NEAT EVALUATION FOR DXC TECHNOLOGY:

End-to-End Cloud Infrastructure Management Services

Market Segment: Overall

Introduction

This is a custom report for DXC Technology (DXC) presenting the findings of the 2024 NelsonHall NEAT vendor evaluation for *End-to-End Cloud Infrastructure Management Services* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of DXC for end-to-end cloud infrastructure management services, and the latest market analysis summary.

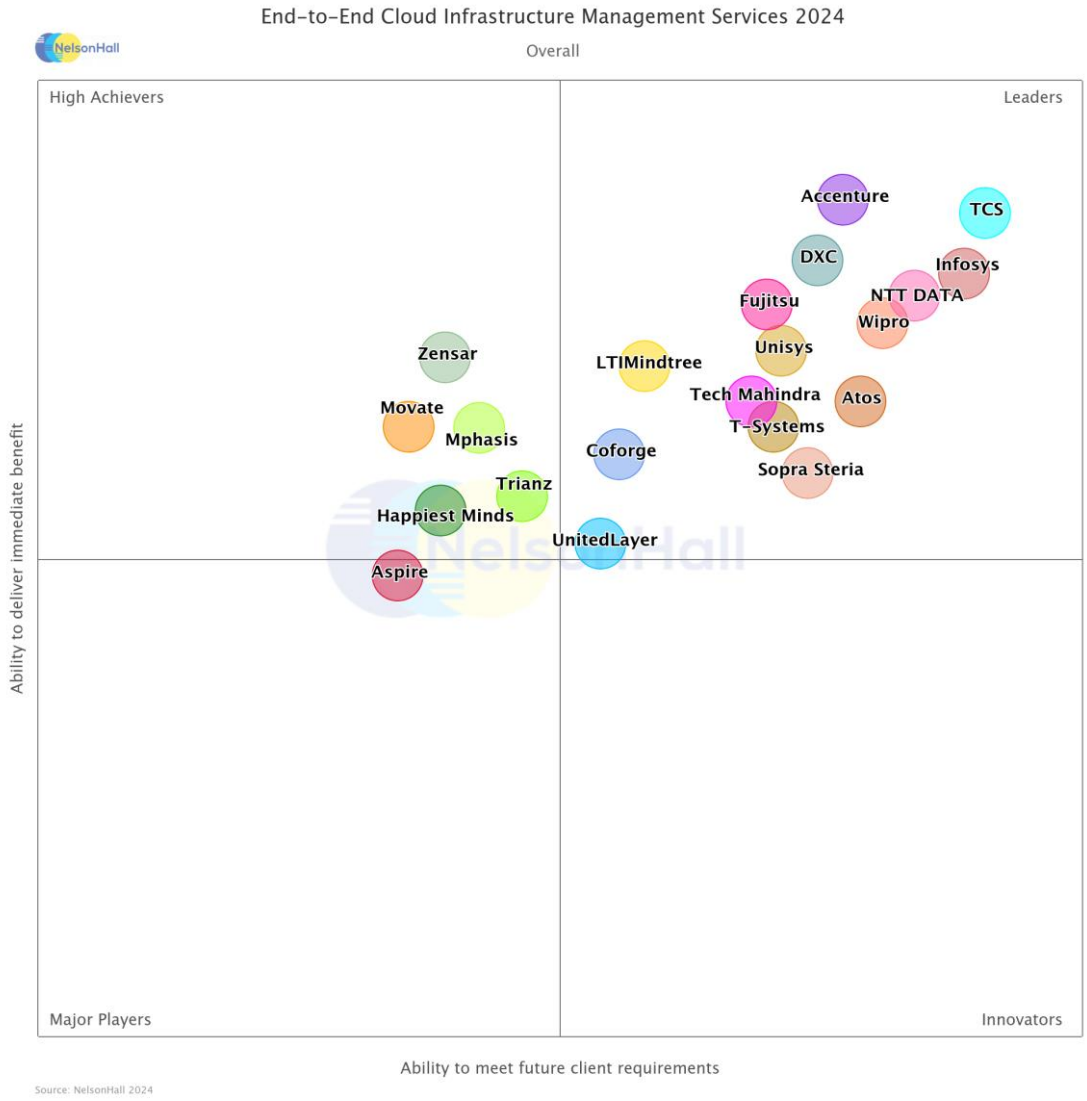
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering end-to-end cloud infrastructure management services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capabilities around cloud management, cloud orchestration, Microsoft Azure, AWS, and GCP.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Accenture, Aspire Systems, Atos, Coforge, DXC, Fujitsu, Happiest Minds, Infosys, LTIMindtree, Movate, Mphasis, NTT DATA, Sopra Steria, TCS, Tech Mahindra, Trianz, T-Systems, Unisys, UnitedLayer, Wipro, and Zensar Technologies.

Further explanation of the NEAT methodology is included at the end of the report.

NEAT Evaluation: End-to-End Cloud Infrastructure Management Services (Overall)



NelsonHall has identified DXC as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects DXC's overall ability to meet future client requirements as well as delivering immediate benefits to its cloud IT infrastructure management services clients.

Leaders are vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements.

Buy-side organizations can access the *End-to-End Cloud Infrastructure Management Services* NEAT tool (*Overall*) here.

Vendor Analysis Summary for DXC

Overview

DXC has built a model, the Modern IT Estate, that looks at the entire IT landscape from centralized infrastructure to the edge, and the business applications that run in that environment (rapid business application development and deployment, distributed cloud and edge, data from the edge and agile business platform). The model also looks at data and where it sits, technology platforms (utility and consumption-based services, cloud management control plane, and continuous modernization) to drive the modern IT estate, and the process and operations (AIOps, CloudOps, SRE, intelligent automation, and observability) that underly it, all linked together with a secure ecosystem.

With its client-centric model, DXC conducts client workshops to define client priorities and build a roadmap to support their digital transformation and the required end state.

DXC Managed Hybrid and Multicloud Services

DXC has a set of hybrid and multi-cloud services to address the modern IT estate, bringing several of these components together. These are hosted from DXC's data centers, AWS, Azure, Google, or on-premises clients.

A single control plane can provision environments on-premises, VMware on-premises, or public cloud native. It drives this with blueprints to provide the infrastructure and application components, including database and applications, and clients can create their blueprints to deploy into these specific environments.

CloudOps is DXC's SRE approach to operations. The team operates and optimizes the cloud environment, and uses DevOps and CI/CD techniques to enhance the overall operations environment.

DXC Platform X

DXC Platform X is an AIOps-enabled delivery platform designed for NoOps, which self-diagnoses and self-heals IT estates on-premises and in cloud environments. It delivers offerings, services, and solutions to improve standardization, governance, visibility, and automation for cost efficiency and UX/CX. Its ML models analyze system and application data, identify problems, and launch or recommend bots. Engineers can view visualizations, validate recommendations, and trigger automation. Bots resolve problems and take proactive actions to prevent issues, and DXC utilizes Dynatrace and ServiceNow to monitor and manage IT estates. The client environment utilizing Platform X includes analytics & engineering, applications, security, cloud infrastructure and ITO, and modern workplace.

DXC continues to invest in Platform X, including Microsoft Power BI self-service analytics, to enable delivery teams to drive continuous improvement. It is further utilizing Dynatrace for full-stack observability to run infrastructure components and monitor and observe these, including application performance. It has also created a client reporting and analytics hub providing self-service capability for clients to create reports and data insights into their operating environment. It further utilizes ServiceNow ITSM Pro to enhance environments and proactively use AI capabilities to prevent incidents.

ESG and Sustainability

DXC in investing across ESG and sustainability across the following areas:

- *Improve*: DXC looks at its own and client data centers to enhance the ability to reduce carbon emissions and help meet carbon goals
- *Assess & Architect*: aims to understand the current state and future design, including emissions insights and ESG data mastery, to solve the data architecture, structure, and sourcing challenges
- *Monitor & Report*: this includes ESG data management and reporting with analysis through ServiceNow and custom ESG analytics and dashboards.

Key credentials

Across cloud services, DXC credentials include:

- 36,000+ cloud professionals certified on Microsoft Azure, AWS, Google Cloud, and other platforms
- ~1k managed cloud clients globally
- 70,000+ workloads migrated annually
- 56 leveraged data centers to augment hyperscaler locations to meet sovereign workload requirements better
- 5.6m M365 seats and 4.8m Teams seats managed
- 1.3 million virtual desktops managed.

Financials

DXC's CY 2023 revenues were ~$13.9bn. NelsonHall estimates ~15% (~$2.1bn) of this is associated with cloud infrastructure services.

NelsonHall estimates the geographical breakdown of DXC's cloud infrastructure management services revenues in CY 2023 were:

- Americas: ~17% (~$357m)
- LATAM: ~3% (~$63m)
- U.K.I.: ~33% (~$693m)
- Rest EMEA: ~28% (~$588m)
- ANZ: ~16% (~$336m)
- Rest APAC: ~3% (~$63m).

Strengths

- Investment in IP and accelerators, including Platform X and supporting use cases, Dynatrace for full stack observability and AI capabilities from ServiceNow, and data-driven Precision Guided Modernization capabilities
- Joint GTM and industry-specific capabilities with hyperscalers (Azure, AWS, and Google Cloud), including GenAI POCs and use case development; ramping AWS certifications by 15k and co-investment fund to expedite DXC clients to AWS cloud
- Integrated delivery model across all layers of the stack (apps, platform, and infrastructure), including dedicated DevSecOps and site reliability engineering resources supporting CloudOps
- Investments in ESG and sustainability across cloud and infrastructure, including strategic applications across ESG (Green Ops, emission insights, and risk management) and carbon reduction initiatives, including DaaS and Evergreen services
- Large IT infrastructure services client base across multiple sectors
- Developing XPIs/XLAs to improve EX and drive business outcomes
- Expanding digital transformation centers and automation CoE in support of clients' cloud transformation roadmaps
- Investment from the top to drive cloud infrastructure & ITO capabilities at scale
- Global cloud footprint across multiple industry verticals
- Zero-touch automation, agile delivery, and cloud optimization capabilities.

Challenges

- Recruitment and retention of high-performing talent, considering recent workforce reduction programs, and attracting next-generation talent
- Driving innovation across legacy accounts
- Needs to expedite digital-reskilling initiative across the company
- Increasing site reliability engineering resources
- Ramping AI and ML capabilities in support of cloud services.

Strategic Direction

DXC Technology is looking to expand its cloud infrastructure management services capabilities through the following initiatives over the next 12-18 months:

Investing in IP and accelerators

- Continued investment in Platform X supporting self-serve analytics, including client reporting and analytics hub to create reports and data insights. It is also investing in Dynatrace for full stack observability, utilizing ServiceNow AI capabilities to support greater predictability and building intelligent operations on top of Platform X

- Investing in FinOps function to enable clients to get the most out of their existing tooling investments and take advantage of recommendations to make changes to their environment. This includes Platform X and utilizing AIOps capabilities across AWS, Azure, and Google Cloud as part of the total orchestration journey
- Increasing focus and investment on GenAI with Microsoft Copilot, Google Cloud Gemini, and AWS Amazon Q. DXC is upskilling 15k resources with role-based AWS certifications, and a joint DXC/AWS cloud initiative that will unlock funding for DXC to help clients transition to AWS, and scale up its capabilities
- Expanding ESG and sustainability capabilities and offerings, including DaaS and Evergreen services
- CloudOps (SRE), DevSecOps, and agile delivery model approach across cloud operations
- Enhancing the innovation ecosystem and providing a framework of tools and integration options to support business-line-focused client innovation
- The increasing ecosystem of third-party tools to drive further automation use cases.

Investing in digital reskilling

- Investing in and developing a workforce with digital-generation skills and introducing new talent-sourcing models, including full-stack engineer capabilities. Other initiatives include digital badging in support of automation skills and increasing hyperscaler (including AI and GenAI) and technology certifications
- Investing in the DXC internal university master program to develop skill sets across next-gen data scientists, analytics, and cloud engineers and increasing trained resources through the DXC Automation Academy
- Utilizing global innovation and delivery centers (GIDCs) to enable skills and certifications that do not fall into the remit of the everyday role (i.e., reskilling existing IT infrastructure personnel with new skills such as cloud technologies) and supporting new projects to upskill resources further
- Deploying lean techniques and creating a lean culture and mindset throughout DXC Technology
- Scaling DevSecOps across tools, architecture, processes, and operating models across DXC.

Outlook

DXC takes a client-centric approach across cloud and infrastructure services, utilizing cross-company capabilities, including application, analytics, and engineering, to solve client issues and drive business outcomes. It provides advisory services across infrastructure, AI, and applications to accelerate client transformation programs. DXC will engage at whatever stage in a client's cloud journey, which will resonate with clients as they look to navigate highly complex hybrid multi-cloud environments. Its intelligent operations provide total orchestration through a single pane driving self-service, observability, silent running, hyper-automation, and carbon reporting and monitoring. This is all coordinated through its air traffic control (ATC) approach.

We expect DXC's approach to CloudOps (SRE), DevSecOps, and its agile delivery model will resonate with clients as they look to improve the predictability of their IT ecosystem and remediate issues before they reach the end-user.

DXC continues to invest in its underlying operations platform (Platform X), building intelligent operations on top of it, and greater focus on full stack observability with Dynatrace, self-serve analytics and insights, and utilization of ServiceNow's AI capabilities, and hyperscaler AIOps capabilities. A key module includes total FinOps, which also helps clients get the most out of their existing tooling investments. This is important as clients seek to improve monitoring and observability and manage cloud spending across more complex hybrid multi-cloud environments.

DXC will need to continue ramping up its dedicated skillsets to support clients' multi-cloud and modern workplace initiatives, particularly across SREs. It also plans to ramp up its AWS certifications by 15k, and we expect to see more joint IP solutions supporting cloud services with key ecosystem partners and hyperscalers.

End-to-End Cloud Infrastructure Management Services Market Summary

Overview

Key requirements for cloud infrastructure management services include improved visibility, plus control and optimization of hybrid multi-cloud usage. This includes improved show back, chargeback and cost allocation; in addition, utilizing multiple toolsets for on-premises monitoring and observability, including Dynatrace and Azure Monitor and AWS Cloud Watch in public cloud, and increasing full-stack monitoring and the ability to accelerate troubleshooting across stacks, including LLM/ML.

All vendors are incorporating FinOps and cloud economics throughout their processes to enable clients to maximize the business value of their cloud programs. This includes a real-time focus, shifting from spare capacity to real-time allocation capability, and deploying IP and third-party tools and platforms in support of clients' ESG and sustainability strategies. In addition, vendors are developing GenAI uses cases, increasing observability, AIOps and an SRE-led approach to cloud operations, and utilizing OCM with AI to drive persona-based digital adoption across the enterprise.

Vendors are increasing dedicated experience, innovation and transformation CoEs to support a consulting-led approach (design thinking), co-innovation, and co-creation in support of cloud infrastructure management service. Also, they are deploying AIOps capabilities in support of cloud infrastructure management and providing an open approach to orchestration, including cloud-native provisioning through cloud APIs.

Buy-Side Dynamics

The key capabilities and characteristics buyers look for when selecting a vendor to deliver cloud infrastructure management services are:

- Enabling AI-led multi-Ops empowering SREs to deliver end-to-end reliability across hybrid multi-cloud
- Utilizing an AI platform, including DevOps for automated code deployment, AI assistants (including GenAI POCs), and automated IaC templates, playbook creation, and business reliability though AIOps
- Improving developer productivity and experience through GenAI with, for example, GitHub Copilot
- Improving intelligent event management through AIOps with real-time insights and recommendations, automated cloud operations, intelligent capacity forecasting, and predictive scaling
- Using AIOps to provide recommendations for automation
- Utilizing gamification and Green apps and a carbon calculator, providing carbon footprint data to app owners
- Leveraging hyperscaler and partner tools including Azure Emissions Impact Dashboard and AWS Net-Zero Carbon/TCO, and ServiceNow ESG Management

- Ability to reduce TCO of cloud usage and best fit modeling for migration and transformation
- Utilizing multiple toolsets for on-premises monitoring and observability, including Dynatrace and Azure Monitor and AWS Cloud Watch in public cloud
- Increasing full-stack monitoring and the ability to accelerate troubleshooting across stacks, including LLM/ML
- Incentivizing optimization with FinOps decision and accountability structure
- Increasing hyperscaler and partner ecosystem certifications and accreditations
- Investing in digital skills training to enhance automation capabilities
- Expediting resources building automation and GenAI use cases, and dedicated automation and AI leads by client account
- Ability to provide industry-specific expertise across cloud services.

Market Size & Growth

The global cloud infrastructure management services market was worth ~$334m in 2023, and will grow 10.8% per annum to reach ~$558bn by 2028.

North America will account for 43% of the overall cloud infrastructure management services market in 2028, with growth of 8.6%, while EMEA will grow at 8.1%, making up 32% of the overall market by 2028. APAC will see 8.9% growth through to 2028 driven by propensity to adopt cloud-based services, with LatAm growing at 8.5% through 2028.

From a cloud orchestration perspective, growth is driven by increasing focus on AI (including AIOps and GenAI), and an open approach to orchestration, including cloud-native provisioning.

Cloud management growth in the next 12 months will be driven by clients increasingly adopting a hybrid multi-cloud approach and increasing requirements for monitoring and observability, security, FinOps through CMP to control and optimize cloud usage and costs. The propensity to increase cloud-native deployment, PaaS, APIs and container management is driven by the need to expedite new products and services.

Success Factors

Critical success factors for vendors within the cloud infrastructure management services market are:

- Deploying a consulting-led hybrid cloud business office approach to understand clients' business needs and issues and build out the solution. The collaborative approach identifies if buying, building, modifying, or partnering is the best approach to meet the client's required business outcomes
- Ramping automation assessment architects, cloud platform engineers, and cloud-native development resources. In addition, expanding machine first developers (LLMs), client success and business value specialists, hyperscaler SMEs (AI/ML) and site reliability engineers (SRE) in support of legacy and hybrid multi-cloud operations
- Using DevSecOps and an agile delivery model approach across cloud operations. Also, from an application perspective, taking clients from a traditional managed application environment to a continuous deployment and delivery at scale using agile techniques.

Also, changing app development cultures, and helping clients develop CI/CD pipelines and integrate with the application environment

- Investing in AI, including GenAI, with dedicated labs for GenAI model training and building GenAI capabilities with cloud-native stack. Expanding ML/GenAI-driven assessment capabilities, including portfolio rationalization and cloud fitment, and increasing POCs in support of GenAI with Microsoft Copilot, Google Duet and Gemini, AWS Code Whisperer, Amazon Q and multiple open source LLMs. Also, driving AI-led multi-ops and empowering SREs to deliver end-to-end reliability and more focus on AIOps and remediation
- Utilizing a data-driven approach to identify specific changes to deliver compelling content to enable cloud adoption. Also, facilitating the move from traditional infrastructure and app support to a pipeline-based, CI/CD approach. Applying AI to OCM engine to target and tailor technology adoption and updates, training and enhanced experience by persona
- Expanding dedicated automation CoEs to augment runbooks and AI/ML-based recommendations and resolutions; expanding catalog-based self-service and bot store for reusable automation assets developed by cloud CoE; continued development of solution accelerators based on repeatable patterns across the managed services client base; expanding automation, AI (AIOps, GenAI), and cloud CoEs and innovation labs, and industry-specific cloud offerings; more focus on product and business-oriented consulting teams
- Providing a single-pane management view and fully integrated lifecycle management of multi-cloud services, IaaS, PaaS, CaaS, DBaaS, network, cloud landing zones and managed services; incorporation of AIOps to self-diagnose and self-heal IT estates on-premises and in cloud environments
- Deploying a dedicated sustainability platform, including ESG data management and reporting, which include custom ESG analytics and dashboard; developing solutions to decrease carbon emissions and footprint across infrastructure, platform, apps, and data, including providing infrastructure in carbon neutral regions; utilizing gamification to promote sustainability through Green champions; utilizing device as-a-Service (DaaS) to manage device lifecycle, circular services, and PC as-a-Service (PCaaS), and automating actions through remediation and self-healing, and reducing the support footprint through proactive resolution
- Utilizing toolsets, including Dynatrace, for full-stack monitoring and observability. Including infrastructure monitoring, application performance monitoring, UX monitoring, data observability and monitoring, and LLM/ML observability monitoring.

Outlook

The future direction for cloud infrastructure management services will include:

- Increasing focus on moving GenAI POCs into production and GTM with hyperscalers to define use cases by industry and regions, and development of LLMs by industry verticals and business-specific requirements
- Expanding sustainability practices and utilization of cloud to achieve a lower carbon footprint and cloud engineers providing infrastructure in carbon-neutral regions
- More focus on FinOps as-a-Service and joint gainshare models and legacy systems transformation, including mainframe to next-gen technology stack in a microservices architecture

- Ongoing investment in automation (including GenAI Github Copilot) and IaC to enable a developer-centric model that extends from DevOps to DevSecOps to NoOps in an agile manner; and DevSecOps in support of cloud-native apps (DevOps and microservices)
- Development of use cases with CSPs and partners, including management of hybrid edge data center environments and connecting edge to the core in support of distributed cloud
- Expanding AI-led multi-Ops with SREs delivering end-to-end reliability, taking events, metrics, and logs from hyperscaler environment and on-premises data center; driving monitoring across infrastructure, applications, data, and LLM/ML, including how much of the model is drifting from the expected standard outcomes. This includes establishing dedicated SRE CoEs across each cloud delivery location
- Greater focus on skills development, including SRE, AI SMEs (including GenAI), innovation and experience leads, and full-stack engineers. Also, increasing investment in localized cloud implementation and delivery capabilities
- Focused solutions and frameworks to enable industry use cases, including sovereign cloud, microservices, containers, serverless, and sustainability
- Enhancing vendor innovation ecosystems and providing a framework of tools and integration options to support business-line-focused client innovation initiatives and roadmaps.

NEAT Methodology for End-to-End Cloud Infrastructure Management Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- Leaders: vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- High Achievers: vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- Innovators: vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- Major Players: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offering	Cloud platform capabilities and functionality Cloud management including monitoring and observability capabilities Cloud orchestration capabilities Industry specific cloud offerings, including re-usable assets and blueprints Cloud AI-Ops capabilities Sustainability and ESG capabilities Predictive analytics, AI (inc. GenAI) and ML capabilities in support of hybrid multi-cloud
Delivery	Cloud Infra Mngt North America delivery capabilities Cloud Infra Mngt EMEA delivery capabilities Cloud Infra Mngt APAC delivery capabilities Cloud Infra Mngt LatAm delivery capabilities Dedicated cloud SMEs, architects, engineers, data scientists, hyperscaler-certified, and SRE's Dedicated cloud CoEs, experience centers and innovation hubs Ability to provide IP and accelerators in support of Cloud Infra Mngt Services Ability to incorporate DevSecOps, agile, and SRE led approach to cloud ops Extent of third-party and hyperscaler partnerships in support of Cloud Infra Mngt Services Ability to provide advanced analytics, and cognitive capabilities in support of hybrid multi-cloud ecosystem
Presence	Scale of Ops – Overall Scale of Ops – NA Scale of Ops – EMEA Scale of Ops – APAC Scale of Ops – LatAm Number of clients overall for Cloud Infra Mngt Services
Benefits Achieved	Improvement in infrastructure and application performance, reliability and availability Level of cost savings achieved Improved access to next-gen cognitive capabilities Increased end-user/business satisfaction Improved speed of problem resolution

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Overall Future Commitment to Cloud Infrastructure Management Services	Financial rating
	Commitment to Cloud Infrastructure Management
	Commitment to innovation in Cloud Infrastructure Management
Investments in Cloud Infrastructure Management Services	Investment in IP and platforms in support of cloud infrastructure management services
	Investment in cloud management across IaaS, PaaS, SaaS, DBaaS, and CaaS
	Investment in cloud orchestration including cloud native services
	Investment in industry-specific offerings, sustainability, cloud assets and blueprints
	Investment in support of cloud AI-Ops managed services
	Investment in support of hyperscaler GTM initiatives
	Investment in analytics, AI (inc. GenAI) and ML services
Ability to Partner and Evolve Services	Key partner
	Ability to evolve services

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.

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Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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