ISG Provider Lens™

2019-2020

ANNUAL PLAN

imagine your future®

ABOUT ISG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including 75 of the top 100 enterprises in the world, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; technology strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 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.

ISG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

For more information about ISG Research™ subscriptions, please email contact@isg-one.com, call +1.203.454.3900 or visit research.isg-one.com.

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ISG Provider Lens™ – Introduction

ISG Provider LensTM is a practitioner-led service provider comparison, empowered by ISG's well-known advisory expertise and their data-driven research team. ISG Provider LensTM research reports provide independent vendor evaluations and enterprise buying behavior segmentation. Service provider data, from either primary or secondary research, will translate into three different outputs. They are categorized as:

- **ISG Provider LensTM quadrant reports:** ISG compares and positions service providers in a graphic presentation based on their service portfolio strength and market competitiveness. Based on their relative positioning, service providers are identified as leaders, challengers or contenders. These studies are conducted over multiple regions and for multiple service line topics, in the IT, BPO and industry-specific domains.

- **ISG Provider LensTM archetype reports:** ISG segments the prevalent enterprise buying behaviors for various domains or service lines. These buying behaviors or archetypes generally represent different enterprise preferences based on their maturity journey. These studies also highlight unique service providers best suited to serve each of these archetypes. The archetype studies are conducted at a global level.

- **ISG Provider Lens Profiles:** One of the key outputs from the data collected from the providers is the ISG Provider LensTM profile. These profiles reflect the data collected for Provider Lens reports and then translated into provider capability presentations. ISG advisors actively leverage these profiles when helping clients evaluate their current vendor relationship and potential new engagements.

Participation in ISG research studies is FREE OF CHARGE. Service providers can purchase reprint rights of the study for marketing, press and sales purposes and participate in ISG press release for each study.

"Why ISG Provider Lens?"

1. "**Takes a practitioner's approach in addition to standard academic research":** ISG Provider LensTM reports leverage the strong and practical 'on-the-ground' experience from ISG advisors, based on their expertise in solving real enterprise problems and real service provider experience. These studies go beyond high-level academic market views and provide real actionable insights by comparing service providers at each nuanced segmentation for a given domain and service line.

2. **Country-level positioning:** ISG Provider LensTM reports provide service provider comparisons and evaluations for global as well as specific country levels. Local service providers can position strongly in country-specific parameters against their global large-scale competitors. This will help ISG sourcing advisors and local enterprise buyers make better informed decisions based on specific local requirements.

3. **One-stop shop for ISG advisory:** ISG Provider Lens™ reports and profiles are a "one stop shop" for ISG advisors and is one of the primary channels that they use to communicate service provider capabilities with their clients. These reports are key to ISG's FutureSourceTM and CPQ process that helps in long listing and short-listing of service providers for client engagements.

4. **Highlighting Niche strengths:** ISG Provider LensTM reports provide service provider comparisons for every facet of a technology domain or service line. In addition, ISG Provider LensTM archetype reports provide information about relevant enterprise buying patterns and highlight the service providers best suited for each. These reports provide strong opportunities for service providers who specialize in niche capabilities and can strongly serve a unique archetype.

5. **ISG endorsement:** Enterprises value ISG's research and advisory viewpoints. Service providers rated strongly in these reports have a higher chance of enterprise considerations.

CPQ CONNECTION

The Candidate Provider Qualification (CPQ) process is a key component of the ISG FutureSource™ methodology and ISG Provider Lens™ is a critical source of data for the CPQ program. As part of this program ISG advisors are provided with a list of all applicable service providers to produce the initial recommendation long list for their enterprise engagements. Based on the enterprise client's requirements and maturity, the ISG Provider Lens™ team also provides relevant strengths and weakness points for the selected service providers along with their profiles, briefing materials and data point comparisons to support their recommendations.

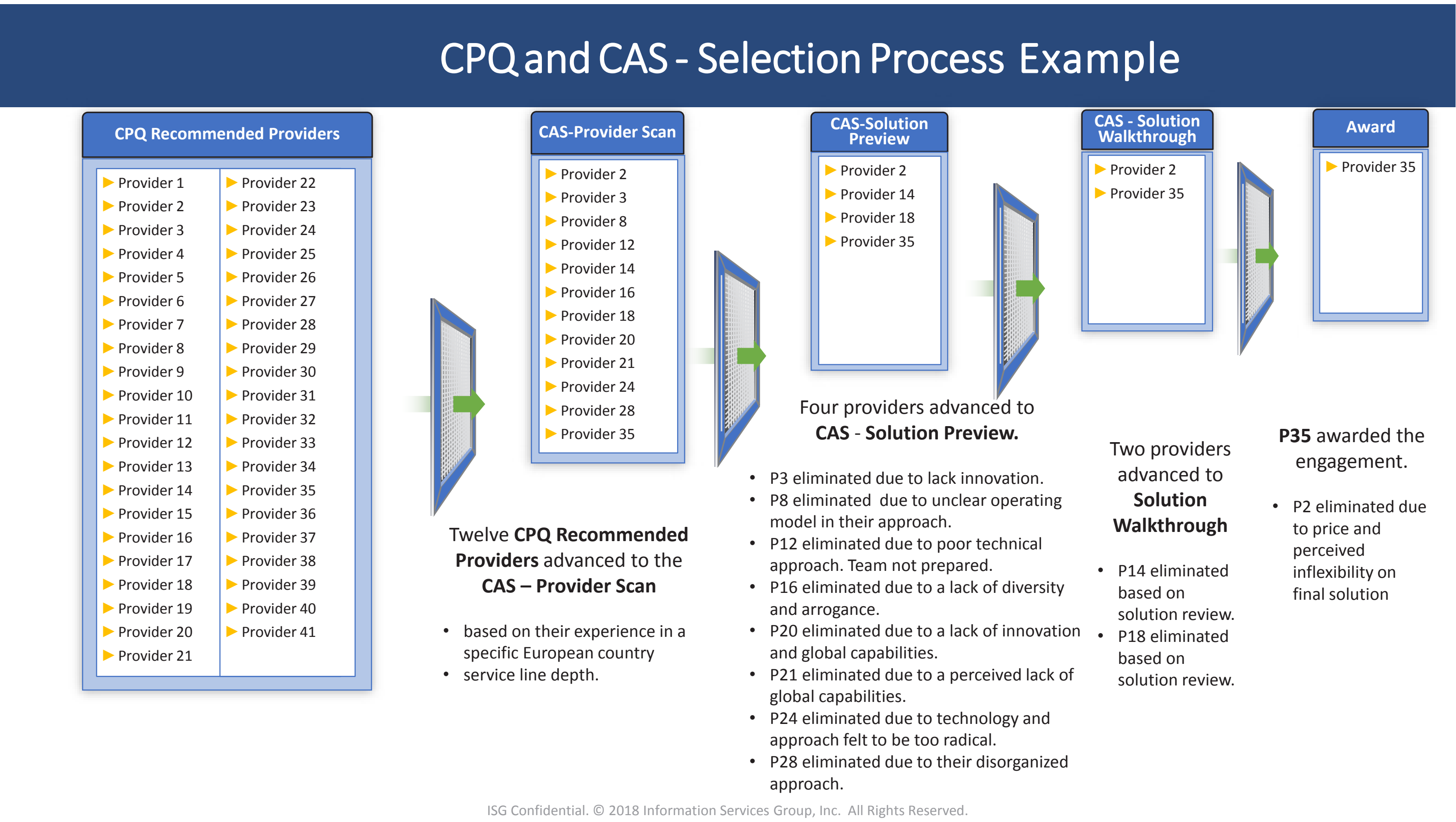
HOW DOES IT WORK

The data used to produce the initial recommendation long list, is a combination of data that is collected to create the ISG Provider Lens™ quadrant and archetype reports and proprietary ISG data assets (such as the Contract KnowledgeBase, Voice of the Customer (VOC) survey data, Advisory Awareness Survey data, ISG Quarterly Index, etc.). The CPQ process is intended to follow three phases:

Phase 1: Initiating a request for the recommendation long list;

Phase 2: Filtering the long list down to the final short list (leveraging the more granular level data collected thru the ISG Provider Lens™ studies to narrow the list to more closely match the client's requirements);

Phase 3: When applicable, requesting additional information and material from the short listed providers (in preparation to present the list to the client and when critical data is missing for certain providers).

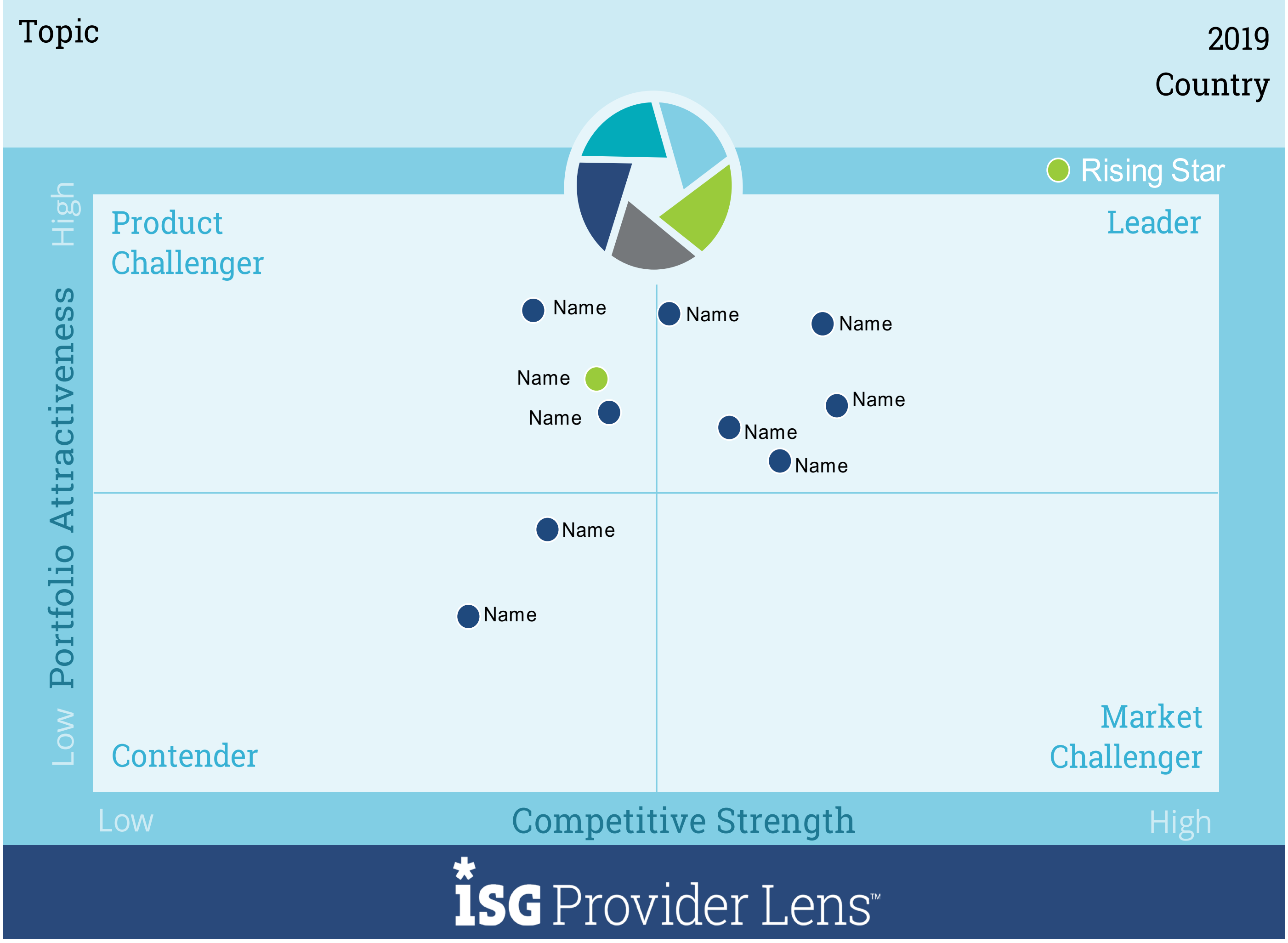


ISG Provider Lens™ - Regional Expansion

Our advisors are the primary consumers of the IPL reports. In 2018 year we expanded the Provider Lens program to cover several geographies such as U.K., Pan-Europe, Pan-Americas, Brazil and Australia markets apart from US and Germany, to support ISG FutureSource™. In 2019, we will begin the year with fewer geographies like **US, UK, Brazil, Australia, Germany** and **Nordics** being the latest addition and further expand into other markets like Pan-Europe, Canada, Pan-Americas for some of the future studies. Global studies will continue to be part of both archetype and quadrant reports. These additional research studies and these markets are critical for ISG and represent our largest client bases and the service line topics of highest focus for our sourcing clients.

ISG Provider Lens™ Quadrant Study – Global & Regional

The ISG Provider Lens™ Quadrant studies provide an excellent view of the top players in the defined country, region or globally.



Source: ISG Research 2019

Evaluation logic and explanation of grid axes:

Y axis = Portfolio attractiveness

- Scope of portfolio (breadth & depth offering)
- Portfolio quality (technology/skills, customer satisfaction, USP, security)
- Strategy & vision (product roadmap, thought leadership, investments)
- Local characteristics (product support, infrastructure)

X axis = Competitive strength

- Market position (revenues & growth)
- Degree of awareness, image and customer satisfaction
- Core competencies (innovative power, stabilty, ecosystem, business model)
- Go to market (sales, sales channel, marketing)

ISG Provider Lens™ Archetype Study – Global

These strategic reports support improved awareness, knowledge, and decision-making regarding IT and business service providers' capabilities and positioning.

The new ISG Provider Lens™ Archetype studies provide a means to align sets of ISG-identified client requirements with known provider capabilities.

Figure 1: Sample ISG Provider Lens™ Study Provider Listing

Traditional Archetype Archetype Leaders	Staff Augmentation Focus	T&M Pricing Focus	Packaged Technology Capabilities	Custom Development Focus
A	◕	●	◕	◑
B	◕	◕	◕	◑
C	●	◕	◕	◕
D	●	●	●	◔
E	◕	●	●	◔
F	◕	◕	◑	●
G	●	●	◑	◕
H	◕	◕	◔	●

● Score 4 out of 4 ◕ Score 3 out of 4 ◑ Score 2 out of 4 ◔ Score 1 out of 4

ISG Provider Lens™ Archetype Reports
Each report identifies 4-6 archetypes that represent buyer characteristics and buying requirements for IT or BPO service lines

- Reports are globally focused
- "Archetypes" represent ISG Advisor perception of client buying patterns
- Archetype reports are not prescriptive, nor rank-based
- Reports help align buy-side needs with provider-side capabilities to reduce costs for both side

Course of Project

Research Phase

ISG Provider Lens™ projects start with the research phase, which will be announced through a mailing. During the research phase, vendors can actively participate, complete the questionnaires or update the IPL portal, and engage in briefing interviews with the analysts in charge of the respective project. Active participation increases related benefits for the participating company as well as for ISG, since a more comprehensive and detailed presentation of products and services can be provided accordingly. However, this does not mean that no evaluation is given if a vendor does not participate actively in the research process. In such case, ISG will base their evaluation on existing information and secondary sources, which might be incomplete. Participation within the research phase is free of charge. During the research phase, participants will be sent project brochure containing all details pertaining to the project such as the research phase schedule, topics discussed, descriptions of quadrants and analyst bios.

Sneak Previews

Once the research phase has been completed, sneak previews will be conducted. Sneak previews are 30-minute telephone conferences with our analysts and account managers to explain the ISG Provider Lens™ study results to only the respective quadrant or archetype leaders/Rising Stars. We also conduct sneak previews with any study participant on request to present second-window rights and related opportunities, based on the study. A fact check will be requested from each provider identified as a leader /Rising Star. A period of 72 hours will be given to return any factual or data changes. All results, calculations and assumptions presented within the sneak previews are business secrets of ISG; they are protected accordingly, based on the Act Against Unfair Practices, and by copyright law. No content of such sneak previews may be disclosed to any third party, unless required rights and entitlements have been acquired accordingly; this also applies for quotations or copies of parts of the sneak preview and includes the respective company's advertising and promotional activities and press releases.

Note: The primary purpose of the sneak preview is to ensure the facts about vendor/ service provider are represented correctly.

SNEAK PREVIEW IS NOT ABOUT:

- Changing the ratings / positioning on the quadrant or archetype.
- Providing additional data at the time of sneak preview to complete the responses. This data will not be considered for evaluation, however, this will be updated in the provider profiles.

Press

Upon completion, our ISG Provider Lens™ studies are published in the media through the following channels:

Press releases, ISG Insights™, ISG Provider Lens Briefs, ISG website, and social media etc.

Providers can purchase reprint rights to the report and then have the option to be included in our Press Release via a landing page link. Copies of the full report can also be purchased for internal use.

IPL Research Plan 2019

2019 Eight Global IPL Studies

- Prepare/ Kick Off
- Research Phase
- Sales Phase / Publish

2019 Eight Global IPL Studies (12 reports each)

	Topics	Geographies	2018 Nov	2018 Dec	2019 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2020 Jan
Q1	IoT - Platforms, Solutions and Service Parnters 2019	Global (Quadrant & Archetype) USA Germany Nordics Brazil Australia UK Switzerland															
Q1	Private/Hybrid Cloud - Data Center Solutions and Services Partners 2019																
Q2	SAP - HANA & Leonardo Ecosystem Partners 2019																
Q2	Network - Software Defined Solutions and Service Partners 2019																
Q3	Public Cloud - Solutions & Service Partners 2019																
Q3	Digital Workplace - Solutions and Service Partners 2019																
Q4	Next-gen Application Development & Maintenance (ADM) Services 2020																
Q4	Digital Business - Solutions and Service Partners 2019																

Scheduled Country Specific Studies*

	Topics	Geographies
Q1	Salesforce - Ecosystem Partners 2019	DACH
Q1	Microsoft - Ecosystem Partners 2019	DACH
Q2	Social Business - Communication & Collaboration Solutions and Service Partners 2019	USA + DACH
Q3	Engineering - Service Partners 2019	USA + DACH
Q2	Data Analytics 2019	DACH
Q3	Security Services and Solutions 2019	DACH
Q3	Microsoft SI & ISVs 2020	DACH

*Note – In addition to eight global studies, IPL will also conduct some country specific studies. These country specific studies are subject to change depending on internal resources alignment or schedule changes.

Descriptions

Cloud Transformation/Operations Services & XaaS Cloud Platforms & Technology/Access Services

The total market of traditional hardware, software, and services with an overall volume of about 100 billion EUR is increasingly shifting into the services segment, which is evolving towards the cloud, except for purely human-based services. As a result, the service segment is increasingly characterized by parallel structures that map the shift into the cloud. By 2030, the cloud market will account for more than one third of the overall ICT market. Provided that exponential growth is achieved, the cloud market might constitute a much larger share of the market by then.

Consequences of this development are manifold: Most business models must change, some will become obsolete and many new models will evolve. In the wake of increasing cloud maturity and both users' and vendors' increasing understanding, the market is experiencing significant changes.

The following Quadrants are anticipated to be covered under this study:

- Public Cloud Transformation Services (Consulting and Implementation)
- Managed Public Cloud Services
- Managed Kubernetes as a Service
- SaaS – Enterprise Cloud Filesharing, ERP, CRM and HRM
- aPaaS Application PaaS
- Cloud Security Services
- IaaS - Hyperscaler Public Cloud Service

Data Center / Private Cloud / IaaS + Technologies

Companies are moving away from running their own in-house data centers and handing them over to service providers. The customer's own data centers are becoming too small or are no longer meeting today's security standards. When considering upgrading the existing data center or building a new one, many companies decide to outsource all or part of their IT infrastructure to a colocation service provider or to move to the cloud. In many IT departments, there is a lack of suitable employees or appropriate specialists who can manage the complicated IT operations, and they cannot be recruited on the personnel market. One way out is to transfer the IT infrastructure to a service provider who takes over the management of part or the entire IT infrastructure.

The following Quadrants are anticipated to be covered under this study:

- Private & Hybrid Cloud Transformation
- Managed Private & Hybrid Cloud Hosting
- Colocation Hub Services
- Data Centre Security Services
- Hyper Converged Systems
- Cloud Management Systems

Digital Business Transformation

Digitization refers to the seamless, robust and adjustable provisioning of integrated ICT services without media breaks. The goal is to ensure autonomous business processes. Digitization requires the metamorphosis of existing business processes, based on continuous digital transformation. The focus of this study is on full IT business transformation providers that offer a great variety of IT products as well as suitable services for the disruptive competitive markets of tomorrow.

The digital transformation mega trend, including automation, remains a top priority on corporate agendas. The focus is on enabling businesses to efficiently address individual customer expectations. This requires companies to strive for continuous change – both internally and externally.

The following Quadrants are anticipated to be covered under this study:

- Digital Customer Journey
- Digital Transformational Development Platforms (PaaS)
- Digital ITaaS Delivery Platforms (SaaS)
- Digital Product Creation and Customization
- Digital Enterprise Operations
- Disruptor - Blockchain Services
- Disruptor - AI as a Service Platforms

Digital Workplace of the Future

Digital workspaces enable clients' end users (employees) to access their enterprise data and applications irrespective of their physical location and the device being used.

It involves end users' desktop and mobile device support constituting their workplace (or workspace (not confining it to a physical location), including, but not limited to, mobile device and application management, application deployment and accessibility as per roles and access policy, e-mail, peer to peer messaging, collaboration services, Level 1/2 technical service desk support, desktop virtualization/desktop as a service, remote support, VIP/executive support, software distribution, patch updates, software upgrades and migration, IT asset analytics, automation capabilities for self-help and other services for enhancing end-user experience in a secured and cost-effective way.

The following Quadrants are anticipated to be covered under this study:

- Digital workplace consulting services (only service providers)
- Next-gen Service desk and workplace support (only service providers)
- Managed mobile enterprise services (only service providers)
- Cloud Workplaces (WaaS/desktop-as-a-service) - (only service providers)
- Unified Endpoint Management Solutions (software solution vendors only)
- Enterprise Social collaboration solutions (software solution vendors only)

Internet of Things/Industrie 4.0 Platforms, Services & Solutions

The Internet of Things refers to the utilization phase of digitalized and connected devices and products, which allows the providers/vendors to communicate with their own products while they are used by the customers and to provide new "digital" customer services such as predictive maintenance. IoT creates new areas of business and consumer interactions with a connected ecosystem delivering continuous experience.

The Industrial Internet of Things (IIoT), sometimes called Industrie 4.0 (I4.0), focuses on the production process within what we call a smart factory, based on connected and automated machines.

The following Quadrants are anticipated to be covered under this study:

- Integrative Platforms
- Managed Services & Solutions
- Automotive Solutions (Connected Cars)
- Healthcare Solutions
- Manufacturing Solutions
- Smart Building Solutions
- Smart City Solutios
- IoT Security Services

Next-Gen Application Development & Maintenance (ADM) Services

Like traditional application services, next-gen ADM includes consulting, design, custom development, packaged software integration, operations, and testing. However, the scope, delivery mechanism and outcome for such contract pivots around a value-based approach where the focus is on achieving enterprise agility and solving business problems. Next-gen ADM makes use of emerging technologies/methodologies like agile, DevOps, automation, and modernization techniques to deliver application outsourcing projects. Service providers are incorporating new approaches in how they develop and deliver applications via modular, component-based and container technology. Because an application gets broken down into workloads and microservices, its release and production cycles are short, which makes applications easier to modify and deploy.

The following Quadrants are anticipated to be covered under this study:

- Next Gen Application Development & Maintenance Services
- DevOps Consulting Services
- Application Management & Performance Services
- Application Assessment & Migration Services
- Application Security Services
- Next Gen ADM - BFSI
- Next Gen ADM - HCLS
- Next Gen ADM - Manufacturing

SAP/4HANA

For respective digital transformation projects, SAP's HANA in-memory database and the new generation of their S/4HANA software are strong vehicles to move into the digital age, especially for the provider's existing customer base. However, there are major related challenges for customers and service providers alike: They must build a bridge between IT and business. Only those who can balance technology with process, business and strategy aspects will be able to pursue the path towards the new digital age. Migration to or new implementation of SAP HANA or conversion to S/4HANA requires a broad scope of solutions, from distribution (licensing models) and technologies (hardware, software, infrastructure) to services (strategies, analyses, business case analyses) to actual transformation (implementation, migration, integration). On the technology side, many models are available (on premise, cloud, hybrid), and most companies need support by experienced consultants to help them develop and implement a strategy.

The following Quadrants are anticipated to be covered under this study:

- BW on HANA & BW/4HANA
- Business Suite on HANA & S/4HANA
- SAP HANA Technology
- Enterprise Cloud for SAP HANA
- SAP Cloud Platform (SCP)
- SAP Leonardo

Software-Defined/Traditional Networks & Telco Services

The network acts as enabler of many ICT topics that impact our increasingly digital economy. Software-defined networks (SDN) and innovative WAN offerings serve as basis for digital ecosystems and ensure that known bottlenecks occurring during data transport from A to B are reduced or eliminated and that increasingly dynamic network loads are balanced accordingly.

The network study examines two different market types. While the MPLS market is highly mature regarding technologies and vendors, the software-defined network and SD WAN segment is still a young and dynamic market. For users, both markets are extremely important now. MPLS and fixed lines may soon be relics of the past. SD WAN is more reliable and more cost-efficient. Cloud computing requires agile WAN connections, which cannot be supplied by traditional networks. Also, more and more LANs evolve into WANs, a development that is also driving the software-defined networking trend.

The following Quadrants are anticipated to be covered under this study:

- Managed WAN Services
- SDN Transformation Services (Consulting & Implementation)
- Managed Mobile Network (4G/5G) Services
- Network Security Services
- Network Technologies

Additional Information

1. Please note that the quadrant names mentioned in this plan are not final. Once again these are subject to change based on market dynamics, advisors' inputs and analysts' views. With the start of the research phase for each study, the save the date email will include a project brochure that will contain finalized quadrant names, description of the topic and analyst names for each region.

2. The timeline is indicative and may change.

3. In 2019, ISG Provider Lens will also launch the new response portal for service providers to respond to our surveys. This will give access to previous year's response so that providers could choose to edit their responses, add or delete based on the pre-populated data.

4. While the portal will remain open for providers to update it all through the year, for the purpose of ISG Provider Lens reports, the data collected only during the research phase will be considered for evaluation.

5. The dates of research phase will be included in the project brochure.

6. Project brochures will also contain the names of the project manager who will be the key liaison between providers and analysts. They will be the first point of contact for all providers during and after research phase.

Key Contacts

Jan Erik Aase

Director

Jan Erik Aase is a director and principal analyst for ISG. He has more than 35 years of collective experience as an enterprise client, a services provider, an ISG advisor and analyst. Jan Erik has overall accountability for the ISG Provider Lens™ reports, including both the buyer-centric archetype reports and the worldwide quadrant reports focused on provider strengths and portfolio attractiveness. He sets the research agenda and ensures the quality and consistency of the Provider Lens™ team.

Namratha Dharshan

Sr. Research Manager

Namratha Dharshan is a Sr. Research Manager and principal analyst for ISG. With more than 13 years of experience working with both service providers and consultants, Namratha has developed expertise in business processing outsourcing contact centers, specializing in customer experience. Her research focuses specifically on the customer experience as it relates to digital transformation, omnichannel, analytics, AI and automation.

Heiko Henkes

Director

Heiko Henkes is a Principal Analyst at ISG; in this role, he is responsible for strategic business management and acts as leader of ISG's team of research advisors. He is also in charge of bringing together IT trend topics within the digital transformation context and acts as keynote speaker on current and future IT trends. His primarily focus lies on business development activities, further development and internationalization of the ISG Provider Lens™ (IPL) product-related processes beside his role as IPL Topic Leader to guide and sync all analyst team members.

Contact:

For any questions you might have regarding the ISG Provider Lens Plan and process please contact the following address:

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