



Everest Group Private Cloud Services PEAK Matrix® Assessment 2025

Focus on Kyndryl

August 2026



Introduction

Private cloud adoption has become the cornerstone of enterprise IT strategies, enabling organizations to balance flexibility and control, while addressing growing concerns around data security, compliance, and sovereignty. Amid rapid digital transformation and increasing reliance on cloud-based operations, enterprises are increasingly turning to private cloud models to achieve scalability, performance, and governance without compromising operational stability.

However, enterprise needs in the private cloud segment differ significantly from those in public environments. Organizations require customized, high-performance solutions that can be tailored to specific regulatory, operational, and business contexts. Providers must therefore deliver more than just infrastructure; they must demonstrate deep expertise in architectural design, orchestration, and managed operations, aligned with the unique demands of private environments.

Additionally, with the rise of AI, automation, and compliance-focused workloads, the private cloud landscape is undergoing a transformation. Enterprises now expect providers to enable AI/ML pipelines, offer cloud-like

agility within controlled environments, and ensure transparency across jurisdictions. This shift is driving providers to evolve into strategic partners, delivering value through transformation planning, continuous monitoring, and proactive governance.

The report presents an evaluation of 16 Service Providers (SPs) as part of the [Private Cloud Services PEAK Matrix® Assessment 2025](#). The analysis is based on Everest Group's annual RFI process, interactions with leading SPs, client reference discussions, and ongoing research into the evolving private cloud services ecosystem.

The full report includes the profiles of the following private cloud providers featured on the private cloud services PEAK Matrix:

- **Leaders:** DXC Technology, HCLTech, Kyndryl, NTT DATA, and TCS
- **Major Contenders:** Accenture, Atos, Capgemini, Cognizant, Fujitsu, Infosys, Lenovo, Rackspace Technology, and UnitedLayer
- **Aspirants:** GRASS-MERKUR and Lumen Technologies

Scope of this report

Geography: global

Industry: all

Services: private cloud services

Scope of the evaluation

[NOT EXHAUSTIVE]

Private cloud services – market definition

Private cloud hosting services		Private cloud managed services	
• Deployment model: Client-hosted; provider-hosted; third-party co-lo model • Infrastructure ownership: Provider-owned; joint ownership with partner or customer • Infrastructure modes: Single tenancy vs multi-tenant; bare metal vs. virtualized vs. containerized • Security foundation: Infrastructure-level security controls; compliance-aligned infra • AI infrastructure readiness: AI stack readiness; AI-specific workload hosting		• Lifecycle operations: Provisioning, monitoring, incident management, and patching • Capacity and performance: Load balancing, capacity planning, and cost and performance optimization • Security and compliance: Identity management, backup, DR, and regulatory compliance enforcement • Governance and reporting: Governance, SLA tracking, performance reporting, and observability • AI-specific workload managed services: AI orchestration; AI-centric use case managed services	
Value-added services			
Strategic advisory: Cloud strategy, architecture design, migration planning, and governance	Private cloud infra design & build: End-to-end design and build of private cloud infrastructure	Hybrid/Multi-cloud enablement: Cloud environment integration and unified management of hybrid/multi cloud environment	

Note 1: **Exclusion criteria:** Providers offering infrastructure or co-location only, without ownership or SLA-backed delivery of hosting and managed services
Note 2: **Inclusion criteria:** The provider must take end-to-end responsibility for all the three buckets mentioned above — including infrastructure provisioning, configuration, and ongoing operations, either directly or through partnerships

Private cloud services PEAK Matrix® characteristics

Leaders

DXC Technology, HCLTech, Kyndryl, NTT DATA, and TCS

- Leaders showcase strong capabilities in delivering end-to-end private cloud transformation and hosting, spanning consulting, architecture design, infrastructure modernization, and managed operations. They have developed mature private cloud models that combine dedicated infrastructure control with cloud-like agility, supporting both regulated and performance-intensive workloads
- Leaders distinguish themselves through AI-enabled automation, robust governance, and integrated security frameworks, enabling seamless orchestration and compliance assurance across environments. Their strategic alliances with hyperscalers, OEMs, and AI infrastructure vendors enhance hosting reliability, workload migration support, and ecosystem integration

Major Contenders

Accenture, Atos, Capgemini, Cognizant, Fujitsu, Infosys, Lenovo, Rackspace Technology, and UnitedLayer

- Major Contenders are strengthening their private cloud hosting and managed services capabilities through focused investments in automation, orchestration, and compliance-aligned architectures. Many are also enhancing their AI-enabled infrastructure and partnership ecosystems with technology vendors to deliver more seamless, end-to-end private cloud transformations
- While these providers possess strong technical foundations, their consulting depth, transformation maturity, and value-added services consistency still vary across engagements. Some are in the process of evolving from infrastructure-centric models to fully integrated service portfolios that combine design, hosting, and ongoing management, key to competing with established Leaders offering holistic private cloud services

Aspirants

GRASS-MERKUR and Lumen Technologies

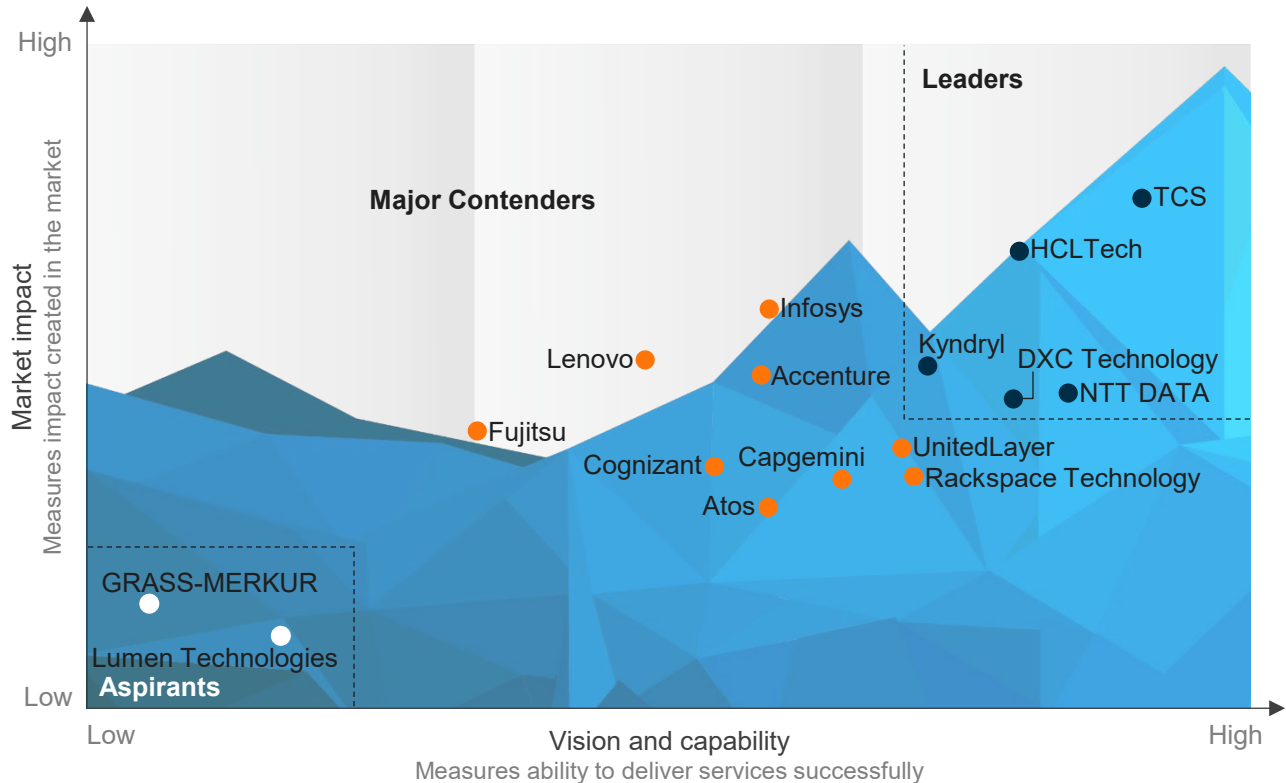
- Aspirants are developing targeted private cloud hosting and managed service offerings tailored to industry-specific and compliance-intensive workloads. These providers are also expanding their ecosystem partnerships, service breadth, and regional delivery presence, positioning themselves to address a broader spectrum of enterprise hosting and operational requirements
- Although their portfolios remain more focused and niche, Aspirants are steadily maturing capabilities in orchestration, governance, and managed operations. Continued investment in automation, workload modernization, and service integration is helping them evolve from specialized providers into credible contenders capable of supporting complex, enterprise-grade private cloud environments

Everest Group PEAK Matrix®

Private Cloud Services PEAK Matrix® Assessment 2025 | Kyndryl is positioned as a Leader

Everest Group Private Cloud Services PEAK Matrix® Assessment 2025¹

- Leaders
- Major Contenders
- Aspirants



¹ Assessments for Accenture, Cognizant, and Lumen Technologies excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with buyers
Source: Everest Group (2025)

Kyndryl

Everest Group assessment – Leader

Measure of capability:  Low  High

Market impact				Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
								

Strengths

- Enterprises seeking end-to-end private cloud transformations can leverage Kyndryl’s consult-to-operate model, supported by advisory, build, and managed run services, led by Kyndryl Consult along with AI-specific services
- Enterprises prioritizing on-premises AI with sovereignty will benefit from Kyndryl’s engineered platforms, including data platform and AI private cloud, designed to ensure localized compliance with robust data and operational sovereignty
- Enterprises in Japan, Singapore, and the UK that require onshore engineering and in-country compliance can leverage Kyndryl’s local innovation hubs and delivery centers for onshore private cloud capabilities
- Enterprises seeking engineered on-premises AI stacks will benefit from Kyndryl’s tri-party and on-premises hyperscaler options for hybrid locality and strong co-delivery
- Clients appreciate the high availability and large volumes of incidents auto-resolved through automation, indicating reliability at scale for mission-critical estates

Limitations

- Enterprises focusing on an integrated platform-led private cloud should evaluate the proof of maturity for Kyndryl’s platforms as it shows limited proof points compared to peers
- Enterprises running regulated workloads on private cloud should carefully evaluate Kyndryl’s private cloud security as it lacks documented evidences and reporting compared to peers
- Enterprises with stringent ESG reporting requirements should assess Kyndryl’s emissions measurement framework, as outcomes remain largely qualitative, with minimal standardization or third-party assurance
- Enterprises requiring multi-region delivery hubs across LATAM and the Middle East should carefully evaluate Kyndryl’s delivery capacity and partner coverage in these regions as they are limited

Market trends

Private cloud services continue to maintain strategic momentum by enabling AI in sovereign boundaries, delivering predictable economics, and unifying hybrid-edge operations with platform-led automation

Market size and growth

- Hybrid-first pattern: Providers are increasingly investing in GPU-as-a-Service (GPUaaS) and hyperscaler-on-premises options, signaling sustained demand and scale
- Sovereign and regulated workload demands: Increased geo regulations are driving the demand for sovereign clouds, especially in Europe, in the public sector as well as regulated industries
- Private AI momentum for cost control: Public cloud cost volatility is pushing enterprises toward private cloud with stronger FinOps, TCO savings, and shorter provisioning cycles

Key drivers for private cloud adoption

Acceleration through cost-control programs	Enterprises are focusing on integrated FinOps, reservation planning, and rightsizing – tangibly reducing run-rate spend, improving TCO visibility, and de-risking transformation journeys.
Cloud sovereignty	Enterprise requirements around data control, operational sovereignty, and audit-ready evidence remain highly prevalent; true sovereignty hinges on local operations and customer-held keys.
Performance, latency, and performance	Workload-specific deployment and hypervisor/hardware flexibility continue to pull critical systems to private cloud, enabling latency-sensitive applications and GPU-intensive AI workloads with predictable performance.
VMware transition wave fuels replatforming	Licensing and strategy shifts are accelerating replatforming to container-first stacks (OpenShift, Nutanix, and Azure Arc/Stack) using phased migrations.

Opportunities and challenges

Industry-specific solutions	Demand is rising for ready-to-deploy, regulation-aligned vertical stacks (for example, BFSI, healthcare, and manufacturing).
Platform-led operations	Unified platforms bring AIOps, automation, and SRE practices.
Accelerated AI modernization	GPUaaS and agentic AIOps shorten time to value and reported benefits include major MTTR reductions with AIOps/agents.
Vendor and technology lock-in	GPU/core pricing, proprietary runtimes, and hypervisor choices are limiting portability, while enterprises seek multi-hypervisor options and open standards to mitigate lock-in.

Key buyer considerations

Enterprises seek private cloud providers with AI-ready platforms, flexible consumption models, and the ability to deliver compliant, predictable, and measurable outcomes at global scale

Key sourcing criteria

High

Priority

Low



AI readiness
Offers GPUaaS, container platforms, and LLMs, alongside AIOps operations with private cloud for sensitive data to stay governed while AI programs scale



Sovereign-by-design operations
Meets data residency, localized control, and air-gapped options for regulated workloads



Ecosystem orchestration
Coordinates OEMs, hyperscalers, AI-infra providers and carrier or co-location partners through tri-party partnerships to offer enterprises with multi-vendor choice without integration burden



Portability and interoperability
Provides open interfaces, consistent policy, and API-driven integration across on-premises, co-location, and public clouds as well as between hypervisors and container platforms, reducing lock-in and exit risk



Commercial and contractual flexibility
Provides flexible consumption models and FinOps with measurable savings

Summary analysis

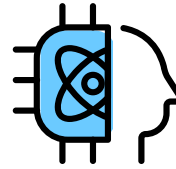
When sourcing providers for private cloud, enterprises prioritize consistent and unified operations in a hybrid cloud environment, regulatory confidence, and AI readiness inside sovereign boundaries.

Buyers increasingly favor partners that combine platform choice with sovereign-grade security controls and industry specifications to keep regulated workloads compliance.

Providers that pair predictable economics with co-managed operations and outcome-led playbooks stand out, especially for distributed, regulated, and AI-intensive workloads.

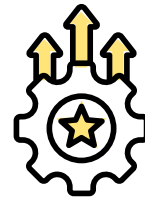
Key takeaways for buyers

Enterprises expect private cloud partners to move beyond traditional implementors and managed services and act as strategic co-innovators, enabling modernization through automation, operational excellence, and productized delivery models. Providers that can balance reliability with innovation and transparency are emerging as preferred partners.



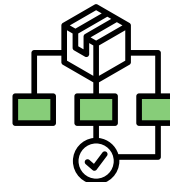
AI and automation-led enablement

Buyers expect service providers to embed AI, analytics, and automation into the core of private cloud delivery, enabling predictive operations, faster provisioning, and minimal human intervention.



Operational excellence and transparency

Buyers expect consistent uptime, scalable performance, and clear cost visibility. Reliability, transparency, and proactive communication are seen as baseline expectations.



Product-led operating model

Buyers expect standardized, modular, and outcome-focused delivery built on reusable IP and continuous improvement – ensuring speed, consistency, and measurable value.

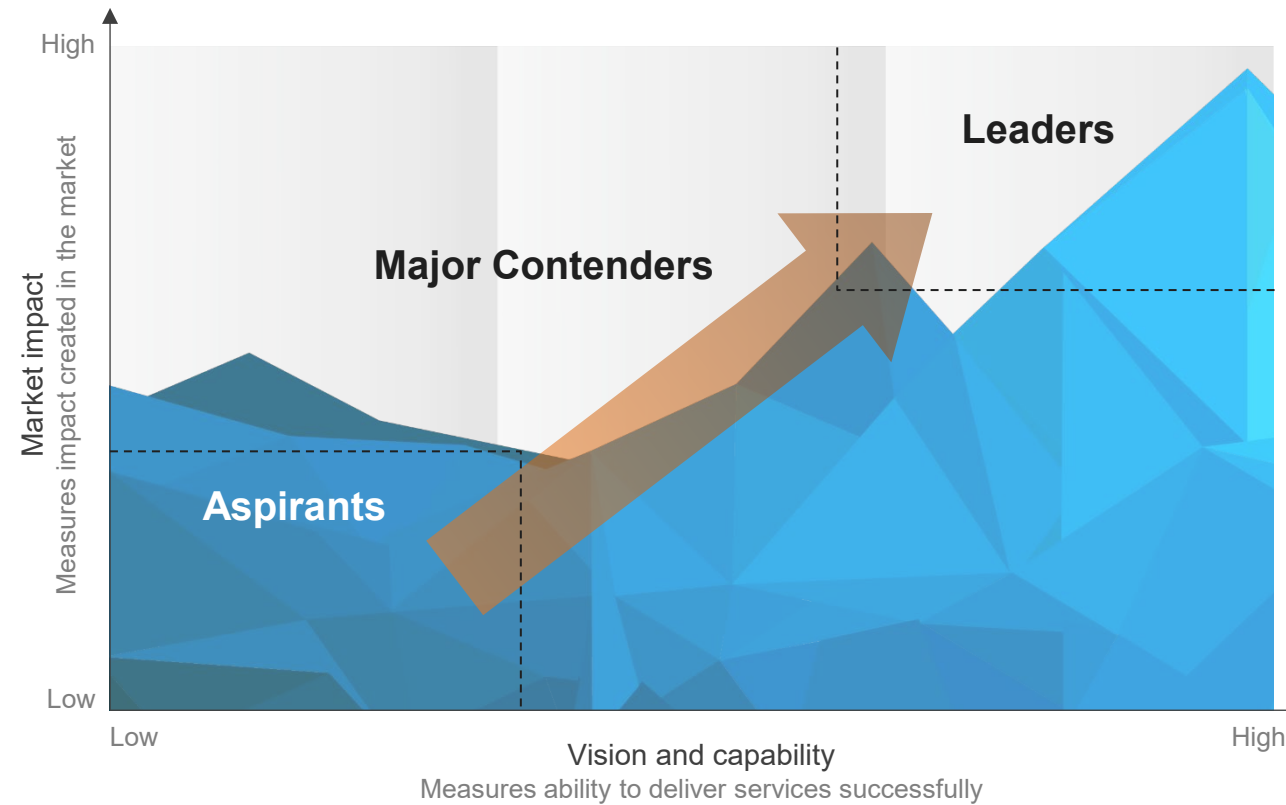
Appendix

PEAK Matrix® framework

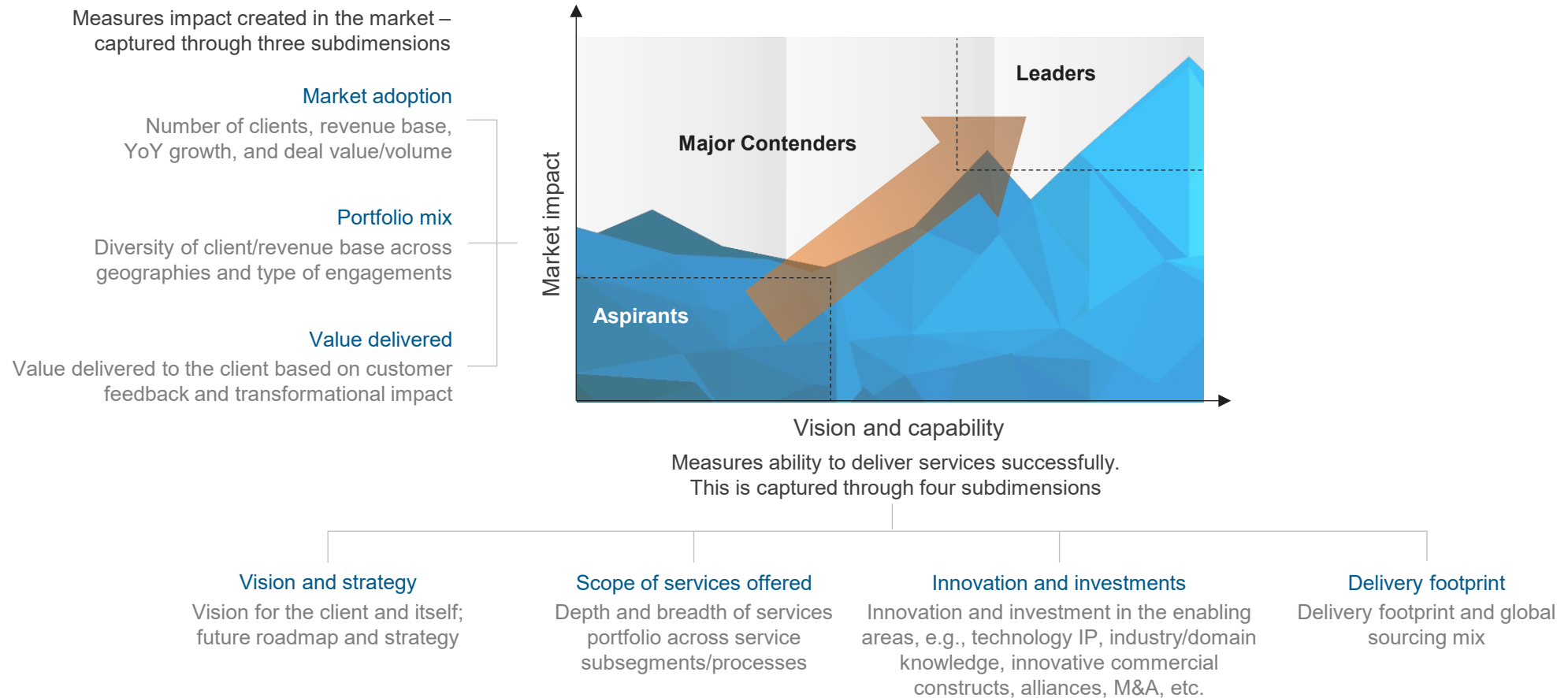
FAQs

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision and capability

Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions



FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

Q: What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

A: Enterprise participants receive summary of key findings from the PEAK Matrix assessment

For providers

- The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
- In addition, it helps the provider/vendor organization gain brand visibility through being included in our research reports

Q: What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:

- Issue a press release declaring positioning; see our citation policies
- Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
- Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)

The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Q: Does the PEAK Matrix evaluation criteria change over a period of time?

A: PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

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