

Private/Hybrid Cloud – Data Center Services

A research report assessing private and hybrid cloud and colocation services for SLED clients



Introduction	03	Advisor Involvement	
		Advisor Involvement - Program	
		Description	12
		Advisory Team	12
About the Study		Invited Companies	13
Quadrants Research	04		
Definition	05		
Quadrants by Region	08		
Schedule	09		
Client Feedback		About our Company	
Nominations	10	& Research	14
Contacts for			
this Study	11		

This ISG Public Sector Provider Lens™ research study examines service providers that develop, enable and deliver the scope of private cloud, hybrid cloud, colocation and data center outsourcing IT capabilities needed by public sector entities and agencies in the U.S. to reduce IT and operational costs. For this study, ISG includes state and municipal government organizations and education (SLED) entities, public utility, public health, and other U.S. public sector agencies.

This study assesses services that are typically extensions of clients' computing environments. Private clouds may be hosted at a client facility but can include third-party IT services with scalable virtual computing, networking and storage resources either in providers' data centers or over shared infrastructure. Clients seeking strict security and governance, large data volumes and tight integration with enterprise applications and workflows often prefer private cloud environments.

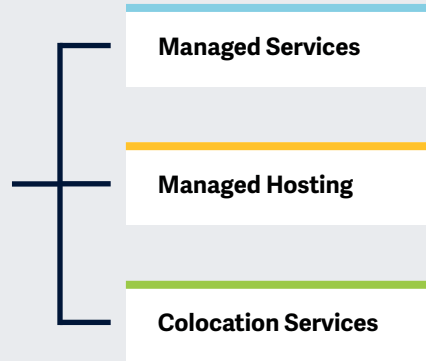
Hybrid cloud environments combine on-premises infrastructure with private and/or public cloud services. They allow organizations to leverage public cloud capabilities without offloading entire systems to a third party. This offers adaptability and flexibility while keeping vital IT within the client's firewall.

Data center outsourcing transfers the responsibility of orchestration, provisioning, monitoring and management of core IT assets and infrastructure to a third party. The client or a service provider may own the data center. Integrated monitoring and management services are usually delivered from the provider's dedicated or shared offshore, onshore or nearshore delivery center.



This study focuses on the most critical aspects in 2024 for **private/hybrid cloud and data center outsourcing** for U.S. public sector clients.

Simplified Illustration Source: ISG 2024



This ISG Provider Lens™ Private/Hybrid Cloud – Data Center Services 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 on their competitive strengths and portfolio attractiveness
- Focus on the U.S. public sector

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

Definition

This quadrant assesses a provider's ability to offer ongoing management services for private and hybrid clouds and traditional data center infrastructure and platforms that consist of physical and virtual servers, middleware, storage, databases and networking components. The infrastructure may reside at a client's data center, in the service provider's facility or be co-located in a third-party facility.

Managed services are characterized by the transfer of cloud IT service responsibilities to the service provider. They are governed by service level agreements (SLAs) with penalties for deviation from agreed performance goals. At a broad level, these 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 are aimed at maximizing the performance of workloads in the cloud, reducing costs, and ensuring compliance and security.

This quadrant evaluates providers that have the capabilities to manage traditional and cloud-native application releases, which also involve continuous integration and delivery processes, for U.S. public sector organizations.

One of the primary differences between managed service providers and managed hosting providers is that managed service providers have stronger integration practices that break up monolithic and traditional applications into individual services or microservices.

Eligibility Criteria

1. Demonstrate **existing** business contracting with **significant** U.S. public sector entities [especially state, local and education (SLED) organizations]
2. Ability to **offer services for private and hybrid clouds and data center infrastructure** (servers, middleware, storage and databases) **by themselves** and through partners
3. Ability to provide services within a client's premises or remotely and preferably through **shared service centers**
4. Established, or emerging, **basic and standard relationships** with one or more **major public cloud hyperscalers** such as AWS, Microsoft, Google or IBM
5. Experience in large transition projects that include automation, consolidation, virtualization and containerization of data centers and cloud enablement
6. Ability to act as an **extension of clients' IT organization** and get involved in creating blueprints, architecture frameworks and management processes at the client's location
7. Ability to provide centralized orchestration/management of hybrid IT infrastructure
8. Experience in transforming business continuity planning while managing a client's hybrid infrastructure remotely during unforeseen events
9. **Appropriate certifications** to ensure compliance at local levels



Managed Hosting

Definition

This quadrant assesses service providers that offer standalone, enterprise-grade hosting solutions to U.S. public sector organizations, using their own or third-party facilities.

The providers assessed here are typically responsible for regularly managing and maintaining data center components such as servers, storage, operating systems and connectivity to the external network.

Managed hosting providers are responsible for provisioning clients' infrastructure to keep applications running effectively, with optimal performance and security.

This quadrant assesses providers delivering comprehensive managed hosting services that ensure high performance, security and reliability for public sector clients. Clients in this sector also expect managed hosting providers to offer automated backup and recovery services using advanced techniques and hosting applications near the workload to achieve ultra-low latency.

This quadrant also includes providers that have the capabilities to monitor IT assets, such as legacy systems and private and public clouds, through hybrid cloud management platforms. However, this quadrant excludes providers solely offering hybrid cloud management tools or platforms. Key service levels considered include data center tiers, multilayered security, service availability and network (LAN) I/O performance during peak times.

Eligibility Criteria

1. Demonstrate **existing business** contracting with **significant** U.S. public sector entities [especially state, local and education (SLED) organizations]
2. Ability to offer government-grade **hosting** solutions using the provider's infrastructure
3. Capability to offer active-active and active-passive **disaster recovery and backup services**
4. Technical and financial capacity to upgrade the infrastructure and maintain capacity plans to ensure hosting performance in advance if the demand increases in the future
5. **Capability to scale and maintain** dedicated servers and storage and shared cloud resources on the same network and management platform
6. Ability to provide **compliant physical and virtual security** in the data center based on clients' requirements



Colocation Services

Definition

This quadrant assesses colocation providers offering standardized data center operations for U.S. public sector clients, including state, local, and educational (SLED) agencies. Providers assessed in this quadrant focus on renting space for servers and computing hardware from a third-party infrastructure space. They typically offer real-estate facilities, cooling systems, power distribution and security services, while clients manage their own hardware.

Clients usually leverage colocation services to obtain secure facilities with professional support, facilities management, system monitoring and maintenance. Clients expect standardized and sophisticated data center setups, multiple carrier options, low latency and high bandwidth at affordable prices to deliver rich content or critical, latency-sensitive information to their users, including citizens and other constituents.

This quadrant assesses providers that can offer 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 to ensure data and infrastructure protection. The data centers also often serve as service access points for SLED agencies that contract with larger (typically state-level) government entities for IT services.

Eligibility Criteria

1. Demonstrate existing **business contracting with significant U.S. public sector** entities [especially state, local and education (SLED) organizations]
2. Own facilities that offer **standardized data center** architecture designed for colocation
3. Offer **secure** and **high-quality network** equipment, appliances and connectivity systems
4. Guarantee **power density** to support current and future technologies
5. Ability to provide at least **five layers** of **data center security**
6. Possess **appropriate certifications** such as SSAE 16, HIPAA, ISO 14001, ISO 22301, ISO 27001, ISO 50001, EN 50600, PCI DSS, NIST, FISMA and SOC Type I and II
7. Amenable to SLAs related to **hands-and-feet support** and hardware replacement



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

Quadrant	U.S. Public Sector
Managed Services	✓
Managed Hosting	✓
Colocation Services	✓



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

Study Sponsor



Heiko
Henkes

**Managing Director,
Provider Lens**



Bruce
Guptill

**Lead Analyst –
U.S. Public Sector**



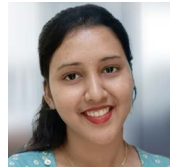
Manoj M

Research Analyst



Sachitha
Kamath

**Senior
Data Analyst**



Lakshmikavya
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



Alex Perry

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	Deloitte	Microland	Wipro
Accenture	Digital Realty	Microsoft	Zensar Technologies
Atos	DXC Technology	Mphasis	Zones
AWS	Ensono	NTT DATA	
Capgemini	Equinix	Oracle	
CGI	Fujitsu	Orange Business	
Ciena	HCLTech	Rackspace Technology	
Coforge	Hexaware	RSM	
Cognizant	Hitachi Digital Services	Switch	
Colocation America	HPE	TCS	
Computacenter	IBM	Tech Mahindra	
Consolidated Communications	Infosys	TierPoint	
CoreSite	INAP	Unisys	
CyrusOne	Kyndryl	UST	
Cyxtera	Lumen	Verizon Business	



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](#).

For more information about ISG Research™ subscriptions, please email contact@isg-one.com, call +1.203.454.3900, or visit research.isg-one.com.

ISG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis.

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.



JANUARY, 2024

REPORT: PRIVATE/HYBRID CLOUD — DATA CENTER SOLUTIONS