



IDC MarketScape

# IDC MarketScape: Worldwide Cloud Professional Services 2014 Vendor Analysis

Gard Little

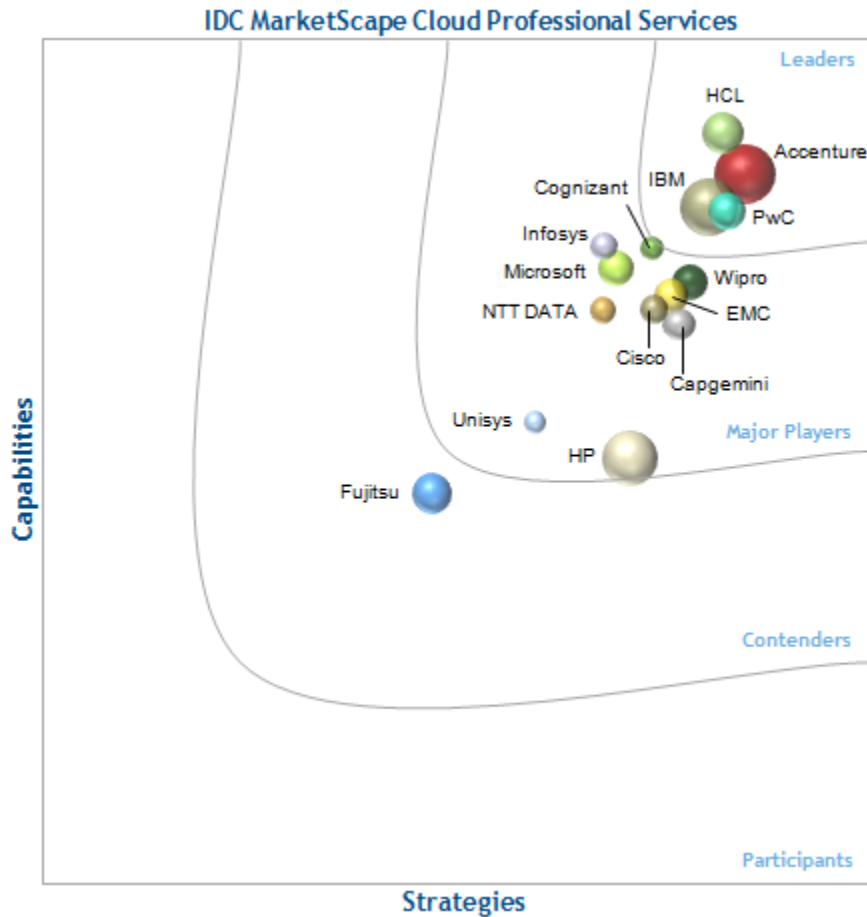
Chad Huston

**THIS IDC MARKETSCAPE EXCERPT FEATURES: CISCO**

## 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

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The content for this excerpt was taken directly from 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

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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

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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

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### 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.

## VENDOR SUMMARY PROFILES

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges. IDC's assessment includes 15 vendors (in alphabetical order): Accenture, Capgemini, Cisco, Cognizant, EMC, Fujitsu, HCL, HP, IBM, Infosys, Microsoft, NTT DATA, PwC, Unisys, and Wipro.

### Cisco

According to IDC analysis and buyer perception, Cisco is an IDC MarketScape Major Player worldwide.

In today's world of many clouds, Cisco is executing an Intercloud strategy that delivers business outcomes spanning virtual private clouds, hybrid-ready private clouds, and public clouds for Enterprise and Service Provider customers. In collaboration with industry-leading ecosystem partners, Cisco leverages an end-to-end Cloud Portfolio spanning Cloud Consulting Services, Cloud Enablement Products, Managed Services, Cisco Cloud Services, and Cisco Apps to accelerate time-to-value, time-to-market, and customer growth initiatives.

Cisco's cloud professional services (Cisco Cloud Consulting Services) offer expertise across the "plan, build, and manage" life cycle in the following cloud services categories: cloud strategy; cloud planning and design, application, and workload migration; cloud implementation, management, consumption, and operation; and cloud optimization. Services for Building Clouds and Services for Adopting Clouds are two particular areas of expertise.

### *Cisco Services for Building Clouds*

Cloud services for Building Clouds provide customized strategy, planning, design, implementation, and optimization services based on targeted private and hybrid cloud offerings. Drawing on experience delivering secure end-to-end virtualized datacenters, Cisco provides an architectural approach for enabling clouds that is anchored in open industry standards like OpenStack. Powered by technologies that integrate and optimize infrastructure resources, Cisco enables clouds that deliver cost savings, scalability, and simplified management.

### *Cisco Services for Adopting Clouds*

Cloud services for Adopting Clouds deliver expertise to accelerate the adoption of public or hybrid clouds based on customers' IT strategy and business goals. The services allow businesses to prepare for public cloud consumption and realize the full benefits of the public cloud while complementing capabilities of existing infrastructure.

### *Why Cisco for Cloud Services?*

Cisco cloud professional services bring people, processes, and technologies together to help customers accelerate datacenter and cloud transformation.

The first step of such a transformation is a cloud strategy. Cisco's methodology for customer-centric engagements, Domain Ten, addresses cloud strategy comprehensively across all relevant domains for cloud including infrastructure, virtualization, platform/brokerage, applications, security, compliance, consumption, service management, and governance.

To enable strategy execution, Cisco offers services including:

- **Cloud consumption:** To gain visibility on shadow IT enabling cloud governance for risk reduction and cost savings
- **Datacenter optimization:** To optimize legacy infrastructure for an agile foundation for cloud
- **On-premise Agile Lean (OPAL) solution for cloud:** To accelerate deployment of cloud services for faster time to market (90-day implementation)

- **Services for OpenStack:** To design and integrate OpenStack-based clouds for interoperability
- **SAP HANA as a service:** Cloud access to SAP HANA capabilities for business insights

Partnering with Cisco for strategy execution, customers can align IT strategy with business initiatives, adopt new business models, and enable innovation and growth in a world of many clouds. With 13,000+ personnel (including over 1,200 software developers) focused on services, Cisco leverages 29 years of networking innovation, best practices, methodologies, and tools to deliver a suite of professional and technical services. Delivered by over 2,200+ certified industry and technology consultants with 3,300+ certifications, Cisco solves its customers' toughest business challenges with customer-centric service solutions in 180+ countries and 17 languages.

## Strengths

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

- Provide technical insights and competence
- Provide functional insights and competence
- Integrate project team with my company

## Challenges

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

- Expand into new markets/geographies
- Presence of local offices and local resources
- Leverage talent

## APPENDIX

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### 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.

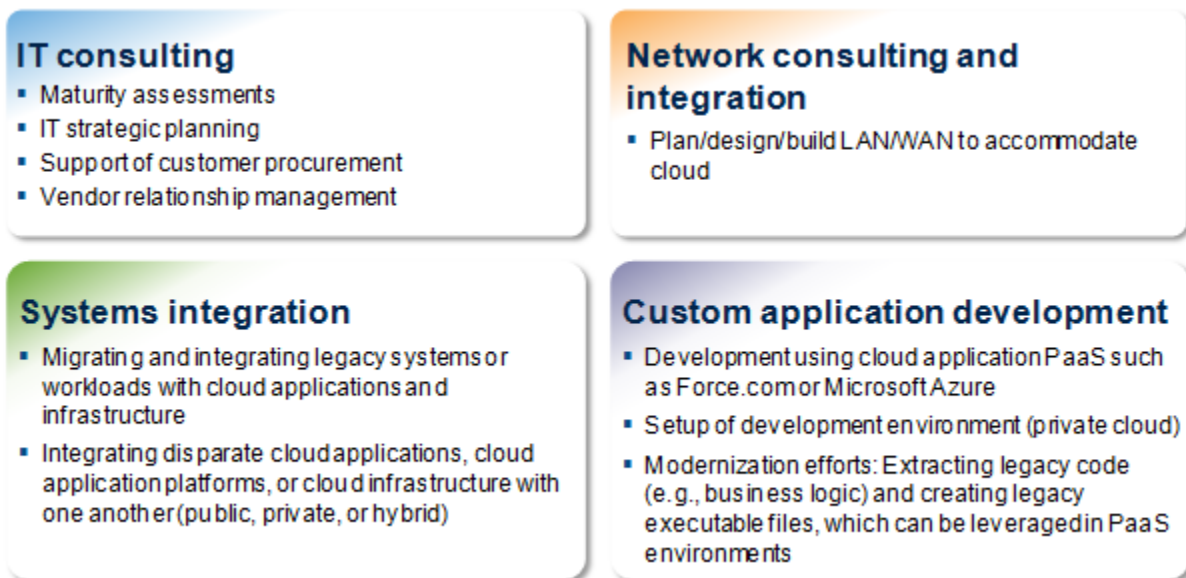
*Note: All numbers in this document may not be exact due to rounding.*

## 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

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.

"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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