# ISG Provider Lens™

# Public Cloud – Solutions & Services

Brazil 2020

A research report comparing provider strengths, challenges and competitive differentiators

Quadrant Report

November 2020

# About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of August 2020 for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

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

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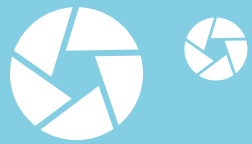
# iSG Provider Lens™

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# EXECUTIVE SUMMARY

This year, the COVID-19 pandemic has impacted some vertical industries, such as traditional retailers, travel and aviation. Brazil has experienced a long social distancing period that started in March and has continued throughout September. However, the increase of online retail, as well as the business requirements to support work from home, have increased cloud services demand. Most service providers reported nonstop service delivery and the achievement of their growth plans that were set before the pandemic. Deals are happening over virtual meetings. Workload transformations and move to the cloud have been operated by consultants working from home.

## Consulting and Transformation Services (CATS)

From a cloud service demand perspective, the market reports increasing interest in serverless computing and container management. Last year, trends around AI and cognitive computing continued evolving toward maturity. To leverage these innovations, enterprises are demanding more application transformation.

Large enterprises' preference for multi-cloud is a clear trend. Clients prefer best-in-breed solutions at optimum cost. Recent cybersecurity incidents and the Brazilian Lei Geral de Proteção de Dados (LGPD) have driven increased interest in checking vulnerabilities and compliance. However, service providers have not reported new sales because of security and compliance concerns.

The midmarket continues to move client applications from on-premises data centers to the cloud. Companies are interested in software-as-a-service (SaaS) models, pushing traditional software companies, such as ERP vendors, to move their packaged applications to run in the cloud. Solutions include single-tenant hosted on infrastructure-as-a-service (IaaS) or multi-tenant SaaS models.

## Managed Public Cloud Services

The service providers that offer better services have experienced more growth. This year we observed an increase in the number of enterprises that switched their service provider. One of the key service differentiators, cost management, has become even more important during the pandemic. Incumbent providers that helped clients optimize cloud resources, reducing their monthly cost, have experienced better client retention.

However, the COVID-19 pandemic produced two market change waves. The first was around cost optimization, saving enterprise resources by reducing VM capacity. As the society adapted to work from home, and business-to-business commerce gradually migrated to the cloud, the second wave started, with client companies expanding their cloud footprint, increasing resource consumption.

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## Hyperscale Infrastructure and Platform Services

Multi-cloud is a clear market trend. However, the reported case studies show that enterprises have one preferred public cloud for most of their computing workloads, and they use other clouds for specific applications, SaaS or cost savings. In the large account's market, many enterprises have large databases, resulting in multi-cloud combinations where front-end applications run in one cloud and the large database runs in another for a best-in-breed solution at optimum cost. Fast connections between clouds enable these arrangements. Brazil is a very competitive cloud market with hyperscalers offering more than 15 cloud data-center locations.

## SAP HANA Infrastructure Services

The SAP market is moving to the cloud for two main reasons.

The cloud offers AI and analytics tools that can deliver business benefits that outperform any ERP upgrade business case. By moving SAP to the cloud, a novel architecture provides an interface — using public cloud APIs as well as artificial intelligence (AI) and machine learning (ML) services — that enable clients to accelerate their digital business transformation.

Running SAP in the cloud offers the benefits of virtual machine (VM) imaging, database synchronization and backup/restore tools that enable near-real-time disaster recovery, which would be extremely expensive to build in-house. The cloud offers superior performance, and cloud tools enable turning on and off application development and testing resources that are very expensive to maintain onsite. Clients should not restrict their analysis on VM prices. The modern cloud architecture improves performance and reduces costs by optimizing resources.

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# Introduction

## Definition

The growth in public cloud adoption among enterprises and the maturity of the cloud industry are creating a major impact on both enterprises and IT service providers as well as on business models, requiring increased acceptance of digital initiatives and creating risks of obsolescence. Considering the widespread adoption of the as-a-service model, enterprises need to continuously evaluate cloud services and IT providers globally.

ISG reports that the strong demand for digital transformation is driving global contracts for cloud products and services, including infrastructure as a service (IaaS) and platform as a service (PaaS). According to the latest Q1 2020 ISG Index™, the global market has grown 7 percent in combined market annual contract value (ACV) since Q4 2019, to reach its current value of $14.8 billion. In the same period, as-a-service ACV has increased by 11 percent to reach $7.9 billion.

Also, the IaaS market grew 18 percent to $5.9 billion and the SaaS market dropped by 4 percent to $2 billion. The growth in numbers in the as-a-service area indicates the shift to and preference for digital technologies to reduce costs, increase productivity, improve responsiveness to business requirements, improve service to end users and ultimately drive innovation.
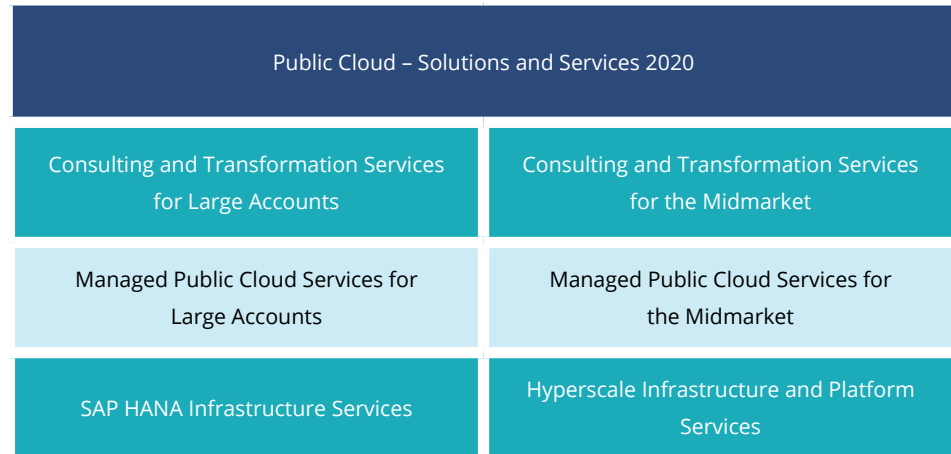
# Definition (cont.)

## Scope of the Report

As part of this quadrant study, ISG is introducing the following six quadrants on public cloud solutions and services.

Consulting and Transformation Services (CATS) for Large Accounts: This quadrant includes service providers that partner with public cloud hyperscalers to design a business case to move to the cloud, assessing the migration workload and building a transformation roadmap. For transferring workloads to the cloud, these service providers offer cloud architecture design, migration and integration services. CATS for Large Accounts include providers that focus on large clients (accounts), usually supporting more than 5,000 users for enterprises with more than $1 billion in annual revenue.

Consulting and Transformation Services (CATS) for the Midmarket: Service providers in this quadrant partner with public cloud hyperscalers to design a business case to move to the cloud, assessing the migration workload and building a transfor-mation roadmap. For transferring workloads to the cloud, these service providers

Simplified illustration

| Public Cloud – Solutions and Services 2020 | |
|---|---|
| Consulting and Transformation Services for Large Accounts | Consulting and Transformation Services for the Midmarket |
| Managed Public Cloud Services for Large Accounts | Managed Public Cloud Services for the Midmarket |
| SAP HANA Infrastructure Services | Hyperscale Infrastructure and Platform Services |

Source: ISG 2020

## Definition (cont.)

offer cloud architecture design, migration and integration services. CATS for the Midmarket includes service providers that focus on midsized enterprise clients. Typical client revenue is under $1 billion annually or their user base is under 5,000 users. The service providers in this quadrant usually support a large IaaS workload distributed over a broad client base.

Managed Public Cloud Services for Large Accounts: In this quadrant, we evaluate managed service providers (MSPs) that operate the public cloud for their clients. Services include provisioning, monitoring and operations of IaaS and PaaS solutions. Managed Public Cloud Services for Large Accounts includes MSPs that focus on large clients (accounts), usually supporting more than 5,000 users for enterprises with more than $1 billion in annual revenue.

Managed Public Cloud Services for the Midmarket: Managed service providers (MSPs) in this quadrant operate the public cloud for their clients. Services include provisioning, monitoring and operations of IaaS and PaaS solutions. Managed Public Cloud Services for the Midmarket includes MSPs that focus on midsized enterprise clients. Typical client revenue is under $1 billion annually or their user base is under

5,000 users. The service providers in this quadrant usually support a large IaaS workload distributed over a broad client base.

Hyperscale Infrastructure and Platform Services: This quadrant includes public cloud providers of IaaS, including computing services (virtual machines), storage and network with access security. These vendors include PaaS, such as serverless computing, database as a service and microservices for low-code/no-code platforms, AI/ML services, cognitive computing, document storage and ready-to-use, third-party applications marketplaces.

SAP HANA Infrastructure Services: In this quadrant, we examine cloud infrastructures best suited to host the SAP software portfolio, with emphasis on SAP S/4HANA workloads and large-scale HANA databases. Participating vendors offer infrastructure-as-a-service (hyperscale IaaS), including infrastructure operations, facilities, provisioning and scaling capacity, on a pay-as-you-go model.

## Provider Classifications

The ISG Provider Lens™ quadrants were created using an evaluation matrix containing four segments, where the providers are positioned accordingly.

### Leader

The "Leaders" among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

### Product Challenger

The "Product Challengers" offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or their weak footprint within the respective target segment.

### Market Challenger

"Market Challengers" are also very competitive, but there is still significant portfolio potential and they clearly lag behind the "leaders." Often, the market challengers are established vendors that are somewhat slow to address new trends, due to their size and company structure, and have therefore still some potential to optimize their portfolio and increase their attractiveness.

### Contender

"Contenders" are still lacking mature products and services or sufficient depth and breadth of their offering, while also showing some strengths and improvement potentials in their market cultivation efforts. These vendors are often generalists or niche players.

## Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) who ISG believes has a strong potential to move into the leader's quadrant.

## Rising Star

Rising stars are mostly product challengers with high future potential. When receiving the "rising stars" award, such companies have a promising portfolio, including the required roadmap and an adequate focus on key market trends and customer requirements. Also, the "rising stars" has an excellent management and understanding of the local market. This award is only given to vendors or service providers that have made extreme progress towards their goals within the last 12 months and are on a good way to reach the leader quadrant within the next 12-24 months, due to their above-average impact and innovative strength.

## Not In

This service provider or vendor was not included in this quadrant as ISG could not obtain enough information to position them. This omission does not imply that the service provider or vendor does not provide this service.

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# Public Cloud – Solutions & Services - Quadrant Provider Listing 1 of 4

| | Consulting and Transformational Services for Large Accounts | Consulting and Transformational Services for Midmarket | Managed Public Cloud Services for Large Accounts | Managed Public Cloud Services for Midmarket | Hyperscale Infrastructure and Platform Services | SAP HANA Infrastructure Services |
|---|---|---|---|---|---|---|
| Accenture | Leader | Not In | Leader | Not In | Not In | Not In |
| Alibaba | Not In | Not In | Not In | Not In | Contender | Not In |
| Amazon (AWS) | Not In | Not In | Not In | Not In | Leader | Leader |
| Ativy | Not In | Product Challenger | Contender | Not In | Not In | Not In |
| Atos | Product Challenger | Not In | Product Challenger | Not In | Not In | Not In |
| Birlasoft | Not In | Contender | Contender | Not In | Not In | Not In |
| BMSIX | Not In | Not In | Not In | Contender | Not In | Not In |
| Brasoftware | Not In | Contender | Not In | Not In | Not In | Not In |
| BRLink | Not In | Leader | Not In | Leader | Not In | Not In |
| Capgemini | Leader | Not In | Product Challenger | Not In | Not In | Not In |
| Claranet | Leader | Leader | Leader | Leader | Not In | Contender |

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# Public Cloud – Solutions & Services - Quadrant Provider Listing 2 of 4

| | Consulting and Transformational Services for Large Accounts | Consulting and Transformational Services for Midmarket | Managed Public Cloud Services for Large Accounts | Managed Public Cloud Services for Midmarket | Hyperscale Infrastructure and Platform Services | SAP HANA Infrastructure Services |
|---|---|---|---|---|---|---|
| Cognizant | ● Product Challenger | ● Not In | ● Product Challenger | ● Not In | ● Not In | ● Not In |
| Compasso UOL | ● Product Challenger | ● Leader | ● Leader | ● Leader | ● Not In | ● Not In |
| Dedalus | ● Leader | ● Leader | ● Leader | ● Leader | ● Not In | ● Not In |
| DXC Technology | ● Product Challenger | ● Not In | ● Product Challenger | ● Not In | ● Not In | ● Not In |
| Embratel | ● Contender | ● Not In | ● Product Challenger | ● Not In | ● Not In | ● Not In |
| essence IT | ● Not In | ● Leader | ● Not In | ● Product Challenger | ● Not In | ● Not In |
| everis (NTT DATA) | ● Contender | ● Not In | ● Not In | ● Contender | ● Not In | ● Not In |
| Globalweb | ● Not In | ● Contender | ● Not In | ● Contender | ● Not In | ● Not In |
| Google (GCP) | ● Not In | ● Not In | ● Not In | ● Not In | ● Leader | ● Leader |
| Huawei | ● Not In | ● Not In | ● Not In | ● Not In | ● Contender | ● Not In |
| IBM | ● Leader | ● Not In | ● Leader | ● Not In | ● Product Challenger | ● Product Challenger |

# Public Cloud – Solutions & Services - Quadrant Provider Listing 3 of 4
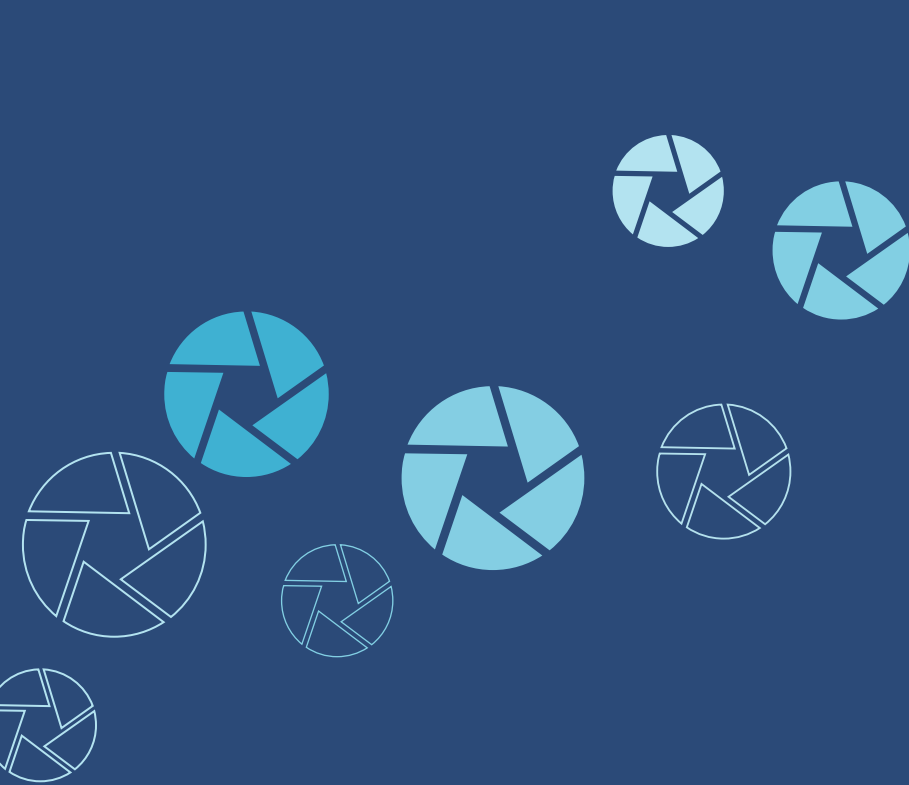
| | Consulting and Transformational Services for Large Accounts | Consulting and Transformational Services for Midmarket | Managed Public Cloud Services for Large Accounts | Managed Public Cloud Services for Midmarket | Hyperscale Infrastructure and Platform Services | SAP HANA Infrastructure Services |
|---|---|---|---|---|---|---|
| IPNET | Not In | Contender | Not In | Contender | Not In | Not In |
| IPsense | Not In | Contender | Not In | Product Challenger | Not In | Not In |
| Logicalis | Product Challenger | Not In | Contender | Not In | Not In | Not In |
| Mandic | Not In | Market Challenger | Not In | Contender | Not In | Not In |
| Microsoft | Not In | Not In | Not In | Not In | Leader | Leader |
| Nextios | Not In | Leader | Not In | Leader | Not In | Not In |
| Oracle Cloud | Not In | Not In | Not In | Not In | Product Challenger | Not In |
| OVH | Not In | Not In | Not In | Not In | Contender | Not In |
| SantoDigital | Not In | Contender | Not In | Leader | Not In | Not In |
| SGA Tecnologia | Not In | Contender | Not In | Contender | Not In | Not In |
| Sky.One | Not In | Leader | Not In | Leader | Not In | Not In |

# Public Cloud – Solutions & Services - Quadrant Provider Listing 4 of 4

| | Consulting and Transformational Services for Large Accounts | Consulting and Transformational Services for Midmarket | Managed Public Cloud Services for Large Accounts | Managed Public Cloud Services for Midmarket | Hyperscale Infrastructure and Platform Services | SAP HANA Infrastructure Services |
|---|---|---|---|---|---|---|
| SoftwareONE | Not In | Market Challenger | Not In | Not In | Not In | Not In |
| Sonda | Contender | Not In | Contender | Not In | Not In | Not In |
| Stefanini | Rising Star | Not In | Product Challenger | Not In | Not In | Not In |
| TCS | Product Challenger | Not In | Product Challenger | Not In | Not In | Not In |
| Tech Mahindra | Contender | Not In | Product Challenger | Not In | Not In | Not In |
| TIVIT | Leader | Not In | Leader | Not In | Not In | Product Challenger |
| T-Systems | Product Challenger | Not In | Product Challenger | Product Challenger | Not In | Product Challenger |
| Unisys | Leader | Not In | Rising Star | Not In | Not In | Not In |
| V8 Consulting | Leader | Leader | Market Challenger | Rising Star | Not In | Not In |
| Venha Pra Nuvem | Not In | Rising Star | Not In | Contender | Not In | Not In |
| Wipro | Product Challenger | Not In | Product Challenger | Not In | Not In | Not In |

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# Public Cloud – Solutions & Services Quadrants

# ENTERPRISE CONTEXT

## Consulting and Transformation Services for Large Accounts

This quadrant is relevant to large enterprises in Brazil that are evaluating consulting and transformation service providers. In this quadrant report, ISG lays out the current market positioning of these providers in Brazil and how they can address key challenges in large enterprises' migration journeys to the public cloud environment.

Enterprises have been reluctant to migrate to the public cloud owing to difficulties such as assessing the workloads, change management, a shortage of talented specialists or skill gaps, and uncertainties about the integration of existing infrastructure. In 2020, however, the urge to move workloads to the public cloud has become more pressing than ever and many enterprises are accelerating their digital transformation. This report can help with choosing the right provider to overcome the challenges and address the difficulties mentioned.

For enterprises, the benefits of working with consulting and transformation service providers include experienced workload assessment, transformation roadmaps, advisory on workload migration, re-architecture of legacy applications and integration of automation capabilities.

Enterprises in Brazil have begun to shift to the public cloud. Some of the highly regulated verticals such as the BFSI segment are still at the niche stage in adoption but, in recent years, banks in Brazil are starting to move workloads to the cloud. Security was one of the major concerns for these enterprises about migrating their workloads.

ISG sees that enterprises are leveraging the consulting and transformation service providers' expertise to redesign their architecture to operate in cloud-native environments. They are also taking advantage of serverless computing and are willing to invest in their cloud journey.

**IT leaders** should read this report to better understand the relative strengths and weaknesses of consulting and transformation service providers, as well as to help them lead the digital transformation drive in their enterprises.

**Software development and technology leaders** should read this report to understand the positioning of consulting and transformation service providers, learn how the providers' offerings can impact an enterprise's ongoing transformation initiatives, and discover the benefits they can achieve by moving to the cloud.

**Sourcing, procurement, and vendor management professionals** should read this report to develop a better sense of the current landscape of consulting and transformation service providers in Brazil.

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## CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

## Definition

Public cloud enables enterprises to achieve agility and scalability without investing in their own infrastructure, thus making it an integral aspect of digital transformation. Consulting and transformation service providers partner with public cloud providers to manage customer-specific complexities of adopting and deploying public cloud solutions. Their services typically include the following:
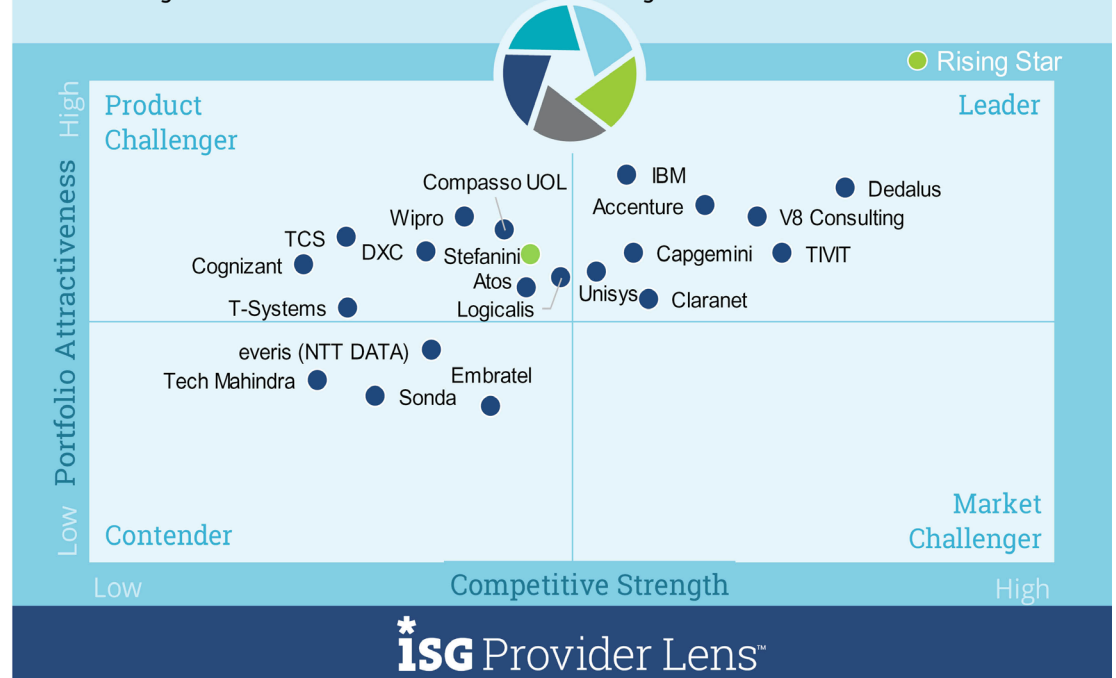
- Consulting services: Designing a business case for the cloud; assessing the workload for migration; building a transformation roadmap, which includes addressing risk and compliance issues; and advising on migrating applications from the existing environment to that of a public cloud provider.

- Transformation services: Designing and building the cloud architecture/environments, migrating and integrating applications, and optimizing the architecture to harness the cloud computing features and benefits.



Public Cloud – Solutions and Services
Consulting and Transformational Services for Large Accounts

2020
Brazil

○ Rising Star

Product Challenger — Leader

Portfolio Attractiveness (High / Low)

Compasso UOL
Wipro
TCS    DXC    Stefanini
Cognizant
Atos
T-Systems    Logicalis

IBM
Accenture    Dedalus
V8 Consulting
Capgemini    TIVIT
Unisys    Claranet

everis (NTT DATA)
Tech Mahindra    Embratel
Sonda

Contender — Market Challenger

Competitive Strength (Low / High)

ISG Provider Lens™

Source: ISG Research 2020

ISG Provider Lens™

## CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

### Definition (cont.)

For this quadrant, we exclude the creation of private clouds because they are covered in a separate study on Next-Gen Private/Hybrid Cloud Data Center Service and Solution Providers. Accordingly, the Public Cloud Consulting and Transformation Services quadrant encompasses the adoption of public cloud services and their integration with on-premises environments, which can include private clouds.

CATS for Large Accounts includes service providers that focus on large clients, usually supporting more than 5,000 users for enterprises with more than $1 billion in annual revenue.

### Eligibility Criteria

- Public cloud transformation thought leadership.

- Methods and frameworks to analyze the client IT landscape.

- Experience in the planning and implementation of multi-cloud services.

- Application migration experience, including templates, automation engines and partnerships with independent software vendors (ISVs).

- Hyperscale provider-related partner program certifications from the solutions standpoint.

- Competencies that are specific to a vertical (industry) or technology.

- Client references and projects or use cases.

- Hybrid cloud integration and support services.

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## CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

## Observations

This year, the COVID-19 pandemic has impacted some vertical industries in Brazil, such as traditional retailers, travel and aviation. The same has happened in other countries, but Brazil has experienced a longer social distancing period, started in March and has continued throughout September. However, the increase of online retail, as well as the business requirements to support work from home have increased cloud services demand. Most service providers reported nonstop service delivery and the achievement of their sales targets set before the pandemic. Deals are happening over virtual meetings. In addition, workload transformations and migrations to the cloud have been operated by consultants working from home.

From a cloud service demand perspective, the market reports increasing interest in serverless computing and container management. Last year, trends continued evolving toward maturity, such as AI and cognitive computing. To leverage these innovations, enterprises demand applica-tion transformation.

Multi-cloud is a clear trend; however, the reported cases show that enterprises have one preferred cloud for most of their computing workloads, and use other clouds for specific applications, SaaS or cost savings. In the large accounts' market, many enterprises have large databases, resulting in multi-cloud combinations where front-end applications run in one cloud and the large database runs in another for best-in-breed solution at optimum cost. Cloud transformation consultants and architects provide client options.

Recent cybersecurity incidents and the Brazilian Lei Geral de Proteção de Dados (LGPD) has driven increased interest in checking vulnerabilities and compliance. Cloud consultants can help enterprises understand the infrastructure impact and apply corrections. However, service providers have not reported new sales because of security and compliance concerns.

Of the 49 companies included in this study, 21 have qualified for this quadrant. Eight are Leaders and one is a Rising Star.

- **Accenture**, which reported $43 billion in revenue in fiscal 2019, has more than 506,000 employees. Accenture holds 7,400 patents and patents pending. It has invested $5 billion in more than 100 acquisitions in the last five years. Accenture Brazil leverages the global service delivery organization

## CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

### Observations (cont.)

to provide seamless experience and quality globally. Clients in Brazil can count on Accenture's expertise to assess and transform complex workloads to the cloud. In Brazil, its central office is in São Paulo.

- **Capgemini** reported €14 billion in revenue in 2019, and has 214,000 employees spread across 40 countries. Capgemini Cloud Platform (CCP) is at the core of the company's cloud offerings. It offers consulting around application modernization and digital transformation, infusing data analytics, artificial intelligence and IoT over CCP to enable DevOps, containers and security. Capgemini has more than 8,000 employees in Latin America, with a large part of that delivery capacity in Brazil, where it has delivery capacity in nine states

- **Claranet** has operations in Europe and South America. With €425 million in annual revenue, it serves 6,500 business customers in nine countries. The company has acquired two Brazilian companies: CredibiliT in 2016 and CorpFlex in 2020. Claranet holds the highest accreditations from Amazon, Google and Microsoft. It provides a

clear strategic roadmap to define what to do and when to do it. Its experienced staff provides clear guidance on technology options and architecture alternatives, including solutions that require multi-cloud operations.

- **Dedalus** has been providing cloud consulting and managed services since 2012. In the last two years, it has expanded its cloud expertise by enhancing its data services offering with a new service management platform, monitoring analytics and the growth of its operations in Argentina. Dedalus is an AWS Premier Consulting Partner and MSP as well as a Microsoft Gold Partner and Azure Expert MSP. Clients benefit from dealing with the cloud providers on building custom solutions while counting on Dedalus' professional services to manage co-sponsored proofs of concept (PoC) projects.

- **IBM** is a global service provider with more than $77 billion in revenue in 2019. IBM Services for Enterprise Cloud Strategy helps create a holistic cloud strategy that connects your business goals to your IT architecture. IBM offers IBM Cloud and partners with AWS, Google and Microsoft to provide consistent managed services across hybrid and multi-cloud environments in service consumption models. In Brazil, its delivery centers are in São Paulo and Hortolândia.

## CONSULTING AND TRANSFORMATION SERVICES FOR LARGE ACCOUNTS

### Observations (cont.)

- **TIVIT** is headquartered in São Paulo, with operations in 10 countries in Latin America. It has long provided data center outsourcing and its experienced team delivers cloud transformation on AWS, Microsoft and Google. In 2019, it deployed a modern AIOps platform, leveraging AI for better service response time. TIVIT has specializations by solution and technology. Its transformation framework can identify the gains in refactoring and rewriting applications to explore serverless, AI/ML, cognitive computing and microservices.

- **Unisys** reported $2.8 billion in global revenue in 2019. The company's portfolio is based on three service platforms: Unisys InteliServe™, Unisys CloudForte® and Unisys Stealth®. Multi-skilled squads of cloud architects, cloud engineers and cloud operators deliver CloudForte© services, including automation, templates and AI capabilities that provide secure and predictable results. It leverages best-in-breed cloud tooling partners, offering a repeatable "migration factory" approach and methodology with Agile-based planning and migration execution.

- **V8 Consulting** is a Brazilian consulting and managed services provider. A top Oracle Cloud Infrastructure (OCI) partner, it has been growing fast since its foundation in 2014. In the last two years, V8 has diversified its portfolio by including Microsoft, AWS and Google accreditations. V8 Consulting focuses on transforming IT through modernization and data migration to modern infrastructures. Affiliated companies supplement V8's capabilities. For example, Devires implements Agile, multi-cloud and big data projects, and Experior focuses on data management and analytics.

- Rising Star **Stefanini** has 24,000 employees operating in more than 40 countries. It has a comprehensive ITO and BPO portfolio. Stefanini renovated its cloud services strategy in recent years, and it improved its partnerships and go-to-market with AWS, Microsoft, Google and IBM. In 2019, it launched the Stefanini Cloud University program to boost its professionals' knowledge and certifications. Stefanini has provided robust cases and is growing rapidly to become a key player in the Brazilian cloud services market.

# UNISYS

## Overview

Unisys reported $2.8 billion in global revenue in 2019. The company's portfolio is based on three service platforms, namely, Unisys InteliServe™, Unisys CloudForte® and Unisys Stealth®. CloudForte® is at the core of its cloud services offering, providing a comprehensive delivery model that leverages automation, AI and best practices. Unisys is an AWS Advanced Partner and Microsoft Gold MSP. Its main operations are in São Paulo, Belo Horizonte and Rio de Janeiro, with delivery centers in Campo Grande and São Paulo.

## Strengths

**Agile cloud delivery:** Multi-skilled squads of cloud architects, cloud engineers and cloud operators deliver CloudForte© services, including automation, templates and AI capabilities that provide secure and predictable results. It leverages best-in-breed cloud tooling partners, offering a repeatable "migration factory" approach and methodology with Agile-based planning and migration execution.

**Superior security offering:** Unisys has advanced security services. Its cloud design leverages its security practices and technologies, enabling secure configurations that are embedded in the CloudForte© platform. CloudForte Navigator™ offers a continual audit and review of a client's cloud technology to recommend best practices, remediation and optimization. Client applications can be refactored to use DevSecOps and containers with robust security features. Cloud access keys are safe managed under a highly secure platform.

**Attracting and retaining the best people:** Unisys is committed to attracting and retaining talent to spur innovation and growth. It has established cloud consulting practices in every region, its CloudForte© Centers of Excellence balance cloud assessments, strategy and advisory capacity. The organization enables a squad leader to access global resources around a clients' transformation. Unisys invests in training and certification. It has more than 660 professionals certified in Microsoft, AWS, ServiceNow and Google cloud technologies.

## Caution

Unisys offers cloud transformation as part of a broader client engagement. Although it can deliver stand-alone consulting services, this is not the company's target market. Unisys is best suited for long-term engagements.

Unisys has been leveraging Microsoft Azure for large accounts in Brazil. Its local AWS practice is under development; it has global expertise but lacks relevant AWS client cases in Brazil.

## 2020 ISG Provider Lens™ Leader

Unisys offers a robust cloud automation platform to handle large workloads and sophisticated enterprise requirements, including advanced cloud security implementations.

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# ENTERPRISE CONTEXT

## Consulting and Transformation Services for the Midmarket

This quadrant is relevant to midsized enterprises in Brazil that are evaluating consulting and transformation service providers. In this quadrant report, ISG lays out the current market positioning of these providers in Brazil and how they can address key challenges in midsized enterprises' migration journeys to the public cloud environment.

Enterprises have been reluctant to migrate to the public cloud owing to difficulties such as assessing the workloads, change management, shortage of talented specialists or skill gaps, and uncertainties about the integration of existing infrastructure. In 2020, however, the urge to move workloads to the public cloud has become more pressing than ever and many enterprises are accelerating their digital transformation. This report can help with choosing the right provider to overcome the challenges and address the difficulties mentioned.

For enterprises, the benefits of working with consulting and transformation service providers include experienced workload assessment, transformation roadmaps, advisory on workload migration, re-architecture of legacy applications, and integration of automation capabilities.

Small and medium enterprises in Brazil are increasingly moving their workloads to the cloud compared to large enterprises. In fact, midsized enterprises are looking to move everything to the cloud. They have fewer complex requirements and smaller-scale

projects than large enterprises, and they prefer providers with strong local delivery capabilities and high integration capabilities. Most of the midsized clients look for service providers with consulting and migration capabilities and the ability to offer a ready-to-use framework and cultural integration in the transformation journey.

ISG sees that enterprises are leveraging the consulting and transformation service providers' expertise to redesign their architecture to operate in cloud-native environments, and they are willing to invest in their cloud journey.

**IT leaders** should read this report to better understand the relative strengths and weaknesses of consulting and transformation service providers, as well as to help them lead the digital transformation drive in their enterprises.

**Software development and technology leaders** should read this report to understand the positioning of consulting and transformation service providers, learn how the providers' offerings can impact an enterprise's ongoing transformation initiatives, and discover the benefits they can achieve by moving to cloud.
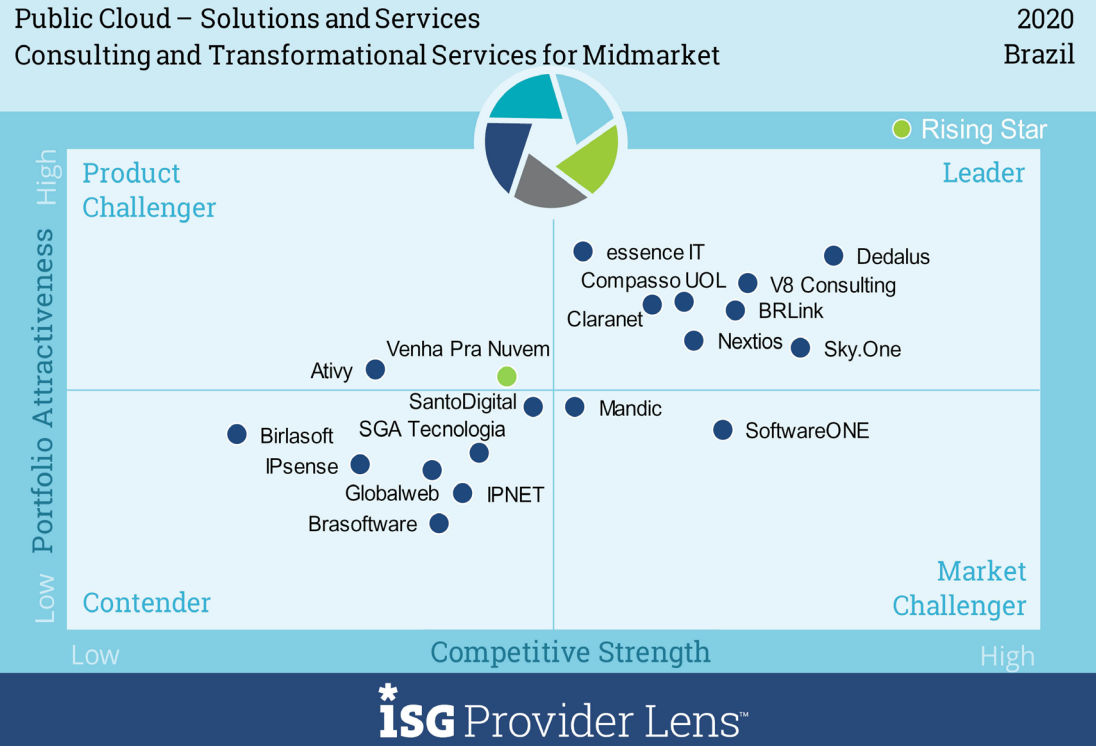
**Sourcing, procurement, and vendor management professionals** should read this report to develop a better sense of the current landscape of consulting and transformation service providers in Brazil.

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## CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

### Definition

Public cloud enables enterprises to achieve agility and scalability without investing in their own infrastructure, thus making it an integral aspect of digital transformation. Consulting and transformation service providers partner with public cloud providers to manage customer-specific complexities of adopting and deploying public cloud solutions. Their services typically include the following:

- Consulting services: Designing a business case for the cloud; assessing the workload for migration; building a transformation roadmap, which includes addressing risk and compliance issues; and advising on migrating applications from the existing environment to that of a public cloud provider.

- Transformation services: Designing and building the cloud architecture/environments, migrating and integrating applications, and optimizing the architecture to harness the cloud computing features and benefits.



Public Cloud – Solutions and Services
Consulting and Transformational Services for Midmarket

2020
Brazil

Source: ISG Research 2020

## CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

### Definition (cont.)

For this quadrant, we exclude the creation of private clouds because they are covered in a separate study on Next-Gen Private/Hybrid Cloud Data Center Service and Solution Providers. Accordingly, the Public Cloud Consulting and Transformation Services quadrant encompasses the adoption of public cloud services and their integration with on-premises environments, which can include private clouds.

CATS for the Midmarket includes service providers that focus on midsized enterprise clients. Typical client revenue is under $1 billion annually or their user base is under 5,000 users. The service providers in this quadrant usually support a large IaaS workload distributed over a broad client base.

### Eligibility Criteria

- Public cloud transformation thought leadership.

- Methods and frameworks to analyze the client IT landscape.

- Experience in the planning and implementation of multi-cloud services.

- Application migration experience, including templates, automation engines and partnerships with independent software vendors (ISVs).

- Hyperscale provider-related partner program certifications from the solutions standpoint.

- Competencies that are specific to a vertical (industry) or technology.

- Client references and projects or use cases.

- Hybrid cloud integration and support services.

## CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

## Observations

The midmarket continues to move client applications from on-premises data centers to the cloud. Companies are interested in software-as-a-service (SaaS) models, pushing traditional software companies, such as ERP vendors, to move their packaged applications to run in the cloud. Solutions include single-tenant hosted on infrastructure-as-a-service (IaaS) or multi-tenant SaaS models. Independent software vendors (ISV) have been pushed to convert their systems to run in the cloud.

Lift-and-shift migration to the cloud is now associated with refactoring applications to leverage public cloud services. Brazilian enterprises that embraced the cloud understand the business benefits of serverless computing, data lakes and analytics. As more business applications move to the cloud, more services are consumed, raising concerns around governing cloud costs.

The COVID-19 pandemic in Brazil has pushed midsized enterprises even more to migrate more applications to the cloud. A spike in demand supported work from home, and later, cloud services consumption has

kept that demand high. Service providers in the country are reporting new sales and new transformations to the cloud after seven months of the COVID-19 outbreak in Brazil.

Forty-nine vendors and providers have been assessed for this study. Nineteen qualified for this quadrant. Eight were named Leaders and one is a Rising Star.

- **BRLink** is an IT service provider that focuses on cloud, data and analytics, artificial intelligence and machine learning. In addition to cloud managed services, the company focuses on Analytics, DevOps, automation and serverless computing. It is an AWS Premier Partner and MSP. Other partnerships with Microsoft Azure, TrendMicro, Veeam and New Relic supplement its service portfolio. With more than 50 AWS certifications, it covers the cloud transformation lifecycle from assessment to innovation.

- **Claranet** has operations in Europe and South America. With €425 million in annual revenue, it serves 6,500 business customers in nine countries. The company has acquired two Brazilian companies: CredibiliT in 2016 and CorpFlex, a provider of cloud and hosting services, in 2020. Claranet has offices in São Paulo and holds a long list of midmarket clients. Claranet provides a clear strategic roadmap to define what to do and when to do it. Its experienced staff provides

## CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

### Observations (cont.)

clear guidance on technology options and architecture alternatives, including solutions that require multi-cloud operations.

- **Compasso UOL** has more than 1,700 experts, serving over 2,000 clients in Brazil. UOL DIVEO acquired Compasso in 2013. Starting in 2020, it merged Compasso into UOL DIVEO and sold the company's data center, forming a new organization focused on digital services comprising Agile development, analytics, cybersecurity and cloud managed services. Compasso's renovated portfolio aims to drive a larger public cloud footprint. Compasso operates through 15 offices and delivery centers in the country, offering the best cloud service coverage in Brazil, providing sustainable growth.

- **Dedalus** is an AWS Premier Consulting Partner and MSP as well as a Microsoft Gold Partner and Azure Expert MSP. It has been providing cloud consulting and managed services since 2012. Innovations in 2020 include a new service management platform, monitoring

analytics and the growth of its operations in Argentina. Dedalus clients benefit from dealing with the cloud providers on building custom solutions while counting on Dedalus' professional services to manage co-sponsored proofs of concept (PoC) projects.

- **Essence IT** was founded in 2004. It has grown its market presence as an SAP Gold Partner. In 2016, it deployed its first SAP S/4HANA on an AWS case. The company has developed automation tools and AWS certifications to become a specialist in SAP and Microsoft workload migrations to AWS. The company has a unique competitive position built on SAP and AWS, enabling it access to technical support from both vendors. Essence IT is an excellent choice for moving complex SAP systems to the cloud.

- **Nextios** is part of Locaweb, a public company. In 2019, it implemented a strong certification incentive program, shifted its focus from private to public cloud and strengthened its AWS partnership by acquiring MSP recognition. Nextios optimizes clients' business processes and measures the results of their cloud transformation. Optimization is monitored with Dynatrace or New Relic, including AI/ML and analytics. Nextios maps all business dependencies before deploying application performance monitoring (APM) tools to create business indicators that guide cloud optimization.

## CONSULTING AND TRANSFORMATION SERVICES FOR MIDMARKET

### Observations (cont.)

- **Sky.One** is a Brazilian company founded in 2014. It has been reporting robust growth and currently has more than 1,000 active clients. Auto.Sky  is the company's leading service platform. It provides automation to restructure legacy applications to become SaaS running in the cloud. Sky.One's consulting practice relies on proprietary tools and frameworks. In 2019, it strengthened cloud partnerships with AWS, Google (GCP), Microsoft Azure, Huawei Cloud and Oracle Cloud Infrastructure (OCI).

- **V8 Consulting** is a Brazilian consulting and managed services provider. A top Oracle Cloud Infrastructure (OCI) partner, it has been growing fast since its foundation in 2014. In the last two years, V8 has diversified its portfolio. It assesses a client's environment, application architecture and facilities, understanding business targets to propose a digital journey. V8 designs an IT reference architecture for the cloud, microservices and DevOps, including Kubernetes, APIs, big data, analytics, and cloud-native applications over OCI, Microsoft Azure, Google Cloud Platform and AWS.

- **Venha Pra Nuvem** is a Rising Star. A Microsoft Gold Partner, it focuses on moving clients to Azure. The company supports Microsoft FastTrack, with robust cases around Microsoft 365, Dynamics 365, Power BI and Azure IaaS. Venha Pra Nuvem has recognized expertise in moving data centers to the cloud. Venha Pra Nuvem can deploy private, hybrid and public clouds. Services such as backup automation, business continuity and disaster recovery, application monitoring, identity management, license asset management, security, and compliance are part of its portfolio.

# ENTERPRISE CONTEXT

## Managed Public Cloud Services for Large Accounts

This quadrant is relevant to large enterprises in Brazil that are evaluating public cloud managed service providers (MSPs). In this quadrant report, ISG lays out the current market positioning of these providers in Brazil and how they can address key challenges in large enterprises' infrastructure management in the public cloud environment. MSPs manage client workloads on third-party, public cloud, hyperscale environments so enterprises can focus on other tasks.

To be successful in the current digital business environment, enterprises must take a unified approach to their technical infrastructure across public and private clouds. Using public cloud managed services can help them implement cloud-native solutions leveraging containers and serverless functions with single-touch DevOps integration. This helps enterprises achieve application modernization and cost optimization to run their applications at scale.

Enterprises will get the benefit of the MSPs' automation and AI capabilities to monitor their infrastructure to predict the failures and dependency of services in case of failures to reduce maintenance costs.

ISG sees that enterprises in Brazil are increasingly looking for new packaged offerings to manage their infrastructure and consulting opportunities to modernize their legacy infrastructure. Enterprises will benefit from the service providers' expertise in managing the workloads, integrated security, and support functions.

**IT leaders** should read this report to better understand the relative strengths and weaknesses of managed service providers, as well as how the MSPs' approaches to the market can impact enterprise public cloud strategies, improve business agility and reduce total cost of ownership.

**Software development and technology leaders** should read this report to understand the positioning of managed service providers and learn how MSP offerings can impact the ongoing development of an enterprise's software products.

**Sourcing, procurement, and vendor management professionals** should read this report to develop a better sense of the current landscape of managed service providers in Brazil.

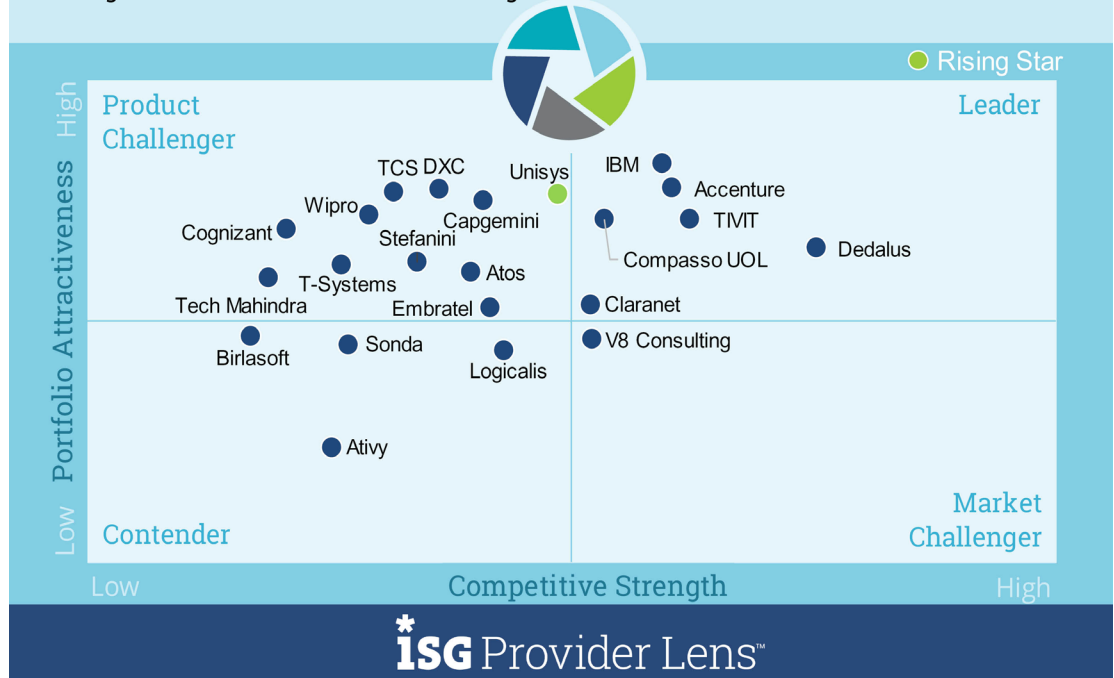# MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

## Definition

Public cloud managed services providers (MSPs) offer professional and managed services atop third-party public cloud IaaS and PaaS hyperscale platforms. Broadly, these services include provisioning, real-time and predictive analysis, and monitoring and operational management of a customer's public and multi-cloud environment, with the aim to maximize the performance of workloads in the cloud, reduce costs, and ensure compliance and security. Typically, specially developed or licensed cloud management platforms and tools are used to serve customers with maximum automation and provide the necessary transparency on the managed cloud resource pool in terms of capacity utilization and costs, including self-service administration.

Managed Public Cloud Services for Large Accounts includes MSPs that focus on large clients, usually supporting more than 5,000 users for enterprises with more than $1 billion in annual revenue.



Public Cloud – Solutions and Services
Managed Public Cloud Services for Large Accounts

2020
Brazil

Source: ISG Research 2020

## MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

### Definition (cont.)

Services provided typically include:

- Management and monitoring services around CPU, storage, memory, databases, and operations of microservices, virtual machines and containers.

- Operation system, middleware and application upgrade services.

- Service portal for expense management (chargeback and showback) and identity management or IT service management.

- Governance and compliance management.

- Support services such as incident management, configuration, security services and automation setup.

### Eligibility Criteria

- Operational excellence and well-defined professional services.

- Experience in building and managing public and multi-cloud environments.

- Expertise in managing configurations of platforms and systems as well as containers.

- Support for software code development and for cloud-native and legacy system integration.

- DevOps, API-enabled automation and cloud analytics experience.

- Mature security processes.

- Support for different client roles such as IT technicians and developers.

- Partnerships with relevant public cloud providers and managed service provider (MSP) certificates for AWS, Azure, GCP or others.

## MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

## Observations

Service providers that participated in this quadrant assessment have reported that clients have an increasing interest in serverless computing and container management. Last year's identified trends of the increasing use of AI and cognitive computing continue evolving toward maturity.

The use of AI and analytics drastically increase data volumes, and enterprises realize they need help. With public cloud vendors' help in providing education, certification, and sharing best practices, service providers have developed data management specialization. They guide clients on methods and tools to optimize data ingestion, data cleaning and preparation, data storage, and AI/ML compute resources optimization.

The providers that offer better services have experienced more growth. This year we observed an increase in the number of enterprise clients that replaced their service provider. One of the key service differentiators, cost management, has become even more important during the COVID-19 pandemic. Incumbent providers that helped clients optimize cloud resources, reducing their monthly cost, have experienced better client retention.

Of the 49 companies included in this study, 22 have qualified for this quadrant. Six are Leaders and one is a Rising Star.

- **Accenture**, which reported $43 billion in revenue in fiscal 2019, has more than 506,000 employees. It has invested $5 billion in more than 100 acquisitions in the last five years. The firm holds more than 59,000 certified cloud experts supporting over 3,000 clients in 49 countries. Accenture Cloud Platform (ACP) is at the core of the company's managed services. It provides robust automation across both private and public clouds from a single dashboard. In Brazil, its central office is in São Paulo.

## MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

### Observations (cont.)

- **Claranet** has €425 million in annual revenue and serves 6,500 business customers in nine countries. The company has acquired two Brazilian companies: CredibiliT in 2016 and CorpFlex, a provider of cloud and hosting services, in 2020. Claranet has a global platform that integrates services, operations and resource optimization. It uses advanced tools for monitoring and analytics that provide incident predictability. The company has offices in São Paulo and holds the top accreditations from AWS, Google Cloud Platform (GCP) and Microsoft Azure in Brazil.

- **Compasso UOL** has more than 1,700 experts, serving over 2,000 clients in Brazil. UOL DIVEO acquired Compasso in 2013. Starting in 2020, it merged Compasso into UOL DIVEO and sold the company's data center, forming a new organization focused on digital services comprising Agile development, analytics, cybersecurity and cloud

managed services. Compasso's renovated portfolio aims to drive a larger public cloud footprint. The company partners with many vendors to offer broad technology choices. Its service management expertise includes Alibaba, AWS, Google Cloud Platform, Microsoft Azure, IBM Cloud and Oracle Cloud Infrastructure.

- **Dedalus** is a Brazilian company that has been providing cloud consulting and managed services since 2012. It is one of the pioneers in offering managed cloud services. Its solid partnerships with AWS and Microsoft position it well for new opportunities in the market. It has experienced presales architects to help clients optimize their cloud resource consumption while preserving performance, scalability and security. In the last two years, it has been expanding its cloud expertise by enhancing its data services offering.

- **IBM** is a global service provider with more than $77 billion in revenue in 2019. It offers IBM Cloud and partners with AWS, Google and Microsoft to provide consistent managed services across hybrid and multi-cloud environments. IBM helps clients increase the use of AI/ML in the cloud and enables container management and automated DevOps pipelines. In Brazil, its delivery centers are in São Paulo and Hortolândia.

## MANAGED PUBLIC CLOUD SERVICES FOR LARGE ACCOUNTS

### Observations (cont.)

- **TIVIT** is headquartered in São Paulo, with operations in 10 countries in Latin America. It has long provided data center outsourcing and its experienced team delivers cloud services on AWS, Microsoft Azure and Google Cloud Platform. TIVIT understands the culture and the difficulties clients face in doing business in Brazil, offering advice and robust cloud solutions to overcome their challenges. In recent years, it has been redesigning its delivery organization to improve its competitiveness in the digital business era.

- **Unisys** is a Rising Star in Brazil. It reported $2.8 billion in global revenue in 2019. Unisys is an AWS Advanced Partner and Microsoft Gold MSP. It has offices in São Paulo and Rio de Janeiro, with a delivery center in Campo Grande. Unisys delivers comprehensive cloud operations coupled and improves its clients' security and maturity. Unisys leverages AIOps automation and analytics over multiple data sources. As an integral part of its cloud practice, it incorporates cloud security and posture management (CSPM). The company offers outcome-based contracts and has improved its Net Promoter Score to more than the industry average.

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# RISING STAR: UNISYS

## Overview

Unisys reported $2.8 billion in global revenue in 2019. The company's portfolio is based on three service platforms: Unisys InteliServe™, Unisys CloudForte® and Unisys Stealth®. CloudForte® is at the core of its cloud services offering, providing a comprehensive delivery model that leverages AI. Unisys is an AWS Advanced Partner and Microsoft Gold MSP. It has offices in São Paulo and Rio de Janeiro, with a delivery center in Campo Grande.

## Strengths

**Superior service commitments:** Unisys delivers comprehensive cloud operations and improves clients' security and maturity. Unisys provides cyberdefense with actionable steps based on the latest security solutions. CloudForte® leverages AIOps automation. Analytics over multiple data sources enable root cause analysis. As an integral part of its CloudForte® practice, Unisys incorporates cloud security and posture management (CSPM) with CloudForte Compliance™. The company offers outcome-based contracts and has improved its Net Promoter Score to more than the industry average.

**Elevated security:** Unisys proprietary solutions integrate cloud services management and security monitoring and protection. It provides identity management and network micro-segmentation, including all cloud assets down to the data storage level. Clients can define cloud policies to control and monitor, in real time, who can access what, enabling zero-trust and immediate response to tentative security breaches and cybercrime attacks. Unisys security is a strong differentiator for its managed cloud services.

**World-class service delivery:** Unisys is committed to attract and retain talent. Its local delivery team accesses the same technology and tools available to global enterprise clients. The CloudForte© Centers of Excellence distribute cloud knowledge across countries. At a global level, Unisys has more than 660 certified in Microsoft, AWS, ServiceNow and Google cloud technologies.

## Caution

Unisys is on the verge of entering the Leaders quadrant because it is increasing its market presence. It is leveraging its Microsoft partnership. However, it has not expanded its client base on the AWS Cloud in Brazil. The company needs to acquire more cloud clients to stay relevant in the public cloud managed services market.

## 2020 ISG Provider Lens™ Rising Star

Unisys is the ideal partner for enterprises operating in highly regulated markets and those that require strict cloud security.

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# ENTERPRISE CONTEXT

## Managed Public Cloud Services for the Midmarket

This quadrant is relevant to midsized enterprises in Brazil that are evaluating public cloud managed service providers (MSPs). In this quadrant report, ISG lays out the current market positioning of these providers in Brazil and how they can address key challenges in midsized enterprises' infrastructure management in the public cloud. MSPs manage client workloads on third-party, public cloud, hyperscale environments so enterprises can focus on other tasks.

To be successful in the current digital business environment, enterprises must take a unified approach to their technical infrastructure across public and private clouds. Using public cloud managed services can help them implement cloud-native solutions leveraging containers and serverless functions with single-touch DevOps integration. This helps enterprises achieve application modernization and cost optimization to run their applications at scale.

Enterprises will get the benefit of the MSPs' automation and AI capabilities to monitor their infrastructure to predict the failures and dependency of services in case of failures to reduce maintenance costs. Midsized enterprises have fewer complex requirements and smaller-scale projects than large enterprises, and they prefer providers with strong niche offerings with competitive pricing and high integration capabilities. Midsized enterprises are seeing strong leadership from local regional providers in the managed services space.

ISG sees that enterprises in Brazil are increasingly looking for new packaged offerings to manage their infrastructure and consulting opportunities to modernize their legacy infrastructure and optimize cost. Enterprises will benefit from service providers' expertise in managing the workloads, integrated security, and support functions.

**IT leaders** should read this report to better understand the relative strengths and weaknesses of managed service providers, as well as how MSPs' approaches to the market can impact enterprise public cloud strategies, improve business agility and reduce total cost of ownership.

**Software development and technology leaders** should read this report to understand the positioning of managed service providers and learn how MSP offerings can impact the ongoing development of an enterprise's software products.

**Sourcing, procurement, and vendor management professionals** should read this report to develop a better sense of the current landscape of managed service providers in Brazil.

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# MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

## Definition

Public cloud managed services providers (MSPs) offer professional and managed services atop third-party public cloud IaaS and PaaS hyperscale platforms. Broadly, these services include provisioning, real-time and predictive analysis and monitoring and operational management of a customer's public and multi-cloud environment, to maximize the performance of workloads in the cloud, reduce costs, and ensure compliance and security. Typically, specially developed or licensed cloud management platforms and tools are used to serve customers with maximum automation and provide the necessary transparency on the managed cloud resource pool in terms of capacity utilization and costs, including self-service administration.

Managed Public Cloud Services for the Midmarket includes MSPs that focus on midsized enterprise clients. Typical client revenue is under $1 billion annually or their user base is under 5,000 users. The service providers in this quadrant usually support a large IaaS workload distributed over a broad client base.



Public Cloud – Solutions and Services
Managed Public Cloud Services for Midmarket
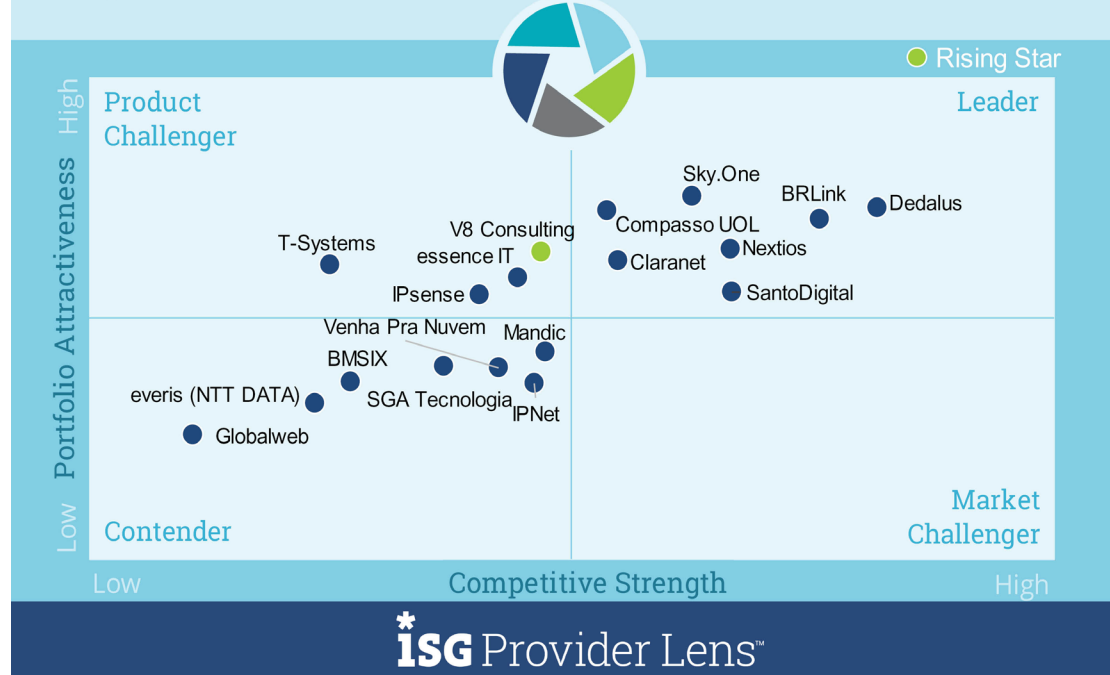
2020
Brazil

Source: ISG Research 2020

## MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

### Definition (cont.)

Services provided typically include:

- Professional services around monitoring of CPU, storage, memory, databases, and operating systems, including microservices, virtual machines and containers.

- Operation system, middleware and application upgrade services.

- Service portal for expense management (chargeback and showback) and identity management or IT service management.

- Governance and compliance management.

- Support services such as incident management, configuration, security services and automation setup.

### Eligibility Criteria

- Operational excellence and well-defined professional services.

- Experience in building and managing public and multi-cloud environments.

- Expertise in managing configurations of platforms and systems as well as that of containers.

- Support for software code development, cloud-native and legacy system integration.

- DevOps, API-enabled automation and cloud analytics experience.

- Mature security processes.

- Support for different client roles such as IT technicians and developers.

- Partnerships with relevant public cloud providers and respective managed service provider (MSP) certificates for AWS, Azure, GCP or others.

# MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

## Observations

The midmarket remains the growth driver of cloud adoption. The COVID-19 pandemic has accelerated the speed. All managed service providers have reported increased demand. However, service providers that offer better services have experienced more growth. In 2020, we observed an increase in the number of enterprises that switched their service provider.

Demand for additional services included cloud-hosted virtual desktop infrastructure (VDI) and collaboration tools — including cloud file sharing and Microsoft Teams enablement — which some cloud providers are authorized to sell, deploy and support. Throughout the year, midmarket companies have been moving additional workloads to the public cloud, accelerating their digital transformation programs in response to more customers demanding online services.

In summary, the COVID-19 pandemic produced two market change waves. The first was around cost optimization, saving enterprise resources. As the society adapted to work from home, and business-to-business commerce gradually migrated to the cloud, the second wave is expanding the cloud footprint, increasing resource consumption.

Of the 49 companies participating in this study, 18 have qualified for this quadrant. Seven are Leaders and one is a Rising Star.

- **BRLink** is a managed services provider that was founded in 2003 and started providing AWS Cloud services in 2010. In addition to cloud managed services, the company focuses on analytics, DevOps, automation and serverless computing. It is an AWS Premier Partner and MSP. Other partnerships with Microsoft Azure, TrendMicro, Veeam and New Relic supplement its service portfolio. Innovations in 2020 include better predictive analytics and improved customer portal. The company has won new clients and has reported a significant growth in the last 12 months.

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## MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

### Observations (cont.)

- **Claranet** has operations in Europe and South America. The company has acquired two Brazilian companies: CredibiliT in 2016 and CorpFlex, a provider of cloud and hosting services, in 2020. Claranet has offices in São Paulo and holds the top accreditations from AWS, Google Cloud Platform (GCP) and Microsoft Azure in Brazil. Claranet has a global platform that integrates services, operations and resource optimization. It proactively assigns additional resources or applies troubleshooting scripts to preserve performance.

- **Compasso UOL** has more than 1,700 experts, serving over 2,000 clients in Brazil. UOL DIVEO acquired Compasso in 2013. Starting in 2020, it merged Compasso into UOL DIVEO and sold the company's data center, forming a new organization focused on digital services comprising Agile development, analytics, cybersecurity and cloud managed services. Compasso's renovated portfolio aims to drive a larger public cloud footprint.

- **Dedalus** is a Brazilian company that has been providing cloud consulting and managed services since 2012. In the last two years, it has been expanding its cloud expertise by enhancing its data services offering with a new service management platform, monitoring analytics and the growth of its operations in Argentina. Dedalus is an AWS Premier Consulting Partner and MSP as well as a Microsoft Gold Partner and Azure Expert MSP. It has experienced cloud architects to help clients optimize their cloud resource consumption while preserving performance, scalability and security.

- **Nextios** has commercial offices all over the Brazilian territory. In 2019, it implemented a strong certification incentive program, shifted its focus from private to the public cloud and strengthened its AWS partnership by acquiring MSP recognition. Nextios has a strong focus on the midmarket, providing sales and support in most Brazilian states. It has more than 50 AWS certifications and deep knowledge in AI, ML and analytics. Nextios is a VMware Cloud Verified Partner, enabling it to support its clients when moving their VMware workloads to AWS. The company aims to be recognized by its AWS expertise and service quality.

## MANAGED PUBLIC CLOUD SERVICES FOR MIDMARKET

### Observations (cont.)

- **SantoDigital** is a Brazilian company, fully focused on Google Cloud Platform (GCP) services. It serves 1,500 GCP enterprise clients in Brazil. SantoDigital is a Google Cloud Premier Partner and the first in Brazil to be recognized as specialized in infrastructure modern-ization, enterprise collaboration and machine learning professional services. The company can lift-and-shift applications to GCP, but it is the innovation that provides its differentiation. For each client, SantoDigital designs GCP services to transform the enterprise client experience.

- **Sky.One** is a Brazilian company founded in 2014. It has been steadily growing and currently has more than 1,000 active clients. In 2019, it strengthened cloud partnerships with AWS, Google (GCP), Microsoft Azure, Huawei Cloud, and Oracle Cloud Infrastructure (OCI). Auto. Sky platform enables automated cloud migration. Its Cloud Guru and Sky.Saver platforms automate the management, operation and optimization of cloud resources. The company provides an efficient service layer on top of the public cloud.

- **V8 Consulting** is a Rising Star. A top Oracle Cloud Infrastructure (OCI) partner, it has been growing fast since its foundation in 2014. In the last two years, V8 has diversified its portfolio by including Microsoft, AWS and Google accreditations. V8 provides a robust OCI service portfolio that is driving accelerated growth over Oracle's large footprint in Brazil. V8 manages Oracle's autonomous database and Oracle Exadata as a service for clients running their applications on-premises or in other clouds, such as Microsoft Azure. It resolves clients' architecture challenges with flexibility and in-depth expertise.

# ENTERPRISE CONTEXT

## SAP HANA Infrastructure Services

This report is relevant to enterprises across industries in Brazil and will help them evaluate providers of SAP HANA infrastructure services for SAP S/4HANA workloads and large-scale HANA databases. In this quadrant report, ISG highlights the current market positioning of these providers in Brazil, based on the depth of service offering and market presence.

Enterprises face challenges in maintaining their own IT infrastructure specific to the SAP product line owing to factors such as high costs, difficulties in data management and change management, and a shortage of talent or skills. However, many enterprises have implemented or are implementing SAP HANA as a part of their digital transformation initiatives, and they are choosing a hyperscale provider to overcome the challenges and address talent/skill gaps. This report can help with choosing the right hyperscale provider to migrate their SAP workloads.

Enterprises leverage hyperscalers' compute resources, storage and connectivity in a public cloud to host SAP workloads and facilitate scaling based on usage and infrastructure operations. Along with the infrastructure, enterprises can take advantage of providers' expertise in data migration, system imaging, backup, restore, disaster recovery, resource usage, monitoring and management dashboards.

Brazilian enterprises are increasingly adopting public cloud for SAP HANA–related workloads. Large and medium enterprises leverage service providers' expertise in AI, ML, and analytics functionalities to accelerate their digital transformation. By moving to the cloud, enterprises can optimize costs and resources with improved performance.

**IT leaders** should read this report to better understand the relative strengths and weaknesses of SAP HANA infrastructure service providers and learn how these providers' approaches to the market can impact enterprise public cloud strategies.

**Software development and technology leaders** should read this report to understand the relative positioning and capabilities of hyperscale SAP HANA infrastructure providers, which can help them procure infrastructure and services to migrate their workloads to public cloud platforms.

**Sourcing, procurement, and vendor management professionals** should read this report to develop a better sense of the current landscape of SAP HANA infrastructure service providers in Brazil.

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# SAP HANA INFRASTRUCTURE SERVICES
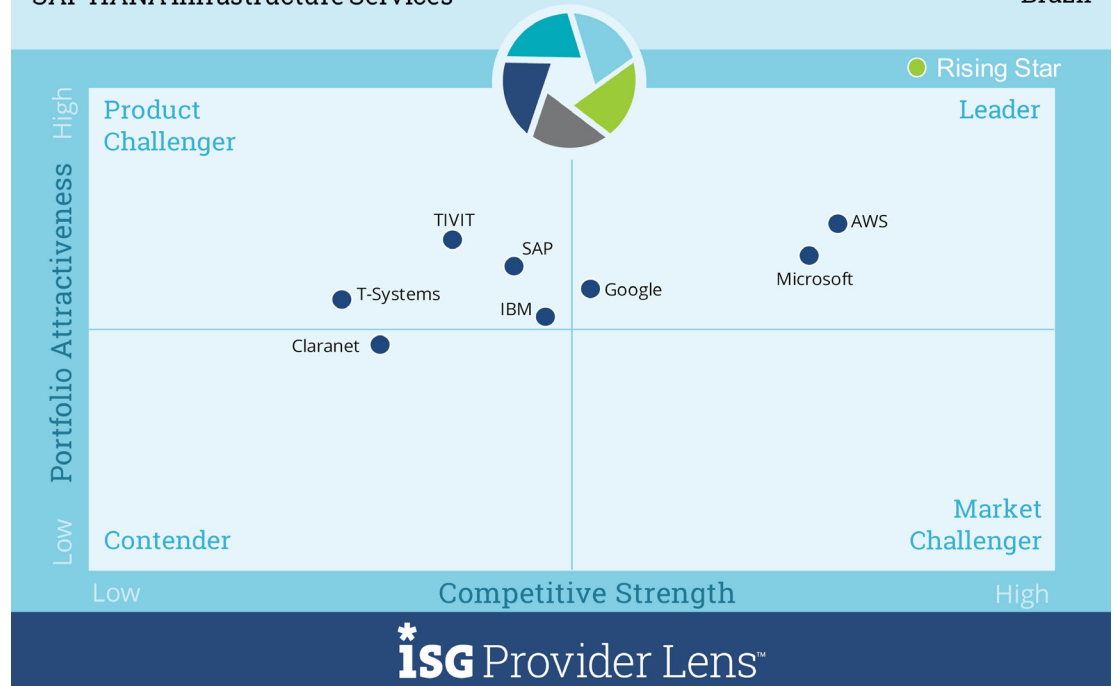
## Definition

This quadrant examines cloud infrastructures best suited to host the SAP software portfolio, with emphasis on SAP S/4HANA workloads and large-scale HANA databases. Participating vendors offer infrastructure-as-a-service (hyperscale IaaS), including infrastructure operations, facilities, provisioning and scaling capacity, on a pay-as-you-go model.

IaaS tools should include data migration, system imaging, backup, restore, disaster recovery, resource usage monitoring and management dashboards. Tools can be part of the standard IaaS offering or be provided by partners in a marketplace.

The participating vendor should provide presales support to help clients on the migration plan, cloud architecture, sizing and performance optimization, licensing, systems and database configuration, virtual private network configuration, and third-party vendor solutions (tool set). The support analysis focuses on the vendor's service partner ecosystem with the ability to conduct related migrations and operations.



Public Cloud – Solutions and Services
SAP HANA Infrastructure Services

2020
Brazil

Product Challenger

Leader

Rising Star

Portfolio Attractiveness

High

Low

TIVIT

SAP

T-Systems

IBM

Google

AWS

Microsoft

Claranet

Contender

Market Challenger

Low        Competitive Strength        High

**ISG** Provider Lens™

Source: ISG Research 2020

## SAP HANA INFRASTRUCTURE SERVICES

## Eligibility Criteria

- IaaS includes servers, storage and connectivity specific to the SAP product line.

- Memory capacity should be above 6 terabytes.

- Should offer a platform certified for SAP IaaS.

- Vendor must have direct operations or at least one authorized partner responsible or client relationship and local regulations compliance, regardless of the data center location.

## Observations

Not surprisingly, the leaders in SAP HANA Infrastructure Services are the same companies that lead the Hyperscale Infrastructure and Platform Services quadrant. However, the reasons for their leadership and the competitors they have are different.

The SAP market is moving to the cloud for two main reasons. Upgrading legacy SAP ERP to SAP S/4HANA and the HANA database for high-performing datamart and analytics requires high-performing servers that could be purchased to run in-house. However, the cloud offers AI and analytics tools that can deliver business benefits that outperform the ERP upgrade. By using public cloud APIs and AI/ML services, clients accelerate their digital business transformation. The second reason is that running SAP in the cloud offers the benefits of from VM imaging, database synchronization and backup/restore tools that enable near-real-time disaster recovery. The same tools enable turning on and off application development and testing resources that are very expensive to maintain in-house.

**iSG** Provider Lens™

## SAP HANA INFRASTRUCTURE SERVICES

### Observations (cont.)

When clients ask advisors why they should move SAP to the cloud, they get many good arguments to do so. However, the reverse is not true. Clients should not restrict their analysis on VM prices. The modern cloud architecture improves performance and reduces costs by optimizing resources.

Of the 49 companies participating in this study, seven have qualified for this quadrant and three are Leaders.

- **Amazon** Web Services (AWS) grew 37 percent in 2019, surpassing $35 billion in sales. AWS has 77 availability zones in 24 geographic regions. The South America (São Paulo) Region has three availability zones. High-memory instances are purpose-built for SAP HANA, offering 38 Gbps of dedicated storage bandwidth. AWS and SAP have been jointly innovating to help customers run their SAP landscapes in the cloud since 2011. In Brazil, AWS has the largest number of certified MSP partners to move SAP to the cloud.

- **Google** is part of Alphabet Inc., which reported $161 billion in revenue and invested $26 billion in R&D in 2019. The Google Cloud segment accounted for $8.9 billion. It offers 24 cloud regions with 73 availability zones. One region is in Brazil, with three availability zones. Google Cloud Platform (GCP) offers a flexible, scalable SAP infrastructure that enables clients to leverage analytics and machine learning. It is expanding its partner network in Brazil while offering compelling proposals to move SAP to GCP.

- **Microsoft** reported $143 billion in revenue in FY 2020. It has more than 160,000 employees, 55,000 of whom are in research and development, where the company applied more than $19 billion in 2020. Microsoft Azure is the company's public cloud platform. It has a strong SAP partnership, enabling Microsoft to sell SAP Cloud Platform (SCP) components as a service on the Microsoft Azure marketplace. Microsoft has a robust partner ecosystem in Brazil.

# ENTERPRISE CONTEXT

## Hyperscale Infrastructure & Platform Services

This report is relevant to enterprises across industries in Brazil and will help them evaluate providers of hyperscale infrastructure and platform services. In this quadrant report, ISG highlights the current market positioning of these providers in Brazil and the way they address the key challenges that confront enterprise clients in the country.

Enterprises face challenges in maintaining their own IT infrastructure due to higher costs. Hence, the adoption of public cloud services across industries is on the rise and enterprises prefer a multi-cloud setup when migrating their workloads to the cloud. In 2020, the urge to move workloads to the public cloud has become more pressing than ever and many enterprises are accelerating their migration journey. This report can help with choosing the right hyperscale platform to migrate their workloads.

Enterprises can benefit from investing in infrastructure and platform services that can manage their infrastructure with regular (end-to-end) updates and help in enhancing processes and ensuring operational efficiency.

In addition, they can leverage hyperscalers' compute resources, middleware and software in a virtual or containerized software-defined environment and serverless architectures. Along with the infrastructure, enterprises can take advantage of PaaS services that include persistent resources, business process management, collaboration networks, databases, analytics and machine learning (ML) capabilities.

ISG sees that enterprises in Brazil are adopting multi-cloud as a part of their digital journey. The increased investments in infrastructure services made Brazil a competitive market. These providers can help enterprises with improved data security and increased use of containerization and microservices technologies for application development and deployment.

**IT leaders** should read this report to better understand the relative strengths and weaknesses of hyperscale infrastructure and platform service providers, as well as learn how these providers' approaches to the market can impact enterprise public cloud strategies, reduce total cost of ownership, and improve business agility, scalability and flexibility.

**Software development and technology leaders** should read this report to understand the relative positioning and capabilities of hyperscalers, which can help them procure infrastructure and platform services to migrate their workloads to public cloud platforms.

**Sourcing, procurement, and vendor management professionals** should read this report to develop a better sense of the current landscape of hyperscale infrastructure and platform service providers in Brazil.
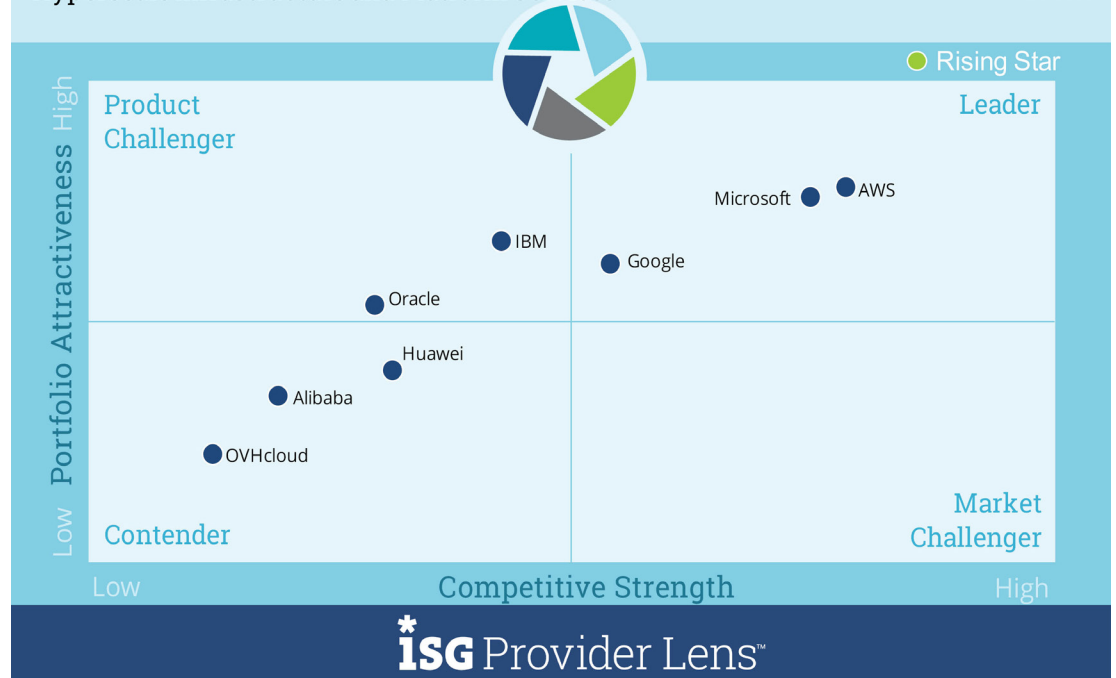
# HYPERSCALE INFRASTRUCTURE & PLATFORM SERVICES

## Definition

This quadrant is aimed at suppliers that provide virtual compute resources, middleware and software on a public cloud. Clients consume infrastructure and platform (micro)services as an on-demand and a web-centric service. Typical services in the IaaS segment are compute services, storage, and network resources, where all are provided in virtual or containerized software-defined fashion and rounded up by serverless architectures. The hyperscaler PaaS segment offers multiple microservices and runtime engines for predefined, cloud-based application development processes that typically address full life-cycle needs for a developer that needs to build or modernize applications. Services include middleware, persistent resources, business process management, collaboration networks, databases, analytics and machine learning (ML) capabilities. Internal and external (third-party) services are also being made available through marketplaces. In addition, IaaS or PaaS vendors support and manage ISVs in their go-to-market activities.



Public Cloud – Solutions and Services
Hyperscale Infrastructure and Platform Services

2020
Brazil

Rising Star

Product Challenger

Leader

Portfolio Attractiveness  High / Low

Microsoft   AWS

IBM

Google

Oracle

Huawei

Alibaba

OVHcloud

Contender

Market Challenger

Low   Competitive Strength   High

Source: ISG Research 2020

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## HYPERSCALE INFRASTRUCTURE & PLATFORM SERVICES

### Eligibility Criteria

- Innovative portfolio of infrastructure services (computing power, memory, network, backup, etc.) and container management functions.

- Powerful and resilient data-center infrastructure.

- Easy access, transparent prices, dynamic (consumption-based) and fixed (reserved) billing models.

- Recognized standards and certifications, strong focus on data protection, and a sophisticated cybersecurity approach.

- Support for infrastructure as code and serverless computing in combination with highly automated provisioning, event triggering and failover.

### Observations

- Test and development environments, including workflows and log/report functionality for rollouts.

- Support for multiple development tools, operating systems, technologies and platform management automations.

- Workflow support for Agile development methodologies (Scrum).

- Open architecture, interoperability and well-documented (web service) APIs or middleware/integration layer to join multiple clouds or services and platforms.

- Specialized partner program with a broad partner ecosystem to support local customer requirements.

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# HYPERSCALE INFRASTRUCTURE & PLATFORM SERVICES

## Observations

Multi-cloud is a clear market trend. However, the reported case studies show that enterprises have one preferred public cloud for most of their computing workloads, and they use other clouds for specific applications, SaaS or cost savings. In the large account's market, many enterprises have large databases, resulting in multi-cloud combinations where front-end applications run in one cloud and the large database runs in another for a best-in-breed solution at optimum cost. Fast connections between clouds enable these arrangements.

There are more than 15 cloud data centers in Brazil, most in the São Paulo State. The distance between public cloud data centers is short, providing low-latency connections within most cloud options. The longest distance separating two public cloud data centers in Brazil is less than 450 kilometers.

Public cloud providers do not publish revenue figures at the country level. The market perception, consulting many sources, is that AWS dominates the market because of its pioneering offer of cloud technologies in Brazil starting in 2009. Engineers, architects and analysts influence the decision-makers in favor of AWS. Microsoft Azure is growing fast thanks to its direct approach with decision-makers, and the benefits it offers to companies that have built their solutions around Microsoft software. Microsoft has the most robust sales channels in Brazil. Oracle also has a robust sales force and dominance in the database market in the country, enabling it to migrate clients to Oracle Cloud Infrastructure (OCI) to consume database as a service. However, it does not have a compelling offer for other workloads. Google has been pushing the Google Cloud Platform (GCP) in recent years. It arrived late and faces the challenge of capturing the attention of enterprise executives who have established business relationships with other vendors. IBM still holds a captive client base, but it struggles to convince new clients to adopt IBM Cloud. However, all hyperscalers have been reporting cloud revenue increases every quarter.

# HYPERSCALE INFRASTRUCTURE & PLATFORM SERVICES

## Observations (cont.)

Of the 49 companies participating in this study, eight have qualified for the hyperscalers quadrant. Three are market Leaders.

- **Amazon** Web Services (AWS) grew 37 percent in 2019, surpassing $35 billion in sales. AWS offers more than 175 services for computing, storage, databases, networking, analytics, ML, AI, IoT, AR/VR, mobile, security and application development. It has 77 availability zones in 24 geographic regions. The South America (São Paulo) Region has three availability zones. In 2020, it announced a $236 million investment to expand its data center in Brazil. AWS has the largest number of certified MSP partners among the hyperscalers in Brazil, which helps it support a robust client base.

- **Google** is part of Alphabet Inc., which reported $161 billion in revenue and invested $26 billion in R&D in 2019. The Google Cloud segment includes the Google Cloud Platform (GCP), G Suite (collaboration) and other enterprise cloud services. In 2019, Google Cloud accounted for $8.9 billion. It offers 24 cloud regions with 73 availability zones. One region is in Brazil, with three availability zones. Google has direct operations, sales and a growing partner ecosystem in Brazil.

- **Microsoft** reported $143 billion in revenue in FY 2020. It has more than 160,000 employees, 55,000 of whom are in research and development, where the company applied more than $19 billion in 2020. The company released Microsoft Azure, its public cloud platform, in 2010. Its financial performance is not available. Microsoft has a robust partner ecosystem in Brazil.
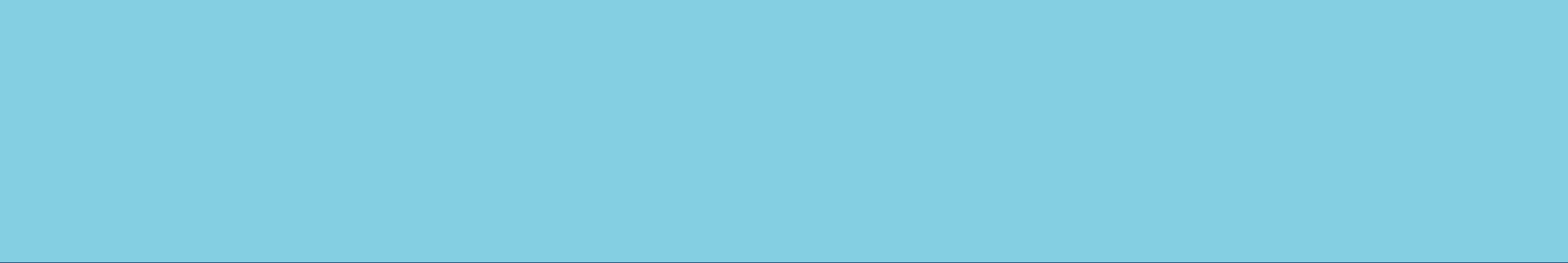
Methodology

# METHODOLOGY

The research study "2020 ISG Provider Lens™ Public Cloud – Solutions & Services" analyses the relevant software vendors/service providers in the Brazil market, based on a multi-phased research and analysis process and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of 2020 ISG Provider Lens™ Public Cloud – Solutions & Services, Brazil market

2. Use of questionnaire-based surveys of service providers/vendor across all trend topics

3. Interactive discussions with service providers/vendors on capabilities and use cases

4. Use of ISG's internal databases and advisor knowledge and experience (wherever applicable)

5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.

6. Use of the following key evaluation criteria:
   - Strategy & vision
   - Innovation
   - Brand awareness and presence in the market
   - Sales and partner landscape
   - Breadth and depth of portfolio of services offered
   - Technology advancements

# Authors and Editors

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Distinguished analyst and author, Pedro Bicudo brings extensive experience in the research of the SEMEA (Southern Europe Middle East and Africa) and Latin America service markets. With more than 30 years of experience in sourcing, he has developed vendor assessments plus contract restructuring, services scope and IT benchmarking programs for diverse vertical markets in the Americas and APAC. Before joining ISG, Pedro was a partner of TGT Consult and managing vice president at Gartner Inc., responsible for the consulting business in APAC and Latin America.

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# Authors and Editors



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Jan Erik Aase is a director and principal analyst for ISG. He has more than 35 years of collective experience as an enterprise client, services provider, ISG adviser and analyst. Jan Erik has overall accountability for the ISG Provider Lens™ reports, including both the buyer-centric Archetype reports and the Brazilian-based Quadrant reports, focused on provider strengths and portfolio attractiveness. He sets the research agenda and ensures the quality and consistency of the Provider Lens™ team.

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# ISG Provider Lens™ Report: Public Cloud – Solutions & Services
# November 2020

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.