



IDC MarketScape

IDC MarketScape: Worldwide Cloud Professional Services 2014 Vendor Analysis

Gard Little

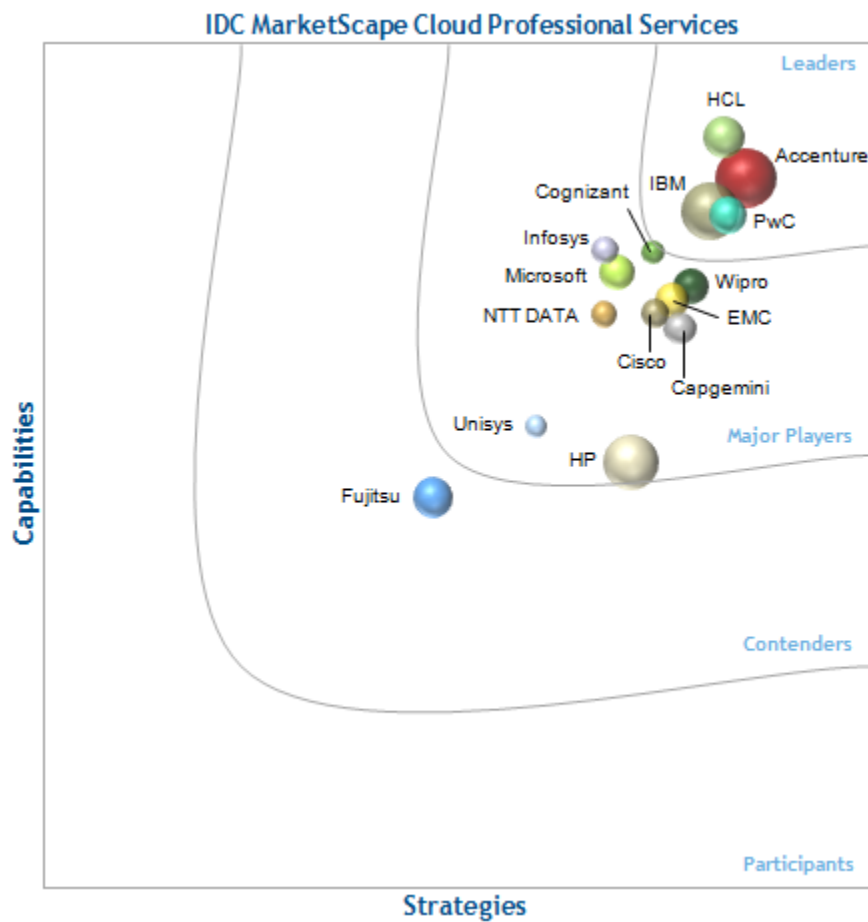
Chad Huston

THIS IDC MARKETSCAPE EXCERPT FEATURES HCL

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Cloud Professional Services Vendor Assessment



Source: IDC, 2014

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: IDC MarketScape: IDC MarketScape: Worldwide Cloud Professional Services 2014 Vendor Analysis (Doc #250238). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents a vendor assessment of the 2014 cloud professional services market through the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers a variety of vendors participating in the worldwide cloud professional services market. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing cloud professional services during both the short term and the long term. A significant component of this evaluation is the inclusion of the perception of cloud professional services buyers of both the key characteristics and the capabilities of these providers. Buyers were surveyed across all three of IDC's macroregions. Key findings include:

- When calculating scores for all providers that participated, across all 26 capabilities evaluated, the category of "future business strategy" received the highest mean scores, followed by the category "current offering capabilities." In addition, the category "current offering capabilities" showed the widest dispersion of scores, while the category "current business capabilities" showed the narrowest dispersion.
- Based on the survey feedback from 75 of the evaluated vendors' customers, the subcategory "manage risk" received the highest aggregate scores for any of the 24 subcategories in the evaluation. The lowest aggregate score for any subcategory went to "expand into new markets/geographies."
- When buyers were asked what characteristics were required for a cloud professional services project to be successful, at a worldwide level, the number 1 characteristic was "provide technical insights and competence" followed by "provide functional insights and competence." These two items made it to the top of the 2014 list compared with 2013 when "meet the project timeline" and "ability to handle changes in project scope" were tops, indicating buyers believe success will come less from basic project management skills and more from technical and/or functional insights.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The inclusion criteria for this IDC MarketScape consisted of two dimensions. The first was aggregate 2013 calendar year professional IT services revenue. Using the definitions detailed in *IDC's Worldwide Services Taxonomy, 2014* (IDC #247379, March 2014), IDC analysts calculated the aggregate IT consulting, systems integration, network consulting and integration, and custom application

development revenue for all 53 services vendors that are tracked in IDC's Worldwide Quarterly Services Tracker. Second, the aggregate professional IT services revenue was granulated into the three macroregions of the Americas, EMEA, and Asia/Pacific. Vendors with over \$81 million of aggregate professional IT services revenue in each of the macroregions were invited to participate in this study. These criteria resulted in a list of 27 vendor candidates.

IDC analysts also determined the top 5 cloud professional services vendors by ranking the calendar year 2013 revenue for those vendors that met the inclusion criteria detailed previously. In alphabetical order, these vendors are Accenture, Capgemini, Deloitte, Fujitsu, and IBM. Participation in this study for these vendors was considered involuntary, so their inclusion in this study was not determined upon their willingness to provide information. For those 22 vendors that met the criteria, but were not determined to be top 5 in revenue, invitations were sent and inclusion in this survey was based upon their willingness to provide information. In total, 15 vendors have been evaluated.

ESSENTIAL BUYER GUIDANCE

Advice for Cloud Professional Services Buyers

- **Vendor selection.** Use this IDC MarketScape in contract negotiations and as a tool not only to short list vendors for cloud professional services bids but also to evaluate vendors' proposals and oral presentations. Make sure you understand where these players are truly differentiated and take advantage of their expertise, industry based or otherwise.
- **Project timeline and scope.** Include vendor performance on these factors among your highest selection criteria. Both are ranked among the top 5 in terms of importance for project success as rated by customers that were surveyed for this IDC MarketScape; however, when aggregating the average performance of all the vendors evaluated, these two items ranked 10th and 12th, respectively, among all the 24 criteria evaluated.
- **Engagement pricing.** Make sure you understand the nuances of alternative pricing schemes for cloud professional services, especially when a consulting or integration engagement is embedded in the pricing of related cloud services, or when financing is involved. About 80% of all cloud professional services projects are still standard time and materials or fixed-price engagements, but numerous alternative arrangements are on offer. For the 20% of alternatively priced projects, it is critical to understand how the pricing of a given engagement works and to make sure it supports your overall goals.

Advice for Cloud Professional Services Firms

- **Future offering strategy.** Emphasize your portfolio strategy as one key to your differentiation. Among all the attributes scored under future offering strategy, the portfolio strategy element had the greatest dispersion of scores. Therefore, this gives you the element of the most likely area where customers or prospects can see a competitive difference.
- **Future go-to-market strategy.** Determine co-marketing approaches with relevant cloud partners, if you have not already. Not every vendor evaluated included co-marketing in their approach, so the strength of these relationships may be another source of differentiation. Separately, while it's debatable whether or not customers or prospects will go to your Web site first when looking for cloud professional services (instead of speaking with you directly), make

sure your related offers have high visibility and/or are easily accessible on your Web site. As part of this IDC MarketScape, IDC evaluated how prominent and easy-to-find cloud professional services were on the Web sites of the vendors evaluated. It was surprising to see the range of visibility, from being a top-level service on the home page to being hard to find even using the search bar, so reevaluate your Web site presence for cloud professional services.

- **Future business strategy.** Make sure your employee strategy is competitive to attract and retain the top talent you need to be successful. Among all the attributes scored under the future business strategy, the employee strategy element had the greatest dispersion of scores. While cloud services are a highly technical offering with lots of embedded intellectual property, the professional services required to build and implement these cloud services still require highly skilled professionals. Total compensation is important, but non-cash approaches (such as verbal recognition and developing communities of interest) seem to be even more important.

VENDOR SUMMARY PROFILES

HCL

According to IDC analysis and buyer perception, HCL is an IDC MarketScape Leader worldwide.

HCL's cloud professional services focus on helping customers take advantage of the cloud – specifically, creating target IT architecture and operating model that incorporates both public and private cloud, creating cloud environments, developing and migrating applications to such target state, and creating and managing operating processes for those applications. HCL offers an enterprise-class cloud services delivery platform that covers the entire range of customer requirements from dedicated infrastructure stack to hybrid cloud environment

Portfolio of cloud professional services:

- **Cloud assessment services:** Based on the effort in terms of cost, time taken for the migration of the applications, and risk, a suitable road map for application migration and the target architecture for applications is developed. HCL also helps a customer understand cloud readiness of its IT environment and establish an appropriate cloud migration road map through Cloud Assessment and Readiness Tool.
- **Cloud migration services:** For specific applications that need cloud-grade nonfunctional support such as scalability, disaster recovery, and elasticity, HCL offers transformation of nonfunctional aspects of those applications – configuration, caching, deployment, and application distribution – in target cloud environments such as Windows Azure, Amazon cloud, and even private cloud.
- **Private/hybrid cloud creation and operation services:** For organizations that wish to create a private or hybrid cloud environment either on-premises or in vendor locations for production, development, and testing purposes, we offer services that set up tools and processes and operate the environment based on the service catalogue.
- **New applications on cloud:** For specific applications that demand cloud-grade nonfunctional services, we offer complete application development – the platform, the Web API services, and the applications – that works well in cloud environments.
- **Cloud integration as a service:** HCL offers services to integrate applications, both on-premise and cloud.
- **Cloud management services:** HCL has its own IP, MyCloud, which is a hybrid cloud management solution with an easy-to-use, Web-based interface for provisioning/deprovisioning, customer and order management, monitoring and management, cloud aggregation, and enable metering and chargeback on the cloud.

Key differentiators:

- **Geographical spread:** HCL delivers cloud services through 13 cloud datacenters worldwide, thus giving a truly global cloud services delivery platform.
- **Compliance:** HCL understands the customer concerns on security and compliance requirements when evaluating a cloud strategy.
- **Alliances and partnerships:** HCL has continued with its legacy of establishing a well-defined partnership with the leading technology companies including Salesforce.com, ServiceNow, SuccessFactors, Cast Iron, Informatica, VMware, and Windows Azure.
- **Pricing clarity:** HCL provides a great deal of visibility and clarity in how the services and support items are billed to customers, thus minimizing the possibilities of vagueness and the element of surprise when receiving the bill.
- **Ease of migration:** HCL cloud assessment services come bundled as a value add that helps in analyzing the cloud readiness of customer environment.
- **Enterprise flavor:** HCL cloud datacenters are architected on the Vblock platform, which is an enterprise-class offering from VCE with best-in-class expertise. It is further complemented by HCL's managed services know-how, which has been developed and refined over the years.

Strengths

According to IDC's *Global Cloud Professional Services Buyer Perception Survey*, clients highlighted HCL to be most strong in the following areas:

- Manage risk
- Presence of local offices and local resources
- Provide functional insights and competence

Challenges

HCL can further enhance its position in this IDC MarketScape by improving its client perception in the following areas:

- Breadth and depth of vertical-specific solutions
- Manage vendor staff turnover during a project's lifetime
- Integrate project team with my company

APPENDIX

Reading an IDC MarketScape Graph

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

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

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

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

IDC MarketScape Methodology

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

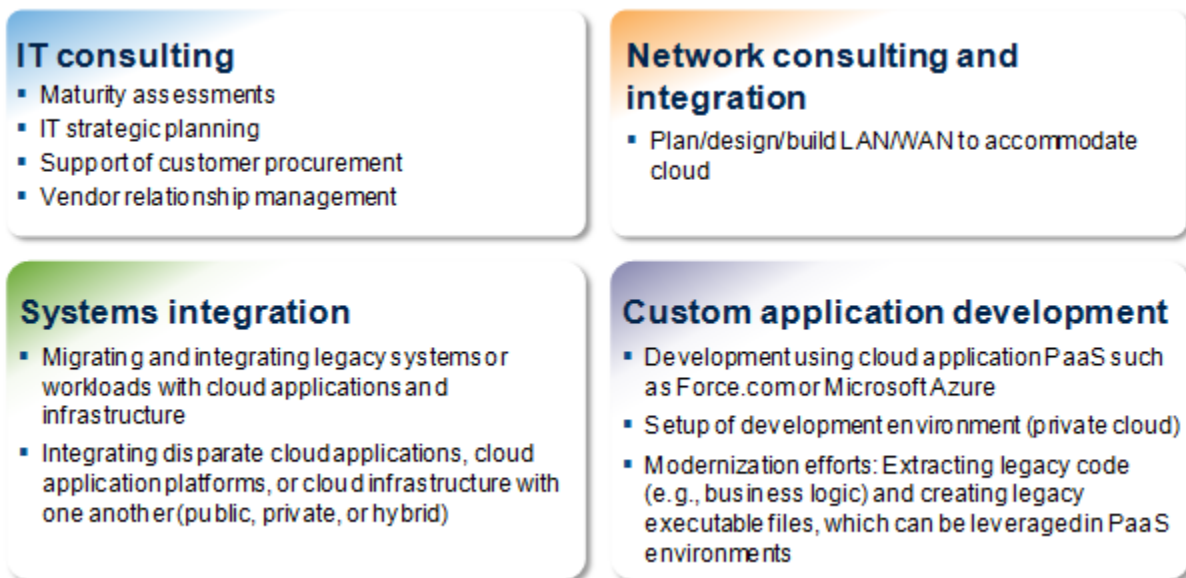
Note: All numbers in this document may not be exact due to rounding.

Market Definition

The cloud professional services market includes elements from four of IDC's services foundation markets, which are defined in their entirety in *IDC's Worldwide Services Taxonomy, 2014* (IDC #247379, March 2014). Some examples of specific cloud professional services are shown in Figure 2.

FIGURE 2

Examples of Cloud Professional Services



Source: IDC, 2014

LEARN MORE

Related Research

- *Worldwide and U.S. Systems Integration Services 2014-2018 Forecast* (IDC #248258, May 2014)
- *Worldwide and U.S. IT Consulting 2014-2018 Forecast* (IDC #248246, May 2014)
- *2014 U.S. Professional Services Opportunities Related to Cloud Services* (IDC #248480, May 2014)
- *Worldwide Virtualization Services 2014-2017 Forecast* (IDC #247283, March 2014)
- *Winning in the Cloud Professional Services Marketplace* (IDC #DR2014_BS1_RS_GL, March 2014)
- *IDC's Worldwide Services Taxonomy, 2014* (IDC #247379, March 2014)
- *U.S. Cloud Professional Services 2013-2017 Forecast Update* (IDC #244923, December 2013)
- *IDC MarketScape: Worldwide Salesforce.com Implementation Ecosystem 2013 Vendor Analysis* (IDC #243620, October 2013)

- *Best Practices: Adoption of Cloud Professional Services in Manufacturing* (IDC Manufacturing Insights #MI243432, September 2013)
- *Worldwide and Regional Public IT Cloud Services 2013-2017 Forecast* (IDC #242464, August 2013)
- *Worldwide and U.S. Cloud Professional Services 2013-2017 Forecast* (IDC #241811, June 2013)
- *10 Questions for Buyers to Ask Cloud Professional Services Providers* (IDC #236508, August 2012)
- *IDC's Worldwide IT Cloud Services Taxonomy, 2012* (IDC #233396, March 2012)

Synopsis

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"When buyers were asked what characteristics were required for a cloud professional services project to be successful, at a worldwide level, the number 1 characteristic was 'provide technical insights and competence' followed by 'provide functional insights and competence,'" said Gard Little, research director, IT Consulting and Systems Integration Services, "These two items made it to the top of the 2014 list compared with 2013 when 'meet the project timeline' and 'ability to handle changes in project scope' were tops, indicating buyers believe success will come less from basic project management skills and more from technical and/or functional insights."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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