Everest Group's PEAK Matrix for Hosted Private Cloud Services

Focus on Hewlett Packard Enterprise
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M A T R I X

Everest Group recently released its report titled "Hosted Private Cloud Services – PEAK Matrix™ Assessment and Profiles Compendium 2015".

As a part of this report, Everest Group analyzed 15 leading service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix specific for hosted private cloud services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a composite framework that provides an objective, data-driven, and comparative assessment of hosted private cloud service providers based on their absolute market success and delivery capability.

Based on the analysis, Hewlett Packard Enterprise emerged as a Leader. This document focuses on Hewlett Packard Enterprise's hosted private cloud services experience and capabilities and includes:
● Hewlett Packard Enterprise's position on the hosted private cloud services PEAK Matrix
● Detailed hosted private cloud services profile of Hewlett Packard Enterprise

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Background of the research
- Hosted private cloud deployment continues to witness increasing acceptance/traction as enterprises are looking to make their IT setups more streamlined, secure, and flexible, while offloading the cumbersome setup and management of cloud infrastructure to service providers. Such a setup helps enterprises achieve the right set of access controls and restrictions, while benefiting from the inherent advantages offered by the cloud services model
- Service providers realize that having strong credentials and capabilities to offer hosted private cloud services on a global scale is a critical component of their overall hybrid cloud services story. Service providers are beefing up their hosted private cloud services capabilities through investments in expanding their cloud datacenter footprint, incorporating advanced features in their hosted private cloud platforms (e.g. automation, self-service, extensibility to multiple public cloud platforms, and security features), and providing a wide suite of management services options
- In this research, we present the assessment and detailed profiles of 15 IT service providers featured on the hosted private cloud services PEAK Matrix. Each service provider profile gives an overview of their hosted private cloud services scale of operations, relative focus, and domain investments
- The assessment is based on Everest Group's annual Request for Information (RFI) process conducted in Q3 2015, interactions with leading private cloud service providers, and analysis of the broader cloud services marketplace
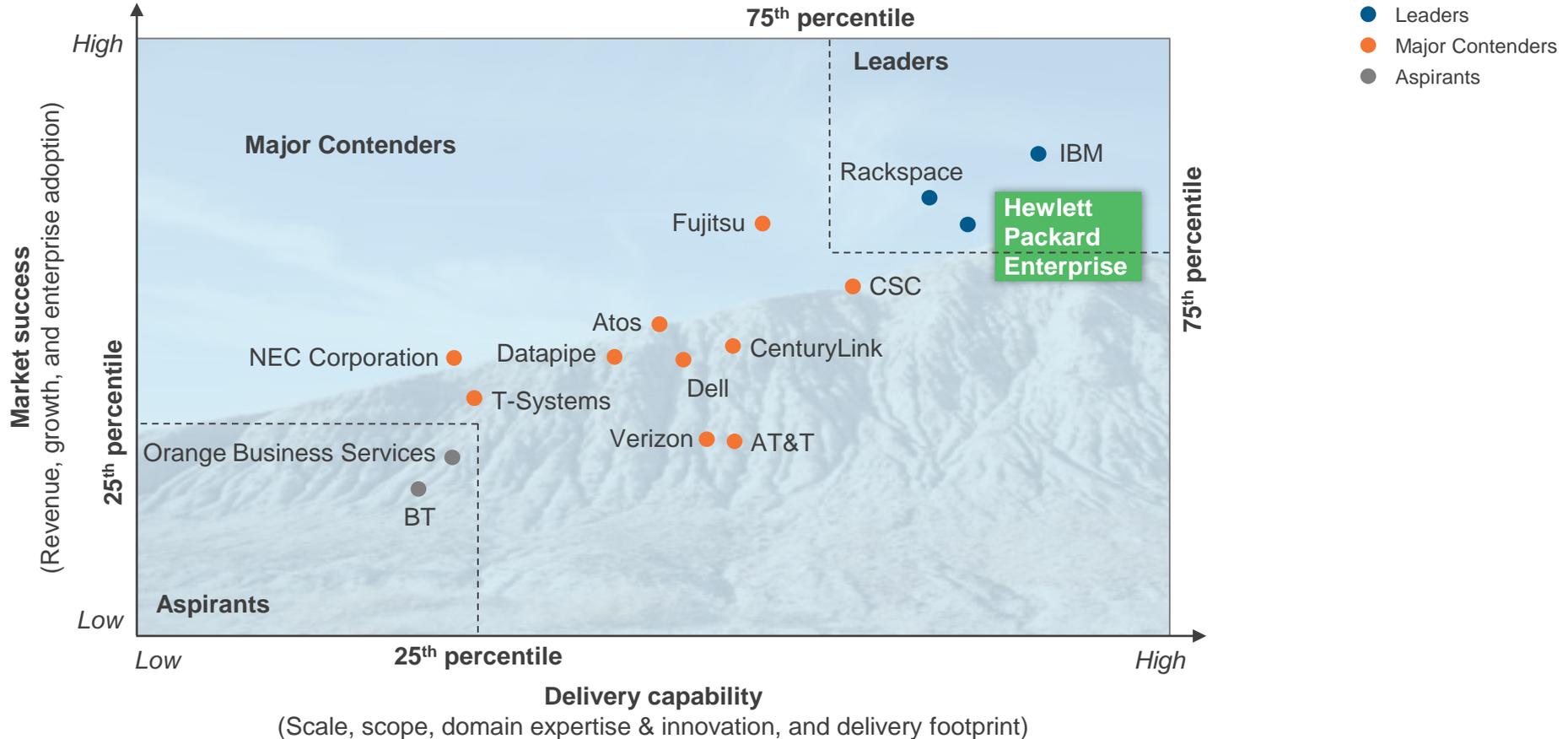
Scope of this report
- **Services:** Hosted private cloud services
- **Geography:** Global
- **Service providers:** 15 leading hosted private cloud service providers

This report includes the profiles of the following 15 service providers on the hosted private cloud services PEAK Matrix:
- **Leaders:** Hewlett Packard Enterprise, IBM, and Rackspace
- **Major Contenders:** AT&T, Atos, CenturyLink, CSC, Datapipe, Dell, Fujitsu, NEC Corporation, Verizon, and T-Systems
- **Aspirants:** BT and Orange Business Services

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Hewlett Packard Enterprise is positioned as a Leader on Everest Group PEAK Matrix for hosted private cloud services

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for hosted private cloud services[1]

75th percentile

- ● Leaders
- ● Major Contenders
- ● Aspirants

Market success
(Revenue, growth, and enterprise adoption)

High / Low

Leaders

Major Contenders

IBM

Rackspace

Fujitsu

Hewlett Packard Enterprise

CSC

Atos

NEC Corporation

Datapipe

CenturyLink

Dell

T-Systems

Verizon ● ● AT&T

Orange Business Services

BT

Aspirants

25th percentile

25th percentile

75th percentile

Delivery capability
(Scale, scope, domain expertise & innovation, and delivery footprint)

Low / High

1 Assessment for AT&T, CenturyLink, Fujitsu, IBM, Rackspace, T-Systems, and Verizon excludes service provider input on this particular study and is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, service provider public disclosures, and interaction with buyers

Source: Everest Group (2015)

Hewlett Packard Enterprise (HPE) | Hosted private cloud services profile
Hosted private cloud services overview

Headline assessment

In spite of having a potentially confusing stance around its overall cloud services strategy until recently (e.g. pulling out of the public cloud market), HPE's legacy strengths in hosting services capabilities, enterprise-class management services, and global datacenter footprint have helped the company position itself as one of the leading players in the global hosted private cloud services space. Investments in driving and offering a single and consistent Helion cloud portfolio have finally started to resonate well with clients and help alleviate some of the "positioning" challenges. That said, HPE may witness client concerns around service and relationship management quality based on the recent and much-publicized split of the broader HP entity.
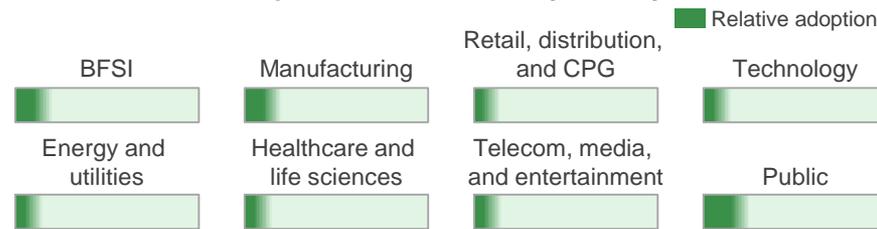
Hosted private cloud services by buyer size

| | <20% | 20-50% | >50% |

| Small (annual revenue < US$1 billion) | Medium (annual revenue = US$1-5 billion) | Large (annual revenue > US$5 billion) |

Relative focus: Hosted private cloud services by industry

■ Relative adoption

| BFSI | Manufacturing | Retail, distribution, and CPG | Technology |
| Energy and utilities | Healthcare and life sciences | Telecom, media, and entertainment | Public |

Hosted private cloud services adoption by geography

■ High adoption ■ Moderate adoption ■ Low adoption

Proprietary solutions (representative list)

Solution	Details
HPE Helion Managed Private Cloud and Managed Virtual Private Cloud	These OpenStack-based solutions are delivered as a virtual private cloud platform in an HPE secure cloud environment and hosted by HPE.
HPE Helion Eucalyptus	An open-source solution for building private clouds that are compatible with Amazon Web Services.

Partnerships

HPE has established partnerships with BT, CenturyLink, Citrix, Hitachi, Intel, NTT Communications, Telefonica, VMware, and Microsoft, amongst others for delivering hosted private cloud services.
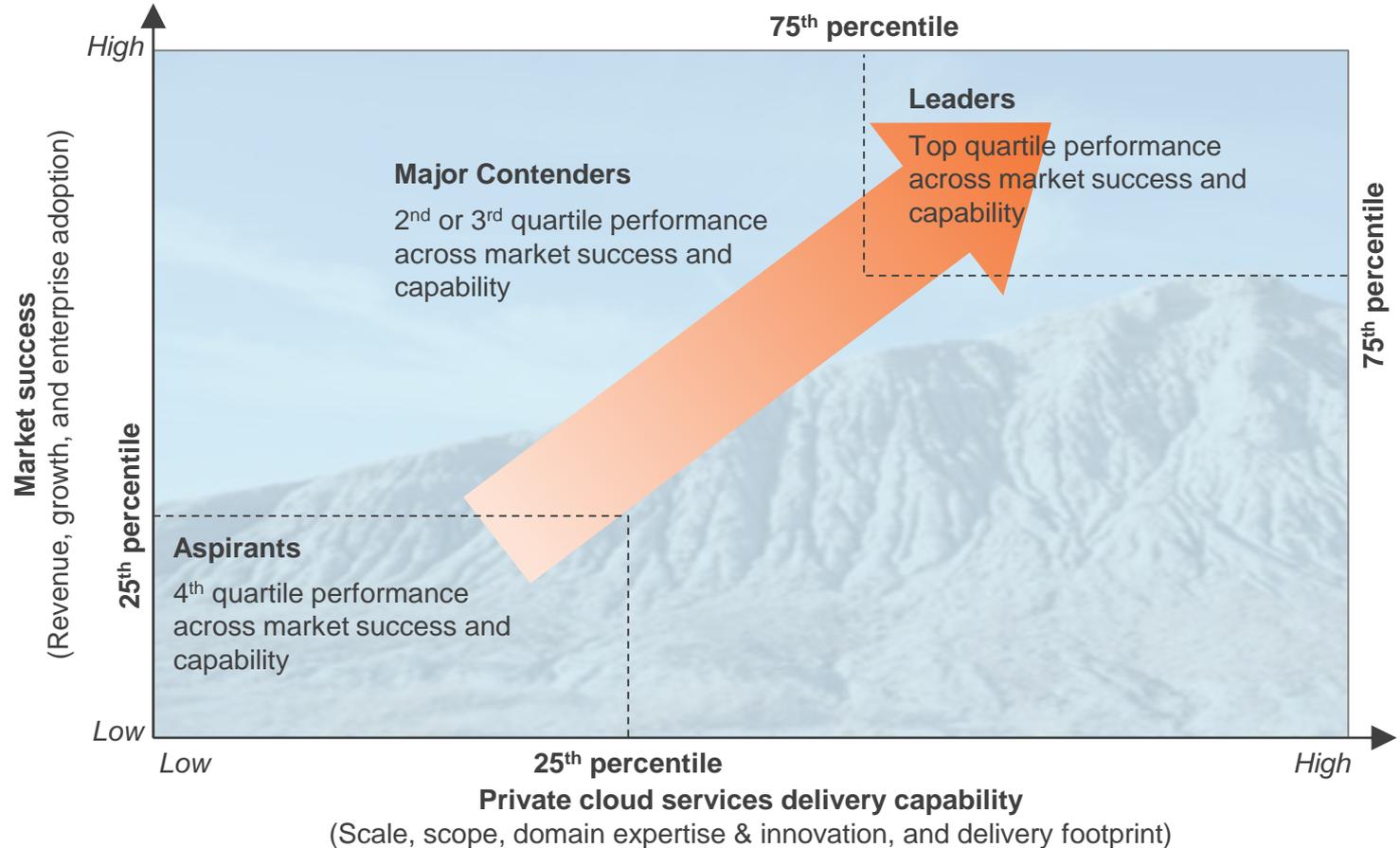
Recent activities (representative list)

Activity	Details
Launch of HPE Helion (2014)	• A suite of products and services for integrating public, private, managed cloud and traditional IT environments, as well as providing application development support (based on OpenStack) • Launched in 2014, with a planned investment of US$1 billion over the next two years • Recently, HPE has launched the Helion Managed Cloud Broker, a managed service that allows businesses to provision, access, securely control services across multiple cloud environments

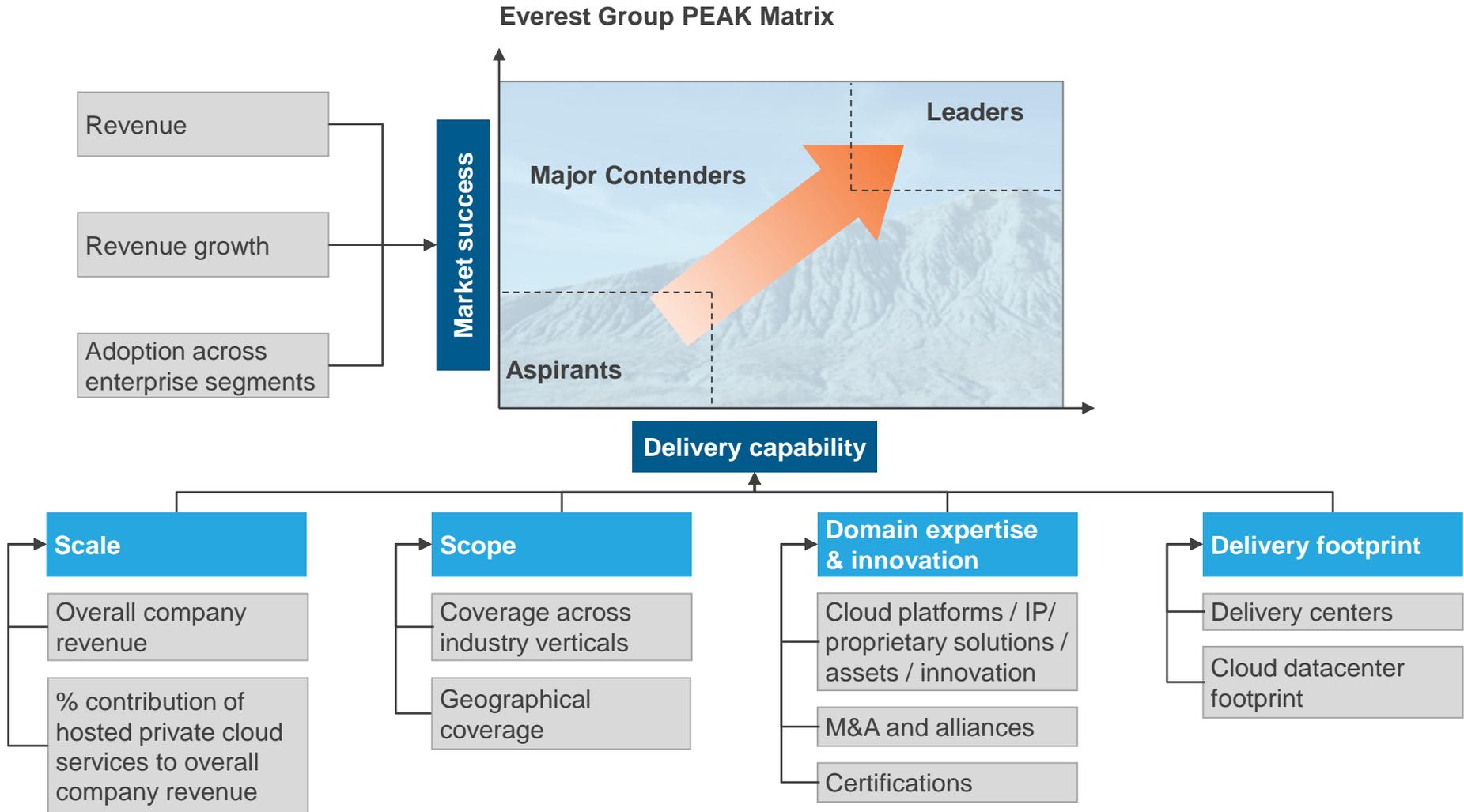Source: Everest Group (2015)

Appendix

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix is a proprietary framework for assessment of a service provider's capability

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for hosted private cloud services

Leaders
Top quartile performance across market success and capability

Major Contenders
2nd or 3rd quartile performance across market success and capability

Aspirants
4th quartile performance across market success and capability

75th percentile

25th percentile

75th percentile

Market success
(Revenue, growth, and enterprise adoption)

High

Low

Low   25th percentile   High

Private cloud services delivery capability
(Scale, scope, domain expertise & innovation, and delivery footprint)

Everest Group's PEAK Matrix is a composite index of a range of distinct metrics related to a service provider's scale, scope, technology/domain investments, delivery footprint, and resultant market success in the context of a given services function

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Dimensions of service providers' capability and market success underlying the PEAK Matrix

Everest Group PEAK Matrix

Revenue

Revenue growth

Adoption across enterprise segments

Market success

Leaders

Major Contenders

Aspirants

Delivery capability

Scale

Overall company revenue

% contribution of hosted private cloud services to overall company revenue

Scope

Coverage across industry verticals

Geographical coverage

Domain expertise & innovation

Cloud platforms / IP/ proprietary solutions / assets / innovation

M&A and alliances

Certifications

Delivery footprint

Delivery centers

Cloud datacenter footprint

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Does the PEAK Matrix assessment incorporate any subjective criteria?
- Everest Group's PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
- No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical services area. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
- PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender" or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric level assessment and associated commentary is helpful for buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider to leverage their PEAK Matrix positioning status ?

- Providers can use their PEAK positioning rating in multiple ways including:
  – Issue a press release declaring their positioning/rating
  – Customized PEAK profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- **The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group**

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From **insight** to *action*.

About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com and research.everestgrp.com.

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