IDC MarketScape

IDC MarketScape: Worldwide Cloud Professional Services 2024 Vendor Assessment

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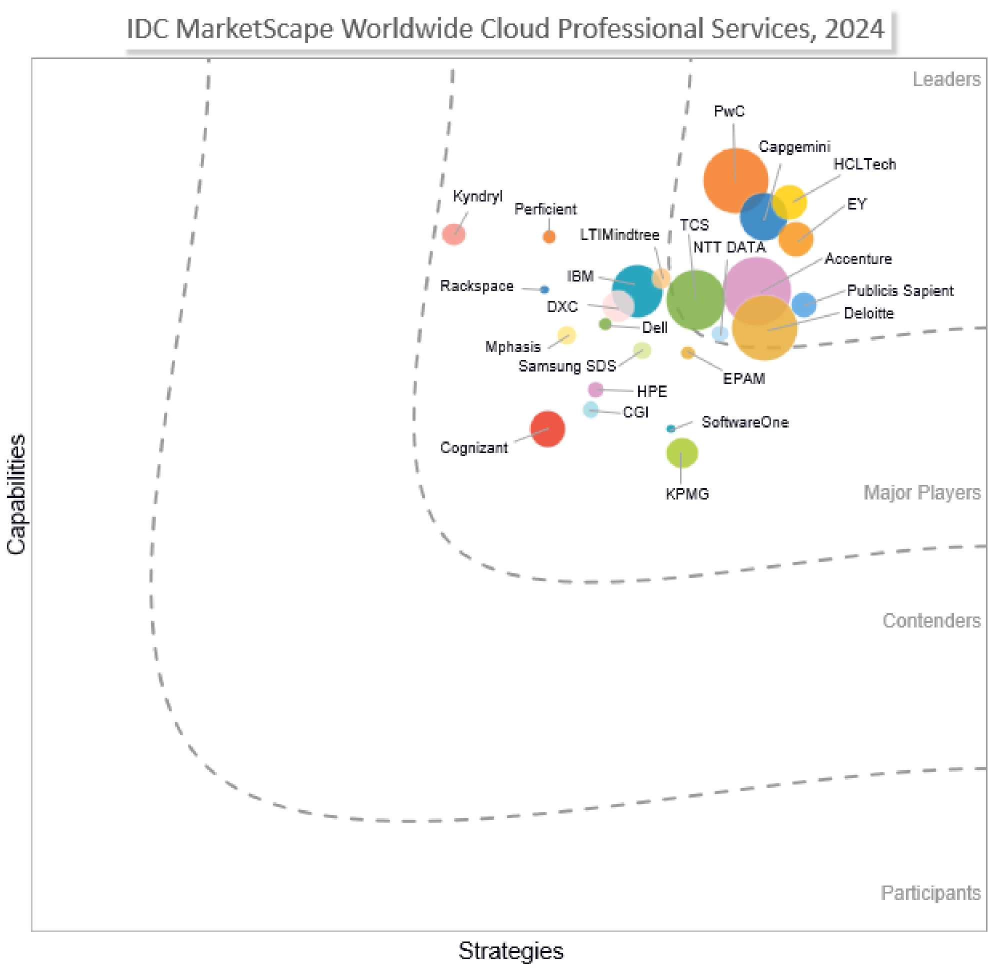
THIS IDC MARKETSCAPE EXCERPT FEATURES: SOFTWAREONE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Cloud Professional Services Vendor Assessment



Source: IDC, 2024

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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: Worldwide Cloud Professional Services 2024 Vendor Assessment (Doc #US51406224e). 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

Buyers of cloud professional services continue to enjoy a wealth of choices among provider types, and cloud professional service providers continue to expand their own end-to-end capabilities, making the selection process more challenging than ever. A record 24 vendors were evaluated in this sixth biannual evaluation, giving buyers a new snapshot of vendors to consider. Given this dynamic, IDC again recommends that buyers think about providers' expanding capabilities akin to a college graduate with a major and a minor and prioritize their needs accordingly.

When buyers were asked what characteristics are required for any cloud professional services vendor to be successful at a worldwide level, the number 1 attribute mentioned was "provide technical insights and competence," up from second place in the 2022 evaluation. The second attribute mentioned was "provide an appropriate and high-quality team for the project." This ordering of the top 2 attributes reversed the positionings seen in both the 2022 and 2020 evaluations. The increasing complexity of choices available for implementing hybrid cloud and multicloud solutions is likely one reason, but the surge of interest in using generative AI (GenAI), built on a solid cloud foundation, is also a factor. Conversely, the least unimportant characteristics were "presence of local offices and local resources," followed by "optimize ratio of onshore/offshore efforts on the project."

In terms of how buyers are relying on their cloud professional services vendors to help deliver on business priorities, at a worldwide level, the top business priorities were "comply with new or existing regulations," followed by "improve operational efficiency." While regulatory compliance remained a top priority as it was in 2022 and 2020, improving operational efficiency moved up one spot to become the second most critical priority. IDC has seen a significant focus on cost efficiency over the past two years as buyers have faced considerable economic headwinds and uncertainty about the future. The lowest-priority response remained consistent in 2020, 2022, and 2024, which was to "expand into new markets/geographies."

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The inclusion criteria for this IDC MarketScape consisted of two dimensions. The first was aggregate CY23 information technology (IT) project-based services revenue of $430+ million. Using the definitions detailed in *IDC's Worldwide Services Taxonomy, 2022* (IDC #US47769222, July 2022), IDC aggregated IT services revenue for over 940 services vendors that are tracked in IDC's Worldwide Semiannual Services Tracker to determine qualification. Second, the aggregate professional IT services revenue was segmented into the three macroregions of the Americas, EMEA, and Asia/Pacific. Vendors with $30+ million of aggregate professional IT services revenue in each of the macroregions and $430+ million in total revenue were invited to participate in this study.

ADVICE FOR TECHNOLOGY BUYERS

- **Be clear how much cost/operational efficiency you want from the cloud.** The past two years have highlighted a lot of economic uncertainty and mixed signals about the successful path forward, so the appeal of cloud to drive efficiency is clear. However, many organizations have taken the risk to transform and innovate, despite the uncertainty, given the competitive pressures they face. Both are likely to be goals for most organizations, but the ordering of priority matters in thinking about the sequence of projects and selection of providers. So, be clear with yourself, and then your providers, how much your use of a cloud delivery model is about cost takeout compared with digitally transforming to become a more effective business.
- **Make your cloud governance and FinOps approaches a top selection criterion.** Cloud governance has become even more prominent in the two years since our last evaluation. As cloud hardware and software providers, and the providers that build bridges between the two, increasingly push toward higher levels of abstraction, building good cost and operational controls to govern your consumption of cloud services is critical. Ask professional service providers whether their cloud governance approach is optimized to meet technical or business operations, or is balanced between the two, and match that to your needs.
- **Consider how business agile you must become.** While building and implementing cloud services is a significant task, equally significant is the change, post go live, in the operating model for your business. Many end-user organizations we have spoken with struggle to keep pace with integrating the increased tempo of software releases from their cloud service providers. And the journey to cloud reveals their own lack of business agility. Look for professional service providers that can also help you become more agile in your overall business and IT operations. At an IT level, this means ensuring you can conduct the integration and acceptance testing required when cloud service providers have multiple software releases each year. At a business level, this means deciding on which new innovations or increased functionality from your cloud service providers you want to activate.
- **Add new insights to your vendor selection process.** Use this IDC MarketScape as a tool not only to short list vendors for cloud professional services bids but also to evaluate vendors' proposals and oral presentations. For example, ask any of the vendors profiled how they are building on the strengths identified, and likewise, how they are addressing their challenges. Make sure you understand where these players are truly differentiated, and take advantage of their expertise, industry based or otherwise. Tips about when to consider each provider are included in the Vendor Summary Profiles section.

Many clients of the providers evaluated justified their vendor selections, whether they were considered good or not so good, with the old idiom, "you get what you pay for" — but what exactly does that mean in the context of cloud professional services? Traditionally, professional service providers have considered three dimensions (price, speed, and quality) when engaging with clients and have only let clients pick two of the dimensions for a given project, thus allowing the provider some room to maneuver; but in the world of cloud services, it is often possible to deliver high quality quickly and at a good price, so other considerations must be involved. When pressed for details, a common theme among clients was that higher-priced firms provided much more contractual latitude in accommodating small changes in project scope, as well as providing limited doses of supplemental expertise not originally asked for. The reverse could be seen for lower-priced firms, but not all clients require a lot of contractual latitude. Another dimension relates to the total relationship between buyer and supplier where the cost for project-based services can be cross-subsidized by existing cloud managed services relationships or other partnerships/alliances with clients where joint solutions, such as industry clouds, are sold to other players in each ecosystem.

Finally, buyers should consider the following when selecting a cloud professional service provider:

- **Project specificity:** If you know precisely what you want, and know you want no more, a lower-priced provider can be an excellent choice. The reverse is also true.
- **Project support:** If you are lucky enough to have CEO or board-level support for your cloud project, then a lower-priced provider can be cost-effective. However, if your cloud project is transformational and you don't have senior-level support, providers that are trusted by your CEO and board can make the difference.
- **Project style:** If you want a project where it's hard to tell which member works for the client versus the professional service provider, then collaboration skills and interpersonal dynamics will be a major factor. Conversely, if you want a service provider to maintain a bit of distance in hopes of giving you some outside-in objectivity, or just to break old patterns of thinking and behavior, then a more independent provider is key.
- **Project structure:** If you want to be deeply hands on in the strategy and tactics of the project, then insist your providers factor that into their staffing plans. Conversely, if you are willing to cede day-to-day control to your service provider and manage to contractual KPIs, then you can get by with a lower level of your staff assigned.
- **Project skills:** If you need 1 Python developer virtually, every provider evaluated can support your requirement easily. But if you need 20 Python developers all in the Middle East, then those firms with the historically deepest technology benches worldwide are a better selection.

VENDOR SUMMARY PROFILES

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.

SoftwareOne

According to IDC analysis and buyer perception, SoftwareOne is positioned in the Major Players category in this 2024 IDC MarketScape for worldwide cloud professional services.

SoftwareOne is both a software and a services organization undergoing its own digital transformation. It is Microsoft's largest reseller, but recently SoftwareOne has been expanding its relationships with AWS, Google, ServiceNow and other ecosystem partners to emphasize wider capabilities. Since 2020, SoftwareOne has made 13 acquisitions bolstering its capabilities in consulting, SaaS, cloud data services, cloud infrastructure and management, and CRM. It enables clients' digital transformations through a focus on business outcomes, initially with advisory services for digital ideation and IT portfolio management strategies to fund clients' transformation journeys. SoftwareOne is focused on accelerating the cloud journey for clients while enhancing their workforce productivity, maximizing the ROI of software and cloud spend, simplifying cloud access and support, and fast-tracking data and AI adoption. On the software side, SoftwareOne has spent years developing its proprietary software marketplaces, and in August 2023, it combined these efforts into a single Client Portal, where clients can access SoftwareOne Marketplace, which has over 65,000 clients in 60 countries, each with its own tailored catalog integrated into each client's operations. The marketplace currently lists products from about 7,500 global software vendors. SoftwareOne promotes its ability to use its cloud marketplaces to help clients generate the savings that will fund transformations; it calls this a focus on "commercial excellence," and those savings can also be derived from licensed software that is not cloud based. Its portal data lets SoftwareOne attach the right services to meet customer needs, and its standardized approach to services lets it service a larger number of customers.

Strengths

A strength of SoftwareOne is its customer retention and talent strategies. Customers note that SoftwareOne has very good experience in security and workplace services and have been impressed by how much SoftwareOne cares and takes the time to understand each client's business. Smaller and midsize companies lean on SoftwareOne to be part of their IT infrastructure (e.g., manage teams and advise on software architectures). In the SAP space, SoftwareOne's recent acquisition of Novis Euforia (SNP partner of the year in 2023) provides an interesting twist it calls "automated brownfield" to the conundrums of business transformation in the SAP ecosystem.

Challenges

SoftwareOne customers reported dissatisfaction on staff turnover and its global presence. IDC believes the range of SoftwareOne's consulting portfolio, while very good and growing in North America, is not as extensive as other providers. This strategy of focusing on selected services has worked to date for SoftwareOne, but it will need to continuously remind customers about its expanding capabilities so as to justify its pricing.

SoftwareOne must overcome the perception that it's too heavily focused on the Microsoft ecosystem. It's easy for competitors to pin this objection on the company, being the largest reseller of Microsoft globally, but the majority of customers do not object, and in fact find SoftwareOne to be fair and unbiased. SoftwareOne's more recent augmentation of the company's business with AWS and Google helps neutralize this argument as well.

Consider SoftwareOne When

The idea of saving money up front, via uncovering software licensing inefficiencies, is an appealing way to fund cloud and digital business transformation efforts. SoftwareOne has developed significant data and insights about how organizations deploy enterprise software over several years, which helps not only in generating potential savings up front but also in implementing and driving adoption of solutions like Microsoft Copilot.

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 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 represents the market share of each individual vendor within the specific market segment being assessed.

While the 24 vendors evaluated represent the majority share of spending for worldwide cloud professional services, there are other vendors that participate in this market and are worth considering based on your needs. These include Atos, AWS Professional Services, BCG, Cisco, Fujitsu, Hitachi Digital Services, Huawei, Indra, Infosys, Microsoft Consulting Services, McKinsey, NCR, NEC, Oracle Consulting, Tech Mahindra, and Wipro.

IDC MarketScape Methodology

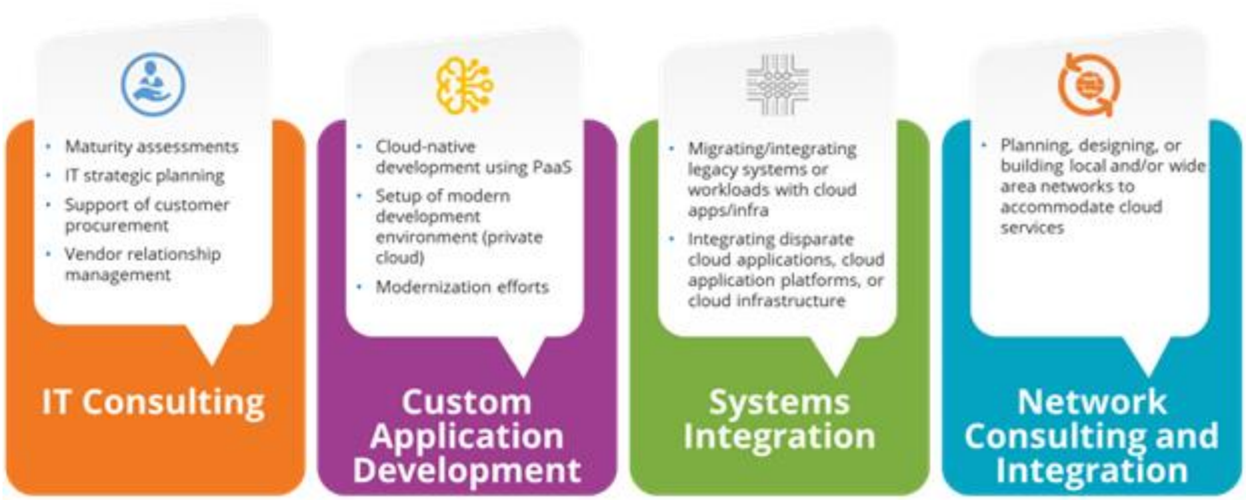
IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of 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.

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, 2022* (IDC #US47769222, July 2022). Examples of specific cloud professional services are shown in Figure 2.

FIGURE 2

Examples of Cloud Professional Services



Source: IDC, 2024

LEARN MORE

Related Research

- *IDC MarketScape: U.S. Federal Government Cloud Professional Services 2024 Vendor Assessment* (IDC #US49996223, April 2024)
- *IDC MarketScape: Worldwide Higher Education Cloud Professional Services 2024 Vendor Assessment* (IDC #US49968823, January 2024)
- *IDC MarketScape: Asia/Pacific Cloud Professional Services 2023-2024 Vendor Assessment* (IDC #AP50426623, November 2023)
- *IDC MarketScape: Worldwide Industry Cloud Professional Services 2022 Vendor Assessment* (IDC #US48187622, September 2022)
- *IDC's Worldwide Services Taxonomy, 2022* (IDC #US47769222, July 2022)
- *IDC MarketScape: Gulf Countries Cloud Professional Services 2022 Vendor Assessment* (IDC #META47590721, May 2022)
- *IDC MarketScape: Worldwide Cloud Professional Services 2022 Vendor Assessment* (IDC #US48061322, April 2022)
- *IDC MarketScape: Canadian Cloud Professional Services 2021 Vendor Assessment* (IDC #CA46215320, January 2021)

Synopsis

This IDC study represents a vendor assessment of the 2024 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 the vendor's 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 in both the short term and the long term. A component of this evaluation is the inclusion of the perception of cloud professional services buyers of both the key characteristics and the capabilities of the provider evaluated. Buyers were surveyed across all three of IDC's macroregions for the vendors participating.

"Buyers of cloud professional services continue to enjoy a wealth of choices among provider types, and cloud professional service providers continue to expand their own end-to-end capabilities, making the selection process more challenging than ever," said Gard Little, research vice president, Global Services, Markets, and Trends, IDC. "A record 24 vendors were evaluated in this sixth biannual evaluation, giving buyers a new snapshot of vendors to consider."

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. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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