



# Public Cloud – Services & Solutions

Global 2021

Quadrant  
Report



A research report  
comparing provider  
strengths, challenges  
and competitive  
differentiators

Customized report courtesy of:



November 2021

## 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 July 2021, 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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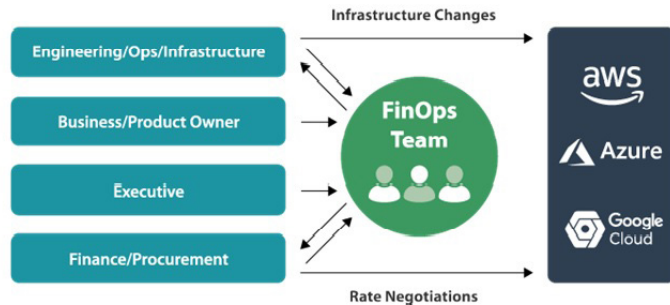
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## EXECUTIVE SUMMARY

### TITLE

In the past couple of years, ISG has seen a strong growth in demand for multicloud services from enterprises of all sizes. Also, enterprises have recognized that moving to the cloud is beneficial for their business. They are now willing to take the help of an outsider for this move and in the right way — by identifying the cloud that is best suited for a particular workload and by leveraging multiple clouds to avoid a vendor lock in. In the past, there were multiple cloud systems, where each functioned independently. Now we are seeing a shift toward multiple cloud systems — interconnected, integrated and managed — creating a complex environment of multi-hybrid cloud systems.



Source: [FinOps Foundation](#)

The COVID-19 pandemic has changed the way most enterprises currently operate, and the cloud ecosystem has played a major role in heralding this change. As the world returns to a near normalcy, where employees have started returning to office premises, ISG strongly believes that the hybrid model of working will continue, where the enforcement of some form of restrictions will continue, and employees are allowed the option to work remotely. Most managed services are now virtually and remotely delivered, including transformation and migration of workloads, sales activities and due diligence, where the delivery is faster, better and cost effective.

ISG has also observed an increase in use of platforms and tools by both service providers and the enterprise community for automating cloud operations. Leveraging AI and machine learning technologies has also become a norm, creating differentiation with the level of automation achieved, which can vary from 30 to 70 percent. Some companies are using automation to improve customer experience along with improving the bottom lines. Also, DevOps and security configurations for application migration have been widely adopted, finding increased acceptance in cloud native transformation initiatives.

FinOps is a growing discipline which defines cloud financial operations across multiple clouds in a vendor and cloud provider agnostic way. FinOps brings financial accountability to the dynamic and complex spending of cloud resources in an organization.

The FinOps concept is primarily leveraged for financial management or cost management related to cloud resources, and enables siloed or distributed teams to improve efficiency in the use of public cloud resources. The FinOps practice enables different teams to manage cloud costs by taking ownership of their cloud usage. These teams can be cross-functional within IT, finance, product, procurement and other departments that work together for rapid product delivery, while at the same time, gaining more financial control and predictability. It also helps in increasing the business value of cloud by bringing together technology, business and finance professionals with a new set of processes. By following FinOps frameworks, an enterprise can get the most value out of every dollar spent on cloud resources. FinOps practitioners are experts and can continuously optimize cloud investments for strategic business initiatives. The figure below illustrates the FinOps function's central role in driving cost efficiency across the organization to support public cloud use.

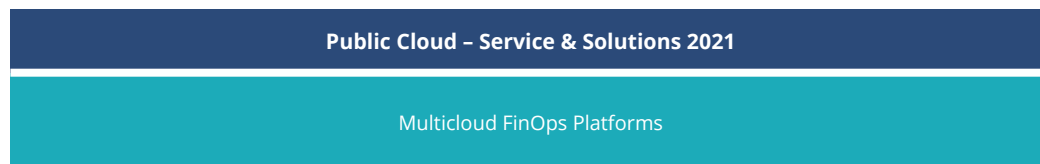
Some of the trends that are seen in the market are detailed below:

**Focus on optimizing and accounting for cloud costs:** ISG has observed that there is much push toward IT cost optimization and operational efficiency. One of the top priorities of enterprises today is to optimize cloud expenses. Many are finding it difficult to manage spending in this context as the hybrid cloud environment is vast and complex. Service providers are playing an important role here by helping large enterprises manage their complex global IT assets while reducing operating costs. These providers are leveraging their vast experience in managing cloud infrastructure and assets with the help of proprietary tools and platforms developed over the years.

**The rise of cloud FinOps:** Cloud cost management has been around as a concept since 2011 but it was not until the last few years that cloud adoption has skyrocketed, and since then the adoption of FinOps principles and frameworks began to increase considerably among enterprises. FinOps increases the business value of cloud by bringing together technology, business and finance professionals with a new set of processes that help organizations to efficiently monitor and track their cloud resources. FinOps practitioners continuously align and optimize cloud investments to drive strategic business initiatives and bring in the needed discipline to use cloud resources effectively. The FinOps Foundation is a strategic program within The Linux Foundation, and a sister organization to the Cloud Native Computing Foundation (CNCF). Its mission is to advance the people that carry out cloud financial management. It has been very active in creating awareness on its principles and the FinOps Framework which provides a map of domains and capabilities. It has a network over thousands of FinOps practitioner around the world who share community, education and open-source standards. There is also a large growing partner ecosystem comprising vendors, service integrators and consultancies contributing to the FinOps initiative ranging including Google Cloud, VMware, SADA, Accenture, Deloitte, McKinsey, Virtasant, Apptio, IBM Nordcloud, and several others. Cost analysis and allocation tools such as VMware's CloudHealth or Apptio's Cloudability are prominent in the market and play an important role in the FinOps journeys of many organizations, keeping the finance and procurement teams informed, enabling forecasting, and driving accountability toward the actual users. These tools offer visibility and direction on long-term plans in terms of purchases, savings and reserved instances to bring visibility, accountability and optimization to cloud bills.

# Introduction

Simplified illustration



Source: ISG 2021

## Definition

In the last financial year, the increase in public cloud adoption among enterprises was mainly triggered by the COVID-19 pandemic, along with other factors such as the growing digital transformation engagements, increasing recognition of the importance of cybersecurity and expanding remote working environments. The increased maturity of the cloud industry made a major impact on both enterprises and IT service providers, with both buyers and consumers witnessing a huge shift in the buying behavior, from physical to digital. For enterprises, this has also impacted business models, requiring digital initiatives and recognizing the need to address governance, risk and compliance norms. Considering the widespread adoption of the as-a-service model, enterprises need to continuously evaluate cloud service providers, globally, mainly due to growing security concerns and the dynamic nature of the business landscape. Enterprises continue to seek service providers that can act

## Definition (cont.)

as strategic partners in carrying out cloud transformation engagements on major hyperscalers (AWS, Microsoft Azure and Google Cloud Platform). The provider will also continue to manage the workloads on an on-going basis, and help enterprises control, optimize and manage cloud expenses through FinOps strategies.

ISG reports a strong demand for digital transformation engagements, which, in turn, 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 2Q21 ISG Index™, the global market has grown 32 percent in combined market annual contract value (ACV) to reach its current value of US\$19.1 billion year-over-year, while the as-a-service ACV has increased by 25 percent to reach US\$11.2 billion in the same period. Also, the IaaS market grew by 29 percent to reach US\$15.3 billion, while the SaaS market grew by 15 percent to reach US\$5.7 billion in the first half of 2021.

The ISG Provider Lens™ study offers the following to IT-decision makers:

- Strengths and weaknesses of relevant providers;
- A differentiated positioning of providers based on competitive strength and portfolio attractiveness;
- A perspective on global market.

This study serves as the basis for important decision-making in terms of positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also leverage information from these reports to evaluate current vendor relationships and potential engagements.

## Definition (cont.)

### Scope of the Report

The Public Cloud – Service & Solutions 2021 global report will assist buyers while reviewing a significant cloud transformation strategy and the capabilities of service providers/vendors in global region. Enterprise clients will also benefit from the study because it incorporates ISG's strengths in global sourcing advisory, contract knowledge databases, regional research and expertise in technology ecosystems and innovations. This study includes various reports from seven quadrants that cover cloud service models. Not all quadrants are covered in each geography. Coverage depends on provider responses, participation and relevance. Quadrants that are not covered in a region may be covered in future studies.

The quadrant covered in this study is around multicloud FinOps platforms, where we assess independent software vendors (platform and tool providers) that offer cloud financial management solutions to manage cloud costs and usage across multiple public clouds.





## Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between US\$20 million and US\$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above US\$1 billion, with activities worldwide and globally distributed decision-making structures.

## Provider Classifications

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly.

### Leader

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

### Product Challenger

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

### Market Challenger

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

### Contender

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in both products and services and a sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

## Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

### Rising Star

Rising Stars have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

### Not In

The service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

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

|                       | Multicloud FinOps Platforms |                         | Multicloud FinOps Platforms |
|-----------------------|-----------------------------|-------------------------|-----------------------------|
| Apptio (Cloudability) | ● Leader                    | HCL (MyXalytics FinOps) | ● Rising Star               |
| Centilytics           | ● Product Challenger        | KubeCost                | ● Product Challenger        |
| Cloudeasier           | ● Product Challenger        | NetApp (Spot)           | ● Leader                    |
| Cloudwize             | ● Contender                 | Opsani                  | ● Contender                 |
| Datadog               | ● Contender                 | Splunk                  | ● Contender                 |
| Densify               | ● Contender                 | VMware (CloudHealth)    | ● Leader                    |
| Flexera               | ● Leader                    |                         |                             |



# Public Cloud – Services & Solutions Quadrants



## ENTERPRISE CONTEXT

### Multicloud FinOps Platforms

This quadrant is relevant to enterprises of all sizes that are evaluating cloud FinOps platform providers. This quadrant report is centered around the current market positioning of FinOps platform providers and their interaction with key enterprise challenges.

Financial control of cloud resources for safety and regulatory compliance has become a prominent topic. Faced with multicloud scenarios, companies must deal with the integration of various tools to monitor and manage their financial operations. Since infrastructure costs need to be constantly optimized, a tailored board solution is required.

These solutions address challenges such as interfacing with multiple service providers, collaboration tools, and data aggregation via APIs to enable search capabilities, detect anomalies and quickly eliminate underutilized services. This will also allow enterprises to map costs to the appropriate stakeholders or users. This will, in turn, create transparency for pricing models and aid in transparency for tax purposes.

A cloud FinOps platform will ensure a more accessible forecasting and cloud spending plan, as well as showcase the cost trends and comparative analysis. These reports allow easy access to the data already available. Enterprises are seeing a need for utilizing their data more proficiently, and a partnership with an independent software vendors specializing in FinOps will provide information, optimization and operation solutions.

**IT leaders** should read this report to better understand the relative strengths and weaknesses of cloud FinOps platforms, as well as how those providers' approaches to the market can affect enterprise adoption of cloud-native technology.

**Software development and technology leaders** should read this report to understand the positioning of cloud FinOps platforms and gain a better understanding of how those providers' offerings can affect the creation of dashboards, including the development of new skills and application platforms.

**Sourcing, procurement, and vendor management professionals** should read this report to develop a better understanding of the current landscape of FinOps platform providers.

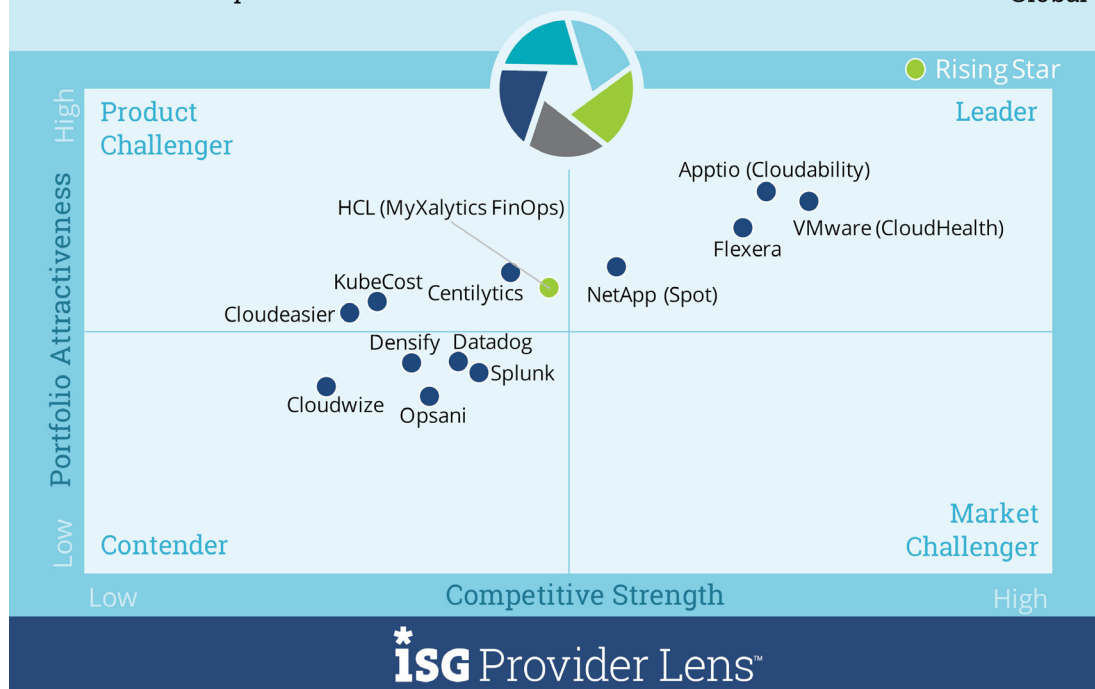
## MULTICLOUD FINOPS PLATFORMS

### Definition

This quadrant assesses independent software vendors (platform and tool providers) that offer cloud financial management solutions to manage cloud costs across multiple public clouds. The inherent objective is to help clients across functional teams and lines of business, and support various stakeholders to maintain financial accountability for the cloud services used. This involves defining shared cost responsibilities across lines of business, IT teams and the finance department. Cloud FinOps experts are responsible for managing variable costs and usage of cloud services, and they require FinOps platforms that allow them to report on cost and usage, allocate the costs to the appropriate stakeholders/users, optimize both usage and price models, recommend engineering changes that would provide value, and continuously assess the effective use of cloud services in lieu of budgets and business objectives. In this quadrant, the vendors that offer cloud FinOps as a standalone solution and sell it as a licensing model or any other standard pricing model have been considered.

### Public Cloud - Services and Solutions Multicloud FinOps Platforms

2021  
Global



Source: ISG Research 2021

## MULTICLOUD FINOPS PLATFORMS

### Eligibility Criteria

- Reporting and optimization that can be tailored to the needs of various personas (finance, IT, and business unit), based on the same sources of data, and through a single console;
- Interface with multicloud service providers and other tools to collaborate and combine data via APIs;
- Search and identify irregularities, and remove under-utilized services;
- Allocate shared costs for shared resources, functions, or services and track them to create business case with deep financial nuances;
- Forecast to better plan cloud expenditures, with the ability to conduct cost-trend and benchmarking analyses;
- Centralized commitment-based cloud infrastructure buying process, along with transparency in reporting and optimizing these costs;
- FinOps capabilities to support multicloud environments;
- Accreditation by FinOps Foundation.

### Observations

The adoption of cloud FinOps principles and frameworks has grown considerably since 2020, and this trend continues. FinOps increases the business value of cloud by bringing together technology, business and finance professionals with a new set of processes that help an organization efficiently monitor and track cloud resources to, eventually, reduce cloud bills. FinOps practitioners optimize cloud investments to drive strategic business initiatives and bring in the needed discipline to use cloud resources effectively. The FinOps Foundation, a part of the Linux Foundation and sister to CNCF, has been active in spreading awareness about its principles. The growing partner ecosystem of vendors, global service integrators and FinOps community members are contributing to the FinOps initiative. Cost analysis and allocation tools like VMware's CloudHealth or Aptio's Cloudability are important in the market and play a major important role in determining the FinOps journey for many organizations by keeping finance and procurement teams informed, enabling forecasting, and driving accountability among actual users. These tools offer visibility and guidance on long-term plans in terms of purchases, savings and reserved instances to bring down cloud bills.

Of the 52 companies assessed for this study, 14 providers met the criteria to be included in this quadrant, of which four were identified as Leaders and one as a Rising Star.



## MULTICLOUD FINOPS PLATFORMS

### Observations (cont.)

- **Apptio** offers FinOps capabilities through its Cloudability platform, which provides a single-pane-of-glass, multicloud feature that enables team ownership of spend through AI-backed anomaly detection, curated and customizable dashboards, budgets and forecasts, container analytics and comprehensive optimization recommendations.
- **VMware's** CloudHealth solution leads the FinOps market. The platform connects and aggregates data across on-premises, public and hybrid clouds, as well as containerized environments and becomes a single source of truth for multicloud cost management.
- **Flexera** offers a multicloud management solution with FinOps modules that enable enterprises to accelerate return on their technology investments. It has helped several enterprises (of all sizes) right size across platforms, reallocate spends, reduce risk and chart the most effective path to the cloud, thus ensuring efficiencies and saving on costs.
- **NetApp's** Spot offers a flexible reserved capacity management service that allows AWS users to plan, buy and sell reserved instances effortlessly, making it easier for organizations to reduce cloud costs. Spot also includes an enterprise-level availability SLA for fault-sensitive workloads such as web applications, microservices running behind a load balancer or application gateway and high-performance computing (HPC) workloads.
- **HCL's** MyXalytics FinOps solution is designed for large enterprises with complex hybrid environments with siloed offices across the globe. The solution ensures real time visibility of cloud costs and consumption and recommends optimizations. HCL's dedicated FinOps practitioners offer guidance on best practices, consultative reviews for cost optimization, instance rightsizing based on consumption trends, reserved instance recommendations and more.

## RISING STAR: HCL (MYXALYTICS FINOPS)



### Overview

HCL Technologies is a large multinational IT service provider headquartered in Noida, India. The company offers cloud FinOps capabilities through its MyXalytics platform, powered by DRYICE, to enterprises of all sizes. As of October 2021, HCL is the only global service integrator that is a member of the FinOps organization.



### Strengths

**Automation focused:** HCL brings its automation expertise to the three simple and basic principles of FinOps, namely, inform, optimize and govern. It leverages its DRYICE framework as a base for automating the monitoring and reporting features, which reduces manual efforts and standardizes the output while enabling proactive decision making. This helps enterprises in reducing overall IT costs and significantly increasing business efficiencies. HCL has helped its clients to reduce up to 40 percent of their cloud spends.

**Highly customizable:** HCL's FinOps solution is built on an extensible architecture that enables users to customize the platform in accordance with their needs. It offers extensive, granular and bespoke reporting and analytics features that cover the entire set of offerings, including managing security and compliance. This helps enterprises customize performance monitoring through dashboards, along with cost and usage reporting for various types of users such as CIO, CTO, CFO and IT admins.



### Caution

HCL is still in the initial phases of building a strong FinOps solution. Although ISG strongly believes that its MyXalytics FinOps module has shown considerable growth in terms of features, with the company making some significant investments in this space to further enhance the FinOps capabilities.



## 2021 ISG Provider Lens™ Rising Star

HCL's FinOps solution offers strong cost optimization capabilities through a wide range of performance monitoring and reporting features. The solution has lot of potential, and the company has strategic investments and plans for the growth of this division to new heights.

The image features a dark blue background with a light blue horizontal band at the top. On the left side, there are several circular icons resembling camera apertures, arranged in a diagonal line from the bottom left towards the center. These icons are in various shades of blue and white. The word "Methodology" is written in a white, serif font on the right side of the image.

# Methodology

## METHODOLOGY

The research study “ISG Provider Lens™ 2021 – Public Cloud – Service & Solutions” analyzes the relevant software vendors/service providers in the global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Public Cloud – Service & Solutions 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



## Shashank Rajmane, Author

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Shashank Rajmane has more than a decade of extensive research experience and has led the ISG Provider Lens™ studies — Public Cloud Services & Solutions, and Private/Hybrid Cloud & Data Center Outsourcing Services. He leads the efforts for the U.S. geography along with global geography reports. Apart from authoring these reports, Shashank has been part of many consulting engagements and helps ISG's enterprise clients select the right service providers and vendors based on their IT buying requirements. He is also responsible for authoring whitepapers, thought leadership papers, briefing notes, blogs and service provider intelligence reports, especially in the next-generation cloud and infrastructure services domain. He has also authored several research papers on best practices for choosing cloud vendors and cloud management platforms, along with writing several whitepapers on the cloud industry.



## Jan Erik Aase, Editor

### Partner and Global Head – ISG Provider Lens/ISG Research

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle: as a client, an industry analyst, a service provider and an advisor. Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

# ISG Provider Lens™ | Quadrant Report

## November 2021

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