

IDC MarketScape: North America State and Local Government Cloud Professional Services 2024 Vendor Assessment

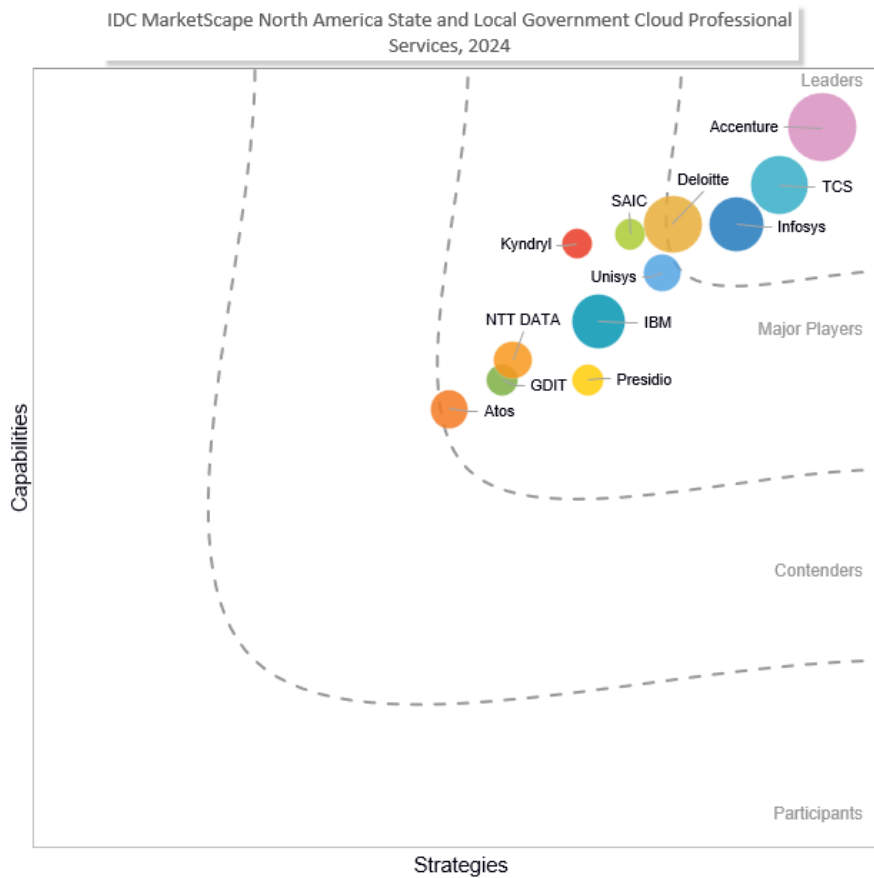
Ruthbea Yesner

IDC MARKETSCAPE FIGURE

THIS IDC MARKETSCAPE EXCERPT FEATURES ACCENTURE

FIGURE 1

IDC MarketScape North America State and Local Government Cloud Professional Services Vendor Assessment



Source: IDC, 2024

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: North America State and Local Government Cloud Professional Services 2024 Vendor Assessment (Doc # US50040223). 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

Cloud infrastructure, platforms, and applications are an increasingly important strategic consideration for state and local governments in their efforts to reduce technical debt, develop and/or offer improved services faster and more securely, and provide a work environment that helps recruit and retain staff.

Cloud supports redundancy, assured workloads, disaster recovery, and business continuity as the digital infrastructure that is always available to support critical services. As cloud computing environments expand and become more diverse, state and local governments face more complexity managing hybrid cloud environments, multiple cloud providers, and on-premises systems. There are multiple architectural, development, and deployment decisions and an ever-growing number of cloud services, offerings, and options. For example, what are the best application deployment choices (on premises and off premises), architectural designs (monolithic, macroservices, and microservices), and technology foundations (virtual machines, infrastructure as a service [IaaS], platform as a service [PaaS], serverless/function as a service, and Kubernetes orchestration systems). To make informed decisions to understand, anticipate, rationalize, and optimize major cloud architecture decisions, state and local governments often deploy vendors offering cloud professional services. These services are often essential for cloud migrations and modernization efforts.

As defined in *IDC's Worldwide Services Taxonomy, 2022* (IDC #US47769222, July 2022), cloud-related professional services are primarily project-based services. Core cloud professional services providers assist customers with planning and implementing a cloud services strategy. This involves deciding how to adopt the use of public clouds, deciding how to build and implement private clouds, or deciding how to use a hybrid of public and private clouds. Cloud-related professional services may include such services as assessments and road map development, workshops and accelerators, implementation of pilot programs or other deployments, and proofs of concept. These solution services include assistance in implementation or adoption of all types of cloud services (mixed deployment) such as software as a service (SaaS), infrastructure as a service, or platform as a service, as well as the integration of these services into the customer's IT environment (whether cloud related or noncloud related).

Managing public cloud service costs is increasingly essential not only for multicloud infrastructure but also as more cloud-native, modern application architectures are deployed by agencies. Challenges include understanding complex billing and reporting from multiple cloud providers, getting insights into waste and oversizing, developing accurate cloud expenditure forecasts, and the need for a governance model that covers the life span of cloud infrastructure, platforms, and applications.

IDC evaluated vendors' professional services on the vendors' state and local government industry expertise, cloud professional services offerings, technical capabilities, staff and organization resources, ecosystem partners, application migration tools, methodologies and capabilities, and FinOps tools.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

The vendor inclusion criteria for this IDC MarketScape included the following:

- The vendor offers at least three of the four project-based cloud professional services for state and local governments in Canada and the United States: IT consulting, systems integration, custom application development, and network consulting and integration.
- The vendor has a dedicated North American state and local government go-to-market team and/or business unit that includes professional teams/SMEs, products/services, go-to-market strategy, sales teams, and cloud offerings specific to the North American state and local government.
- Vendor's cloud professional services offerings must be vendor agnostic. This excludes hyperscalers (e.g., Microsoft and Amazon Web Services [AWS]), implementation partners that offer services for only one specific cloud provider, and tech companies with professional services arms for their own solutions.
- Management consulting firms (e.g., BCG and McKinsey) are excluded from this study because while they also provide cloud professional services, their dominant strength is not the IT implementation and cloud migration services that are the focus of this evaluation.

For this IDC MarketScape evaluation, IDC included the following 12 vendors based on the previous inclusion criteria: Accenture, Atos, Deloitte, General Dynamics Information Technology (GDIT), IBM, Infosys, Kyndryl, NTT DATA, Presidio, SAIC, Tata Consulting Services (TCS), and Unisys.

ADVICE FOR TECHNOLOGY BUYERS

It can be hard to differentiate between cloud professional services providers; much of their messaging and services offerings can sound similar. The list that follows offers things to consider when analyzing the best service provider for your projects in terms of capabilities, but there are "soft" considerations as well. These include:

- Positive or negative previous experiences and an incumbent vendor's understanding of your (complex) environment
- The location of workers who are offering services such as application development or support
- Peer references and the ability to talk directly with existing customers
- Proven and demonstrated previous experience working on a similar project and the ability to reuse or leverage that expertise and work (e.g., for an unemployment benefits system and a human resources [HR] or finance system)
- The quality and thoughtfulness of a vendor's RFP response, especially with regard to processes to manage requests, shifts in project plans, organizational resistance, and other project management considerations

In addition, vendor assessments should leverage a range of industry resources, as well as market research and analyst reports, to compare potential providers across key criteria that align with your mission priorities. Leverage these resources to narrow your vendor search and invite a select number of vendors to submit a proposal or provide a briefing. Consider vendors that:

- Have tools to automate the expensive and time-consuming aspects of application migration. Consider vendors that invest in tools and platforms that enhance, simplify, and accelerate migration of applications to cloud. Consider cloud professional services vendors offering automated tools to prioritize and streamline moving workloads to cloud as well as integrating services and data. Also consider vendors capable of optimizing, through analytics and intelligence management, your hybrid cloud applications.
- Recognize that speed and time to value are key metrics by which agency IT organizations are measured. Prioritize professional cloud service providers that fully leverage their ecosystem partners to provide on-time and on-budget delivery as well as measurable value from your cloud deployments.
- Embrace financial accountability for the variable spend model of cloud. Independent management of two or more cloud service providers' cost and billing models may lead to suboptimal cost efficiency. Consider a cloud professional services vendor with the tools and capability to understand and measure price, costs, migration status, and multicloud billing reports – all critical functions for monitoring, analyzing, predicting, scenario planning, and optimizing cloud usage and consumption.
- Understand the costs and challenges of maintaining applications written in legacy languages such as COBOL and FORTRAN, and consider a vendor with the capability for tool-driven code refactoring for applications that still operate on a dated technology stack yet are mission critical.
- Have the flexibility in place to design workloads and architectures; components in the cloud, on premises, and multiple edge locations are key. Consider a vendor that can help you manage these distributed workloads via a common control plane.
- Have robust security capabilities to ensure that agency applications, data, and systems are secure before, during, and after migrating to the cloud. Multicloud increases the attack surface due to an increase in complexity.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a 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 each vendor's strengths and challenges.

Accenture

Accenture is positioned in the Leaders category in this 2024 IDC MarketScape for North America state and local government cloud professional services.

Accenture has more than 733,000 employees in 120 countries, including more than 199,000 professionals in its Cloud First business unit, and over 30,000 practitioners in its Health and Public Service Practice. Accenture invested more than \$1.1 billion in training and professional development for its staff including training in cloud, data, and artificial intelligence (AI) in its FY23 (ending August 31, 2023). The company holds more than 160,000 cloud certifications across all hyperscalers and several major SaaS providers. Its cloud teams have experience with more than 1,000 government and

nonprofit organizations around the world, including working with all 50 states in the United States, several Canadian provinces, and many municipalities in North America. The Practice's capabilities are augmented and complemented by a partner ecosystem of more than 250 software, hardware, and services companies. Accenture is also the parent company of Accenture Federal Services, a U.S. company that has more than 13,000 employees dedicated to serving the federal government.

Strengths

- **Deep state and local government experience and technical expertise coupled with robust training.** Accenture has enormous strength in its industry experience and technical know-how, which is kept strong with robust, ongoing training. Accenture's Cloud First offerings are numerous and cover strategy, road map, and design through application modernization to managed services and change management solutions. The company has public service-specific training for staff with its own cloud curriculum that covers topics such as cloud native, automation, edge, hybrid cloud, and DevOps. Its teams of cloud sales engineers and solution personnel have 15+ years of experience in the public sector that enable Accenture to develop compelling solutions and RFP responses, which are frequently cited as standouts from its competition.
- **Broad and deep breadth of professional services offerings with key partnerships.** Along with its Cloud First buildout, Accenture invests in its ecosystem partners in state and local government. Across its partner ecosystem, it has cocreated 100+ industry-specific, preconfigured cloud solutions, products, and platforms. As examples, it has deep relationships with Microsoft with Accenture's Intelligent Mobility solution and as Microsoft's global systems integrator (SI) partner of the year 17 of the past 18 years, and Accenture is strategically aligned with AWS as a cloud partner for work related to its Integrated Eligibility business within human services. These close working relationships show up in its joint meetings with clients and responses to RFPs in which it often comes with solutions and partners already aligned and in place.
- **Change management capabilities to support adoption of cloud modernization efforts.** Accenture offers a complete set of change management capabilities to support the successful migration of workloads to the cloud and the associated change in work processes for users. The company has developed a proprietary tool called myNav, which is designed to help customers leverage best practices and automation to build the business case for cloud. Several customers noted Accenture's ability to clearly explain operational and technical complexities and value to non-IT stakeholders and departments. Accenture has been investing in AI, digital assets, and partnerships to automate and accelerate more of the traditional "legacy" change processes like analyzing current talent and prioritizing change interventions so that less time is needed to plan and manage changes.
- **Expertise in multicloud and hybrid cloud management and compliance and risk management.** Most state and local governments operate in hybrid cloud and multicloud environments, and for Accenture, 20-25% of its state and local government projects are hybrid cloud and/or multicloud. To manage these complex environments, Accenture offers a unified control plane decision support center through a Continuum Control Plane (CCP). Accenture's CCP has a multitude of features that include FinOps and budget control, observability and AIOps, operations automation and centralized governance, and configuration policies. Financial accountability and transparency are provided via 20+ FinOps offerings with 4 cloud cost optimization patents. The company is at the forefront of FinOps and looks to deliver greater than 95% accuracy in cloud cost forecasting accuracy.

- **Trusted partnership and commitment to customer success.** Customers referred to Accenture as a trusted partner, noting that they appreciated the time and care Accenture took to understand their unique environment and clearly define the goals they wanted to achieve. This is not just a customer service tactic but is something the company has internalized in its operations. Accenture has developed a cloud-based platform that helps organizations track their transformation. Accenture Momentum tracks key objectives to visualize business cases and track the status of initiatives against financial and nonfinancial KPIs.
- **Industry-specific cloud solutions for security and compliance.** Accenture has invested heavily in industry cloud, having developed more than 30 industry cloud solutions to date, including several in the public sector such as for eligibility or mobility. Accenture provides security, risk, and compliance consulting across many security technologies to meet state and local regulations and guidelines (e.g., NIST 800-53, NIST 800-171, NIST 800-172, CMMC, MARS-E, PCI, HIPAA, and SOC 1 & 2). A further example of investment is its state-/local-specific version of an Accenture and AWS joint-funded and codeveloped platform Velocity – an integrated stack of secure landing zones with prebuilt, native service data mesh and application integration layers that include a preconfigured set of StateRAMP security policy controls throughout the stack.
- **GenAI and AI investment in place.** Accenture has a deliberate focus on responsible AI (RAI), an aspect of AI important to all and especially state and local governments, and has developed RAI assessments and accelerators. The company recently announced a \$3 billion investment in GenAI and plans to double its AI workforce to 80,000 professionals. Accenture is working closely with partners to deliver specific state and local government use cases. These efforts will be led by Lan Guan, the company's first chief AI officer, and supported by the company's GenAI Academy for internal skilling and a GenAI Center of Excellence to support adoption for clients. Accenture has developed an AI Navigator for Enterprise that will help clients define business cases, choose architectures, and understand algorithms and models. Specific to government, Accenture is looking at Sovereign AI and using GenAI for sovereign cloud implementations.

Challenges

Across the board, state and local government customers noted that Accenture's pricing model and contracting terms were a key challenge as they often come in at a higher price point than competitors. This meant that government buyers have to make the business case to go with Accenture. While many felt that they certainly received value for the money they paid, there was often a psychological barrier as initially its pricing would seem higher compared with the market. It should be noted that customers also said that they had almost no change orders throughout projects, and Accenture stayed within the initial price, which is indicative of the company reflecting the accurate and realistic costs of migrating to the cloud, often going above and beyond. That said, though Accenture is focused on 360-degree value pricing, it has room to improve on developing a more price competitive and flexible commercial model that would be more attractive and digestible even with the majority of projects offered at a fixed price. To address this, Accenture has developed a number of prebuilt "accelerators" to reduce required hours and lower risk, but that only helps its competitiveness where its customers are evaluating bids by fixed/total cost versus lowest hourly rate, which is often the case.

Consider Accenture When

Consider Accenture if you are looking for a vendor with end-to-end cloud solutions that include not only an innovative strategy and design but also a strategic approach and requisite tools to enable organizations to migrate workloads to the cloud, and you may also consider Accenture when you are looking for a partner who will (from client feedback stay within the price they have committed to) "deliver with almost no change orders" and "often go above and beyond." Accenture is exceptionally strong for large organizations with complex requirements that need strong change management services for employee training and adoption. Accenture is a good choice for organizations that want a deep and extensive range of design, business, and technology transformation capabilities and have the requisite budget to support a premium level of services.

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 market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape 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 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.

Market Definition

Participating vendors offer a full suite of project-based cloud professional services, including IT consulting, network consulting and integration, systems integration, and customer application development as defined in *IDC's Worldwide Services Taxonomy, 2022* (IDC #US47769222, July 2022).

LEARN MORE

Related Research

- *IDC MarketScape: U.S. Federal Government Cloud Professional Services 2024 Vendor Assessment* (IDC #US49996223, April 2024)
- *IDC PlanScape: Generative AI in State and Local Governments – A Definitive Guide* (IDC #US51026423, March 2024)
- *IDC MarketScape: U.S. National Civilian Government Professional Security Services 2024 Vendor Assessment* (IDC #US51875423, February 2024)
- *IDC MarketScape: Worldwide Higher Education Cloud Professional Services 2024 Vendor Assessment* (IDC #US49968823, January 2024)
- *IDC MarketScape: Worldwide Smart, Sustainable Cities IoT Applications Platforms 2023 Vendor Assessment* (IDC #US50656123, December 2023)
- *IDC MaturityScape: Smart Cities and Communities 3.0* (IDC #US50659323, December 2023)
- *IDC FutureScape: Worldwide Smart Cities and Communities 2024 Predictions* (IDC #US50296623, October 2023)
- *President Biden Signs Executive Order on AI Safety, Security, and Trustworthiness* (IDC #lcUS51345523, October 2023)

Synopsis

This IDC study evaluates vendors based on their expertise, offerings, and capabilities in providing cloud professional services to state and local governments. The study advises technology buyers on selecting vendors by considering factors like industry expertise, technical capabilities, and cost management strategies, highlighting the strengths and challenges of 12 leading vendors: Accenture, Atos, Deloitte, GDIT, IBM, Infosys, Kyndryl, NTT DATA, Presidio, SAIC, TCS, and Unisys.

"Cloud professional services are often essential services to help transform state and local governments to more modern cloud environments, enabling faster, more secure service delivery and innovative work environments," says Ruthbea Yesner, vice president, IDC Government Insights, Education, and Smart Cities. "Transitioning to cloud is a strategic decision that every organization must consider."

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. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, and web conference and conference event proceedings. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/about/worldwideoffices. Please contact IDC report sales at +1.508.988.7988 or www.idc.com/?modal=contact_repsales for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or web rights.

Copyright 2024 IDC. Reproduction is forbidden unless authorized. All rights reserved.

