

IDC MarketScape

# IDC MarketScape: Gulf Countries Cloud Professional Services 2022 Vendor Assessment

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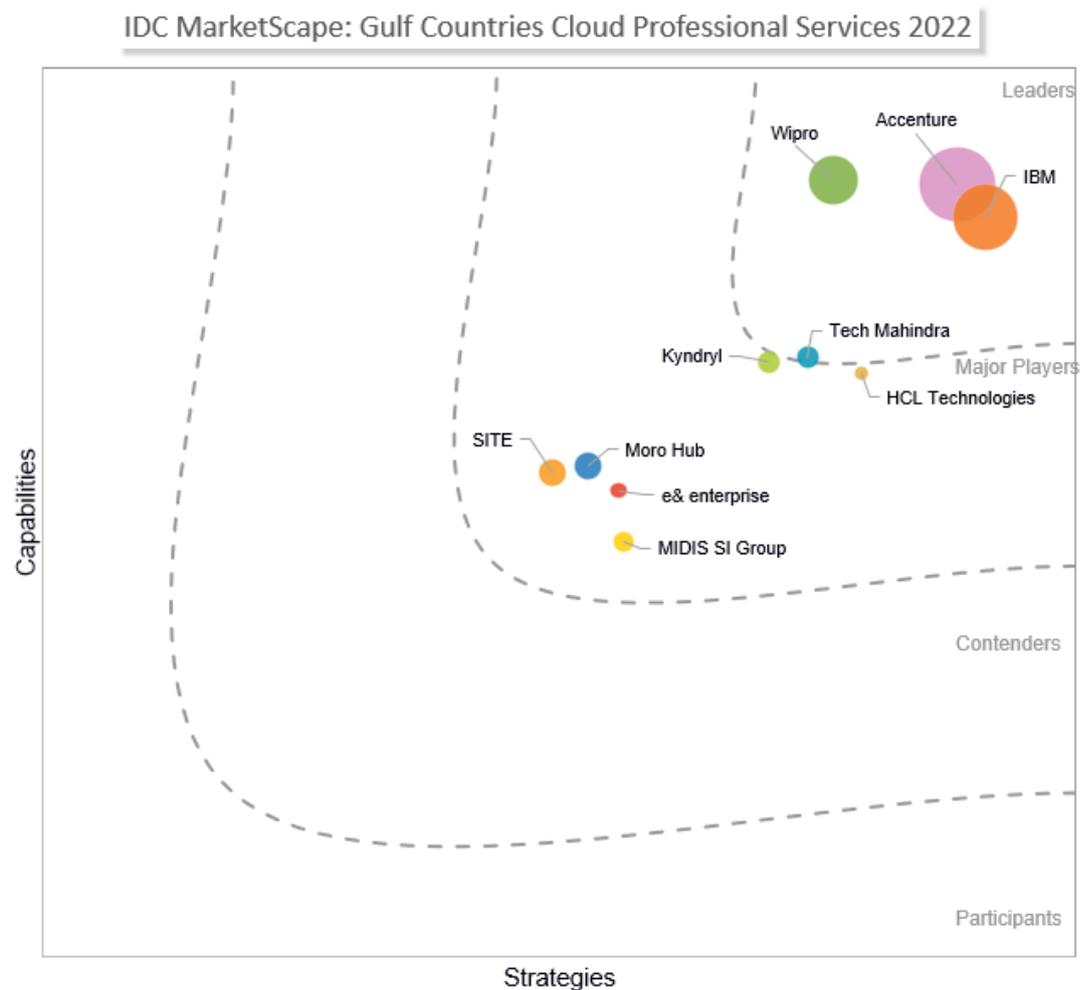
Mufasir Yousuf

THIS IDC MARKETSCAPE EXCERPT FEATURES IBM

## IDC MARKETSCAPE FIGURE

FIGURE 1

### IDC MarketScape: Gulf Countries Cloud Professional Services 2022, Vendor Assessment



Source: IDC, 2022

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Gulf Countries Cloud Professional Services 2022 Vendor Assessment (Doc # META47590721). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1 and 2.

## IDC OPINION

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This IDC MarketScape presents a vendor assessment of the 2022 cloud professional services market in Gulf countries. This research represents a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy.

This MarketScape study covers a variety of vendors participating in the Gulf Cooperation Council (GCC) cloud professional services market. A comprehensive framework and set of parameters for short- and long-term success in cloud professional services provision was used to evaluate providers in this study. Buyer perceptions about the key characteristics and capabilities of evaluated providers were also included in this evaluation.

Key findings from the evaluation include:

- Professional services that help organizations plan, design, and build hybrid cloud (combining elements of public and private cloud and on-premises solutions) and multi-cloud (combining multiple public cloud services) delivery models have become widespread. As the levels of customer maturity with regard to cloud services vary, many providers are offering advisory services to help clients select the right cloud solution and develop their cloud journeys. Beyond basic lift-and-shift services, cloud providers are trying to differentiate themselves by bringing in technical skills that help customers adopt platform-led approaches to cloud. Some providers are also engaging with customers to develop innovative solutions using containers and microservices. In addition, many providers are leveraging their industry knowledge to offer consulting services that focus on the business outcomes – rather than the technological outcomes – of cloud deployments.
- Providers are also trying to differentiate themselves through investments in proprietary cloud planning, integration, self-diagnosis, self-healing, and management tools. In addition, many providers have developed industry-specific or horizontal cloud use cases using proven methodologies which are accelerating cloud implementations. At the same time, some providers are collaborating with customers to develop bespoke solutions in the cloud. While some providers are engaging with customers only for information gathering purposes and developing bespoke cloud solutions on their own, others are collaborating with customers to jointly develop cloud-based solutions.
- Due to the ambiguity surrounding cloud outcomes, many providers do not offer pricing models beyond fixed price and "time and material" specifications. However, the few providers that are taking a consultative approach and working with customers to develop cloud-based solutions are offering innovative pricing models (such as "pay as you grow," outcome-based pricing on meeting business key performance indicators, and value-based pricing).

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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The scope of this IDC MarketScope covers providers that offer project-based IT services that support clients' use of private, public, and hybrid cloud computing environments, specifically infrastructure as a service (IaaS), software as a service (SaaS), and platform as a service (PaaS). The initial list of providers included those that generated IT project-based service revenues of over \$20 million in Gulf countries in the 2020 calendar year. Using the definitions detailed in *IDC's Worldwide Services Taxonomy, 2021* (IDC #US47191221, May 2021), the IT services revenue of 58 services providers that are tracked in IDC's IT services competitive reports was aggregated to determine further qualification. IDC subsequently conducted a web survey to shortlist the 10 most popular vendors to feature in this MarketScope document.

The inclusion criteria for this IDC MarketScope are listed below:

- Each vendor should offer project services (at least for private cloud and IaaS platforms).
- Each vendor should have an official consulting and/or integration partner status in the online partner directories of one or more of the following public/private cloud service providers: Amazon Web Services (AWS), Microsoft Cloud, Google Cloud, Oracle Cloud, SAP Cloud, IBM Cloud, Nutanix or VMware.
- Each vendor is required to have in-country capabilities to consult on and deliver cloud professional services in at least one Gulf sub-region. The three sub-regions are the UAE, Saudi Arabia, and rest of Gulf countries (Bahrain, Qatar, Oman, and Kuwait).
- Each vendor should have a local office with cloud services sales and delivery capabilities, in either the UAE or Saudi Arabia, or an office in more than two countries of the rest of Gulf countries region.
- Each vendor should earn more than \$10 million in annual revenues from clients in Gulf countries, of which at least \$7 million should be derived from provision of private cloud, IaaS, and PaaS professional services. At least \$2 million should be generated from cloud consulting and implementation services.
- Each vendor should have a minimum of 20 cloud professionals (certified in consulting, architecting, and implementation) working in Gulf countries and serving Gulf clients.

## ADVICE FOR TECHNOLOGY BUYERS

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- **Fast-Track Investments in Cloud:** Business demands have rapidly changed, and so have the requirements from IT to support the new demands. IT departments should fast-track their investments in cloud solutions to meet business requirements for agility and speed. Many services providers have invested in several tools that help end-user organizations evaluate and implement cloud solutions at speed. A few have even developed horizontal and industry-specific use cases in the cloud that can meet the specific business requirements of end-user organizations. Engaging with such providers will ensure a robust yet fast-paced adoption of cloud services.
- **Adopt a Consultative Approach for Cloud Journeys:** While end-user organizations are already deriving cost rationalization, agility, and elasticity benefits from their initial deployments of cloud solutions, they should maintain a long-term vision to drive their cloud-based digital transformation agendas. Development of a cloud road map will become important for an organization's success, for which evaluating the cloud advisory capabilities of providers is of key importance.
- **Know the Local Capabilities of Providers:** While services providers are positioning global best practices to end-user organizations in the Gulf region, they do not necessarily have on-the-ground capabilities within all countries. End-user organizations should evaluate the

local technical skills, numbers of senior technical staff, and the local partnerships providers have with cloud vendors (such as Microsoft, AWS, Oracle, SAP, etc.). This will ensure that they receive the same consistent services that a provider delivers to customers in other geographies.

- **Evaluate a Provider's Client Success:** Although potential customers are provided with local references to establish a provider's credibility, they should nevertheless ask services providers to demonstrate how they have expanded the usage of cloud services within client organizations over the years. This will help them evaluate whether a services provider is only suited for their immediate cloud project requirements or can develop and execute a long-term cloud strategy.
- **Drive Innovation in Cloud:** As much as the IT department supports operational requirements, it should also drive new business. Thus, end-user organizations should consider how they can support innovation while making investments in cloud services. Engaging with a provider that fosters innovation and develops a platform-led approach toward cloud investments is essential. Such a provider can support cloud native-app development and launch solutions at scale to drive new business growth.
- **Ascertain Value in Advance:** A few services providers engage in co-creation and co-development in lab environments with end-user organizations to ascertain project outcomes prior to implementation. Conversely, other providers solely develop cloud solutions and proofs of concept to demonstrate value to customers. Depending on their level of internal IT maturity, end-user organizations should engage with either of these services providers to drive innovation. End-user organizations should also evaluate a provider's ability to provide structured documentation and knowledge transfer. This will ensure that the organizations can independently manage and grow their cloud solutions footprints in the future.

## VENDOR SUMMARY PROFILES

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This section briefly explains IDC's key observations that influenced vendor positioning in this MarketScape. While every vendor is evaluated against the criteria outlined in the Appendix, a summary of each vendor's strengths and challenges is presented here. IDC's assessment covers 10 vendors in alphabetical order: Accenture, e& enterprise, HCL, IBM, Kyndryl, Midis System Integration Group, Moro Hub, SITE, Tech Mahindra, and Wipro.

### IBM

IBM is classified as a "leader" in the GCC cloud professional services industry in 2022, based on IDC's analysis of vendors and assessment of buyer perceptions in this MarketScape.

IBM provides cloud transformation services across the entire IT stack, maintaining a strong focus on both the application and platform layers. IBM prioritizes hybrid cloud as the next wave of enterprise architecture and leverages industry-specific assets on any cloud platform to deliver services that support its hybrid cloud strategy.

IBM offers services spanning the entire cloud life cycle – from cloud strategy, workload prioritization, and partner selection to migration, modernization, and management. The company has open-source and cloud-native application development capabilities that help it develop custom solutions for customers across different industries. IBM's 2019 acquisition of Red Hat helped it expand its capacity to deliver robust cloud solutions to customers.

IBM utilizes a consulting-driven approach, as well as its IBM Garage design thinking framework to ideate and build innovative solutions collaboratively with clients. This approach helps IBM and its clients identify a given project's key challenges, expected outcomes, and solutions that need to be

implemented. Additionally, IBM provides clients with visibility into the entire cloud journey based upon a mutually agreed-upon scope at project initiation.

IBM has been investing heavily into tools and frameworks that greatly automate service life cycles, provide transparency into cloud usage, and offer cost optimization opportunities. IBM has also invested in building ecosystem partnerships with Azure, AWS, and RedHat. Recent acquisitions such as Neudesic and NordCloud have enabled IBM to enhance its migration and modernization capabilities for hybrid cloud environments and access cloud visibility, cloud health, and cost optimization tools.

### **Strengths**

IBM's consulting-driven approach, which is underpinned by the IBM Garage framework, and its in-house platform capabilities stemming from the Red Hat acquisition, stand out as its key strengths. IBM also has a solution-driven approach and can develop customer-specific use cases based around emerging technologies such as 5G/edge, AI/ML, and cloud-native applications. IBM's global industry expertise and its research insights from the IBM Institute for Business Value are important assets that can be leveraged to drive cloud adoption in the Gulf region.

### **Challenges**

IBM offers cloud professional services based around its own cloud solutions and those of other global and regional cloud providers. However, its market messaging could be improved – for example, the company can emphasize its capabilities as a holistic supplier of cloud professional services from different providers, in addition to its own solutions.

### **Consider IBM When...**

IBM offers adjacent capabilities to cloud transformation services, mostly based around its IBM Watson portfolio. These capabilities help customers build sophisticated, industry-specific use cases by leveraging emerging technologies such as AI, 5G, and edge computing. IBM works with customers to develop cloud road maps and co-create innovate solutions.

## **APPENDIX**

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### **Reading an IDC MarketScape Graph**

For the purposes of this analysis, IDC divided potential measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here, and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represent the market share of each individual vendor within the specific market segment being assessed.

## IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC evaluations about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions, on the IDC MarketScape, detailed surveys and interviews with the vendors, publicly available information, and end-user experiences to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

## Market Definition

The cloud professional services market includes elements from four of IDC's services foundation markets, which are defined in their entirety in *IDC's Worldwide Services Taxonomy, 2021* (IDC #US47191221, May 2021). Some examples of specific cloud professional services are shown in Figure 2.

FIGURE 2

### Examples of Cloud Professional Services



Source: IDC, 2022

### Related Research

- *Competitive Profiles and 2020 Analysis of Leading IT Services Players in Saudi Arabia* (IDC #META47121721, December 2021)
- *Competitive Profiles and 2020 Analysis of Leading IT Services Players in the United Arab Emirates* (IDC #META47121821, December 2021)
- *Competitive Analysis of Leading IT Services Players in the Other Gulf Countries (Qatar, Kuwait, Oman, and Bahrain), 2020* (IDC #META48620521, December 2021)
- *United Arab Emirates Public Cloud Market 2020 Analysis and 2021-2025 Forecast* (IDC #META48197721, September 2021)
- *Saudi Arabia Public Cloud Market 2020 Analysis and 2021-2025 Forecast* (IDC #META48247421, September 2021)

### Synopsis

This IDC study presents a vendor assessment of the 2022 Gulf countries cloud professional services market through the lens of the IDC MarketScape model. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. This IDC MarketScape covers a variety of vendors participating in the cloud professional services market in Gulf countries. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in provision of cloud professional services, during both the short and the long term.

"Cloud professional services providers in the Gulf countries should possess some key capabilities, including a wide reach across all major mega cloud platforms, local support, and an ability to develop cloud road maps using advisory services to be successful. In addition, service providers that have developed capabilities spanning the entire cloud professional services life cycle – including capabilities in open-source technologies, containers, and microservices – will be better suited to executing the long-term growth strategies of end-user organizations across the region." – Senior Program Manager Eric Samuel, IDC

## About IDC

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