iSG Provider Lens™

Public Sector Services and Solutions

A research report comparing provider strengths, challenges and competitive differentiators

GOVERNMENT

DIGITAL

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Introduction

The public sector is a cornerstone of economic stability, encompassing government-owned and -operated entities that provide essential services and goods to citizens. Unlike the profit-driven private sector, the public sector prioritizes citizens' well-being, offering services such as education, healthcare, infrastructure, law enforcement and social services. It is funded primarily through taxes and public financing, and its role extends to redistributing resources to reduce disparities and safeguard vulnerable populations. This sector ensures access to fundamental needs, promotes social justice and fosters economic growth.

Historically, the public sector has been pivotal in developing infrastructure and fostering regional balance, particularly in countries like India during its postindependence era. It has been instrumental in creating employment opportunities, advancing research and development, and driving socioeconomic growth across underserved regions. By investing in utilities, transportation networks and industrial projects, the public sector has bridged gaps left by private enterprises unwilling to venture into nonprofitable areas.

The sector improves citizens' lives by safeguarding public properties like national parks and libraries while maintaining internal security through law enforcement agencies. Public-private partnerships further illustrate its adaptability in leveraging private efficiencies for public benefit.

The study aims to understand the need for and importance of public sector services and solutions while understanding providers' capabilities in this rapidly evolving space.

Key focus areas of the **Public Sector Services and Solutions 2025** study.

Simplified Illustration Source: ISG 2025

Strategy and Consulting Services

Managed IT Services

Business Process and Other Outsourcing Services

Services to Local and Devolved Governments

Digital Transformation and Innovation Services
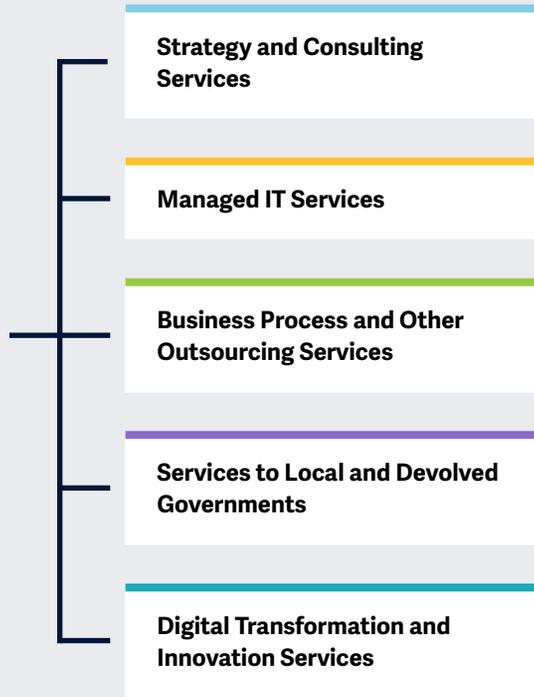
Definition

The ISG Provider Lens™ Public Sector Services and Solutions 2025 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.K. and Australia markets

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.

Strategy and Consulting Services

Definition

Strategy and consulting services in the public sector are vital for governments and entities serving the public sector to navigate complex challenges. These services include specialized expertise, innovative strategies and actionable insights to improve governance, optimize operations and enhance service delivery. By leveraging digital technologies, strategic planning and a systems approach, consultants help governments streamline processes, reduce inefficiencies and respond effectively to evolving citizen demands and global disruptions such as climate change and economic instability.

Consultants offering strategic management services in the public sector enable organizations to set measurable goals, analyze internal and external factors, and adopt frameworks that align with long-term objectives. This structured approach enables organizations to improve decision-making and resource allocation, while allowing accountability and transparency. The consultants also support organizations in adopting emerging technologies such as AI and blockchain to build agile organizations.

Eligibility Criteria

1. Have **experience providing strategy and consulting services to public sector industry clients** in the relevant region covered in the study

2. Have successfully **engaged with at least three public sector entities** on strategy and consulting services, both past and present

3. Have at least three of the following capabilities related to public sector strategy and consulting:

   - Expeience in **advising the region's central or devolved governments**
   - Proven **track record of delivering government digital strategies**

- Familiarity with **public sector regulations and frameworks**, such as G-Cloud and Digital Marketplace

- Ability to **integrate digital solutions with legacy systems**

- **Cost optimization and efficiency planning** expertise

- Capability to **provide vendor-agnostic recommendations**

- Strong **data governance and security advisory** services

- Experience in **designing AI and automation road** maps

- Capacity for **enterprise architecture and IT service redesign**

- **Cybersecurity and risk assessment** expertise

4. Demonstrate **strong partnerships** with industry associations, regulatory bodies, technology firms and startups specializing in the public sector

5. Offer **referenceable public sector use cases** for across the value chain

Managed IT Services

Definition

Managed IT services play a crucial role in the public sector, offering numerous benefits to government agencies and organizations. These services enable public institutions to focus on their core responsibilities by ensuring efficient and secure IT operations. Public sector entities can control costs, improve service delivery and enhance cybersecurity by outsourcing IT service management.

By offering managed IT services, service providers help public sector organizations adapt to the rapidly evolving digital landscape. These services ensure access to advanced technologies, expertise and resources that could be challenging to maintain in-house due to budget constraints. Service providers enable the modernization of IT infrastructure, supporting digital transformation initiatives and smart city development. They offer services such as proactive monitoring, maintenance and support to improve organizations' operational efficiency and productivity, while reducing downtime and ensuring the stability of critical systems.

Eligibility Criteria

1. Have **experience providing managed IT services** to public sector industry clients in the relevant region covered in the study

2. Have successfully **engaged with at least three public sector entities** on managed IT services, both past and present

3. Have at least three of the following capabilities related to public sector managed IT services:

   • Ability to **provide end-to-end IT infrastructure** management

   • Region-specific **service deliverycapability** for government security requirements

• **Compliance with government security standards**, such as Cyber Essentials and ISO 27001

• Experience in **managing cloud and hybrid IT environments**

• **Around-the-clock service desk** and support capabilities

• Proven ability to **handle secure data hosting** for government services

• **Network and connectivity expertise** for government operations

• **Identity and access management** expertise

• Experience in **disaster recovery and resilience planning**

• Proven capability in **handling large-scale IT operations**

4. **Demonstrate strong partnerships** with industry associations, regulatory bodies, technology firms and startups specializing in the public sector

5. Offer referenceable public sector industry use cases for across the value chain

Business Process and Other Outsourcing Services

Definition

Public sector increasingly relies on business process outsourcing (BPO) and other outsourcing services to enhance efficiency, reduce costs and access specialized expertise. Public sector organizations can focus on their primary objectives, leveraging advanced technologies such as AI and cloud computing, by delegating noncore functions like IT services, payroll and customer support to external providers. This approach optimizes resource allocation and addresses challenges in recruiting highly skilled professionals, especially in areas like data management and cybersecurity.

Service providers offer outsourcing services, which fosters competition and innovation among them, often resulting in improved service delivery quality. However, careful management is required to mitigate risks such as contracting failures or reduced service quality in critical areas like

healthcare or education. By assisting public sector organizations in establishing robust SLAs, service providers enable successful outsourcing while ensuring accountability and performance. While some jobs may be lost initially, the long-term benefits include cost savings, improved user satisfaction and access to diversified solutions.

Eligibility Criteria

1. Have experience **providing business process and other outsourcing services** to public sector industry clients in the relevant region covered in the study

2. Have **successfully engaged with at least three public sector entities** on BPO and outsourced services, both past and present

3. Have at least three of the following capabilities related to public sector BPO and outsourced services:

   - Experience in **delivering outsourced services** to the region's government organizations

   - Strong **compliance with data protection and security** regulations

   - Proven **expertise in handling high-volume citizen services**

   - **Cost-effective service delivery** with proven efficiency gains

   - **Robust business continuity** and risk management processes

   - Secure **handling of sensitive government data**

   - Experience with **AI and RPA for process automation**

   - Strong track record in benefits, **welfare and HR services**

   - **Multichannel citizen engagement** solutions (phone, web and mobile)

   - Capability to **provide scalable workforce solutions**

4. Demonstrate **strong partnerships with industry associations,** regulatory bodies, technology firms and startups specializing in the public sector

5. Offer **referenceable public sector industry use cases** for across the value chain

Services to Local and Devolved Governments

Definition

Public sector industries support local and devolved governments by providing essential services that directly impact community well-being and economic development. Local governments are responsible for infrastructure like roads, water supply, waste management, and information and communications technology (ICT) systems, which are prerequisites for economic activity. Devolving responsibilities to local authorities enhances accountability and responsiveness, aligning services with community needs.

Service providers offer innovation within the public sector to strengthen local governance by addressing unique community challenges often overlooked by market mechanisms. These providers help local governments improve service delivery, optimize resources and meet rising public expectations by adopting creative solutions, leveraging technology and fostering partnerships with private entities. They aim to support local governments in decentralizing decision-making, integrating cross-sector policies, promoting entrepreneurship and adopting digital tools to streamline operations.

Eligibility Criteria

1. Have **experience providing services to local and devolved governments** in the relevant region covered in the study

2. Have successfully **engaged with at least three public sector entities** on services for local and devolved governments, both past and present

3. Have at least three of the following capabilities related to services for local and devolved governments:

   • **Experience working with the region's local authorities and** devolved governments

   • Ability to **support regional digital transformation initiatives**

• **Compliance with local government** IT standards and regulations

• Experience in **deploying digital citizen services**

• **Integration with existing local government** IT infrastructure

• Proven track record in **public safety and emergency response IT**

• Scalable solutions for **multiagency collaboration**

• **Smart city** and IoT expertise

• **AI-driven automation** for local government services

• **Secure cloud** and data management solutions

4. Demonstrate **strong partnerships** with industry associations, regulatory bodies, technology firms and startups specializing in the public sector

5. Offer **referenceable public sector industry use cases** for across the value chain

Digital Transformation and Innovation Services

Definition

Digital transformation and innovation in the public sector are crucial for modernizing government operations and enhancing service delivery to citizens. By leveraging digital technologies, governments can streamline processes, reduce operational costs and improve efficiency across various departments. This transformation enables the automation of manual tasks, allowing public sector employees to focus on high-priority work and deliver fast, responsive services to constituents.

Service providers implement digital solutions such as self-service e-portals, electronic document management and open data platforms to help governments empower citizens to access government services and information easily. These innovations foster transparency, increase public trust and promote citizen engagement in governance. Service providers facilitate data-driven decision-making enabled by digital transformation to help governments allocate resources effectively and develop innovative policies that address societal challenges.

Eligibility Criteria

1. Have experience **providing digital transformation and innovation services** to public sector industry clients in the relevant region covered in the study

2. Have successfully **engaged with at least three public sector entities** on digital transformation and innovation services, both past and present

3. Have at least three of the following capabilities related to public sector digital transformation and innovation services

   • Proven experience **delivering digital transformation** for government organizations

   • Expertise in emerging technologies such as AI, blockchain and IoT

   • **Capability to integrate legacy systems** with modern digital solutions

   • **Cloud-native** and API-first approach

   • **Cybersecurity expertise** for digital government services

   • Experience in **data-driven decision-making** and analytics

   • Adoption of **Agile and DevOps methodologies**

   • **Citizen-centric service design** experience

   • **Expertise in workforce upskilling** and digital technology adoption

   • Ability to **scale innovation** across government departments

4. **Demonstrate strong partnerships** with industry associations, regulatory bodies, technology firms and startups specializing in the public sector

5. Offer **referenceable public sector industry use cases** for across the value chain

Quadrants by Region

As part of this ISG Provider Lens™ quadrant study, we are introducing the following five quadrants on Public Sector Services and Solutions 2025:

Quadrant	U.K.	Australia
Strategy and Consulting Services	✔	✔
Managed IT Services	✔	✔
Business Process and Other Outsourcing Services	✔	✔
Services to Local and Devolved Governments	✔	✔
Digital Transformation and Innovation Services	✔	✔

Key characteristics of the proprietary framework:

- Encapsulates the activities of enterprises across the Public Sector Services and Solutions 2025 market and helps connect them to digital solutions
- Represents the entire value chain of supply and demand within the market
- Inner tiles represent themes of enterprise objectives
- Outer tiles represent initiatives
- Behind each outer tile is a specific set of capabilities, with unique market-leading providers and solutions
- Green tiles represent where ISG Software Research will produce a Buyers Guide in 2025

Understanding the Mosaic

ISG Public Sector Services Framework hexagonal diagram with the following tiles:

Outer tiles:
- JusticeTech (Case Mgmt, Court Digitization, Evidence Mgmt)
- DefenceTech (Cyber Warfare, Comms, Battlefield Intelligence)
- Regulatory Compliance & Risk Advisory (R&C Strategy)
- Enterprise Architecture Strategy (Design Technology Services)
- EdTech (Digital Assessment, Online Learning, School Admin)
- Welfare & Benefits (Policy Modeling Portals, Pensions)
- Trade, Borders & Customs Tech (Import/Export, Customs, Immigration)
- Strategy & Operating Model Design (Operational, Business/Technology)
- Business Case & ROI Planning (Case for Change)
- Multidepartment Transformation (Strategy, Road Maps)
- Healthcare Digitization (Virtualization, EHR, Remote Treatment)
- Whole of Government Policy & Strategy (E2E Strategy)
- Quantum & Cybersecurity Technology (Future Proof, Critical Decisions)
- Autonomous & Ethical AI (Trust in Automation)
- Cybersecurity & Risk Mgmt (Zero Trust, IAM, National Models, SIEM)
- Network & Infrastructure Modernization (Network/Availability Planning)
- Digital Twins (Asset Use/Management, Disaster Planning)
- Innovation Scouting & Prototyping (CI, Readiness)
- IT Architecture, Infrastructure & Asset Mgmt (Resiliency, GreenIT)
- Workplace Redesign (DaaS, UEM, Hybrid Work)
- Blockchain/Trust & Identity (Fraud & Risk)
- 5G, IoT & Edge Computing (Public Safety, Planning, Emergencies)
- Platform Ops (DevOps, FinOps, SecOps)
- Cloud Management (Public, Private, Hybrid)
- Full Service Departmental Transformation (Better Outcome, Reduced Cost)
- Citizen Interaction Services (Contact Centre, Gateways, Portals)
- AI- and ML-Driven Service Delivery Models (Smart, Personalization)
- Digital Service & UX Design (Increase Citizen Satisfaction)
- Agile & DevSecOps Adoption (Reduce Risk/Time to Value)
- AI Augmented Services (Decision-Making Process Intelligence)
- Basic/Back-Office Services (HR, Payroll, Finance, Procurement)
- Departmental Shared Services (Processing, Resources)
- Intelligent Automation (RPA, NLP)
- Cloud-Native Application Development (Adaptability, System Speed)
- Major/Secure Departmental Service Hubs (Dept Process Outsource)
- Workflow Automation Services (Digital Case Management)

Inner tiles:
- Departmental Service Modernization
- Strategy & Consulting Services
- Transform Entire Departments
- Plan and Develop Public Sector Strategies
- Future Government Technology & Emerging Trends
- Transform Government for the Future
- ISG Public Sector Services Framework
- Partner Delivered Core Technology
- Managed IT Services
- Deliver Innovation
- Deliver Whole Government Services Through Partnership
- Digital Transformation & Innovation Services
- Business Process & Other Outsourced Services

Potential Buyers Guide (green hexagon)

The research phase falls in the period between April and May 2025, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in August 2025.

Milestones	Beginning	End
Survey Launch	April 15, 2025	
Survey Phase	April 15, 2025	May 15, 2025
Sneak Preview	August 2025	
Press Release & Publication	September 2025	

Please refer to the **ISG Provider Lens™ 2025 research** agenda to view and download the list of other studies conducted by ISG Provider Lens™.

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!

Buyers Guide

ISG Software Research, formerly "Ventana Research," offers market insights by evaluating technology providers and products through its Buyers Guides. The findings are drawn from the research-based analysis of product and customer experience categories, ranking and rating software providers and products to help facilitate informed decision-making and selection processes for technology.

In the course of the Public Sector Services and Solutions 2025 IPL launch, we want to take advantage of the opportunity to draw your attention to related research and insights that ISG Research will publish in 2024. For more information, refer to the Buyers Guide research schedule.

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:
star@cx.isg-one.com

ISG Star of Excellence

The ISG Provider Lens 2025 – Public Sector Services and Solutions research study analyzes the relevant software vendors/service providers in the global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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Project Manager:
Monika Pathak

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The research and analysis presented in this study will include data from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

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

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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

James
Deacon

Head of Public Sector – Australia

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	Babcock International	CenturyLink	Dell Technologies
Accenture Federal Services	BAE Systems	CGI	Deloitte
Adecco	Bain & Company	Check Point Software	Digital Realty
Advanced Government Services	BCG	Cisco	DXC Technology
Agilisys	BearingPoint	Civica	eClerx
Akita	Bechtle	Claranet	Equinix
AlixPartners	Bentley Systems	Cognizant	Esri UK
ANS Group	BJSS	Computacenter	EXL
Arup	Booz Allen	Concentrix	Exponential-e
Arvato	BT	Conduent	EY
AtkinsRealis	Cantium Business Solutions	CrowdStrike	Firstsource
Atos	Capco	Cyber-Duck	Forrester
Cloudreach (Atos)	Capgemini	Daisy Group	Fujitsu
AWS	Capita	Darktrace	Gamma Communications
AWS Professional Services	CDW	Datacom	Gartner

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.

G-Cloud Suppliers	IRON Mountain	Node4	Randstad SourceRight
Genpact	Kainos	Northdoor	Redcentric
Google	KBR Public Services	NTT DATA	Ricoh
Hays	KCOM	Oliver	Robert Half UK
HCLTech	Korn Ferry	Openreach Public Sector	Roland Berger
Hexagon	KPMG	Oracle	Salesforce
HGS	ManpowerGroup	PA Consulting	SCC
Hitachi Digital Services	Mastek	PageGroup UK	Serco
HPE	McKinsey & Company	Palo Alto Networks	ServiceNow
Hudson Global	Microsoft	Perficient	Six Degrees
i3Works	Mott MacDonald	Publicis Sapient	Smartdesc
IBM	Mphasis	Pulsant	Softcat
Idox	Nasstar	PwC	Sopra Steria
Infosys	NCC Group	QinetiQ	SYKES
iomart	NEC	Rackspace Technology	TaskUs

Invited Companies

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Tata Communications	Vysiion
TCS	Wavex
Telefonica	Webhelp
Teleperformance	West Monroe Partners
teneo.ai	Wipro
Thales S.A	WNS
Timico	Xerox
Trellix	XMA
TTEC	Zayo
UKCloud	
UKFast	
Unisys	
Verint Systems	
Virgin Media Business	
VMWare	

About Our Company & Research

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 (Nasdaq: III) is a global AI-centered technology research and advisory firm. A trusted partner to more than 900 clients, including 75 of the world's top 100 enterprises, ISG is a long-time leader in technology and business services sourcing that is now at the forefront of leveraging AI to help organizations achieve operational excellence and faster growth.

The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.

For more information, visit isg-one.com.

ISG Provider Lens™

APRIL, 2025

BROCHURE: PUBLIC SECTOR SERVICES AND SOLUTIONS