HFS

HORIZONS REPORT

Azure Ecosystem™ Services Providers, 2024

An assessment of Azure service providers, addressing the why, what, how, and so what

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Excerpt for EY

"Azure services are more important than ever before as we move toward the generative age. It's essential that service providers look to provide business value for their clients and help reduce the business-IT gap in expectations. The focus on data and cloud will only increase in the coming years."

Suhas AR
Associate Practice Leader

"Azure is revolutionizing digital transformation with robust cloud infrastructure and AI analytics. This enhances efficiency, reduces costs, and fosters innovation. Its security, multi-cloud support, and partnerships facilitate the modernization of systems for sustainable growth."

Mayank Madhur
Associate Practice Leader

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Introduction

- Microsoft Azure represents a comprehensive cloud platform that enables organizations to build, deploy, and manage applications and services at scale. Azure offers a wide array of capabilities ranging from cloud infrastructure and data analytics to AI, DevOps, and security, supporting a broad range of use cases across industries. The primary goal of Azure services is to enable seamless integration, innovation, scalability, and optimization, resulting in improved efficiency, automation, and data-driven decision-making across sectors.
- To ensure enterprises succeed in their cloud transformation journeys, it is essential that service providers and enterprises work together to minimize the misalignment between business and IT stakeholders on expected outcomes and what success means.
- The Azure services landscape is rapidly evolving, and refocusing discussions to better support enterprises on their cloud transformation journeys is essential. Technologies such as generative AI (GenAI), machine learning, data analytics, cloud-native development, hybrid cloud models, and security frameworks are all essential parts of the Azure ecosystem.
- We are not just examining specific Azure offerings across industries but seeking to understand what strategies can accelerate transformational journeys in the cloud space. What overarching perspectives do providers have regarding Azure services? How can they help organizations achieve the desired outcomes? Additionally, what can we learn from successful cloud transformations that have already been delivered?
- By addressing these questions, we aim to unlock how Azure can be leveraged for transformative success across various sectors. The focus of the study is to see the Azure ecosystem as a driver of larger business transformations and business outcomes and not just about cloud infrastructure and services.
- **Inclusion criteria:** We invited diversified providers of Azure services. Participation guidelines include annual Azure service revenue of at least $100 million or an existing portfolio of services that span the Azure value chain.
- The **HFS Horizons: Azure Ecosystem Services, 2024** report examines service providers' role in the evolving Azure landscape. We assessed and rated the Azure service capabilities of 20 service providers across four dimensions: **why, what, how, and so what**. The report focuses on the supply side, detailing each provider's Horizon placement, strengths, and growth opportunities, providing actionable insights for enterprises looking to maximize their Azure investments.

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Executive summary

1	**The horizon placement**	The report reviews 20 Azure ecosystem service providers. Eight providers are classified as leaders in Horizon 3, five as innovators in Horizon 2, and seven as disruptors in Horizon 1. • Horizon 3 firms—Avanade, Deloitte, EY, TCS, HCLTech, IBM, Infosys, and Cognizant—are recognized for their comprehensive Azure strategies, global reach, strong technology partnerships, and ability to deliver large-scale, transformative cloud solutions. These companies lead with extensive Azure capabilities ranging from cloud migration to AI and data analytics to drive business outcomes. • Providers in Horizon 2—Brillio, Capgemini, PwC, KPMG, and Wipro—are recognized for their innovative approaches, specialized Azure capabilities, and strong vertical focus, enabling them to deliver value to enterprises. • Horizon 1 firms—Coforge, Encora, Mphasis, NTT DATA, Sonata Software, UST, and Virtusa—display strong execution capabilities in the Azure ecosystem. They excel in delivering tailored Azure solutions focused on flexibility, rapid deployment, and cloud-native development, catering to specific client needs in evolving markets.
2	**Business–IT alignment is key to success**	A key reason why cloud transformations fail is the disconnect between business goals and IT execution. For successful Azure cloud transformations, service providers and enterprises must be on the same page about what success looks like from the outset. Regular alignment and communication throughout the process are essential for adapting to evolving business needs and technology landscapes.
3	**Cloud as the backbone for the Generative Enterprise era**	Cloud technology is becoming the backbone for the Generative Enterprise era, supporting advanced technologies such as AI, data analytics, and automation. To achieve meaningful business outcomes, cloud solutions must integrate seamlessly with existing systems and be seen as a key enabler for a broader business transformation.
4	**Growing importance of sector-specific offerings**	The industry is moving toward sectorization, as sector-specific solutions gain importance in addressing industry-specific needs such as regulatory compliance, operational efficiencies, and specialized use cases. It has also become a key part of go-to-market for service providers looking to differentiate themselves.
5	**Companies are looking to move from PoC to production for GenAI**	GenAI has significant potential for transformation, but its adoption is still in the early stages. Companies are transitioning from proofs-of-concept (PoC) to larger-scale implementations. However, success will depend on robust governance, data privacy measures, and strong collaboration between enterprises and service providers to tackle challenges such as integration and scalability.
6	**Importance of innovation and proprietary IP**	Service providers are increasingly investing in building proprietary platforms, accelerators, and IP that enhance their cloud offerings. Developing unique IP allows providers to offer more customized and optimized solutions that better address client needs and accelerate time-to-value.

Introduction to HFS Horizons: Azure ecosystem service providers

Welcome to our **HFS Horizons: Azure Ecosystem Services providers, 2024** study. Horizons are HFS Research's vendor evaluation research vehicle designed to assess the **innovation and value potential** of vendor capabilities across three distinct horizons:

01	**Horizon One**	Ability to drive **functional optimization outcomes** through cost reduction, speed, and efficiency
02	**Horizon Two**	Horizon 1 + enablement of the "OneOffice" model of **end-to-end organizational alignment** across the front, middle, and back offices to drive **unmatched stakeholder experience**
03	**Horizon Three**	Horizon 2 + ability to drive **"OneEcosystem" synergy** via collaboration across multiple organizations with common objectives around **driving completely new sources of value**

This research effort will assess how well service providers are helping their **Microsoft Azure clients embrace innovation** and **realize value**. The study evaluates the capabilities of providers across the **Azure value chain** based on a range of dimensions to understand the ***why, what, how, and so what*** of their service offerings.

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HFS Azure Ecosystem Services value chain

The HFS Azure Ecosystem Services Horizons study looks beyond implementation and IT-centric use cases to innovation and transformation. Key aspects include transformational outcomes, industry-specific solutions, and innovative use cases. Therefore, we focus on the enterprise and service provider view.

Enterprise view

Scalability and flexibility

- Elasticity to handle fluctuations
- Auto-scaling for efficient resource utilisation
- Deployment across geographies
- Containerization and orchestration
- Compatibility across tools and platforms

Security and compliance

- Identity and access management
- Data encryption
- Advanced threat detection and monitoring
- Compliance certifications
- Secure network architecture

Cost-effectiveness

- Avoiding cost overruns
- Reserved instances and Azure hybrid benefits for cost savings
- Usage insights
- Cost management tools
- Resource tagging and cost allocation tracking
- FinOps

Customization and innovation

- Integration with other tools and applications
- Usage of AI for automation
- Integration of Copilot/GenAI into offerings
- Usage of pre-built AI models via Azure Cognitive Services

Service provider view

Envisage

- IT assessment and analysis
- Defining objectives and requirements
- Cloud readiness assessment
- Cost-benefit analysis
- Risk assessment and mitigation
- Technology selection and architecture design
- Create an envisioning document
- Stakeholder engagement and alignment

Implement

- Migration planning
- Infrastructure provisioning
- Data migration
- Application migration
- Testing and validation
- Training and knowledge transfer
- Change management
- Monitoring and optimization

Manage

- Cloud governance
- Cost management
- Performance monitoring and optimization
- Security management
- Compliance management
- Incident response and disaster recovery
- Capacity planning
- Continuous improvement
- Workload management

Operate

- Monitoring and alerts
- Incident management
- Performance optimization
- Security management
- Compliance management
- Incident response and disaster recovery
- Capacity planning
- Continuous improvement
- Process optimization incorporating feedback

Innovate

- Build a 360-degree view of customers
- Leverage AI to enable data-driven decisions
- Use GenAI in service offerings
- Streamline business processes through automation
- Industry-specific ecosystems
- Operational resilience
- Sustainability and net-zero agenda
- Business assurance

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The focus of the Azure Ecosystem Service Providers Horizons study

Maximizing the value of data
How are you ensuring that clients make the most of their data in the cloud? How do you see this evolving with the latest developments on AI/GenAI?

Industry focus
Are you seeing a shift in focus toward industry clouds? How does it drive business transformation?

Value from cloud

How do you help organizations capture the true value of the cloud and avoid remorse with cloud migration? Why are cloud costs rising? Is there a preference among the hyperscalers from clients?

Interoperability
Are you seeing a demand for interoperability for platforms across clouds and clouds/on-prem? How are you reacting?

Change agents
How do you leverage change agents such as AI while delivering Azure services? How are you building on GenAI services provided by Microsoft?

Outcome mindset
What are the key outcomes you're helping enterprises achieve with Azure?

2 Research methodology

20 service providers have been evaluated in this report

Note: All service providers are listed alphabetically

Sources of data

This Horizons research report relies on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the service capabilities of the participating organizations covered in our study. Sources are as follows:

Briefings and information gathering

HFS conducted detailed **briefings** with Azure leadership from each vendor.

Each participant submitted a specific set of **supporting information** aligned with the assessment methodology.

Reference checks

We conducted reference checks with **14 active clients and 12 active partners** of the study participants via survey-based and telephonic interviews.

HFS Pulse

Each year, HFS fields multiple demand-side surveys, in which we include detailed vendor rating questions.

For this study, we leveraged our fresh-from-the-field HFS Pulse study data featuring **~600 service provider ratings.**

Other data sources

Public information such as press releases and websites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

Horizons assessment methodology: Azure Ecosystem Service Providers

The HFS Horizons: Azure Ecosystem Services Providers research evaluated the capabilities of service providers across a range of dimensions to understand the why, what, how, and so what of their Azure offerings. Our assessment will be based on inputs from clients, partners, and employees and augmented with analyst perspectives. The following illustrates how we will assess your capabilities:

Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Value proposition: The Why? (25%)	• Strategy and roadmap • Clarity of vision for Azure services and nature of outcomes • Differentiators: Why clients work with you	• Ability to drive **functional optimization outcomes** with selective Azure capabilities	• Horizon 1 + • Ability to drive real **business, experience-led outcomes, and stakeholder experiences** while achieving enterprise-wide transformations	• Horizon 2 + • Ability to drive **ecosystem synergy** via collaboration across multiple organizations with common objectives around driving completely **new sources of value**
Execution and innovation capabilities: The What? (25%)	• Breadth and depth of services across the Azure value chain • Strength of talent pool • Innovative solutions (industry-specific, ESG, etc.)	• Strong **implementation capabilities** • Deep engineering capabilities driving speed and efficiency • Offshore-focused with strong technical skills	• Horizon 1+ • Ability to support clients on their **end-to-end** Azure transformation journey • Global capabilities with strong consulting and domain expertise across the Azure portfolio	• Horizon 2 + • Strategy and execution capabilities at scale • Well-rounded capabilities across all value creation levers: talent, domain, technology, data, and change
Go-to-market strategy: The How? (25%)	• What transformation outcomes are you pitching to clients? • Nature of investments in your Azure business (M&A, training, R&D) • Co-innovation and collaboration approaches with customers and partners including creative commercial models • Assuring outcomes	• Robust fundamentals of Azure transformation • Technology and capability focus	• Horizon 1+ • Proven and leading-edge **proprietary assets,** including **industry-led solutions** • Clear **articulation of the transformation outcomes** • Capability to deliver cloud-native transformation	• Horizon 2 + • **Driving co-creation with clients** and ecosystem partner • Effectively **envisioning of outcomes** and providing business assurance for Azure transformation
Market impact: The So What? (25%)	• Scale and growth of Azure business—revenue, clients, and headcount • Proven outcomes showcasing transformation through Azure • Voice of the customer	• Referenceable and satisfied clients for the ability to execute technology transformation	• Horizon 1+ • Referenceable and satisfied clients for ability to drive business transformation	• Horizon 2 + • Referenceable and satisfied clients driving new business models based on the partnership

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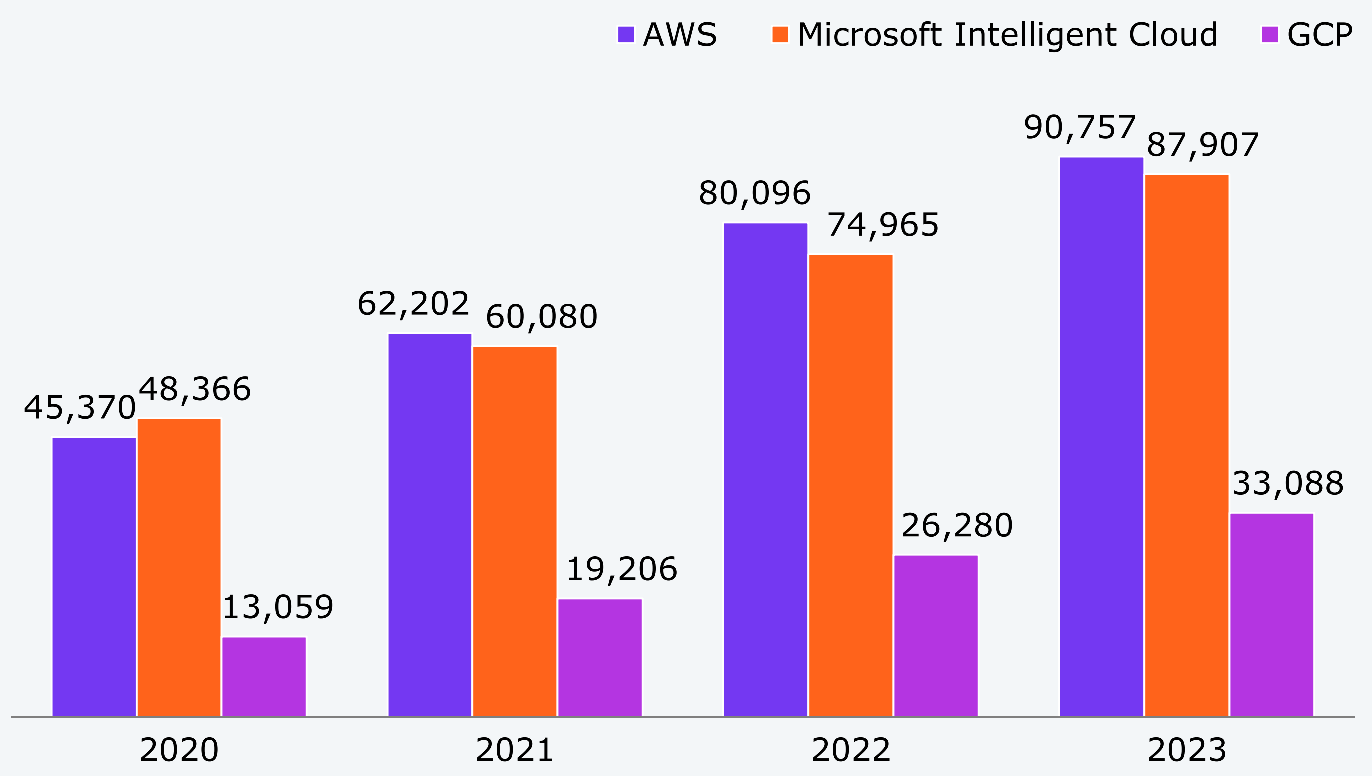
Excerpt for EY

3 Executive summary and market dynamics

Hyperscalers' revenue continued to increase YoY, though the rate has slowed from pandemic levels

AWS vs Microsoft vs GCP
(revenue in $ million)



"We also expect the current macroeconomic environment and enterprise customer cost optimization efforts to impact our AWS revenue growth rates." – Amazon Annual Report 2023

Microsoft Intelligent Cloud (2023)

- Revenue increased $12.9 billion or 17%.
  - Server products and cloud services revenue increased $12.6 billion or 19%, driven by Azure and other cloud services. Azure and other cloud services revenue grew 29%, driven by growth in our consumption-based services. Server products revenue fell 1%.
  - Enterprise services revenue increased $315 million or 4%, driven by growth in enterprise support services, partly offset by a decline in industry solutions (formerly Microsoft Consulting Services).

Google Cloud revenues increased $6.8 billion from 2022 to 2023. Growth was primarily driven by Google Cloud Platform, followed by Google Workspace offerings. Google Cloud's infrastructure and platform services were the largest growth drivers for the platform.

Microsoft's "Intelligent Cloud" is considered, which includes server products, cloud services, and enterprise services.
Google Cloud includes GCP and Google Workspace offerings and other enterprise services.

The HFS Cloud Continuum

Outcomes

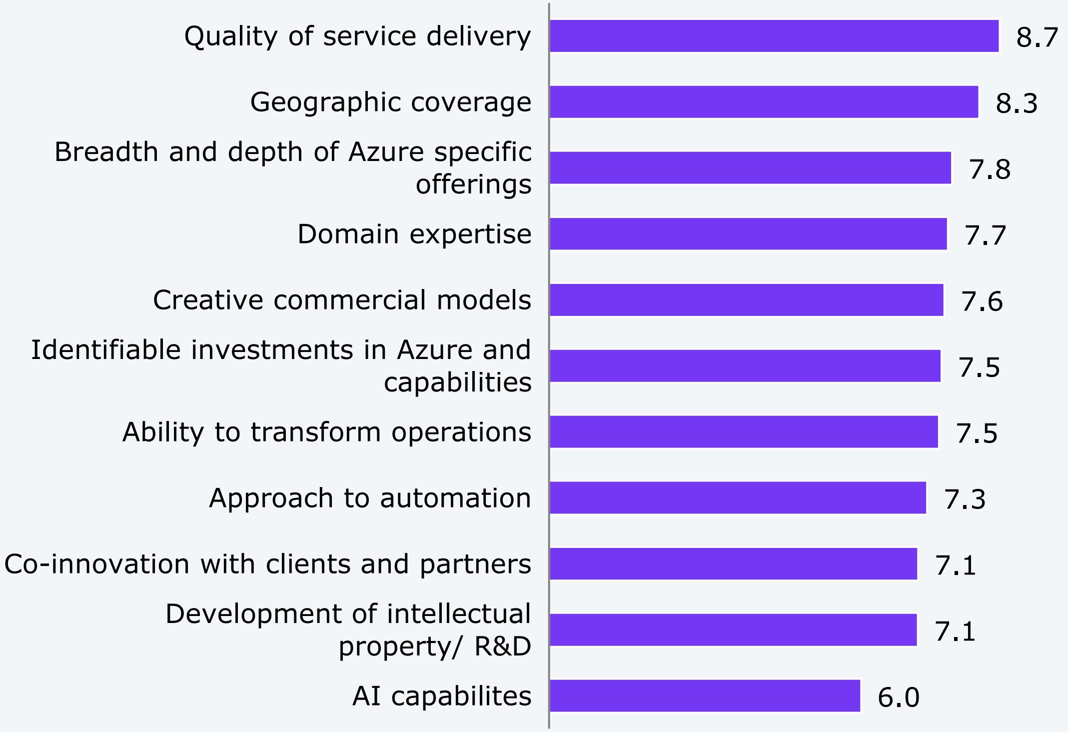
- Decentralized work
- Agility
- Velocity
- Time to value
- Product mindset

- Operating model transformation
- Business model transformation
- Scaled DevOps/SRE culture
- Continuous operational goals
- Ecosystem mindset

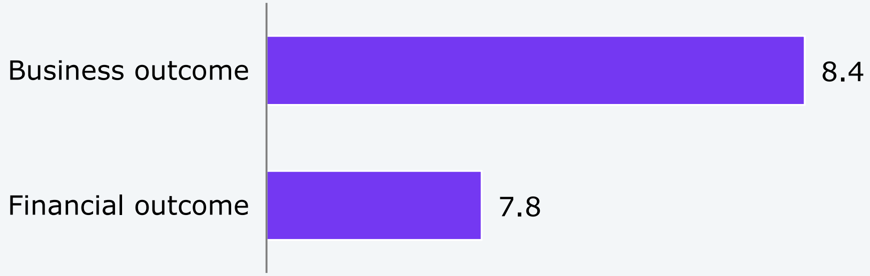
- Value chain disruption
- New business models
- Vertical integration
- Data governance
- Ecosystem development

Clients praise Azure's service quality and expertise but highlight opportunities to improve AI capabilities, innovation, and financial impact

Based on your experience, please rate the service provider across the following parameters. Use a scale of 1 to 10 where 1 is poor and 10 is excellent.
(mean score shown in the chart)



How satisfied are you with the business and financial outcomes delivered by your provider? Use a scale of 0 to 10 where 0 is the lowest and 10 is the highest.
(mean score shown in the chart)

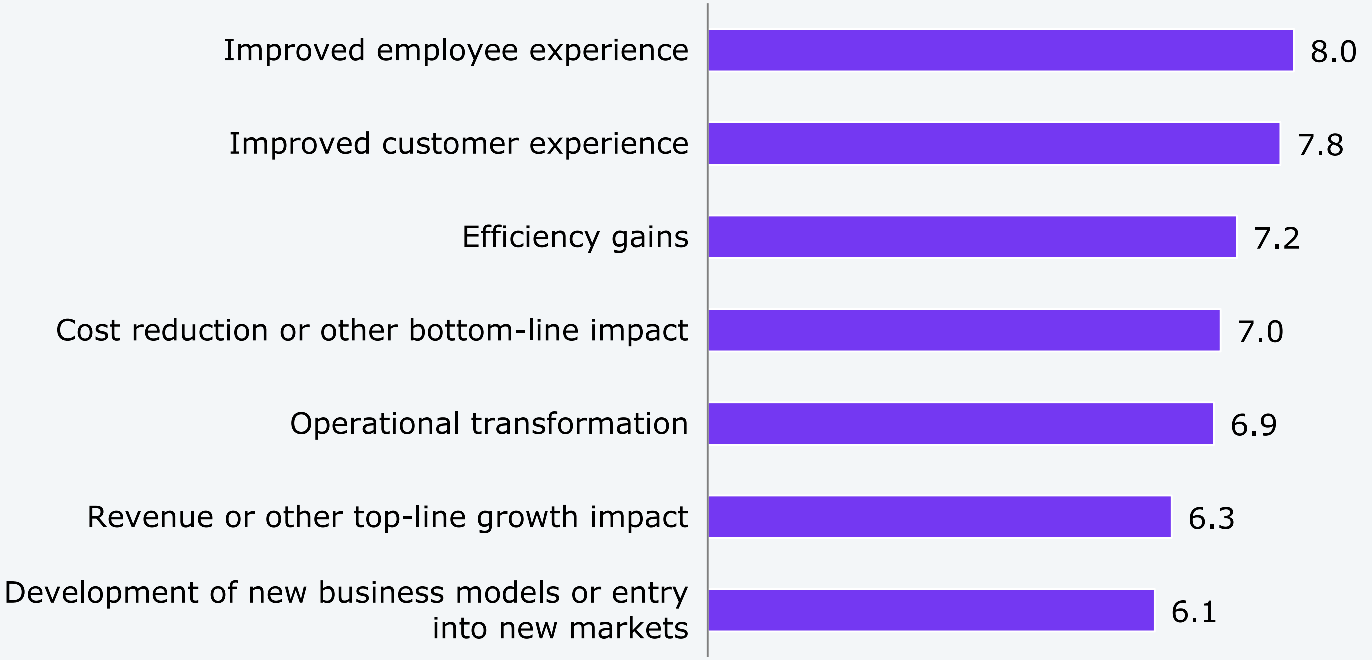


The client has rated the service provider highly in service delivery and geographic reach, attributed to strong Azure integrations and considerable domain expertise. However, there is room for improvement in AI capabilities and financial outcomes, indicating a need for more sophisticated innovation and improved cost-efficiency.

Source: HFS Research
Sample : n=14 client reference

Partners praise Azure's service quality and expertise but highlight opportunities to improve AI capabilities, innovation, and financial impact

Please rate how well your service provider has delivered the following outcomes on a scale of 1–10, where 1 is below expectations and 10 exceeded expectations.
(mean score shown in the chart)



- The service provider excels in areas directly impacting employee and customer experiences but shows room for improvement in driving revenue growth and developing new business strategies.
- Service providers' strengths lie in enhancing experiences and operations, while growth and innovation areas need improvement.

Source: HFS Research
Sample : n=12 partner reference

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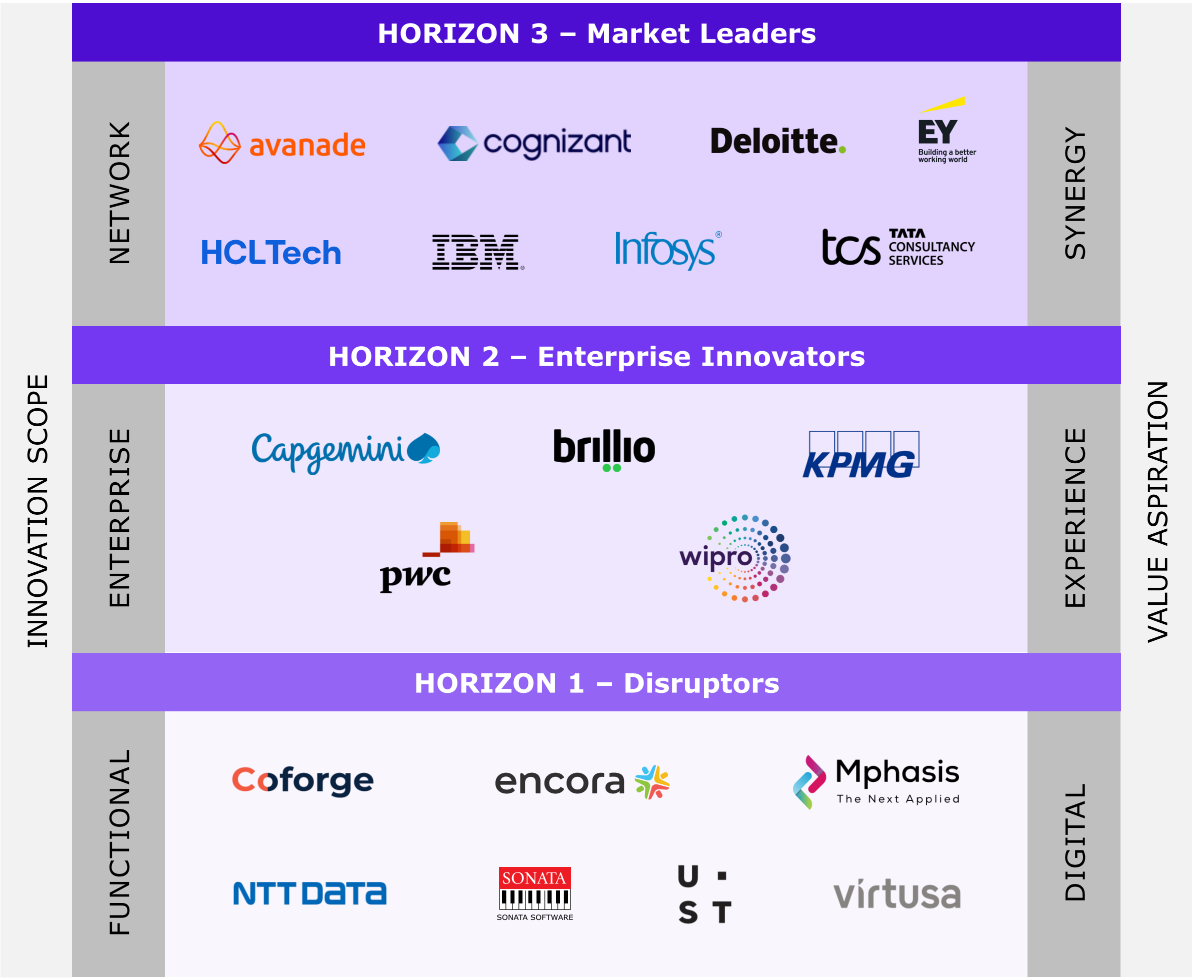
4 Horizons results: Azure ecosystem service providers, 2024

HFS Horizons: Summary of providers assessed in this report

Providers	HFS point of view
Avanade	Driving the Azure agenda and leveraging its Microsoft connection
Brillio	Expanding the offering using AI integration and customized solutions for industries
Capgemini	Fusing engineering expertise to industry solutions
Coforge	Targeting transformation across BFSI and travel, hospitality, and logistics with comprehensive Azure service offerings
Cognizant	An industry focus to drive forward Azure offerings
Deloitte	Driving business advantage for clients
Encora	Accelerating outcomes through digital product innovation
EY	Using technology transformation to drive business value
HCLTech	Engineering capability and industry focused offerings
IBM	Focusing on hybrid by design to enable customer success

Providers	HFS point of view
Infosys	Enhancing efficiency and resiliency and driving growth
KPMG	Guiding organizations through cloud transformation
Mphasis	Guiding clients on their transformation journeys
NTT Data	Offering tailored solutions for modernization, security, and operational excellence.
PwC	Driving transformation and streamlining through a strong focus on cybersecurity
Sonata Software	Reducing cost and improving agility
TCS	Providing comprehensive solutions across the value chain
UST	Leveraging long-standing Azure partnerships to modernize, secure, and boost productivity
Virtusa	Differentiating through industry-specific solutions and leveraging engineering expertise
Wipro	Leveraging AI-first innovations and industry-specific solutions for operational excellence

HFS Horizons for Azure ecosystem service providers



Note: All service providers within a Horizon are listed alphabetically.
Source: HFS Research, 2024

Synergy is Horizon 3

Horizon 3 service providers demonstrate

- Horizon 2 +
- The ability to drive an **ecosystem synergy** via collaboration to create completely **new sources of value**
- Compelling thought leadership that helps clients articulate their North Star
- Leveraging the full range of Azure and related services to drive business transformation among clients
- Enabling continuous innovation to help enterprises stay at the forefront of technology and transformation.
- Driving co-creation with clients as ecosystem partners
- Referenceable and satisfied clients driving new business models with the partnership

Experience is Horizon 2

Horizon 2 service providers demonstrate

- Horizon 1 +
- The ability to drive **real business, experience-led outcomes, and stakeholder experiences** while achieving **enterprise-wide transformations**
- Clear articulation of the transformation outcomes enabled by Azure
- Global capabilities with strong consulting and domain expertise across the Azure ecosystem
- Capability to deliver end-to-end transformation
- Proven and leading-edge proprietary assets, including industry-led solutions
- Referenceable and satisfied clients for the ability to blend technology and business objectives

Optimization of outcomes is Horizon 1

Horizon 1 service providers demonstrate

- The ability to drive **functional optimization** outcomes with selective Azure capabilities
- Strong implementation and managed services partners
- Offshore-focused with strong technical skills
- Robust fundamentals of innovation and transformation enabled by Azure
- Referenceable and satisfied clients for the ability to execute technology transformation

5 EY profile: Azure ecosystem service providers, 2024

EY: Using technology transformation to drive business value

HORIZON 3 – Market Leader

HORIZON 2 – Enterprise Innovator

HORIZON 1 – Disruptor

Strengths	Development opportunities
• **Value proposition:** EY leverages the Azure ecosystem to drive digital transformation and improve operational efficiency sustainably across industries. It co-innovates with partners and leverages its extensive cloud and AI capabilities to solve client problems. • **Differentiators:** EY understands broad macro trends and strategically, aligning them to its offerings to provide business value. • **Go-to-market:** The firm combines its 'advise, transform, and operate' capabilities to address sector signature issues along with buyer-based personas of clients while going to market. • **Outcomes:** The projects are matched to business value metrics, lower costs, and accelerated delivery. • **Innovation:** EY offers Cloud Workbench—multiple cloud assets infused with GenAI across offerings. • **Customer kudos:** Customers praise EY for being able to deliver on technology transformation and business outcomes. Partners praise its access to CxO customers and ability to deliver business value.	• **What we'd like to see more:** EY should continue to focus on driving business value and growing further through an industry-focused approach. • **What we'd like to see less of:** While we like the mentions on EY's investment, growth, and capabilities, it should pivot to the impact delivered. • **Customer:** The integration with pre-existing infrastructure is one of the areas of development. • **Partner:** Some partners feel EY can develop more standardized offerings by building on its custom work.

Copilot/GenAI implementations—focus areas/use cases	Mergers and acquisitions (2021–2024)
• Finance: Contract summary creation • HR: Chatbot implementation • Procurement: Purchase order creation, sales order creation • CX and service: Product review/feedback analysis, personalized product recommendations • Tax: Tax analysis and creation productivity • Product sales: Sales optimization	• **Nuvalence:** Digital engineering and GenAI (2024) • **The Collective:** Independent digital agency (2023) • **Tallan:** Creates solutions using Microsoft Azure (2023) • **Bridge Consulting:** Data and analytics (2022) • **ODM:** Technology consultancy firm (2022) • **Client Solutions:** Enterprise technology firm (2022)

Partnerships	Key clients	Global operations and resources	Flagship internal IP
Microsoft, SAP, IBM, ServiceNow, Dell, Nokia, Adobe, Nvidia, Snowflake, Databricks	**Number of Azure clients:** 2,900+ **Key clients:** • Leading financial services company • Leading industrial products manufacturer • Multi-national pharma and biotech company • Leading global pharma company • Leading beverage company • Leading paint and coating manufacturing company • Leading cruise line	**Azure headcount:** 8,000+ **Number of delivery and innovation locations and locations by major geo:** • 20+ global delivery centers • Cloud-enablement centers—Arizona and Wroclaw • 50+ EY wavespace™ innovation centers • EY Nottingham—Spirk Design Studios, Cleveland • EY Microsoft Technology Experience Center, Seattle • EY Microsoft Innovation Center (Quantum Space), Munich • EY Microsoft data and AI CoE, Munich • EY Cyber CoE, Athens	• EY Fabric Cloud • Nexus for Insurance • Nexus for Finance • Global Tax Platform • EY Mobility Pathway • EY Payroll Operate • Smart Factory • EY Cloud Platform • 70+ EY Microsoft co-sell solutions on Microsoft Marketplace and AppSource

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Suhas is an associate practice leader at HFS and a key member of the IT services team. His coverage areas include cloud-native transformation, application modernization, and quality assurance. He also covers hyperscaler strategies and ecosystems across cloud, data, and AI. With more than eight years of experience as a research analyst focused on the tech, media, and telecoms (TMT) sector, he has a keen interest in evolving concepts and emerging technologies.

Suhas has a postgraduate diploma in management from Goa Institute of Management and a bachelor's in engineering from Manipal Institute of Technology in India. Suhas is based in Bangalore, India, where he lives with his wife. He likes to travel, read books, and game on the PlayStation (primarily FIFA) in his spare time; he is also interested in public speaking. He is an avid Liverpool and Royal Challengers Bangalore fan.

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Mayank is an associate practice leader at HFS Research, with an industry focus on healthcare and life sciences and a horizontal focus on IoT, Industry 4.0, and sustainability. He is a certified Sustainability and Climate Risk (SCR) professional from the Global Association of Risk Professionals (GARP). He has nearly a decade of experience in research, pre-sales, and software development, has contributed to business strategy and pre-sales at Altimetrik, and has worked on M&A analytics. At HCLTech, he supported R&D for a major medical device client.

He holds a certificate in Strategic Management from IIM Kashipur. He has a master's in business administration from Birla Institute of Technology and Science College, Pilani (BITS, Pilani University) and a bachelor's in engineering in electrical and electronics. He is presently pursuing a post graduate diploma in public health management.

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- **INTREPID**
- **BOLD**

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