

TRENDS DRIVING EUROPE'S CLOUD MARKET

a PAC Webinar

September 12, 2024



Your Hosts for today



Hugo Pialat

Marketing & Sales



Eric Beaudet

Senior Analyst



AGENDA

1. Understanding the critical trends driving the cloud services market in Europe
2. Market dynamics and supplier's success across different European geographies
3. Strategies to differentiate in a crowded market : key takeaways from our PAC RADARs
4. Q&A

1

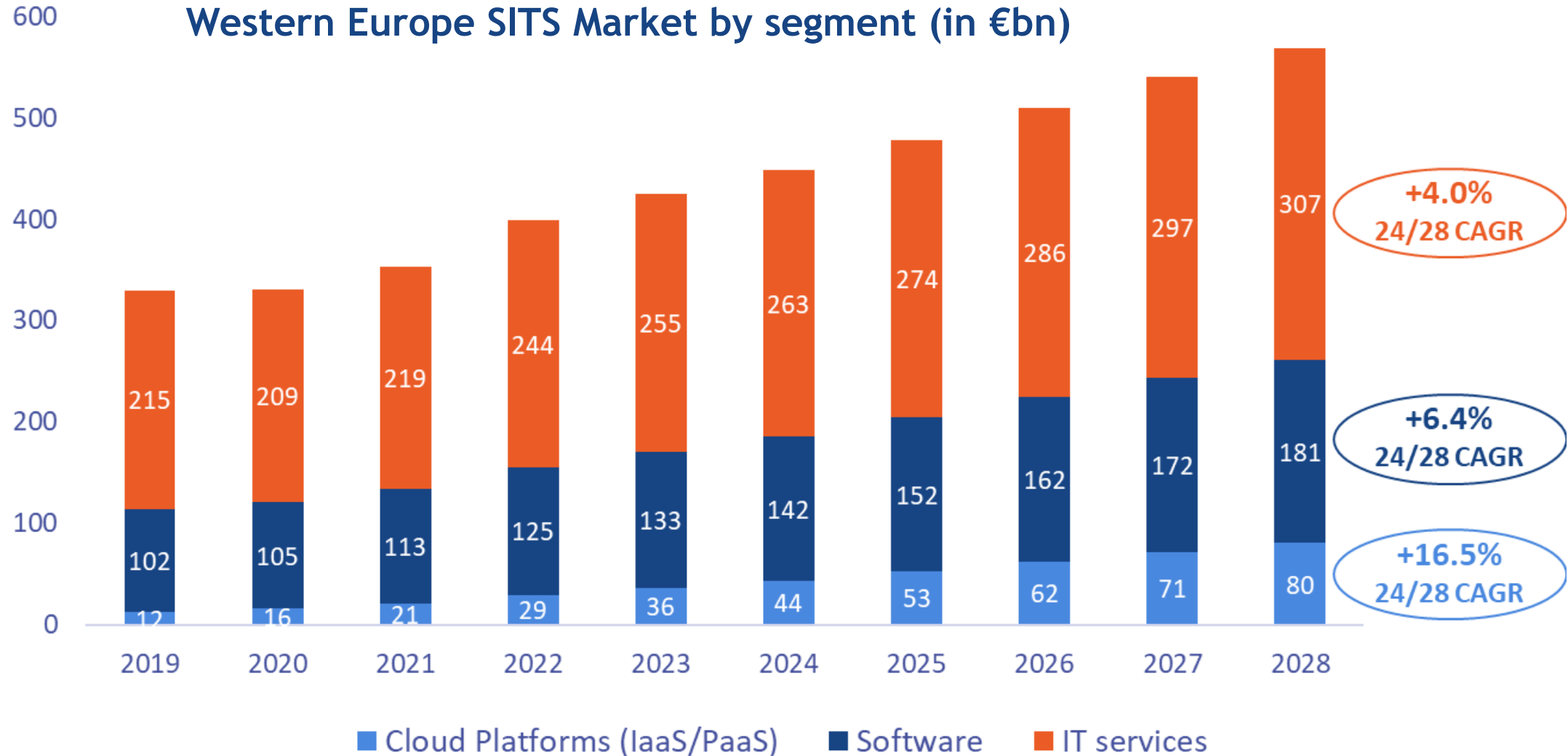
Understanding the critical trends driving the cloud services market in Europe



A dynamic SITS* market in uncertain economic times



*Software & IT Services



5 key trends driving the market

05 Move to multi / hybrid cloud

Sustainability 04

Generative AI 03



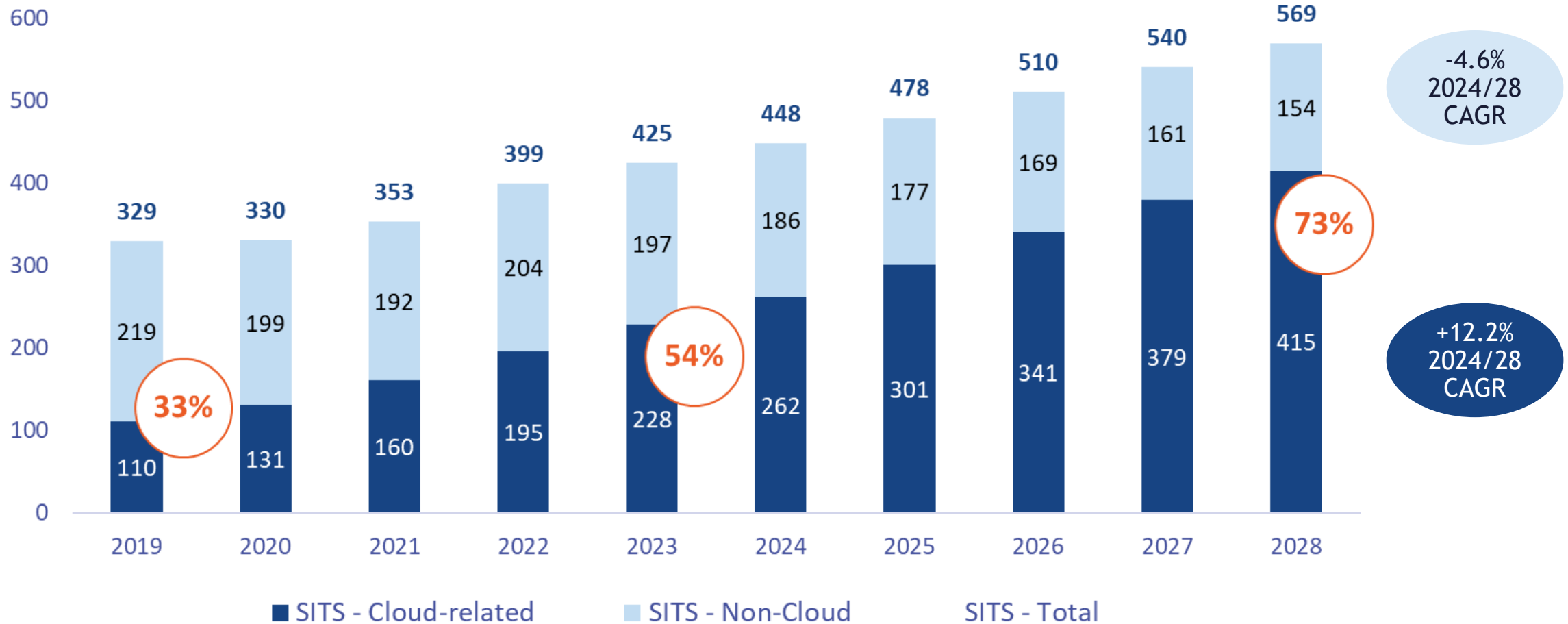
01 Data

02 Cybersecurity

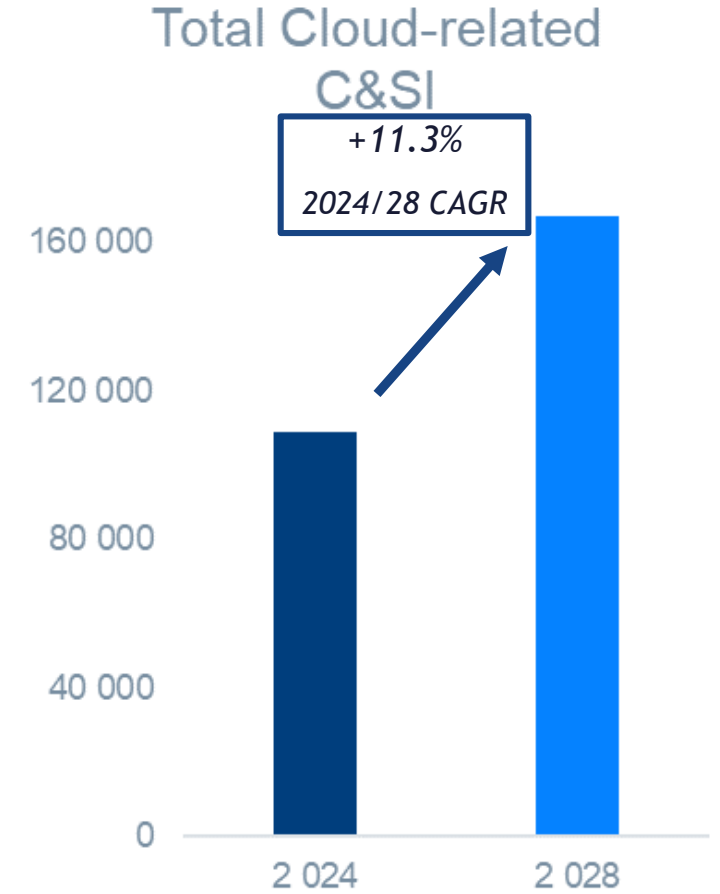
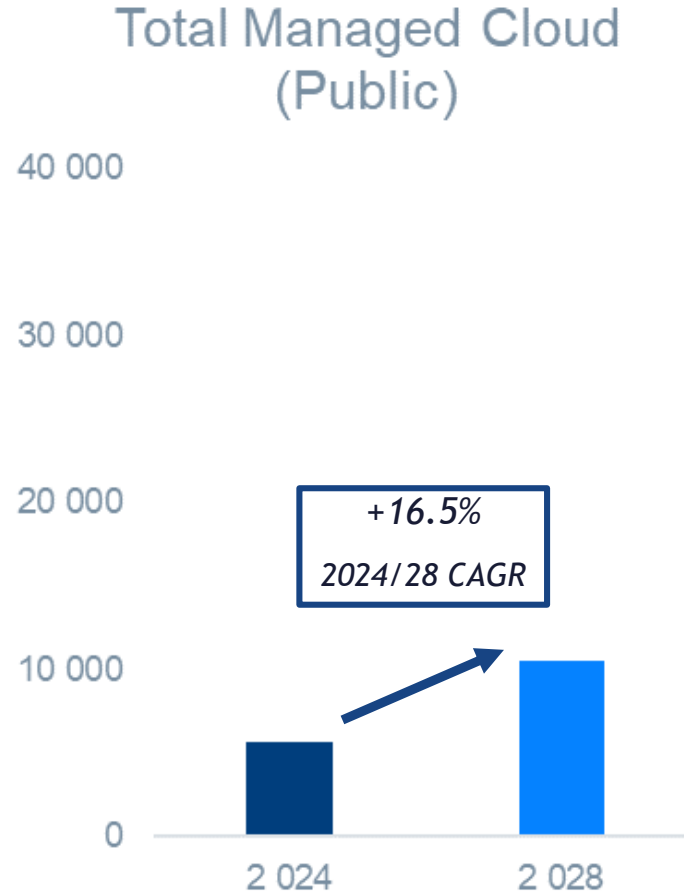
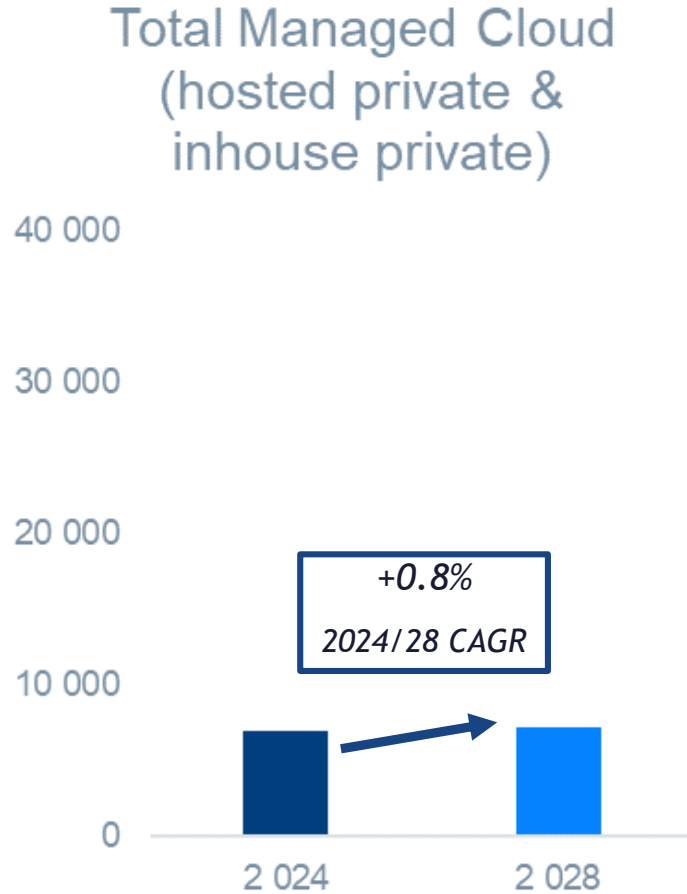
Cloud remains the key growth driver on all segments



SITS Services market in Western Europe (in €bn)



Cloud : not all cloud services segments are made equal...







IT and Cloud will play a crucial role in lowering enterprise's carbon footprint



88%

of European companies expect their IT function to play an important role in reducing carbon emissions.

60%

of companies do all or part of their CSR (corporate social responsibility) reporting manually

The main technologies currently being implemented to lower carbon emissions are :

Emissions accounting platform(s)



52%

Energy management solutions for buildings



47%

Remote collaboration tools



44%

Infrastructure optimization via IoT/digital twins



41%

Migrating on-premises data centers to the cloud



40%

PAC CxO Survey, in % (n=2,638)

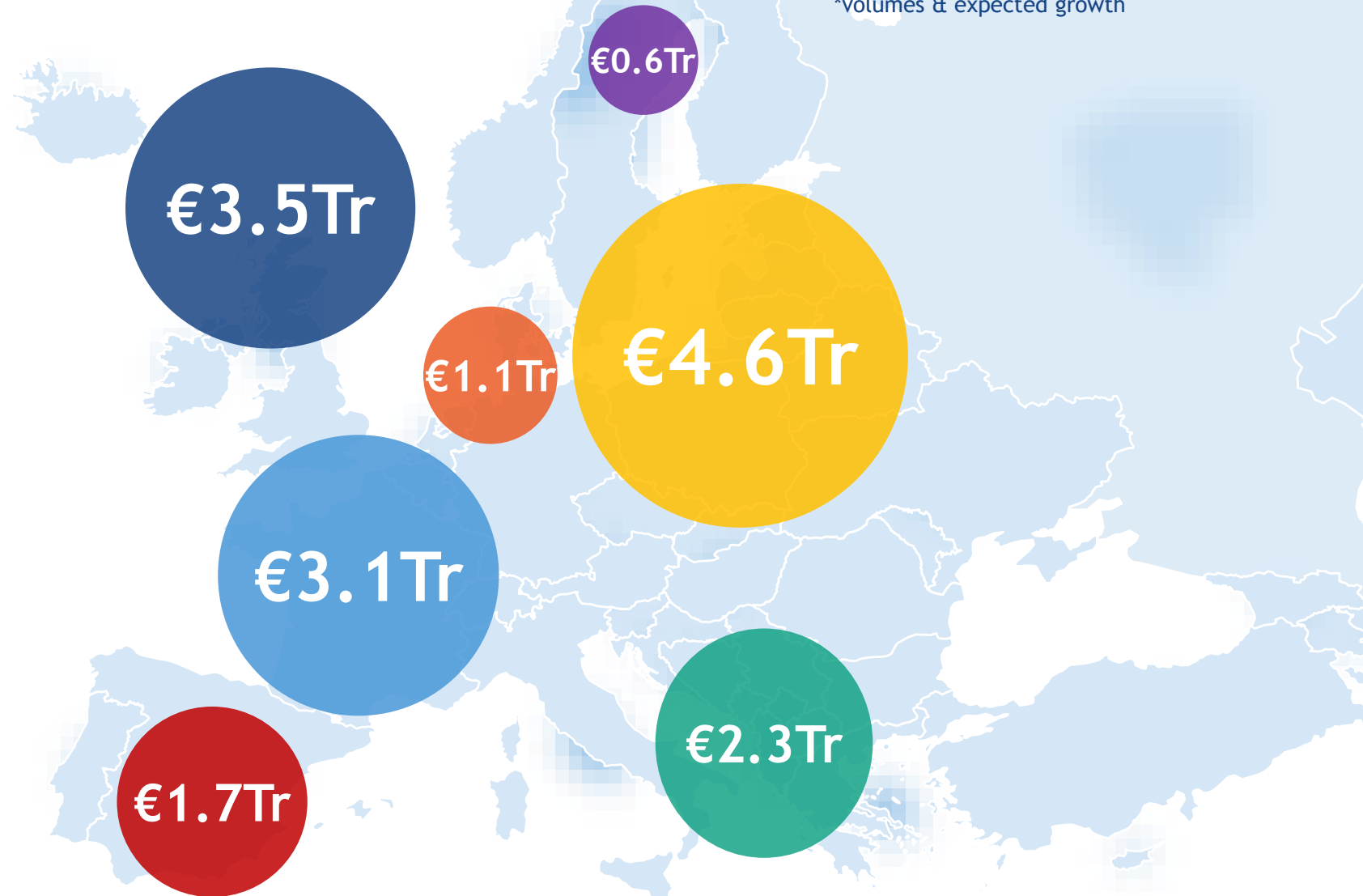
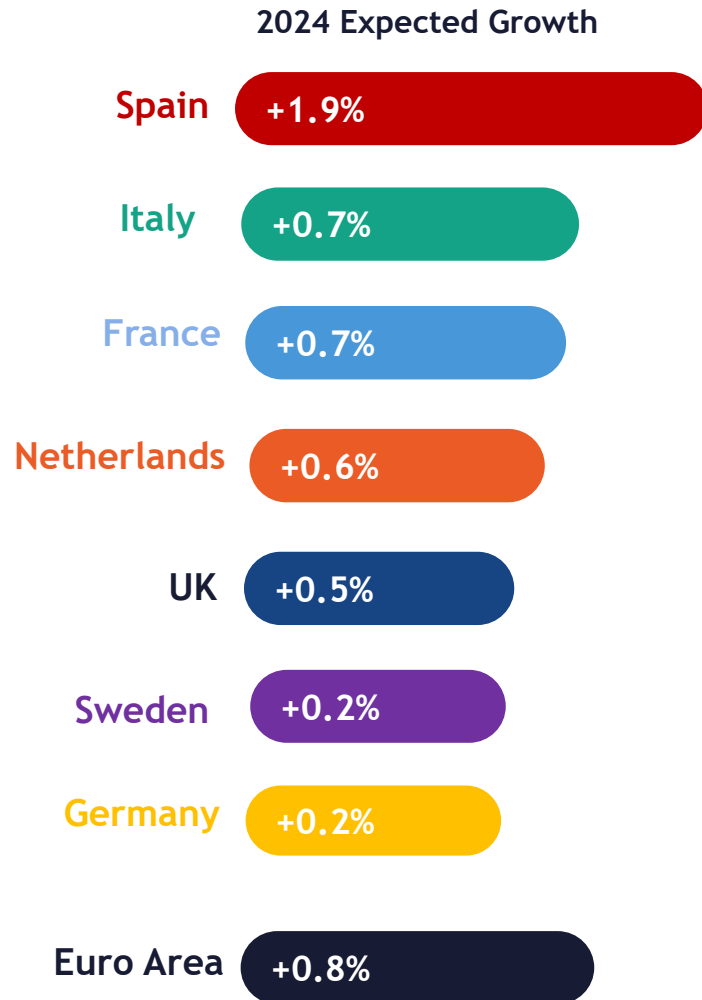
2

**Market dynamics and
supplier's success across
different geographies**



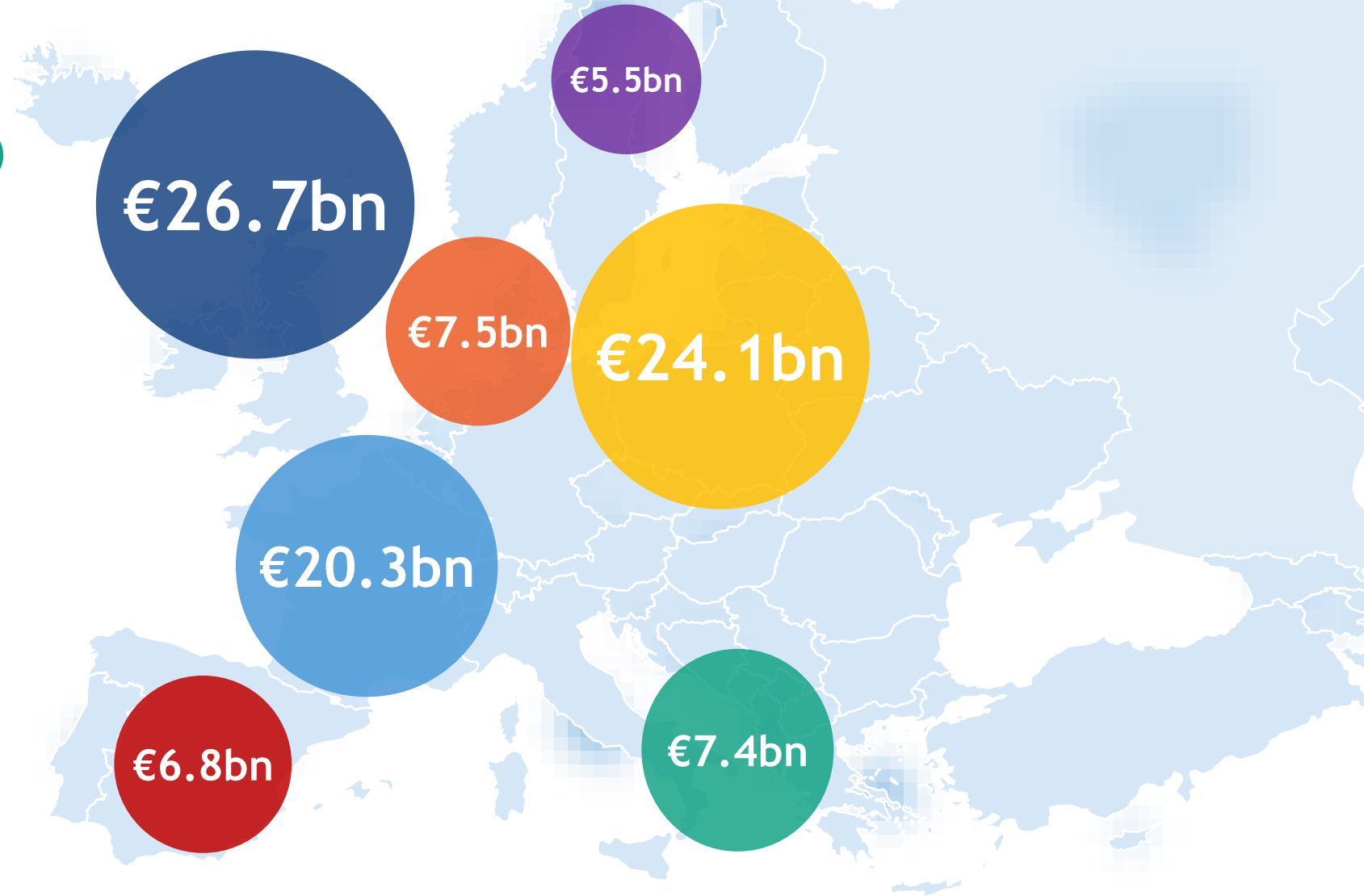
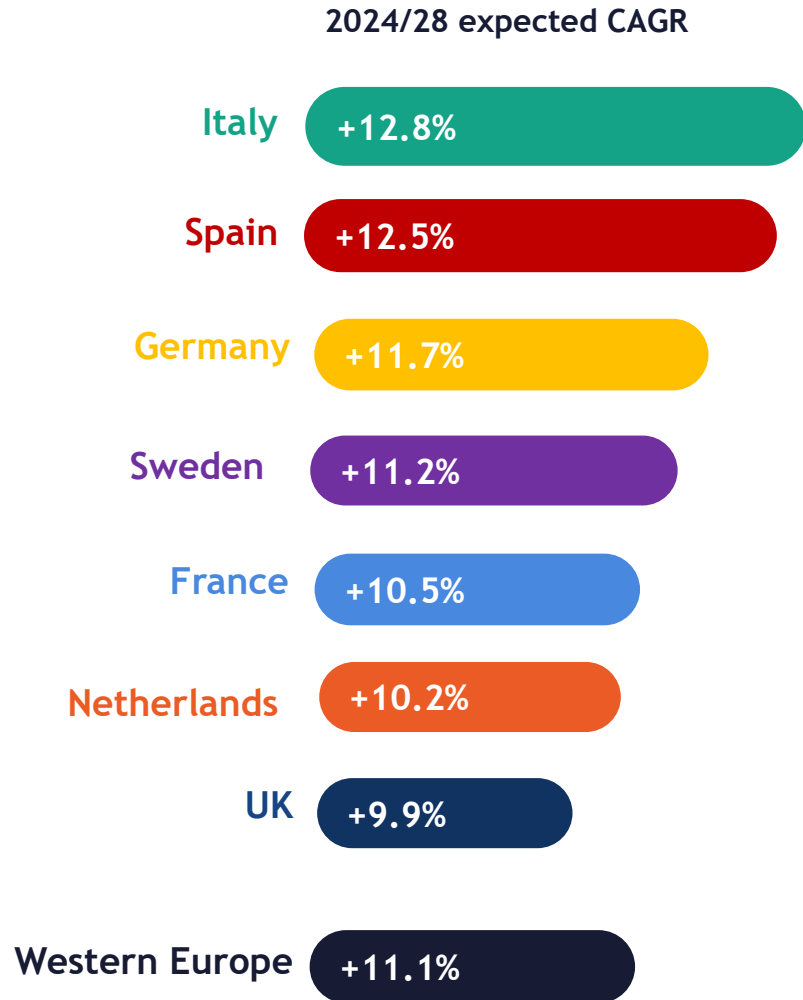
Europe : GDP in billion of Euros

*volumes & expected growth



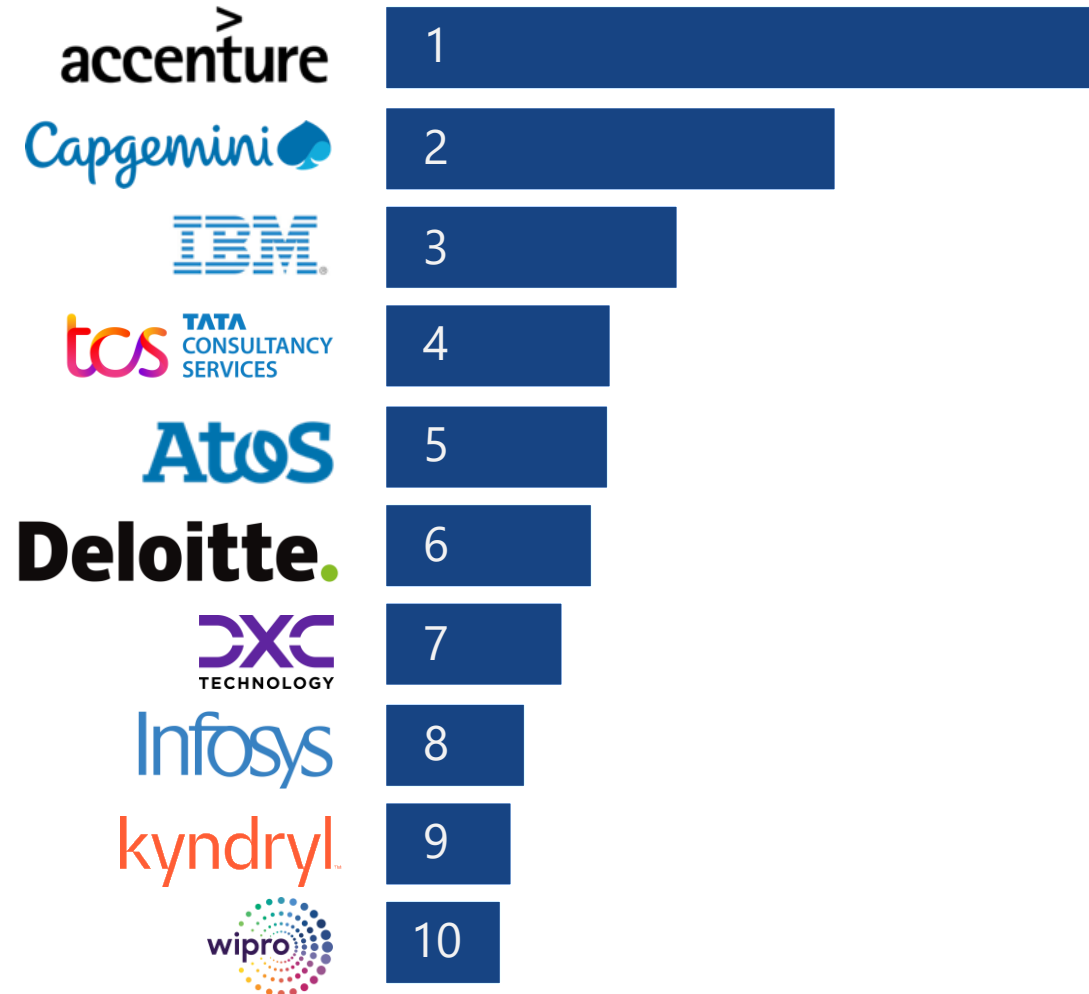
Cloud services market in Europe - 2024*

*volumes & expected growth



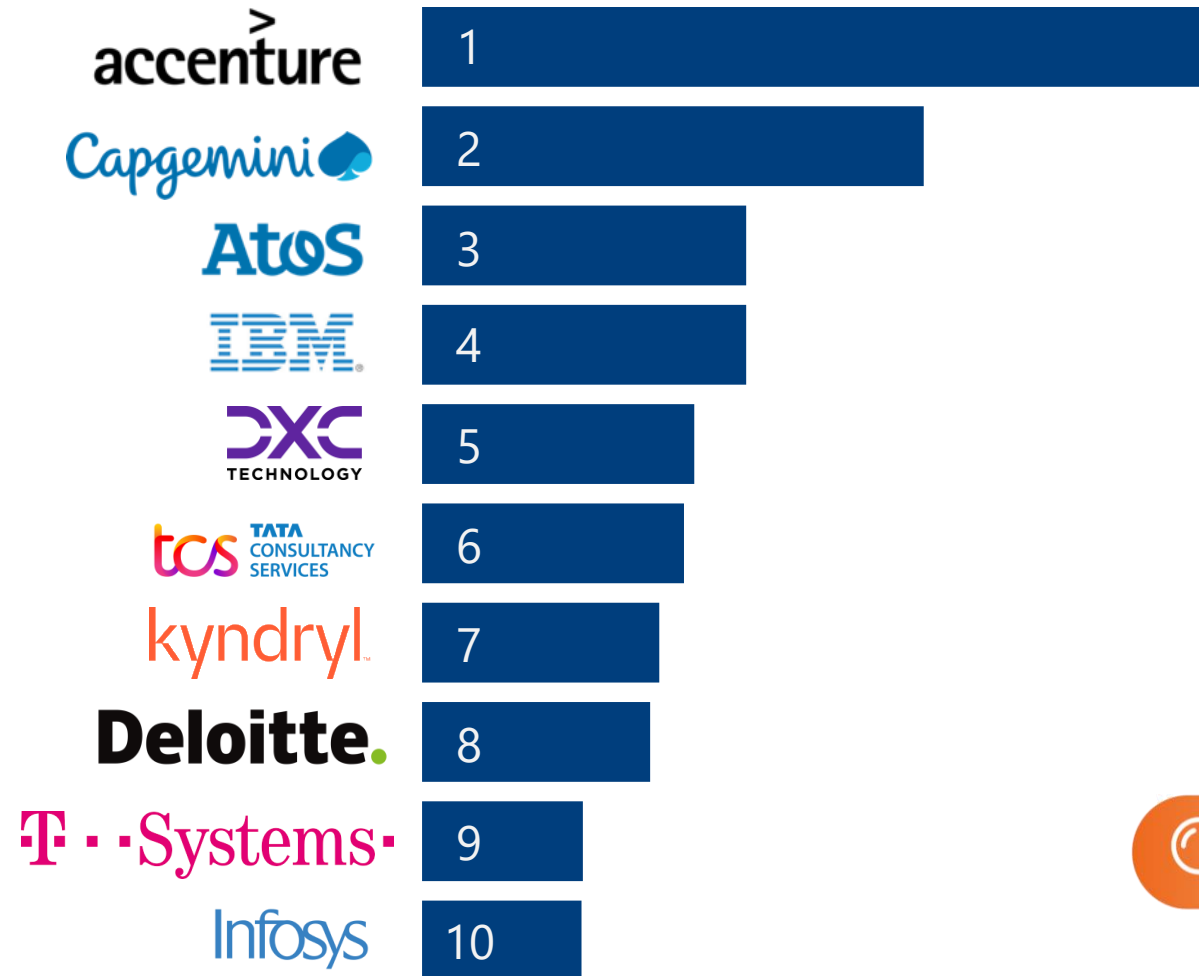
EMEA - Leading Cloud Services* Providers

*comprising Consulting & Systems Integration & Managed Cloud



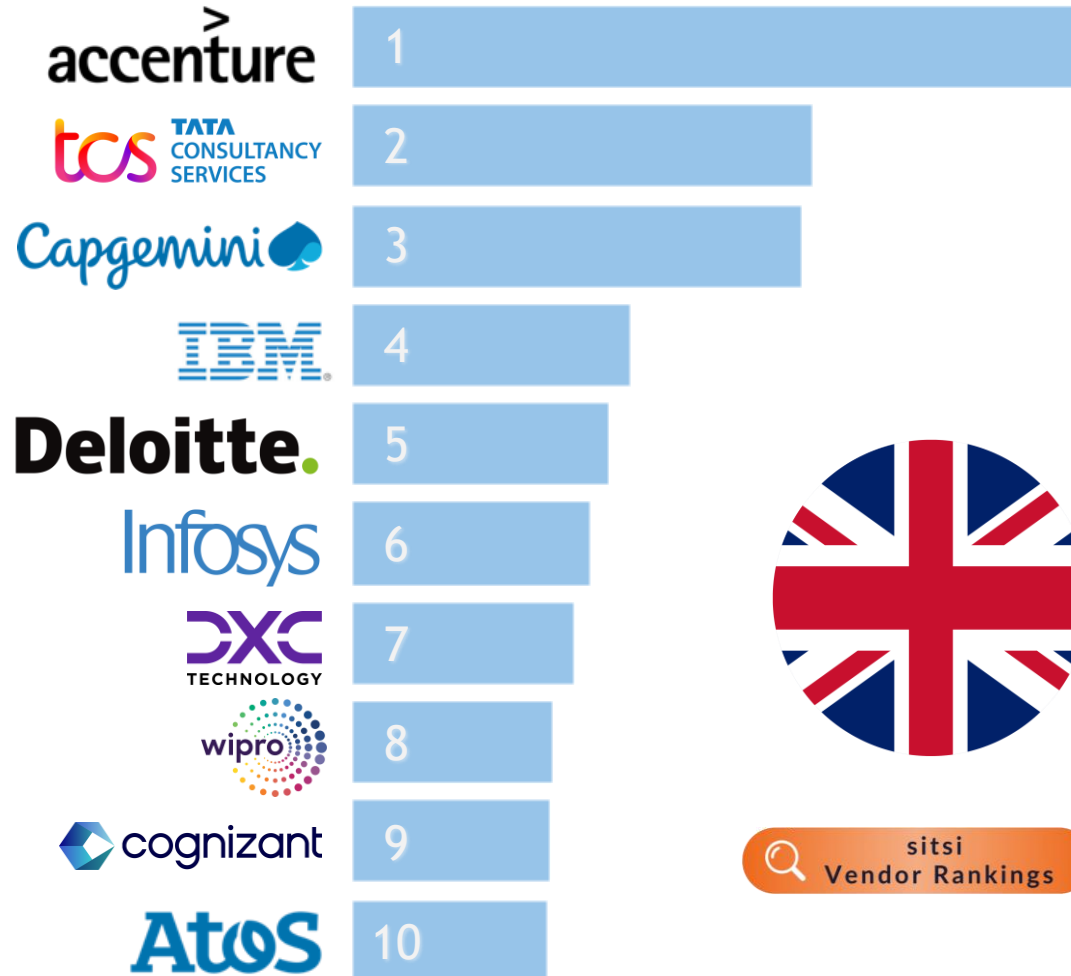
EMEA - Leading Cloud Services* & Hosted Private Cloud Providers

*comprising Consulting & Systems Integration & Managed Cloud

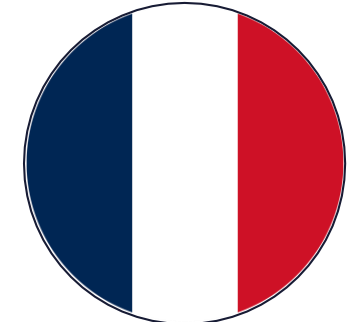
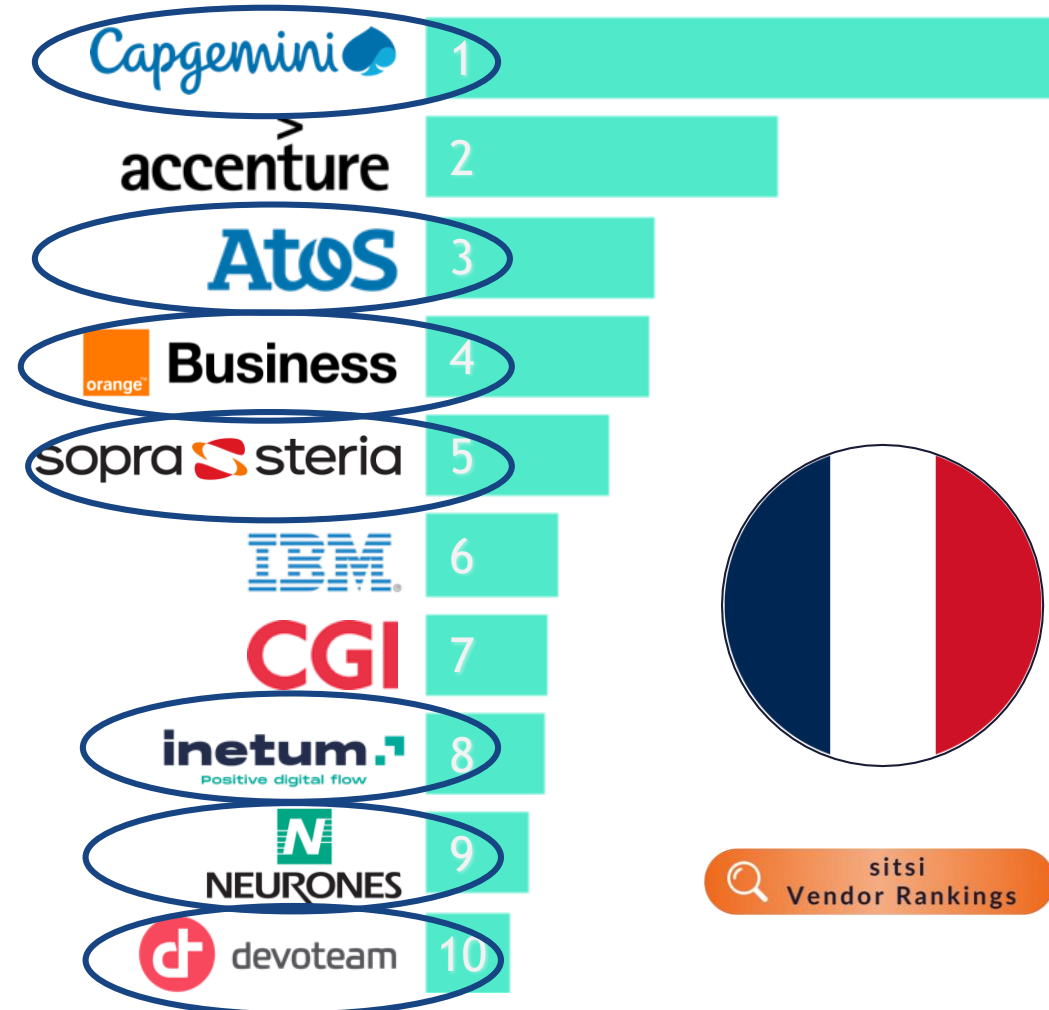


Leading Cloud Services* Providers - UK & France

*comprising Consulting & Systems Integration & Managed Cloud



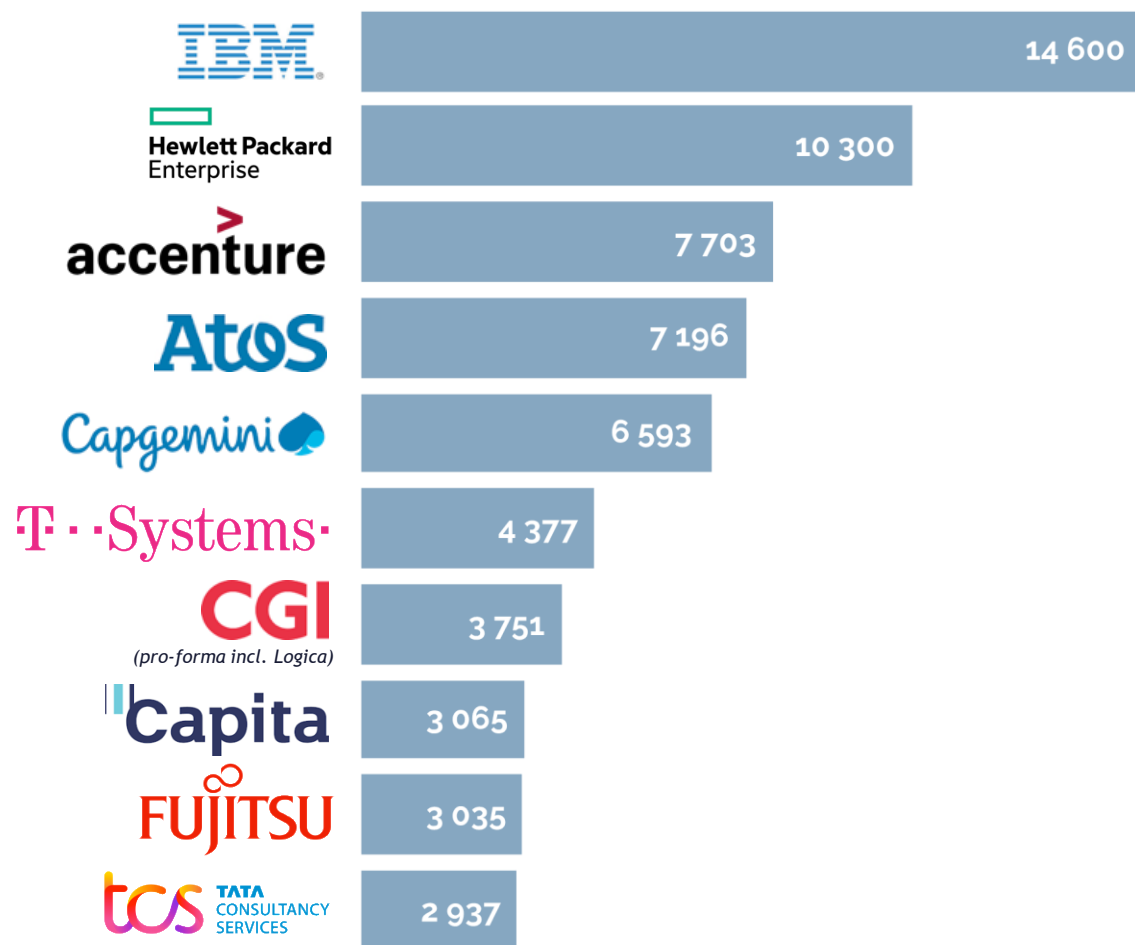
sitsi Vendor Rankings



sitsi Vendor Rankings

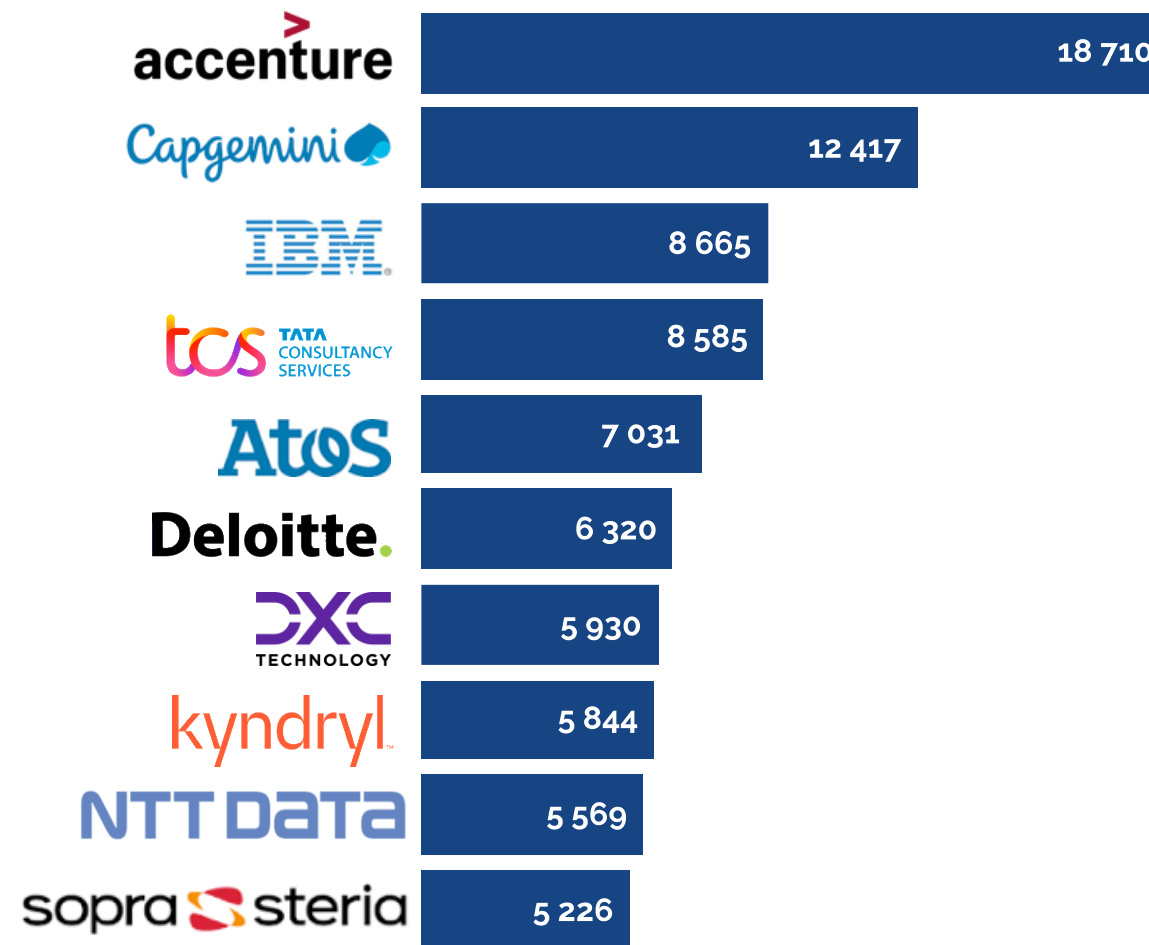
EMEA - Leading IT Services Providers 2013 vs 2023

2013



Revenue 2013 (million EUR)
PAC, SITS Vendor Rankings

2023



Revenue 2023 (million EUR)
PAC, SITS Vendor Rankings

What are the key success factors for IT Service providers

- 1 Talents and Training**
 - High attrition rates & salary inflation on certain competencies in high demand (AI, data, DevOps, security)
- 2 C&SI capabilities**
 - Most dynamic service segment. Transformation is key to bring value out of the cloud migrations (end of lift & shift)
- 3 Sectorial skills & competencies**
 - Business competencies & verticalized solutions are key to enable truly added value from the cloud
- 4 Strong partnerships with hyperscalers**
 - Dedicated business unit, joint marketing, intellectual property are all points of differentiation

3

**Strategies to differentiate
in a crowded market :
Key takeaways from our PAC RADARs**



What is the PAC RADAR?

In-deph analysis of service providers on a given technology
(AI, AWS, Azure, GCP, SAP, ServiceNow, Sustainability...)

Provider analysis and classification

Market analysis

Recommendations

1

Questionnaire

1

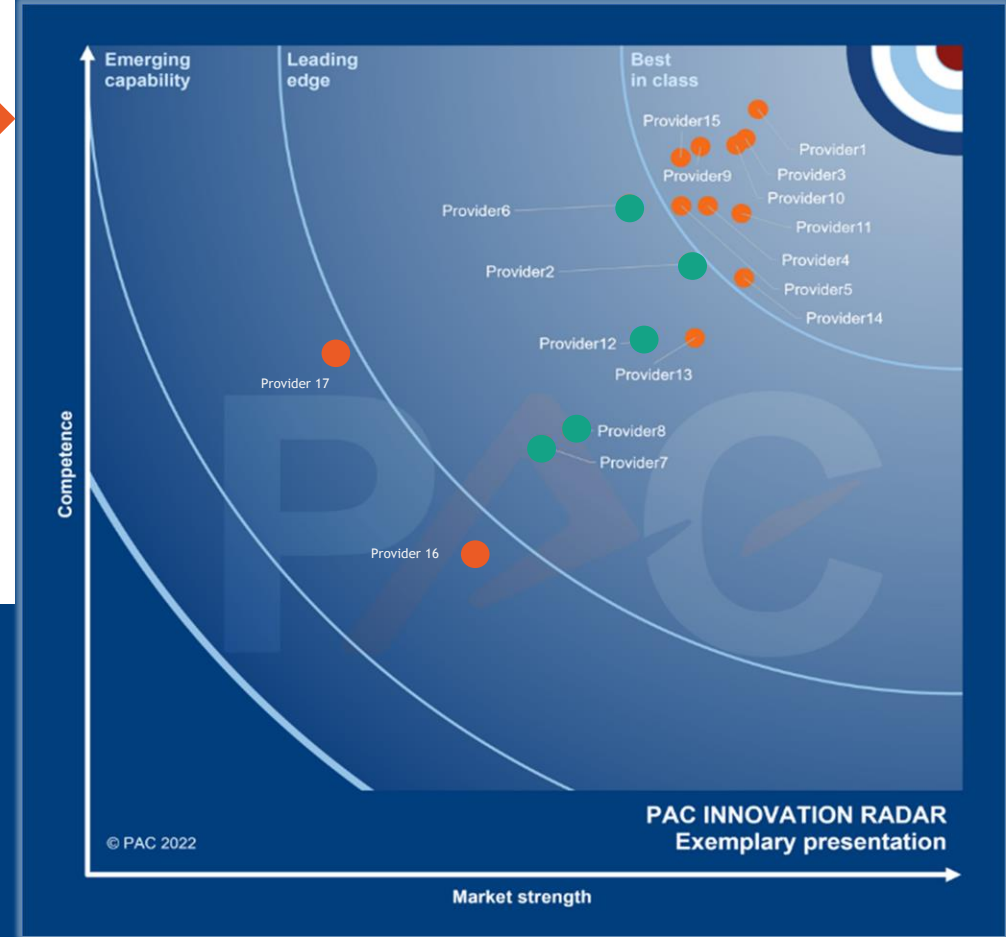
Provider briefing

50+

Criteria
(Sales, workforce,
certifications,
issues, etc.)

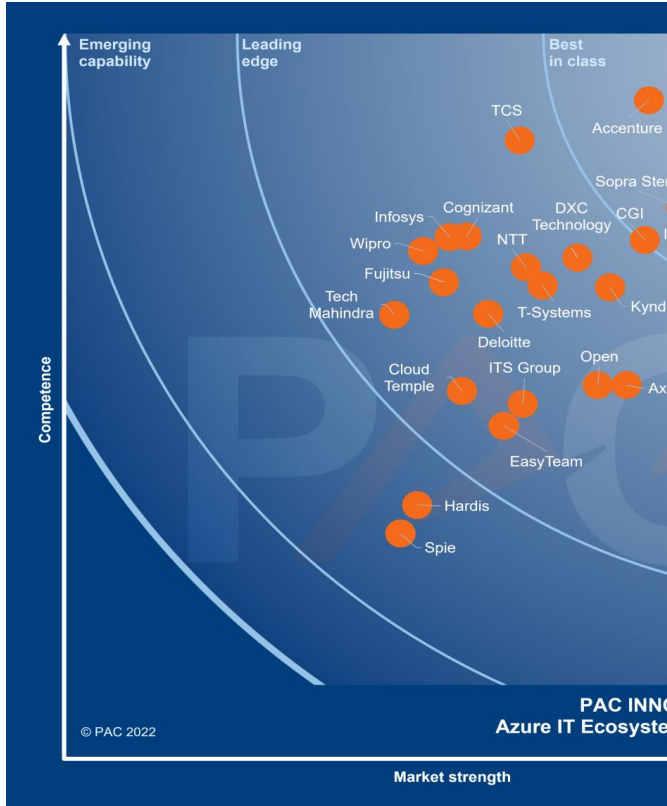
25

Maximum no.
of players
considered

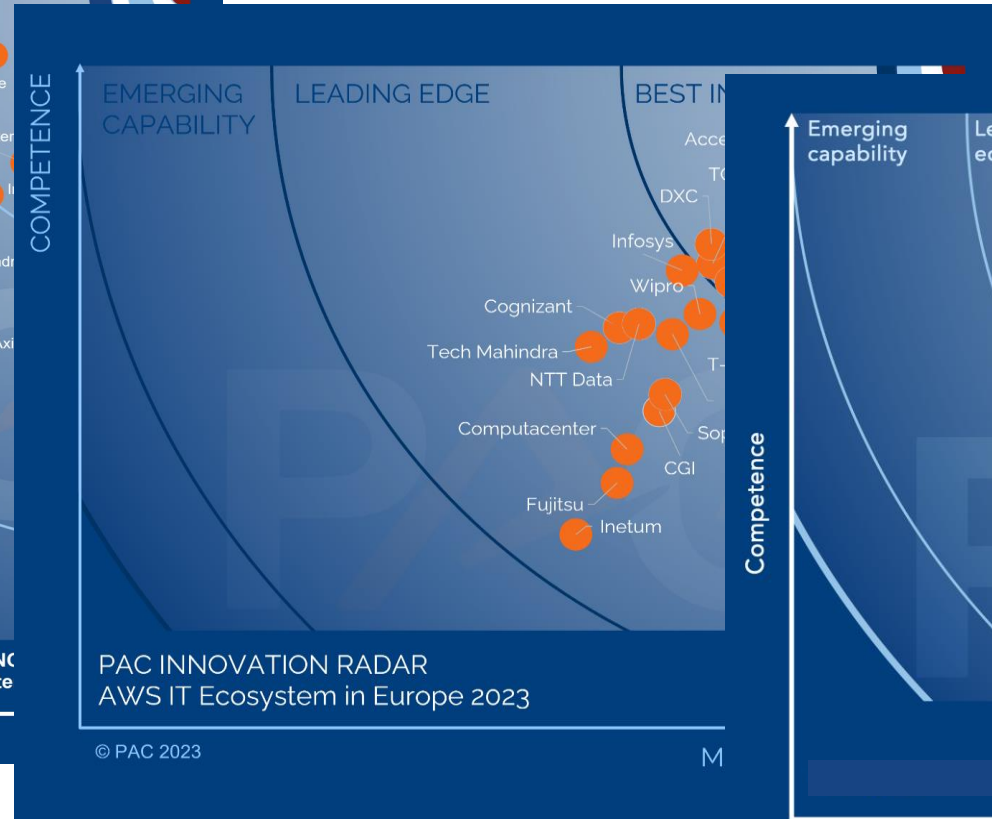


● Best in Class ● Leading Edge ● Emerging Capability

A series of 3 PAC RADARs around hyperscalers' capabilities across 3 geographies (Europe, France & Germany)



Azure - 2022



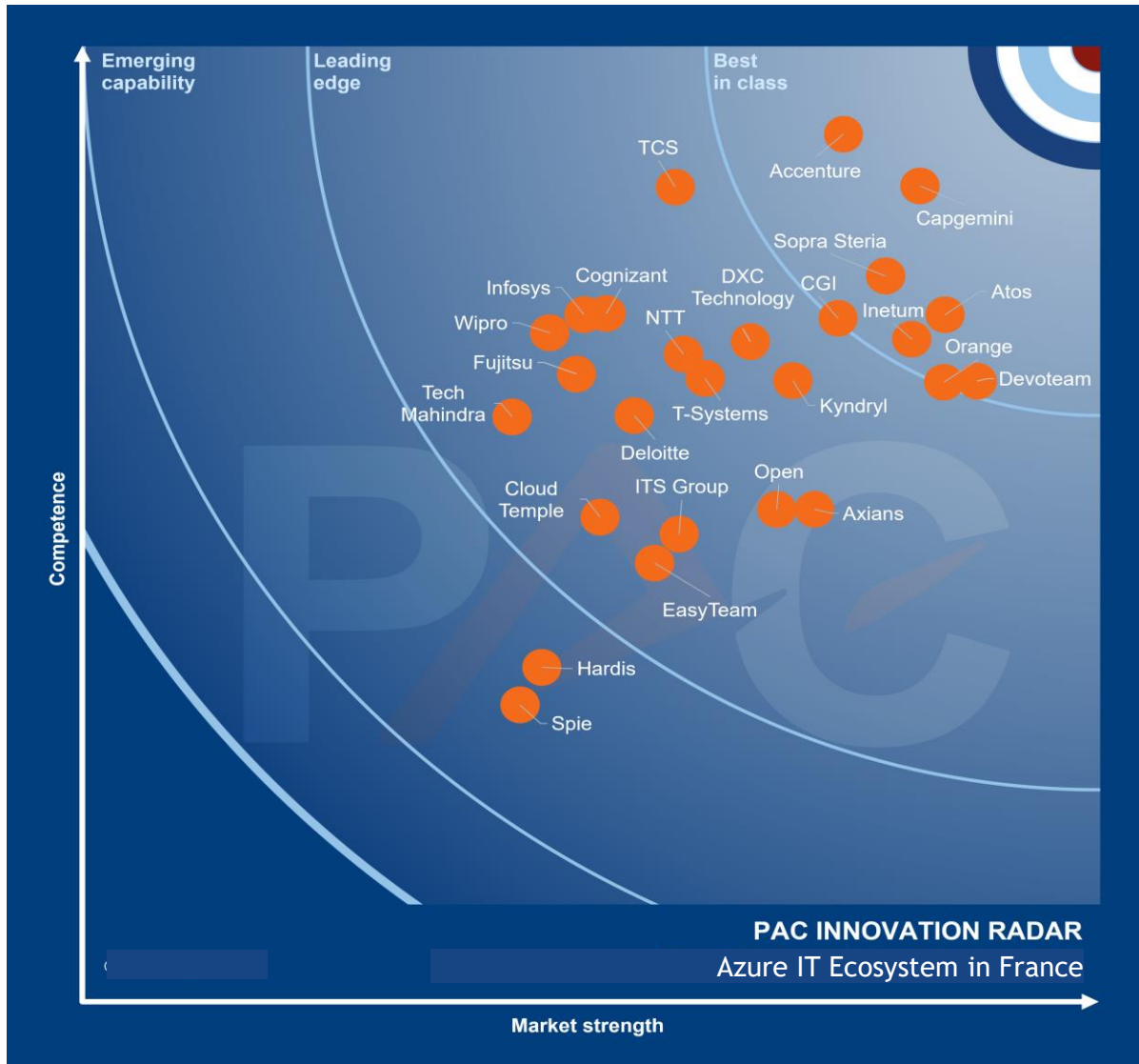
AWS - 2023



GCP - coming Q4 2024

COMPETENCE	MARKET STRENGTH
<p>Strategy</p> <ul style="list-style-type: none">• Dedicated business unit• Financial investments (Capex, M&A...)• Level of investments (tools & solutions)• Level of industrialization and automatization• Level of cooperation with the hyperscaler (products, co-engagement, co-development) <p>Competences & Qualification</p> <ul style="list-style-type: none">• # of certified employees in the studied market• # of certified employees dedicated to the studied market• Number of certifications & specialization• Investments in people / training• IP• End-to-end capabilities (C&SI, managed services...)	<p>Revenues & Installed base</p> <ul style="list-style-type: none">• Total cloud revenues in the studied market• GCP revenues in the studied market• Cloud as % of total revenues• Focus on studied hyperscaler vs others (revenues and # certifications) <p>Clients and go-to-market</p> <ul style="list-style-type: none">• Proximity with the hyperscaler (common go-to-market strategy, budgets...)• End-to-end competencies in the studied market• Installed base & client notoriety in the studied market• Vertical offerings

PAC RADAR Example : Microsoft Azure in France



More than a graph!

30+ page report with In-depth provider analysis and classification

Lists of underperforming & overperforming criteria

Market analysis

Recommendations

PAC : Research Agenda 2024



RAOAR

Date of publication
(Production starts 4-5 months before publication)

Vendor Rankings

Date of publication

CXO Surveys

Date of publication
(Production starts 2-3 months before publication)

	Q1	Q2	Q3	Q4
RAOAR	<ul style="list-style-type: none"> Sustainability-related Services Salesforce-related Services Adobe Services 		<ul style="list-style-type: none"> Open Digital Platforms AI Services 	<ul style="list-style-type: none"> Google Cloud Services ServiceNow Services
Vendor Rankings		(prelim.) Rankings	Extended Rankings	
CXO Surveys	<ul style="list-style-type: none"> Investment Priorities Sustainability 	<ul style="list-style-type: none"> Digital Workplace Transformation des DSI Run SAP 	<ul style="list-style-type: none"> AI SAP 	<ul style="list-style-type: none"> Cyber Security

Q&A



pacanalyst.com



sitsi.pacanalyst.com

THANK YOU FOR ATTENDING OUR WEBINAR TODAY!



Eric Beudet
Senior Analyst

e.beudet@pacanalyst.com



Sign up for our Newsletters