

Hybrid Enterprise Cloud Services 2023-2024 RadarView™ Excerpt

Driving business value with
industry-specific cloud solutions

February 2024

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- Defining hybrid enterprise cloud (HEC) managed services
- Avasant recognizes 26 top-tier providers supporting the enterprise adoption of hybrid enterprise cloud services
- Provider comparison

Supply-side trends (Pages 10-14)

- Service providers witnessed a spike in revenue (8%) from the telecom, media and entertainment industry
- Most deals (45%) are based on hybrid pricing models, followed by gain-share and transaction-based models
- There is a shift from general-use horizontal solutions to industry vertical-specific cloud offerings
- Service providers are ensuring sovereign cloud needs by collaborating with major cloud platform vendors

Service provider profiles (Pages 17-68)

- Detailed profiles for Accenture, Atos Group, Birlasoft, Capgemini, Cognizant, DXC, Ensono, Fujitsu, HCLTech, IBM, Infosys, Kyndryl, LTIMindtree, Microland, Movate, Mphasis, NTT DATA, Orange Business, Persistent Systems, Rackspace Technology, TCS, Tech Mahindra, Unisys, UST, Wipro, and Zensar.

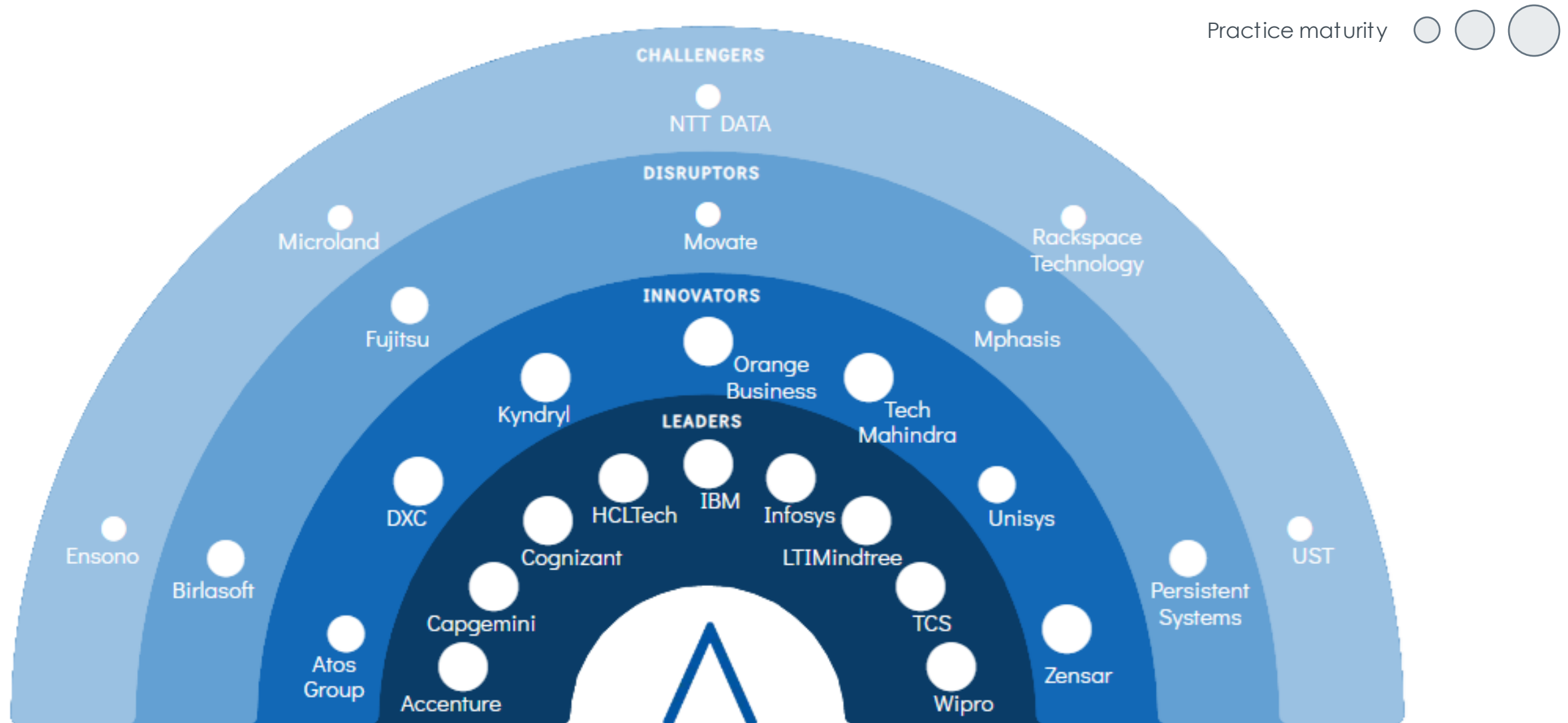
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- RadarView assessment
- Research methodology and coverage
- Interpretation of classification

Key contacts (Page 73)



Avasant recognizes 26 top-tier providers supporting the enterprise adoption of hybrid enterprise cloud services



Most deals (45%) are based on hybrid pricing models, followed by gain-share and transaction-based models

Enterprise clients are increasingly looking for customized hybrid pricing models based on the complexity, uncertainty, and cost sensitivity of projects. This is enabling the adoption of value-driven pricing models.

Adoption of different commercial pricing models

Typical areas of application/adoption

45%

Share of hybrid pricing models

- This model creates a customized model from two or more pricing models based on the customer's need.
- This helps reduce the upfront cost and associated risk of embarking on a hybrid cloud transformation initiative.

- It includes managed service engagements wherein some elements are fully managed and some co-managed (resource-based).
- Generally, a combination of input-based and fixed pricing models is utilized, offering adaptability to accommodate changing project requirements.

18%

Share of outcome/gain-share model

- This model is based on the principle of sharing risk and reward between the client and the providers.
- The overall pricing is based on business outcomes such as usage, increased revenue, and reduced total cost of ownership (TCO).

- It is mostly adopted for engagements with unpredictable scale and volume where cost is determined by the success or savings generated.
- Most cloud services engagements, especially cloud economics and FinOps, are moving to a gain-share model.

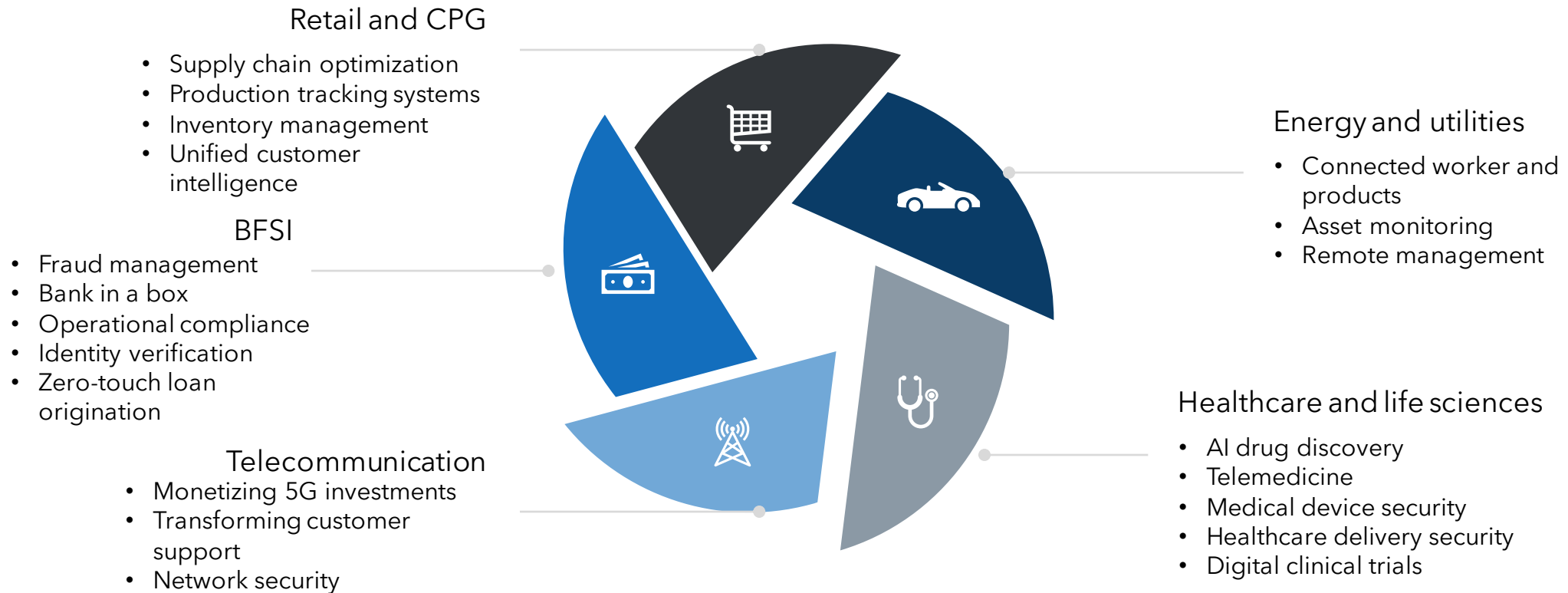
13%

Share of output/transaction-based model

- Pricing is based on specific deliverables or transactions accomplished in alignment with resource units or the volume of work accomplished.
- It enables flexibility and spending control. This means customers pay for utilized services only, ensuring cost-effectiveness.

- It is deemed suitable for repetitive tasks or standardized services.
- It is mostly adopted for managed service engagements, including instance/device-based, capacity-based, and ticket volume-based pricing.

There is a shift from general-use horizontal solutions to industry vertical-specific cloud offerings



Underlying industry drivers and security controls



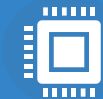
Distributed cloud

- Unified observability across multicloud
- Microsegmentation
- Multicloud security and operations



Confidential computing/sovereign cloud

- Data residency, data governance, and data security
- Asset map creation



AI-enabled automation

- Enhanced AI/ML-based predictions, detections, and remediation
- Operations and integration

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