

***ISG** Provider Lens™

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions

Switzerland 2021

Quadrant
Report



A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:



July 2021

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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 April 2021 for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

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EXECUTIVE SUMMARY

In 2020 and spring 2021, the demand for IT and cloud services in Switzerland was very high. Those that are part of the Swiss economy, including those that do not necessarily work on site inside Swiss companies, have further taken to digitalization of their lives and their work environment and thus, no longer need to depend on local elements and IT resources. At the same time, however, the hazards of cybercrime and the challenges arising due to the complexity of public cloud landscapes have grown more than ever.

Hybrid cloud, with a large proportion of private cloud, is the preferred choice for Swiss companies. It offers the best of private and public cloud characteristics. A hybrid cloud provides the necessary standardization for operating workloads according to their requirements. Above all, this cloud form offers more flexibility or, if necessary, more security compared to a pure private cloud. ISG Research found that enterprises use an average of 2.5 cloud providers – and the amount is trending up. The hybrid cloud approach enables the integration of different cloud types and, if implemented, offers a “single pane of glass” view for visibility and management. The disadvantage: The complexity for management and integration increases many times over.

The European market for IT and business services is still in excellent, robust shape: While the strong presence of the managed service segment continued in the first quarter of 2021, the demand for cloud-based services reached a new all-time high according to the EMEA ISG Index. In the first quarter, the magnitude of the overall outsourcing market in the region, which includes both as-a-service and managed services, amounted to

€5.0 billion. Compared to the same time period in the previous year, this represents an increase of 20 percent. In the managed services sector, the annual contract value (ACV) in the first quarter totaled €2.9 billion. This implies growth of 23 percent compared to the previous year and, also, the second strong quarter in a row. ISG attributes the increase to high growth in both the IT outsourcing (ITO) and business process outsourcing (BPO) segments. In addition, the results in Great Britain, France and the DACH region (Germany, Austria, Switzerland) were excellent. In the ITO environment, ADM services (application development and maintenance) and infrastructure services, in particular, have contributed to 17 percent ACV growth year-on-year, amounting to €2.5 billion. In the BPO sector, the growth was 66 percent, thanks to the strong demand for industry-specific services and the finance and accounting, engineering and research and development (R&D) sectors. In total, business process outsourcing has contributed €437 million to the entire managed service segment.

The COVID-19 pandemic and the rise of the home office entity, which has now established itself across regions, have contributed to the fact that managed services, hosting and colocation providers play an even greater role in maintaining economic power in Switzerland. Midsize companies, in particular, have sought consulting and support for implementation and ongoing operations to ensure their presence. Large corporations are also working on expanding their cloud resources and getting a higher level of utilization, with a dimension of complexity which is unparalleled.

Managed service providers were required to organize a wide variety of IT environments and set up or operate new workspaces sufficient for remote work or homeschooling; managed cloud hosting providers were responsible for the provision of sufficient server capacities, and colocation providers ensured the provision of professional and standardized data centers for operation, including providing the necessary carrier and hyperscaler connectivity and bandwidth.

Owing to the fact that companies are increasingly concentrating on software-centric and data-centric business models, they accordingly need a standardized operating and delivery model that still offers the flexibility necessary to be able to adapt quickly to changing market conditions. This, coupled with the rapid rise in on-demand and elastic cloud services, implies that IT executives are now faced with the need for platforms that can handle legacy and new services. It is precisely this combination that requires broad and in-depth specialist knowledge of legacy and cloud-native topics. As a consequence, many companies are overwhelmed and need external support.

The call for service support has become more prominent, as the handling of these architectures and technologies involves complexities that in most cases cannot be handled by in-house employees. User companies want to invest less and less in their own, in-house hardware as they are relying on the flexibility and scaling on the part of the cloud provider as a way to reduce their capital expenses. Most service providers offer both managed services and managed hosting, which is why the offers are fluid and tend to

overlap. It is, therefore, important for the customer to rely on the right provider that can provide comprehensive support in planning, implementation and operation.

Managed hosting providers that previously owned and operated their own data centers are increasingly relying on the use of colocation services. As a result, the need for additional colocation data centers is increasing. The clientele is also made up of integrators, companies that are downsizing or closing their data centers, and public cloud providers, some of which no longer build their own data centers, but use the space and services of colocation providers. The colocation customers can provide everything from a single source – space, security, a modern technical infrastructure and support. The boundaries between private and public cloud will soon be entirely blurred; distributed clouds are now being aimed for.

With a view to the DACH region, there are over 1,000 service providers or hosting services in Germany, Austria or Switzerland seeking access to almost 100 million inhabitants and more than 5 million mid-sized companies and groups. The number of user companies that want to be supplied with a maximum latency of 35 milliseconds, or even less, has risen sharply and will continue to grow, owing to the ongoing digitalization projects. New IT/OT solutions, the emerging edge computing market segment, plus development like autonomous driving and mixed reality will lead to increased demands for response times and to familiarize users with data processing and storage. The fifth generation (5G) of mobile communication plays an important role in the successful transition and smooth functioning of such use cases with a latency of 5 m/sec up to real time.

Managed Services

The demand for managed cloud services has increased in recent years, and 2019/2020 was no exception. As confirmed an ISG survey, the growth in demand will continue to increase until 2022. The exponentially increasing complexity, not least due to the increasing use of hybrid operating models and owing to rapidly changing new requirements and technologies, is the main driver for the use of managed services. Currently, for many companies, managed services assumes greater importance to adequately source workloads according to their requirements. In addition, there is desire for increased automation through intelligent and smart operating processes and tools that can influence and control, for example, provisioning and resource management.

In the first quarter of 2021, the managed services market in Germany, Austria and Switzerland (DACH) reached annual contract value amounting to €840 million, which indicates an increase of 13 percent compared to the previous year. It was the second quarter in a row where the contract value in the DACH countries exceeded the mark of \$1 billion U.S. dollars (€840 million at the prevailing exchange rate) – which is about a third higher than the historical average. The DACH region now accounts for almost 30 percent of EMEA contract volume in managed services.

Managed services have long since evolved to support a multi-cloud and, thus, multi-platform landscape, including private, public and hybrid clouds. In some cases, mainframe services such as those of the IBM Z Series are also integrated. Handling has become much more complex as a result. Managed service providers are prepared for challenges and

have sufficiently well-trained experts at their disposal, with the relevant certifications in the service, product and partner sectors, such as with hyperscalers. Relevant providers maintain partnerships with several hyperscalers, but at least with one such as AWS or Azure. Large companies greatly value the possibility of being able to use the services of several public clouds, because they offer different functions, which not only ensures differentiation and variety, but can also be an additional pillar to rely on.

Services are constantly being refined. They are characterized, in particular, by increased automation and intelligence to improve the quality of administration, to accelerate and make production safer and to ensure proactive management and self-healing in case of errors. An important point here is the comprehensive consulting provided in the process, from concept development, to determining the type of processing for which cloud environment is suitable, to installation and operation by the managed service provider. Following the "workload-based" processing, cloud computing and associated managed services nowadays have many facets and forms and, thus, requirements for topics including the handling of containers, Kubernetes or cloud-native architectures.

Leading providers for large customers and corporations include: Accenture, Atos, BitHawk, IBM, Swisscom, ti&m, Trivadis, T-Systems, and UMB. Wipro has been rated a Rising Star.

Leading providers for Swiss midsize businesses include: Aveniq (formerly Avectris), Axians, Bechtle, ELCA, EveryWare, MTF, Netcloud and Swisscom.

Managed Hosting

ISG Research results show that, especially in the DACH region, criteria such as the location of the data center, managed services support and flexibly designed contracts are of decisive importance. For U.S.-based companies, the feature portfolio plays a major role. Ease of integration with the existing infrastructure ecosystem is just as important. European companies pay more attention to data protection laws, which, for example, require data to be confined within national borders. In Switzerland, there are also constellations of industry and general government regulations that force customers to save or process data at their local sites and not out of the country.

Undoubtedly, companies are increasingly relying on the public cloud and the technologies and innovations that go with it. These innovations and other changes in project management or collaboration are important tools to master business challenges and to be technologically up-to-date. However, companies are rarely able or willing to migrate all their workloads or IT services to a public cloud. Hence, the majority of customers opt for a multi-cloud or hybrid cloud solution.

Interest in traditional infrastructure management by service providers has waned in recent years, although many companies in Switzerland still use these services. The business will not die out, at least not in the next few years. Nevertheless, the cloud trend is not bypassing managed hosting. Operations are being modernized and cloud scenarios are being set up, mainly as a private cloud solution with an IT landscape of virtual and physical systems with many advantages such as flexibility, scaling, security

and acceleration of workloads. Administration is provided from proprietary, secure data centers. Alternatively, the providers have outsourced operations to secure colocation data centers. The colocation data centers ensure a high level of security, adhere to the compliance requirements and provide robust connectivity to customers or partners locally and internationally. Most colocation data centers in Switzerland are certified by the Uptime Institute with Tier IV or at least Tier III. They provide the highest possible security levels as per documentation. Security plays a major role in Switzerland, especially when it comes to financial service providers or the hosting of critical applications.

The cloud service providers have further developed their offerings. They now offer hybrid cloud solutions that can be combined as required and managed on an automated central platform. The providers maintain a partnership with at least one public cloud provider, in most cases, with Microsoft Azure. This is a tradition because Microsoft Azure has established itself in Switzerland for many years, and has two redundant data centers in Zurich and Geneva. Customers are requesting to also be able to use functions from other public cloud providers, so many providers are expanding their offering to include the Google Cloud and AWS. Both hyperscalers are in the process of conquering the Swiss market. Google operates a data center in Zurich, while AWS will be setting up and operating three data centers by mid-2022. The service experts of the providers are certified accordingly. They apply a holistic approach regarding operation across all cloud environments. Customers are comprehensively supported on their way to the cloud, from transformation to commissioning.

Cloud operation is mainly supported with products from VMware, Nutanix, Red Hat, Microsoft or ServiceNow. Providers are continuously developing their offerings, automating and accelerating operational processes increasingly with AI support, and simplifying workloads with container management solutions like Kubernetes. This makes administration more secure and prevents business interruptions. For security reasons, the data is processed and stored in geo-redundant data centers.

Leading providers for large customers and corporations include: Atos, Aveniq (formerly Avectris), EveryWare, IBM, Swisscom, ti&m and T-Systems.

Leading providers for Swiss midsize businesses include: Bechtle, ELCA, , MTF, and Swisscom. The company nine has been rated Rising Star.

Colocation Services

Swiss colocation and connectivity services are in great demand, similar to that for the entire DACH market. New data centers are constantly being announced or opened in the region, which is adorned by mountains and valleys. In the past 12 months, the large colocation providers in Zurich alone have built four new data centers or expanded existing ones and offer an additional 20,000 m² of area.

In Switzerland there are currently 93 colocation data centers in operation with total area of 154,000 m². More data centers are being planned or are already under construction. The largest sites are Zurich with 63,000 m², Aargau with 14,000 m², Lausanne with 19,000 m², Geneva with 17,000 m² and Bern with 18,000 m².

Convincing arguments such as security, connectivity services that can be set up on short notice, high availability and adherence to compliance guidelines are testimonies that are greatly valued by national and international companies, despite the high energy costs involved. Energy efficiency is playing an increasingly important role. Energy costs in Switzerland are among the highest in Europe. Data center operators are, therefore, stepping up efforts to deploy high-efficiency cooling and UPS systems to minimize electricity costs and CO₂ emissions and achieve a PuE of 1.3 or lower. Colocation service providers take the PuE value into account in their pricing, which has a positive impact on costs.

At the largest colocation site, around the SwissIX internet exchange hub in Zurich, the data throughput has increased significantly within 12 months. The COVID-19 pandemic has

hugely contributed to this; people are relying more on digital applications than ever before because of using home offices instead of company offices, movie streaming instead of movie theaters, increased videoconferencing and other factors. Data traffic is growing, and the bandwidth must increase with it. And it has, too. The floor space is increasing dramatically in the new data centers. In the past, data centers with about 2,000 m² and less net area were built, nowadays it is often 5,000 m² and more. The colocation offering is also increasingly being used by managed service and cloud providers. Major hyperscalers are setting up their own PoPs at the sites of colocation providers to provide added value and be accessible in real time. Alternatively, they're moving their infrastructure straight into the colocation providers' premises and letting go of in-house data centers.

Leading providers for Switzerland include: Equinix, EveryWare, Green, Interxion, NTS Workplace, NTT Global Datacenters Switzerland (previously e-shelter), Safe Host and Swisscom. BrainServe was rated Rising Star.



Introduction

Simplified Illustration

Next-Gen Private/Hybrid Cloud – Data Center Services and Solutions 2021	
Managed Services for Large Accounts	Managed Services for Midmarket
Managed Hosting for Large Accounts	Managed Hosting for Midmarket
Colocation Services	

Source: ISG 2021

Definition

A private cloud is an IT or cloud system landscape made available in isolation, consisting of a virtual infrastructure and applications. It is essential that the cloud infrastructure consists of either physically or logically separate systems on which no other customers are served. Companies with strict security and governance requirements, and those that process large amounts of data and must ensure tight integration with other company applications and workflows, may prefer an in-house or private cloud. Service providers or managed service providers can use multiple cloud technologies to create private clouds with virtual machines or containers, network and storage resources that run in their data centers or via a shared infrastructure, but in a suitably configured, isolated environment.

A hybrid cloud combines the best of cloud infrastructure on site with customers/users, a hosted cloud in the data center of a service provider and a public cloud from a so-called hyperscaler. The aim is to combine services and data from different cloud models to set up a uniform, automated and

Definition (cont.)

well-managed cloud infrastructure. Hybrid clouds enable companies to use the capabilities of public cloud platforms without having to outsource all of their data to a third-party data center or to shared infrastructure environments. Clients benefit from greater flexibility in sourcing workloads, but at the same time they can continue to operate the important components within their own firewall or private cloud.

When data centers are outsourced, responsibility for the provision, monitoring and management of computing and storage resources is transferred to a third party. The data center can be owned by the client company, the service provider or a colocation provider. Monitoring usually takes place at the provider's location; such services are referred to as remote infrastructure management (RIM).

The colocation services providers provide sufficient space in their data centers to operate the IT infrastructure of companies that want to give up their own data center in whole or in part. The colocation data centers offer a comprehensive technical infrastructure such as electricity, USV, air conditioning and fire protection, which is designed redundantly

and guarantees a high level of reliability, which is often at 99.99 percent. The IT equipment will continue to be administered by the corporate IT department, but numerous services such as monitoring, patch services, hardware replacement, hardware storage and others can be transferred to the colocation service provider. The portfolio includes a range of connectivity options that enable customers to quickly connect to partners, other data centers and hyperscalers on short notice.

Security products for the data center provide protection against cyberattacks for the IT infrastructure in the customer-specific data center, in the private, hybrid and multi-cloud environment. The products recognize the threats early and stop the attacks before they do any damage. Vulnerability analysis is conducted and automatic patching is done. The events are recorded with a reporting tool and serve as the basis for further measures to improve protection. With the security product tools, which are implemented on a physical or virtual appliance platform, the infrastructure is either monitored and managed by the customer on its own or by a managed security service provider.

Definition (cont.)

Scope of Report

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

- Transparent presentation of the strengths and weaknesses of relevant service providers
- Differentiated positioning of the provider according to the segments
- Focus on markets including U.S., Germany, Switzerland, U.K., Scandinavia and Brazil

These studies thus provide an essential basis for decisions on positioning, relationships and go-to-market considerations. ISG advisors and corporate customers also use information from these reports to evaluate their current and potential new provider relationships.

Typical outsourcing activities include, for example, technical support (levels 1, 2, 3), server monitoring, application performance monitoring, storage and database administration, hosting, colocation, disaster recovery, implementation, defining and setting up architectures, standards and policies, and transformation projects such as virtualization, consolidation and cloud enablement services.

In the case of standalone services, such as colocation and managed hosting, the service level/support level of the services differs in the sense of a fully managed data center outsourcing contract. For example, a colocation provider offers facilities and infrastructure for hosting equipment, and some basic support services. All other infrastructure management aspects, on the other hand, are the responsibility of the customer. Customers can either manage these aspects by themselves or hand them over to a managed service provider.

ISG studies are intended to help provide forecasts of customer projects and purchase decisions in typical companies. When facing a major strategy transformation, infrastructure procurement versus leasing decisions, implementing agile practices, or automating the IT environment, enterprise customers are sure to benefit from a study that examines the entire ecosystem for a given service area.

Therefore, ISG studies consist of several quadrants that cover a range of services that are required by corporate customers, as illustrated in the figure below.

All dollar (\$) references are in U.S. dollars (\$USD)

Provider Classifications

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

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

Provider Classifications

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

Leader

The Leaders among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The Product Challengers offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the Leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or weak footprint within the respective target segment.

Market Challenger

Market Challengers are also very competitive, but there is still significant portfolio potential and they clearly fall behind the Leaders. Often, the Market Challengers are established vendors that are somewhat slow to address new trends due to their size and company structure, and therefore have some potential to optimize their portfolio and increase their attractiveness.

Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

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

Rising Star

Companies that receive the Rising Star award have a promising portfolio 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. This award is only given to vendors or service providers that have made significant progress toward their goals in the last 12 months and are expected to reach the Leader quadrant within the next 12-24 months due to their above-average impact and strength for innovation.

Not In

The service provider or vendor was not included in this quadrant. There might be one or several reasons why this designation is applied: 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 qualify due to market share, revenue, delivery capacity, number of customers or other metrics of scale to be directly compared with other providers in the quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer this service or solution, or confer any other meaning.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 1 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
*um (Orange)	● Product Challenger	● Not In	● Not In	● Not In	● Not In
Abraxas	● Not In	● Not In	● Market Challenger	● Not In	● Not In
Accenture	● Leader	● Not In	● Not In	● Not In	● Not In
ACP	● Not In	● Product Challenger	● Not In	● Not In	● Not In
All for One Group	● Not In	● Product Challenger	● Not In	● Not In	● Not In
alphosting	● Not In	● Not In	● Contender	● Not In	● Not In
Anexia	● Not In	● Not In	● Not In	● Market Challenger	● Not In
Aspectra	● Not In	● Not In	● Not In	● Contender	● Not In
Atos	● Leader	● Not In	● Leader	● Not In	● Not In
Aveniq (Avectris)	● Not In	● Leader	● Leader	● Not In	● Not In
Axians	● Not In	● Leader	● Not In	● Not In	● Not In
Bancadati	● Not In	● Not In	● Not In	● Not In	● Contender
Bechtle	● Not In	● Leader	● Not In	● Leader	● Not In
Bedag Informatik	● Not In	● Not In	● Market Challenger	● Not In	● Not In

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 2 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
BitHawk	● Leader	● Not In	● Not In	● Not In	● Not In
BrainServe	● Not In	● Not In	● Not In	● Not In	● Rising Star
BT	● Contender	● Not In	● Product Challenger	● Not In	● Not In
CANCOM	● Not In	● Product Challenger	● Not In	● Not In	● Not In
Capgemini	● Product Challenger	● Not In	● Not In	● Not In	● Not In
CGI	● Contender	● Not In	● Not In	● Not In	● Not In
CKW	● Not In	● Not In	● Not In	● Contender	● Contender
Cognizant	● Product Challenger	● Not In	● Not In	● Not In	● Not In
ColoBâle	● Not In	● Not In	● Not In	● Not In	● Contender
Colt DCS	● Not In	● Not In	● Not In	● Not In	● Product Challenger
Controlware	● Not In	● Product Challenger	● Not In	● Not In	● Not In
Data11	● Not In	● Not In	● Not In	● Not In	● Contender
Datacenter Zug	● Not In	● Not In	● Not In	● Not In	● Contender
Datasource	● Not In	● Not In	● Not In	● Not In	● Contender

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 3 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
DevoteamIAlegri	● Market Challenger	● Market Challenger	● Not In	● Not In	● Not In
DXC	● Product Challenger	● Not In	● Not In	● Not In	● Not In
Econis	● Not In	● Contender	● Product Challenger	● Not In	● Not In
ELCA	● Not In	● Leader	● Not In	● Leader	● Not In
eqipe	● Not In	● Not In	● Not In	● Contender	● Not In
Equinix	● Not In	● Not In	● Not In	● Not In	● Leader
EveryWare	● Not In	● Leader	● Leader	● Not In	● Leader
exaSys/WZH	● Not In	● Not In	● Not In	● Not In	● Market Challenger
Fujitsu	● Product Challenger	● Not In	● Product Challenger	● Not In	● Not In
green	● Not In	● Contender	● Not In	● Contender	● Leader
gridscale	● Not In	● Not In	● Not In	● Product Challenger	● Not In
gtt	● Not In	● Not In	● Not In	● Not In	● Contender
HCL	● Product Challenger	● Not In	● Not In	● Not In	● Not In
Hexaware	● Contender	● Not In	● Not In	● Not In	● Not In

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 4 of 6

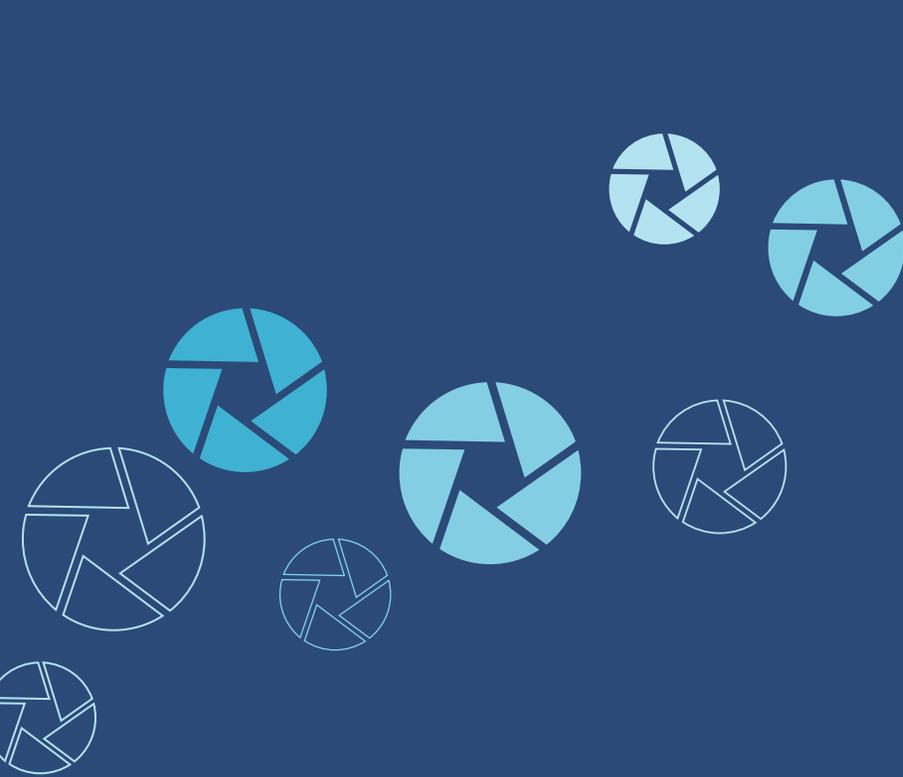
	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
Hosttech	● Not In	● Not In	● Not In	● Contender	● Not In
IBM	● Leader	● Not In	● Leader	● Not In	● Not In
Infomaniak	● Not In	● Not In	● Product Challenger	● Not In	● Product Challenger
Interxion (Digital Realty)	● Not In	● Not In	● Not In	● Not In	● Leader
ITpoint	● Not In	● Contender	● Not In	● Product Challenger	● Not In
Itris One	● Not In	● Not In	● Not In	● Market Challenger	● Not In
IWB	● Not In	● Not In	● Not In	● Not In	● Product Challenger
JMC	● Not In	● Product Challenger	● Not In	● Market Challenger	● Not In
Lake Solution	● Not In	● Contender	● Not In	● Not In	● Not In
Leuchter IT	● Not In	● Not In	● Not In	● Market Challenger	● Not In
Levantis	● Not In	● Not In	● Not In	● Not In	● Contender
MTF	● Not In	● Leader	● Not In	● Leader	● Not In
Netcloud	● Not In	● Leader	● Not In	● Not In	● Not In
Netskin	● Not In	● Not In	● Not In	● Contender	● Contender

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 5 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
nexellent	● Not In	● Not In	● Contender	● Not In	● Not In
nine	● Not In	● Not In	● Not In	● Rising Star	● Not In
Novatrend	● Not In	● Not In	● Contender	● Not In	● Not In
NTS Workspace	● Not In	● Not In	● Not In	● Not In	● Leader
NTT DATA	● Product Challenger	● Not In	● Product Challenger	● Not In	● Not In
NTT Ltd.	● Not In	● Not In	● Not In	● Not In	● Leader
Orange Business Services	● Not In	● Not In	● Product Challenger	● Not In	● Not In
procloud	● Not In	● Not In	● Not In	● Product Challenger	● Not In
Rackspace Technology	● Product Challenger	● Not In	● Product Challenger	● Not In	● Not In
Safe Host	● Not In	● Not In	● Not In	● Not In	● Leader
Safe Swiss Cloud	● Not In	● Not In	● Not In	● Product Challenger	● Not In
Servertown	● Not In	● Not In	● Not In	● Contender	● Not In
Smart IT	● Not In	● Not In	● Not In	● Product Challenger	● Not In
Sopra Steria	● Product Challenger	● Not In	● Product Challenger	● Not In	● Not In

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 6 of 6

	Managed Services for Large Accounts	Managed Services for Midmarket	Managed Hosting for Large Accounts	Managed Hosting for Midmarket	Colocation Services
Swisscom	● Leader	● Leader	● Leader	● Leader	● Leader
TCS	● Product Challenger	● Not In	● Contender	● Not In	● Not In
ti&m	● Leader	● Not In	● Leader	● Not In	● Not In
Trivadis	● Leader	● Not In	● Not In	● Not In	● Not In
T-Systems	● Leader	● Not In	● Leader	● Not In	● Not In
UMB	● Leader	● Not In	● Not In	● Not In	● Not In
Unisys	● Contender	● Not In	● Not In	● Not In	● Not In
VSHN	● Product Challenger	● Product Challenger	● Not In	● Not In	● Not In
Wipro	● Rising Star	● Not In	● Not In	● Not In	● Not In
Xelon	● Not In	● Not In	● Not In	● Contender	● Not In



Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Quadrants

ENTERPRISE CONTEXT

Managed Services for Large Accounts

This report is relevant for large companies in Switzerland that are evaluating hybrid/private cloud managed service providers.

This quadrant addresses the current market positioning of managed service providers in Switzerland. It serves to showcase the capabilities and service scope of management services providers in dealing with the challenges of large enterprises in the region.

At present, to make ideal use of resources to manage data center infrastructure, it is necessary to use service providers. They provide reliable solution strategies to evaluate and implement the basic digital needs of a large enterprise. Managed service providers are constantly investing in the efficiency and reliability of their systems and processes, which directly benefits the customers.

Service providers also professionally analyze compliance challenges, including current legal regulations for data protection and data residency. Problem-solving strategies that require hybrid cloud approaches to meet regulatory requirements are developed in collaboration with enterprise clients. Hybrid cloud managed services can, thus, help large operate their own data centers in a resource-efficient manner while ensuring compliance with legal regulations.

There are increasing dependencies on latency-sensitive applications that require physical proximity to key customer sites. The regional focus of this study is suited to identifying service providers that have this proximity and enable control over hardware and systems.

IT executives should read this report to better understand the relative strengths and weaknesses of managed service providers and how their market approach may impact enterprise hybrid cloud strategies. Changing the managed hybrid cloud service provider can significantly impact the client company's entire IT inventory.

Software development and technology executives should read this report to understand positioning of managed service providers and obtain a better understanding of how the range of services they render can impact the ongoing development of software products within an organization.

Procurement, purchasing and vendor management professionals should read this report to develop a better understanding of the current managed service provider landscape in Switzerland.

MANAGED SERVICES FOR LARGE ACCOUNTS

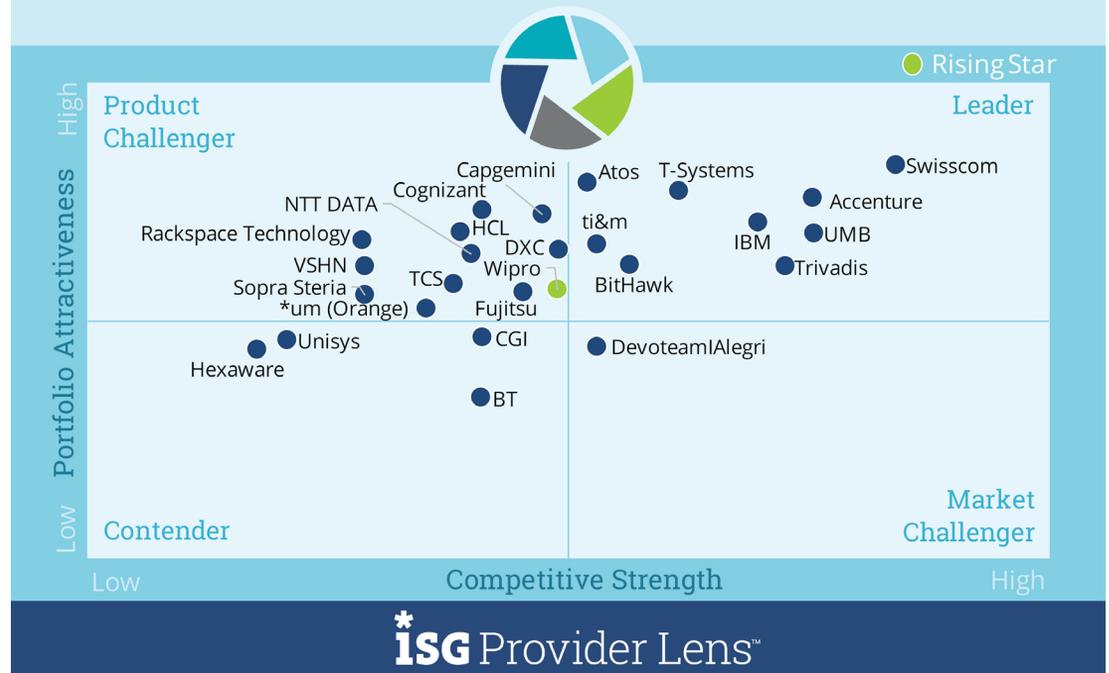
Definition

Service providers that provide ongoing management services for the operation of the data center infrastructure of major customers fall into this category.

Managed services include servers, middleware, storage, databases and networks. The IT infrastructure is either located in the customer's or service provider's data center or is provided by a third party as a colocation or public cloud service. Transition services include extensive consolidation, virtualization and cloud enablement projects, which are increasingly based on software-defined architecture, such as a software-defined data center (SDDC). Typically, specially developed or licensed cloud management platforms and tools are used to offer customers the highest level of automation and to provide the necessary transparency about the managed cloud resource pool with regard to capacity utilization and costs, including independent management.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Managed Services for Large Accounts

2021
Switzerland



Source: ISG Research 2021

MANAGED SERVICES FOR LARGE ACCOUNTS

Definition (cont.)

The services provided typically include:

- Professional services for the management and monitoring of CPU, memory, databases, operating systems as standalone or microservices or virtual machine services and/or container services
- Update and patching services for operating system, middleware and applications
- Service portal for cost management (chargeback and showback) and identity management or IT service management
- Governance and compliance management
- Supporting services such as incident management, configuration, security services and setting up automation

Eligibility Criteria

- Ability to support the data center infrastructure (servers, middleware, storage, databases and networks) with own independent resources (i.e., not through partners); no subcontracting of essential data center services
- Existing relationships with private cloud technology providers and at least with one large public cloud hyperscale provider
- Provision of services on the customer's premises or remotely and, if possible, within the framework of a remote service center
- Experience with consolidation, virtualization or cloud enablement transition projects
- Ability to act as an extension of the customer organization and to participate in the design of blueprints, architecture frameworks and management schedules at the customer location

MANAGED SERVICES FOR LARGE ACCOUNTS

Observations

IT decision-makers in Switzerland are following the global trend and are increasingly outsourcing services to public clouds. However, much of the data remains in private clouds. It can be located at the premises of the customer, or a host or colocation provider. As a result, the demand for managed hybrid cloud services continues to grow. Consequently, double-digit sales growth has been achieved by numerous providers. Containers are slowly but surely establishing themselves as a replacement for virtual machines for core elements of the IT landscape in productive system operation. These also often form the lowest common denominator, which is why workloads can be shifted or distributed across clouds.

Hybrid and multi-cloud has become the standard delivery model for modern infrastructures that require new technologies to ensure efficient and smooth operations. Container solutions, and increasing workflow automation with AI and ML support, make operations more agile. They also ensure improved security and acceleration of workloads. Top providers rely on these technologies to be able to offer customers an

up-to-date price-performance ratio and the necessary security. Customers usually find the necessary container know-how here, for example for Kubernetes, to operate complex service mesh configurations. Management often takes place via a dashboard or GUI. Alternatively, customers are also offered direct access via API or infrastructure as code. However, this increases complexity and requires a lot of expertise on the part of the customer. In such cases, it becomes difficult even for large companies to handle this infrastructure owing to the lack of able and certified IT staff. The war for talent has intensified once again. The scarcely available experts are highly trained. They have multiple certifications and have already implemented several similar projects. Leaders are also characterized by offering high security standards. Thus, the infrastructure is monitored around the clock by a security operations center (SOC). The security component plays a higher role in Switzerland in comparison to DACH as a whole, and is thus at a high level worldwide, if not the highest.

- **Accenture** remains one of the leading providers with a first-class portfolio for many clients, as it continues with its acquisitions and eventual expansion plans.
- **Atos** is constantly improving its portfolio with regard to the One Cloud initiative, which is built on the principles of plan, think, build and operate with integrated security.

MANAGED SERVICES FOR LARGE ACCOUNTS

Observations (cont.)

- **BitHawk** is a leading provider in Switzerland. It offers excellent solutions based on best practices in ITSM processes for managed operations services with high degree of automation for customers.
- **IBM** continues to be in a leading position in the managed services segment with its globally successful IT services for strategy, migration, development and management. IBM is in the process of spinning off its infrastructure services business and taking it public as an independent company called Kyndryl.
- **Swisscom** is a Swiss managed cloud service provider par excellence. It is, more than ever, concerned with competencies in the multi-cloud segment up to the application level and also efficiently supports customers in the site reliability engineering segment.
- **ti&m**, the innovative digitalizer, has lived up to its 2020 title of Rising Star and made the leap into the Leader quadrant in no time at all. ti&m is characterized by many factors, including its Google partnership, its security portfolio and its expertise in the financial sector.
- **Trivadis** is a managed service provider that has managed to successfully bring an intelligent customer journey portfolio to the market. It perfectly understands customer needs.
- **T-Systems** is a leading service provider in Switzerland. It is well on the way to expanding and consolidating its market position in Switzerland and Austria with a high level of automation and with the VMware Foundation.
- **UMB** is growing sharply with a highly automated and well-rounded cloud solution that primarily considers business prospects through technological capabilities.
- **Wipro** has been rated a Rising Star. It offers robust cloud architecture solutions for the Swiss market which, with the appropriate tools, help accelerate the transformation process for the customer.

ENTERPRISE CONTEXT

Managed Services for Midmarket

This report is relevant for midsize companies in Switzerland that are evaluating hybrid/private cloud managed service providers.

This quadrant addresses the current market positioning of managed service providers in Switzerland. It serves to showcase the capabilities and service scope that managed services providers have for dealing with the challenges of midmarket enterprises in the region.

At present, to make ideal use of resources to manage data center infrastructure, it is necessary to use service providers. They provide reliable solution strategies to evaluate and implement the basic digital needs of a large enterprise. Managed service providers are constantly investing in the efficiency and reliability of their systems and processes, which directly benefits the customers.

Service providers also professionally analyze compliance challenges, including current legal regulations for data protection and data residency. Problem-solving strategies that require hybrid cloud approaches to meet regulatory requirements are developed in collaboration with enterprise clients. Hybrid cloud managed services can, thus, help large operate their own data centers in a resource-efficient manner while ensuring compliance with legal regulations.

There are increasing dependencies on latency-sensitive applications that require physical proximity to key customer sites. The regional focus of this study is suited to identifying service providers that have this proximity and enable control over hardware and systems.

IT executives should read this report to better understand the relative strengths and weaknesses of managed service providers and how their market approach may impact enterprise hybrid cloud strategies. Changing the managed hybrid cloud service provider can significantly impact the client company's entire IT inventory.

Software development and technology executives should read this report to understand positioning of managed service providers and obtain a better understanding of how the range of services they render can impact the ongoing development of software products within an organization.

Procurement, purchasing and vendor management professionals should read this report to develop a better understanding of the current managed service provider landscape in Switzerland.

MANAGED SERVICES FOR MIDMARKET

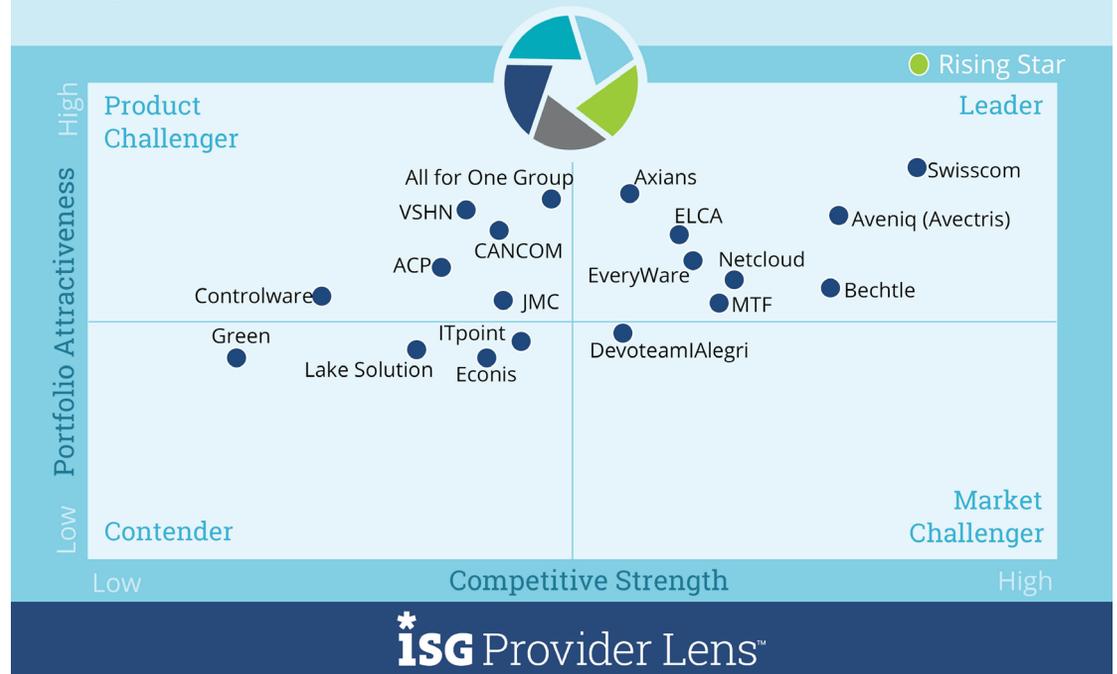
Definition

Service providers that provide ongoing management services for the operation of the data center infrastructure of major customers fall into this category.

Managed services include servers, middleware, storage, databases and networks. The IT infrastructure is either located in the customer's or service provider's data center or is provided by a third party as a colocation or public cloud service. Transition services include extensive consolidation, virtualization and cloud enablement projects, which are increasingly based on software-defined architecture, such as a software-defined data center (SDDC). Typically, specially developed or licensed cloud management platforms and tools are used to offer customers the highest level of automation and to provide the necessary transparency about the managed cloud resource pool with regard to capacity utilization and costs, including independent management.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Managed Services for Midmarket

2021
Switzerland



Source: ISG Research 2021

MANAGED SERVICES FOR MIDMARKET

Definition (Cont.)

The services provided typically include:

- Professional services for the management and monitoring of CPU, memory, databases, operating systems as standalone or microservices or virtual machine services and/or container services
- Update and patching services for operating system, middleware and applications
- Service portal for cost management (chargeback and showback) and identity management or IT service management
- Governance and compliance management
- Supporting services such as incident management, configuration, security services and setting up automation

Eligibility Criteria

- Ability to support the data center infrastructure (servers, middleware, storage, databases and networks) with its own independent resources (i.e., not through partners); no subcontracting of essential data center services
- Existing relationships with private cloud technology providers and at least one with a large public cloud hyperscale provider
- Provision of services on the customer's premises or remotely and, if possible, within the framework of a remote service center
- Experience with consolidation, virtualization or cloud enablement transition projects
- Ability to act as an extension of the customer organization and to participate in the design of blueprints, architecture frameworks and management schedules at the customer location

MANAGED SERVICES FOR MIDMARKET

Observations

CEOs and IT decision-makers in small and midsize companies in Switzerland are following the global trend and increasingly outsourcing services to public clouds. However, much of their data remains in the private cloud. It can be located at the premises of the customer, or a hosting or colocation provider. As a result, the demand for managed hybrid cloud services continues to grow. Consequently, double-digit sales growth has been achieved by numerous providers. Companies, especially at present and in circumstances like the current pandemic, are eager to adopt the latest cloud services as quickly as possible to ensure that their business continues. Alternatively, midsize companies also run the risk of individual departments drifting into shadow IT, risking the loss of compliance in favor of agility. IT executives must balance competing impulses by controlling and supporting the introduction of new services to prevent the technology from becoming excessive. New management styles such as ambidexterity are particularly difficult for midsize firms, given that their IT and digitalization experts are also strategic managers and do not have the

answers to all the questions and risks that arise in the process. At the same time, teams must be given the flexibility to use new and powerful technologies. This has to be aimed to enhance customer experience. This pressure is also reflected in the IT budgets, which will increase for midsize companies in the entire DACH region.

In this context, containers are slowly but surely establishing themselves as a replacement for virtual machines for core elements of the IT landscape in productive system operation. These also often form the lowest common denominator, which is why workloads can be shifted or distributed across clouds. Midsize companies differ less and less from large customers in this regard. The biggest difference here lies in the existing know-how and in the scaling.

Container solutions, and increasing workflow automation with AI and ML support, make operations more agile. They also ensure improved security and acceleration of workloads. Top providers rely on these technologies to be able to offer customers an up-to-date price-performance ratios and the necessary security. As a rule, customers will also find the necessary container or Kubernetes know-how here. Management often takes place via a dashboard or GUI.

The talent war has intensified once again. The scarcely available experts are highly trained. They have multiple certifications and have already implemented several similar projects. Swiss leaders are also

MANAGED SERVICES FOR MIDMARKET

Observations (cont.)

characterized by provision of high security standards. The security component plays a higher role in Switzerland in comparison to DACH as a whole, and is thus, at a high level worldwide, if not the highest.

- **Aveniq (Avectris)** Avectris was sold to GIA Informatik. The two companies will merge and will continue to run the business jointly under the new name Aveniq. The provider is an established entity in Switzerland for midsize companies. It offers an extremely extensive portfolio, several partnerships and technological understanding.
- **Axians** is one of the leading providers due to its infrastructure know-how and a comparatively highly integrative managed cloud approach, from which specific industries such as manufacturing, retail and many others benefit.
- **Bechtle** is a large system house in Switzerland that also offers extensive managed services for SMEs and the lower midsize enterprises.
- **ELCA** has been a leader in 2021. It is a highly successful Lausanne-based managed service provider that offers secure managed hybrid cloud solutions with professional integration of Azure and AWS, owing to early focus on cloud engineering and related DevOps disciplines and partnerships.
- **EveryWare** can help with any customer requirement. It is a trusted advisor with expertise in VMware environments that can be managed in large numbers without compromising on performance.
- **MTF** offers comprehensive cloud solutions for SMEs that can be hosted in highly secure data centers.
- **Netcloud** is developing faster than the market and offers an extensive team of experts for all areas of the managed service business.
- **Swisscom** is one of the leading and steadfast providers for companies of all sizes. Customers are always served safely and adequately by hundreds of service employees using cloud-agnostic services.

ELCA

Overview

ELCA offers software development and managed services. The company has its headquarters in Lausanne and owns offices in Geneva, Zurich, Bern, Basel and Zurich. In 2020, it achieved sales amounting to CHF 172 million, which represented a 1.3 percent gain. ELCA employees 1,400 people. The company focuses on the banking, business services, healthcare and manufacturing sectors and serves approximately 100 customers of all sizes. Its revenue from the managed service business amounts to about CHF 11 million.

Strengths

Migration support: ELCA supports customers in the cloud migration process by means of analysis and selection of the best possible cloud environment depending on applications and data. Finally, professional operation is managed in the cloud, on-premises or in ELCA's own data centers, with services including monitoring, support, backup and reporting. public cloud scenarios can be seamlessly integrated into the ELCA platform, thanks to the partnerships with AWS, Google and Microsoft (Azure). In addition, ELCA modernizes applications by refactoring or replatforming.

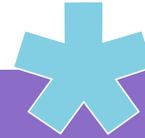
Fully automated operation for maximum scaling: ELCA makes optimum use of its experience in software development. It has implemented IT infrastructure as code in a fully automated way, supporting lean and agile processes and projects based on DevSecOps and CI/CD. Currently, it securely manages 200 physical and 4,500 virtual servers and 1,000 containers.

Secure Services: ELCA ensures cloud infrastructure compliance. It holds multiple certifications including PCI DSS, ISO 9001, ISAE 3402 Type II and CSA Cloud Security Alliance CAIQ. It also works with the EPFL Center for Digital Trust (C4DT).

Caution

ELCA already offers a wealth of services as part of its outsourcing portfolio. However, in the AI-based/ML-based real-time incident management segment for automatic provisioning, deprovisioning and self-healing of systems, the provider should make improvements so as to meet future customer needs in terms of scale, security and cost. These abilities have grown to become a basic standard among the top players.

ELCA still has deficits in terms of people's perception of the company. This needs to be improved through increased and better marketing.



2021 ISG Provider Lens™ Leader

ELCA offers clients an interdisciplinary team and a comprehensive portfolio of managed services, which ensures added value for companies of all sizes and industries.

ENTERPRISE CONTEXT

Managed Hosting for Large Accounts

This report is relevant for large companies in Switzerland that are evaluating managed hosting providers.

This quadrant addresses the current market positioning of managed hosting providers in Switzerland. It shows how the companies deal with the key challenges they face in the region. The highest priority for integrating hosted resources into a hybrid cloud environment is to ensure smooth technical infrastructures operate smoothly across public and private clouds.

Managed hosting services are used by Swiss companies in particular to satisfactorily adhere to their multitude of data protection and data retention requirements. In this case, leading managed hosting providers are suitable as secure partners and can guarantee regional data residency despite working with a public cloud provider.

Using managed hosting services also can reduce the effort needed for an enterprise to manage its own data centers. The status of hardware and systems are clearly illustrated by dashboards, and thus, they can be better controlled and evaluated. The customer benefits directly from the investments managed hosting providers are making in their data centers, as they are becoming increasingly efficient and reliable. This supports the trend towards the more ecological use of resources, which favors lower power consumption and reduced carbon dioxide emissions.

The data sensitivity of some applications is regulated in these dynamic private hybrid cloud solutions. A major benefit of outsourcing infrastructure management is the enterprise's technical resources can be freed to focus on pressing business issues. This is especially true for mission-critical mainframe applications that are difficult to migrate.

IT executives should read this report to better understand the relative strengths and weaknesses of managed hosting providers and how their market approach may impact enterprise hybrid cloud strategies. In particular, it is about how using a managed hosting provider affects the management and operation of important workloads.

Software development and technology executives should read this report to understand the positioning of managed hosting providers and to gain a better understanding of how the range of services they render can impact the ongoing development of software products within an organization. Even if not all the applications hosted by a managed hosting provider are actively developed, new projects will likely need to be integrated into some of these systems.

Procurement, purchasing and vendor management professionals should read this report to develop a better understanding of the current managed hosting provider landscape in Switzerland.

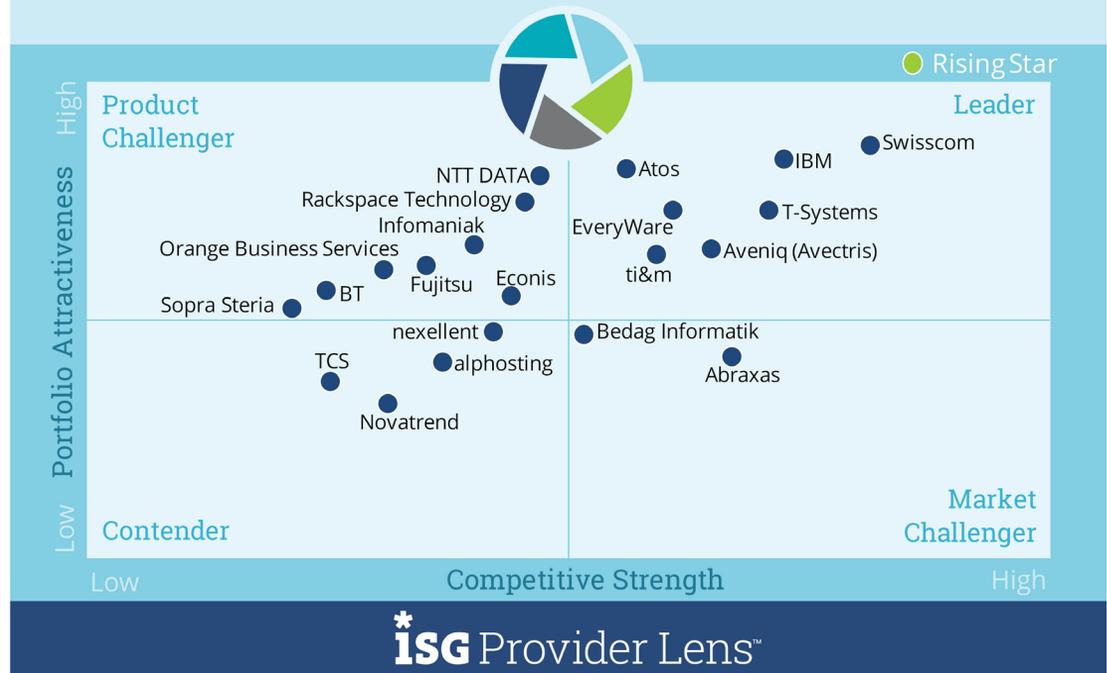
MANAGED HOSTING FOR LARGE ACCOUNTS

Definition

This quadrant evaluates service providers that offer enterprise-grade standalone hosting solutions, either from their own data centers and based on their own infrastructure, or via third-party data centers/ infrastructure. The providers evaluated here are responsible for the day-to-day management and maintenance of data center equipment such as servers, operating systems and connectivity to the external network. Ideally, customers specify their application and operational requirements, and the managed hosting provider takes responsibility for the provision of the infrastructure to keep applications running with the desired performance and security. A provider can monitor different IT assets such as legacy systems and private and public clouds through a hybrid cloud management platform. However, the management of hybrid clouds has not been evaluated in this quadrant. Typically, managed hosting services are measured specifically by service levels such as data center tier, tiered security, service availability, and network performance (LAN) I/O at peak times.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Managed Hosting for Large Accounts

2021
Switzerland



Source: ISG Research 2021

MANAGED HOSTING FOR LARGE ACCOUNTS

Eligibility Criteria

- Offering of hosting solutions at enterprise level with the deployment of proprietary infrastructure
- Range of active-active and active-passive disaster recovery and backup services
- Technical and financial capabilities to upgrade in-house infrastructure and maintain planned capacity to ensure hosting performance ahead of any increased demand that may occur
- Ability to scale and maintain dedicated servers and storage, and shared cloud resources, on the same network and management platform
- Availability of at least five layers of physical security in the data center

Observations

The managed hosting market is undergoing constant change. Companies of nearly all sizes and industries are being driven to innovate and adapt new business practices, similar to agile startups. In the past, enterprises contracted service providers to deliver IT infrastructure, physical servers, virtual machines, storage and networking, either in their own data centers or with a colocation operator. That is still the case today, but the technology has changed. High-performance and high-priced servers such as high-performance computing (HPC) or bare metal machines with the processor technologies GPU, CPU for computation-intensive computing operations, e.g., simulations, modeling and in-memory (e.g. for SAP) are moved to the private cloud. Companies get to save investment costs (capital expenses) and have the advantage of constant utilization of the latest technologies.

Managed hosting also integrates the services of public cloud providers within the framework of a hybrid model. Managed hosting operators maintain certified partnerships with major hyperscalers and integrate services on a common platform. Thus, workloads are outsourced completely or temporarily and the processing is executed with the infrastructures of the public cloud providers, for example for big data or IoT operations. Process flows are modernized.

MANAGED HOSTING FOR LARGE ACCOUNTS

Observations (cont.)

With AI support, problems are detected early, analyzed and automatically corrected. This contributes to better operational safety and speeds up processing. In this respect, shared risk models are being established, up to and including site reliability engineering (SRE), in which system administrators must assume the role of software engineers. A steadily increasing level of automation is also becoming a prerequisite for success. Infrastructure is operated in redundant data centers, mostly in Switzerland. These centers are secure and have obtained multiple certifications. Complete backup services are offered for backup in the cloud. Providers assume full operation work and responsibility to ensure smooth operations and security at all times.

It can be noted that providers are increasingly carrying out their operations in the data centers of colocation providers. This is because the provider usually does not enough space for the IT infrastructure in its own data centers, or the technical infrastructure such as cooling systems, UPS or fire extinguishing equipment is outdated and

upgrading it is too expensive. The colocation data centers are committed to high energy efficiency and use modern systems that reduce power consumption and carbon dioxide emissions.

Managed cloud hosting continues to be an important service segment that can record revenue growth. Business in the context of real private cloud hosting operations will continue, given that more and more companies are aiming to outsource their infrastructure and make sure that their data is processed, operated and hosted in Switzerland.

- **Atos** offers cloud-enabled hosting and associated professional services from Switzerland through top colocation partnerships. Thus, it ensures meeting the highest performance and security requirements.
- **Aveniq** (formerly **Avectris**) is the new brand of GIA Informatik, which merged with Avectris in spring 2021. Aveniq is one of the leading managed hosting providers in Switzerland.
- With its comprehensive offering, **EveryWare** is a sought-after provider in the managed infrastructure and hosting sector. Customers appreciate its innovations, flexibility and reliability.
- **IBM** is successful in the local market with its hybrid hosting platform. Owing to this offering, its sales increased in the first quarter of 2021.

MANAGED HOSTING FOR LARGE ACCOUNTS

Observations (cont.)

- **Swisscom** is a top dog, supplying many top local and international clients from its own Tier IV data center. It is increasingly combining these services with partner offerings and managing them professionally.
- **ti&m** has already been active in the hosting business for many years and remains among the leading providers in Switzerland, where it is definitely worthwhile for innovative customers to look at the company's interesting offer.
- **T-Systems** is an infrastructure and SAP expert. It continues to be a promising player in the race, and in addition to its cloud expertise, T-Systems leads in other domains and ensures high customer satisfaction.



ENTERPRISE CONTEXT

Managed Hosting for Midmarket

This report is relevant for midsize companies in Switzerland that are evaluating managed hosting providers.

This quadrant addresses the current market positioning of managed hosting providers in Switzerland. It shows how the client companies deal with the key challenges they face in the region. The highest priority is integrating hosted resources into a hybrid cloud environment to ensure smooth operation of technical infrastructure across public and private clouds.

Managed hosting services are used by Swiss companies in particular to satisfactorily adhere to their multitude of data protection and data retention requirements. In this case, leading managed hosting providers are suitable as secure partners and can guarantee regional data residency despite working with a public cloud provider.

Using managed hosting services also can reduce the effort needed for an enterprise to manage its own data centers. The status of hardware and systems are clearly illustrated by dashboards, and thus, they can be better controlled and evaluated. The customer benefits directly from the investments managed hosting providers are making in their data centers, as they are becoming increasingly efficient and reliable. This supports the trend towards the more ecological use of resources, which favors lower power consumption and reduction in carbon dioxide emissions.

The data sensitivity of some applications is regulated in these dynamic private hybrid cloud solutions. A major benefit of outsourcing infrastructure management is the enterprise's technical resources can be freed to focus on pressing business issues. This is especially true for mission-critical mainframe applications that are difficult to migrate.

IT executives should read this report to better understand the relative strengths and weaknesses of managed hosting providers and how their market approach may impact enterprise hybrid cloud strategies. In particular, it considers how the use of a managed hosting provider affects the management and operation of important workloads.

Software development and technology executives should read this report to understand positioning of managed hosting providers and obtain a better understanding of how the range of services they render can impact the ongoing development of software products within an organization. Even if not all applications hosted by a managed hosting provider are actively developed, new projects will likely need to be integrated into some of these systems.

Procurement, purchasing and vendor management professionals should read this report to develop a better understanding of the current managed hosting provider landscape in Switzerland.

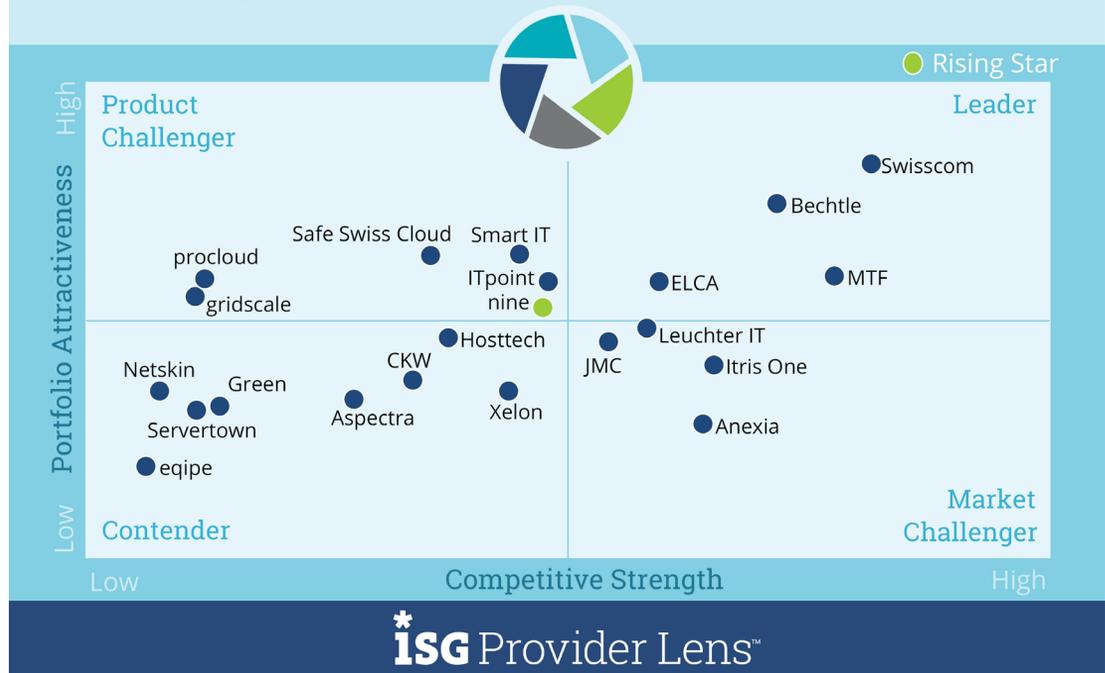
MANAGED HOSTING FOR MIDMARKET

Definition

This quadrant evaluates service providers that offer enterprise-grade standalone hosting solutions, either from their own data centers and based on their own infrastructure, or via third-party data centers/ infrastructure. The providers evaluated here are responsible for the day-to-day management and maintenance of data center equipment such as servers, operating systems and connectivity to the external network. Ideally, customers specify their application and operational requirements, and the managed hosting provider takes responsibility for the provision of the infrastructure to keep applications running with the desired performance and security. A provider can monitor different IT assets such as legacy systems and private and public clouds through a hybrid cloud management platform. However, the management of hybrid clouds has not been evaluated in this quadrant. Typically, managed hosting services are measured specifically by service levels such as data center tier, tiered security, service availability, and network performance (LAN) I/O at peak times.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions
Managed Hosting for Midmarket

2021
Switzerland



Source: ISG Research 2021

MANAGED HOSTING FOR MIDMARKET

Eligibility Criteria

- Offering of hosting solutions at enterprise level with the deployment of proprietary infrastructure
- Range of active-active and active-passive disaster recovery and backup services
- Technical and financial capabilities to upgrade in-house infrastructure and maintain planned capacity to ensure hosting performance ahead of any increased demand that may occur
- Ability to scale and maintain dedicated servers and storage, and shared cloud resources, on the same network and management platform
- Availability of at least five layers of physical security in the data center

Observations

The managed hosting market is undergoing constant change. Companies from the SME sector are particularly compelled to promote innovation and adapt new business practices, similar to agile startups. Due to the lack of IT service management and other structures and competencies, which not all companies have, they are even more dependent on IT service providers. In the past, enterprises contracted service providers to deliver IT infrastructure, physical servers, virtual machines, storage and networking, either in their own data centers or with a colocation operator. This is still the case today, but the technology has changed. High-performance and high-priced servers such as those for high-performance computing (HPC) or bare metal machines with the processor technologies GPU, CPU for computation-intensive computing operations, e.g., simulations, modeling, in memory (e.g. for SAP) are moved to the private cloud. Companies get to save investment costs (capital expenses) and have the advantage of constant utilization of the latest technologies.

Managed hosting also integrates the services of public cloud providers within the framework of a hybrid model. Managed hosting operators maintain certified partnerships with major hyperscalers and integrate services on a common platform. Thus, workloads are outsourced completely or temporarily and the processing is executed with the infrastructures of the public cloud providers, e.g., for big data or IoT operations. Process flows are modernized.

MANAGED HOSTING FOR MIDMARKET

Observations (cont.)

With AI support, problems are detected early, analyzed and automatically corrected. This contributes to better operational safety and speeds up processing. A steadily increasing level of automation is also becoming a prerequisite for success. Infrastructure is operated in redundant data centers, mostly in Switzerland. These centers are secure and have obtained multiple certifications. Complete backup services are offered for backup in the cloud. Providers assume full operation work and responsibility to ensure smooth operations and security at all times.

It can be noted that providers are increasingly carrying out their operations in the data centers of colocation providers. This is usually because their own data centers do not have enough space for the IT infrastructure, or the technical infrastructure such as cooling systems, UPS or fire extinguishing equipment is outdated and upgrading it is too expensive. The colocation data centers are committed to high energy efficiency and use modern systems that reduce power consumption and carbon dioxide emissions.

Managed cloud hosting continues to be an important service segment that can record revenue growth. Business in the context of real private cloud hosting operations will continue, given that more and more companies are aiming to outsource their infrastructure and make sure that their data is processed, operated and hosted in Switzerland.

- **Bechtle**, or rather its acquired companies in Switzerland, is developing very positively with many contact points and data storage points within Switzerland. The enterprise is greatly valued by customers of all sizes, especially the Swiss midmarket companies.
- **ELCA** has been assessed for the first time and has been rated a Leader for its managed hosting cloud offering.
- **MTF** is a Swiss system house provider that serves the SME segment with a comprehensive cloud environment consisting of private and public cloud elements.
- **Swisscom** remains one of the most successful managed cloud hosting providers in Switzerland, and is valued by midsize customers.
- **nine** is a Rising Star. It provides an innovative managed service offering for the midmarket that includes containers and hyperconverged infrastructures.

ELCA

Overview

ELCA offers software development and extensive managed services, including managed hosting and managed cloud hosting services. In 2020, it generated sales of CHF 172 million (a 1.3 percent gain) with 1,400 employees. The company focuses on the banking, healthcare, business services and manufacturing sectors. It serves approximately 100 customers of all sizes. Its sales from the managed service business alone amount to approximately CHF 11 million.

Strengths

Support in the transition to the cloud: Experienced consultants provide support to the customer in the course of the transformation to the cloud. They define the appropriate cloud environment tailored to the customer's requirements. For cloud operations, ELCA has developed a platform that aims to ensure that workloads are secure, flexible, scalable, reliably trouble-free and fully automated. The offers include ELCA's private cloud, which is hosted in secure colocation data centers, or a public cloud solution from the Microsoft Azure, AWS and GCP data centers. A hybrid cloud environment can be easily set up. ELCA integrates them into the platform and also takes on-premises components into account. In all cases, ELCA will be responsible for managing the services and ensuring that the data is processed and stored in accordance with the client's compliance requirements.

Secure data center: The private cloud is operated from colocation data centers, which are located at four different sites in Switzerland. The equipment is highly available and multi-certified. One data center is Tier IV certified by the Uptime Institute and is classified as highly secure, while the other three do not have Uptime Certification, but correspond to Uptime Tier Class 3 and 4 and have also been categorized as secure.

Caution

ELCA only supports the operating systems Linux, Windows and Unix. Although these are certainly the most commonly used systems, the experts at ELCA should expand their skill set to include other software such as Solaris and AIX. This also applies to support for database systems such as DB2 and Adabas.

ELCA still has deficits in the perception of the company and the services it offers. This can be improved through increased and improved marketing.



2021 ISG Provider Lens™ Leader

ELCA offers a comprehensive portfolio of managed cloud Services that are modern and technically up to date.

ENTERPRISE CONTEXT

Colocation Services

This report is relevant for companies of all sizes in Switzerland that are evaluating colocation providers.

This quadrant addresses the current market positioning of colocation providers in Switzerland. It shows how the companies deal with the key challenges they face in the region. Integrating colocation computing resources into the overall hybrid cloud strategy of the respective company has the highest priority. Incorporating colocation resources can help companies reduce the expense of running their own data centers while enabling them to retain some control over the hardware and systems that regulate the applications hosted there.

The use of local data centers is particularly valued in Switzerland, because collaboration with cloud providers helps ensure compliance with the multitude of data protection and residency requirements that need to be fulfilled. This favors the trend among Swiss companies to strongly restructure their private data centers into colocation data centers.

When considering investments for a private data center, it needs to be noted that energy consumption and compliance regulations contribute to rising costs. This makes investment in sustainability concepts a worthwhile endeavor. Colocation providers are able to take on the costs and prioritize energy efficiency, and therefore, sustainability. This subsequently leads to reduced CO2 emissions.

IT executives should read this report to better understand the relative strengths and weaknesses of colocation providers and how their market approach may impact enterprise hybrid cloud strategies. In particular, it is about how using a colocation provider affects the management and operation of important workloads.

Software development and technology executives should read this report to understand the positioning of colocation providers and to gain a better understanding of how the range of services they render can impact the ongoing development of software products within an organization. Even if not all the applications hosted by a colocation provider are actively developed, new projects will likely need to be integrated into some of these systems.

Procurement, purchasing and vendor management professionals should read this report to develop a better understanding of the current colocation provider landscape in Switzerland.

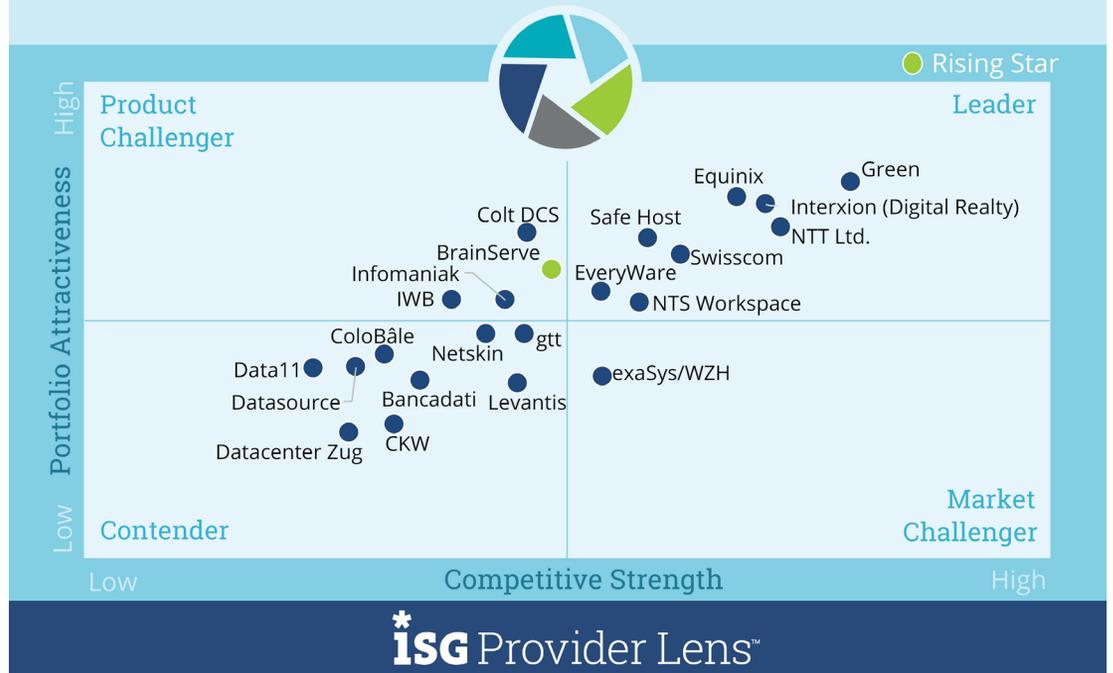
COLOCATION SERVICES

Definition

This quadrant evaluates providers that offer standardized data center operations as colocation services for midsize and large corporate customers. This includes the provision of a common access point for various hosting providers, system houses, network operators, telecommunications providers and end users. Colocation services are utilized by enterprise customers primarily because they make available data centers with standardized and sophisticated configurations. Moreover, they provide access to many network operators, and enable low latency and high bandwidth at affordable costs, which in turn allow the delivery of rich content or time-sensitive, latency-sensitive information to users in and outside metropolitan areas.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Colocation Services

2021
Switzerland



Source: ISG Research 2021

COLOCATION SERVICES

Eligibility Criteria

- Owned facilities that offer a standardized data center architecture design for colocation
- Provision of high quality data network technology and connectivity
- Guaranteed power density, designed for current and future technologies
- Provision of at least five physical security layers on the premises
- Proof of appropriate certifications such as SSAE 16, ISO 27001, ISO 9001, HIPAA, ISO 14001, ISO 22301, PCI DSS, NIST, FISMA, SOC Type 1, 2, EN 50600, etc.
- Ability to securely manage and maintain all data center devices and technology stacks
- Availability of SLAs regarding "hands & feet support" and hardware replacement
- Availability of facilities with internet exchange points with proximity to users and to the public cloud
- Offering disaster recovery and backup solutions
- Use of clean energy sources and solutions to reduce energy consumption, including zero carbon emissions and "Green Data Center" initiatives

COLOCATION SERVICES

Observations

Demand for colocation spaces and connectivity services continues unabated. This boom is set to continue over the next few years. Hardly a month goes by without a new data center being opened. Many providers are expanding their portfolios and responding to increasingly demanding customer requirements. For example, opportunities are being offered to test public cloud scenarios to identify the benefits and minimize risks prior to the implementation in a production environment. Smart hands offerings are improving, with some colocation operators offering housing and the ability to provide their own infrastructure, mostly virtual machines that customers can use in whole or in part as they choose. Interested parties include companies of all sizes, service providers, integrators and carriers, and as is increasingly being observed, public cloud providers as well.

The demand for connectivity has increased significantly. It is expected that connections to other partners can be made at short notice in the data centers via a meet-me room. Selection of carriers is expected to take place on site. In selected data centers in the region outside Zurich,

a fast, low-latency direct connection to the SwissIX internet exchange hub is offered via fiber optic ring. Major hyperscalers are increasingly using colocation facilities to set up their own PoPs, with the aim of guaranteeing customers fast accessibility to their data centers. The data centers are not only being built near the SwissIX internet exchange hub near Zurich, but also in other leading commercial areas. There are two reasons for this. First, companies want their colocation partner to be close to them, and second, edge computing for IoT applications plays an important role. Large amounts of data can be processed on-site with low latency of less than 5ms, which a remote public cloud data center with ~70 ms latency cannot do. Driven by the high energy costs and also the sensitivity for more sustainability in Switzerland, there has been a strong focus on energy efficiency in recent years when new data centers are constructed.

- **Equinix** has grown worldwide and can now offer 220 colocation data centers. In Switzerland, Equinix owns six data centers in Geneva and Zurich and has further expansion plans. With the extensive range of connectivity, partners, internet service providers and companies can be reached around the world.
- **EveryWare** has two data centers in Switzerland, focuses on midsize companies with a wide range of colocation programs, and has been able to maintain the position of the previous year.
- **Green** is one of the big successful colocation providers, with five high quality equipped data centers and has big expansion plans. For this purpose, it invested half a billion CHF in a large land plot for building a second campus.

COLOCATION SERVICES

Observations (cont.)

- **Interxion** operates a high-performance colocation data center in Zurich and will be putting a second data center into operation this year. Fast, low-latency direct connections are offered to the large hyperscalers and public cloud providers. Interxion was acquired by the American colocation provider Digital Realty.
- **NTS Workplace** operates three colocation data centers in Bern and Zurich. It is ideal for disaster recovery scenarios and backup solutions owing to the distance between its facilities.
- **NTT Global Datacenters Switzerland** (formerly **e-shelter**) maintains a colocation data center on its campus in Zurich. Another data center is set to be added, which is expected to be completed in February 2022. The innovative Technology Experience Labs offering is gaining appeal and enables users to test new technologies.
- **Safe Host** has built a fourth data center in the Zurich area. The company is one of the largest colocation service providers in Switzerland and directs its service offering to international companies

and administrative organizations. Secure and fast connections to partners and the public cloud can be provided via the Intercloud product.

- **Swisscom** maintains eight data centers with colocation areas of different sizes. The ultra-modern data center in Wankdorf has been rated Tier IV by the Uptime Institute and is particularly suitable for critical applications.
- **BrainServe** owns a high-performance, secure data center in Lausanne that is particularly suitable for business-critical applications. BrainServe was rated Rising Star.



Methodology

METHODOLOGY

The research study “ISG Provider Lens™ 2021 – Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions” analyzes the relevant software vendors/service providers in the Switzerland market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology. The study was divided into the following steps:



1. Definition of Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
 - Strategy & vision
 - Innovation
 - Brand awareness and presence in the market
 - Sales and partner landscape
 - Breadth and depth of portfolio of services offered
 - Technology advancements

Authors and Editors



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Director Advisor

Heiko Henkes is a Director and Principal Analyst at ISG; in his role as Global IPL Content Lead, he is responsible for strategic business management and acts as thought leader of ISG's team of research analysts. His core competencies are in the areas of defining derivations for all types of companies within their IT-based business model transformation. He builds the bridge between IT trend topics and acts as keynote speaker on current and future IT trends. Heiko has over 12 years' experience in IT consulting, primary and secondary market research and provider GTM strategies.

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Mr. Heinhaus has in-depth technical and business know-how and more than 30 years of experience as IT manager, IT consultant and project manager to contribute to ISG client projects. His main areas of expertise comprise IT service performance and IT sourcing strategy as well as data center project planning and implementation. His IT outsourcing skills include IT infrastructure, servers and networks (LAN and WAN), including data centers and the cloud.

Wolfgang has worked successfully for clients from multiple industries, where he acted as advisor on IT infrastructure topics such as server environments, networks or data center security.

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ISG Provider Lens™ Report: Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions July 2021

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