ISG Provider Lens™

Enterprise Managed Network Services

A detailed study of the Enterprise Managed Network Services market

Customized report courtesy of:

QUADRANT REPORT | DECEMBER 2024 | EUROPE

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Managed delivery of advanced enterprise network services becomes vital for business success

The managed network services (MNS) industry has evolved significantly since its inception in the early 2000s. It faced resistance from many European enterprises, which were more comfortable with traditional large-scale IT and data operations departments based in-house. Although initially focused on basic connectivity and maintenance tasks, MNS encompasses a comprehensive range of services addressing the complexities of modern ICT infrastructures. From underlay network management to network security, cloud connectivity and software-defined networking, MNS is now essential for robust security measures and regulatory compliance in today's complex threat landscape. As enterprises and government organizations navigate complex network landscapes and hybrid working environments, the role of MNS has become crucial.

Ongoing advancements in digital infrastructure have created an optimal environment for MNS, network as a service (NaaS) and network service providers to thrive. Moreover, adopting new technologies such as AI and GenAI further accelerates this evolution, demanding specialized expertise and staffing that many enterprises may not be well equipped to handle.

Some key factors driving changes in enterprise networks across Europe in 2024 align closely with global results and can be outlined as follows:

Enterprise network challenges and MNS solutions

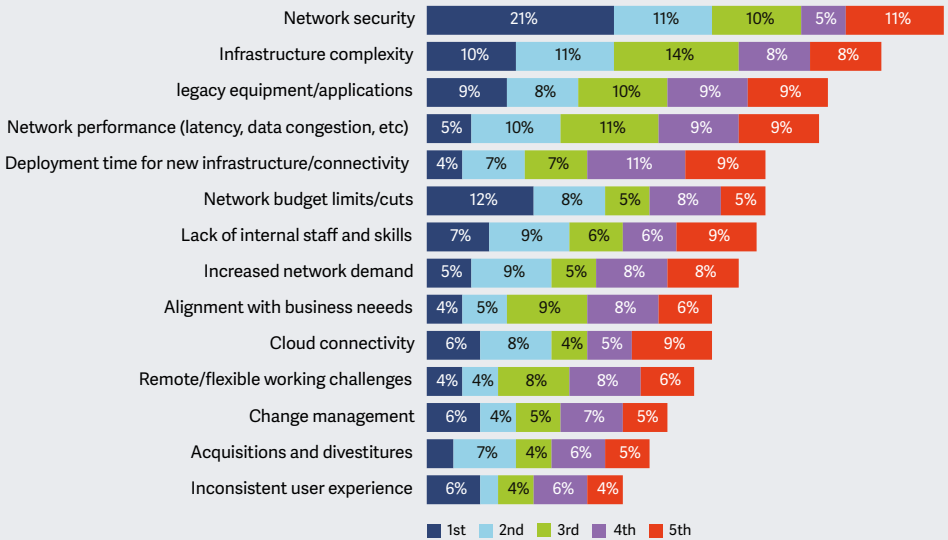
Modern enterprises face numerous network challenges that are listed below:

- **Heterogeneity in network:** Integrating various network types (core, cloud and edge) and enabling them to work together seamlessly in a fixed/mobile, public/private environment
- **Performance and reliability:** Maintaining optimal performance and stability across all network domains

MNS is a **crucial undertaking**, enabling **advanced and secure enterprise networks.**

Network Management Challenges

What are the top five challenges in managing and maintaining networking for your organization?



Data gathered from 199 network decision makers in G2000 companies, mostly multinational operators based in U.S. and Europe across all industry types.

Source: ISG Market Lens reports, Network Modernization Study, October 2023

- **Cost management:** Balancing expenditure while achieving efficient and secure network operations
- **Regulatory compliance:** Adhering to stringent data privacy and security regulations, such as the Health Insurance Portability and Accountability Act (HIPAA), Central Consumer Protection Authority (CCPA) and GDPR
- **Technology refreshes:** Adapting to rapid technological changes and upgrades
- **Mobility and cloud integration:** Facilitating secure and efficient cloud migration and mobile workforce support, considering the requirement of private 5G networks
- **IoT integration:** Managing the influx of IoT devices and their associated security risks
- **Skillset requirements:** Training existing staff and hiring new talent with expertise in cutting-edge technologies and services required
- **Vendor management:** Coordinating with multiple vendors for cohesive network management

MNS providers address these challenges by offering a comprehensive suite of services, which ISG segregates into three distinct quadrants of business area focus as stated below:

1. Managed Network Services Evolution

MNS providers cover everything from network provisioning and operations and management to monitoring. Their services offer robust security through firewalls, audits, data integrity measures and sophisticated intrusion detection/prevention systems (IDS/IPS). They also offer fully managed and comanaged models, such as those listed below:

- **Network provisioning, operations, management and monitoring:** Ensuring continuous network performance and security
- **Security posture maintenance:** Implementing firewalls, conducting audits, ensuring data integrity and deploying IDS/IPS solutions
- **Network upgrades and expertise:** Providing ongoing updates and specialized support

- **Flexible engagements:** Offering options for the complete acquisition of existing estates, potentially with a defined upgrade plan targeting discrete parts of the network such as LAN, WAN, cloud and security over time
- **Consulting/advisory services:** Enhancing enterprise outcomes through strategic guidance, including network upgrades, organizational change, business application integration and consolidation

2. Managed Enterprise Connectivity Solutions (DIA, VoIP and VPN)

For enterprises not completely transitioning to the cloud or software-defined networks, services related to direct internet access (DIA), VPNs and voice over internal protocol (VoIP) remain critical. These services are listed as follows:

- **Private and virtual networks:** Catering to diverse network needs with enhanced control and security
- **Remote access and device management:** Ensuring secure and efficient remote operations
- **System design and implementation:** Customizing networks to meet enterprise-specific requirements
- **Configuration and monitoring:** Maintaining optimal network settings and performance
- **Bandwidth and UX:** Ensuring sufficient bandwidth and a positive UX

3. Network as a Service (NaaS)

NaaS allows businesses to leverage advanced network capabilities without the need to maintain infrastructure or long-term contracts. These capabilities are listed as follows:

- **On-demand connectivity:** Providing flexible, scalable network solutions
- **Pay-as-you-use model:** Charging primarily for the services and bandwidth consumed
- **Expert management:** Delegating daily network management to specialized providers
- **Application assurance and cybersecurity:** Ensuring secure and efficient application performance, which may also entail the use of security operations centers (SOCs) or cyber defense centers
- **Multicloud services:** Facilitating seamless multicloud integration, including core to edge coordination and operation

The MNS industry performs a key role in helping European organizations navigate the complexities of modern ICT infrastructures. By offering a comprehensive suite of services that include legacy networks, advanced next-generational networks, network security, cloud connectivity and support for emerging technologies, MNS providers enable businesses to direct the attention of their staff on core business operations while maintaining robust and advanced network performance and security. The ongoing evolution of the MNS market, driven by technological advancements and the growing sophistication of cyberthreats, underscores its importance in the digital landscape.

MNS provide advanced and business-specific network solutions that serve as a secure foundation for business transformations. Leveraging MNS, organizations can reduce IT capital expenditures, rationalize staff scaling and training, and mitigate risks with constant updates. This approach is particularly crucial for companies undergoing multicloud and NaaS migrations, where MNS acts as a vital component in enabling seamless integration and operation.

Provider Positioning

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	Managed Network Services Evolution	Managed Enterprise Connectivity Solutions (DIA, VoIP & VPN)	Network as a Service (NaaS)
Accenture	Leader	Leader	Leader
Apcela	Contender	Not In	Not In
AT&T	Product Challenger	Product Challenger	Product Challenger
Atos	Product Challenger	Not In	Not In
Bechtle	Contender	Contender	Contender
Bouygues	Not In	Contender	Not In
BT	Product Challenger	Product Challenger	Product Challenger
CANCOM	Product Challenger	Not In	Product Challenger
Capgemini	Product Challenger	Rising Star ★	Product Challenger

Provider Positioning

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	Managed Network Services Evolution	Managed Enterprise Connectivity Solutions (DIA, VoIP & VPN)	Network as a Service (NaaS)
Colt	Leader	Leader	Leader
Comcast Business	Leader	Leader	Product Challenger
Computacenter	Rising Star ★	Product Challenger	Market Challenger
Damovo	Not In	Market Challenger	Not In
Deutsche Telekom	Leader	Leader	Leader
DXC Technology	Product Challenger	Product Challenger	Rising Star ★
GTT	Leader	Leader	Leader
HCLTech	Leader	Product Challenger	Leader
Infosys	Contender	Not In	Product Challenger

Provider Positioning

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	Managed Network Services Evolution	Managed Enterprise Connectivity Solutions (DIA, VoIP & VPN)	Network as a Service (NaaS)
Kyndryl	Product Challenger	Leader	Product Challenger
Logicalis	Not In	Contender	Contender
Microland	Not In	Not In	Product Challenger
Mphasis	Not In	Product Challenger	Not In
NTT DATA	Product Challenger	Leader	Leader
Orange Business	Leader	Leader	Leader
RIEDEL Networks	Leader	Product Challenger	Not In
SFR	Market Challenger	Not In	Contender
Tata Communications	Product Challenger	Product Challenger	Product Challenger

Provider Positioning

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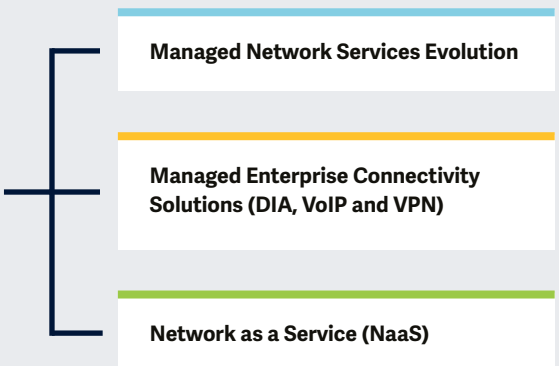
	Managed Network Services Evolution	Managed Enterprise Connectivity Solutions (DIA, VoIP & VPN)	Network as a Service (NaaS)
TCS	Product Challenger	Product Challenger	Product Challenger
Tech Mahindra	Product Challenger	Product Challenger	Product Challenger
Telefonica	Product Challenger	Product Challenger	Product Challenger
Verizon Business	Leader	Market Challenger	Leader
Vodafone	Product Challenger	Product Challenger	Not In
Wipro	Leader	Product Challenger	Leader

The report is an analysis of providers offering **MNS, managed private networks and NaaS** solutions.



Simplified Illustration Source: ISG 2024

Definition

This ISG Provider Lens™ Enterprise Managed Network Services 2024 study analyzes several types of managed network service (MNS) offerings, including WANs, LANs, managed Direct Internet Access (DIA), Voice over IPs (VoIPs) and virtual private networks (VPNs), together with the provisioning of network as a service (NaaS). The report evaluates MSPs with service models that deliver MNS integrated with AI and automation — components becoming increasingly vital in managing complex networks. Experienced MSPs are using AI-based solutions and automation tools to enhance network monitoring, troubleshooting and optimization. Their offerings encompass advising, evaluating, planning, upgrading and provisioning of network services in accordance with SLAs and include a range of services such as WAN/LAN, fully managed WLAN and branch installations, managed firewalls, DIA enterprise network connections, VPNs and VoIP.

The scope of services covers areas such as onsite installations, remote operations, management and monitoring, fault diagnosis, updates and patch management, and disaster recovery. In addition, many MSPs and network operators offer advanced networks to enterprise clients in as-a-service models, NaaS, allowing an enterprise to consume what and as it needs in a highly flexible manner, compared with the more traditional MNS offerings.

Through this study, ISG is set to undertake comprehensive research with clear and definitive evaluation criteria. The study will cover the deliverables of MSPs and network operators in this marketplace.

Scope of the Report

This ISG Provider Lens™ quadrant report covers the following three quadrants for services/solutions: Managed Network Services Evolution, Managed Enterprise Connectivity Solutions (DIA, VoIP and VPN) and Network as a Service (NaaS).

This ISG Provider Lens™ study offers enterprise network decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments (quadrants)
- Focus on the European market

Our study serves as the basis for important decision-making by covering providers' positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The provider position reflects the suitability of providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the service requirements from enterprise customers differ and the spectrum of providers operating in the local market is sufficiently wide, a further differentiation of the providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between $20 million and $999 million with central headquarters in the respective country, usually privately owned.
- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above $1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

- **Number of providers in each quadrant:** ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).

Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

Managed Network Services Evolution

Who Should Read This Section

This quadrant report is relevant to enterprises across all industries in Europe for evaluating enterprise managed network service (MNS) providers. It assesses providers' overall network vision and advisory capabilities, industry expertise, range of MNS offerings and ability to tailor their services to meet client-specific requirements.

In this quadrant, ISG evaluates the current market positioning of MNS providers in Europe and analyzes how they address key challenges enterprises face.

With the increasing adoption of cloud-based solutions, new applications and hybrid environments that merge on-premises and cloud resources, and technological advancements, the need to seamlessly manage and integrate diverse systems to enable smooth operation and connectivity across platforms becomes critical. Aligned with this goal, MNS providers are developing comprehensive network solutions supported by holistic security capabilities and regulatory compliance that enhance operational efficiency and data accessibility.

As enterprises navigate networking and cybersecurity convergence complexities, chief information officers (CIOs) and chief information security officers (CISOs) often face challenges in articulating the ROI of their investments. They expect MSPs to offer technical solutions and serve as strategic partners in quantifying the business impact of these investments, including insights into how integrated networking and security initiatives can enhance operational efficiency, reduce risks and contribute to the bottom line. They also expect to offer consulting services to align technology investments with broader business objectives, helping enterprises clearly articulate the financial and operational benefits of their IT strategies.

Network professionals should read this report to gain insights into the latest managed service trends, technologies and best practices to design and implement scalable, resilient network infrastructures.

Cybersecurity professionals should read this report to comprehend how MNS can enhance security posture, mitigate risks, comply with regulations, and safeguard critical enterprise data and systems.

Procurement professionals should read this report to identify potential providers, compare pricing structures and understand contract nuances, enabling them to negotiate better terms and achieve cost savings.

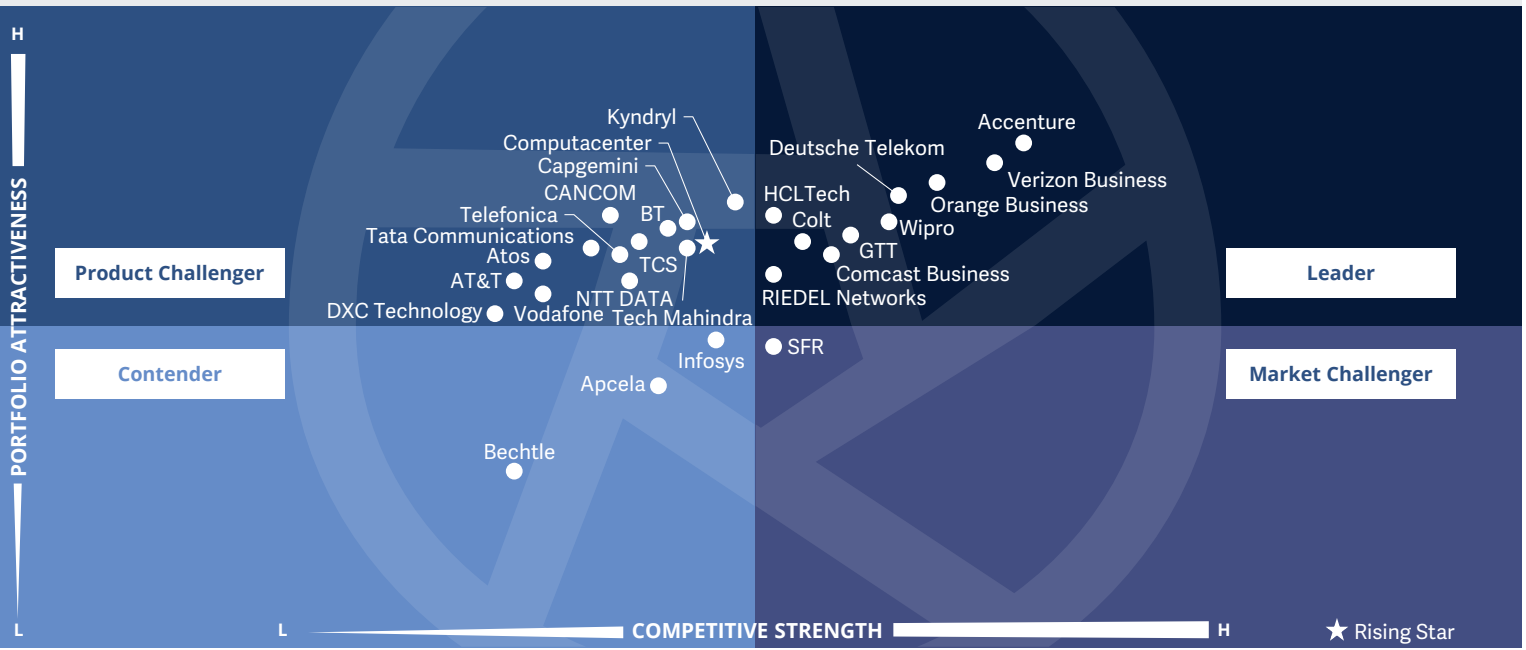
CIO, CTO and other C-suite executives should read this report to gain insights into MNS for aligning technology with business goals, optimizing IT costs and enhancing operational efficiency.

ISG Provider Lens™

Source: ISG RESEARCH

Enterprise Managed Network Services
Managed Network Services Evolution

Europe 2024



This quadrant assesses providers' ability to **deliver MNS**, encompassing **legacy and next-generational** secure network technologies, **AI-driven solutions** and necessary migrations to deliver **client-tailored solutions.**

Dr. Kenn D Walters

Definition

This quadrant examines the providers of enterprise network services — primarily multiprotocol label switching (MPLS)/IP WAN or LAN services, fully managed WLAN and branch installations, edge points of presence (PoPs), managed firewalls and security — that deliver these to enterprises as outsourced MNS.

MNS encompasses associated services such as advising and/or planning with an enterprise; provisioning fixed/mobile infrastructure directed toward streamlining its network operations; setting up, replacing or upgrading installations; managing and monitoring remote operations; and undertaking fault diagnosis, configuration management, update and patch management, and disaster recovery. These services are entirely managed by the MNS providers under a contract with an enterprise that includes hardware, software, third-party transport, spectrum and integrated tools as a part of a fully outsourced service.

Businesses are adopting a plethora of network technologies to support their business goals and gain a competitive edge. They are seeking support from MNS providers to take over their existing network operations while transforming them into strong, flexible and advanced enterprise infrastructures. The advances in network function virtualization (NFV) and AI-based technologies and the widespread use of diverse mobile, branch and edge devices — adding complexity and stress on enterprises' internal IT workforces — are further boosting the growth of the MNS market. Despite slower growth compared with the cloud segment, on-premises (including hybrid setups) is projected to remain the largest MNS segment in the near term.

Eligibility Criteria

1. Have a wide scope of products/services in the **MNS portfolio**
2. **Plan, deliver, implement and support** hardware and software aspects of a hybrid network
3. **Have a partner ecosystem** of leading providers, vetted to assist with overall delivery
4. **Effectively replace/upgrade** outdated network components, as required, to deliver **efficient, streamlined and reliable networks**
5. Offer simplified operations and management for clients through a **single pane of glass**
6. **Manage and meet** all SLAs of an enterprise network
7. **Have proven capability** to seamlessly implement and commercially deploy MNS, at scale, across industries
8. **Undertake comprehensive updates and apply the same** to networks with the needed frequency
9. **Show a significant volume** of reference customers/site deployments
10. **Competitive** in terms of offerings and commercials terms, including **guarantees on SLAs**

Observations

Enterprises in Europe are increasingly relying on comprehensive MNS to ensure seamless connectivity and operational efficiency. MNS providers cater to a broad spectrum of enterprise network needs, including, but not limited to, multiprotocol label switching (MPLS)/IP WAN or LAN services, fully managed wireless LAN (WLAN) and branch installations, edge point of presence and comprehensive security solutions, thereby offering a holistic outsourced MNS.

MNS transcends mere connectivity. These services encompass advising and planning with enterprises; provisioning fixed and mobile infrastructures to optimize network operations; setting up, replacing or upgrading network installations; managing and monitoring remote operations; and undertaking tasks such as fault diagnosis, configuration management, update, patch management and disaster recovery. The holistic nature of these services implies that MNS providers manage them under a contract, covering hardware, software, third-party transport, spectrum and integrated tools as part of a fully outsourced service.

The evolution of AI-based technologies and the pervasive use of diverse mobile, branch and edge devices have added complexity and stress on enterprises' internal IT workforces, amplifying the growth of the MNS market. Consequently, businesses are increasingly seeking MNS providers to handle these complexities, allowing them to focus on their core operations while ensuring that their network infrastructure remains cutting-edge and highly efficient.

From the 57 companies assessed for this study, 28 qualified for this quadrant, with 10 being Leaders and one a Rising Star.

accenture

Accenture's MNS is a comprehensive global offering designed to manage and optimize organizations' network infrastructure. This service aims to maintain a reliable, secure and scalable network, allowing businesses to focus on their core activities.

colt

Colt's MNS portfolio includes Tier-1 underlay, SD-WAN, cloud ramp and management, network connectivity, customer premises equipment (CPE) installation and maintenance, proactive monitoring, high-level security measures, and Security Service Edge (SSE) and Secure Access Service Edge (SASE) capabilities.

Comcast Business

Comcast Business' MNS platform enables outcome-focused transformation solutions for modernization and convergence across cybersecurity, networking, connectivity and cloud environments.

Deutsche Telekom's multiple MNS offerings focus on the digital transformation of customer services. This strategy involves evolving and expanding the software-defined everything (SDx) ecosystem, underpinning its approach to Telco as a Platform.

GTT

GTT offers MNS as part of its enterprise solutions, providing clients with comprehensive, managed connectivity solutions tailored to their specific needs. The company uses its global Tier-1 internet protocol backbone to transport client traffic among locations worldwide.

HCLTech

HCLTech's MNS practice maturity is supported by technological innovation, AI and GenAI investments and implementation, continuous improvement and value creation, and a strong partner ecosystem.

Business

Orange Business integrates its Evolution Platform into MNS, introducing two major innovations: cloud-like network and security services and an innovation-friendly platform with direct access to the latest releases of multivendor solutions.

RIEDEL

RIEDEL Networks provides scalable and easy-to-implement client-centric solutions, particularly catering to industry verticals and major events, including sports stadiums and F1 events, by offering a convenient MNS and NaaS model.

verizon

Verizon Business provides MNS with multiple tools, including AI and ML, that are evolving to meet customers' ever-changing needs for network connectivity, security, reliability, performance and agility.

wipro

Wipro delivers advanced MNS solutions by leveraging its NetOps 2.0 and incorporating AI- and ML-based correlations into network operations. Its MNS operation SLAs are mutually discussed and agreed upon depending on clients' business needs.

Computacenter

Computacenter (Rising Star) provides a networking solution, addressing access networks with managed SD-Campus, interconnectivity with Managed SD-WAN, security with Managed Secure Networking and Managed SSE, and cloud and data center with Managed Data Center Networks.

Leader

"Deutsche Telekom drives advanced and customer-centric MNS solutions, utilizing the SDx automation ecosystem across its global and Europe-based clients with significant success."

Dr. Kenn D Walters

Deutsche Telekom

Overview

Deutsche Telekom is headquartered in Bonn, Germany. It has more than 201,200 employees across over 87 offices in 50 countries. In FY23 the company generated €112.0 billion in revenue, with Services as its largest segment. MNS, serviced by the company's T Business units, including Global Business, focuses on the digital transformation of customer services. This task involves evolving and expanding the SDx automation ecosystem, underpinning the approach to Telco as a Platform, supporting customers' journeys with flexible and scalable solutions, and improving customer satisfaction across all services and technologies.

Strengths

Customer focus and support in MNS: Supporting its customers in their digital transformation needs with a strong focus on SDx, overlay, underlay and MNS plays a critical role in the company's overall strategy. Its vendor-agnostic SD services, international competences, wide network coverage and premium internet underlay are capabilities highly demanded by clients.

Multiple MNS options: MNS can be a fully managed, comanaged or bring-your-own approach. Multiprotocol label switching (MPLS), SD-WAN, associated security services and SDx are challenges for customers. T Business, including Deutsche Telekom Global Business, with dedicated specialists in 38 countries covering all regions, serves business customers and multinational corporations, aligning client centricity with a vendor-agnostic and consultative selling approach. These solutions are modular and integrated into the SDx platform for automation and flexibility.

Installation and management: Deutsche Telekom distinguishes itself for its installation, transformation and ongoing end-to-end management capabilities. These capabilities can be tailored based on CX and resource availability, ranging from fully managed installations to co-managed installations and co-management. All of these options are supported by tried and trusted implementation methodologies.

Caution

Deutsche Telekom is a major brand in the European networks market. The company continues to innovate and rationalize its multivendor-agnostic portfolio while expanding its abilities and deliverables. Accomplishing clear messaging of new combined solutions is challenging and needs focus.

Managed Enterprise Connectivity Solutions (DIA, VoIP and VPN)

Who Should Read This Section

This report is relevant to enterprises across all industries in Europe for evaluating enterprise managed connectivity solutions providers. It assesses providers' overall network vision and connectivity capabilities, industry expertise, range of managed dedicated internet access (DIA), voice over internet protocol (VoIP) and VPN service offerings, and ability to tailor their services to meet client-specific requirements.

In this quadrant, ISG analyzes the current market positioning of managed enterprise connectivity solutions (DIA, VoIP and VPN) providers in Europe and evaluates how they address key challenges enterprises face.

Enterprises are increasingly adopting DIA due to several trends, including the demand for higher bandwidth, enhanced network security and integration with cloud services. DIA offers a consistent and reliable internet connection crucial for businesses that depend on cloud-based applications and need stringent SLAs. Businesses are also shifting from traditional multiprotocol label switching (MPLS) networks to internet-based WAN solutions such as SD-WAN.

This shift toward internet-based WAN and the cloud's role in enterprise networking facilitate the transition toward flexible, cost-effective and scalable network architectures. As businesses prioritize cloud integration, DIA continues to be critical for IT strategies. Enterprises in Europe opt for enhanced security features, such as distributed denial-of-service (DDoS) protection and traffic encryption. They increasingly focus on managed connectivity solutions that integrate robust security measures to protect against cyberthreats and data breaches. Enterprises also seek solutions to handle remote work complexities and secure access across various locations.

Network professionals should read this report to gain insights into implementing and optimizing DIA, VoIP and VPN services and ensuring effective network performance.

Cybersecurity professionals should read this report to evaluate security protocols related to managed connectivity, identify potential vulnerabilities and ensure compliance with industry regulations.

CIO, CTO and other C-suite executives should read this report to evaluate how managed connectivity solutions can enhance technological infrastructure and align with the overall business strategy.

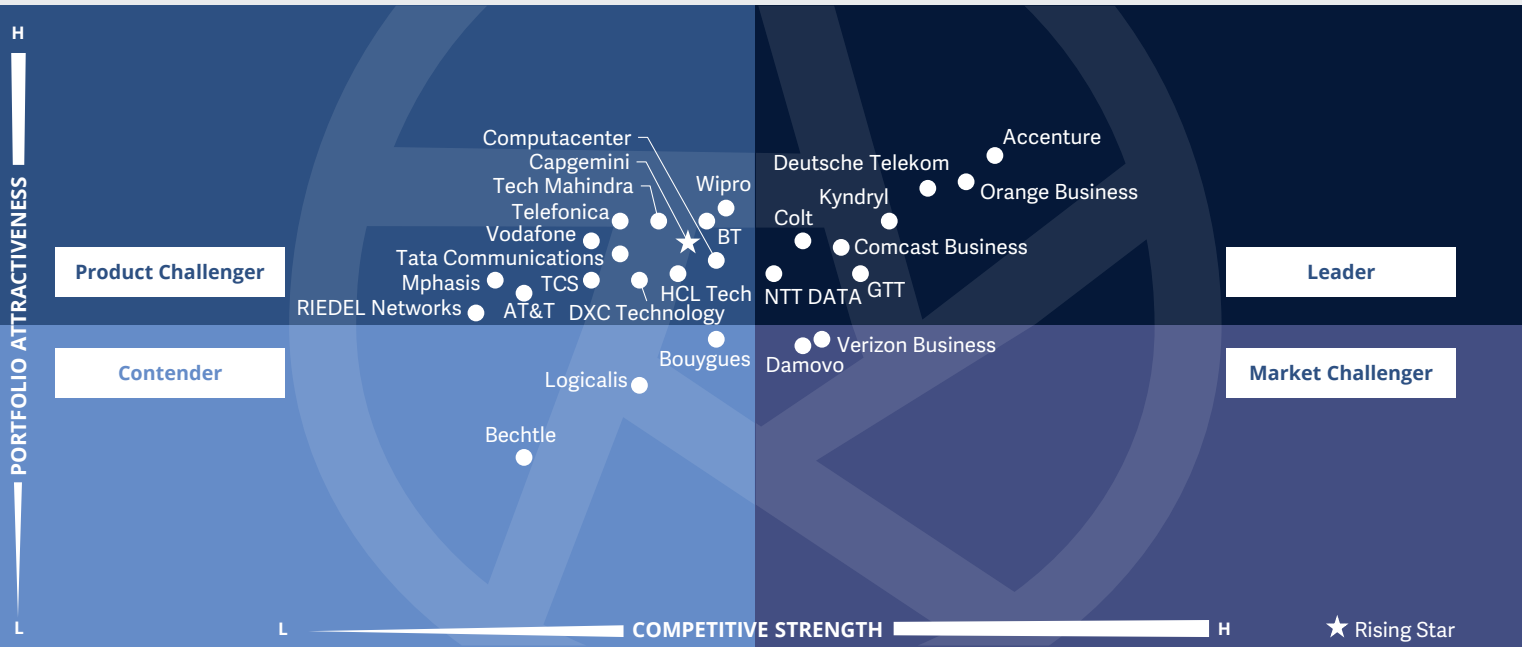
Procurement professionals should read this report to assess cost-effective solutions, negotiate contracts and understand the total cost of ownership associated with managed connectivity services.

ISG Provider Lens™

Source: ISG RESEARCH

Enterprise Managed Network Services
Managed Enterprise Connectivity Solutions (DIA, VoIP and VPN)

Europe 2024



This quadrant reviews providers offering **managed solutions for advanced VPNs, dedicated internet access (DIA) and VoIP solution management**. These solutions can involve taking over and managing existing systems and upgrading them to future state.

Dr. Kenn D Walters

Managed Enterprise Connectivity Solutions (DIA, VoIP and VPN)

Definition

This quadrant examines the providers of fully managed DIA, VoIP and/or VPN solutions for enterprises. Many enterprises choose to engage a provider to deliver and manage these discrete services, either bundled or as individual offerings.

DIA is a specialized internet service tailored for businesses that require a dedicated and private link with an internet service provider (ISP) that assures high-quality and reliable connectivity without the need to share bandwidth with other businesses. DIA delivers advanced features and high speeds and can be advantageous for businesses dependent on cloud applications, frequent streaming or have transactions involving large data volumes.

VoIP is witnessing significant growth, with the availability of high-speed broadband connections and 5G networks offering stable connections that allow seamless VoIP calls and high-quality video conferences. The increasing popularity of managed and third-party hosted VoIP solutions is playing a significant role in driving market growth, particularly with demand from businesses seeking flexible options.

VPN services have become crucial for organizations requiring secure and efficient connectivity solutions as alternatives to MNS or NaaS that may touch on public networks. Managed VPN solutions are designed to be secure, encrypted communication channels for organizations and their remote workforces. For many businesses, especially in the regulated government and financial sectors, managed VPNs have become essential for safeguarding data privacy and ensuring network security.

Eligibility Criteria

1. **Offer a wide portfolio of comprehensive solutions** covering various areas
2. Ability to **plan, deliver, implement and support** all hardware and software aspects of networks with standardized services and proprietary network transport
3. **Successfully operate and manage** all SLAs regarding an enterprise network
4. **Proven capability** in seamless implementation and commercial deployment at the required scale
5. **Undertake comprehensive updates and apply the same** to networks with the needed frequency
6. Show a **significant volume of reference customer/site deployments**
7. **Competitive** in terms of offerings and commercial terms

Observations

In the European market, while MNS boasts significant growth and volume within its all-encompassing functionality, VPNs receive particular attention for providing enterprises with fully managed direct internet access (DIA), voice over internet protocol (VoIP), and VPN solutions. Companies increasingly prefer to engage with providers to deliver and manage these specific services, whether as bundled offerings or individual services, often to offload existing staff or add new capabilities that the current staff may not adequately cover without further training.

DIA emerges as a specialized internet service tailored for businesses necessitating a dedicated link with an internet service provider (ISP). This connection assures high-quality, reliable connectivity and advanced features without sharing bandwidth with other entities. It is particularly beneficial for businesses reliant on cloud applications or those engaging in high-volume data transactions, especially where the connection's privacy is paramount.

In contrast, VoIP technology is witnessing growth driven by high-speed broadband and 5G networks, which offer stable connections crucial for seamless VoIP calls and high-quality video conferences. This development is particularly relevant for enterprises with existing or new specific communications systems, perhaps as part of a unified communications strategy.

Overall, the reliance on VPN and DIA services highlights the need for specialized, secure and reliable internet solutions, which is especially true for businesses in highly regulated sectors such as government and finance, where secure and reliable communications are essential.

From the 57 companies assessed for this study, 27 qualified for this quadrant, with eight being Leaders and one a Rising Star.

accenture

Accenture's VPN, DIA and VoIP are essential components of a modern private (nonpublic MNS) ICT infrastructure. Aligned with its global strategy, these components are delivered through the Accenture MNS practice.

colt

Colt's VPN, DIA and VoIP solutions offer high-performance networking and are supported by advanced tools and global support. These offerings are backed by SLAs to ensure business connectivity across all operations.

Comcast Business

Comcast Business, through its vast partner ecosystem and global portfolio, offers several enterprise-grade services, including VPN, DIA and VoIP. Each of these services is designed to meet the specific requirements of large businesses in Europe.

Deutsche Telekom's VPN, DIA and VoIP are offered with a key focus on the digital transformation of customer services. It continues to evolve and expand the Telco as a Platform approach while supplying VPN and expanding the Premium Internet Underlay (PIU) solution.

GTT

GTT offers a portfolio of enterprise-grade managed services, including VPN, DIA and VoIP, designed to meet the specific needs of large businesses. These services are supported by advanced tools and technologies that ensure high performance, security and reliability.

kyndryl

Kyndryl provides a suite of services for enterprise networking, including VPN, DIA and VoIP. These managed services are tailored to meet the needs of large enterprises by ensuring secure, reliable and scalable connectivity solutions.

NTT DATA

NTT DATA has core expertise in networking with thousands of experts. It also boasts a portfolio of networking assets such as points of presence, data center footprint, global IP transit backbone, P5G solutions and an AI-powered network management platform.

Orange Business

Orange Business has multiple delivery and management models, including fully managed, comanaged and bespoke delivery and operational models, which can align solutions with customers' specific environments.

Capgemini

Capgemini's (Rising Star) DIA, VPN and VoIP services are essential components of some secure, high-performance infrastructures. Seamless integration, high availability and security features differentiate its offerings from competitors.

Leader

"Deutsche Telekom delivers robust, scalable and powerful solutions within VPN and DIA, with further investments in new solutions. Its vast fiber network, spanning Europe and beyond, supports the company's offered solutions."

Dr. Kenn D Walters

Deutsche Telekom

Overview

Deutsche Telekom is headquartered in Bonn, Germany. It has more than 201,200 employees across over 87 offices in 50 countries. In FY23 the company generated €112.0 billion in revenue, with Services as its largest segment. VPN, DIA and VoIP are offered with a focus on the digital transformation of customer services. This task includes continuing to evolve and expand the SDx automation ecosystem, underpinning the approach to Telco as a Platform while supplying VPN and evolving the Premium Internet Underlay (PIU) solution. The company helps support customers' journeys with secure, flexible and scalable solutions across all services and technologies.

Strengths

Complete client flexibility: Deutsche Telekom offers various data transfer speeds (from basic broadband to gigabit fiber), contract lengths (monthly, yearly and multiyear) and service bundles (internet only, internet and voice, and internet and cloud services) to tailor customer-specific solutions.

Low latency and enhanced bandwidth: Deutsche Telekom's PIU is a distinctive offering, especially for long-haul connections, providing significantly lower latency and increased bandwidth than the standard internet infrastructure. This offering assists in accelerated data transfer and improved application performance for businesses with critical real-time needs.

Two VPN options: Deutsche Telekom offers an outsourced MPLS VPN service, enabling cyclical communication among company branches and a wide range of branch connection solutions (symmetrical and asymmetrical). The Business CityNET service interconnects customers' LAN networks using a VPN. It offers guaranteed symmetrical high-speed access using optical or metallic technology with an ethernet communication interface. It also offers the ability to monitor compliance with the agreed parameters via a web portal.

Caution

Deutsche Telekom is a major provider in the European networks market and is continuing to innovate its multivendor-agnostic portfolio while expanding its abilities within the SDx ecosystem. Clear messaging for more standalone (VPN and DIA) solutions requires focus and attention.

Network as a Service (NaaS)

Who Should Read This Section

This report is relevant to enterprises across all industries in Europe for evaluating network as a service (NaaS) providers. It assesses providers' overall network vision and service model capabilities, industry expertise, range of NaaS service offerings and ability to tailor their services to meet client-specific requirements.

In this quadrant, ISG analyzes the current market positioning of NaaS providers in Europe and evaluates how they address key challenges enterprises face.

As NaaS evolves through advancements in automation, AI and ML, and SDN, it will transform network services, providing enterprises with flexibility, scalability and efficiency. Network automation and standardization will continue to be the key foundation on which NaaS will thrive. Enterprises are interested in NaaS solutions leveraging AI and automation to drive enhanced network performance and reduce manual intervention. These solutions include automated provisioning, monitoring and management, which significantly enhances operational efficiency. With advanced network tools and NaaS components from multiple vendors, enterprises seek partners for a smooth and future-proof NaaS experience.

Enterprises often struggle with the complexity of integrating NaaS solutions into existing infrastructures, particularly when transitioning from traditional networking models. They seek providers to offer tailored solutions that align with specific business objectives, provide transparent pricing models to avoid unexpected costs and offer robust support for ongoing management and optimization. Enterprises also rely on NaaS to foster innovation and maintain a competitive edge, making service providers play a crucial in delivering transformative solutions.

CIO, CTO and other C-suite executives should read this report to understand how NaaS can optimize operational efficiency, reduce costs and enable scalability for future growth.

Procurement and vendor management professionals should read this report to understand the financial and operational benefits of NaaS when evaluating providers and selecting the right service models.

Cybersecurity professionals should read this report to understand how NaaS can reduce vulnerabilities by centralizing network control, improving visibility and enabling quick deployment of security patches.

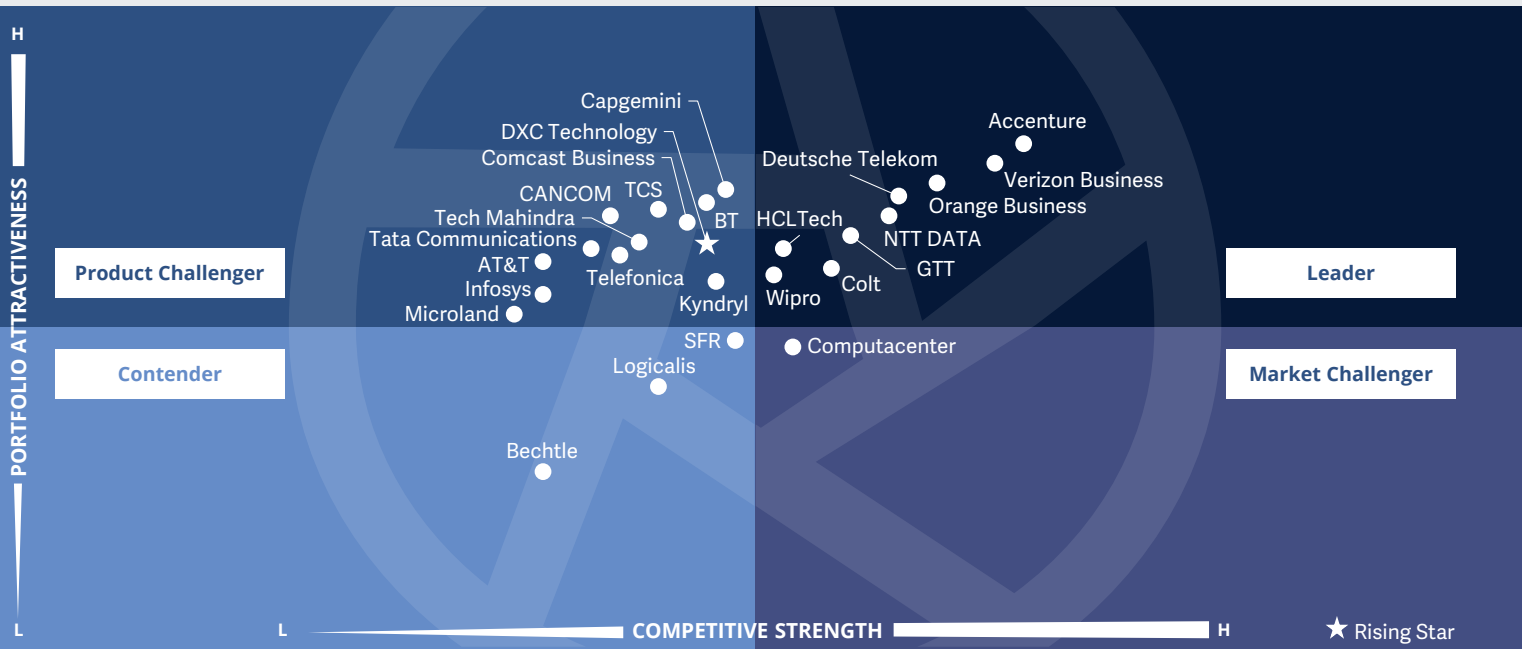
Network professionals should read this report to gain insights on automation, network performance and security to make informed decisions about adopting NaaS for improved network resilience and flexibility.

ISG Provider Lens™

Source: ISG RESEARCH

Enterprise Managed Network Services
Network as a Service (NaaS)

Europe 2024



This quadrant evaluates providers offering **NaaS** solutions, which include **advanced and next-generation services**, facilitating powerful future-**facing enterprise networking and security** in an on-demand **consumption model**.

Dr. Kenn D Walters

Definition

This quadrant examines providers of NaaS that can rapidly integrate their offerings into enterprises based on existing commercial network deployments in different regions.

NaaS is a cloud-based service model, based in large part on the MEF model where clients can rent networking services from providers, typically MSPs, telecoms operators or cloud providers. With NaaS, enterprises can meet their networking requirements without the need to have related staff to maintain the networking infrastructure. NaaS combines flexible cloud computing with modern security models such as zero trust network access (ZTNA) to deliver advanced and updated network and security solutions to enterprises. NaaS can be rapidly deployed or removed, on demand, using centralized management tools. Standardized interfaces ensure compatibility with existing solutions.

NaaS solutions focus on orchestration, autoconfiguration, self-healing and adaptable services, which sets them apart from managed network services. Also known as network on demand (NoD), NaaS allows on-demand provisioning for enterprises in a pay-as-you-go model, effectively meeting the evolving demands of SaaS and various cloud platforms, including edge computing. NaaS replaces VPNs or MPLS/IP connections and can also eliminate the requirement for onsite firewalls. As a cloud service, NaaS provides enhanced flexibility and allows rapid customization, delivering cost savings without the need to acquire and maintain operational staff or hardware.

Eligibility Criteria

1. **Offer a wide portfolio of comprehensive solutions** covering various areas
2. **Successfully meet all SLAs** of an enterprise network
3. Offer simplified operations and management for clients through a **single pane of glass**
4. **Have proven capabilities** in deploying and managing cloud-based services and the delivery of tools/frameworks integrated with AI
5. **Have an understanding of the market** and the evolution and contributions of technologies, together with **industry-specific expertise and experience**
6. **Ability to leverage a wide range of partnerships** and management capabilities involving disparate providers and solutions for a customer
7. **Undertake comprehensive updates and apply the** same to networks with the needed frequency
8. **Show a significant volume** of reference customer/site deployments
9. **Competitive** in terms of offerings and commercial terms

Observations

In Europe, the NaaS paradigm represents a cloud-based service model significantly based on the Metro Ethernet Forum (MEF) model. It allows clients to rent networking services from MSPs, telecom operators, system integrators or cloud providers and rapidly integrate them into enterprises' systems based on the current commercial network deployments across different regions. NaaS responds to enterprises' networking requirements without necessitating related enterprise staff to maintain the networking infrastructure.

This model combines flexible cloud computing and undelay/overlay services with contemporary security models such as Zero Trust Network Access (ZTNA) and Secure Access Service Edge (SASE) or Security Service Edge (SSE) to provide updated network and security solutions. The on-demand provisioning characteristic of NaaS, facilitated by centralized management tools, exemplifies its adaptiveness to the evolving needs related to SaaS and various cloud platforms, including edge computing.

NaaS' distinct approach toward orchestration, autoconfiguration, self-healing and adaptable services distinguishes itself from traditional managed network services. It is also termed as network on demand (NoD). NaaS favors a pay-as-you-go or pay-per-use model, effectively addressing the dynamic needs of modern enterprises without necessitating significant investments in operational staff or hardware. Overall, NaaS represents a strategic shift toward more agile, scalable and secure networking solutions, aligning with the digital transformation goals of contemporary enterprises.

From the 57 companies assessed for this study, 26 qualified for this quadrant, with nine being Leaders and one a Rising Star.

accenture

Accenture's NaaS abstracts the complexity of traditional network management, allowing organizations to consume network services in a more agile, scalable and cost-effective manner while the company handles network management complexities.

colt

Colt leverages the global reach of the Colt IQ Network, offering direct fiber access to over 230 cloud on-ramps. It provides ethernet, MPLS, internet, SD-WAN, IP VPN and wavelength connectivity within its NaaS solution.

Deutsche Telekom evolves and expands the SDx automation ecosystem, underpinning the approach to Telco as a Platform and supporting customers' journeys with flexible and scalable solutions, including NaaS delivery.

GTT

GTT specializes in tailoring NaaS solutions to client needs in Europe while aligning with its global practices and offerings. It offers various integrated options through its in-house and partner-provided solutions with complete monitoring via the GTT EnvisionDX portal.

HCLTech

HCLTech delivers services ranging from strategy, consulting and architecture to transformation, integration and NaaS. The company designs a tailored ZTNA strategy that integrates seamlessly with the existing IT environments.

NTT DATA

NTT DATA positions its SPEKTRA-powered MNS and NaaS portfolio globally as a comprehensive suite of network and transformation services to deliver high-performance, future-ready networks.

orange Business

Orange Business offers a range of delivery and operational models, including fully managed, comanaged and customized solutions tailored to customers' MNS needs. This comprehensive portfolio enables a shift from the traditional service provider model to NaaS.

Verizon Business' NaaS solutions offer a managed service that helps customers rapidly transform and modernize their ICT infrastructure, creating a more agile, resilient and cloud-centric foundation to support today's distributed enterprises.

Wipro's NaaS solution, powered by Verizon and other partners, delivers high performance, enhances trust, improves CX and creates differentiation. The solution includes preconfigured, certified designs and tested service chains on a subscription model.

DXC Technology (Rising Star) offers holistic digital transformation services leveraging many disciplines and modernized MNS and NaaS capabilities to address client transformation and business challenges. The company is continuously investing in innovating DXC MNS and NaaS.

Leader

"Deutsche Telekom provides customer-focused MNS and NaaS solutions, utilizing the SDx automation ecosystem and the latest agnostic technology for its extensive and growing client base across Europe."

Dr. Kenn D Walters

Deutsche Telekom

Overview

Deutsche Telekom is headquartered in Bonn, Germany. It has more than 201,200 employees across over 87 offices in 50 countries. In FY23 the company generated €112.0 billion in revenue, with Services as its largest segment. MNS, serviced by the company's T Business units, including Global Business, focuses on the digital transformation of customer services. This task involves evolving and expanding the SDx automation ecosystem, underpinning the Telco as a Platform approach and supporting customers' journeys with flexible and scalable solutions, including NaaS delivery.

Strengths

NaaS functionality in in-house network designs: Deutsche Telekom's designed networks comprise individual modules for underlay, overlay and security, allowing customers to tailor solutions based on their needs. Cloud elements and license agreements enable pay-as-you-go consumption for certain elements. Software Defined Business Hub (SDBH) provides hub-specific functionalities that are available on demand, similar to NaaS.

On-demand connectivity: Deutsche Telekom allows connecting sites and clouds through a Premium Internet Underlay (PIU), providing an SLA similar to MPLS. PIU has more than 500 points of presence and offers on-demand connectivity and ZTNA. It can be provided as an option within the NaaS model.

MNS and NaaS options: MPLS, SD-WAN, associated security services and SDx are challenges for customers. T Business, including Deutsche Telekom Global Business, with dedicated specialists in 38 countries covering all regions, serves business customers and multinational corporations, aligning client centricity with a vendor-agnostic and consultative selling approach. MNS can be a fully managed, comanaged or bring your own approach with NaaS capabilities. The company's solutions are modular and integrated into the SDx platform for automation and flexibility. Cisco Meraki is additionally offered as a full NaaS.

Caution

Deutsche Telekom is a major brand in the European networks market. The company continues to develop and bundle its multivendor-agnostic portfolio into focused offerings and solution sets. Clear messaging of new combined solutions is challenging and needs focus and priority.

Star of Excellence

A program, designed by ISG, to collect client feedback about providers' success in demonstrating the highest standards of client service excellence and customer centricity.

Source: ISG Star of Excellence™ research program, Insights till December 2024

In the ISG Star of Excellence™ research on enterprise customer experience (CX), clients have given feedback about their experience with service providers for their **Enterprise Managed Network Services.**

Based on the direct feedback of enterprise clients, below are the key highlights:

Client Business Role

▲ **Most satisfied**
Legal/Compliance

▼ **Least satisfied**
Finance

Region

▲ **Most satisfied**
Australia/New Zealand

▼ **Least satisfied**
North America

Industry

▲ **Most satisfied**
Chemicals

▼ **Least satisfied**
Travel, transportation and leisure

Industry Average CX Score

▲ Highest CX: 82.8
▼ Lowest CX: 50.0

CX Score: 100 most satisfied, 0 least satisfied
Total responses (N) = 440

Most Important CX Pillar

Business Continuity and Flexibility

Service Delivery Models	Avg % of Work Done
Onsite	58.6%
Nearshore	23.9%
Offshore	17.5%

Appendix

Methodology & Team

The ISG Provider Lens 2024 – Enterprise Managed Network Services study analyzes the relevant service providers in the European 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:
Dr. Kenn Walters

Editor:
Esha Pal

Research Analyst:
Deepika B

Data Analyst:
Shilpashree N

Project Manager:
Abhilash M V

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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.

The study was divided into the following steps:

1. Definition of Enterprise Managed Network Services
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
   * Strategy & vision
   * Tech Innovation
   * Brand awareness and presence in the market
   * Sales and partner landscape
   * Breadth and depth of portfolio of services offered
   * CX and Recommendation

Lead Analyst and Author

Dr. Kenn D Walters

Distinguished Lead Analyst

Dr. Kenn Walters is a highly skilled senior executive with over 40 years of experience in directing and managing major transformational technology projects, research and development programs, as well as extensive experience within providers and in global industry research and executive advisory. For ISG, Kenn has written over 100 articles for ISG Insights in areas such as digital transformation, cloud networks, SD networking, MNS, SASE and digital disruptors.

He is a Distinguished lead analyst and author for multiple regions in the Provider Lens™ reports, (https://isg-one.com/research/isg-provider-lens) in such areas as Networks – Software Defined Networking, Digital Business Software and Services, and Contact Center CX. He holds a BSc, MSc, and Ph.D. in computer science and communications systems. He is a judge of the prestigious global World Communications Awards

Research Analyst

Deepika B

Senior Research Analyst

Deepika is a Senior Research Analyst at ISG and is responsible for supporting and co-authoring Provider Lens™ studies on Cybersecurity - Services and solutions, Telecommunication, Media and Entertainment Services and Networking – Software defined Solutions and Services. She works closely with the Lead author from diverse regions in the research process. She also authors enterprise context and global summary reports. She has over 4 years of experience in the technology research industry and has carried out various client-facing ad-hoc projects across industries such as Automotive, BFSI, and Retail & Consumer Goods. Prior to this role, she was also accountable for maintaining a constant eye on the technology market and providing insightful quantitative and strategic analysis to clients through market sector reports.

Study Sponsor

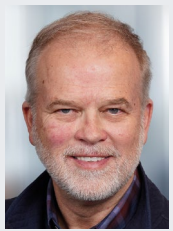
Heiko Henkes

Managing Director, ISG Provider Lens™

Heiko Henkes serves as Managing Director and Principal Analyst at ISG, where he oversees the Global ISG Provider Lens™ (IPL) Program for all IT Outsourcing (ITO) studies alongside his pivotal role in the global IPL division as strategic program manager and thought leader for IPL Lead Analysts. Additionally, Henkes heads the Star of Excellence, ISG's global customer experience initiative, steering program design and its integration with IPL and ISG's sourcing practice.

His expertise lies in guiding companies through IT-based business model transformations, leveraging his deep understanding of continuous transformation, IT competencies, sustainable business strategies, and change management in a Cloud-AI-driven business landscape. Henkes is renowned for his contributions as a keynote speaker on digital innovation, where he shares insights on leveraging technology for business growth and transformation.

IPL Product Owner



Jan Erik Aase

Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

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.

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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™

DECEMBER, 2024

REPORT: ENTERPRISE MANAGED NETWORK SERVICES