IDC MarketScape

IDC MarketScape: EMEA Government IaaS Providers 2014 Vendor Analysis

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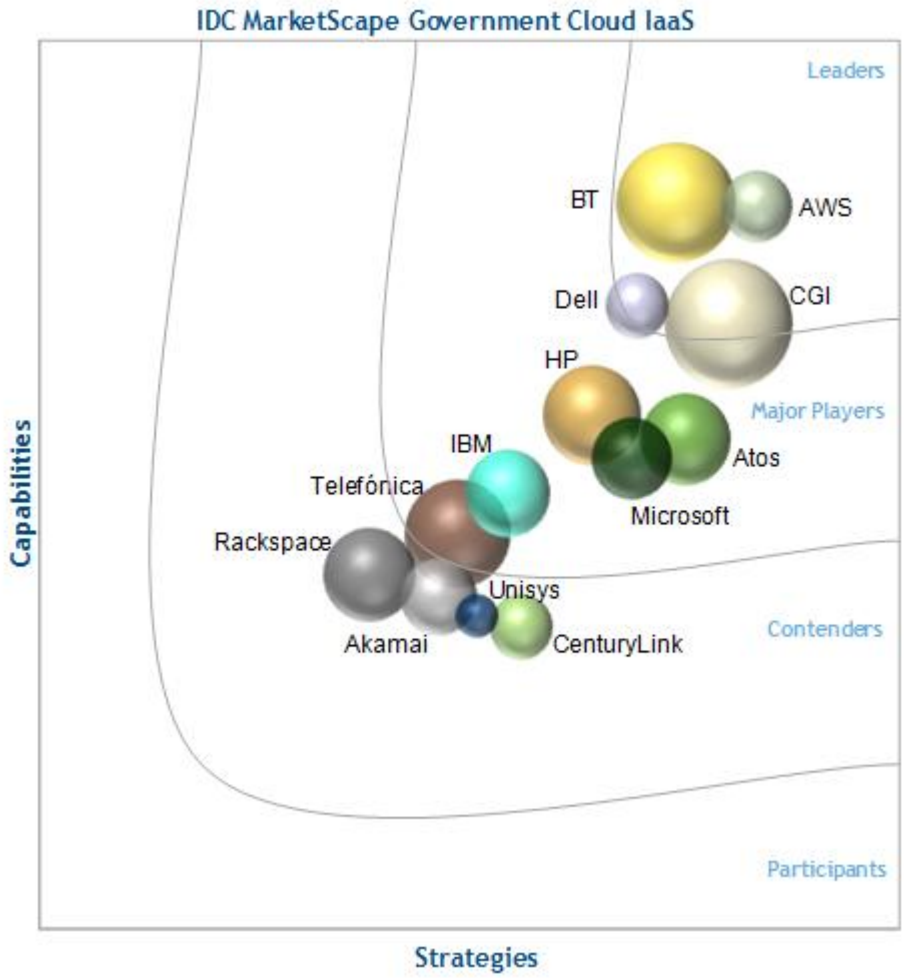
THIS IDC MARKETSCAPE EXCERPT FEATURES AMAZON WEB SERVICES

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Government Cloud IaaS, 2014



Source: IDC, 2014

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: EMEA Government IaaS Providers 2014 Vendor Analysis (Doc #GITS03W). 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.

IDC OPINION

Market leaders include:

- BT, whose strength is in multiple datacenters that offer governments in several EMEA countries the option of setting up private and community clouds as well as a clear strategy to provide more granular service levels and pricing options up to the OS layer.
- Amazon, whose strength is in large critical mass and rapid deployment of public cloud infrastructure as a service (IaaS), supported by customer service across the end-to-end contract life cycle.
- CGI, whose strength is in its deep knowledge of the government domain and extensive partnership network.
- Dell, whose strength is in a bundle of converged infrastructure solutions, extensive partnership network, and plans to extend into managed cloud capabilities by enhancing its software and services offering.

Major players include:

- Global IT vendors such as HP and IBM, whose strength is in the comprehensive offering of cloud services, hardware, software, and professional services.
- International systems integrators such as Atos, whose Canopy joint venture with VMware and VCE offers granular capabilities to support private, community, and hybrid cloud environments.
- Microsoft, whose strength is in its first mover advantage in virtual private and public cloud services and the Microsoft OS partnership network.

Contenders include:

- Telecom operators such as CenturyLink and Telefónica, which are making their first moves to extend their cloud IaaS services outside of their domestic market.
- Akamai, which is a niche player but with a very strong positioning in content delivery network services.
- Rackspace, which focuses on hardware- and software-agnostic computing IaaS.
- Unisys, which is extending its reach in EMEA to offer deployment and management of private and hybrid cloud environments.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

- The vendor's IaaS offering had to meet at least 7 out of 8 attributes IDC uses to define cloud computing.
- The vendor had to generate at least $500 million of IT services revenue (including cloud revenue) globally.
- The vendor had to have sales presence in the government cloud market in at least two EMEA countries.
- The vendor had to have at least two live government IaaS customers in EMEA, even if both were located in the same country.

ESSENTIAL BUYER GUIDANCE

Government CIOs, ICT sourcing managers, enterprise architects, and project managers that are in charge of IT infrastructure modernization programs should consider cloud infrastructure as a service offering, among other delivery models. This research analyzes the capabilities that global and EMEA-based providers offer and those that they plan to develop as part of their road maps. Government decision makers should use this to support various activities of the cloud sourcing process such as vendor selection, contract negotiation, service deployment, and integration with other towers of service.

- Government IT executives should use the MarketScape ranking in the context of their business requirements. For example, they should consider whether they need end-to-end converged infrastructure solutions to build and manage private or community clouds, or if they need managed service solutions to build and manage hybrid cloud environments, or if they are looking for rapid scaling of workloads for non-sensitive use cases.
- Government IT executives should test and pilot carefully before making a decision on the configuration and then scaling of IaaS solutions. They should not underestimate the investment that goes into architecting and configuring the services or upgrading the on-premises infrastructure, even to support public cloud deployments. Hence, initial planning can save significant rework costs.
- Government CIOs and their teams should nurture competencies to manage hybrid environments. Cloud will not only supplement legacy delivery models but also complement outsourcing, application hosting, and managed services. As a result, hybrid environments will require IT departments to become experts in service orchestration, security, and supplier relationship management, rather than gain in-depth expertise in a single vendor offering.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations that led to each vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of one vendor's strengths and opportunities.

Amazon Web Services

Portfolio

Amazon's IaaS and PaaS computing offering includes virtual private cloud (Amazon VPC), dedicated tenancy instances, public cloud (Amazon EC2), hybrid cloud, and community cloud. The community cloud is currently available only for the U.S. government market, not in EMEA. Storage is offered through Amazon S3, and Amazon Elastic Block Store (Amazon EBS) provides block-level storage volumes for use with Amazon Elastic Compute Cloud EC2 instances. AWS Import/Export accelerates moving large amounts of data into and out of AWS using portable storage devices for transport. AWS Storage Gateway is a service connecting an on-premises software appliance with cloud-based storage to provide integration between an organization's on-premises IT environment and AWS' storage infrastructure. IDC positioned Amazon Web Services as a Leader in this IDC MarketScape.

AWS also offers Amazon Glacier, a lower-cost storage service for data archiving and backup. Amazon CloudFront is a content delivery service that integrates with other Amazon Web Services. Amazon supports SQL and NoSQL databases and Hyper-V, VSphere/EXSi, and Xen hypervisors. It has expanded its offering into PaaS with services such as CloudFormation, Elastic Beanstalk, OpsWorks, and a recently announced compute service called Lambda; enterprise applications with Zocalo file synchronization and sharing WorkSpaces virtual desktops; as well as the capability for government to leverage Big Data in the cloud with full life cycle of data services such as Kinesis (data streaming), Data Pipeline (cloud ETL service), DynamoDB (managed NoSQL database), Relational Database Service (managed SQL engines; RedShift, a managed data warehousing service), and S3 as the foundational "data lake" storage platform. Furthermore, AWS offers a broad set of professional services for assessing, configuring, and deploying cloud services.

Security

AWS was the first vendor to receive an Agency Authorization to Operate (ATO) from the U.S. Department of Health and Human Services (HHS), utilizing a FedRAMP-accredited Third Party Assessment Organization (3PAO) for the following services: EC2, S3, EBS, VPC, and IAM. It is compliant with multiple cloud security standards. AWS is also the first commercial cloud provider to receive a provisional ATO granted by the U.S. Defense Information Systems Agency (DISA) to handle more sensitive information by the Department of Defense (DoD). AWS GovCloud has been issued a provisional authorization to allow DoD agencies to deploy pilot applications handling their most sensitive unclassified data. AWS complies with ISO 27001, SOC1/SOC2/SOC3, PCI/DSS Level 1, and other international standards, including recent security authorizations granted by the governments of Singapore (MTCS Level 3 assessment) and Australia (IRAP assessment for DLM data). In 4Q14, AWS announced the opening of an AWS Region in Germany — a Region contains at least two Availability Zones, which each consists of many datacenters — which will help address customer concerns over data residency and compliance in Europe.

Go to Market

In general, AWS customers pay only for what they use, with no minimum fees. Reserved Instances give customers the option to make a one-time payment for each EC2 instance they want to reserve, and in turn they receive a significant discount on the hourly charge for that instance. Customers are also charged a one-time up-front fee for each dedicated hardware security module (CloudHSM) provisioned.

AWS has a direct sales force, including account managers, business development managers, solutions architects, and professional services employees who work directly with customers on their AWS implementations and are available for technical and consulting needs. AWS also has a rapidly growing partner program that includes systems integrators such as Accenture, Capgemini, Deloitte, and CSC.

Strategy

Amazon's strategy is to innovate and deliver features at a very fast clip. AWS does not conduct R&D in a typical fashion following a product development road map. Each AWS service team conducts its own R&D by identifying customers' key business needs, and then it organizes "development sprints" to introduce new features, expanding the list of AWS services available while maintaining pricing competitiveness. AWS also engages start-ups by doing proof of concepts and verticalizing them. Moreover, it funds long-term development efforts outside or partially outside existing services such as Service Catalog, RedShift, Aurora, Lambda, and Zocalo.

Beyond government security accreditations, AWS continues to invest in the security space with services such as the recently launched Key Management Service, which provides visibility and control of customer-managed encryption keys automatically integrated with S3, EBS, RDS, and other forthcoming AWS services.

Strengths

- AWS is a very well-recognized brand in public cloud. It was the first vendor to receive FedRAMP, boosting its visibility in the government and outside the U.S. market.
- AWS has a comprehensive IaaS service catalog in terms of both production and development environments.
- AWS has invested in PaaS and Big Data offerings in addition to its core IaaS services.
- AWS has a broad set of security capabilities, including pervasive identity and access management (IAM) with rich federation support, Key Management Service, CloudHSM, and network security features.
- AWS' granular pricing options allow trying different architectures to test to see which one is the most suitable and which will limit sunk costs if pilots fail.
- AWS has a broad ecosystem, both in terms of solution development and in terms of SIs that can deliver/deploy/aggregate.
- AWS' customers are pleased with customer service across the end-to-end contract life cycle.

Challenges

- AWS still has limited presence in the EMEA central government sector. The majority of public sector customers are local government, education, or non-profit.
- Market awareness will need to improve. Despite AWS' investment in security measures that are in place, some customers still perceive it as less secure than those of private cloud services vendors.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key 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 represents the revenues (for the latest fiscal year) of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape's criteria selection, weightings, and vendor scores represent well-researched IDC judgment 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 a review board of IDC experts in each market. IDC analysts base individual vendor scores – and ultimately vendor positions – on the IDC MarketScape on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

LEARN MORE

Related Research

- *Securing Government Clouds: Lessons Learned from the U.K.* (IDC Government Insights #GITS54W, October 2014)
- *European Government Industry ICT Pulse, July-September 2014: Public Procurement Reform is the Crown Jewels* (IDC Government Insights #GITS53W, October 2014)
- *Western Europe Government Sector IT Spending Forecast Update Pivot Table, 2013-2018* (IDC Government Insights #GIPP61W, September 2014)
- *IDC MaturityScape: Shared Services* (IDC Government Insights #GITS02W, May 2014)
- *Public Cloud Makes Timid Progress in the Western European Government Sector* (IDC Government Insights #GITS01W, March 2014)

- *Western European Governments Take Baby-Steps in Big Data to Improve Financial Performance* (IDC Government Insights #GIPP05W, February 2014)
- *Looking Behind the Curtain of Public Sector IoT Investments* (IDC Government Insights #GIPP56W, February 2014)
- *It's Time for Mobile in Government* (IDC Government Insights #GIPP03W, February 2014)
- *Methods and Practices: How to Select the Right ICT Categories for Government Procurement Centralization* (IDC Government Insights #GIGM02V, July 2013)

Synopsis

The cloud infrastructure-as-a-service (IaaS) market is growing rapidly in the EMEA government sector, with both global and local suppliers making investments to grow their datacenter footprints around the region, broaden their portfolios, and enhance security. Government ICT buyers are also maturing their procurement and deployment capabilities.

"Government agencies that are procuring or planning to procure infrastructure as a service should take into consideration that the range of mature suppliers is expanding fast. To select the most appropriate vendor and service that can fulfill their business requirements, they should evaluate service capabilities, investments in security, and the robustness of the go-to-market model of each vendor, both in terms of current capabilities and future strategies," said Massimiliano Claps, research director, IDC Government Insights.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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