data Analytics and Machine Learning	AWS Internet of Things (IoT) Services	AWS Migration Services	AWS Consulting Services
NTT DATA	Market Challenger	Not in	Market Challenger	Market Challenger	Market Challenger	Market Challenger
Persistent Systems	Not in	Not in	Not in	Not in	Not in	Contender
Rackspace Technology	Contender	Not in	Contender	Not in	Contender	Contender
Slalom	Not in	Not in	Rising Star	Not in	Rising Star	Contender
TCS	Leader	Leader	Leader	Leader	Leader	Leader
Tech Mahindra	Contender	Contender	Contender	Contender	Contender	Not in
Telstra Purple	Leader	Not in	Contender	Contender	Product Challenger	Product Challenger
To The New	Not in	Not in	Contender	Not in	Not in	Not in
Unisys	Product Challenger	Not in	Not in	Not in	Not in	Not in
Versent	Leader	Not in	Leader	Not in	Leader	Leader
Virtusa	Not in	Not in	Not in	Not in	Contender	Not in
Wipro	Product Challenger	Contender	Leader	Contender	Leader	Product Challenger

AWS - Ecosystem Partners Quadrants

ENTERPRISE CONTEXT

AWS Managed Services

This report is relevant to enterprises across industries in Australia for evaluating providers of AWS managed services. In this quadrant report, ISG highlights the current market positioning of these providers and how they address the key challenges of offering managed services in the AWS ecosystem. ISG's assessment is based on the depth and breadth of providers' service offerings and market presence.

In the current digital environment enterprises must take a combined approach to their technical infrastructure. ISG notes that enterprises in Australia are taking the lead in cloud adoption, though their overseas counterparts are not far behind.

Providers in Australia are improving their capabilities by establishing dedicated centers of excellence to serve enterprises. The AWS managed services market in Australia is driven by the growing need for managed services across various industry verticals such as finance, energy and utilities, telecom and the government sector. Providers are also investing more toward building automation and AI capabilities to improve customer satisfaction and ensure quick turnaround time.

Enterprises in Australia prefer providers that have a local presence, talented professional resources and AWS certifications that indicate their expertise in specific verticals.

Who should read the report:

IT leaders should read this report to better understand the relative strengths and weaknesses of the managed service providers that would help them lead the digital transformation drive in their enterprises.

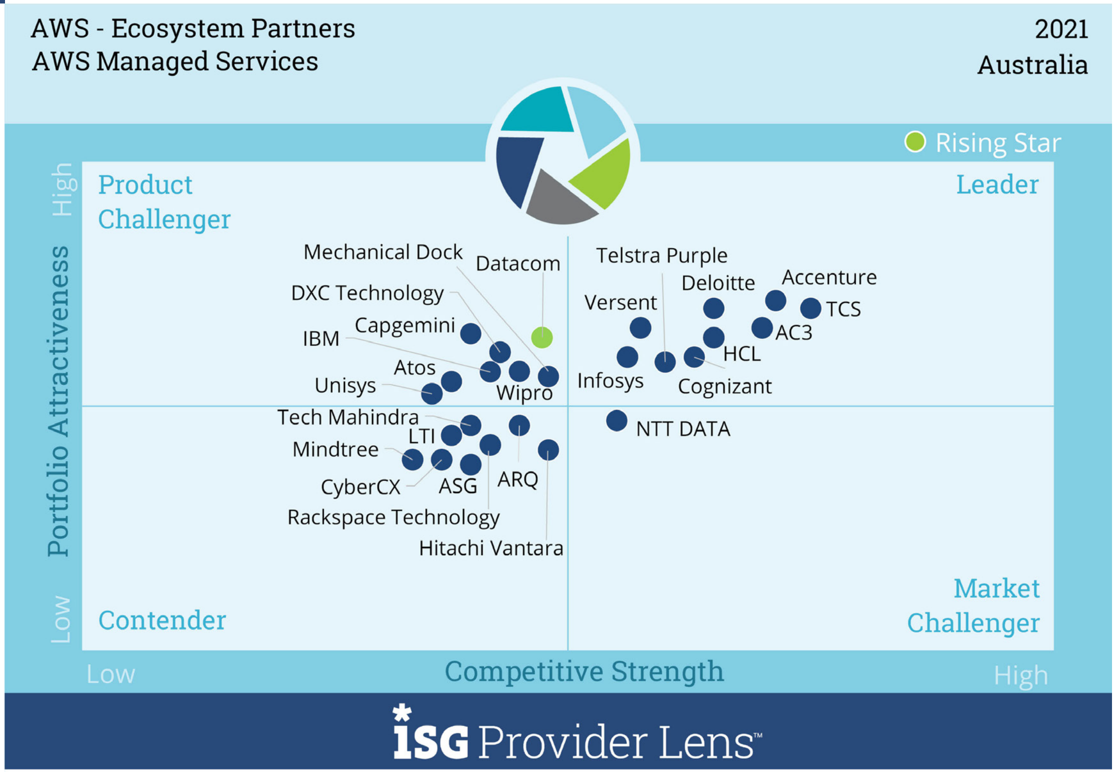
Sourcing, procurement and vendor management professionals should read this report to develop a better understanding of the current landscape of managed service providers in Australia.

Software development and technology leaders should read this report to understand the positioning of managed service providers and how the providers' offerings can impact an enterprise's ongoing transformation initiatives, while identifying the benefits of moving to the cloud.

AWS MANAGED SERVICES

Definition

In addition to IaaS and PaaS hyperscale platforms for public clouds from third-party service providers, managed services providers (MSPs) offer professional and managed services that include orchestration, provisioning, real-time and predictive analysis, monitoring and operational management of a customer's public cloud and multi-cloud environment. The aim is to maximize the work performance in the cloud, reduce costs and ensure compliance and security. Typically, specially developed or licensed cloud management platforms and tools are used to provide customers with the highest level of automation and the necessary capacity utilization and cost transparency over the managed cloud resource pool, including independent management.



Source: ISG Research 2021

AWS MANAGED SERVICES

Eligibility Criteria

Evaluation and eligibility criteria for this quadrant include the following:

- AWS Managed Service Program certification
- Expertise in autonomous machine learning-driven orchestration and configuration management of platforms/systems
- Experience in designing, building, and managing public and multi-cloud environments
- Ability to support big data and multiple database and analytics solutions
- Experience in DevOps engineering
- Scope and availability of security resources and services
- Experience in solutions architecture
- Experience in server migration experience and availability of resources

Observations

COVID-19 has seen more enterprises accelerate and extend digital transformation, and, as a result, enterprises are increasingly pursuing different types of cloud-native business IT solutions. Clients expect and demand solutions that reduce costs, improve business agility, enhance security and enable measurable business improvement. MSPs, in turn, are expanding capabilities, processes, services and their own business models to help clients design, develop, migrate, run, manage and optimise digital infrastructure and applications. This level of change requires updated insights on providers and offerings, and better means to assess both.

Of the 26 providers in Australia in this quadrant, nine are Leaders and one is a Rising Star:

- **AC3** is a leading, privately owned cloud services provider based in Australia and New Zealand. It has comprehensive end-to-end managed cloud services and a highly flexible and adaptable managed cloud offering.
- **Accenture** is a leading, global professional services company that provides end-to-end cloud solutions on the AWS platform. It has strong capabilities in digital, cloud and security, with a Cloud First strategy that provides strong market differentiation.

AWS MANAGED SERVICES

Observations (cont.)

- **Cognizant** is a large global IT services provider, headquartered in the U.S. It offers a highly comprehensive portfolio of managed services via the AWS platform
- **Deloitte** is one of the largest professional services firms in the world and a leader in digital transformation strategy. It has a strong Risk Advisory practice for AWS services and an Application Modernization Studio to assist clients in modernising their core systems.
- **HCL** is an India-based multinational IT services and consulting technology company, with offices in Australia. It has a comprehensive cloud managed service offering and strong cloud compliance and security features.
- **Infosys** provides business consulting, information technology and outsourcing (ITO) services, encompassing mobility, sustainability, big data and cloud computing. It has a highly comprehensive managed services portfolio.
- **TCS** is a global IT services, consulting and business solutions company, headquartered in India. It has an advanced cloud platform for managed services and is an industry leader in AWS product innovation.
- **Telstra Purple** is the professional services business of Australia's largest telecommunications provider. Telstra is establishing an AWS Centre of Excellence that will include Telstra Purple's consulting and managed services professionals.
- **Versent** is an Australia-based provider of technology transformation services for enterprises. It has a highly comprehensive managed services cloud strategy and a fast-growing AWS partnership for cloud services.
- **Datacom** (Rising Star) is one of Australasia's largest professional IT services companies, with more than 6,200 employees. It is substantially growing revenues in both its migration and managed services offerings.

VERSENT

Overview

Versent is an Australia-based provider of technology transformation services for enterprises. It focusses on architecting, building and operating cloud-native applications, data streams, platforms and services. Headquartered in Melbourne, it has offices in Sydney, Brisbane, Perth, Singapore and the U.S. with more than 350 employees. It has been an AWS Premier Consulting Partner since its inception in 2014, and has four AWS competencies and six AWS partner programs. In 2018, Versent won an award as AWS's Top Consulting Partner for the second year in a row.

Strengths

Highly comprehensive managed services cloud strategy: Versent assists its clients to realise the benefits of the cloud in repeatable and sustainable ways, with a focus on discipline, transformation and automation. Its team designs tailored enterprise cloud solutions, considering all aspects of a client's cloud migration, from growth strategy to cybersecurity and automation. Versent's services include cloud adoption, digital experience and modernisation, security and identity, data and insights and Versent Managed Services.

Fast-growing AWS partnership for cloud services: In the past three years, Versent has increased the number of its authorised AWS well-architected practitioners from two to 16. The AWS Well-Architected Partner Program has provided Versent with access to necessary tools to continue to assess and improve operating efficiency, reliability, performance and security of its clients' AWS environments. Versent has become an AWS Premier Partner by achieving competencies in security, DevOps, and most recently, in migration. It works with many of the largest corporations in Australia to architect more efficient cloud workloads across a wide range of industries, including manufacturing, government, technology, energy, telecommunications and infrastructure.

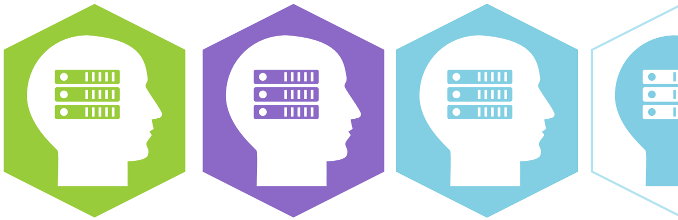
Caution

Versent's AWS managed services offering is one of the strongest in the Australian market, however, further development of offerings that are more tailored to industry verticals is required to continue this growth, as its competitors primarily pivot to specific industry and vertical offerings.

2021 ISG Provider Lens™ Leader

Versent assists its Australian clients to realise the benefits of the cloud in repeatable and sustainable ways, with a focus on discipline, transformation and automation.

Methodology



METHODOLOGY

The research study "ISG Provider Lens™ 2021 AWS - Ecosystem Partners, Australia" analyzes the relevant software vendors/service providers in the Australia market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of 2021 AWS - Ecosystem Partners, Australia market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
6. Use of the following key evaluation criteria:
   - Strategy & vision
   - Innovation
   - Brand awareness and presence in the market
   - Sales and partner landscape
   - Breadth and depth of portfolio of services offered
   - Technology advancements

Authors and Editors

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Distinguished Lead Analyst

Distinguished analyst and author Craig Baty has extensive research and thought leadership experience in the Asia Pacific and Japan ICT markets. Craig is Principal and Founder of DataDriven an Asia/Pacific based research and advisory firm. Craig has over 30 years of executive and board level experience in the ICT industry, including as a Group VP and Head of Gartner Research AP/J, CEO of Gartner Japan, Global VP Frost & Sullivan, and more recently as VP Global Strategy and VP Digital Services in Fujitsu Tokyo HQ. As a well know ICT commentator and analyst, Craig has written more than 200 research pieces, and presented at over 1500 events globally. He is also regularly quoted in regional media. Craig is actively involved in the ICT community as a board member of the Australian Information Industry Association (AIIA) and Immediate Vice Chair of the Australian Computer Society NSW (ACS).

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Srinivasan is a senior analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Insurance BPO Industry, Mainframe Ecosystem, Cybersecurity Ecosystem and AWS Ecosystem. His area of expertise lies in the space of engineering services and digital transformation. Srinivasan has over 6 years of experience in the technology research industry and in his prior role, he carried out research delivery for both primary and secondary research capabilities. Srinivasan is responsible for developing content from an enterprise perspective and author the global summary report. Along with this, he supports the lead analysts in the research process and writes articles about recent market trends in the industry.

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Partner and Global Head – ISG Provider Lens/ISG Research

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

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