ISG Provider Lens™

Microsoft Cloud Ecosystem

Microsoft 365 Services – Large Enterprises

A comparison of the strengths, challenges, and competitive advantages of suppliers to support decision makers in the procurement processes

Customized report courtesy of:

Computacenter

QUADRANT REPORT | MARCH 2023 | GERMANY

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Transformation in times of crisis: How customers can get through crises with Microsoft partners

The ecosystem of Microsoft partners comprises more than 30,000 companies in Germany alone. For Microsoft Deutschland these partners are the most important guarantors of revenue. Worldwide, Microsoft partners account for almost 95 percent of total revenue. In the Azure world, which is the basis for the services in this study, the number of partners has been relatively constant for several years, at around 6,000. Of these, 80 companies were in turn included in the gross list of Microsoft partners to be evaluated in this study.

The companies selected for this study are the ones that operate beyond the basic requirements. They lead the Microsoft partner ecosystem and advance the digitalization of Germany. The important topics covered in the study are managed services for the Azure platform, services for the transformation of work environments based on Microsoft 365, the transformation of SAP environments to the further development of ERP systems based on Microsoft Dynamics 365 and the implementation of the Power Platform with its solutions for the customization and development of apps for users' business processes.

Investment behavior unclear

The market development is currently uncertain. Europe is in a war-like state; this has had a major impact on users' planned IT investments. According to NZZ, in Germany, small- and mid-cap indices have performed much worse than the blue-chip DAX Index in the difficult stock market year of 2022, and German small- and mid-caps have been slow in recovery since the low at the end of September 2022. This is also having an impact on IT investments.

In addition, clients are often not familiar with the entire set of Microsoft solutions or their functionalities. The providers, particularly the

Providers can positively **influence** investment **behavior** through their **services.**

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implementation partners, have to deliver the know-how to ensure good overall results.

Small companies, however, need to invest in their IT, despite the great economic uncertainties at the national and international levels. Public authorities and public sector companies are driven to update their IT but are dependent on funds. Public authorities have a large backlog in terms of demand for flexible IT infrastructures and application landscapes. Large companies, on the other hand, can still invest but are also uncertain about economic developments.

Local contact persons, local development capacities, onsite support with the shortest possible response times and, above all, in the event of disruptions, short recovery times are still the critical capabilities expected from a provider. Clients pay more attention to the fact that the contact persons in the projects, in particular the employees involved in the implementation, speak German and that the provision of services takes place from the same time zone.

Most digitalization projects have not been thought through to the end or have been knitted with a hot needle (in short, without caution), especially in the last three years. Process engineers often forget the technology (and its requirements), technicians forget the people, and people forget the systems. Several vendors assessed in this study dedicated their efforts to address the client requirements emerging from the arbitrary deployment of technology. One could be philosophizing easily for hours why advanced technology still allows this way of implementing solutions in the 21st century.

According to estimates from various providers in this study, 60 percent of workloads worldwide still run in private data centers. Reasons for this are often the regulated markets or data-intensive workloads. It is therefore important for Microsoft partners to identify the workloads that can perhaps be processed more efficiently in the Azure cloud. Another client requirement is the scalability of workloads in the Azure cloud.

New partner program at Microsoft

In 2022, which corresponds to the observation period of this study, Microsoft introduced a new system for classifying partners. The new Microsoft Cloud Partner Program (MCPP) replaces the previous Silver and Gold certifications with the following six new Solutions Partner designations.

- Solutions Partner for Business Applications
- Solutions Partner for Data and AI (Azure)
- Solutions Partner for Digital and App Innovation (Azure)
- Solutions Partner for Infrastructure (Azure)
- Solutions Partner for Security
- Solutions Partner for Modern Work

The partners are evaluated through a point system. The capabilities of the partners have been redefined as Specializations to replace the former phrase, Advanced Specializations.

The new partner system is a challenge for the partners; it measures new client business, the number of certified employees and the corresponding sales. For Microsoft, Azure consumption (or the consumption of resources in the Microsoft cloud) is the key metric against which partners in the ecosystem must mainly be evaluated. Added to this are revenues from license sales. The providers evaluated here decide quite independently the license packages or subscriptions they wish to use in respective projects. Astounding, revenue, consulting, design and implementation of IT solutions do play a rather subordinate role in this system for reaching certain levels in the partner pyramid. However, the strengths of a provider are exactly in taking forth and accompanying users, consulting clients and training and, if necessary, dealing with personnel-related bottlenecks.

The core requirements for partners — professional competence, revenue targets, consulting services and complementary solutions — have not changed. However, as many partners also quickly achieved the new designations, the new system of ranking partners has brought only minor changes in ISG’s independent assessment.

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The providers' own partner networks play a major role in the selection of service providers; no provider today is able to solve all tasks simultaneously. Clients today use a network of service providers and specialists if they can, at the outset, and define a general contractor for the project, who is also responsible for compliance with the SLAs.

Enterprise applications and application modernization

The market for services related to SAP on Azure is very mature on the supplier side. Both Microsoft and SAP have been pursuing a clear strategy of migrating workloads to the private cloud and the public cloud, respectively, for several years. According to surveys by the DSAG (German SAP User Group), Microsoft Azure is the most frequently used cloud platform among hyperscalers in Germany for the implementation of new or the migration of existing SAP applications. The big challenge for service providers is the customization of the existing SAP environments. There are various concepts: the approach of starting with the lift and shift of individual workloads and eventually transferring the customizations is particularly popular. Iteratively and gently, even complex environments can be migrated to the cloud in this way.

As users today rarely work in a default environment, service providers in the Dynamics 365 space must also be able to analyze a client's existing environment to facilitate a complete shift, which correspondingly involves high efforts. Existing ERP projects based on Dynamics 365, in particular, require a great deal of effort for the assessment. The Microsoft Power Platform could be the tool of choice for modernizing applications as it includes Power BI to facilitate citizen development. The Microsoft partners assessed here help to strategically implement the functions of the Power Platform and its components at clients by integrating them with existing back-office applications. Unfortunately, Power BI is all too often used only to visualize data from Excel spreadsheets. Here, the partners do also have the noble task of protecting the users from themselves.

Most service providers recommend that their clients not only transform their application environments to the cloud but also dispose of legacy systems and modernize applications along the way. This requires the providers to have a detailed and comprehensive expertise to assess a client's existing environment and analyze third-party solutions and subsequently guide them on the path of transformation.

Market forecast

Uncertainty about political and economic developments in Europe will continue to have a strong impact on users' investment behavior; many clients will think twice before making IT investments.

The partners evaluated here can positively influence investment behavior by providing suitable services. Initially, these are likely to be primarily IT projects in which the hastily brought about cloud transformations of the last 2-3 years can be revised.

The trend toward cloud-first and cloud-native strategies will continue among users. This is where the most important investments are likely to go into workload transformation. Two other topics that users will need to invest in over the next few years are cybersecurity and environmental, social and governance (ESG). ISG believes that these topics hold great potential for innovation in new managed services from Microsoft partners.

Security and ESG will also have an impact on market development in the area of Microsoft 365 and Managed Workplace. ISG estimates that a part of the IT investments will be used for ensuring energy efficiency. Solutions for unified communications and collaboration can play a role here, as can optimization in workforce scheduling. Reducing commuting to the workplace would be an example here. The service providers in this study could explore new market opportunities here, including new clients, but should first put together appropriate service and solution packages.

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Finally, it can be observed that value creation within the Open Systems Interconnection (OSI) model continues to rise. Technology and even software are becoming commoditized. Middleware layers and the operating layer will soon follow this trend. In the future, value creation will take place in the application layer.

Cloud-first and cloud-native continue to be important IT strategies for users. When choosing providers, clients are relying not just to the new Solutions Partner designations but also to the provider's own partner networks. IT security and Cybersecurity, as well as ESG, will further increase in importance. The goal of clients is a modern, worry-free environment for their workloads.

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Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Accenture & Avanade	Leader	Market Challenger	Leader	Not In	Market Challenger	Market Challenger	Product Challenger
Adesso	Not In	Product Challenger	Not In	Not In	Not In	Not In	Leader
All for One Group	Not In	Leader	Not In	Product Challenger	Leader	Not In	Leader
Allgeier	Not In	Not In	Not In	Leader	Not In	Leader	Not In
AppSphere	Not In	Not In	Not In	Leader	Not In	Not In	Market Challenger
Arvato Systems	Not In	Leader	Not In	Leader	Leader	Not In	Leader
Axians	Not In	Leader	Not In	Not In	Not In	Product Challenger	Not In
Bechtle	Not In	Leader	Not In	Leader	Not In	Leader	Not In
Birlasoft	Not In	Contender	Not In	Not In	Not In	Not In	Not In
BT	Product Challenger	Not In	Product Challenger	Not In	Not In	Not In	Not In

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Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
BTC	Not In	Product Challenger	Not In	Market Challenger	Not In	Not In	Market Challenger
CANCOM	Market Challenger	Market Challenger	Leader	Not In	Product Challenger	Market Challenger	Not In
Capgemini	Leader	Not In	Leader	Not In	Leader	Market Challenger	Leader
Claranet	Not In	Market Challenger	Not In	Not In	Not In	Not In	Not In
Cognizant	Market Challenger	Not In	Market Challenger	Not In	Product Challenger	Contender	Product Challenger
Communardo	Not In	Not In	Not In	Leader	Not In	Not In	Leader
Computacenter	Market Challenger	Not In	Leader	Not In	Not In	Not In	Market Challenger
COSMO Consult	Not In	Not In	Not In	Not In	Not In	Contender	Not In
Data One	Not In	Not In	Not In	Leader	Not In	Not In	Product Challenger
Deutsche Telekom	Not In	Leader	Not In	Leader	Not In	Leader	Leader

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Provider Positioning

	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Devoteam M Cloud	Not In	Leader	Not In	Leader	Leader	Product Challenger	Not In
DIGITALL	Not In	Leader	Not In	Product Challenger	Not In	Leader	Rising Star ★
DXC Technology	Leader	Not In	Market Challenger	Not In	Leader	Contender	Market Challenger
Eviden/Atos	Leader	Not In	Leader	Not In	Leader	Leader	Leader
Fujitsu	Not In	Not In	Not In	Not In	Market Challenger	Not In	Market Challenger
glueckkanja-gab	Not In	Leader	Not In	Leader	Not In	Not In	Not In
HCLTech	Rising Star ★	Not In	Product Challenger	Not In	Contender	Contender	Product Challenger
Hexaware	Product Challenger	Not In	Contender	Not In	Not In	Not In	Not In
HSO	Not In	Not In	Not In	Not In	Not In	Contender	Not In
IBM	Product Challenger	Not In	Not In	Not In	Not In	Not In	Not In

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Provider Positioning

	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Infosys	Leader	Not In	Not In	Not In	Product Challenger	Not In	Product Challenger
Insight	Product Challenger	Product Challenger	Not In	Not In	Not In	Not In	Not In
intellecom	Not In	Not In	Not In	Contender	Not In	Not In	Not In
IPI	Not In	Not In	Contender	Contender	Not In	Not In	Not In
Konica Minolta	Not In	Not In	Not In	Not In	Not In	Contender	Contender
KUMAVISION	Not In	Not In	Not In	Not In	Not In	Leader	Not In
Kyndryl	Not In	Not In	Leader	Not In	Market Challenger	Product Challenger	Not In
Layer 2	Not In	Not In	Not In	Product Challenger	Not In	Not In	Not In
Logicalis	Not In	Product Challenger	Product Challenger	Not In	Not In	Not In	Not In
LTIMindtree	Not In	Not In	Product Challenger	Not In	Product Challenger	Product Challenger	Contender

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Provider Positioning

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	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Net at Work	Not In	Not In	Not In	Contender	Not In	Not In	Not In
novaCapta	Not In	Not In	Not In	Market Challenger	Not In	Not In	Not In
NTT DATA	Leader	Not In	Not In	Not In	Leader	Not In	Not In
Objektkultur	Not In	Not In	Not In	Product Challenger	Not In	Product Challenger	Not In
ORBIT	Not In	Not In	Not In	Leader	Not In	Leader	Not In
PCG	Not In	Rising Star ★	Not In	Rising Star ★	Not In	Not In	Not In
PwC	Market Challenger	Not In	Leader	Not In	Contender	Leader	Not In
q.beyond	Not In	Market Challenger	Not In	Leader	Leader	Not In	Not In
Rackspace Technology	Leader	Not In	Leader	Not In	Leader	Not In	Not In
Reply	Contender	Not In	Contender	Not In	Contender	Not In	Not In

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Provider Positioning

	Managed Services for Azure – Large Enterprises	Managed Services for Azure – Midmarket	Microsoft 365 Services – Large Enterprises	Microsoft 365 Services – Midmarket	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Scheer GmbH	Not In	Leader	Not In	Not In	Leader	Not In	Not In
Skaylink	Not In	Not In	Leader	Not In	Not In	Not In	Not In
SoftwareONE	Leader	Not In	Leader	Not In	Not In	Not In	Leader
Sopra Steria	Not In	Not In	Not In	Not In	Not In	Product Challenger	Not In
Sycor	Not In	Contender	Not In	Not In	Contender	Leader	Not In
Syntax Systems	Not In	Contender	Not In	Not In	Contender	Not In	Not In
TCS	Product Challenger	Not In	Contender	Not In	Leader	Not In	Not In
T-Systems	Leader	Not In	Leader	Not In	Leader	Not In	Not In
Wipro	Leader	Not In	Leader	Not In	Product Challenger	Product Challenger	Product Challenger
Wolkenwerft	Not In	Contender	Not In	Product Challenger	Not In	Not In	Not In

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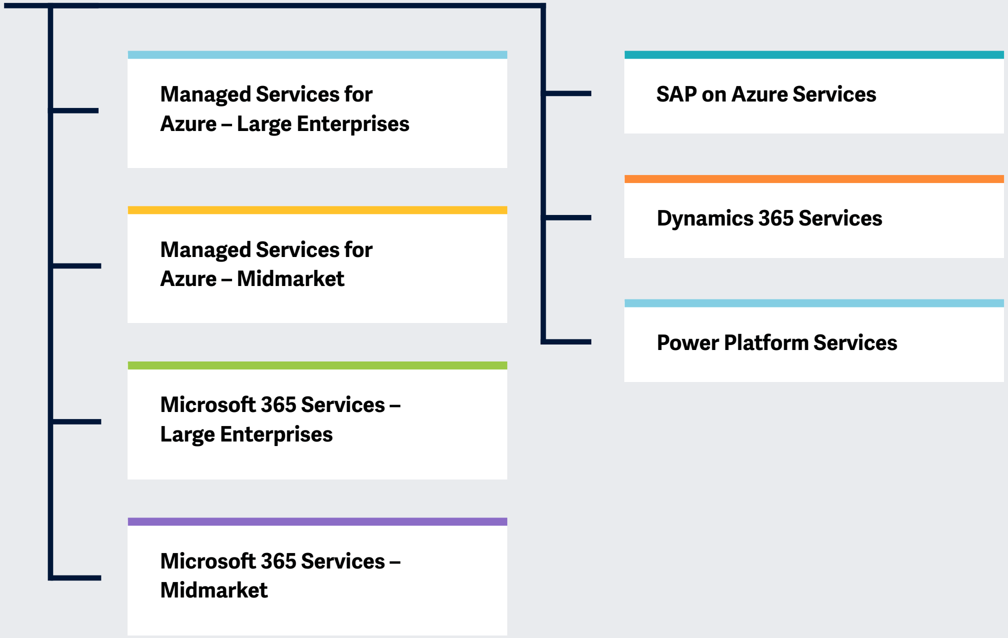
The main focus is mostly on **modernizing IT.**



Simplified Illustration Source: ISG 2023

Definition

Microsoft is one of the most established technology providers in the world. The company has a network of thousands of partners, expanding its ability to help companies adopt Microsoft technologies. This network has undergone a series of changes over the past five years, as Microsoft has also undergone corresponding changes as part of a massive cloud transformation. Over the same period, the digital transformation of technology landscapes has become a priority; this requires a new generation of software and services from Microsoft and its partners.

To address these needs, Microsoft is looking after three areas of focus in particular: the Azure cloud platform, the Microsoft 365 productivity suite, which includes Windows 10 and Office 365, and the Dynamics 365 suite of business applications. Partners, meanwhile, are evaluated on their ability to drive adoption of Microsoft cloud services that span these core product areas. To be successful, service providers must offer their enterprise customers a reliable service package that is enhanced with forward-looking features and can rely

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on a strong relationship with Microsoft. Providers should have a keen awareness of future developments in Microsoft clouds and demonstrate that they are able to drive innovation and create business opportunities for customers using the Microsoft product suite and services.

ISG's analysis will focus on how vendors are positioned in Australia, Brazil, Germany, Singapore & Malaysia, Switzerland, the UK and the US, based on the strength of their respective portfolios and their competitiveness in the market. Although there are thousands of vendors providing services for Microsoft products in each of these regions, this report will focus only on key competitors, including both global companies and local vendors, for each of the quadrants studied and per region.

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Scope of the Report

ISG's analysis will focus on how vendors are positioned in Australia, Brazil, Germany, Malaysia, Singapore, Switzerland, the UK and the U.S., based on the strength of their respective portfolios and their competitiveness in the market. Although there are thousands of vendors providing services for Microsoft products in each of these regions, for each of the quadrants studied and per region, this report will focus only on the most important competitors, including both global companies and local vendors.

Scope of the study In the context of this ISG Provider Lens™.

Quadrant Study, the following seven quadrants are examined:

- Managed Services for Azure - Large Enterprises
- Managed Services for Azure - Midmarket
- Microsoft 365 Services - Large Enterprises
- Microsoft 365 Services - Midmarket
- SAP on Azure Services
- Dynamics 365 Services
- Power Platform Services

This ISG Provider Lens™ study offers IT decision makers the following benefits:

- Transparent presentation of the strengths and weaknesses of relevant providers
- A differentiated positioning of suppliers according to segments
- Focus on the regional market

The study thus provides an essential decision-making basis for positioning, relationship and Go-to-Market considerations. ISG Advisors and enterprise clients also use information from these reports to evaluate their current and potential new vendor relationships.

Provider Classifications

The vendor positioning reflects the suitability of the respective IT vendor for a defined market segment (quadrant). Unless otherwise stated, the positioning applies to all company size classes and industries. If the IT service requirements of large enterprises and SMEs differ and the range of IT providers operating in the local market is sufficiently large, IT providers are further differentiated by service according to the target group for products and services. Either industry requirements or the number of employees and the corporate structures of the customers are taken into account and the IT providers are positioned according to their focus. As a result, a distinction is made between two customer groups, if necessary, which are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or sales between USD 20 and 999 million, central headquarters in the respective country, mostly privately owned.
- **Large Market:** Multinational companies with 5,000 employees or more or with sales of more than one billion USD, active worldwide and with globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created based on an evaluation matrix and contain four fields into which providers are classified: Leader, Product & Market Challenger, and Contender. Each quadrant of an ISG Provider Lens™ study may also include a provider that ISG believes has great potential to achieve a Leader position. Such providers may be classified as Rising Star.

Number of Providers per Quadrant: ISG evaluates and positions the most important providers according to the scope of consideration of the respective study; the number of providers positioned per quadrant is limited to 25 (exceptions are possible).

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Provider Classifications: Quadrant Key

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.

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.

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 products/services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

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.

★ **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 means 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.

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Microsoft 365 Services – Large Enterprises

Who Should Read This Section

This quadrant report focuses on the current market positioning of service providers targeting large enterprises and how they address the key challenges associated with Microsoft 365 services.

The wide array of applications within Microsoft 365 is a major benefit; however, enterprises in Germany are primarily concerned about critical areas such as efficiency, security and ROI. Security is a major challenge for large enterprises in Germany; they need highly redundant solutions that offer a high level of protection. As a result, there is strong enterprise demand in the region for sovereign collaboration solutions and solutions with a high level of compliance and security. Enterprises seek providers offering Microsoft 365 module integration, technical consulting, license acquisition, management of Microsoft Office APIs, deployment of unified endpoint suites and migration of end users' workplaces to modern cloud environments and workspace-as-a-service models.

Some of the Microsoft 365 Center of Excellence services offered by providers include support, consulting, migration, solution design, managed services (for example, integration) and strategy planning. Providers also offer services such as modern workspace (remote) collaboration, enhanced security and compliance, with cutting-edge business intelligence, productivity analytics and powerful visualization capabilities to allow enterprises to enable secure handling of sensitive corporate data and fast response times.

Technology professionals should read this report to analyze service providers in the Microsoft ecosystem and understand how they integrate the latest abilities of Microsoft 365 into their offerings.

Knowledge management professionals should read this report to understand the relative providers' positioning and the key trends in the provider ecosystem and identify potential partners.

Workplace technology professionals should read this report to understand organizational change management challenges and evaluate partners for Microsoft 365 implementation and integration.

Procurement professionals should read this report to better understand the current provider landscape for Microsoft 365 integration and distinguish between players in the competitive market.

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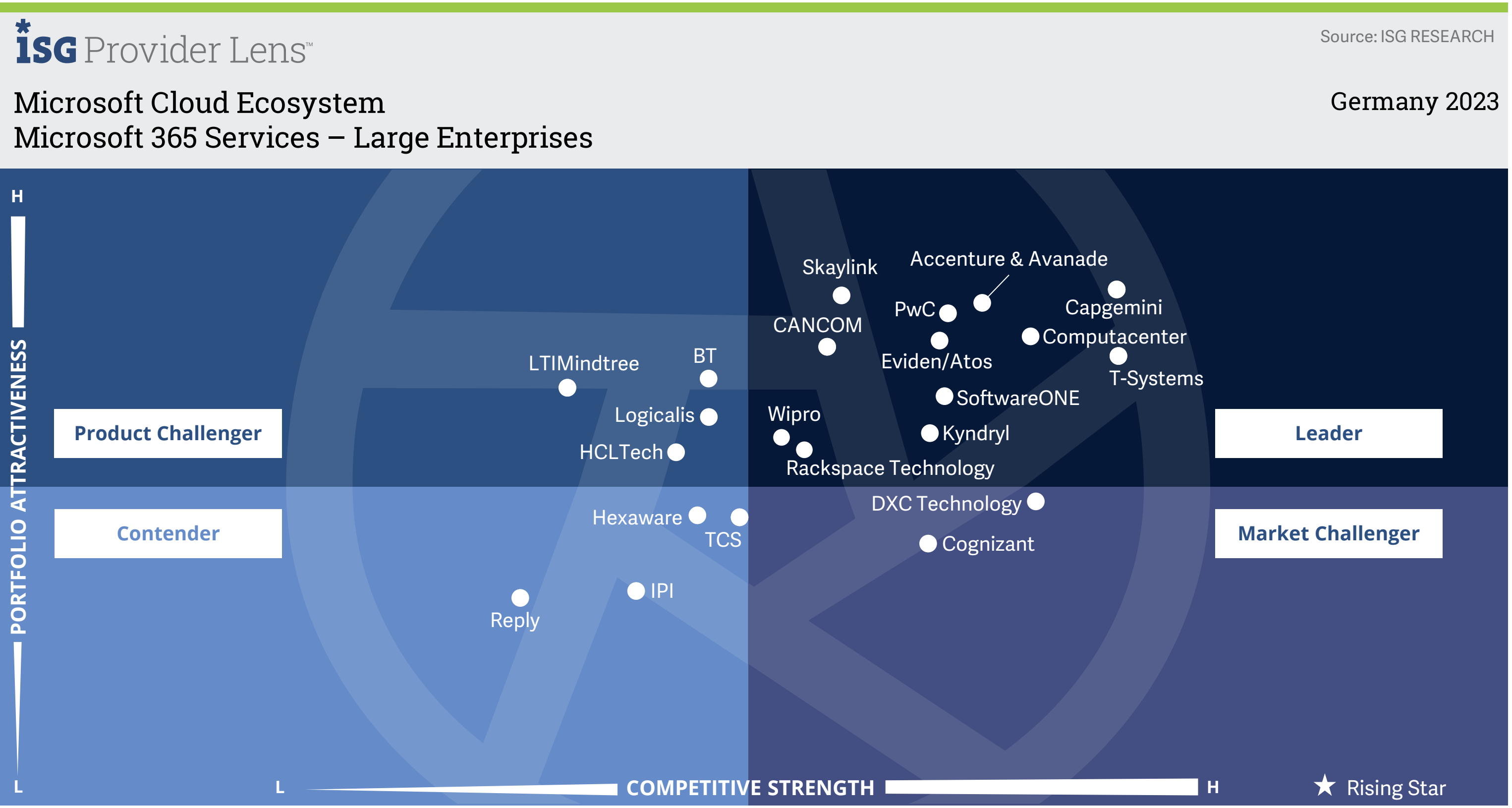

The providers in this quadrant support their customers in using Microsoft 365 **not only as an office application** but also as an overall concept for **modern working** and **collaboration.**

Holm Landrock
Distinguished Lead Analyst - Senior Advisor

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Definition

This quadrant evaluates service providers that help companies implement, integrate and run Microsoft 365 - Microsoft's SaaS-based productivity suite.

These services go beyond deployment and migration to Microsoft 365 - they are specifically designed to provide a fast, device-independent, high-quality productivity suite that enables seamless, location-independent teamwork and can be customized to each user's role. From a customer perspective, Microsoft 365 is about collaboration and integrating globally distributed teams; this requires integration and deployment services. This quadrant also evaluates the support that vendors provide for Windows as part of their overall Microsoft 365 service portfolio.

Implementing SaaS-based workplace environments is a challenge for any enterprise customer. As ISG has found, there are plenty of challenges to overcome in the areas of collaboration, unified communications, file storage and performance, as well as in terms of licensing costs, deployment procedures and maintenance schedules, but also in data integration, process and application integration, and other processes. Vendors in this space need to be able to go beyond basic Microsoft 365 implementation and address these challenges head on.

Providers considered in this quadrant must offer assessments, consulting, and services and solutions that support customers on their digital journey. This requires clear and open communication in the respective region and unique selling points that go beyond the provision of workplace environments based on Microsoft's desktop and collaboration solutions.

Eligibility Criteria

1. The range of services includes **technical consulting, license acquisition,** integration of Microsoft 365 modules, implementation and operation
2. Forward-thinking offerings that integrate with Microsoft 365 to create a **modern workplace for enterprise customers** (e.g., HoloLens development and Teams bots creation)
3. Manage Microsoft Office APIs to ensure appropriate usage and increase business productivity.
4. **Migration of customer workplaces to** modern cloud environments and workspace-as-a-service models
5. Deploy Microsoft 365-based unified endpoint suites through integration with **state-of-the-art identity and access management** technology and mobile device management (Intune or other)
6. Strength of the vendor's partnership with Microsoft, as measured by the number and category of relevant certifications (including Office 365, Intune, Windows, and Azure), the duration of the **relationship with Microsoft,** and evidence of strategic collaboration between the vendor and Microsoft related to the modern workplace

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Observations

Mostly, "the user" is pictured as "in the focus" of provider's presentation slides for their customers when it comes to the services around Microsoft 365. New work concepts and the radical shift of working schemes to the remote work because of the pandemic have taken center stage. The reactive actions triggered by the pandemic need to be streamlined now by both providers and users. Users and providers alike do confirm this situation.

It is not uninteresting to note that the same reference clients are shown on the presentation decks of different providers. It has turned out that sometimes those reference projects are perhaps about replacing office equipment of a local office, rather than providing for a strategic project to migrate major workloads to the Azure cloud. Similarly, many providers tout Microsoft Security Services in unison, but they should be more precise here.

LTI and Mindtree were considered as a single provider this year due to their merger, and LTIMindtree has thus become a Product Challenger. CANCOM has moved up to become a Leader this year (Product Challenger last year) and BT has changed from Market Challenger to Product Challenger. Insight has not found a place in the study. TCS changed from Market Challenger to Contender. Rackspace Technology and PwC were rated for the first time and positioned in the Leader group. HCLTech was also reassessed and is a Product Challenger this year. In addition, Wipro has moved from Product Challenger to the position of Leader. Kyndryl has taken over the focus of the former IBM considered in this study (erstwhile Global Technology Services [GTS]). Kyndryl's portfolio includes IT infrastructure and workload operations and consulting. IBM was not evaluated for this quadrant.

All-for-One Group, Allgeier, AppSphere, Bechtle, glueckkanja-gab, and q.beyond were evaluated for the Microsoft 365 Services - Midmarket quadrant. However, this does not mean that these providers do not support clients with 5,000 or more employees.

Of the 175 companies evaluated for this study, 22 qualified for this quadrant, with 12 being Leaders.

accenture

Accenture & Avanade together embody a unique innovation potential around Microsoft 365. The competencies of the three service providers (Microsoft as the third entity) allow clients in Germany to develop solutions on a global scale.

CANCOM

CANCOM is a strong partner for clients focused on the Workplace of the Future and draws on a strong team of experienced consultants for its services. It specializes in solutions that accelerate a client's entry into the area of Microsoft 365.

Capgemini

Capgemini is not only a Leader in this quadrant but also a multi-award-winning service provider around Microsoft 365 and a partner of large enterprises migrating workplaces to the Azure cloud.

Computacenter

Computacenter has a leading portfolio in the Microsoft 365 Services quadrant. Few providers are capable of delivering services around the modern workplace; therefore, it enjoys a solid Leader position in this quadrant.

Atos

Eviden/Atos, with its Microsoft 365 Services, is a Leader in this quadrant with its ability to meet client requirements by providing them with comprehensive support in migrating work environments.

Kyndryl

Kyndryl is positioned as a Leader in this category because of the successful fiscal year completed as a spin off from IBM when it made an impressive market entry. One of its focus areas is the virtualization of work environments based on Microsoft 365.

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PwC has been included for the first time and has immediately achieved a place among the Leaders. Among other things, its high investment in R&D has played an important role in achieving this. One positive aspect is that a large proportion of PwC's R&D work is carried out in Germany.

Rackspace Technology has been included in this quadrant for the first time and has immediately qualified as a Leader. In addition to technology, flexible pricing models and fixed contact persons for clients have played a role in achieving this position.

Skaylink has been evaluated this year in the Microsoft 365 - Large Accounts quadrant (among midmarket providers last year) and has been recognized among the group of Leaders. Various factors such as industry focus and continuous education programs for clients have contributed to this positioning.

SoftwareONE

SoftwareONE's knowledge and capabilities are validated not only by a Leader position in this study but also by all the six new Solutions Partner designations, as well as numerous other specializations around Modern Work.

T-Systems, once again a Leader in this quadrant, no longer focuses solely on the workplace but on cross-divisional collaboration among clients. Environment protection and sustainability are also high on T-Systems' agenda.

Wipro has evolved from a Product Challenger to a Leader. One feature that speaks for Wipro is the completeness of its offering; clients can seek Wipro's support to transform all workloads, including workplace environments, to Azure cloud on demand.

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Computacenter

Leader

"With a comprehensive portfolio, a focus on selected industries and the corresponding know-how, Computacenter is a Leader in the Microsoft 365 Services quadrant."

Holm Landrock

Overview

Computacenter is headquartered in Hertfordshire, England, and operates in 15 countries. The company employs over 18,000 people in more than 70 offices worldwide. In FY21, it generated a revenue of $9.1 billion (up by 23.6 percent year-over-year), with Technology Procurement as its largest segment. Computacenter is an established player in the German market and manages several million endpoints for clients. Managed Digital Workplace Services are provided by specialists in 22 offices in Germany.

Strengths

Expertise and innovations for clients: Computacenter focuses on technical expertise and innovations, enabling it to offer clients a leading Microsoft 365 Services portfolio. Few providers are as capable as Computacenter in providing services around the modern workplace. Service components include preparation for the move to the cloud (includes architecture design, tenant creation and configuration), cloud management (includes DevOps, native backup and patching), monitoring (includes service desk, and network and security management) and optimization (includes billing and sourcing optimization).

Client-oriented pricing models: Computacenter is one of the few providers to offer modern, flexible pricing models for Managed Services on Azure and Microsoft 365. The result-oriented pricing models and the ones that include a risk component stand out positively. This is particularly useful for the midmarket that has many users but often only small IT departments.

Focus on efficiency: While Microsoft 365 is used by some clients only in the Azure cloud, others attach much importance to the automation of processes with their projects. Computacenter supports these demands with its services, contributing to the efficiency of the user companies.

Caution

The competitive environment is getting tougher, where an increasing number of providers are achieving Microsoft's new Solutions Partner designations. In the modern workplace environment, Computacenter must therefore work harder to differentiate its services in the provisioning of office applications and Teams on the one hand and fully managed services for the modern workplace on the other.

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Appendix

The market research study ISG Provider Lens™ 2023 – Microsoft Ecosystem report analyzes the relevant software vendors/service providers in the German market on the basis of a multi-stage market research and analysis process and positions these providers on the basis of the ISG Research methodology.

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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 February 2023, 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.

The study was divided into the following steps:

1. Definition of Microsoft Ecosystem Partners market
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
    * Strategy & vision
    * Tech Innovation
    * Brand awareness and presence in the market
    * Sales and partner landscape
    * Breadth and depth of portfolio of services offered
    * CX and Recommendation

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Distinguished Lead Analyst – Senior Advisor

At ISG, Holm Landrock has conducted multiclient studies and vendor comparisons, the IPLs, for big data analytics and supported well-known clients, including leading international mobility and financial services providers, in the strategic selection of modern solutions. As an ICT analyst, trade journalist and author of several books, Holm Landrock focuses on technical and scientific computing, enterprise computing and trend topics such as e-health and quantum computing.

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Research Analyst

Khyati Tomar is a Research Analyst at ISG and is responsible for supporting and coauthoring Provider Lens™ studies on the Microsoft Partner Ecosystem, the Future of Work - Services and Solutions, and OCM. She supports lead analysts in the research process and authors the Enterprise Context and Global Summary reports. Prior to this, she had over 2.5 years of experience in the technology research industry, and had carried out various consulting and custom projects and co-authored CIS reports, mostly focusing on the public sector vertical.

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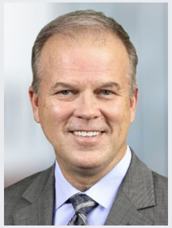
IPL Product Owner



Jan Erik Aase

Partner and Global Head – ISG Provider Lens™

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.

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ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this webpage.

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ISG Provider Lens™

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REPORT: MICROSOFT CLOUD ECOSYSTEM

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