

***ISG** Provider Lens™

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions

Hyperconverged Systems

Global 2021
Quadrant
Report



A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:



July 2021

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of April 2021 for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

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

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EXECUTIVE SUMMARY

The adoption of private and hybrid cloud has gained significant traction in the last four quarters. Private and hybrid clouds have been popular choices over public clouds. However, the infrastructure environments have become more complex and are becoming difficult to manage, with the growing demand for these hybrid solutions. ISG has observed that enterprises are ready to develop new applications on the cloud but are unwilling to move their existing workloads to the public cloud, because of persisting apprehension around security and control of data and workloads. Enterprises have realized that outsourcing their IT infrastructure management is a great way to realign their IT with business objectives in the most cost-effective manner. Outsourcing can also help them to gain other benefits such as access to specific IT skills not found in standard IT departments; availability of shared resources such as facilities managers, security, engineers and other technical staff; and help with predicting costs that can facilitate better budget control.

In 2020, the COVID-19 pandemic had a huge impact on IT outsourcing globally, in terms of business decisions and technology investments planned for 2021. ISG has observed that the number of companies planning to increase their use of IT outsourcing has been rising since the last year, and this trend is expected to continue in the future. According to ISG's Index 2020 fourth quarter figures, it was observed that in 2020, the annual contract value (ACV) for IT outsourcing globally was around US\$21.4 billion, an increase of 2.1 percent when compared to 2019. In the beginning of the pandemic, enterprises scaled down some of their teams and froze IT outsourcing. A few months into the crisis, they introduced new ways of working in terms of delivering everything virtual, and they scaled up their IT

development teams. Many enterprises that never previously outsourced are planning to begin outsourcing for the first time in 2021. Although enterprises have embraced a virtual managed services model, their delivery expectations have not changed.

Hyperconverged infrastructure (HCI): This market has been growing steadily over the past years. The digitalization of enterprises is driving the convergence of the physical and digital worlds, thus eliminating the large abstraction layer between hardware and software ecosystems. Enterprises are mainly using HCI for its high reliability, capacity scalability, disaster recovery, independent compute capabilities, simplified monitoring and management, along with tight integration with virtualization software. Many enterprises embrace HCI technology for virtual desktop hosts, disaster recovery platforms, etc. HCI solutions are easy to implement and manage in an integrated software-defined anything format. In this quadrant, there were 14 eligible participants; of which, ISG has identified four Leaders (Cisco, HPE, Nutanix and VMware) and one Rising Star (StarWind).

Hybrid Cloud Management Platform (HCMP): The cloud management platform (CMP) market has changed considerably since past few years. Earlier, users completely relied on CMP for various tasks; however, these tasks can now be performed easily and quickly with individual cloud provider's console. As a result, the cost to value ratio on CMP has changed significantly. CMP, which was an essential feature earlier, has now become a commodity. Hybrid cloud management vendors are continuing to expand their feature portfolios to offer the broadest range of tools to the end users. The primary feature includes the ability to have a centralized view into an organization's distributed resources across the globe,

although each vendor has its strengths and weaknesses. Therefore, this market has been continuously innovating and growing. Last year, ISG witnessed several acquisitions and vendors offering product updates, despite significant disruptions to the workplace due to the COVID-19 pandemic. This situation has accelerated cloud plans of many organizations and accentuated the importance of cloud-agnostic management software. In this quadrant, there were 18 eligible participants; of which, ISG has identified five Leaders (BMC Software, Flexera, Morpheus Data, ServiceNow and VMware) and one Rising Star (Cloudbolt).



Introduction

Simplified Illustration



Source: ISG 2021

Definition

Data center outsourcing is the practice of contracting the responsibility of managing end-to-end data center assets to a third-party provider. It includes orchestration provisioning; integrated monitoring; and management of computing, storage, database, middleware resources and other components of the infrastructure. The data center may be owned by the enterprise, service provider or a third-party colocation provider. Integrated monitoring and management services are usually delivered from the provider's location through an offshore/onshore/nearshore shared service center or dedicated delivery center model, classified as remote infrastructure management (RIM) services.

A private cloud is an extension of the existing computing environment of an enterprise and leverages the investments made in virtual infrastructure and applications. Enterprises with stringent security and governance requirements, large data volumes and tight integration needs (with other enterprise applications and workflows) may prefer an on-premises or a private cloud environment characterized by hardware hosted locally at a client facility.

Definition (cont.)

IT service providers can also create private clouds with scalable virtual compute, networking and storage resources running in their data centers or over a shared infrastructure and configure them to isolate a private cloud.

A hybrid cloud combines the best of on-premises, private and public cloud. It connects the existing on-premises infrastructure services with a private or public cloud, or both. The goal, while combining services and data from a variety of cloud models, is to create a unified, automated and well-managed computing environment. One of the fundamental advantages of hybrid cloud deployment is the high degree of control offered to the organization. Hybrid clouds allow businesses to leverage the capabilities of public cloud platform providers, but without the need to offload their entire data to a third-party data center. This provides greater flexibility while keeping the vital components within the company's firewall.

The ISG Provider Lens™ study offers the IT decision-makers a differentiated positioning of vendors based on competitive strengths and portfolio attractiveness. ISG studies serve as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate current vendor relationships and potential engagements.

Scope of Report

In this ISG Provider Lens™ quadrant study, ISG includes the following four quadrants on next-gen private/hybrid cloud - data center services and solutions:

Hyperconverged Systems: This quadrant analyzes vendors that offer HCI systems with closely aligned or preconfigured software appliances and blueprints designed to scale up or down as well as centrally manage a scalable cloud infrastructure.

Hybrid Cloud Management Platforms: This quadrant assesses vendors of technology appliances, which are used to build and operate infrastructures with a robust integrated management platform for on-premises, public, private and hybrid clouds within the customer's internal data center or the provider's remote repository.

Provider Classifications

The provider position reflects the suitability of IT providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the IT service requirements from enterprise customers differ and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation of the IT providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions IT providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between US\$20 million and US\$999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above US\$1 billion, with activities worldwide and globally distributed decision-making structures.

Provider Classifications

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

Leader

The Leaders among the vendors/providers have a highly attractive product and service offering and a very strong market and competitive position; they fulfill all requirements for successful market cultivation. They can be regarded as opinion leaders, providing strategic impulses to the market. They also ensure innovative strength and stability.

Product Challenger

The Product Challengers offer a product and service portfolio that provides an above-average coverage of corporate requirements, but are not able to provide the same resources and strengths as the Leaders regarding the individual market cultivation categories. Often, this is due to the respective vendor's size or weak footprint within the respective target segment.

Market Challenger

Market Challengers are also very competitive, but there is still significant portfolio potential and they clearly fall behind the Leaders. Often, the Market Challengers are established vendors that are somewhat slow to address new trends due to their size and company structure, and therefore have some potential to optimize their portfolio and increase their attractiveness.

Contender

Contenders still lack mature products and services or sufficient depth and breadth in their offering, but also show some strengths and improvement potential in their market cultivation efforts. These vendors are often generalists or niche players.

Provider Classifications (cont.)

Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star. Number of providers in each quadrant: ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Rising Star

Companies that receive the Rising Star award have a promising portfolio or the market experience to become a leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market. This award is only given to vendors or service providers that have made significant progress toward their goals in the last 12 months and are expected to reach the Leader quadrant within the next 12-24 months due to their above-average impact and strength for innovation.

Not In

The service provider or vendor was not included in this quadrant. There might be one or several reasons why this designation is applied: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not qualify due to market share, revenue, delivery capacity, number of customers or other metrics of scale to be directly compared with other providers in the quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer this service or solution, or confer any other meaning.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - Quadrant Provider Listing 1 of 1

	Hyperconverged Systems	Hybrid Cloud Management Platforms
Abiquo	● Not In	● Contender
Ayehu	● Not In	● Contender
BMC	● Not In	● Leader
Cisco	● Leader	● Product Challenger
Citrix	● Not In	● Market Challenger
CloudBolt	● Not In	● Rising Star
CloudSpere	● Not In	● Contender
DataCore	● Product Challenger	● Not In
Dell	● Not In	● Product Challenger
Dell EMC	● Product Challenger	● Not In
Densify	● Not In	● Product Challenger
Flexera	● Not In	● Leader
Hitachi Vantara	● Contender	● Not In
HPE	● Leader	● Leader
Lenovo	● Contender	● Not In

	Hyperconverged Systems	Hybrid Cloud Management Platforms
Maxta	● Contender	● Not In
Micro Focus	● Not In	● Market Challenger
Microsoft	● Product Challenger	● Not In
Morpheus Data	● Not In	● Leader
NetApp	● Product Challenger	● Not In
Nutanix	● Leader	● Not In
OnApp	● Not In	● Contender
Pivot3	● Contender	● Not In
Red Hat	● Market Challenger	● Not In
Scalr	● Not In	● Product Challenger
ServiceNow	● Not In	● Leader
Snow Software Embotics	● Not In	● Product Challenger
StarWind	● Rising Star	● Not In
VMware	● Leader	● Leader



Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Quadrants

ENTERPRISE CONTEXT

Hyperconverged Systems

This quadrant is relevant to enterprises of all sizes, globally, for evaluating vendors of hyperconverged infrastructure. In this quadrant report, ISG defines the current market positioning of hyperconverged infrastructure vendors globally, and how they counter the key challenges faced by enterprises.

ISG has noted that a few enterprises are interested in hyperconverged infrastructure for a cloud-like experience when running infrastructure on-premises. The vendors here offer capabilities by using a combination of hardware and software to increase the agility of the technical organizations making use of these offerings.

Enterprises are leveraging a hyperconverged infrastructure for benefits such as high reliability, capacity scalability, disaster recovery, independent compute capabilities, and simplified monitoring and management, along with tight integration with virtualization software. Additionally, a hyperconverged infrastructure is a cost-effective solution for remote office and branch office (ROBO) operations.

Investments in hyperconverged infrastructure are increasing in tandem with growing focus on service automation and integrations with private cloud or on-premises infrastructure. Enterprises should make sure that their investments align with their broader hybrid cloud strategy.

IT and infrastructure leaders should read this report to better understand the relative strengths and weaknesses of hyperconverged infrastructure vendors, as well as ascertain how their approaches to the market can impact enterprise hybrid cloud strategies. In particular, these IT leaders will get a better understanding of how the management and operation of workloads will change using hyperconverged infrastructure.

Software development and technology leaders should read this report to understand the positioning of hyperconverged infrastructure vendors and gain a better understanding of how their offerings can impact the ongoing development of software products within an enterprise.

Sourcing, procurement and vendor management professionals should read this report to develop a better understanding of the current landscape of hyperconverged infrastructure vendors globally.

HYPERCONVERGED SYSTEMS

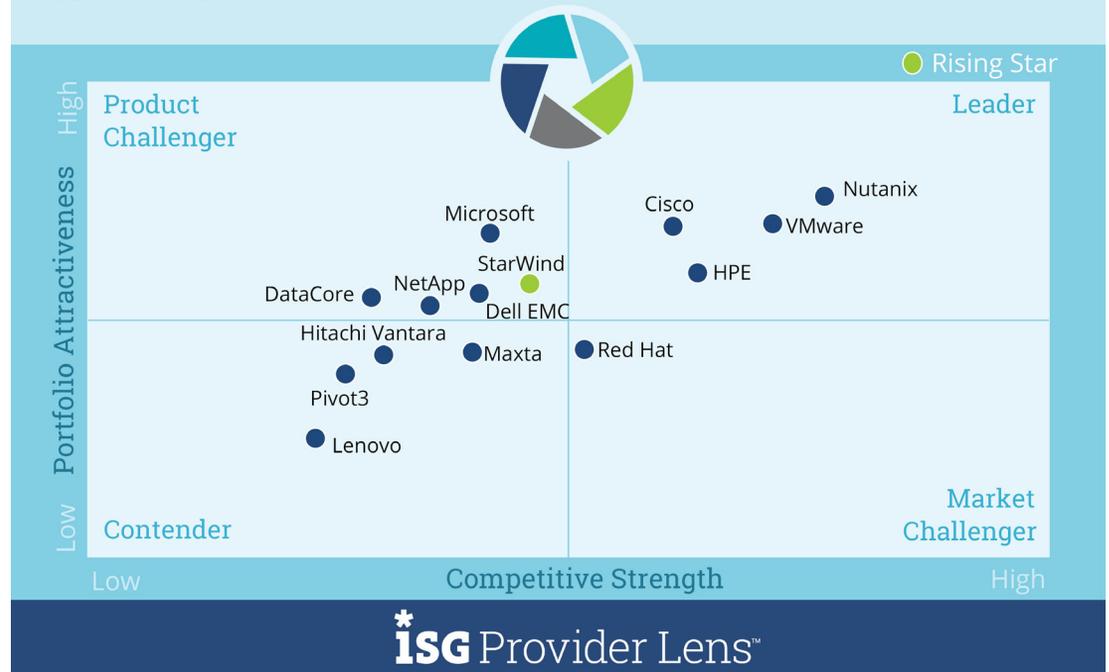
Definition

This quadrant analyzes vendors that offer hyperconverged infrastructure (HCI) with preconfigured software and blueprints designed to scale (up/down) server and storage clusters. An HCI can centrally manage a scalable enterprise cloud, on-premises infrastructure and private clouds built on public cloud virtual machines.

An HCI manages network, disks, memory, CPU and GPU cores, forming clusters or processing nodes. With HCI, clients can dynamically change the configurations of each node, dedicating or reserving resources for optimum application performance, balancing storage capacity and computing power.

Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions Hyperconverged Systems

2021
Global



Source: ISG Research 2021

HYPERCONVERGED SYSTEMS

Eligibility Criteria

- The solution offers cloud-like flexibility for private data centers.
- The software provides a single orchestration layer across an HCI, including public and private clouds.
- The system ensures fault-tolerance, enabling high availability.
- Storage, compute and network are independently configurable and scalable.
- Vendors have the ability to provide agile professional services on their own or through partners. Professional services should include support to customize implementations.
- Vendors are adept at managing resiliency and reliability during an outage.
- The solution includes encryption and tools to offer high level of security and visibility.

Observations

The HCI market has been growing steadily over the past years. Enterprises are mainly using HCI for its high reliability, capacity scalability, disaster recovery, independent compute capabilities, simplified monitoring and management, along with tight integration with virtualization software. Many enterprises embrace HCI solutions for virtual desktop hosts, disaster recovery platforms, etc.

For this quadrant, ISG analyzed 14 vendors; of which, four are considered as Leaders and one as a Rising Star. These vendors made robust investments to offer differentiated solutions and attract new global customers.

- **Cisco** has developed a broad portfolio of hardware and software products. As a result, it generates more than US\$49 billion in annual revenue. It delivers appliances that are self-contained to provide full-stack solutions. In the case of HCI, Cisco can provide complete data center solutions in one appliance that fits into a small data center rack. Clients can cluster several appliances to scale accordingly.
- **HPE** leverages many years of experience in making hardware and software to deliver leading-edge technologies. Its products permeate most markets and data centers worldwide, providing HPE with an advantage in sales and distribution of its products. HPE SimpliVity leverages HPE's technology and service expertise to deliver a top-performing HCI solution that easily integrates with technologies existing in a client's data center. Easy access to HPE by clients, its global partner network and the technology applied in its products position HPE SimpliVity in the Leaders' quadrant.

HYPERCONVERGED SYSTEMS

Observations (cont.)

- **Nutanix** was founded in 2009 and has been offering matured HCI products and services globally. It offers Acropolis solution, an enterprise-grade hybrid-cloud platform that converges virtualization, enterprise storage services, and networking services, and Acropolis Hypervisor, a native virtualization solution.
- **VMware** offers software products and services in the areas of hybrid and multi-cloud and HCI for the global market. According to certain sources, Dell Technologies is spinning off its ownership of VMware to create two standalone companies. While it gives both companies more financial freedom, the new partnership should have no immediate effect on enterprise clients.
- **StarWind** (Rising Star) is an IT company located in Middleton, Massachusetts. It offers storage virtualization and HCI solutions. The company is privately held and was founded in 2003. It creates a differentiation by offering hyperconverged all-flash appliance, which processes 100 percent of IOPS and grants 99.9999% hardware availability by being all-flash memory.



RISING STAR: STARWIND

Overview

StarWind is an IT company located in Middleton, Massachusetts, that offers storage virtualization and HCI solutions. The company is privately held and was founded in 2003. It offers hyperconverged all-flash appliance, which processes 100 percent of IOPS and grants 99.9999% hardware availability.

Strengths

Easy to manage: StarWind's solution offers a management console, which helps monitor and operate the entire Virtual SAN (VSAN) setup easily using the existing virtualization admins. It also ensures synchronous data replication, instant failover and fault tolerance for critical applications. It has helped several organizations improve their operational efficiencies and adhere to governance, risk and compliance policies.

Affordable solution: StarWind's VSAN solution has been lauded by many enterprises due to its reliability and affordability. Several have mentioned that the purpose of a virtual SAN is to obtain SAN-like high availability on an internal budget for storage. This has been achieved by replacing the aging SAN with StarWind's virtual SAN, without compromising on performance and resilience. The solution is cost effective, as the pricing is based on per-node licensing and the number of locations its virtual SAN solution is installed.

Caution

StarWind currently has presence in the U.S. and major European countries. It still has scope to expand its footprint in other large markets such as Asia and Australia/ New Zealand regions.

Some users mentioned that the user interface (UI) is complicated and needs some time to get acquainted with. However, over time, it becomes easier once users are familiar with the software. Also, the cluster configuration is time consuming but not complicated.



2021 ISG Provider Lens™ Rising Star

StarWind offers a highly reliable, all-flash, high-performance and cost-effective hyperconverged solution, which is primarily leveraged by small and medium-sized enterprises for remote office/ branch office (ROBO) and edge implementation.



Methodology

METHODOLOGY

The research study “ISG Provider Lens™ 2021 – Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions” analyzes the relevant software vendors/service providers in the Global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

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



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Shashank Rajmane has more than a decade of extensive research experience and has led the ISG Provider Lens™ studies — Public Cloud Services & Solutions, and Private/Hybrid Cloud & Data Center Outsourcing Services. He leads the efforts for the U.S. geography along with global geography reports. Apart from authoring these reports, Shashank has been part of many consulting engagements and helps ISG's enterprise clients select the right service providers and vendors based on their IT buying requirements. He is also responsible for authoring whitepapers, thought leadership papers, briefing notes, blogs and service provider intelligence reports, especially in the next-generation cloud and infrastructure services domain. He has also authored several research papers on best practices for choosing cloud vendors and cloud management platforms, along with writing several whitepapers on the cloud industry.



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