

451

Research®

BLACK & WHITE PAPER

Accelerating Transformation

ENTERPRISES TURN TO MANAGED
SERVICES FOR AWS

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About this paper

A Black & White paper is a study based on primary research survey data that assesses the market dynamics of a key enterprise technology segment through the lens of the “on the ground” experience and opinions of real practitioners — what they are doing, and why they are doing it.

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Executive Summary

Enterprises expect cloud to be the technology with the most transformative impact on their business over the next several years, providing agility, reducing operating cost and delivering a platform for innovation. Among these enterprises, cloud technology increasingly means public cloud services, and among these, Amazon Web Services (AWS) continues to occupy an overwhelming share of the market.

Businesses are investing in AWS to deliver that transformative impact, but they face challenges associated with developing and operating cloud-native applications – modernizing, migrating and operating complex enterprise applications. With these and emerging technologies associated with advanced data analytics, artificial intelligence (AI) and the Internet of Things (IoT) as their objectives, enterprises face challenges acquiring the skills needed to successfully implement the breadth of AWS platform functions.

An expanding group of managed service partners has become a critical resource for a growing portion of enterprises, providing access to platform expertise and specialized skill sets that are helping to accelerate and improve the adoption of AWS cloud functions by organizations of every type.

Methodology

Throughout this Black & White paper, we cite various data sources from 451 Research's Voice of the Enterprise service, which combines industry-leading analysis with insights from our extensive community of mid-level and senior IT and line-of-business professionals, drawing on surveys of pre-qualified IT decision-makers based mainly in North America and Europe that have detailed knowledge of their organizations' cloud strategies. To identify trends specific to managed services for the AWS cloud, we also conducted a series of in-depth interviews with users of these services, as well as a custom survey of 500 IT buyers and decision-makers engaged with managed services in association with their use of AWS.

Key Findings

- Enterprises expect to increase their investment in AWS; the cloud platform and advanced functions for AI and analytics, IoT and mobile platforms are both driving consumption and adding complexity.
- Accelerating use of the AWS platform and its advanced functions is introducing new complexity into the IT operations of businesses that now face gaps in skills related to the AWS platform, information security and other capabilities. The need for access to talent is driving growth in the adoption of managed services for AWS.
- Enterprises are already confidently engaging with managed services for cloud migration and backup, but they are demonstrating a growing appetite for additional services such as monitoring and management, performance and cost optimization, and application-focused managed services.

- Status and engagement with the AWS Partner Network (APN), including certification, competency and validation against managed service provider frameworks provided by AWS, are essential proof points for enterprises engaging with managed services, as well as a means of reaching consensus on capabilities and service delivery models.
- The scope of engagement with managed services for AWS continues to expand to include professional services providing up-front assessment, design, build and implementation as part of the total managed AWS offering. Enterprises increasingly expect providers to possess capabilities that address the full implementation lifecycle.

AWS is a Force for Enterprise Transformation

After a decade of accelerating usage, public cloud is now part of the enterprise IT mainstream. It is included in the IT playbooks of most organizations and widely regarded as a means of driving business agility, improvements in application performance and availability, flexibility in IT spending and cost optimization, and access to tools for implementing emerging technologies.

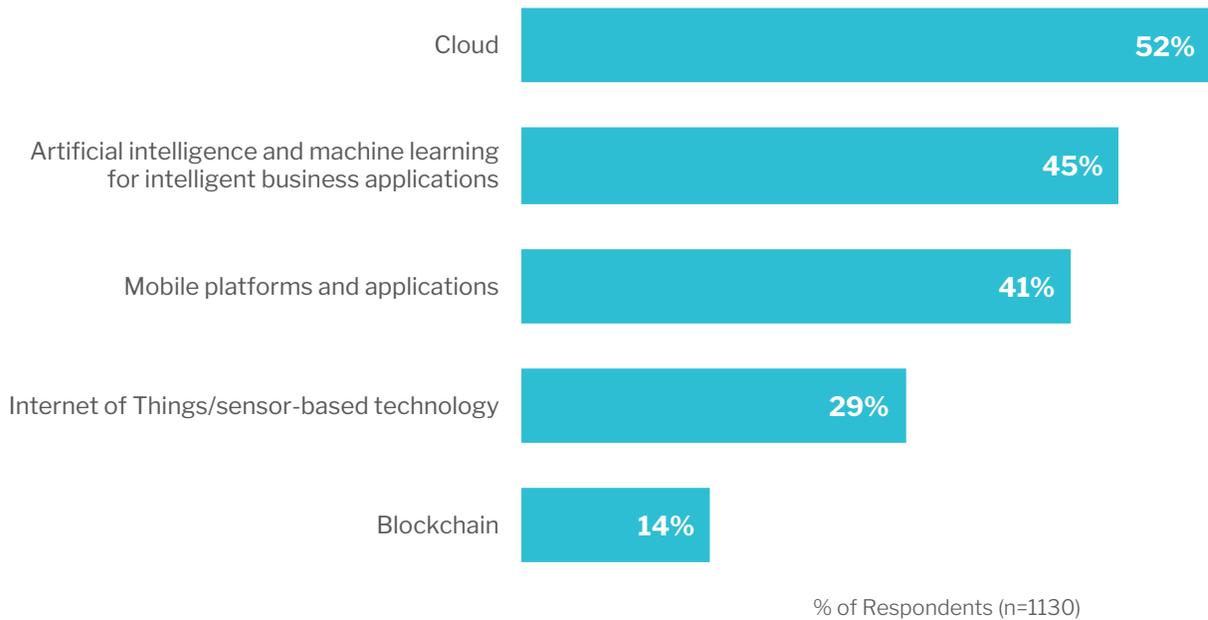
AWS, having driven the initial notion of public cloud and led the push toward enterprise adoption, remains the leader in that market by a significant margin. According to 451 Research's Market Monitor service, which tracks sizing and growth for technology and service markets, AWS accounts for roughly 44% of public cloud infrastructure revenue across 277 vendors tracked.

The full impact of AWS cloud adoption on enterprise transformation is just beginning to be felt. In 451 Research's Voice of the Enterprise, Digital Pulse study, 52% of businesses surveyed indicated they expect cloud to be the technology that has the greatest transformational impact on their operations by 2020 (see Figure 1). Beyond the general expectations for cloud, however, several of the other technologies considered most transformative (including AI, IoT, mobile applications and blockchain) are either directly enabled by or are native functions of the AWS platform.

Figure 1: Transformational impact

Source: 451 Research's Voice of the Enterprise: Digital Pulse, Vendor Evaluations 2018

Q. Which of the following technologies do you expect to have the most transformational impact on your organization's business operations by 2020?



During in-depth survey interviews conducted as part of this study, businesses expressed various expectations for their investments in AWS: to create new lines of businesses and sources of revenue, to reduce the total cost of operating IT, to modernize existing processes, and to be a platform for enabling innovation within the organization. Many indicated that they are pursuing all these objectives to varying degrees.

The AWS platform and its increasingly advanced capabilities will play a role in the success of the businesses engaged with it over the next several years. It represents the opportunity for transformation, and the means for enterprises to better serve customers, equip employees, adapt to disruptive changes in their markets, and position themselves as leaders in those spaces.

However, the application of new technologies (cloud and otherwise) business-wide introduces complexity at every stage, and an operational demand that can be difficult to address with existing IT staff, resources and skill sets. The pace of innovation on the AWS cloud platform, although widely regarded as a virtue, continually creates new challenge for enterprises. The number of individual SKUs offered by AWS increased by more than 45% during the six months from September 2018 to March 2019, according to 451 Research's Cloud Pricing Index.

Keeping up with the pace of innovation on the AWS platform is an ongoing challenge facing enterprise IT departments, which are turning to the market of third-party managed and professional services that exist around the AWS cloud platform for help. These services provide access to evolving, cloud-specific skill sets ranging from up-front assessment and design to implementation and ongoing management and optimization.

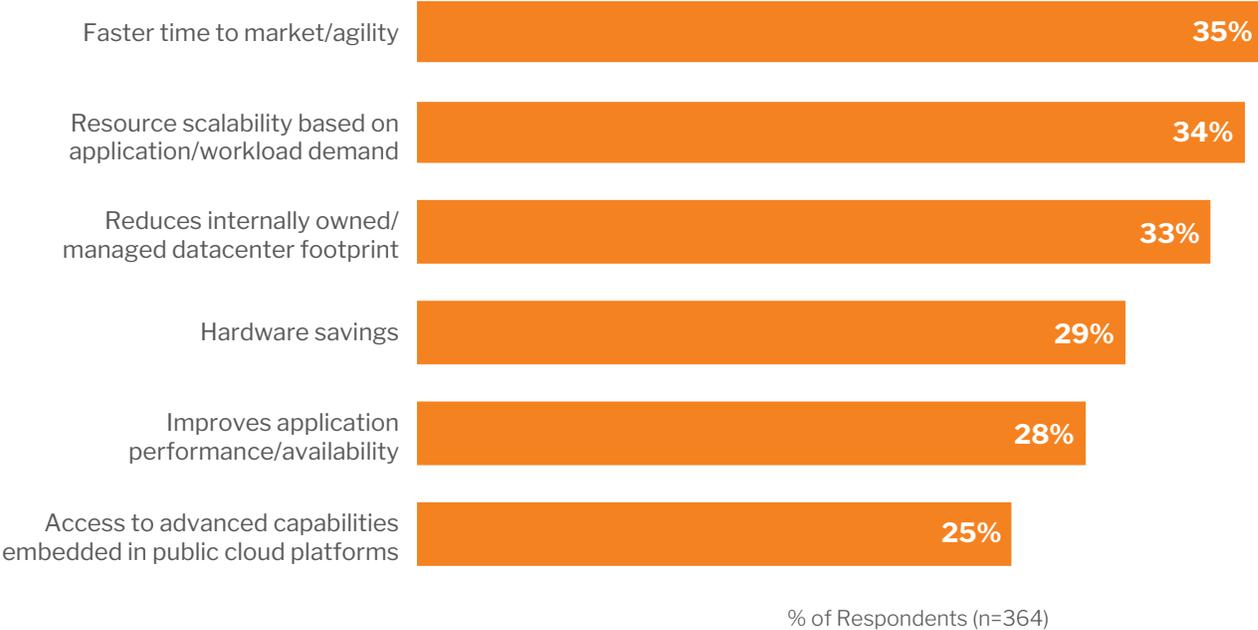
The AWS cloud represents the technology that will most impact the transformation of enterprises across all industries, sizes and geographies. Managed services for AWS offer businesses an opportunity to accelerate their path to that transformation while addressing skills gaps, security and compliance challenges, operational difficulties, and uncertainty about cost.

Paths to Adoption and the Value of Managed Services

The reasons for adopting AWS services are mostly consistent across business categories. Enterprises rated improvements to agility (ability to deploy applications faster), improvements to cost (more efficient access to resources, reduction of datacenter footprint, reduced hardware cost), improvements to application performance and availability, and access to advanced capabilities embedded in the AWS platform (AI and data analytics tools, container tools, database functions) as key factors in making the business case for investment (see Figure 2).

Figure 2: Drivers of investment in public cloud

Source: 451 Research's Voice of the Enterprise: Cloud, Hosting & Managed Services, Workloads and Key Projects 2019
Q. What are the key factors needed to build a business case for IaaS/public cloud investments at your organization?



Each of these benefits is a key piece of the value proposition for AWS, and these benefits are often inherent in the use of the platform to develop and deploy new applications. However, this is only one part of the bigger transformation picture. Enterprises interviewed for this paper indicated that AWS is already the preferred platform for new projects, but that their ongoing efforts at modernization involve identifying which applications can be moved into the cloud, and in which order, to produce the greatest benefit in the shortest time frame. Over time, this process will move from the most cloud-compatible workloads currently running on-premises toward more deeply embedded enterprise applications.

Identifying the next target for migration is sometimes straightforward – when the migration task is manageable, and the rewards are evident. However, software limitations, dependencies, licensing issues, security or compliance requirements, application refactoring demands, and other challenges can make this process complex. Enterprises interviewed for this report pointed to this step – identifying targets for migration to cloud, as well as the accompanying refactoring, migration, security and compliance management efforts – as a key point of engagement with providers of professional and managed services. These enterprises said they expect their investment in AWS to grow as the platform becomes a greater focus for their IT spending. As that usage becomes more complex and enterprises become more engaged with managed services in support of AWS, that aspect of IT spending will increase as well.

In these interviews, and others conducted by 451 Research, businesses indicated the trigger for moving an application from on-premises deployment to AWS comes from the evolving strategies and service delivery models of their software vendors. These vendors are urging users toward versions of their applications designed to run effectively on AWS or configured for deployment via the AWS Marketplace. These software vendors have established technology partnerships with AWS to validate their applications for execution on the platform.

The AWS Marketplace plays a significant role in providing software vendors a venue in which to connect with customers and providing enterprises a catalog from which to identify and deploy the tools they require. The AWS Marketplace includes virtual machine images, containers and other technologies containing configurations designed to optimize the performance of applications, along with machine learning models and managed services. In each of these cases, the marketplace provides the connection (including the billing process) between vendor and customer. It is also designed to be a source of information for the enterprise, offering insight into successful cloud implementation via case studies, training sessions and other material.

Businesses surveyed indicated that the longer-term path for application migration into the AWS cloud leads with those that likely already run in this type of environment (such as web applications) followed by applications that specifically benefit from or inherently rely on AWS platform functions (such as data analytics tools and database functions) and toward more critical embedded enterprise workloads (such as SAP and Oracle workloads), industry-specific applications (such as medical imaging software), and company-specific custom applications that serve core back-end functions.

The degree of complexity involved in moving to AWS increases as businesses progress along this spectrum, and enterprises said that encountering this complexity leads to engagement with managed and professional services – from readiness assessment to design, migration, integration and operation. Enterprises interviewed for this report suggested that engagement with managed service providers frequently happens on the recommendation of the software vendor.

In their responses to the Voice of the Enterprise studies, businesses reported that they already frequently engage with managed services for cloud-based backup and recovery and the migration of workloads to cloud. As their use of AWS resources increases, their appetite for managed services is extending to include services for infrastructure monitoring and management, performance and cost optimization, security management, and ongoing management of application deployed into cloud.

This ecosystem of partners is a critical resource for the enterprise adopting cloud. The managed service providers most capable of serving the application modernization and migration requirements of enterprises are experts in both the applications in question and the AWS platform, have established strong partnerships with both vendors, and have track records of executing these applications on AWS. The large and growing investments of both AWS and the software vendors in their partner networks position managed service providers to accelerate enterprise adoption, improve performance and enhance support capabilities. These vendors can connect customers to partners by matching specific requirements to specialized capabilities.

The AWS Partner Network focuses on driving implementation success for customers by encouraging and validating partner expertise in connection with a range of customer requirements and individual AWS services. It includes both technology partners (such as software vendors whose tools are built on, integrated with or optimized for the AWS platform) and consulting partners (service businesses equipped to help customers design, build, deploy and operate effective AWS environments). The latter group includes the AWS managed service provider specialization, along with a range of competencies in specific AWS technologies or service categories, vertical markets and workloads. The APN includes tens of thousands of partners, and more than 130 in the MSP program.

Like AWS, software vendors are invested in their partner programs as a means of extending their own capabilities and ensuring customer success. Enterprises should treat both types of vendor as a resource for identifying managed service partners capable of accelerating their efforts to transform their business.

Reaching Consensus on Managed Services

Managed services offer a way to address some of the technical challenges associated with implementing the advanced features of the AWS platform. However, they come with technical challenges of their own, including the fact that there is little consensus among clients and service providers on the meaning of the term itself.

The enterprises surveyed for this report shared varying perceptions of the purpose and scope of managed services, which is consistent with 451 Research's experience with the market overall. This presents a hurdle for service engagements. Neither enterprises nor service providers can simply refer to 'managed services' and reliably expect it to mean the same thing to both parties.

Enterprises use the term managed services to refer to legacy on-premises IT support services, to advanced self-service features of the AWS platform (including tools for load balancing and CDN), to packaged or bundled offerings (such as backup and recovery services), or in some cases to the SaaS versions of applications deployed at the organization. None of these is entirely incorrect, yet none of them effectively addresses the scope of services required from a managed service for enabling enterprise use of AWS.

Further complicating the definitional issue is the fact that businesses from a large variety of categories (datacenter operators, hardware companies, software companies, network carriers, consultants and systems integrators, managed hosting companies, etc.) are converging on the role of enablement partners for enterprises using AWS, and many of them are carrying over definitions of 'managed' from these previous markets. Because of this, enterprises face the challenge of understanding exactly what to expect from managed services, of ensuring a consistent way of identifying and measuring service provider requirements and obligations, and of recognizing how they are delivered and paid for.

For managed services specifically connected to the AWS platform, enterprises should look to the certifications and competencies issued through the APN as key resources in developing consensus across the cloud vendor, managed service provider and client. In addition to validating specific capabilities, possession of these AWS certifications and partner competencies demonstrates alignment on the scope of managed services exactly as outlined in the documentation.

The APN operates a MSP program, offering these partners access to training and product roadmaps, co-marketing and go-to-market support. However, participating in the program requires that these providers meet certain standards, including having a minimum number of AWS-certified professionals on staff, available customer references and minimum levels of training. It also requires that they meet a detailed set of managed services requirements for capacity planning, solution design, migration, security, disaster recovery, customer support, monitoring, incident management, service level agreements and other capabilities.

Establishing a consensus on the objective and content of managed services should be a key first step for both enterprises and service providers. Aligning expectations with the established framework laid out via the AWS partner network and its MSP program offers a route to a formal understanding of scope and offers a blueprint for the managed service relationship.

Skills Gaps and Access to Talent

The process of digital transformation – and the application of new technologies and processes across the organization – creates a demand for new expertise in almost every case. Facing gaps in skill sets, enterprises must make choices about whether to develop those skills in-house or look outside the organization for access to that talent, based on which will provide the most value in each case.

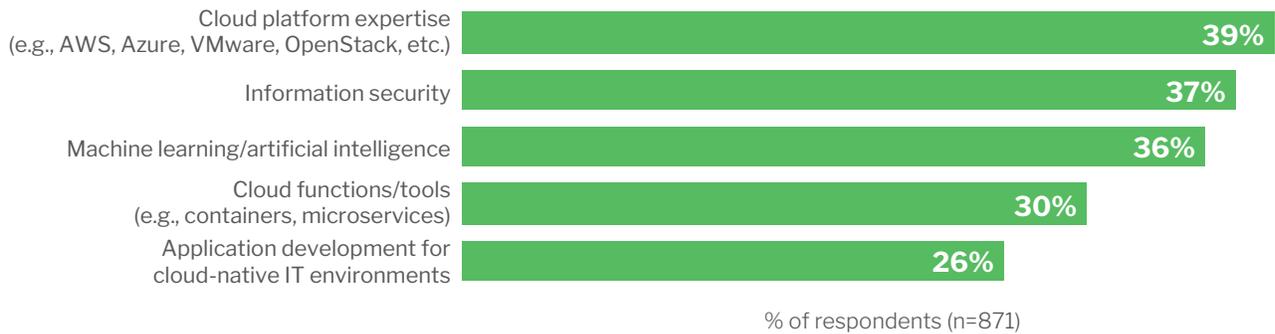
AWS is an example of one such technology. Enterprises surveyed indicated that acquiring (or developing) the skills to execute on the AWS platform is a core challenge of cloud transformation given the breadth of its functions, the pace at which it adds new functions and the importance of its impact on their operations. Respondents to 451's Voice of the Enterprise surveys rated cloud platform (including AWS) expertise (39%) as the category of IT skills for which they face the most acute skills shortage (see Figure 3). In addition, many of the other most significant skills gaps (information security, AI, advanced cloud functions, cloud-native application development) have to do with directly with the cloud.

This talent gap is poised to grow as more businesses use AWS for more of their IT environments, and as AWS continues to add complexity in the form of new features and capabilities at an intense pace.

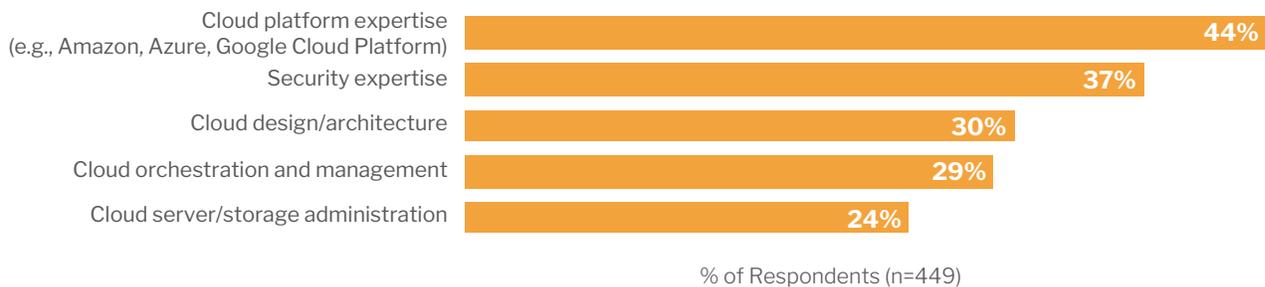
Figure 3: IT skills enterprises most lack/seek from partner

Source: 451 Research's Voice of the Enterprise: Digital Pulse, Organizational Dynamics 2018, and Voice of the Enterprise: Cloud, Hosting & Managed Services, Vendor Evaluations 2018

Q: In which of the following IT categories, if any, is your organization currently facing an acute skills shortage?



Q: For which of the following skills is your organization most likely to engage a cloud-enablement provider over the next two years?



Access to talent will continue to be a critical factor in enterprise engagement with AWS and, therefore, with managed services for AWS. In their responses to 451 Research's Voice of the Enterprise studies, enterprises reported that the skill sets they required from service providers for enabling public cloud closely match those skills they identified as most lacking – cloud platform expertise (44%) information security (37%), and cloud design and architecture (30%) topped that list.

Enterprises are engaging with managed services to address the specific skills they lack in association with AWS. In response to related survey questions, businesses reported that access to specialized expertise they don't possess and the opportunity to assign IT staff to more differentiated tasks are among the key value propositions of managed services.

Businesses interviewed for this report indicated that information security is a first avenue of engagement with managed services for AWS. This is both an area of skills shortage and a key required service provider capability. This is especially important as businesses target mission-critical applications for migration to AWS. While the AWS platform offers the tools to manage security and compliance, enterprises are looking to managed service providers to put those tools into practice – providing encryption, firewall management, endpoint security, application security management, intrusion detection and prevention, identity management and authorization, security information and event management, etc.

The need for security skills applies across applications and across engagements with AWS; however, enterprises interviewed for this report considered it likely that they would engage with managed services to acquire skills related to emerging use cases supported by cloud, including IoT and AI, as well as for skills relating to modernizing specific applications.

Although enterprises will rely on managed services to complement their own skill sets, many of the businesses interviewed for this report expressed an expectation that their engagement with MSPs would lead to a knowledge transfer (in some cases by design) and the development of comparable or complementary skills within the enterprise. Managed service providers reported that few, if any, customers bring tasks handled by managed services back in-house; however, some enterprises indicated that a plan for knowledge transfer is essential to their engagement with a managed service.

The fact that enterprises are looking to managed services to support their use of the AWS platform, which they have identified as a critical technology, speaks to the likely impact of these services. MSPs delivering this expertise are likely to take on a more central advisory role in the view of businesses engaged with their services. This may extend their engagement beyond operational expertise into a broader set of strategic advisory and professional services.

Advisory, Professional Services are Key to the Managed Services Mix

IT advisory, consulting and professional services have traditionally been distinct from managed IT services. They focused more on project-based engagements heavily reliant on headcount and delivered by a distinct set of service providers, while managed services were ongoing, subscription-based offerings reliant on automation and process. Driven by the requirements identified by AWS and others, the lines between these categories of service are blurring as they are regarded as overlapping steps in the process of enterprise cloud transformation.

Enterprises interviewed for this report indicated that, in the context of executing projects based on AWS, engagement with enabling services is valuable at the up-front advisory stage (assessment, discovery, planning, architecting, migration), as well as at the ongoing operation stage (management, monitoring, security, optimization).

The notion of professional services and managed services as separate categories is fading in favor of a more unified, end-to-end services capability. The handoff of the service provider relationship from an advisory or consulting service to a managed service provider is a logistical problem and an unnecessary source of difficulty for the enterprise, and a limiting factor in the success of AWS-based projects.

AWS has been a key driver of the merging of these roles in the context of support for cloud, having consistently encouraged its consulting partners to fill both roles. In defining its concept of a 'next gen MSP,' AWS describes service providers capable of taking a cloud-first, and cloud-native, approach to addressing enterprise challenges, and of supporting a customer across the full lifecycle of cloud engagement, from assessment and planning to designing, building, migrating, running and optimizing cloud implementations.

Enterprise service requirements across this lifecycle are varied and continue to evolve. However, service provider capabilities are becoming more standardized. The most prominent MSPs within the AWS ecosystem actively consider consulting and advisory services to be part of their scope. The converse is also true; service providers traditionally focused on project-based consulting and advisory now offer growing portfolios of managed services.

In interviews, some enterprises reported a preference for doing the planning and deployment themselves and handing over pieces of the ongoing management. Others expected to engage consulting services on a per-project basis and handle operational tasks internally. Many said they see the value in the prospect of end-to-end support for projects relying on AWS. Regardless of preference, businesses are better served by the full scope of capabilities and are likely to rely more on the larger set of services over time.

In 451 Research's Voice of the Enterprise studies, respondents most commonly reported engagement with backup and recovery services based on cloud (41%) and will work with service providers to conduct cloud migration (29%). But large segments said that in the next two years, they expect to begin engaging execution of security in the cloud (23%), optimization of cloud environments for performance and cost (22%), and day-to-day operational monitoring (21%).

Enterprises engaging with providers of managed services for AWS should regard the capability to support the entire project lifecycle as a necessary indicator of next-gen approach to service delivery.

Service Provider Relationship and Pricing Structure

Part of the transformative impact of AWS's rise as a technology supplier is the opportunity for enterprises to adopt a consumption-based approach to provisioning (and paying for) IT resources, and to shift IT spending from a capital to an operating expense. While advisory and professional services often have a fixed cost, recurring managed services for AWS typically support that consumption-based pricing model.

Not all businesses see flexible pricing as a benefit. Some organizations interviewed for this study that are operating on fixed IT budgets and tasked to do more with less reported that the ability to consume both the AWS resources and the associated managed services at a fixed monthly cost is appealing. There is value in a MSP's ability to help adapt cloud pricing models to fit enterprise requirements, including predictability in the cost of AWS resources.

Many AWS managed service partners have traditionally priced their services as a percentage of the cost of the cloud resources being consumed, with reseller rates being incorporated in ways that reduce the overall cost of managed services plus cloud resources. However, some enterprises identified a trust issue with usage-based pricing for managed services when part of the value of those managed services is ensuring the efficient use of AWS resources. In a percentage-based pricing model, operational efficiency is theoretically at odds with service provider revenue. Ultimately, as businesses embrace consumption-based models for consuming IT services, mapping the cost of managed services to consumption of the underlying infrastructure does support their preferences.

Overall, businesses interviewed for this study identified flexibility and transparency as the most valuable aspects of pricing structure for managed services focused on AWS.

Separate from the structure of pricing, enterprises identified value in a MSP's ability to roll the pricing of multiple services – including the underlying AWS resources and the service provider's own managed services, along with software licensing, operating tools and additional partner-operated services – into a single bill. Overall, enterprises recognize the value of consolidating services, spending and vendor management around a smaller number of vendors. However, there are exceptions to this as well. For reasons including existing contract and licensing terms

and organizational obligations to take new service contracts to the market, some businesses continue to source services individually and independently. Over time, trust and familiarity are likely to increase reliance on a primary vendor of managed services for AWS.

A key value of AWS is that it presents the opportunity for businesses to consume IT resources on demand, and outside the normal procurement models of IT. However, enterprises interviewed for this report indicated that high-level engagement with a primary managed services partner for AWS is a larger organizational decision, separate from cloud consumption, and made at the IT leadership level, or sometimes organizational leadership.

Enterprises engaging with managed services for AWS should expect service providers to be adaptable to their requirements on matters of pricing model and contract terms. However, they should be flexible in their own expectations, and allow the process of transformation to impact their own structures for procurement and IT spending.

Managed Services Evolving to Address Cloud Transformation Needs

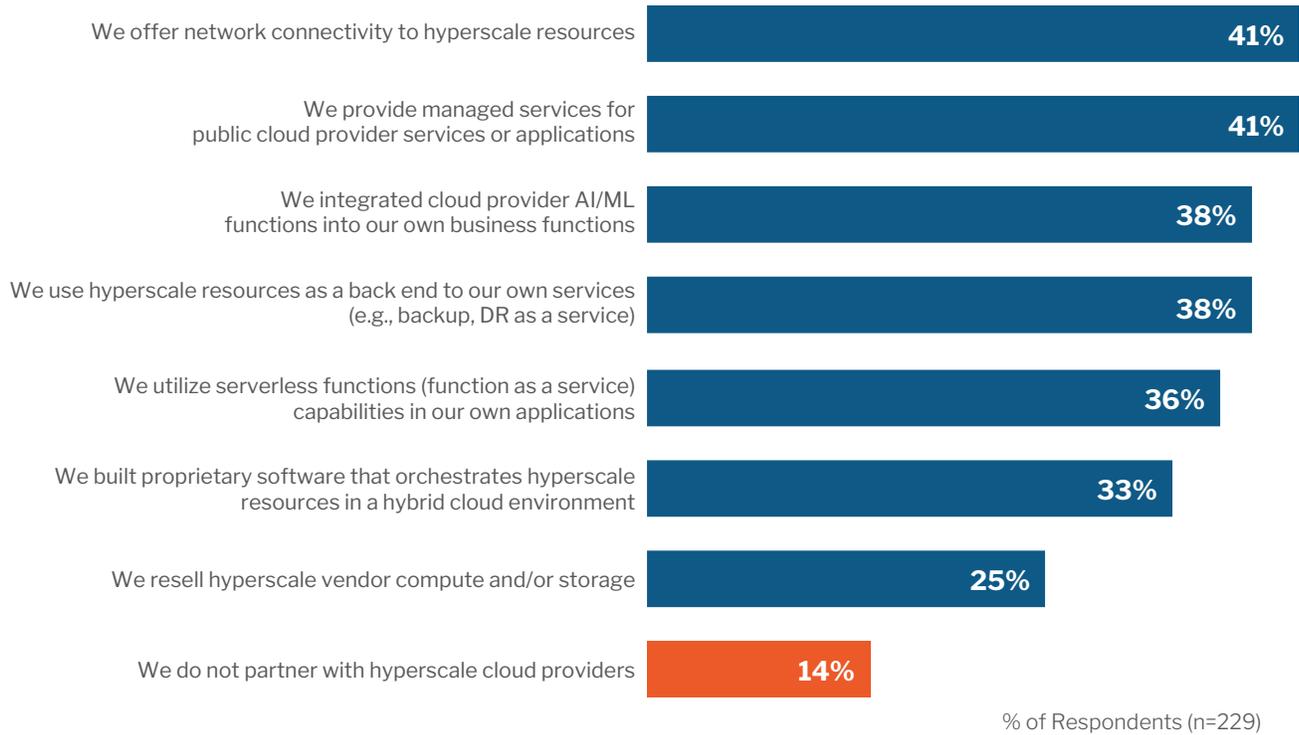
As enterprises engaged with AWS continue to make the platform a larger and more central part of their IT environments, service providers from a variety of markets are evolving their own practices to focus more directly on accommodating the needs of enterprise cloud transformation. This includes broadening of managed AWS capabilities among service providers with backgrounds in other markets.

In 451 Research's Voice of the Service Provider study, service providers from a variety of markets and categories said they have adopted a variety of methods for incorporating public cloud into their offerings (see Figure 4), with 41% indicating they offer managed services for infrastructure and applications running in public cloud. Only 14% said they have no relationship with public cloud.

Figure 4: Service providers partnering with public cloud

Source: 451 Research's Voice of the Service Provider: Differentiation & Vendor Selection 2018

Q: For which of the following capabilities, if any, does your company currently partner with a hyperscale cloud provider (e.g., AWS, Microsoft, Google, Alibaba)?



The influence of AWS's offerings on these service providers is nearly universal. Given the strength of AWS's market presence and the widespread appetite for its services among their clients, a significant majority of service providers offering managed cloud are either focused entirely on the AWS platform or feature it significantly in a mix of platforms, meaning the concentration of their skilled staff, certifications and services is on the AWS platform and its products.

A service provider's managed service offering for AWS may include any of the following: backup and recovery, management of scaling and capacity, managed security services, compliance management, application-specific managed services, cost and performance optimization services for AWS environments, migration services, scaling and capacity management, and advanced levels of support. They may also include custom client tools for managing and visualizing resources deployed across AWS and other environments, and the capability to manage hybrid environments, even incorporating other service providers.

Service providers pursuing a generalist role are likely to offer many of these services. They can provide a greater overall value to clients and assume a more primary role within an enterprise's mix of providers than a more specialized service provider. However, in interviews, enterprises expressed trust in the capabilities of service providers specializing in a specific use case (for example, healthcare IoT projects), and we have seen AWS identify these specialists and elevate

them when they reflect a particularly sought-after skill set. This specialization is the basis upon which these service providers partner – with software vendors, with AWS, and in many cases with the generalists.

It is critical that service providers offering managed services for AWS invest in automating and standardizing processes. This makes it possible for a provider to deliver managed services securely and effectively at scale. However, variation in enterprise requirements demands that truly effective managed services offer a level of flexibility that allows standardized components to be customized for the needs of a given enterprise or application. Enterprises interviewed for this report identified the ability to customize service delivery as a key service provider capability.

Along with addressing their immediate needs, enterprises expressed a desire for managed service providers to be able to recommend next steps that add agility, reduce the cost of operations, rethink processes and contribute to innovation. Managed service providers for AWS should be able to recommend which workloads are likely next candidates for migration based on the company's objectives and suggest strategies for optimizing existing use of the platform.

Enterprises engaging with managed services for AWS should regard the ability to automate and standardize processes, as well as the ability to customize service delivery, as key measures of maturity in this space. Effective providers of managed AWS services recognize that they operate in an ecosystem of other partners and are willing to bring in specialists when the engagement requires.

Conclusions and Recommendations

AWS is driving transformation in the enterprise as the public cloud enables businesses to better serve their customers and employees, respond to disruptive market trends and create new innovations of their own. However, its full impact on transformation has yet to be felt. Enterprise use of AWS is accelerating as businesses treat it as the platform for new projects and look to modernize applications deeper into their IT estates.

As businesses migrate more deeply embedded enterprise applications and engage more closely with the advanced functions of the AWS platform (including tools for AI and advanced data analytics), the complexity involved in managing, securing and optimizing the cloud environment increases, demanding a more complete set of skills.

This growing complexity, and the difficulty of acquiring and maintaining the skill set it requires, is driving demand among enterprises for managed services that support their use of AWS. Appetite for these services is growing along with usage of AWS itself. The requirements of enterprises vary, demanding managed service providers that are flexible regarding service delivery, engaged in the AWS partner ecosystem, and prepared to partner on specialized use cases.

Recommendations

- To support use of AWS, seek out MSPs that are engaged in the partner networks of both AWS and the applications they intend to implement on the AWS platform. Expertise across platform and application are necessary for effective execution.
- Rely on the technical certifications, accreditations and competencies offered by the AWS partner program as a validation of expertise among MSPs, and as a means of arriving at a formal understanding of the requirements and role for managed services.
- Managed service providers for AWS should be capable of supporting the entire implementation lifecycle, from assessment to design, implementation, migration, operation and ongoing optimization. Effective providers of managed services for AWS are increasingly able to address enterprise needs across this entire spectrum. This capability shows an understanding of the MSP's role and may enable broader engagement in the future.
- Look to managed service providers for ongoing recommendations on next steps – which workloads are the most likely candidates for future migrations, and what steps can be taken to optimize workloads already running on AWS.
- Enterprises should seek transparency and flexibility in a service provider's pricing and service delivery models. Enterprises should be flexible themselves, and adaptable in ways that allow them to benefit from consumption-based models for IT.
- Seek providers whose partnerships extend beyond the AWS platform. Service providers deeply engaged in the broader ecosystem of technologies, tools, platforms and specialist services are more capable of addressing the spectrum of enterprise transformation requirements – through partners where necessary – from end to end.

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