ISG Provider Lens™

Private/Hybrid Cloud – Data Center Services

A research report assessing private and hybrid cloud and colocation services for SLED clients

Table of Contents 🏠

This study examines service providers that develop, enable and deliver the scope of private cloud, hybrid cloud, colocation and data center outsourcing services needed by public sector entities and agencies in the U.S. For this study, ISG includes state and local (municipal) government organizations and education (SLED) entities, public utility, public health, and other U.S. public sector agencies.

Public sector organizations are increasingly turning to private and/or hybrid cloud computing to enhance their operations and have improved control over citizen's data. Private and hybrid cloud environments also enable them to adhere to strict governance and regulation requirements and become more scalable, flexible and cost-effective in managing large data volumes and tight integration with enterprise applications and workflows.

Public sector organizations have different reasons for using a hybrid cloud, including security, data location, regulations, control over assets, and custom applications, such as those running on mainframes. A hybrid cloud setup provides more control and customization while leveraging public cloud platforms simultaneously. ISG has also observed entities demanding the implementation of ESG initiatives by infrastructure services providers. The rapid increase in digital transformation engagements is accompanied by a rise in energy demand, contributing to climate changes, while government regulations are mandating a faster transition to carbon neutrality.

As per ISG, a hybrid cloud connects the existing on-premises infrastructure services with private and public clouds. Clients may also leverage colocation and hosting providers instead of owning a data center to have a hybrid cloud setup.

This study focuses on the most critical aspects in 2025 for **private/hybrid cloud and data center services** for U.S. public sector clients.
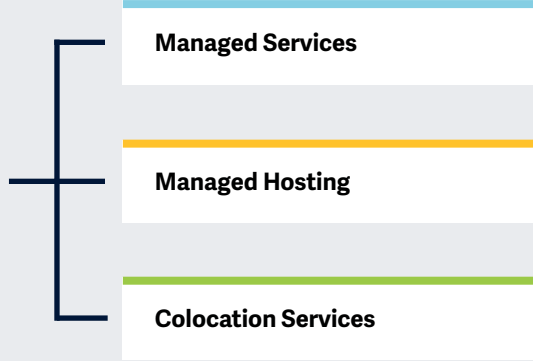
Simplified Illustration Source: ISG 2025

Managed Services

Managed Hosting

Colocation Services

This ISG Provider Lens™ Private/Hybrid Cloud – Data Center Services study offers the following to business and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers.
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness.
- Focus on the U.S. Public Sector market.

Our study serves 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 their current vendor relationships and potential engagements.

Managed Services

Definition

This quadrant assesses a provider's ability to offer ongoing managed services for private and hybrid clouds and traditional data center infrastructure and platforms that consist of physical and virtual servers, middleware, storage, databases and networking components. The infrastructure may reside at a client's data center, in the service provider's facility or be colocated in a third-party facility.

Managed services are characterized by transferring cloud IT service responsibilities to the service provider. They are governed by service-level agreements (SLAs) with penalties for deviation from agreed performance goals. At a broad level, these services include large-scale data center consolidation, virtualization, cloud enablement and configuration, and implementation of a software-defined data center (SDDC). These are aimed at maximizing the performance of workloads in the cloud, reducing costs and ensuring compliance and security.

This quadrant evaluates providers that can manage traditional and hybrid cloud infrastructure. Key services include provisioning, real-time and predictive analysis, and monitoring and managing operations for U.S. public sector organizations. Providers are expected to adeptly manage both traditional and cloud-native application releases, encompassing continuous integration and delivery processes.

Eligibility Criteria

1. Demonstrate **existing** business contracting with **significant** U.S. public sector entities [especially state, local and education (SLED) organizations]

2. **Offer managed services for private and hybrid clouds and data center infrastructure** (servers, middleware, storage and databases) **by themselves** and through partners

3. Provide services within a client's premises or remotely and preferably through **shared service centers**

4. Have established, or emerging, **basic and standard relationships** with one or more **major public cloud hyperscalers** such as AWS, Microsoft, Google or IBM

5. Showcase experience in large transition projects

that include **automation, consolidation, virtualization** and **containerization**

6. Act as an **extension of clients' IT organization** and get involved in creating **blueprints, architecture frameworks** and management processes at the client's location

7. Provide **centralized orchestration,** monitoring and management of hybrid IT infrastructure

8. Have experience in transforming **business continuity** planning while **managing** a client's hybrid infrastructure **remotely**

9. Have **appropriate certifications** to ensure compliance at state and local levels

10. Provide robust **security services** to secure infrastructure at all levels

Managed Hosting

Definition

This quadrant assesses service providers that offer standalone, enterprise-grade hosting solutions to U.S. public sector organizations using their own or third-party facilities. The providers assessed here are typically responsible for regularly managing and maintaining data center components such as servers, storage, operating systems and connectivity to the external network. Managed hosting providers are responsible for provisioning clients' infrastructure to keep applications running effectively, with optimal performance and security.

This quadrant also includes providers that can monitor IT assets, such as legacy systems and private and public clouds, through hybrid cloud management platforms. However, this quadrant excludes providers solely offering hybrid cloud management tools or platforms. Key service levels considered include data center tiers, multilayered security, service availability and network (LAN) I/O performance during peak times. This quadrant assesses providers delivering comprehensive managed hosting

services that ensure high performance, security and reliability for public sector clients. Clients in this sector also expect managed hosting providers to offer automated backup and recovery services using advanced techniques and hosting applications near the workload to achieve ultra-low latency.

Eligibility Criteria

1. Demonstrate **existing business** contracting with **significant** U.S. public sector entities [especially state, local and education (SLED) organizations]

2. Offer government-grade **hosting** solutions using the provider's infrastructure

3. Offer active-active and active-passive **disaster recovery and backup services**

4. Have the **technical and financial capacity** to upgrade the infrastructure and maintain capacity plans to ensure hosting performance in advance if the demand increases in the future

5. **Scale and maintain** dedicated servers and storage and shared cloud resources on the same network and management platform

6. Provide **compliant physical and virtual security** in the data center based on clients' requirements

Colocation Services

Definition

This quadrant assesses colocation providers offering standardized data center operations for U.S. public sector clients, including state, local, and educational (SLED) agencies. Providers assessed in this quadrant focus on renting space and are expected to offer building, cooling, power and security services while clients manage their hardware such as servers, storage and networking hardware.

Key offerings include high-quality data center setups and onboarding services, diverse connectivity with various carriers and telecommunication providers, low latency, high bandwidth for content delivery, scalability, and flexibility in services to deliver rich content or critical, latency-sensitive information to their users, including citizens and other constituents. Public sector organizations usually leverage colocation services to obtain secure facilities with professional support, facilities management, system monitoring and maintenance. Security and compliance are paramount to U.S. public sector clients; therefore, providers are expected to ensure that data and infrastructure protection is at the highest levels.

The data centers also often serve as service access points for SLED agencies that contract with larger (typically state-level) government entities for IT services.

Eligibility Criteria

1. Demonstrate existing **business contracting with significant U.S. public sector** entities [especially state, local and education (SLED) organizations]

2. Own facilities that offer **modern** and **standardized data center** architecture designed for colocation

3. Offer **secure** and **high-quality network** equipment, appliances and connectivity systems

4. Guarantee **power density** to support current and future technologies

5. Provide at least **five layers** of **data center security**

6. **Have relevant certifications** such as SSAE 16, HIPAA, ISO 14001, ISO 22301, ISO 27001, ISO 50001, EN 50600, PCI DSS, NIST, FISMA and SOC Type I and II

7. Be amenable to SLAs related to **hands-and-feet support** and hardware replacement

8. Offer **facilities with traffic exchange points** in proximity to users and hyperscalers

9. Offer **disaster recovery and backup solutions**

10. Provide **modular** and **scalable** solutions to allow **rapid deployment** for custom or temporary needs

11. Have measures to improve **sustainability**

Quadrants by Region

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following three quadrants in our Private/Hybrid Cloud — Data Center Services 2025 study:

Quadrant	U.S. Public Sector
Managed Services	✔
Managed Hosting	✔
Colocation Services	✔

The research phase falls in the period between January and March 2025, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in June 2025.

Milestones	Beginning	End
Survey Launch	January 8, 2025	
Survey Phase	January 8, 2025	February 5, 2025
Sneak Preview	May 2025	
Press Release & Publication	June 2025	

Collecting client testimonials via the Star of Excellence Program™ requires early client referrals (no official reference needed) because CX scores have a direct influence on the provider's position in the IPL quadrant and the awards.

Please refer to the link to view/download the ISG Provider Lens™ 2025 research agenda.

Access to Online Portal

You can view/download the questionnaire from here using the credentials you have already created or refer to the instructions in the invitation email to generate a new password.
We look forward to your participation!

Buyers Guide

ISG Software Research, formerly "Ventana Research," offers market insights by evaluating technology providers and products through its Buyers Guides. The findings are drawn from the research-based analysis of product and customer experience categories, ranking and rating software providers and products to help facilitate informed decision-making and selection processes for technology.

In the course of the Private/Hybrid Cloud — Data Center Services IPL launch, we want to take advantage of the opportunity to draw your attention to related research and insights that ISG Research will publish in 2025. For more information, refer to the Buyers Guide research schedule.

Research Production Disclaimer:

ISG collects data for the purposes of conducting research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.

ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of "Voice of the Customer." The Star of Excellence™ is a program, designed by ISG, to collect client feedback about service providers' success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to nominate their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence™ website.

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

Here is the email address:
star@cx.isg-one.com

ISG Star of Excellence

Methodology & Team

The ISG Provider Lens 2025 – Private/Hybrid Cloud – Data Center Services research study 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.

Study Sponsor:
Heiko Henkes

Lead Author:
Shashank Rajmane

Research Analyst:
Manoj M

Data Analysts:
Lakshmikavya Bandaru and Sachitha Kamath

Project Manager:
Manikanta Shankaran

Information Services Group Inc. is solely responsible for the content of this report. Unless otherwise cited, all content, including illustrations, research, conclusions, assertions and positions contained in this report were developed by, and are the sole property of Information Services Group Inc.

The research and analysis presented in this study will include data from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

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

Contacts For This Study

Study Sponsor

Heiko
Henkes

**Director and
Principal Analyst**

Shashank Rajmane

**Principal Analyst -
U.S. and U.S. Public
Sector**

Manoj M

**Senior Research
Analyst**

Sachitha
Kamath

**Senior Data
Analyst**

Lakshmikavya
Bandaru

**Senior Data
Analyst**

Manikanta
Shankaran

**Global Project
Manager**

ISG Provider Lens Advisors Involvement Program

ISG Provider Lens™ offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three consultant advisors participate as part of each study's quality and consistency review process. The consultant advisors ensure each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the consultant advisors' group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,

- Advise on service provider inclusion, participate in briefing calls,

- Give their perspectives on service provider ratings and review report drafts.

ISG Advisors to this study

Alex
Perry

Director

Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

* Rated in previous iteration

11:11 Systems*	Fujitsu*	Rackspace Technology*
Accenture / Accenture (Navisite)*	Hexaware*	Red River
Atos*	HPE*	SLK Software
Capgemini*	IBM*	TCS*
CGI*	Infinite Computer Solutions	Tech Mahindra*
Coforge*	Infosys*	TierPoint*
Colocation America*	InterVision*	Unisys*
CyrusOne*	Iron Mountain*	US Signal*
Cyxtera Technologies*	Kyndryl*	UST*
Digital Realty*	Lumen Technologies*	Virtusa
DXC Technology*	Microland*	Wipro*
Ensono*	Mphasis*	Zensar Technologies*
Equinix*	NTT GDC *	Zones*
Flexential*	OneNeck IT*	
FPT Software	Orange Business*	

ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this webpage.

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.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: Public Sector.

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

ISG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the world's top 100 enterprises, 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 AI and automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis.

Founded in 2006, and based in Stamford, Conn., ISG employs 1,600 digital-ready 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.

For more information, visit isg-one.com.

ISG Provider Lens™