

# Microsoft Cloud Ecosystem

A study to offer potential customers the basis for decision-making regarding positioning and go-to-market

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### **The Microsoft Cloud Ecosystem in Australia is characterised by both changes and opportunities.**

The ecosystem of Microsoft-certified service providers continues to evolve in Australia and globally, in tandem with changes in the Microsoft product sets across Microsoft 365 Services Managed Services for Azure, SAP on Azure, Dynamic 365, and the Power Platform.

Enterprises are accelerating investments in digital transformation for rapid, measurable results. Large IT consulting practices are witnessing an industry shift from IT-centric to customer-centric approaches and are increasingly focussing on improving end-user experience to optimise business outcomes. Data-driven, industry insights are helping to personalise end-user experience. Concurrently, the Australian business sector and the Australian government are accelerating cloud implementations. Organisations are looking to

leverage the potential of Microsoft's security capabilities within the Microsoft 365 suite of services.

Microsoft is responding to organisations' increasing focus on EX through Viva and is continuing to innovate in this area. At the same time, an increasing number of large consulting firms are noting that customers are keen on tapping into their data to enhance workplace experiences.

The Microsoft ecosystem is helping to empower employees to work from anywhere, enabling connectedness in the new hybrid working model. The growing trend of remote work and complex requirements of organisations wanting to collaborate internally and with clients is driving the widespread use of Microsoft's Teams and Viva platforms.

The global cloud market is becoming increasingly competitive as global MSPs are using high levels of automation to squeeze margin gains. In this scenario, investments must be increased to remain competitive. The Australian market is experiencing increasing competition from local providers, with many

Key Microsoft  
service providers in  
**Australia are global,**  
but **able local**  
**names also exist.**



## Executive Summary

beginning to challenge their larger, global counterparts. This trend is expected to only gain momentum over the next five years, with competition intensifying further.

Microsoft continues to evolve its AI development and implementation strategy across Azure, with growing interest in its use to augment human productivity. This is beginning to result in some level of differentiation of Azure implementations offered by MSPs and will result in an acceleration in the use of AI in Microsoft Azure platforms over the next few years. In this context, the use of intelligent, conversational AI to augment human abilities in various tasks is predicted to grow strongly over the next five years.

Customer expectations and demands with regards to the broader IoT landscape and requirements for advanced data analytics continue to grow rapidly in Australia as in the rest of the world. Over the next few years, Australian MSPs need to increasingly invest in AI-related capabilities and training to retain high levels of Microsoft Azure certifications and foster related partnerships.

The SAP on Azure market is highly specialised, with providers requiring specific skills. Australian customers are demanding strong knowledge and relevant certifications from their cloud partners. Although Microsoft Azure entered the cloud space three years after AWS, Microsoft has been able to leverage its brand recognition and strong partnership with SAP to establish a strong foothold.

Concurrently, there is now much focus on app-driven modernisation of the cloud. It is taking centre stage amongst Australian Microsoft Azure implementations as organisations embark on the next wave of cloud. This is making it a challenge for cloud service providers to realign their offerings. It requires an amalgamation of IP and fit-for-purpose tools to address issues related to legacy systems. At the same time, the traditional cloud managed services model too is facing an increasing number of challenges. The market is becoming highly competitive as global providers are using high levels of automation to save their margins and capture market share, which requires continuous investments to remain competitive.

Over the next 1-2 years, a range of new value-adds is expected to enter the Australian Dynamics 365 market in areas such as cloud migration, micro-verticalized Dynamics solutions, customer analytics and insights offerings, and the PowerApps factory. MSPs are noting increasing opportunities around some traditional Dynamics 365 modules that are evolving with new technologies such as IoT and remote assist around field service, project operations, dynamic marketing, and omnichannel offerings in customer service. COVID-19 saw the rapid scaling of some Azure projects due to the trend of remote working. It also accelerated the need for Australian clients to become more agile and focus on reducing costs, which has driven a greater adoption of a few cloud applications and seen more workloads move to the public clouds.

However, the challenge of an inadequate number of cloud-certified people and expertise in Australia persists related to certain technologies such as cyber security, IoT, and AI as client demands continue to rise. While it is still early days, Australian clients

will increasingly focus on realigning legacy applications to leverage data, insights, ML, and AI. The growing proliferation of digital touchpoints and unprecedented growth in technologies related to consumer segments such as wearables will provide Australian MSPs with strong opportunities over the next few years.

Microsoft 365 services involve the design and application of processes to support personalised employee experience, workforce productivity, collaboration, and innovation. It comprises traditional Microsoft products such as Office, Excel, PowerPoint, and SharePoint and newer collaboration tools such as Teams, OneDrive, Power Automate, and Power BI, in addition to enterprise mobility and security and Azure Cloud for data storage and backup.

Many consulting firms are seeing a huge demand for security implementation services for Microsoft 365. This trend is providing a significant opportunity for the adoption of Microsoft 365 E5 with its enhanced security features. Clients are looking at maximising



## Executive Summary

the use of their E5 license for advanced threat protection to displace legacy voice systems and migrate to Teams calls.

Clients are moving away from customised implementations, which are fragile and expensive to implement and maintain. With Microsoft offering starter templates and blueprints, consulting firms are able to implement complex solutions in a fraction of time and cost and move clients onto Microsoft 365 services more quickly than before.

Following the reshaping of Australian businesses because of COVID-19, many companies now have hybrid workplaces, with their workforce spread across office and work setups at home. Thus, collaboration solutions are needed to bridge the two environments. This requires revisiting the way meetings, information sharing, and application integration take place and ensuring that the integration of these aspects is done seamlessly. New virtual and virtual/physical hybrid teams and processes need agile technology deployments to function, and Modern Workplace 365 addresses these requirements by stitching together

the Microsoft 365 tools with enterprise-wide applications and services to support the new post-COVID-19 normal.

The SAP on Azure market is highly competitive, with providers requiring specialised skills/knowledge to deliver high-quality services. Australian customers are demanding that their cloud partners attest this knowledge with related certifications, especially with the complex requirements of SAP on Azure.

COVID-19 and ransomware attacks have resulted in accelerated cloud adoption amongst some Australian organisations. Many are now willing to migrate their business-critical proprietary systems to the cloud, providing added opportunities for Australia-based Azure providers.

The market for SAP on Azure services in Australia continues to grow as more Australian clients look to migrate from their on-premises server environment to the cloud. Many have attained a relatively mature cloud adoption status due to the high use of cloud-based technologies.

Many Australian companies have already migrated low to medium-complex applications to the cloud and are now positioned to migrate the more complex ones such as SAP to the public cloud. At the same time, some Australian organisations are yet hesitant to migrate these high-impact critical business applications. Cloud providers in Australia need to continue to educate the market on how migrations of large complex workloads such as SAP on Azure cloud can be done with relative ease and involve low risk.

SAP has aggressively moved to embrace the cloud, driving the SAP on Azure market both in Australia and the rest of the world. It has undertaken the restructuring of its core business model, partnerships, development and support, much like other large-scale enterprise business management software providers such as Oracle and IBM. The rate of SAP on Azure implementations has recently accelerated as SAP has globally announced the end-of-life for legacy, on-premises development and support.

Microsoft's Dynamics 365 platform continues to evolve at a very rapid pace. The market has

recently seen the introduction of new products and significant shifts in existing applications as the platform continues to evolve. MSPs are responding to the trend of an amalgamation of technologies across ERP, CRM, dataverse, and digital services on the periphery of the Dynamics 365 product set as it evolves to increasingly become modular and seamlessly connected.

Customer experience, and the need to personalise it, is a primary driver for Dynamics 365 initiatives as smart businesses seek to offer customers a variety of ways to connect (omnichannel CX), to capture customer data at every touchpoint, and leverage the same using AI and ML. Dynamics 365 service providers in Australia are now integrating technologies such as AI-powered chatbots and RPA to continually enhance CX.

The key providers in the Dynamic 365 landscape in Australia are global MSPs, however, more Australia-based providers are now emerging, and some are gaining global recognition. MSPs in Australia will need to innovate and develop custom solutions that will offer agile



and flexible systems that empower companies to optimise resources with IoT integration and result in zero downtime in the back-office space. The addition of the Power Platform and customer insights requires staff to have new and different skill sets beyond traditional Dynamics 365 offerings.

Clients now are looking for secure networks that primarily support remote employees to work on Teams, backed up by collaboration tools and business applications that help deliver exceptional CX.

As the Australian market moves into a true hybrid work-from-anywhere environment, the need for access to a safe, secure cloud environment, coupled with an increased demand for automation of applications, has led to growth across all five service offerings for Microsoft covered in this study.



## Provider Positioning

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	Managed Services for Azure	Microsoft 365 Services	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
AC3	Leader	Not In	Not In	Not In	Not In
Accenture & Avanade	Leader	Leader	Leader	Leader	Leader
Barhead Solutions	Not In	Not In	Not In	Leader	Leader
Capgemini	Leader	Leader	Product Challenger	Leader	Leader
Cognizant	Product Challenger	Product Challenger	Contender	Contender	Contender
Data#3	Product Challenger	Product Challenger	Not In	Not In	Not In
Datacom	Product Challenger	Product Challenger	Not In	Product Challenger	Product Challenger
Dicker Data	Product Challenger	Not In	Not In	Not In	Not In
DXC Technology	Leader	Leader	Leader	Leader	Leader
Engage Squared	Not In	Not In	Not In	Not In	Product Challenger
Eviden/Atos	Contender	Contender	Contender	Not In	Not In





## Provider Positioning

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	Managed Services for Azure	Microsoft 365 Services	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
EY	Not In	Not In	Not In	Contender	Contender
FiveP Australia	Not In	Contender	Not In	Not In	Not In
Fujitsu	Leader	Leader	Product Challenger	Product Challenger	Product Challenger
Fusion5	Not In	Not In	Not In	Contender	Contender
Generation-E	Not In	Contender	Not In	Not In	Not In
HCLTech	Rising Star ★	Leader	Leader	Leader	Product Challenger
Hexaware	Leader	Leader	Not In	Product Challenger	Contender
Hitachi Vantara	Not In	Not In	Not In	Contender	Not In
IBM	Market Challenger	Market Challenger	Contender	Market Challenger	Market Challenger
Infosys	Product Challenger	Product Challenger	Product Challenger	Leader	Product Challenger







## Provider Positioning

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	Managed Services for Azure	Microsoft 365 Services	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Insight	Market Challenger	Not In	Not In	Not In	Not In
Kyndryl	Leader	Leader	Product Challenger	Leader	Leader
LAB3	Product Challenger	Not In	Not In	Not In	Not In
Logicalis Australia	Leader	Leader	Contender	Not In	Not In
LTIMindtree	Contender	Product Challenger	Market Challenger	Rising Star ★	Contender
Macquarie Cloud Services	Product Challenger	Not In	Not In	Not In	Not In
NTT DATA	Market Challenger	Market Challenger	Contender	Market Challenger	Market Challenger
Publicis Sapient	Product Challenger	Contender	Not In	Contender	Contender
PwC	Contender	Not In	Not In	Leader	Leader
Rackspace Technology	Not In	Not In	Market Challenger	Not In	Not In





## Provider Positioning

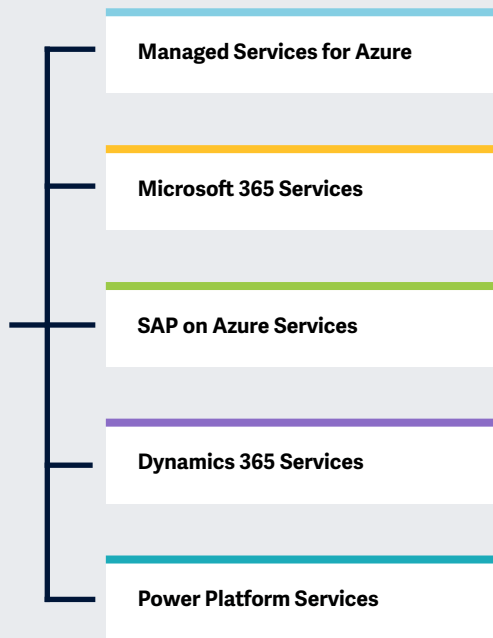
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	Managed Services for Azure	Microsoft 365 Services	SAP on Azure Services	Dynamics 365 Services	Power Platform Services
Rhipe	Not In	Not In	Product Challenger	Not In	Not In
SoftwareONE	Contender	Contender	Rising Star ★	Contender	Not In
Sonata Software	Not In	Not In	Not In	Product Challenger	Not In
TCS	Leader	Leader	Leader	Leader	Leader
Tech Mahindra	Product Challenger	Product Challenger	Leader	Product Challenger	Contender
Telstra	Leader	Leader	Market Challenger	Not In	Leader
Unisys	Leader	Leader	Not In	Not In	Not In
Velrada	Not In	Not In	Not In	Leader	Leader
Veritec	Not In	Not In	Product Challenger	Product Challenger	Not In
Wipro	Leader	Leader	Leader	Leader	Leader



This study focuses on what ISG perceives as most critical in 2023 for **Microsoft Cloud Ecosystem**.

Simplified Illustration Source: ISG 2023



### Definition

Microsoft is one of the most established technology providers in the world. It has a network of thousands of partners, which augments its capabilities to aid enterprises in adopting its technologies. This network has been through a series of shifts in the past five years, as Microsoft changed itself as part of a massive cloud transformation. In the same period, digital transformation has become a priority in the enterprise technology landscape, requiring a new generation of software and services from Microsoft and its partners.

To address these needs, Microsoft has honed its focus on three core areas: the Azure cloud platform; the Microsoft 365 suite of productivity experiences, which includes Windows 10 and 11 and Office 365; and the Dynamics 365 suite of business applications. Partners are now evaluated on their ability to drive the use of Microsoft cloud services that comprise these core product lines. To succeed, service providers must offer enterprises a robust set of services that are complemented by forward-thinking capabilities and backed by a strong relationship with Microsoft. Providers should

demonstrate a keen awareness of future developments in the Microsoft clouds and show an ability to drive innovation and client business opportunities using the Microsoft suite of products and services.

ISG's analysis focussed on how providers in Australia, Brazil, Germany, Singapore and Malaysia, Switzerland, the U.K. and the U.S. are positioned based on the strength of their respective portfolios and their competitiveness in the market. While there are thousands of providers delivering services for Microsoft products in each of these regions, this report will only focus on the top competitors, both global firms and local providers, for each of the quadrants studied by region.



### Scope of the Report

In this ISG Provider Lens™ quadrant study, ISG includes the following five quadrants: Managed Services for Azure; Microsoft 365 Services; SAP on Azure Services; Dynamics 365 Services; and Power Platform Services.

This ISG Provider Lens™ study offers IT decision makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments
- Focus on regional market

Our study serves as the basis for important decision-making in terms of positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

### Provider Classifications

The provider position reflects the suitability of ICT 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:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.

- **Large Accounts:** Multinational companies with 5,000 or more employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

**Segmentation into Midmarket and Large accounts was not conducted for Australia** due to the smaller scale of the market.

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





### Provider Classifications: Quadrant Key

**Product Challengers** offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

**Contenders** offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

**Leaders** have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

**Market Challengers** have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

**Not in** means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.





# Managed Services for Azure

## Managed Services for Azure

### Who Should Read This Section

This quadrant report is relevant to enterprises in Australia that are evaluating providers of managed services for Azure. This quadrant highlights the current market positioning of these providers and how they address key challenges such as cost, security, and value realisation in a cloud environment.

As enterprises in Australia continue to operate in the hybrid workplace model, they are increasingly seen moving from private to public cloud.

Enterprises are able to leverage Microsoft Azure through partnerships with MSPs that offer robust solutions with proactive monitoring, support, high availability, and scalability.

Compliance, resilience and security concerns remain high priorities for both the public and private sectors. Government agencies and the banking sector will require migration to zero trust network architectures with identity-driven access technologies and exacting compliance parameters.

MSPs that offer secure government cloud services are at a slight advantage because they can provide Azure infrastructure and application hosting environments guaranteed to fulfill the Australian government's compliance requirements.



**Procurement professionals** should read this report to understand the provider ecosystem for Microsoft Azure managed services and gain knowledge about how providers can be compared with one another.



**Cyber security professionals** should read this report to learn how MSPs address the significant challenges of compliance and security while maintaining a seamless experience for enterprises.



**Technology professionals** should read this report to understand how service providers can help with Microsoft technologies adoption and offer support for advanced ERP and CRM solutions.

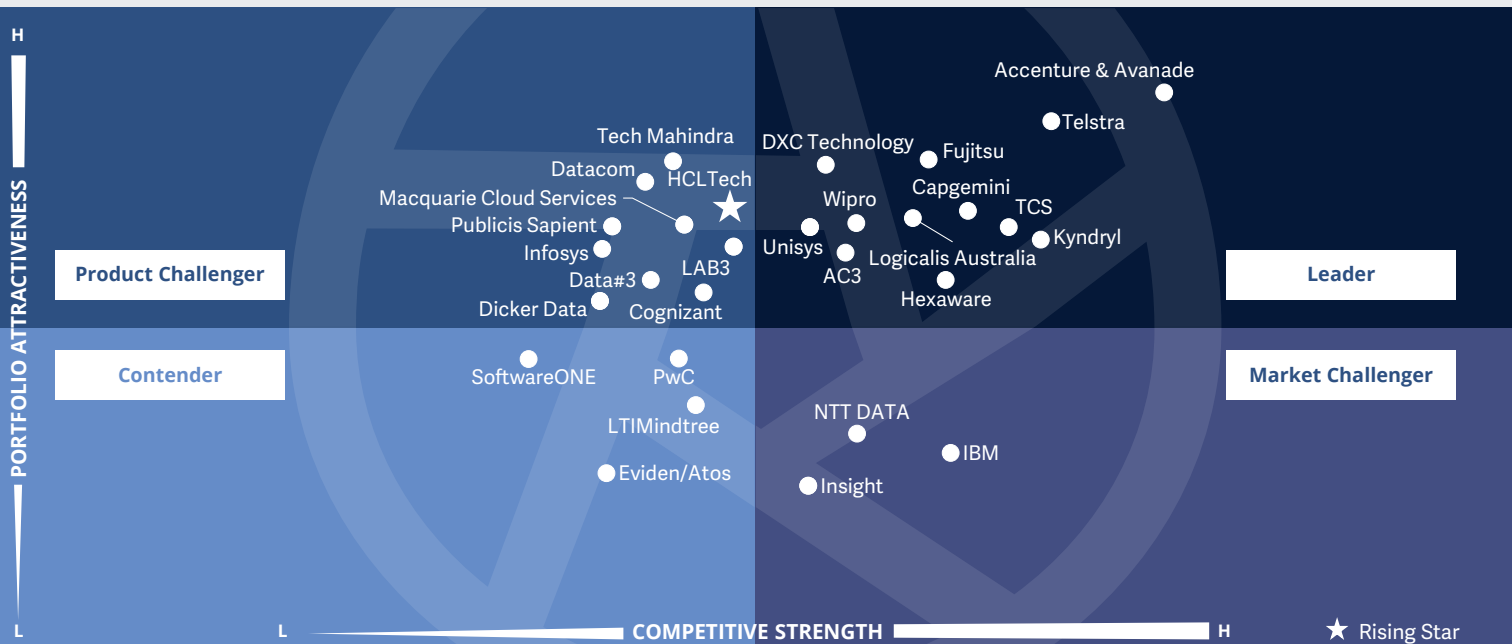


**Digital professionals** should read this report to understand how Azure offerings from MSPs can impact an enterprise's ongoing transformation initiatives while identifying the cloud migration benefits.



## Microsoft Cloud Ecosystem Managed Services for Azure

Australia 2023



This quadrant assesses managed service providers that offer professional and managed services, including IaaS and PaaS, to **augment Azure's built-in** capabilities. They are increasingly using **specially designed managed cloud management platforms**.

Craig Baty





## Managed Services for Azure

### Definition

This quadrant assesses managed public cloud service providers that offer professional and managed services that augment Azure's built-in capabilities, including IaaS and PaaS. These services include provisioning, real-time and predictive analysis, and the monitoring and operational management of a client's public cloud and multicloud environments. The aim is to maximise the performance of enterprise cloud workloads, reduce costs, and ensure compliance and security.

Providers in this quadrant are considered based on their capabilities in the respective regions by both services and delivery, as well as sales, which might be supported by nearshore and offshore delivery.

Going well beyond the lift and shift of single workloads, service providers offer comprehensive tools, services and solutions to support clients' business-critical demands using the Azure cloud.

The services provided typically include:

- Professional services for managing and monitoring CPU, memory, databases and operating systems, either independently or as microservices (virtual machine or container services)
- Update and patching services for operating systems, middleware and applications
- Service portal for cost management (chargeback and showback), identity management and IT service management
- Governance and compliance management
- Supporting services such as incident management, configuration, security services and automation setup
- Services and solutions developed atop the Azure cloud to help clients meet their net-zero goals and other environmental, social and governance

### Eligibility Criteria

1. Experience in **designing, building and managing public and multicloud environments**, with a focus on Microsoft Azure
2. Support in the **development of software code and cloud-native** and legacy system integration
3. Experience in **implementing both Agile and DevOps**, as well as integrating with enterprise clients' existing processes
4. Experience in **application programming interface (API) automation** and cloud analytics
5. Well-developed **security practices** and capabilities
6. Strength of the provider's **partnership with Microsoft**, measured by the number and **category of relevant certifications, duration of relationship** with Microsoft and evidence of **strategic cooperation** between the provider and Microsoft (around Azure)



### Observations

As organisations embark on the next wave of the Cloud, there is now a greater focus on app-driven modernisations to the cloud for Australian Microsoft Azure implementations. This is posing a challenge for cloud service providers to align their offerings and build necessary capabilities to address the market demand. It is requiring an amalgamation of internal IPs as well the integration of fit-for-purpose tools to address the related legacy issues.

There are also an increasing number of challenges in the traditional cloud managed services model. The market is becoming highly competitive as global providers are using high levels of automation to squeeze margins and capture market share, thus requiring constant investments to remain competitive.

Some significant changes took place in the market in 2022, and these are reflected in the quadrant. Particularly notable is the case of Kyndryl; a spin off from IBM, it appears in a similar (but slightly lower) position compared with IBM last year. IBM has, therefore, moved

to the Market Challenger position. Capgemini acquired local service provider, Empired, which has strengthened its position in the region. Similarly, Fujitsu acquired a local service provider, oobe, and strengthened its position in Australia. HCLTech (previously HCL) remains a Rising Star, based on ISG's view of its performance potential in the next 12 months. In the meanwhile, TCS increased its footprint in the region, winning a number of global recognitions, as did local provider, AC3.

From the 175 companies assessed for this study, 29 have qualified for this quadrant, with 12 being Leaders and one a Rising Star.

### AC3

**AC3** is a privately owned Australian managed service provider specialising in cloud solutions. It is a Microsoft Solutions Partner in Digital and App Innovation Azure, Infrastructure Azure, Security, and Data and AI Azure.

### accenture

**Accenture & Avanade** is a leading provider of innovative digital and cloud services, business solutions, and design-led experiences in the Microsoft ecosystem. It has supported the adoption of more instances of Azure than any other Microsoft partner. It also has leading Agile and DevOps capabilities.

### Capgemini

**Capgemini** is headquartered in France and operates across 50 countries. It recently acquired Empired, an Australia-based MSP, significantly strengthening its local presence. It has an adaptive services model that uniquely equips it to deal with traditional and modern managed services.

### DXC Technology

**DXC Technology** provides a full range of services, including consulting, advisory, transformation, integration, and operational management in Australia. It employs more than 10,000 people across the region and has a regional delivery centre in Adelaide.

### Fujitsu

**Fujitsu** offers a wide portfolio of managed services and solutions for Microsoft Azure to Australian customers. It is an Azure Expert MSP and has been recognised as an Advanced Specialization Partner five times. Two recent acquisitions have strengthened its local operations.

### HEXWARE

**Hexaware** is a global provider of IT, BPO, and consulting services, headquartered in India. It has a fast-growing presence in the Australian market. As an Azure MSP, Hexaware leverages Amaze® to provide faster, better, and more cost-effective migration solutions.



## Managed Services for Azure

### kyndryl

**Kyndryl** is the new name for IBM's managed infrastructure services business, which spun off as a separate company in 2021. It claims to be the world's largest IT infrastructure services provider. Kyndryl has an advanced Managed Azure offering, supplemented by advanced security and compliance tools.



**Logicalis** is an Azure Expert MSP and holds five Solution Partner badges. Logicalis is Microsoft's sole Global Strategic Cloud Partner and is scheduled to launch its Digital Fabric Platform in 2023.



**TCS** is one of the world's leading global IT services, consulting, and business solutions companies, headquartered in India. It offers full-scale transformation services in the cloud, leveraging its strong domain knowledge and application footprint.



**Telstra** offers Microsoft services via its Telstra Purple division. Telstra and Microsoft's new strategic partnership includes a marketing plan for Azure and modern workplace services to support the broader practice and also includes an advanced Azure MSP service portfolio.

### Unisys

**Unisys** has a diverse, global client base across the government, financial services and commercial markets in over 40 countries. It has over 600 employees in Australia. Unisys offers an advanced unified experience management platform and has advanced AI capabilities.



**Wipro** is a global IT, consulting and business process services provider, headquartered in India, and has had a relationship with Microsoft for more than two decades. It has received Gold-level accreditation for Microsoft Azure Advanced Specialization.

### HCLTech

**HCLTech**, Rising Star, is an Indian multinational IT services and consulting company that has had a strong presence in Australia for over 20 years. It offers a hybrid (onshore/nearshore/offshore) delivery model to address regional requirements, including compliance needs.



# Kyndryl



"Kyndryl has major expertise in global markets and teams with Microsoft locally to drive innovation and offer differentiated solutions to customers of the two companies that ensure business-oriented outcomes of real value."

*Craig Baty*

## Overview

Kyndryl is headquartered in New York, U.S. and operates in 60 countries. It has more than 90,000 employees across 79 global offices. In FY21, the company generated \$18.7 billion in revenue, with Principal Markets as its largest segment. Kyndryl has 70 Microsoft-certified employees in Australia and New Zealand and 1,900 full-time resources it can deploy for Microsoft solutions. Kyndryl is an Azure Expert MSP, with advanced specialisations in Microsoft Azure VMware Solution, Microsoft Windows Virtual Desktop, SAP on Microsoft Azure, Analytics on Microsoft Azure and Kubernetes on Microsoft Azure. It currently holds over 22,000 Microsoft Cloud certifications.

## Strengths

**Advanced security and compliance tools for Azure:** Kyndryl's advisory-led managed services for Microsoft Azure workloads include orchestrating resiliency to manage cyber threats, maintaining availability, minimising the risk of data loss, and facilitating a rapid return to business operations. It also adheres to global regulations and compliance requirements, using best-in-class security services and multi-factor authentication (MFA).

**Innovative Cyber Resilience Maturity Assessment (CRMA) tool:** CRMA is a high-level assessment that determines an organisation's maturity and state of readiness to respond to and recover from a cyber event, based on specific best practices and frameworks.

## Highly comprehensive Managed Azure offering:

Kyndryl provides intelligent, pre-emptive management services for the Microsoft Azure environment that IaaS, PaaS, containers, and hybrid extensions of cloud services and landing zone provisioning. Its 24/7 management services encompass cloud-native management, modern service management, and transform-to-cloud operating models to maintain compliance and optimise a client's environment. Its management platform includes integration with Azure Monitoring and other leading management tools, such as ScienceLogic, to assist clients in managing compute services.

## Caution

Kyndryl has been rated in the Managed Services for Azure quadrant in Australia for the first time. Although occupying a similar position to IBM, Kyndryl needs to continue to ensure not only a successful transition of existing customers but also demonstrate long-term renewals.





# Microsoft 365 Services

## Microsoft 365 Services

### Who Should Read This Section

This quadrant report is relevant to enterprises in Australia that are evaluating providers of Microsoft 365 services. This quadrant highlights the current market positioning of these providers and key challenges enterprises in this region face.

With the increasing demand for Microsoft 365 services across modern workspaces in Australia, providers are building more repeatable, robust solutions across IoT, cloud, and data warehouses. An increasing number of business applications across industries are being bundled with preconfigured solutions, scripts, and APIs to enable clients to assess their digital estates with minimal touchpoints.

With growth in connected devices and compliance mandates for the large volume of data moving to the cloud, edge security practices are on the uptake.

An increasing number of Microsoft 365 solutions are supporting environmental, sustainability, and governance (ESG) programmes that include smart device provisioning and hybrid work carbon consumption tracking capabilities.



**IT leaders** should read this report to understand the relative strengths and weaknesses of consulting and transformation service providers, which would help them lead digital transformation projects.

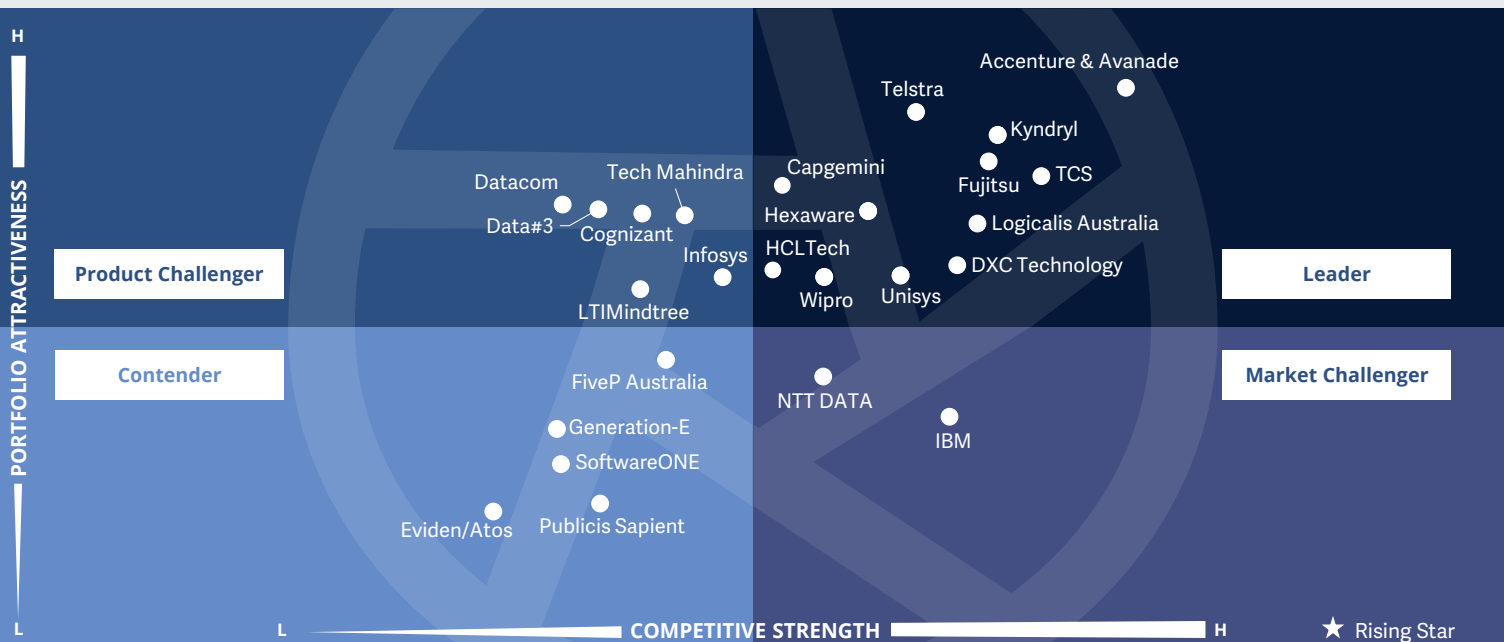


**Workplace technology professionals** should read this report to understand organisational change management (OCM) challenges and better evaluate potential partners for Microsoft 365 implementation and integration.



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





This quadrant evaluates service providers that aid enterprises with the **adoption, integration, and ongoing operation of Microsoft 365**. Impacts of COVID-19 have dramatically increased the volume of **services required to support work from home**.

Craig Baty



## Microsoft 365 Services

### Definition

This quadrant evaluates service providers that aid enterprises with the adoption, integration and ongoing operation of Microsoft 365, Microsoft's SaaS-based productivity suite.

These services go beyond provisioning and migrating to Microsoft 365; they focus on offering a quick, device-independent, high-quality productivity suite that enables seamless teamwork, irrespective of location, and can adapt to the role of the user. From clients' perspective, Microsoft 365 is about collaboration and the integration of globally dispersed teams. To enable this, integration and implementation services are necessary. This quadrant also evaluates providers on the support they offer for Windows as a part of their overall Microsoft 365 service portfolio.

Implementing SaaS-based workplace environments is a challenge for every enterprise client. ISG notes a plethora of challenges around collaboration, unified communication (UC), file storage, performance, license cost, provisioning procedures and maintenance plans, as well as the efforts towards data

integration, process integration and application integration, among other processes. Providers in this space must be able to go beyond implementing Microsoft 365 at a basic level to address the challenges head-on.

Providers considered in this quadrant are required to perform assessment, consulting, and services and solutions to support clients with their digital journey. This requires clear and open communication in the respective region and unique selling propositions that go beyond providing workplace environments based on Microsoft's desktop and collaboration solutions.

### Eligibility Criteria

1. Service portfolio includes **technical consulting, license purchases, integration of Microsoft 365 modules, implementation and operation**
2. Forward-thinking offerings that integrate with Microsoft 365 to create a modern workplace for enterprise clients, for example, HoloLens development and Teams bot creation
3. **Management of Microsoft Office APIs** to ensure appropriate use and increased enterprise productivity
4. Ability to **migrate customer workplaces to modern cloud environments and workspace-as-a-service models**
5. **Provisioning of Microsoft 365-based Unified Endpoint Suites** through integration with state-of-the-art identity and access management technology and mobile device management (Intune or others)
6. Strength of the **provider's partnership with Microsoft**, measured by the number and category of **relevant certifications** (including Office 365, Intune, Windows and Azure), **duration of relationship** with Microsoft and evidence of **strategic cooperation** between the provider and Microsoft around modern workplace





## Microsoft 365 Services

### Observations

Microsoft 365 services involves the design and application of processes to support personalised employee experience, workforce productivity, collaboration, and innovation. It comprises traditional Microsoft products such as Office, Excel, PowerPoint, SharePoint, and newer collaboration tools such as Teams, OneDrive, Power Automate and Power BI along with Enterprise Mobility and Security and Azure Cloud for data storage and backup.

Many consulting firms are now seeing a huge demand for security implementation services for Microsoft 365. This trend provides a significant opportunity for services and Microsoft 365 E5 adoption, with its enhanced security features. There is increasing interest among clients looking to maximise the use of their E5 licensing for advanced threat protection to displace legacy voice systems and migrate to Teams call and use all the enhanced security features within an E5 license.

Some significant changes took place in the market in 2022, and these are reflected in the quadrant. Of particular note is the successful

spinoff of Kyndryl from IBM; the former now appears in a similar (but slightly lower) position compared with IBM's position last year. IBM has, as a result, moved to the Market Challenger position. Capgemini has acquired local service provider Empired, thus strengthening its position into that of a Rising Star. Similarly, Fujitsu acquired a local service provider, oobe, which strengthened its leadership position in this space.

From the 175 companies assessed for this study, 24 have qualified for this quadrant, with 12 being Leaders.

### **accenture**

**Accenture & Avanade** are leading providers of innovative digital and cloud services, business solutions and design-led experiences in the Microsoft ecosystem. Avanade's competitive strengths include its global reach, depth and breadth of capabilities, and the ability to execute.

### **Capgemini**

**Capgemini**, is headquartered in France and operates across 50 countries. It recently acquired Australia-based MSP, Empired, thus significantly strengthening its local presence. It is one of the first Microsoft partners globally to achieve all six of Microsoft's new solution partner designations.

### **DXC Technology**

**DXC Technology** provides a full range of services, including consulting, advisory, transformation, integration, and operational management in Australia. It is one of the few global system integrators (GSIs) to become a Microsoft Mixed Reality Gold Partner.

### **Fujitsu**

**Fujitsu** is one of the most accredited Microsoft partners in the market. It has a global strategic alliance with Microsoft and is one of the Microsoft GSI partners. It has attained Gold level in all Microsoft competencies.

### **HCLTech**

**HCLTech** is an Indian multinational IT services and consulting technology company that has had a strong presence in Australia for more than 20 years. HCLTech CloudSMART is an adaptive portfolio of innovative cloud services driven by automation and a robust partner ecosystem.

### **HEXAWARE**

**Hexaware** is a global IT service provider, headquartered in India. It has a fast-growing presence in the Australian market. Hexaware offers an automated and a highly cost-effective Microsoft 365 service portfolio that is supported by highly advanced security solutions.



## Microsoft 365 Services

### kyndryl

**Kyndryl** is the new name for IBM's managed infrastructure services business, which spun off as a separate company in 2021. It claims to be the world's largest IT infrastructure services provider. Kyndryl's expertise in major global markets is teamed with Microsoft's local capabilities to drive innovation and differentiated solutions for its clients.



**Logicalis** will continue to invest millions of dollars to support its cloud-managed services business with Microsoft to enhance its offerings through new product development, training, and obtaining new IP and expertise through acquisition.



**TCS** is one of the world's leading global IT services, consulting and business solutions companies, headquartered in India. It enables a contextual experience through the Microsoft 365 suite of capabilities to address workplace challenges.



**Telstra** is Australia's largest telecommunications provider and offers Microsoft services via its Telstra Purple division. In 2022, Telstra and Microsoft announced a new Australian strategic partnership that combines Microsoft's Cloud, Edge and Modern Workplace solutions with Telstra's network leadership and technology expertise.

### Unisys

**Unisys** has a diverse global client base across the government, financial services, and commercial markets in more than 40 countries. It has more than 600 employees in Australia. Unisys partners with Lenovo, Dell, and Jabra to enhance EX and functionalities.



**Wipro** is a global IT, consulting, and business process services provider, headquartered in India and has a relationship with Microsoft that spans more than two decades. Wipro's Data Discovery Platform (DDP) covers the entire spectrum, from data to information to insights, thus empowering clients.



# Kyndryl



"Kyndryl is a global leader in designing, building, managing, and modernising mission-critical information systems that span a digital transformation journey."

*Craig Baty*

## Overview

Kyndryl is headquartered in New York, U.S. and operates in 60 countries. It has more than 90,000 employees across 79 global offices. In FY21, the company generated \$18.7 billion in revenue, with Principal Markets as its largest segment. Kyndryl has 70 Microsoft-certified employees in Australia and New Zealand and 1,900 full-time resources it can deploy for Microsoft solutions. Kyndryl designs, builds, manages, and modernises mission-critical information systems and has a partnership with Microsoft to deliver a broad range of modern workplace offerings for Australian organisations.

## Strengths

**Large workplace service practice:** Kyndryl manages millions of devices and virtual desktops, handles approximately two million service contracts per month, and incorporates robust security and resiliency capabilities into its digital workplace service offerings. Its modern workplace and collaboration offering includes attributes for enhancing EX.

**Global leader in providing Microsoft 365 tools and services:** Kyndryl is a global leader in delivering Microsoft 365-related flexible tools for collaboration across teams, devices, and operating systems. Its unified workspaces, powered by Microsoft 365, drive client value as single, integrated options. The company's experienced consultants take a client through the entire process, including offering post-deployment support.

## Experience in providing digital workplace

**services for Microsoft:** Kyndryl's digital workplace services support over 650 clients across more than 50 countries, including Australia. They are differentiated by virtues such as open technology platforms, enhanced digital experiences, scale, security, and expertise.

**Comprehensive service strategy:** Kyndryl's Microsoft strategy is centred around mission-critical infrastructure modernisation for both mainframe and cloud transformation, digital transformation of front-line workers, and modern workplace adoption.

## Caution

Kyndryl is newly positioned as a Leader in the Microsoft 365 services quadrant for Australia and replaces its predecessor IBM in this quadrant. Future success depends on its ability to grow new business and improve brand identity in the overall Microsoft space.





# SAP on Azure Services

### Who Should Read This Section

This quadrant report is relevant to enterprises in Australia that are evaluating providers of SAP on Azure services. This quadrant highlights the current market positioning of these providers and addresses key challenges enterprises in this region face.

In the competitive SAP on Azure integration landscape, MSPs are establishing dedicated SAP on Azure CoE teams that specialise in handling SAP and Microsoft Cloud solutions and clients' end-to-end migration needs.

Consequently, enterprises are presented with innovative migration models for SAP on cloud, for partial to full conversion, and the ability to select rollout by component, environment or region.

Enterprises look to MSPs to simplify their SAP transformation journeys, without compromising on endpoint protection. To ensure this, security tools, be it a third-party state-of-the-art protection tool or Microsoft Defender, are implemented on each workload.



**Technology professionals** should read this report to understand the relative positioning of SAP on Azure service providers and comprehend how their technical capabilities match with enterprise needs.

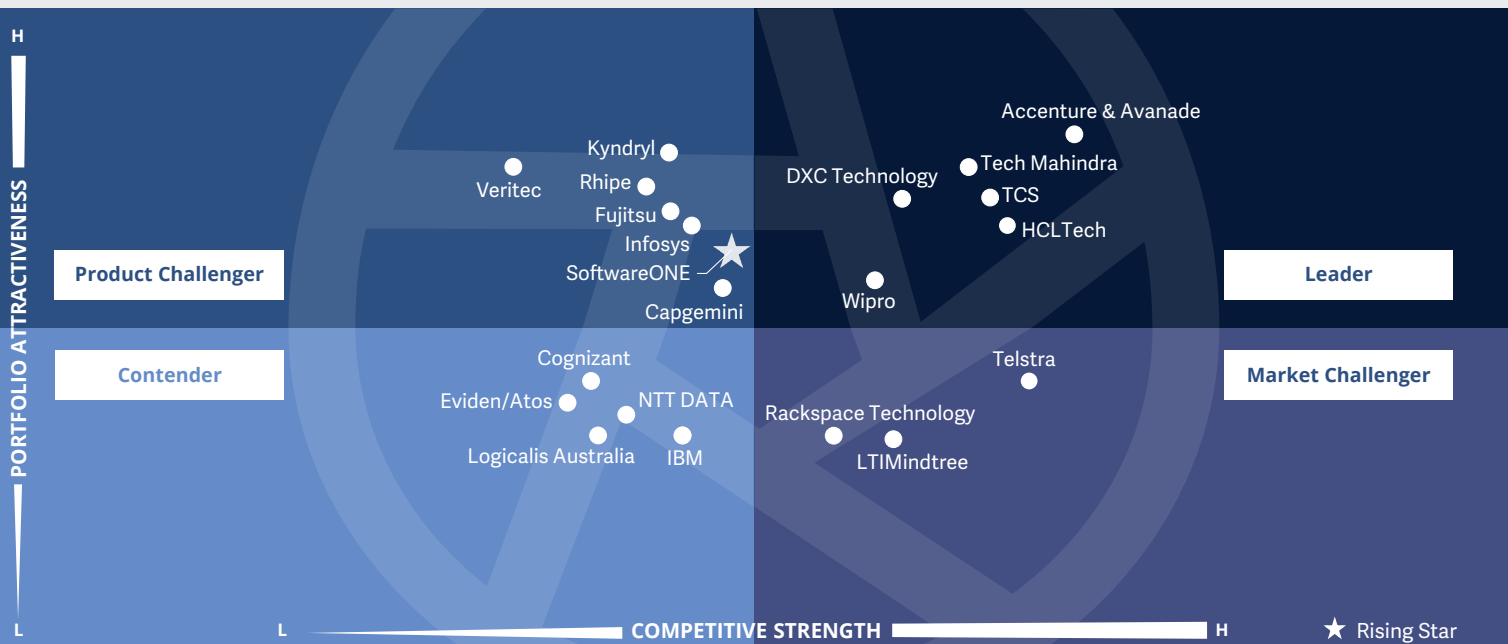


**Operational professionals** such as in finance and HCM, should read this report to understand the positioning of partners that will support the implementation of software critical for their regular work.



**Procurement professionals** can learn the relative positioning of SAP on Azure service providers and the broader trends in the service ecosystem that may influence partner selection.





This quadrant evaluates providers offering support for adopting, managing, and using **Microsoft's dedicated SAP on Azure suite**. The providers help **clients migrate SAP workloads to Azure** to optimise, design, and develop new business flows.

Craig Baty

### Definition

This quadrant evaluates service providers that offer capabilities related to adopting, managing, and using Microsoft's dedicated SAP on Azure suite of cloud solutions.

The services typically provided by these companies include architecture consulting and an analysis of requirements for the application landscape and technical design with support for configuration, deployment, escalation management, change and fault management, support, optimization and reporting. It is a must for providers evaluated in this category to help their clients migrate SAP workloads to Azure and to optimise, design and develop new processes and business flows. This must be provided as a part of platform management through a combination of the provider's own services, SAP services and Microsoft Azure services.

Running SAP on Azure is based on a holistic mindset of a provider that must be able to support its clients along the whole journey and have the resources to deliver. Since SAP has committed solution support till 2040 and

beyond, providers considered in this quadrant should provide a clear roadmap encompassing the next two decades.

Service providers in this category require both Microsoft and SAP certifications and need to have active and productive partnerships with both companies. They must also be well-versed in how the relevant underlying technology offerings are evolving. Consequently, they should be able to articulate how product and platform changes would impact enterprises using this solution—from technical architecture considerations to business impacts.

### Eligibility Criteria

1. **Scope and depth** of the service portfolio with regard to the **migration of SAP workloads to SAP on Azure**, as well as SAP application and services implementation customization, provisioning and support
2. Ability and willingness to **support hybrid cloud** and hybrid provider environments
3. Strength of the provider's **partnerships with SAP and Microsoft**, measured by the number and category of **relevant certifications, duration of relationship with both SAP and Microsoft**, and evidence of strategic cooperation between the provider and Microsoft around SAP on Azure
4. Support for **multiple pricing models**, including "pay as you go"
5. Robustness of the provider's process for implementation, **including the use of Agile and DevOps methodologies**, as well as **relevant automation for service delivery** and quality



### Observations

The SAP on Azure market is highly competitive, with providers requiring specialised skills to deliver high-quality services. Australian clients are demanding strong knowledge and certifications from their cloud partners, especially in the segment of SAP on Azure with its high complexity requirements.

COVID-19 and ransomware attacks have accelerated cloud adoption in local organisations. Many are now willing to migrate their business-critical proprietary systems to the cloud, providing added opportunities for Australia-based Azure providers.

The SAP on Azure services market in Australia continues to grow as an increasing number of Australian customers look to migrate from their on-premises server environment to the cloud. Many Australian clients have attained a relatively mature cloud adoption status due to the high adoption of cloud-based technologies in the region. However, some continue to be hesitant to migrate high-impact critical business applications such as SAP to the cloud.

Some significant changes took place in the market in 2022, and these are reflected in the quadrant. Of particular note is the successful spin off of Kyndryl from IBM; the former now appears in a similar (but slightly lower) position compared with IBM's position last year. IBM has, as a result, moved to the Market Challenger position. SoftwareONE has been designated as a Rising Star in this quadrant based on ISG's assessment of its performance potential in the next 12 months and reinforced by the recognition received from Microsoft for the APAC. Tech Mahindra also features in this year's study as a Leader.

From the 175 companies assessed for this study, 22 have qualified for this quadrant, with six being Leaders and one a Rising Star.

### accenture

**Accenture & Avanade** is a leading provider of innovative digital and cloud services, business solutions and design-led experiences in the Microsoft ecosystem. Avanade has obtained the most Microsoft certifications, including all 18 Gold-level Microsoft competencies.

### DXC Technology

**DXC Technology** provides a full range of services, including consulting, advisory, transformation, integration, and operational management in Australia. It offers a broad range of SAP on Azure services and has a strong heritage of SAP implementations.

### HCLTech

**HCLTech** is an Indian multinational IT services and consulting technology company that has had a strong presence in Australia for more than 20 years. It has deep SAP expertise and has the distinction of successfully completing the world's first SAP on Azure implementation for a client.



**TCS** is one of the world's leading global IT services, consulting and business solutions companies, headquartered in India. TCS' investment in the Zero-Trust Lab for the SAP on Azure environment ensures the implementation of the latest, and easy to adopt, security solutions for clients.





## SAP on Azure Services



**Tech Mahindra** is a leading technology provider of digital transformation, consulting and business reengineering services and solutions across 92 countries. Its strategic priorities for SAP on Azure include generating data-driven insights using Azure Data Lake and AI.



**Wipro** is a global IT, consulting and business process services provider headquartered in India, and has had a relationship with Microsoft for more than two decades. Its Azure services share Microsoft's vision of Intelligent Cloud and Intelligent Edge and it has been recognised as an Azure Growth Partner.

## SoftwareOne

**SoftwareOne** (Rising Star) is a global provider of end-to-end software and cloud technology solutions and is headquartered in Switzerland. It has one of the industry's largest SAP and hyperscaler-certified technical team. It has completed more than 80 SAP cloud migration and SAP S/4HANA conversion projects.





# Dynamics 365 Services

### Who Should Read This Section

This quadrant report is relevant to enterprises in Australia that are evaluating providers of Dynamic 365 services. This quadrant highlights the current market positioning of these providers and addresses key challenges enterprises in this region face.

Australian businesses, across industries such as banking, insurance, retail, and the public sector, have access to a full range of Dynamics 365 products and ready-made solutions. The Dynamic 365 landscape is witnessing increasing AI use in auditing procedures and for maintaining data integrity.

To improve UX, solutions (off the shelf or bespoke) are also being augmented with third-party software, virtual/digital assistants and conversational AI bots.

Australian enterprises are increasingly focussing on sustainability and are looking for ways to reduce the carbon footprints of their IT assets and related services. Because the cloud is a major part of every IT landscape, cloud

providers have created dashboards and APIs to measure the carbon footprint on their client's overall digital investment. Leveraging both Dynamic 365 capabilities and the Microsoft ecosystem, MSPs are evolving their industry-specific offerings to enable clients to achieve their ESG goals.



**Technology professionals** should read this report to understand how service providers can help with Microsoft technologies adoption and offer support for advanced ERP and CRM solutions and business integration.

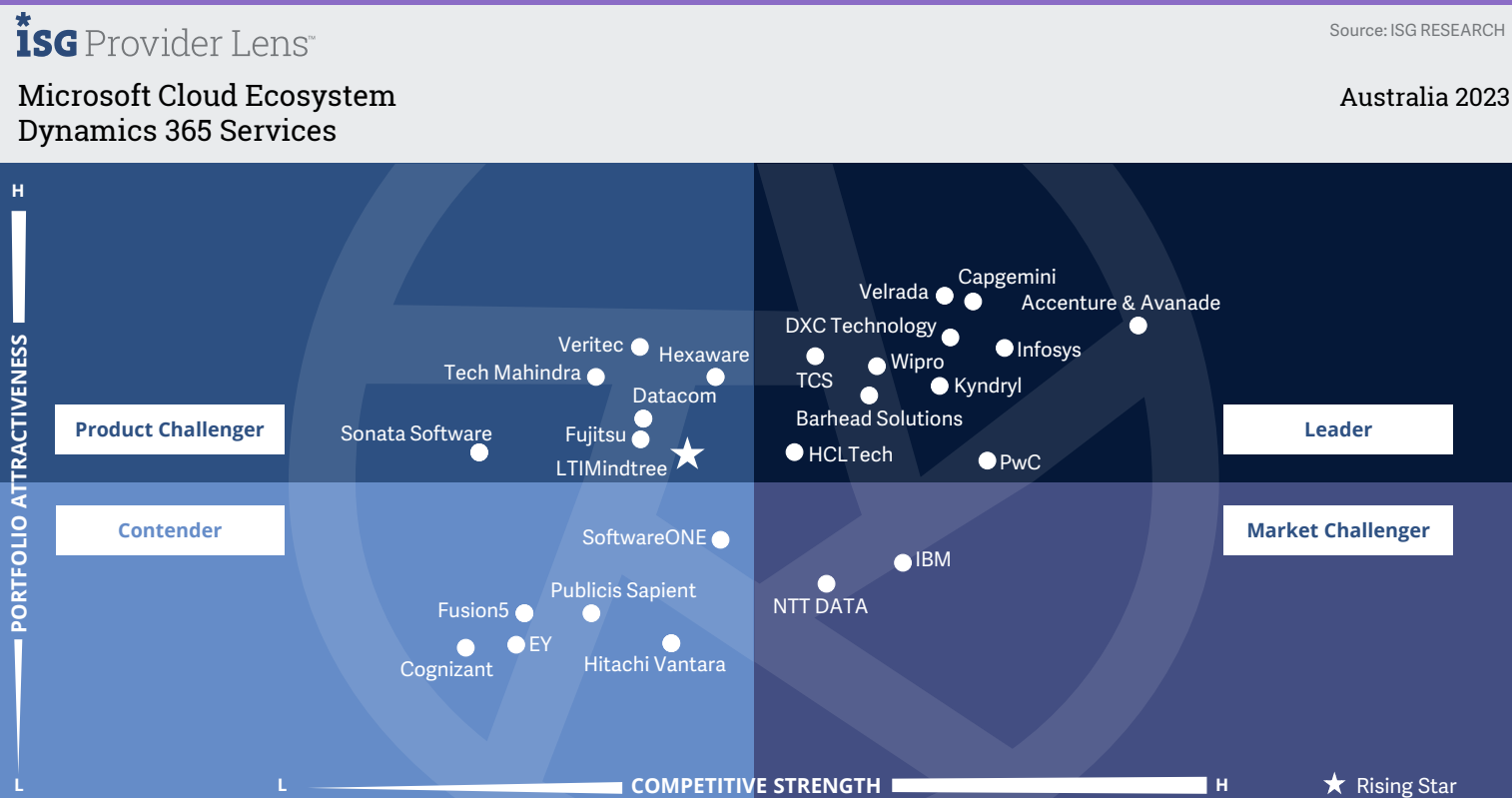


**Marketing & sales professionals** should read this report to understand how service providers can help with Microsoft technologies adoption. These leaders leverage the CRM functions of Dynamics 365.



**Strategy professionals** should read this report to understand how service providers can help with Microsoft technologies adoption to support overall enterprise operations, including ERP functions.





This quadrant evaluates service providers that **assist enterprises with the selection, integration, customisation, and operation of Microsoft's cloud-based Dynamics 365 ERP and CRM software.**

*Craig Baty*



### Definition

This quadrant evaluates service providers that assist enterprises with the selection, integration, customisation and operation of Microsoft's cloud-based Dynamics 365, an enterprise resource planning (ERP) and customer relationship management (CRM) software.

These services focus on the digitalisation of business processes through the use of ERP and CRM software. In this context, service providers and system integrators should support user companies in the analysis of processes that have not been digitally mapped and the IT implementation of these processes via solutions from Dynamics 365.

Beyond providing infrastructure and cloud services, providers to be considered in this quadrant should show long-term industry and domain expertise, from shop floor to warehousing; from manufacturing to delivery; and from procurement to the provisioning of

consumer goods, tools, semi-finished products, machinery, raw materials, food, energy and utilities. Industry-specific approaches will become more relevant due to the specialisation of markets and emerging trends.

Furthermore, this study considers topics such as data integration with and transfer from legacy systems. Furthermore, it examines the way providers handle software lifecycle and user support. It also covers areas such as escalation handling, change management, optimisation and reporting. Providers included in this quadrant also demonstrate a strong understanding of the way their services and the Dynamics 365 solution impact enterprise clients' business outcomes and financial performance.

### Eligibility Criteria

1. Scope and depth of the provider's service portfolio in terms of the **implementation, customization, provisioning and support of Microsoft Dynamics 365**, with special consideration for industry-specific services and capabilities
2. Ability to understand clients' workloads, for the **transformation of ERP or CRM**
3. Strength of the provider's **partnership with Microsoft**, measured by the **number and category of relevant certifications**, duration of **relationship with Microsoft** and evidence of **strategic cooperation between the provider and Microsoft**
4. Support of **digital transformation processes** in user companies as a part of Dynamics 365 adoption
5. **Variety and maturity of pricing and payment** models that match the needs of enterprises adopting and using Dynamics 365
6. **Robustness of the provider's process** for implementation, including the use of **Agile and DevOps** methodologies, as well as relevant **automation for service delivery** and quality



## Dynamics 365 Services

### Observations

Microsoft's Dynamics 365 platform continues to evolve at a very rapid pace. The market has recently seen the introduction of new products, and significant shifts to existing applications as the platform as a whole continues to evolve. MSPs are seeing a trend towards an amalgamation of technology across ERP, CRM, Dataverse, and digital services on the periphery of the Dynamics 365 product set as it evolves to become more modular and seamlessly connected.

CX is a primary driver for Dynamics 365 initiatives as smart businesses seek to offer clients a variety of ways to connect (Omnichannel CX), to capture customer data at every touchpoint, and leverage that data using AI and ML to increasingly personalise CX.

Some significant changes took place in the market in 2022, and these are reflected in the quadrant. Of particular note is the successful spin off of Kyndryl from IBM; the former now appears in a similar (but slightly lower) position compared with IBM's position last year. IBM has, as a result, moved to the Market

Challenger position. Capgemini strengthened its leadership position in the region by acquiring local service provider Empired. NRI, a multinational, technology and consulting firm that includes companies such as SMS and ASG, acquired Velrada, strengthening the latter's portfolio and competitive strength. LTIMindtree, the new entity formed with the merger of LTI and Mindtree, has the potential to increase its market share in the next 12 months and has been rated as a Rising Star. Local provider Barhead Solutions also enhanced its competitive strength with a Microsoft award for its significant contributions to the Australian community.

From the 175 companies assessed for this study, 26 have qualified for this quadrant, with 11 being Leaders and one Rising Star.

### accenture

**Accenture & Avanade** is a leading provider of innovative digital and cloud services, business solutions and design-led experiences in the Microsoft ecosystem. Avanade won seven Microsoft Partner of the Year awards in Southeast Asia in 2022, including the Country Partner of the Year recognition.

### Barhead Solutions

**Barhead Solutions** is an Australia-based consulting firm that specialises in Microsoft Dynamics 365 and Power Platform business applications. It is one of the nine organisations with a certified Microsoft Business Applications ISV Development Centre globally.

### Capgemini

**Capgemini** recently acquired Australia-based MSP, Empired, significantly strengthening its local presence. The company's key differentiators include its industry value-first approach, Microsoft CX of the Future offering, and on-premises to cloud accelerators.

### DXC Technology

**DXC Technology** provides a full range of services, including consulting, advisory, transformation, integration, and operational management in Australia. It has a strong Power Platform roadmap and an innovative citizen developer offering.



## Dynamics 365 Services

### HCLTech

**HCLTech** is an Indian multinational IT services and consulting technology company that has had a strong presence in Australia for more than 20 years. It is a member of the Microsoft Intelligent Security Association (MISA) that reinforces its commitment to Microsoft's partner ecosystem.



**Infosys** provides business consulting, IT, and outsourcing services across 50 countries, including Australia. It has a comprehensive approach to the adoption of Dynamics 365 and an innovative digital transformation strategy.

### kyndryl

**Kyndryl** is the new name for IBM's managed infrastructure services business, which spun off as a separate company in 2021. It claims to be the world's largest IT infrastructure services provider. Kyndryl offers an advanced Dynamics 365 Value Assessment model and a broad range of flexibly priced solutions.

### PwC

**PwC** is a network of firms in 152 countries (688 cities) with nearly 328,000 people who are committed to delivering quality in assurance, advisory and tax services and has a strong and growing presence in Australia.



**TCS** is one of the world's leading global IT services, consulting, and business solutions companies, headquartered in India. TCS Australia has more than 40 Microsoft 365 and Dynamics 365 clients and is currently the fastest-growing GSI Partner for Microsoft Dynamics 365, globally.

### Velrada

**Velrada** is a private Australia-based, global Microsoft business and technology integrator, headquartered in Perth, Australia. Velrada has considerable expertise in the Modern Workplace and Dynamics 365 Field Solution segment.



**Wipro** is a global IT, consulting and business process services provider that has had a relationship with Microsoft for more than two decades. Its hybrid agile methodology for Dynamics 365 includes a set of accelerators and productivity tools to fast track a Dynamics 365 implementation.



**LTIMindtree** operates in 31 countries, including Australia. It has a strategic, multilevel 360-degree relationship with Microsoft as a customer, supplier, and GTM partner.



# Kyndryl



Leader

"Kyndryl offers a broad range of flexible pricing options for its Dynamics 365 service portfolio and currently holds more than 18,000 Microsoft Cloud certifications."

*Craig Baty*

## Overview

Kyndryl is headquartered in New York, U.S., and operates in 60 countries. It has more than 90,000 employees across 79 global offices. In FY21, the company generated \$18.7 billion in revenue, with Principal Markets as its largest segment. Kyndryl has 70 Microsoft-certified employees in Australia and New Zealand and 1,900 full-time resources it can deploy for Microsoft solutions. Kyndryl provides the full range of Dynamics 365 products to Australian clients. It is a global leader in designing, building, managing, and modernising mission-critical information systems spanning a digital transformation journey.

## Strengths

### **Innovative Dynamics Value Assessment**

**model:** Kyndryl's personalised value assessment process takes a holistic approach to the right building blocks to better ensure success and create at scale. This includes design thinking and a series of hands-on assessments for determining current capabilities, identifying gaps, prioritising goals and aligning them across an organisation.

### **Highly comprehensive Dynamics 365**

**portfolio:** Kyndryl provides Australian businesses with a range of Dynamics 365 products and ready-made solutions for the banking, insurance, retail and public sectors. The services here include technical strategy, process strategy, business case development, consulting, and support. It also provides

services to manage and support steady-state Dynamics 365 environments. Kyndryl has built a portfolio of preconfigured solutions around Microsoft Dynamics 365 that help accelerate deployments.

### **Global leader in Microsoft skills training:**

Training, at scale, is a strong supporting pillar of Kyndryl's strategic partnership with Microsoft. The Kyndryl University for Microsoft was launched in 2022 and provides a campus-like experience for Kyndryl employees looking to grow their Microsoft Cloud capabilities. Co-funded by Microsoft, the university has yielded more Microsoft Cloud certifications than any other Microsoft GSI partner produced in the last fiscal year.

## Caution

Kyndryl appears for the first time as a Leader in the Dynamics 365 Services quadrant in Australia, by replacing IBM's position. It continues to develop its local business, however, it has inherited some offerings from its IBM legacy, which can be challenging for clients to navigate. Simplification of the solution set may be required.







# Power Platform Services

### Who Should Read This Section

This quadrant report is relevant to enterprises in Australia that are evaluating providers of Power Platform services. This quadrant report highlights the current market positioning of these providers and addresses key challenges enterprises in this region face.

Cloud adoption and digital workforce growth show no signs of slowing down in Australia. Therefore, Power BI solutions must have well-defined governance in terms of usage, standards, and security across all their citizen developers.

In line with ESG awareness, Dynamics 365, coupled with Microsoft Power Platform components enable enterprises to drive sustainability goals across facilities by managing data collection, reviewing teams and stakeholders, and leveraging paperless and prebuilt configurable templates.

Power Platform services have seen a healthy demand from critical industries such as healthcare, geriatric care, government, hospitality retail, and manufacturing. These have enabled users to forecast work demand and automated workflows from individual user tasks to enterprise-wide processes, while ensuring adherence to security and compliance standards.



**Technology professionals** should read this report to better understand the relative strengths and weaknesses of Power Platform service providers.

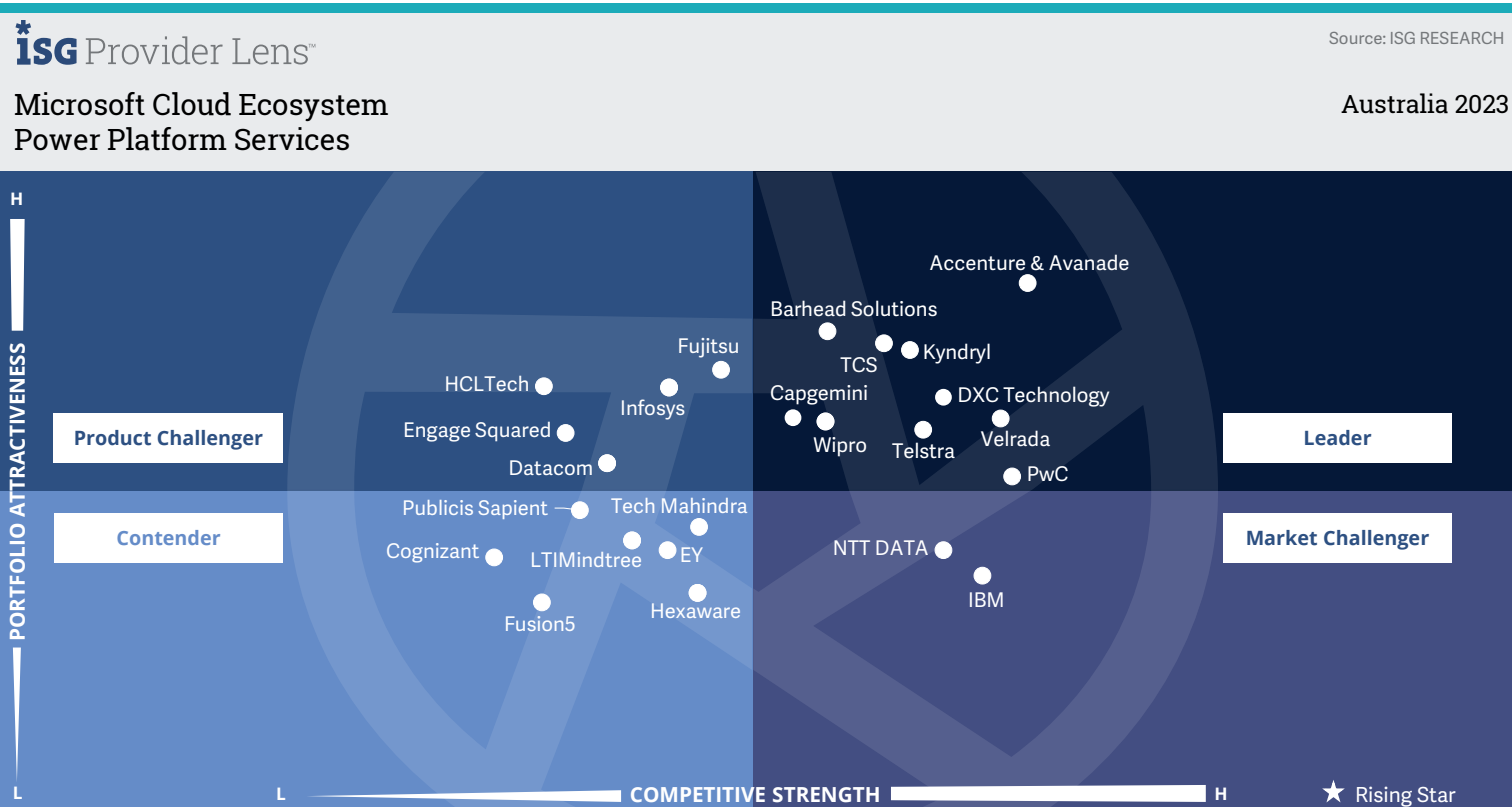


**Workplace technology professionals** should read this report to understand how service providers can help with the adoption of Microsoft low-code/no-code and virtual assistant technologies.



**Procurement professionals** should read this report to understand the provider ecosystem for Microsoft Power Platform services and gain knowledge about how providers can be compared to one another.





This quadrant assesses providers that offer services and related advanced training for **enterprise-wide implementation of the Microsoft Power Platform**. Providers in this space ace the **integration of Microsoft and other business apps**.

Craig Baty



## Power Platform Services

### Definition

This quadrant assesses providers that offer services for the enterprise-wide implementation of Microsoft Power Platform, support services and related advanced training. Enterprise clients utilise the services offered by providers to create new and sophisticated software applications for digital transformation, obtain new insights on business operations and optimise business processes in a sophisticated manner. The services offered by these providers not only leverage the capabilities of Power Platform but also educate enterprises on the best practices for apps and solutions development. Providers in this space ace the integration with a variety of Microsoft apps and other business apps, for example, Office 365, Dynamics 365 and Azure, plus advanced concepts such as DevOps, DataOps or MLOps.

The trending concept of citizen development shows a huge demand for service and support to govern and embed apps created by users using low-code and no-code development tools

within and/or on Power Platform. Third-party tools integration or migration is also important. Furthermore, Power Platform's analytics, process management, IT management and process automation capabilities should be supported by the providers evaluated in this quadrant.

The providers in this quadrant understand a client's objectives and use their data literacy and skills to provide the necessary guidance. With an eye for detail, these providers also take a holistic approach to drive client business performance.

### Eligibility Criteria

1. Services that **support enterprises'** adoption of all **Power Platform solutions—Power BI, Power Apps, Power Automate and Power Virtual Assistant**
2. Structured offerings and IP that enable **easy adoption of Power Platform solutions** and **streamline the ongoing operation** of the software
3. **Technical support capabilities** that assist enterprises with the adoption and management of platform solutions
4. Clear **business benefits** tied to the **use of platform solutions**



## Power Platform Services

### Observations

This quadrant assesses providers that offer services towards an enterprise-wide implementation of the Microsoft Power Platform, support services, and related advanced training. Enterprise clients utilise the services offered by the providers to create new and sophisticated software applications for digital transformation, obtain new insights on business operations, and optimise business processes. The services offered by the providers here not only leverage the capabilities of the Power Platform, but also educate enterprises on the best practices for development.

Power Platform Services integrate with a variety of Microsoft and other business apps, for example, Office 365, the Dynamics 365, and Azure, as well as advanced concepts such as DevOps, DataOps, or MLOps.

Some significant changes took place in the market in 2022, and these are reflected in the quadrant. Of particular note is the successful spin off of Kyndryl from IBM; the former now appears in a similar (but slightly lower) position compared with IBM's position last year. IBM has,

as a result, moved to the Market Challenger position. Capgemini acquired an Australian service provider, Empired, which has moved it to the Rising Star position this year. Similarly, NRI, a multinational technology and consulting firm that includes companies such as SMS and ASG, acquired Velrada, thereby strengthening its local offerings. Local provider, Barhead Solutions, increased its competitive strength with a Microsoft award for its significant contributions to the Australian community. Wipro also strengthened its competitive positioning by winning a Microsoft Global Power BI Partner award.

From the 175 companies assessed for this study, 23 have qualified for this quadrant, with 10 being Leaders.

### accenture

**Accenture & Avanade** are leading providers of innovative digital and cloud services, business solutions, and design-led experiences in the Microsoft ecosystem. Avanade has 65,000 dedicated resources on Microsoft technologies.

### Capgemini

**Capgemini**, is headquartered in France and operates across 50 countries. It recently acquired Australia-based MSP Empired, thus significantly strengthening its Australian presence. Post COVID-19, it is more focussed on providing solutions related to remote working, while maintaining productivity and EX.

### Barhead Solutions

**Barhead Solutions** is an Australia-based consulting firm that specialises in Microsoft Dynamics 365 and Power Platform business applications. It won the 2022 Microsoft Community Response award for developing scalable low-code solutions to address pandemic-related issues.

### DXC Technology

**DXC Technology** provides a range of services in Australia, including consulting, advisory, transformation, integration, and operational management. It has partnerships with large energy companies to improve their systems to achieve sustainability goals.

### kyndryl

**Kyndryl** is the new name for IBM's managed infrastructure services business, which spun off as a separate company in 2021. It claims to be the world's largest IT infrastructure services provider. Kyndryl has a highly differentiated Power Platform offering and an innovative citizen development offering.

### PwC

**PwC** is a network of firms in 152 countries (688 cities) with nearly 328,000 people who are committed to delivering quality in assurance, advisory and tax services and has a strong and growing presence in Australia.



## Power Platform Services



**TCS** is one of the world's leading global IT services, consulting, and business solutions companies, headquartered in India. It offers innovative sustainability-related services and solutions and has a strong roadmap for expanding its suite of Power Platform services.



**Telstra** is Australia's largest telecommunications provider and offers Microsoft services via its Telstra Purple division. Telstra Purple has strong capabilities in the Power Platform space and an advanced related governance framework.

### Velrada

**Velrada** is a private Australia-based, global Microsoft business and technology integrator, headquartered in Perth, Australia. It is a member of the Power Platform Partners Advisory Council by invitation.



**Wipro** is a global IT, consulting, and business process services provider, headquartered in India, that has had a relationship with Microsoft for more than two decades. Wipro and Microsoft are partnering to create integrated solutions layered with Microsoft's Power Platform to enable business growth.



# Kyndryl



Leader

“Kyndryl offers an innovative citizen development offering and industry leading sustainability solutions for the Power Platform.”

*Craig Baty*

## Overview

Kyndryl is headquartered in New York, U.S., and operates in 60 countries. It has more than 90,000 employees across 79 global offices. In FY21, the company generated \$18.7 billion in revenue, with Principal Markets as its largest segment. Kyndryl has 70 Microsoft-certified employees in Australia and New Zealand and 1,900 full-time resources it can deploy for Microsoft solutions. Kyndryl is a global leader in designing, building, managing, and modernising mission-critical information systems spanning a digital transformation journey. It has a robust pipeline of prospective customers for 2023, evolving from its Power Platform and Microsoft 365 capabilities.

## Strengths

### **Innovative consulting and integration**

**Power Platform services:** Kyndryl will launch consulting and integration services to help clients efficiently plan, design, and connect mainframe data more easily to the Azure Cloud and Edge Computing environments. This initiative will increase the flexibility and availability of mainframe data for workloads in the cloud, on-premises, or at the edge. It enables clients to create and benefit from a data-driven business environment.

### **Strong security and governance procedures**

**for Power Platform:** Kyndryl provides strong guidance and support for the adoption and governance of the Microsoft Power Platform. It does so through the installation of its CoE kit, wherein it defines a strategy and a vision. All this is delivered while maintaining optimal security, quality, and compliance.

## Highly differentiated Power Platform

**offering:** Kyndryl is the only ISV that empowers organisations to connect mainframe data to the entire Microsoft Power Platform suite. This data, combined with its 800TB data connectors, enables it to develop enterprise solutions using Microsoft's low-code/no-code platform. Kyndryl's Power Platform Adoption Assessment can help clients across industries expand and increase access to valuable mainframe data.

## Caution

Kyndryl enters this study for the first time as a Leader in the Power Platform Services quadrant for Australia. It essentially took over IBM's position of last year, however, there is still work to do in terms of communicating its value to the market and building a new business off the current base.





# Appendix



The ISG Provider Lens™ 2023 – Microsoft Cloud Ecosystem report analyzes the relevant software vendors/service providers in the Australian market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this report includes research from the ISG Provider Lens program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of February 2023, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

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

The study was divided into the following steps:

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



## Author & Editor Biographies

Author



**Craig Baty**  
**Distinguished Lead Analyst**

Distinguished analyst and author Craig Baty has extensive research and thought leadership experience in the Asia Pacific and Japan ICT markets. Craig is Principal and Founder of DataDriven an Asia/Pacific based research and advisory firm. Craig has over 30 years of executive and board level experience in the ICT industry, including as a Group VP and Head of Gartner Research AP/J, CEO of Gartner Japan, Global VP Frost & Sullivan, and more recently as VP Global Strategy and VP Digital Services in Fujitsu Tokyo HQ. As a well known ICT commentator and analyst, Craig has written more than 200 research pieces, and presented at over 1500 events globally.

He is also regularly quoted in regional media. Craig is actively involved in the ICT community as a board member of the Australian Information Industry Association (AIIA) and Immediate Vice Chair of the Australian Computer Society NSW (ACS).

Co-author



**Phil Harpur**  
**Principal Analyst**

Phil Harpur is an Australia-based technology analyst and consultant with over 25 years of experience across telecommunications, the cloud, data centres and digital media. His expertise spans over 35 countries across Asia. He also works as an analyst and writer in the financial services industry, with a focus on the technology sector.

Phil is currently part of the DataDriven team, which is the Asia Pacific research partner for ISG, and has contributed to the creation of tens ISG Provider Lens™ reports. Prior experience includes Gartner, Frost & Sullivan, and BuddeComm. He has been quoted in multiple global publications and appeared on business TV programs

including Bloomberg, CNBC, Fox Business, and ABC. He has also presented at numerous local and international conferences. Phil has a bachelor of science degree, with majors in computing and statistics from Macquarie University and holds a graduate certificate in applied finance and investment from the Securities Institute of Australia.



## Author & Editor Biographies



*Research Analyst*

**Angie Kho**  
**Regional Support Analyst**

Angie Kho is a regional support analyst at ISG and is responsible for supporting and contributing to Provider Lens™ studies for the APAC markets.

Angie is part of the DataDriven team, which is the Asia Pacific research partner for ISG and has contributed to tens IPL reports.

Her areas of expertise lie in IT services management and enterprise planning services. Angie develops content from an enterprise perspective and writes Global Summary reports for Provider Lens studies. She also supports the lead analysts in the research process and ad hoc research assignments.



*IPL Product Owner*

**Jan Erik Aase**  
**Partner and Global Head – ISG Provider Lens™**

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



### iSG Provider Lens™

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

For more information about ISG Provider Lens™ research, please visit this [webpage](#).

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For more information about ISG Research™ subscriptions, please email [contact@isg-one.com](mailto:contact@isg-one.com), call +1.203.454.3900, or visit [research.isg-one.com](https://research.isg-one.com).

### iSG

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Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit [isg-one.com](https://isg-one.com).





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**REPORT: MICROSOFT CLOUD ECOSYSTEM**