

## Magic Quadrant for Public Cloud IT Transformation Services

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Cloud transformation drives measurable business outcomes and value for clients. Sourcing, procurement and vendor management leaders can use this research to align their business needs with providers focused on cloud transformation migrations, development, and continued optimization.

**This Magic Quadrant is related to other research:**

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### Market Definition/Description

Gartner defines public cloud IT transformation services (PCITS) as services designed to deliver transformational outcomes via the utilization of cloud-native professional and managed services. It includes migration, modernization and the building of new transformational solutions on public hyperscale cloud infrastructure and platform services. Organizations seeking to use public clouds such as Amazon Web Services (AWS), Google Cloud Platform (GCP), Microsoft Azure, Oracle Cloud Infrastructure (OCI) and similar platforms engage with providers in this market to realize the greatest transformational benefits.

PCITS transforms client applications, workloads and data to the public cloud to achieve their clients' business outcomes. It makes primary use of cloud-native tools and manages IT operations in the public cloud. It encapsulates cloud management, optimization and modernization to continuously manage reliability, scalability, interoperability and more.

### Must-Have Capabilities

- **Comprehensive Transformation Approach:** The service emphasizes application-focused transformation, encompassing Gartner's "Five Rs" of cloud adoption: rehost (lift and shift), revise, rearchitect, rebuild and replace. It executes infrastructure-led activities like rehosting and portions of revision, but specializes in application-led transformation services that demand substantial software engineering expertise.
- **Application-Centric Engagement:** The engagement model prioritizes applications over infrastructure. It initiates discussions by understanding clients' business objectives and then translating them into application and data requirements rather than diving into technical specifics. This approach ensures alignment with the client's core goals.
- **Cloud-Native Principles:** The service emphasizes cloud-native precepts when designing application architectures and operational models. By adhering to these principles, it maximizes the benefits of the cloud, ensuring autoscalability, resilience, elasticity and efficient resource utilization for the client's solutions.
- **Application Development Expertise:** The service offers a range of application development capabilities. Whether it's modernizing existing code for cloud compatibility or building custom applications from scratch, the service expertise covers all aspects of application development to meet the client's unique requirements.
- **ESG:** The service addresses the organization's environmental, social and governance needs.

## Common Features

### Standard Capabilities

The standard capabilities for this market include:

Tools:

- Discovery and migration
- Prebuilt development environments
- Portals and APIs
- IT service management (ITSM) functions for self-service and ticket management
- Multicloud and multi-IT observability and management

## Professional Services:

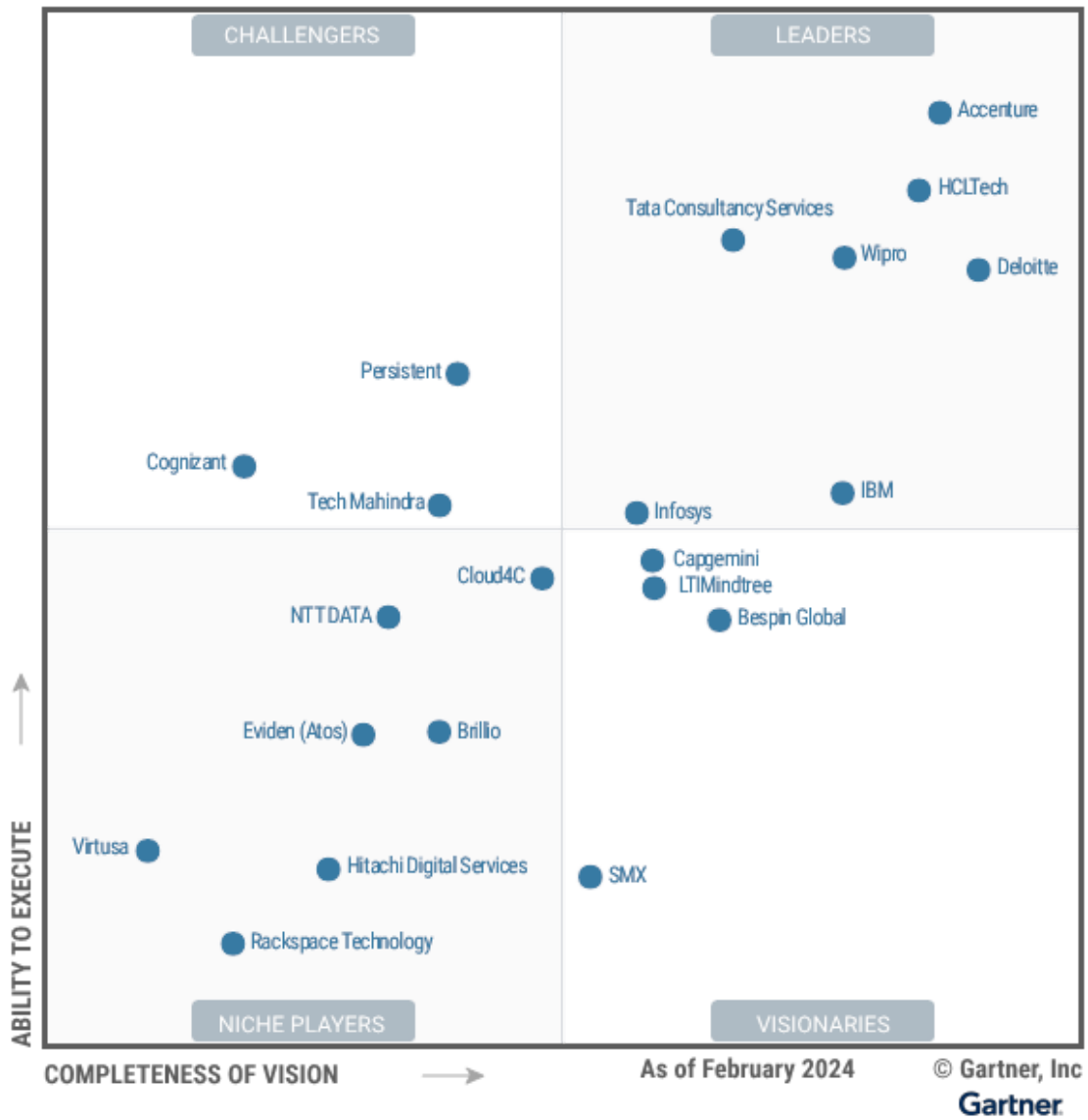
- Cloud-native solution architecture design
- Cloud-native application development (write the code for the customer)
- Commercial off-the-shelf (COTS) and SaaS application consultation and implementation
- Discovery and migration with transformation as part of the migration
- DevSecFinOps automation
- Data and analytics capabilities

## Managed Services:

- Application operations (for SaaS, COTS and custom apps)
- Technical support (service desk and issue resolution)
- Provisioning and deployment (managed continuous integration/continuous delivery [CI/CD])
- Monitoring
- Configuration management
- Security services

## Magic Quadrant

Figure 1: Magic Quadrant for Public Cloud IT Transformation Services



## Vendor Strengths and Cautions

### Accenture

Accenture is a Leader in this Magic Quadrant. Accenture's 2023 fiscal year total revenue was \$64.1 billion. Its 2023 calendar year percentage of total revenue growth was 26% and its total PCITS revenue was approximately \$23.04 billion. A majority of its managed service customers use Microsoft Azure (46%) followed by Amazon Web Services AWS (21%), Oracle Cloud Infrastructure (OCI) (20%) and

Google Cloud Platform (GCP) (13%). Accenture's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 154,866 and it completed 4,200 PCITS projects. Accenture's clients are mainly in North America (NA) and Europe, followed by APAC, Oceania, South and Central America, Africa and the Middle East, with its strongest growth in the Middle East. Its primary verticals include financial services/insurance, media and government (federal, state or local).

### Strengths

- **Strategic vision:** Accenture's strategic vision for the future of cloud is well-defined and more comprehensive than most of the participants. It sees a reality where virtual assistants are a constant presence, as are self-sovereign identity (SSI) and automated illuminated office meeting room paths. It is investing in these key initiatives to help clients achieve this reality. Accenture may be a good fit for clients looking for long-term strategic business and operational outcomes.
- **Generative AI (GenAI) investments:** Accenture understands that GenAI is undergoing rapid evolution that will in itself innovate the cloud. Accenture has invested in increasing its knowledge of the distinct differences between automation tools and platforms. It has proven assets and methodologies for AI and GenAI, which are still in the build phase, not the run phase.
- **Strong multicloud capability:** Accenture has a significantly sized, exclusively dedicated business group for each of the three major public cloud providers (AWS, Azure and GCP). This gives it considerable proximity to the cloud service providers' senior leadership and early insight into their plans. It also offers clients flexibility in cloud choices and enables Accenture to offer a fit-for-purpose solution.

### Cautions

- **Premium price for services:** Accenture customers frequently cite its pricing as higher than expected. Customer feedback also consistently mentions change requests being more frequent than anticipated. These claims are backed by its continued use of a time and materials (T&M) pricing model for a majority of its clients. Once Accenture replaces T&M with more creative pricing models, such as self-funding and outcome-based, clients can expect the frequency of change orders to decrease.
- **Inconsistency of execution:** A continued caution is the 40+ cloud-first-related acquisitions Accenture has made (six in the last year alone). This rapid growth may lead to portfolio rationalization in the future. Clients should ensure they push for deliverables-based or outcome-based engagements, and ensure migrations and continuous improvement expectations match the proposal.
- **Long-term services:** Accenture's vision for transformation is comprehensive and better suited to a long-term client relationship context. Customers looking for more circumscribed professional or managed services may find Accenture unsuitable for, or not interested in, such engagements.

## **Bespin Global**

Bespin Global is a Visionary in this Magic Quadrant. Bespin Global's 2023 fiscal year total revenue was \$390 million. Its 2023 calendar year percentage of total revenue growth was 33% and its total PCITS revenue was approximately \$390 million. A majority of its managed service customers use AWS (47%), followed by GCP (28%), Microsoft Azure (23%) and OCI (2%). Bespin Global's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 1,522 and it completed 150 PCITS projects. Bespin Global's clients are mainly in APAC, specifically South Korea, followed by the Middle East and North America. Its strongest growth was in NA. Its primary verticals include general manufacturing, financial services/insurance and retail.

## **Strengths**

- **Automation core to strategy:** Bespin Global's vision for becoming the most automated cloud managed service provider (MSP) in the world is on track with its products. It offers an integrated conversational AI platform and a platform with chatbot-based infrastructure that automates infrastructure failure response. Bespin Global offers AI and plug-and-play options for clients that want quick migration at a nominal cost. These provide interesting options for midsize organizations, which currently make up 25% of its clientele.

- **Extensive year-over-year growth:** Bespín Global had 33% revenue and customer growth in 2023, particularly in South Korea and the Middle East. It is increasing its partner ecosystem to support client needs. It has also realigned its sales force to support verticals, particularly for financial services and manufacturing clients.
- **Balanced multicloud capabilities:** Bespín Global's multicloud capabilities are evenly mixed among the global top three hyperscalers (AWS, GCP and Microsoft Azure). This is an excellent consideration for clients looking for multicloud expertise and immediate cost savings through an aggressive use of automation, from assessment through to managed support services.

## **Cautions**

- **Cost reduction focus:** While Bespín Global is focused on growth and expansion, particularly within APAC and the Middle East, its focus on identifying business issues and developing technology solutions to address those needs is average. Bespín Global has business outcomes that are mostly related to cost reductions and agile migrations, and is focused on automated lift-and-shift migrations.
- **Resource constrained:** Bespín Global's rapid growth created the immediate internal need for agile automation, and it may be a main driver for its current success. However, agile automation is not a business strategy. Clients considering Bespín Global must thoroughly review its support services model and understand how it resources both human and automation resolutions.
- **Trails in built-in AI:** Although Bespín Global is developing large language model (LLM) features to deliver GenAI capabilities to customers, its percentage of built-in AI for current clients is on the lower end compared to peers.

## **Brillio**

Brillio is a Niche Player in this Magic Quadrant. Brillio's 2023 fiscal year total revenue was about \$500 million. Its 2023 calendar year percentage of total revenue growth was 15% and its total PCITS revenue was approximately \$280 million. A majority of its managed service customers use AWS (45%) and Microsoft Azure (40%) followed by GCP (12%) and OCI (3%). Brillio's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 911 and it completed 45 PCITS projects. Brillio's clients are mainly in NA, distantly followed by Europe and APAC, with its strongest growth in NA. Its primary verticals include financial services/insurance, retail and healthcare.

## **Strengths**

- **Investing in automation:** Brillio's strategic vision includes the utilization of virtual agents and AI-assisted solutions for ongoing support, optimization, and postmigration services. These solutions are consistent with other participants in this research and demonstrate an automation focus and technical prowess.
- **Solid technical capabilities:** Brillio's technical depth and breadth tends to lend itself to clients looking for high-quality engineered and tailored approaches that lead to specific IT outcomes such as manual intervention elimination. Brillio is a well-considered option for SAP clients looking to migrate complex environments to AWS or Azure.
- **VMware strategy:** Soon after the acquisition of VMware by Broadcom in 2023, Brillio began addressing client concerns about price increases and continued operations. It amassed case studies to minimize disruptions and costs ahead of many competitors. Clients state that these case studies have assisted with virtualization options and are a good fit for those open to cloud-native solutions.

## **Cautions**

- **Operational versus strategic:** While Brillio has demonstrated success with outcomes such as reducing IT operational efficiencies, infrastructure footprint reduction, and cost savings on total cost of ownership (TCO) for its clients, it does not lead with transformational business outcomes. These outcomes are simply a result of its technical capabilities.
- **No midsize enterprise (MSE) focus:** With less than 7% of its revenue coming directly from MSEs, Brillio's focus is on large global companies and may not be a good fit for smaller clients. However, MSE customers looking for specialized, tailored cloud technical skills – such as script automation or rapid assessment – may want to consider its services.
- **Lack of innovation:** Another fallout of Brillio's strong focus on phased migration and investments in technical capabilities is its lack of innovation. Its self-aware market perception challenge is that it prefers using a phased approach to migration, which limits it to clients seeking transformation over modernization.



## Capgemini

Capgemini is a Visionary Player in this Magic Quadrant. Capgemini's 2023 fiscal year total revenue was approximately \$24 billion. Its 2023 calendar year percentage of total revenue growth was 16% and its total PCITS revenue was approximately \$11.83 billion. A majority of its managed service customers use Microsoft Azure followed by AWS, with additional support for OCI and GCP. Capgemini's clients are mainly in Europe and NA, followed by APAC, Oceania and South and Central America. Its strongest growth market is in Europe. Its top three verticals include financial services/insurance, government (federal, state or local) and retail.

### Strengths

- **GenAI investment:** Capgemini is investing heavily in GenAI, which is at the center of its vision for the future. Its €2 billion investment seeks to double its capabilities, data and AI headcount in three years. Capgemini may be a good fit for customers seeking faster adoption of custom GenAI capabilities.
- **Client roadmaps:** Capgemini has identified four different client classifications of entry for cloud transformation that it uses as a roadmap for clients to achieve their goals. It starts with modernizing and optimizing, moves through transformation, and ends as a pioneer. Individual clients journeys are customized using templates based on their desired outcomes.
- **Accelerated training:** Capgemini uses a "virtual campus" model to create immersive training environments based on individual roles and personas. The cloud, data and AI, and newly created GenAI campuses help accelerate onboarding and training of new associates and partners, which can result in better and faster outcomes for customers.

### Cautions

- **Fragmented delivery and focus on large clients:** Capgemini touts a centralized approach, but some clients have experienced delivery variance between business units, countries and teams. The experience of clients can vary depending on which unit they engage with. Its primary focus is on large enterprises but works selectively with midsize organizations.

- **Press for business outcomes:** Capgemini states that about half of its PCITS engagements have contracted business outcomes, which is about average for the participants in this research. It has documented business value delivered in cost savings, process and operational improvement as well as client loyalty, growth and improved experience. Clients will need to ensure that they press Capgemini to document and achieve its expected business value commitments.
- **Need for contract flexibility:** Capgemini's customers cite the need for more flexibility of Capgemini contracts. Specifically, the statements of work need revision in a dynamic cloud environment as projects progress, incurring a large number of change requests.

## Cloud4C

Cloud4C is a Niche Player in this Magic Quadrant. A majority of its managed service customers use Microsoft Azure followed by AWS, with lesser amounts for OCI and GCP. Cloud4C's combined total of AWS, GCP and Microsoft Azure cloud certified individuals was 1,401. Cloud4C's clients are mainly in APAC and the Middle East, followed by Europe, NA, Oceania, South and Central America and Africa, with its strongest growth in Oceania. Its primary verticals include financial services/insurance, general manufacturing and government (federal, state or local).

## Strengths

- **Deep technology capabilities:** For a company of its size, Cloud4C possesses unusually deep and broad technical expertise within its areas of focus. It makes good use of automation and AI across the transformation and multicloud delivery phases. Cloud4C purposefully chooses to complement automation with customized solution components to unlock solution value that is unique to each customer's specific situation.
- **Versatility:** Cloud4C's shared delivery centers, significant technical skills, market focus and flexible commercial models – combined with the ability to build complete solutions – make it well-suited as a cloud transformation and managed services partner for midmarket or large enterprises looking for deep technical expertise.
- **Security services:** Cloud4C continues to place significant emphasis on its cybersecurity credentials and capabilities, and is making continued investment in strengthening its portfolio of offerings in this space. This goes beyond simply implementing the existing cloud service provider (CSP) security solutions, enabling Cloud4C to build innovative technical solutions across both cloud and on-premises environments.

## **Cautions**

- **Lacks consulting and marketing skills:** Cloud4C has focused on building a strong technical capability upon which it relies heavily for establishing a value proposition. The company generally lacks the business consulting and marketing capabilities it would need to engage as a transformational partner for long-term business outcomes.
- **North American/European scale:** While Cloud4C has a significant presence and investment (as well as growth) in APAC and the Middle East, it generally (with a few exceptions) lacks similar scale and a strong customer base in NA and Europe. Global clients with locations outside of these areas may need to look to other providers for this coverage.
- **Limited services portfolio:** Although Cloud4C has deep technical expertise in the cloud transformation space, it lacks the wider services portfolio for clients looking for a service provider that can support both their legacy and wider services environment in combination with their cloud-focused requirements. Cloud4C may not be a good fit for midmarket clients looking for a “does it all” provider.

## **Cognizant**

Cognizant is a Challenger in this Magic Quadrant. Cognizant’s 2023 fiscal year total revenue was \$19.4 billion. Its 2023 calendar year percentage of total revenue growth was 11%, on par with average growth percentages in this Magic Quadrant, and its total PCITS revenue was approximately \$4.25 billion. A majority of its managed service customers use Microsoft Azure (41%) and AWS (38%), followed by GCP (17%) and OCI (4%). Cognizant’s combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 52,065 and it completed 100 PCITS projects. Cognizant’s clients are mainly in NA and Europe, followed by a small percentage in APAC and Oceania, with its strongest growth in NA. Its primary verticals include financial services/insurance, general manufacturing and retail.

## **Strengths**

- **Industry-grounded transformation:** Cognizant is dedicated to driving more transformational outcomes and aiding clients in launching new digital offerings with a vertical-industry-tailored perspective. The company is deeply invested in automation and AI-powered cloud platforms, boasting 400 GenAI use cases that cater to specific industry needs.

- **Agile delivery model:** Cognizant's core delivery model revolves around teams of seven to 12 people (pods), delivering agile life cycle projects with modern engineering practices. These self-managing teams are accountable for productivity and maturity, promising consistent client processes and ensuring financial and operational accountability for the effort.
- **Innovative contracting:** Cognizant offers a rich set of commercial contracting vehicles. Cognizant also reports to have contracts that are driven by outcome-based revenue constructs. This emphasizes capacity pricing, internal management of staffing and continuity.

## **Cautions**

- **Lags on business outcomes:** Cognizant has been slow to lean heavily into cloud IT services as a business outcome endeavor, having only recently shed its emphasis on traditional rehosting migrations. Customers may find this provider lacks the depth of experience of some of its counterparts in delivering true business value instead of IT outcomes.
- **Not a good fit for MSEs:** Cognizant is focused on large enterprises, suggesting that midsize clients exercise caution. The company's focus on larger clients is not a fit for the unique needs, challenges and tighter budgets faced by these smaller businesses.
- **Geographic constraints:** Clients requiring delivery of services beyond NA and Europe should proceed with caution. Its primary focus is on North American clients, followed by Europe, while the rest of the world sees limited engagement, indicating a more region-centric approach to service delivery. This two-region focus requires global enterprises to carefully assess how Cognizant will provide their needed support.

## **Deloitte**

Deloitte is a Leader in this Magic Quadrant. Deloitte's 2023 fiscal year total revenue was \$64.9 billion. A majority of its managed service customers use AWS (37%) and Microsoft Azure (30%), followed by OCI (20%) and GCP (13%), highlighting its multiplatform experience. Gartner estimates that Deloitte has a total of 53,000 cloud-certified individuals across all major hyperscale cloud providers. Deloitte's clients are mainly in NA, Europe and APAC, followed by a small percentage in South and Central America, Oceania, Africa and the Middle East, with its strongest growth in NA. Its primary verticals include government (federal, state or local), financial services/insurance and healthcare.

## **Strengths**

- **Business outcomes:** Unlike most of its competitors, Deloitte is often willing to tie contractual terms to business outcomes. These outcomes are articulated as true business outcomes, and are not technical outcomes thinly disguised as business outcomes. It uses its consulting, technical and domain knowledge to offer end-to-end solutions that help clients achieve business outcomes.
- **Consistent execution:** Deloitte has excellent repeatable methodologies for delivering most of the common digital business and technical outcomes sought by prospective PCITS customers. Its solid technical delivery capabilities are manifested in employee skills, processes and tools throughout a range of engagement types.
- **Long-term relationships:** Deloitte pursues long-term evergreen engagements with its customers. It maintains a steady revenue stream by delivering incremental value over time, and is therefore less focused on upfront payment for its services. It has made notable investments in sought-after capabilities such as data science, machine learning and GenAI.

## **Cautions**

- **Premium pricing:** Based on Gartner observation and client feedback, relative to its competitors, Deloitte often charges more for ostensibly similar proposed outcomes. Although Deloitte has MSE-targeted offerings, its price points may not be in line with the budgets of some MSE organizations.
- **Focus on cloud-native digital transformation:** Deloitte's proposals and preferred execution approaches tilt toward cloud-native, digital-native, agile and transformative work. Deloitte is likely to drive customers toward more modern approaches to enable business outcomes, even when the customer is reluctant to modernize.
- **Limited infrastructure services:** Deloitte is a multidisciplinary professional services firm that specializes in business transformation using cloud-based technologies. It may not possess the infrastructure services breadth and depth of traditional global systems integrators. Customers looking for add-on services, like remote infrastructure management and on-premises infrastructure deployment, should be aware that Deloitte relies on partners for these services.

## Eviden (Atos)

Eviden is a Niche Player in this Magic Quadrant. Eviden is an Atos Group company focusing on data, digital, cloud and security business lines. Eviden reports an annual revenue of over €5 billion. Its 2023 calendar year percentage of total revenue growth was 4%. A majority of its managed service customers use AWS (36%) and GCP (35%) followed by Microsoft Azure (28%) and OCI (1%). Eviden's combined total of AWS, Google Cloud and Microsoft Azure cloud-certified individuals was 13,595, and it completed 133 PCITS projects. Eviden's clients are mainly in NA and Europe, with a small percentage in South and Central America, Oceania, Africa, APAC and the Middle East. Its strongest growth was in Europe. Its primary verticals include financial services/insurance, general manufacturing and retail.

## Strengths

- **Foundation for cloud services:** Eviden represents Atos' cloud, digital and data initiatives and security arm. In 2024, it signed fresh partnerships with cloud providers, and standardized its toolset on the Cloudfuze and Eviden platforms. Eviden has created prebuilt technologies that it matches to customer business goals to accelerate transformation. These focus on cost reduction, revenue growth or risk reduction. Eviden claims more than 50,000 employees divided across 45 countries, and a global client base.
- **Credentialed:** Of the three main hyperscalers (AWS, GCP and Microsoft Azure) mentioned in this Magic Quadrant, Eviden has made significant investments in each one's partner programs (including certifications, program initiatives and competencies). This is due in part to the acquisition of cloud-related companies over the last five years. The acquisitions of smaller local and regional boutique MSPs is one factor that has enabled it to actively build and pursue contracts with midsize enterprises (about 30% of its deals).
- **EU sovereignty:** Eviden is headquartered in France, and EU entities may see its European sovereignty as a selling point in its favor. Eviden is a launch partner for the AWS European Sovereign Cloud. This provides it with a short-term advantage for Central European clients.

## Cautions

- **Financial challenges:** Atos, Eviden's parent company, is carrying nearly €4 billion in loans and bonds that must be repaid or refinanced by the end of 2025. It is currently attempting to restructure its debt service. Gartner clients sometimes cite concerns about Atos' solvency and long-term future as well as its employee turnover.

- **Organizational challenges:** Eviden is a collection of acquisitions. Based on client feedback, it appears that some of the individual acquisitions still have their own priorities. Although it has consolidated its AWS partnerships, Gartner has observed that Eviden's Microsoft Azure and GCP partnerships still do not operate seamlessly to clients.
- **Inconsistent delivery quality:** Some clients have reported that Eviden's delivery practices are misaligned with its desire for agility (indicating that Eviden's agile transformation is still incomplete or evolving) and that it can feel overly rigid. Prospects should look for client references that offer support of the flexibility being promised.

## **HCLTech**

HCLTech is a Leader in this Magic Quadrant. HCLTech's 2023 fiscal year total revenue was \$13.3 billion. Its 2023 calendar year percentage of total revenue growth was 6%. A majority of its managed service customers use Microsoft Azure (63%) followed by AWS (20%), GCP (13%) and OCI (4%). HCLTech's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 73,960 and it completed 4,230 PCITS projects. HCLTech's clients are mainly in NA, Europe and Oceania, followed by a small percentage in APAC, South and Central America, Africa and the Middle East, with its strongest growth in NA. Its primary verticals include general manufacturing, financial services/insurance and life sciences/biotech/pharmaceutical.

## **Strengths**

- **Accelerated transformation:** HCLTech has developed a wide array of industry cloud solutions with composable components that can be used to tailor client solutions quickly. It has identified several pattern-driven themes that facilitate cloud journeys, enabling it to help clients accelerate time to value. It is making many of its industry solutions available in cloud marketplaces for easy consumption, and is working with over 200 clients to accelerate their GenAI journeys.
- **Flexible approach:** HCLTech takes a flexible catalog approach that is driven by a plug-and-play, pay-as-you-go operations model. It embeds sustainability into its design to make the products and solutions more relevant. This encompasses cloud-native, collaborative, software and sustainability-driven approaches.

- **Software proficiency drives understanding:** HCLTech has a substantial software division and is equally well known as an ISV in many markets. Customers will find this company's software proficiency gives it a deeper understanding of the roles played by code architecture and implementation in achieving successful outcomes in the cloud.

## **Cautions**

- **Complex solution base:** HCLTech has a wide range of choices and portfolios, and at times clients find it difficult to identify the right product for them. Clients must ensure that they engage with HCLTech to understand the options and help identify the right solution and delivery team.
- **Push for innovation:** While HCLTech has demonstrated reasonable automation capabilities, a few clients have expressed a lack of innovation as a concern since HCLTech uses labor-based arbitrage instead of automation in some cases. Existing clients must ensure that they receive the most up-to-date offerings, automation and encourage HCLTech to bring innovation.
- **Large deal focus:** Gartner estimates that HCLTech MSE clients represent a low percentage of its contract volumes, as it tends to pursue larger deals. It may not be a good fit for MSE clients, except for industry-specific solutions or those seeking composability.

## **Hitachi Digital Services**

Hitachi Digital Services (HDS) is a Niche provider in this Magic Quadrant. HDS is a wholly owned subsidiary of Hitachi. Its 2023 calendar year percentage of total revenue growth was -2% (mainly due to the sale of a business unit, which normalized would equate to growth of about 10%) and its total PCITS revenue was approximately \$251.13 million. A majority of its managed service customers use AWS (39%) and Microsoft Azure (38%) followed by OCI (13%) and GCP (9%). HDS's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 1,219, and it completed 15 PCITS projects. HDS clients are mainly in NA, followed by Europe and APAC, with its strongest growth in NA. Its primary verticals include general manufacturing, media and financial services/insurance.

## **Strengths**

- **Product-oriented approach:** HDS uses a comprehensive unified model that combines software engineering and managed services. Customers can benefit from the product-oriented approach with contextual continuity across all phases of cloud services.



- **Software engineering focus:** HDS has a dedicated focus on software engineering capabilities that drives cloud engagements and emphasizes resiliency, security, and optimization of applications that run on cloud. This benefits clients seeking customized solutions that enable scalability and continuous improvement within the cloud.
- **Innovative solutions:** HDS concentrates on constructing a flexible cloud infrastructure, and cultivating expertise across various specializations through automation and AI to empower clients. HDS combines its strong industry expertise with cloud to drive complex solutions across its vertical scope.

## **Cautions**

- **Lack of focus on business value:** HDS is technology led and does not appear to have significant consultative capabilities that are focused on identifying the kind of business issues that drive additional value from migrating to the cloud. Despite measuring business outcomes, its priority remains on the more traditional aspects of IT that center around cost reduction, implementation and program management.
- **Organizational complexity:** HDS has a complex relationship with its sister company Global Logic (experience design and digital engineering). Although HDS claims that the two operate as “One Hitachi,” potential clients should exercise their due diligence of these services and ensure they meet the expected delivery and value.
- **Emerging business outcome capabilities:** HDS’ strategy follows a metrics-driven approach to ensure success. It lacks the maturity to deliver business outcomes as the current capabilities are geared toward delivering IT results. Clients who expect business-outcome-centric capabilities should explore HDS with caution.

## **IBM**

IBM is a Leader in this Magic Quadrant. IBM’s 2023 fiscal year total revenue was \$61.680 billion. A majority of its managed service customers use AWS (48%) and Microsoft Azure (43%) followed by OCI (5%) and GCP (4%). IBM’s combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 56,066 and it completed 285 PCITS projects. IBM’s clients are mainly in NA, Europe and APAC, followed by a small percentage in Oceania, South and Central America, Africa and the Middle East, with its strongest growth in NA. Its primary verticals include financial services/insurance, government (federal, state or local) and retail.

## **Strengths**

- **Consulting-led approach:** IBM adopts a consulting-led approach with a client-centric, business-value-driven ethos based on co-design, co-creation and cooperation through its methodologies. This results in more flexible business-outcome-based service levels and allows it to deliver value-focused commercial models.
- **Building strong automation and AI:** IBM takes a portfolio-led approach that is focused on building out the assets and assistants that enable its structured tooling platform. This is based on cloud-native tooling combined with a platform services control plane for integration. IBM's flagship data and AI platform provides it with an early-adopter advantage as it has incorporated AI into its own cloud delivery capabilities.
- **Global enterprise coverage:** IBM has the widest geographical coverage globally of any provider in this Magic Quadrant, including a heavy presence in Latin America. IBM's enterprise focus also means it has strong capabilities in the migration, modernization and support of key enterprise applications.

## **Cautions**

- **Still to realize the full benefits of its investments:** IBM has made significant progress from recent restructuring and targeted investment in its underlying capabilities. However, IBM's longer migration timelines and developing levels of migration automations seem to indicate that it has not yet realized the full benefits across all of its clients.
- **Slow integration of acquisitions:** IBM has been active in acquisitions, about 30 in the last four years. Many of the merged companies continue to function as not just independent brands, but independent organizations. While a degree of autonomy can help to preserve the value of an acquisition, it can also negate some of the rationale for the deal. IBM customers may feel like they are dealing with multiple providers instead of one.
- **Slow scaling of automation vision:** IBM's "automation everywhere" focus was designed to realize an automation vision with structured delivery automation platforms and patterns. Up to this point, IBM seems to have been more focused on transformation and modernization, and less on managed services. Its levels of automation and usage within its client base is generally below average compared to others in this research.

## Infosys

Infosys is a Leader in this Magic Quadrant. Infosys' 2023 fiscal year total revenue was \$18.6 billion. Its 2023 calendar year percentage of total revenue growth was 3.42% and its total PCITS revenue was approximately \$9.12 billion. A majority of its managed service customers use Microsoft Azure, followed by AWS, with some support of OCI and GCP. Infosys' combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 51,982. Infosys completed about 7,000 PCITS projects in 2023. Its clients are mainly in NA and Europe, followed by Oceania and APAC, with its strongest growth in NA. Its primary verticals include financial services/insurance, general manufacturing and retail.

## Strengths

- **Nondisruptive innovation:** Infosys categorizes its offerings into two main levels: Infosys Cobalt is the established brand for a comprehensive range of cloud services, solutions and platforms aimed at IT transformation. Infosys Topaz, introduced in 2023, extends the Cobalt offering with GenAI capabilities, and an emphasis on business outcomes. This independent organizational structure allows Infosys to innovate Topaz with GenAI swiftly while maintaining the integrity of Cobalt's core services.
- **Diverse clientele:** Infosys serves a diverse clientele, including traditional, agile, and digital-native models, steering customers toward more digital-native frameworks through "digital factories" and collaboration with business stakeholders. Infosys has core competencies across many industries.
- **Automation as a differentiator:** Infosys segments automation into three categories: operations, intelligent automation (IA), and GenAI, with robust automation rates of 80% for RPA, 40% to 75% for AI-driven infrastructure, and 5% for GenAI. These percentages showcase a clear commitment to automation, IA, and AI, significantly enhancing delivery efficiency.

## Cautions

- **Infrastructure-led with a technical focus:** Infosys maintains a strong emphasis on infrastructure-led transformation, with most of its growth stemming from existing clients, but at a pace that's modest relative to its peers. While the company has restructured its portfolio to better align with business outcomes, it is predominantly positioned as a solver of technological challenges.

- **Industry breadth, not depth:** Infosys emphasizes its ability to serve all industries, and treats “industry cloud” as if it were a product/service itself, rather than calling out instances of industry cloud solutions in specific industries. Customers can likely find deeper understanding of their industry from other providers that focus on just a few industries – including theirs – in depth.
- **Large-deal mindset:** Infosys appears to depend heavily on large deals and renewals, with a \$10 billion total contract value (TCV) yielding just 3.4% overall revenue growth and average PCITS growth, indicating a renewal-centric strategy. Despite a fair amount of revenue from MSEs, the company prioritizes bigger contracts, which may not suit MSEs, or large enterprises looking for long-term contractual flexibility.

## **LTIMindtree**

LTIMindtree is a Visionary in this Magic Quadrant. LTIMindtree’s 2023 fiscal year total revenue was about \$4.2 billion. Its 2023 calendar year percentage of total revenue growth was 28% and its total PCITS revenue was approximately \$1.46 billion. A majority of its managed service customers use Microsoft Azure (46%), followed by AWS (34%), GCP (17%) and OCI (3%). LTIMindtree’s combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 16,500 and it completed 570 PCITS projects. LTIMindtree’s clients are mainly in NA followed by Europe, APAC, and the Middle East, with its strongest growth in NA. Its primary verticals include financial services/insurance, general manufacturing and “other.”

## **Strengths**

- **Automation-led approach:** LTIMindtree takes an automation-led approach to its service delivery as it continues to invest in automation-first and platform-driven cloud solutions. It stands behind this approach with SLAs that include operational staff savings, cycle time reduction, productivity improvements and reduced time to market.
- **End-to-end product portfolio:** LTIMindtree showcases four platforms and tools it has created to drive cloud adoption and value for its clients: Infinity (modernization, migration and automation), Canvas (AIOps), CloudXperienz (hybrid and multicloud management), and Fosfor (data management). The simplicity of this portfolio makes LTIMindtree’s offerings easier for potential clients to understand and evaluate.

- **Focused on business value:** LTIMindtree's approach as a technology consulting firm with engineering expertise aligns well with customer expectations for business-outcome-led engagements where technology details are of secondary importance. This approach enables LTIMindtree to deliver rapid solutions at scale and to transform customer operations throughout the process.

## **Cautions**

- **Limited MSE focus:** LTIMindtree continues to focus primarily on large-sized enterprise agreements, reporting only 15% of its PCITS revenue derived from MSE clients. Potential MSE and smaller-size clients should apply extra diligence in assessing LTIMindtree's capabilities and commitment to serve their business needs.
- **GenAI strategy:** LTIMindtree places GenAI at the core of its strategy, stating that 7,500 employees are trained in GenAI and 100% of its solution accelerators are infused with GenAI. However, GenAI technology is still in its infancy, so potential clients should request details of this provider's capabilities to ensure that its claims represent practical solutions.
- **General vertical alignment:** LTIMindtree identifies nine verticals and industries for which it has developed blueprints and value frameworks. This approach can be successful for general use cases, but potential customers may find that other providers that have more of a focus on their specific industry can prove more valuable.

## **NTT DATA**

NTT DATA is a Niche Player in this Magic Quadrant. NTT DATA's 2023 fiscal year total revenue was \$22 billion. NTT DATA's total PCITS revenue grew about 26% last year. A majority of its managed service customers use Microsoft Azure (43%) and AWS (42%), followed by GCP (13%) and OCI (2%). NTT DATA's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 26,225 and it completed 603 PCITS projects. NTT DATA has a global client base with a concentration in Japan, followed by North America, Europe, South and Central America, Oceania, Africa and the Middle East. Its primary verticals include general manufacturing, government (federal, state or local) and financial services/insurance.

## **Strengths**

- **Business objectives:** NTT DATA has a solid history as a large global GSI, and has built out cloud IT services through a balanced strategy of organic development and acquisition. Customers value the overall experience and global presence this company brings to market.
- **Innovative phased approach:** NTT DATA follows the standard pattern of “design, build, operate,” but with a nuanced interpretation of each phase: “aim, engage, grow.” Its innovative take on the traditional phase definitions is closely aligned with modern delivery trends focused on delivering business value and outcomes to clients.
- **Customer centricity:** NTT DATA is a client-centric organization. It seeks relationships and outcomes with its customers and innovation through technology offerings to create solutions built for purpose and longevity.

## **Cautions**

- **Business unit consolidation:** NTT DATA is undergoing significant consolidation of business units that started in the past year. Massive disruptions such as these take time to settle and find equilibrium. Clients must understand NTT DATA’s vision and ask if the services they are contracted for meet their expected value.
- **Push for innovation:** While NTT DATA has improved its consultative approach to engagements, a few clients still express the need for NTT DATA to drive innovation and deliver thought leadership in their contracts. Clients seeking enhancements to innovation must continue to press for engagements with contracted business outcomes.
- **Overlapping service offerings:** NTT DATA is a company with both traditional and cloud-based IT services, spanning many cloud-adjacent domains. Although this breadth can be an advantage when seeking end-to-end solutions, it can also lead to a lack of focus on building industry-leading services in a particular domain.

## Persistent

Persistent is a Challenger in this Magic Quadrant. Persistent's 2023 fiscal year total revenue was \$1,035.98 million. Its 2023 calendar year percentage of total revenue growth was 44% and its total PCITS revenue was approximately \$712 million. A majority of its managed service customers use AWS (38%) and GCP (37%), followed by Microsoft Azure (22%) and OCI (2%). Persistent's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 7,538 and it completed 165 PCITS projects. Persistent's clients are mainly in NA, followed by APAC, Europe and a small percentage in Oceania. Its strongest growth was in NA. Its primary verticals include "other," financial services/insurance and healthcare.

## Strengths

- **Practitioner engagement:** Persistent is focused on driving client business value by joining its technical and domain experts together with clients to identify the expected value of an engagement. Its practitioners stay engaged through delivery to ensure that the objectives are met. It also leverages a wide ecosystem of providers to stay abreast of innovations in the market. It seeks continuous collaboration with clients and conducted 30 client roundtables last year.
- **Focus on efficiency:** Persistent is focused on increasing speed and efficiency for clients with the use of AI and automation-based IP, tools and accelerators. Well over half of Persistent's customers are MSEs. Its use of IP, factory models and automation allows clients to speed their time to value.
- **Engineering heritage:** Persistent has a digital engineering heritage enabling it to perform complex transformations such as smart operations, SecOps with built-in industry templates and more. It is heavily invested in retaining clients and ensuring long-term relationships.

## Cautions

- **Low levels of contracted business value:** Persistent has a relatively low level of contracted business outcomes that would help ensure clients receive the desired business value. Also, its level of rehost/revise work is higher than participant average, which is less indicative of client partnership and more task-oriented. It recently brought a consulting organization under its cloud group, which could begin to address some of its shortcomings in this area.

- **Transformation lags:** For a company of its smaller size, Persistent has a relatively large portfolio of packaged IP, with a broad and potentially confusing set of names and capabilities. Customers may have difficulty navigating these offerings to determine the value of each component in delivering a relevant solution.
- **Focus on North America:** While Persistent does meet the inclusion criteria for global coverage, it is still primarily focused on organizations in NA. Clients outside of this region must investigate whether Persistent's geographic coverage is applicable to their needs.

## **Rackspace Technology**

Rackspace Technology is a Niche Player in this Magic Quadrant. Rackspace Technology's 2023 fiscal year total revenue was \$2.96 billion. Its 2023 calendar year percentage of total revenue growth was -5.3% and its total PCITS revenue was approximately \$523 million. Excluding the O365 business, the majority of its managed service customers use AWS with a minimal number of GCP clients. Rackspace Technology's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 3,896 and it completed a relatively low number of PCITS projects. Rackspace Technology's clients are mainly in NA, followed by Europe and a small percentage in Oceania, APAC and South and Central America. Its strongest growth was in Europe. Its primary verticals include government (federal, state or local), healthcare and financial services/insurance.

## **Strengths**

- **Technology-centered approach:** Rackspace Technology takes a technology-focused approach to cloud transformation. Its core pillars for public cloud strategy seek to span a client's IT needs while providing industry-focused solutions that leverage partners and alliances to help drive innovation.
- **Hybrid/multicloud focus:** Rackspace Technology has taken significant steps to position itself as a hybrid, multicloud, and AI solutions provider. It recently launched Rackspace Managed Cloud, which is targeted at enterprise clients with a need for managed services for the full stack of applications.
- **Continuous service improvement:** Rackspace Technology has a focus on bringing improvements to its existing client base. This is evidenced by its willingness to provide technical consulting and analysis to existing clients at no charge. Rackspace Technology engages engineering resources to implement its recommendations while being compensated by sharing in the delivered savings.

## **Cautions**



- **Limited consultative sales capabilities:** Rackspace Technology lacks the level of consultative expertise, contracting for business outcomes, focused consultative sales resources and the cloud-native software engineering capabilities that are key in the PCITS space. Also, Rackspace Technology often struggles to provide demonstrable evidence and client references to support its capability claims.
- **Lower levels of automation:** Rackspace Technology is below other participants' average in the level of automation it is using for migrations and operations. GenAI is prominent in most cloud IT service provider strategies. Although Rackspace features GenAI through its global incubator, it seems less defined and less mature than typical offerings from its peers.
- **Challenged by change in strategy and reorganization:** Rackspace Technology still seems to be grappling with a change in strategy that was intended to strengthen its position as a hybrid, multicloud and AI solutions provider. It is also taking time to properly establish — and make effective — its new operating model, with separate business units focused on public and private cloud offerings. This may also take focus away from driving growth.

## SMX

SMX is a Visionary in this Magic Quadrant. SMX's 2023 fiscal year total revenue was \$1 billion. Its 2023 calendar year percentage of total revenue growth was 11% and its total PCITS revenue was approximately \$676.2 million. A majority of its managed service customers use AWS (51%), followed by Microsoft Azure (29%) OCI (18%) and GCP (2%). SMX's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 350 and it completed 22 PCITS projects. SMX's clients are mainly in NA, followed by South and Central America and Europe with a small percentage in APAC. Its strongest growth was in Europe. Its primary verticals include government (federal, state or local), healthcare and financial services/insurance.

### *Strengths*

- **Regulated industries:** SMX's specialty is regulated verticals, such as the federal government and financial institutions. It understands how to gently nudge risk-averse customers into embracing agile, DevOps and digital transformation. It can interweave modern automated DevSecOps throughout a customer's cloud journey, including delivering innovation, while meeting regulatory compliance mandates.

- **Client loyalty:** SMX's elastic delivery model using pods and squads is a model viewed as innovation in its key verticals. SMX's recompute win rate of 99.6% over the last three years speaks to its customer loyalty, and attests to its reputation as a white-glove service provider. It does not take engagements that it cannot staff, and its relative conservatism leads to consistent delivery.
- **U.S. onshore delivery centers:** While SMX does have one delivery center in India, its other five cloud "factories" are located in the U.S. Not only can it support fully onshore delivery for U.S. customers, but it is able to support classified cloud environments for U.S. military and federal government customers.

## **Cautions**

- **Boutique provider:** SMX's cloud-specific business is relatively small compared to many of its competitors in this Magic Quadrant. It has enough scale to benefit from its automation investments through the transformation and operations services, and to staff a sufficiently deep bench of experts, but lacks the resources to invest speculatively in new business segments and capabilities.
- **Narrower capabilities:** Although SMX has significantly expanded its automation, solution library and platforms over the last two years, it does not offer the breadth of options of many of its larger competitors in professional services or industry expansion, and while SMX performs lift-and-shift migrations, it prefers not to take this approach.
- **Limited application development:** Compared to others in this research, SMX has one of the lowest number of certified cloud developers. While it does engage in application modernization projects, as well as data engineering projects, it performs few pure application development projects.

## **Tata Consultancy Services**

Tata Consultancy Services (TCS) is a Leader in this Magic Quadrant. TCS's 2023 calendar year total revenue was about \$28.9 billion. Its 2023 calendar year percentage of total revenue growth was 5.4% and its total PCITS revenue was approximately \$10.6 billion. A majority of its managed service customers use Microsoft Azure (36%), followed by AWS (23%), OCI (22%) and GCP (18%). TCS's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was greater than 150K and it completed 555 PCITS projects. TCS's clients are mainly in NA and Europe, followed by Oceania and a small percentage in Africa and South and Central America. Its strongest growth was in Europe. Its primary verticals include financial services/insurance, retail and general manufacturing.

## **Strengths**

- **Strong multicloud capability:** TCS has significantly sized, dedicated business units for each major public cloud provider. TCS also has the ability to support legacy on-premises environments making it particularly suited to support complex hybrid digital IT environments. It understands that clients may have different delivery model expectations, and takes an approach that allows it to tailor delivery models based on the business outcomes sought by the client.
- **Comprehensive tooling:** TCS offers a full-spectrum of cloud solution design and management covering automation, monitoring, security, hybrid/multicloud integration, data protection, and foundational application management. It has over 900 prebuilt design patterns and over 400 templates to accelerate time to value for cloud deployments.
- **Cybersecurity competency:** TCS has a well-structured cybersecurity offering and is well-placed to support organizations adopting solutions that proactively identify security threats and improve automation.

## **Cautions**

- **Potential AI oversell:** TCS espouses an “AI-first business architecture” and conflates AI with “Cloud 3.0.” Customers must carefully consider both TCS’s value proposition and its approach to cloud to determine if it is balanced in its use of all technologies, rather than overpromising on the benefits of artificial intelligence.
- **Delivery team turnover:** Customers consistently expressed dislike for some aspects of how TCS manages its delivery teams. Specifically, customers have cited that team membership was always changing, with members coming and going over the course of the project, resulting in a loss of contextual knowledge of the engagement.
- **Innovation delivery is lacking:** Customers also consistently tell us that TCS does not excel at bringing innovative ideas to their engagements. Established customers may not get the latest and best capabilities, and some customers say innovation comes at an additional cost.

## Tech Mahindra

Tech Mahindra is a Challenger in this Magic Quadrant. Tech Mahindra's 2023 fiscal year total revenue was \$6.4 billion. Its 2023 calendar year percentage of total revenue growth was 5% and its total PCITS revenue was approximately \$1.37 billion. A majority of its managed service customers use Microsoft Azure (47%), followed by AWS (39%), GCP (10%) and OCI (4%). Tech Mahindra's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 13,072 and it completed 510 PCITS projects. Tech Mahindra's clients are mainly in NA, followed by APAC and Europe with a small percentage in the Middle East, Oceania, Africa and South and Central America. Its strongest growth was in NA. Its primary verticals include telecommunications, general manufacturing and financial services/insurance.

### Strengths

- **Composable blocks:** Tech Mahindra takes a consulting-led cloud approach that seeks to leverage composable building blocks in its key vertical industries of telecommunications, manufacturing, banking, financial services and insurance (BFSI), and healthcare and life sciences (HLS). This enables it to offer tailored solutions in a timely manner.
- **Client segmentation:** Tech Mahindra has prepackaged cloud offerings that segment clients into four categories based on maturity and level of spend: low-spend/low-maturity, low-spend/high-maturity, high-spend/low-maturity and high-spend/high-maturity customers. Each segment has predefined objectives that range from assessment to data and machine learning/GenAI solutions, accelerating time to value.
- **Rapid proofs of concept (POCs):** Tech Mahindra leads with rapid POCs, proof of values (POVs), and pilots for cloud adoption that are purpose-driven. This, in turn, drives value creation and demonstration with clients. These offerings are a sign of leadership and partnership that we typically see in Magic Quadrant Leaders.

### Cautions

- **Lack of contract outcomes:** While Tech Mahindra has some compelling business outcome examples and improvements for clients, its percentage of deals with contracted business outcomes is below peer average. This may be due to a continued reliance on legacy engagement models as more contemporary models are being built out for its core verticals (telecommunications, BFSI and HLS).

- **Growth strains delivery:** Significant growth, especially at the levels that Tech Mahindra asserts, can often strain delivery capabilities. Clients must understand how much of their solution is being derived from preexisting solutions and what is new. In addition, they must verify the availability of the types of resources that will be needed to deliver for their engagement. Client feedback for services is somewhat limited.
- **Technology focus:** Tech Mahindra's consulting capabilities are still largely technology grounded. Customers may find this provider lacking in its ability to give them guidance on the business or more esoteric technology aspects of creating and deploying solutions in their industry.

## **Virtusa**

Virtusa is a Niche Player in this Magic Quadrant. Virtusa's 2023 fiscal year total revenue was \$1.8 billion. Its 2023 calendar year percentage of total revenue growth was flat and its total PCITS revenue was approximately \$390 million. A majority of its managed service customers use AWS (50%), followed by Microsoft Azure (30%) and GCP (20%). Virtusa's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 4,661 and it completed 65 PCITS projects. Virtusa's clients are mainly in NA, followed by Europe and a small percentage in APAC, the Middle East and Oceania. Its strongest growth was in NA. Its primary verticals include financial services/insurance, healthcare and life sciences/biotech/pharmaceutical.

## **Strengths**

- **Cloud-native expertise:** Virtusa uses a composable architecture philosophy to build flexibility into its solutions with a layered approach that aims to take advantage of cloud-native capabilities. Virtusa does this through alignment with CSP offerings, innovative AI/GenAI usage and industry clouds ensuring clients understand how to best leverage its cloud services effectively.
- **Accelerator-focused investments:** Virtusa's Hive Assets consist of more than 30 accelerators and technology investments aimed at enhancing the cloud transformation journey for its clients. These assets are designed to support and expedite the migration and modernization of applications and infrastructure in the cloud.
- **Engineering-led approach:** Virtusa takes a software-engineering-led approach to defining its clients' business needs, and develops solutions based on those needs. It is focused on developing solutions for its clients that will last over time and change to match the client's needs and market direction.

## **Cautions**

- **Limited business outcomes contracting:** Virtusa has a very low percentage of contractual engagements that are based on business-value outcomes. Although its approach to being “engineering first” can prove valuable at times, customers that are seeking business-outcomes-based contracts that go beyond cost savings and optimization may want to proceed with caution.
- **Limited MSE support:** Despite its relatively small organizational size, Virtusa seeks to contract with large enterprises, limiting its focus and support for the MSE market. MSE clients should carefully consider contract terms and proceed with caution to achieve their expected outcomes.
- **Limited experience:** While Virtusa has the ability to deliver end-to-end services with industry solutions and consulting, it has limited experience in these solution offerings. However, Virtusa hasn't been successful in selling these services to many clients.

## **Wipro**

Wipro is a Leader in this Magic Quadrant. Wipro's 2023 fiscal year total revenue was \$11 billion. Its 2023 calendar year percentage of total revenue growth was 5% and its total PCITS revenue was approximately \$4.34 billion. A majority of its managed service customers use AWS (44%) and Microsoft Azure (40%), followed by GCP (10%) and OCI (7%). Wipro's combined total of AWS, GCP and Microsoft Azure cloud-certified individuals was 55,846 and it completed 1,152 PCITS projects. Wipro's clients are mainly in NA, followed by Europe, Oceania, APAC, and a small percentage in the Middle East, Africa and South and Central America. Its strongest growth was in Europe. Its primary verticals include financial services/insurance, retail and healthcare.

## **Strengths**

- **Capable modernization and transformation practices:** Wipro has robust methodologies, employee skills, processes and tools for both a cloud-optimized approach to modernization and migration of workloads, as well as for digital transformation or new digital application launches. Wipro discourages pure lift-and-shift cloud migrations.

- **Broad capabilities:** Wipro has a comprehensive end-to-end PCITS strategy and offerings that it has built and evolved over the last seven years. Customers find it has leaned in heavily to cloud-native solutions that deliver business value. It offers a broad range of solutions across multiple industry verticals and can target a range of customer archetypes, from those that are reluctant to transform to those that have digital business ambitions.
- **Focus on efficiency:** Wipro has invested in improving delivery quality and speed, and reducing its internal costs through the use of automation and AI, including the use of GenAI to accelerate application refactoring.

## **Cautions**

- **Single-cloud business units:** Wipro's PCITS business is primarily focused on AWS and Azure, delivered via two separate business units (BUs) that have their own personnel, IP, and capabilities. While this allows for specialization, clients have reported that BUs can be more competitive than cooperative. Consequently, Wipro may struggle to deliver multicloud and cross-cloud solutions. Wipro's approach can be siloed and lacks integration.
- **Limited business value contracts:** Although Wipro has shown improvement in working closely with customers to co-create and co-solution, many of its engagements focus on IT metrics and technical outcomes, rather than contractually guaranteed business outcomes. It must be pushed into adapting its technical capabilities into business outcomes.
- **Inconsistent resourcing:** Although Wipro's growth over the last year has been slow compared to many of its competitors, Gartner clients have reported concerns with Wipro's ability to staff its contracts. Onboarding can be slow, challenging, or inconsistent in quality, although the service experience typically smooths out over time.

## **Vendors Added and Dropped**

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

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## Added

The following vendors were added to this Magic Quadrant. These providers did not meet the inclusion criteria last year, but have for the current iteration:

- Brillio
- NTT DATA
- SMX
- Tech Mahindra
- Virtusa

## Dropped

The following vendors were dropped from this Magic Quadrant:

- **Blazeclan Technologies:** Blazeclan Technologies is a service provider predominantly focused on AWS, followed distantly by Microsoft Azure. It offers a wide range of cloud transformation and managed services capabilities primarily targeted at the APAC region, followed by Australia and New Zealand (ANZ), with a small percentage in Europe and NA. It was dropped because it did not meet the PCITS global revenue target, multiple regions and multiple cloud hyperscaler inclusion criteria.
- **Claranet:** Claranet's primary verticals include media, financial services and insurance, healthcare, retail, and SaaS. Claranet did not respond to Gartner's request for the specific cloud platforms that its managed services customers are currently using. Claranet is primarily focused in Europe, where its growth is strongest, but it does have a small presence in North, Central and South America. It was dropped because it did not meet the multiple regions inclusion criteria.



- **Insight:** Insight is a service provider mainly focused on Microsoft Azure, with the remainder using AWS and Google Cloud. It offers cloud transformation and managed services capabilities with custom hybrid capabilities particularly suited to midsize enterprises. Insight's focus is on NA, although it does have several clients in ANZ, Europe and APAC. Despite Insight's acquisition of SADA in December 2023, it was dropped because it did not meet the multiple regions and multiple cloud hyperscaler inclusion criteria.
- **SADA:** SADA is a service provider focused solely on Google Cloud. It offers a strong service product catalog to primarily clients in North America, with a growing number of customers in Europe and APAC. SADA was acquired by Insight in December 2023, SADA was dropped because it did not individually meet several PCITS global revenue targets, multiple regions and multiple cloud hyperscaler inclusion criteria. It was also acquired by Insight.
- **TO THE NEW:** TO THE NEW comes from a digital engineering background, with deep expertise in AWS cloud-native solutions, distantly followed by Microsoft Azure and Google Cloud. It has a mix of both midsize and enterprise clients primarily in APAC and NA, followed by ANZ, Europe, and Africa and the Middle East region. It was dropped because it did not meet the multiple regions and multiple cloud hyperscaler inclusion criteria.

## Inclusion and Exclusion Criteria

For Gartner clients, Magic Quadrant research identifies and then analyzes the most relevant providers and their products in a market. Gartner uses, by default, an upper limit of 20 providers to support the identification of the most relevant providers in a market. On specific occasions, the upper limit may be extended by Gartner Methodologies where the intended research value to our clients might otherwise be diminished; this research is an exception and contains 21 providers.

The inclusion criteria represent the specific attributes that analysts believe are necessary for inclusion in this research.

### Required Inclusion Criteria

Must meet one (or more) of these three conditions as of 31 October 2023:

1. For Amazon Web Services, as evidenced at [AWS Managed Service Provider Partners \(AWS\)](#):
  - Validated for the AWS Managed Service Provider partner program
  - Validated for the DevOps Consulting Competency
  - Validated for the Data & Analytics Consulting Competency
  
2. For Google Cloud Platform, as evidenced at [Find a Partner – Partner Directory \(Google Cloud\)](#):
  - Validated for the Managed Services Provider initiative
  - Validated for the Application Development – Services specialization
  - Validated for the Data Analytics – Services specialization
  
3. For Microsoft Azure, as evidenced at [Azure Expert MSP Offers: Azure for Partners \(Microsoft Azure\)](#):
  - Validated for the Azure Expert MSP certification
  - Validated for the Azure: DevOps with GitHub on Microsoft Azure
  - Validated for the Azure: Analytics on Microsoft Azure specialization

Must have no more than 80% of public cloud IT transformation services (PCITS) revenue in one of the following regions:

- Africa
- Asia/Pacific (including China/Japan)
- Europe
- Middle East
- North America
- Central America
- South America

- Oceania (Australia/New Zealand)

Transformational services must represent at least 25% of the provider's total cloud services revenue.

The provider's annual revenue for cloud services must be at least \$60 million per year for cloud managed revenue.

The provider must have 20% of PCITS client revenue on at least two of the following three cloud hyperscalers:

- Amazon Web Services
- Google Cloud Platform
- Microsoft Azure

## Honorable Mentions

While most IT managed services providers have adapted to provide public cloud IT transformation services, those not included in this Magic Quadrant have failed to meet at least one of Gartner's inclusion criteria. However, many of these MSPs still have significant capabilities, if sometimes limited in focus. The authors have therefore also included a limited list of honorable mentions against the following broad classifications:

- Other large managed services providers
- Regionally focused services providers
- Boutique/emerging service providers

### Other large managed services providers:

- **Ensono:** Ensono is a technology services company with a heritage in IT infrastructure services and a focus on mainframes with a range of cloud capabilities to leverage cloud technologies for digital transformation and improved operational efficiency. These include cloud migration services, hybrid IT integration, and cloud management and operations. Ensono supports multiple cloud providers including AWS, Microsoft Azure and Google Cloud primarily in North America with some customers in Europe.

- **Kyndryl:** Kyndryl is a global managed services provider that emerged from the spin-off of IBM's Managed Infrastructure Services business in 2021. Kyndryl offers extensive services such as cloud migration, management and optimization. Kyndryl supports multiple cloud providers including AWS, Microsoft Azure, GCP and Oracle Cloud with a strong global presence.
- **Hexaware Technologies:** Hexaware is a global IT services company based in Mumbai, India with a focus on AI, automation and innovative commercial models. Hexaware supports multiple cloud providers including AWS, Microsoft Azure, GCP and Oracle Cloud with services primarily in North America and Europe.

## Regionally focused services providers:

- **CDW:** CDW is an IT reseller and technology solutions provider with cloud capabilities including cloud migration, cloud deployment and integration and cloud management services. CDW is a validated MSP and Services Provider for AWS, Azure, and GCP, with multinational customers primarily based in North America.
- **Sopra Steria:** Sopra Steria is a European focused digital transformation and IT solutions provider. It provides cloud services focused on cloud migration and deployment, cloud-native application development and cloud infrastructure management. Sopra Steria supports public clouds, such as AWS, Microsoft Azure and GCP with a strong European presence.
- **T-Systems:** T-Systems is a global IT services and consulting company based in Germany. T-Systems offers a comprehensive range of public cloud services including cloud migration and transformation, cloud application and development and managed cloud services on Microsoft Azure, AWS and GCP. T-Systems has a strong European presence.

## Boutique/emerging service providers:

- **Effectual:** Effectual is a cloud-first managed and professional services company that specializes in providing solutions and services around cloud migration, modernization, cloud-native application development and managed cloud services. Effectual is a pure-play service provider for AWS predominantly focused on North American customers.

- **Lemongrass Consulting:** Lemongrass is a global cloud services provider focused on SAP on cloud and supports customers on AWS, Microsoft Azure, Google Cloud and SAP with RISE in North America, EMEA and APAC. Lemongrass has multiple certifications and specializations across all three hyperscalers as well as SAP designations.
- **Ollion:** Ollion is a global born-in-the cloud consultancy, formed from the merger of 2nd Watch, Aptitive, CloudCover and Cloud Comrade. Ollion primarily supports AWS but is also a Google Cloud and Microsoft Azure partner operating in the U.S. and APAC. In addition to managed services, it offers cloud advisory, cloud migration, data and AI strategy, cloud cost management and application modernization services.
- **Syntax:** Syntax is a managed cloud provider that specializes in providing secure, hybrid cloud solutions for enterprise applications based out of Montreal, Canada. Syntax is particularly known for its expertise managing ERP systems in the cloud. Syntax provides management of Oracle Cloud, AWS and Microsoft Azure for customers in North America and Europe.

## Evaluation Criteria

### Ability to Execute

We evaluate vendors' Ability to Execute in this market by using the following criteria:

**Product or Service:** Managed service providers (MSPs) are evaluated on their current service capabilities, including both human-powered and automated capabilities.

These capabilities include:

- Proven deep and broad expertise as an MSP partner with the DevOps or App Dev competencies, and data and analytics capabilities.
- High-quality delivery of cloud-native solutions, emphasis on use of hyperscale provider tools, distributed cloud support, and professional and application services.

**Overall Viability (business unit, financial, strategy and organization):** MSPs are evaluated on the overall financial health of the company, their level of investment in this market and indicators of business success.

**Sales Execution/Pricing:** MSPs are evaluated on the quality of their sales team, proposal quality and value for money.

**Market Responsiveness and Track Record:** MSPs are evaluated on two aspects of their track record:

- Successful delivery in this market.
- Rapid delivery of support for new hyperscale provider capabilities.

**Marketing Execution:** MSPs are evaluated on the market's awareness of their brand, prospective customers' understanding of the MSP's value proposition in this market, the quality of marketing campaigns and other efforts such as social media participation.

**Customer Experience:** MSPs are evaluated on the quality of their contracts and associated delivery documentation, as well as the quality of the service experience for both traditional and cloud-native use cases.

**Operations:** MSPs are evaluated on their ability to consistently meet commitments and SLAs to their customers. MSPs were also evaluated on their ability to maintain adequate human and automation resources, to offer flexibility without compromising reliability and delivery of services.

Ability to execute is composed of seven main categories. The relevant weights are reported in the following table.

**Table 1: Ability to Execute Evaluation Criteria**

<i>Evaluation Criteria</i> ↓	<i>Weighting</i> ↓
Product or Service	High
Overall Viability	Low
Sales Execution/Pricing	Medium
Market Responsiveness/Record	Low
Marketing Execution	Low
Customer Experience	High
Operations	Medium

Source: Gartner (July 2024)

### Completeness of Vision

We assess vendors’ Completeness of Vision in this market by using the following criteria:

**Market Understanding:** MSPs are assessed on their understanding of key aspects of the market and their ability to articulate how these aspects impact their strategy.

The aspects were:

- Transformation services in the context of cloud-native and digital business operations in hyperscale cloud providers.
- Transformation services in the context of organizations that are migrating existing workloads onto hyperscale providers.
- How DevOps tools, data and analytics, AI and other automation are used in transforming clients.

**Marketing Strategy:** MSPs are assessed on their ability to articulate their position in the market and their competitive differentiation, and to communicate these messages clearly and consistently, both internally and externally to a bimodal audience.

**Sales Strategy:** MSPs were assessed on their understanding of the buyer centers for the market and the way that these different buying centers want to engage with sales, as well as their partner and channel strategy.

**Offering (Product) Strategy:** MSPs were assessed on the breadth, depth, quality and differentiation of their service roadmaps in this market, including cloud-provider-specific capabilities, multicloud capabilities, hybrid IT capabilities and contracting.

**Business Model:** MSPs were assessed on their value proposition in three aspects:

- Organizations focused on “pure play” public cloud transformation.
- Hybrid services that include cloud and noncloud infrastructure.
- Transformational services in conjunction with broader modernization solution capabilities such as application management or managed services that go beyond lift and shift.

**Vertical/Industry Strategy:** MSPs were assessed on their ability to offer targeted services for focus areas, including regulated workloads and verticals such as healthcare, government and payment card industry (PCI)-compliant e-commerce; big data, analytics and IoT use cases; and digital business transformation.

**Innovation:** MSPs were assessed on the level of investment in the future of their business. This criterion includes aspects such as the deployment of engineering resources (especially for automation), investment in personnel training and certification, labs, innovation hubs, partnerships and alliances.



**Geographic Strategy:** MSPs were assessed on their ability to expand their offerings beyond their home region, serving the needs of multinational businesses, as well as adapting their offerings to other geographies and meeting country-specific requirements.

Completeness of Vision is composed of eight main categories. The relevant weight is reported in the following table.

**Table 2: Completeness of Vision Evaluation Criteria**

<i><b>Evaluation Criteria</b></i> ↓	<i><b>Weighting</b></i> ↓
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	Low
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	Medium

Source: Gartner (July 2024)

## Quadrant Descriptions

### Leaders

Leaders have a track record of delivering high-quality, cloud-native modernization and managed services that thoughtfully exploit the capabilities of the cloud platform. They are well-positioned to deliver leading-edge services into the future and to indicate the direction of the market.

## Challengers

Challengers have a track record of successfully delivering cloud transformation services, but have a less-defined and still-maturing view of market direction. Challengers have a solid base of clients that are satisfied with the services provided. They have potential to become Leaders if they expand their vision.

## Visionaries

Visionaries are well-positioned for the future, but could improve or scale their delivery capabilities. Their track record of successful delivery to many customers over a multiyear period needs to improve.

## Niche Players

Niche Players have not yet achieved broad success in the market. Providers in this category can be a perfect fit for some organizations because of their focus on a specific area of the market. Some are limited in geography, or might not provide a full spectrum of transformational services, and others might be relatively new to the market.

## Context

The public cloud IT transformation services (PCITS) market continues to mature; however, disruption remains a constant. The pace of acquisitions is slowing and becoming more targeted as providers seek additional cloud-native transformation capabilities and skills. While co-solutioning and contracting for business value continues to be a driving force in the market, participants report that these factors have stabilized at just over 50% in both categories, which is unchanged from last year. The market has continued to evolve, requiring Gartner to update its inclusion criteria to account for multicloud capabilities.

Additionally, we saw a decline in the rate of growth across most of the participants in this Magic Quadrant. Clients are becoming more demanding and sophisticated in their requirements, resulting in a small but growing level of dissatisfaction for the services received.

This Magic Quadrant still represents a broad range of participants, from those with easily recognizable names and billions of dollars of revenue, to strong, smaller, born-in-the-cloud players. All of the vendors reviewed can deliver cloud-native application development and cloud managed services in varied degrees, including geographic scale.

Gartner's Magic Quadrant analysis offers must-have support for making informed decisions on selecting the right providers. This Magic Quadrant assesses the Ability to Execute and Completeness of Vision of 21 PCITS providers. The information and analysis can help organizations select a provider for application-led, cloud-native transformation projects and ongoing public cloud managed services that support critical functions and business objectives.

## Market Overview

As organizations journey to the cloud and digital transformations, the need for top-down, application-driven transformation is rapidly growing. Gartner's client inquiry related to identifying providers that assist in such transformations continues to escalate. Gartner clients encounter significant complexity in their cloud migrations, and they are seeking assistance with the development and management of public cloud environments.

The ability to provide transformation services, cloud-native application development, managed services, vertical industry insight and a product-oriented approach are key factors of success for providers in this market. Additionally, clients seek data and analytics, and skills for microservices, containers and cloud-native capabilities.

The major trends that Gartner sees in analyzing this market include the following:

- **Data and analytics:** Vast amounts of data are being captured by clients and there is a significant need to assess the data in ways that bring value. Providers can bring a level of talent and experience that is not often available in-house.
- **Automation:** While automation has been a focus for many years, Gartner is seeing an increased emphasis as providers try to drive efficiency and effectiveness. Improved time to value, costs and operating performance are all benefits that are derived. There are also significant resources being invested in GenAI by providers individually and in conjunction with clients to build out use cases.
- **Multicloud:** Approximately three-quarters of cloud IaaS customers have multiple cloud providers, although many are "accidentally" multicloud (through regional or business-unit-level choices, acquisitions, or lack of governance) rather than deliberately following a methodical multicloud strategy. Multicloud customers frequently use MSPs to manage their tactical or one-off providers, or choose different MSPs for different underlying cloud providers. However, an increasing number of customers are choosing a single MSP to manage multiple cloud provider environments.

- **Skills Gap:** Demand for IT talent continues to outstrip the supply resulting in critical skills gaps that service providers are often able to mitigate or overcome. Providers are investing heavily in reskilling and upskilling their workforces and represent an attractive career path for IT professionals.

## Market Evolution

The market has been adopting public cloud primarily with an infrastructure-led approach for most of the last 18 years. That approach has evolved over the last three to four years to focus more on cloud-native capabilities and application-led approaches. More and more organizations have experienced a taste of the transformative possibilities. While there are still thousands of local and regional cloud IT service providers, all of the large global system integrations have entered the market in significant ways. Entry is often through acquisitions of smaller companies to gain expertise and acquire talent. As the market matured and more potential providers qualified to be a part of this Magic Quadrant, it was necessary to revise the inclusion criteria to reflect changes Gartner sees in the market.

In the PCITS market, customers are primarily responsible for conveying business needs, objectives and requirements to the provider, often in consultative co-solutioning sessions that start an engagement. This usually results in clearly defined business-value expectations that manifest as application, data and performance requirements. Customers of this market are not driven to seek providers for marginal infrastructure efficiency improvements. Rather, their expectations are for providers to offer ingenuity, creativity and experience in harnessing public cloud differentiation to achieve transformative, application-centric outcomes.

## Evidence

The evaluation for this Magic Quadrant comes from both Gartner primary and secondary research:

- Primary research includes:
  - Briefings from participating service providers.
  - Feedback from clients through Gartner's Peer Insights platform during the assessment period.

- Secondary research includes:
  - Client inquiries
  - Insight from other Gartner analysts who have spoken with the providers or clients of these providers related to their cloud transformation products
  - Briefings delivered to Gartner outside of the Magic Quadrant process
  - Press releases and other publicly available information

## Evaluation Criteria Definitions

### Ability to Execute

**Product/Service:** Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability:** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market Responsiveness/Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

## Completeness of Vision

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

## Document Revision History

[Magic Quadrant for Public Cloud IT Transformation Services - 16 August 2023](#)

[Magic Quadrant for Public Cloud IT Transformation Services - 20 July 2022](#)

[Magic Quadrant for Public Cloud IT Transformation Services - 24 January 2022](#)

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## Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[How Markets and Vendors Are Evaluated in Gartner Magic Quadrants](#)

[The Cloud Strategy Cookbook, 2023](#)

[Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide](#)

[Critical Capabilities for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide](#)

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