IDC MarketScape: Worldwide Cloud Professional Services 2018 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES DELL EMC

FIGURE 1

IDC MarketScape Worldwide Cloud Professional Services Vendor Assessment

Source: IDC, 2018
IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Cloud Professional Services 2018 Vendor Assessment (Doc #US42545318). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of the 2018 cloud professional services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor’s success in the marketplace and help anticipate the vendor’s ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide cloud professional services market. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing cloud professional services in both the short term and the long term. A component of this evaluation is the inclusion of the perception of over 100 cloud professional services buyers of both the key characteristics and the capabilities of the providers evaluated in this study. Buyers were surveyed across all three IDC’s macroregions (Americas, EMEA, and Asia/Pacific). Key findings from the evaluation include:

- Professional services to plan, design, and build a hybrid delivery model (combining elements of public and private cloud and on-premise solutions) have become widespread. Beyond cloud technical skills and competence, providers are trying to differentiate on complementary professional services (e.g., change management, security services) or industry-specific cloud services or platforms, often combined with related managed services. This hybrid, multcloud delivery model has made integration/orchestration services a central offering for the providers.

- While cloud integration/orchestration services are also widespread, only some of the providers have developed professional services offerings/tools to help customers manage their consumption of the underlying cloud services. While some of the cloud services providers offer some capabilities in this area, at least related to their own kit, it does not appear to be a high priority for them. IDC believes cloud professional services providers will increasingly fill this need as the demand for cloud services increases.

- An increasing complex ecosystem of interrelationships between professional service providers, some of which are cloud product providers themselves, has emerged. These partnering relationships span both the development of tooling and methodologies to implement current cloud services and R&D/innovation activities to develop future professional services related to cloud implementation. Likewise, IDC observed more partnerships between cloud professional services providers and customers, where sales of its customers’ products or services pulled through implementation work for the cloud professional services provider.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The inclusion criteria for this IDC MarketScape consisted of three dimensions. The first was calendar year 2016 aggregate revenue of over $500 million for IT consulting and systems integration (SI) services. Using the definitions detailed in IDC’s Worldwide Services Taxonomy, 2017 (IDC #US42356617, March 2017), IDC aggregated IT consulting and systems integration revenue for over
350 services vendors that are tracked in IDC’s Worldwide Semiannual Services Tracker to determine qualification. Second, the aggregate professional IT services revenue was segmented into the three macroregions of the Americas, EMEA, and Asia/Pacific. Vendors with over $90 million of aggregate professional IT consulting and systems integration revenue in each of the macroregions were invited to participate in this study. Third, participants from the earlier IDC MarketScape for cloud professional services (see IDC MarketScape: Worldwide Cloud Professional Services 2016 Vendor Assessment, IDC #US40149616, April 2016) that did not otherwise qualify were included. These criteria resulted in a list of 23 vendor candidates.

IDC estimated the top 5 vendors by calendar year 2016 revenue for IT consulting and systems integration; in alphabetical order, these vendors are Accenture, Capgemini, Deloitte, DXC (revenue of CSC and HPE Enterprise Services was combined for 2016 to approximate DXC’s size), and IBM. Participation in this study was considered involuntary for these vendors. In total, 17 vendors have been evaluated.

ADVICE FOR TECHNOLOGY BUYERS

- **Cloud consumption management.** Ask your staff or service providers how they are measuring your organization’s consumption of cloud services and connecting that measurement back to your business and technical priorities. Make sure there is strong governance in place so that there are no big surprises about your costs for cloud.

- **Cloud ecosystem management.** Get comfortable operating in a world with not only more cloud players but also more types of cloud players. Make sure your existing vendor management tools and methods expand to accommodate this complexity.

- **Vendor selection.** Use this IDC MarketScape in contract negotiations and as a tool not only to short-list vendors for cloud professional services bids but also to evaluate vendors’ proposals and oral presentations. Make sure you understand where these players are truly differentiated and take advantage of their expertise, industry based or otherwise.

VENDOR SUMMARY PROFILES

This section briefly explains IDC’s key observations resulting in a vendor’s position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor’s strengths and challenges. IDC’s assessment includes 17 vendors (in alphabetical order): Accenture, Atos, Capgemini, Cisco, Dell EMC, Deloitte, DXC, EY, HCL, HPE Pointnext, IBM, KPMG, NTT DATA, PwC, SAP, Tech Mahindra, and Wipro.

**Dell EMC**

According to IDC analysis and buyer perception, Dell EMC is a Major Player in the IDC MarketScape for worldwide cloud professional services.

Dell's merger with EMC has driven a lot of changes related to the company's approach for cloud professional services beyond the expected rationalization of similar offers. The combined entity is fully focused on digital transformation, and its consulting services are often leading the way on customer engagements. In fact, Dell EMC has created a Transformation Program Office to guide customers toward creating more outcome-based engagement models. So, while it retains deep capabilities in
implementing its own technology, Dell EMC also has relevant offers across the whole services life cycle. And Dell EMC's association with the company's strategically aligned businesses (i.e., Pivotal, SecureWorks, and VMware), plus RSA and Virtustream, creates an even broader and deeper cloud professional services portfolio, which in general it also makes available to its SI partners.

**Strengths**

Buyers rate Dell EMC highly for its innovation capability, its global presence, and its delivery strength. IDC rates Dell EMC highly in terms of PaaS- and IaaS-related professional services and for its ability to drive a high rate of revenue per employee and its employee strategy.

**Challenges**

IDC believes Dell EMC's pricing strategy could benefit from providing customers more pricing schemes (or ways to pay for the company's cloud professional services), and it would benefit from more resources dedicated to R&D/innovation and sales.

**Consider Dell EMC When**

Consider Dell EMC when you, or your SI partner, need deep technical capabilities related to building and implementing cloud services using the Dell EMC kit or that of its strategically aligned businesses. Also, consider Dell EMC when your vision of cloud computing moves toward a more decentralized model where edge computing and a distributed core of cloud services are involved (e.g., with IoT implementations).

**APPENDIX**

**Reading an IDC MarketScape Graph**

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor’s current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

**IDC MarketScape Methodology**

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual
vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

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Related Research


Synopsis

This IDC study represents a vendor assessment of the 2018 worldwide cloud professional services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate the vendor's ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide cloud professional services market. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing cloud professional services during both the short term and the long term.

"When buyers were asked what characteristics were required for a cloud professional services project to be successful, at a worldwide level, the number 1 characteristic was 'provide an appropriate and high-quality team for the project,' followed by 'provide technical insights and competence,'" said Gard Little, research vice president, Global Services, Markets and Trends. "The first item suggests that buyers' demand for discrete cloud professional services may be outstripping the vendors' supply of highly qualified talent. During the evaluation, IDC heard numerous vendors state how difficult it has been to attract and retain good talent while driving increased levels of automation to substitute software for labor."
About IDC

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