

Private/Hybrid Cloud — Data Center Services

AI-ready Infrastructure Managed Services — Midmarket

A research report comparing provider strengths,
challenges and competitive differentiators



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Report Author: Meenakshi Srivastava

Modern UK data centres must balance high-density AI demands with strict net zero mandates

The ISG Provider Lens® Private/Hybrid Cloud — Data Center Services study benchmarks providers delivering private and hybrid cloud-centric infrastructure services in the UK. It assesses service providers across three critical quadrants: AI-ready Infrastructure Managed Services, Managed Cloud Hosting and Resilient Infrastructure Services and Sustainable Colocation Services. The evaluation analyses how providers help UK enterprises modernise core IT foundations to ensure resilience, sustainability and support for data-intensive, AI-driven workloads across on-premises, colocation and distributed edge environments.

Market context

The UK macroeconomic landscape in 2026 is defined by a strong focus on productivity and

digital sovereignty amid fluctuating energy costs and tightening environmental regulations. Following years of *cloud-first* mandates, the market has matured into a *cloud-smart* era where structural changes in the global economy, especially high interest rates and the UK's commitment to net zero, are forcing a re-evaluation of data centre strategies.

- **Regulatory and sustainability pressure:**

The UK's stringent regulatory environment is driving structural change. The expansion of the Energy Savings Opportunity Scheme (ESOS) and new Sustainable Industry Policies have shifted carbon reporting from a voluntary ESG metric into a mandatory operational requirement. Consequently, power availability in the Golden Triangle (London, Slough and Reading) has become a key constraint, driving increased interest in regional data centre clusters that can offer renewable energy guarantees and lower latency to non-London hubs.

- **Geopolitical and economic drivers:** The UK faces unique labor market dynamics, with a persistent shortage of high-end engineering talent specialising in GPU orchestration

UK infrastructure
shifts from
cloud-first to
AI-native and
sovereign-always
strategies.



and AI-native architecture. Geopolitical instability has also intensified the demand for sovereign cloud infrastructure, requiring sensitive data to remain within UK jurisdictional control to mitigate cross-border risk. Macroforces such as the plateauing of traditional hyperscale cost efficiencies are leading enterprises to repatriate specific high-performance computing (HPC) workloads to private or colocation environments to maintain fiscal predictability.

- **The AI infrastructure boom:**

The rapid growth of GenAI has placed unprecedented strain on traditional data centre architectures, increasing the need for high-density power and cooling to support GPU-intensive workloads. Providers are now racing to retrofit existing facilities or build new AI-native hubs capable of supporting over 50 kW per rack, a significant jump from the traditional 5-10 kW average seen just a few years ago.

- **Enterprise priorities**

UK enterprises have moved beyond basic infrastructure maintenance and now prioritise

resilient, AI-ready foundations that reduce technical debt and accelerate innovation.

- **Bridging the legacy gap:** A primary buyer prioritises eliminating *legacy drag*. With most systems currently beyond end-of-life support, digital ambitions face a critical bottleneck. Therefore, CIOs are seeking providers that can modernise legacy environments into containerised, AI-integrated platforms rather than just maintaining them in a *steady state*.
- **Sovereign and compliant AI:** As GenAI moves from experimentation to production, UK buyers are increasingly concerned with data locality and governance. Most enterprises now rank sovereignty among the top-three factors in their infrastructure decisions. They are prioritising private AI, where LLMs are trained or tuned on proprietary data within a secure, private perimeter to prevent data leakage into public models, and to comply with the UK Data Protection and Digital Information (DPDI) framework.
- **Operational resilience and FinOps:** As workloads shift rapidly between public cloud, hosted environments and the edge,

enterprises are struggling with *gravity* issues, visibility and cost control across fragmented landscapes. Key priorities include the following:

- **FinOps adoption:** Implementing rigorous cloud financial management to curb sticker shock from unmanaged cloud consumption and ensure ROI on hybrid investments.
- **Adaptive resiliency:** Moving beyond traditional disaster recovery (DR) to continuous availability, where workloads automatically failover between private and public regions based on health and cost parameters.
- **Skill gap mitigation:** Partnering with providers that are equipped with niche engineering talent (comprising Kubernetes specialists, GPU orchestrators and prompt engineers) that is currently scarce in the UK labor market.

- **Provider dynamics**

The market in the UK is witnessing a radical shift in providers' delivery models. These models are moving away from labor-heavy

managed services towards platform-driven, AI-orchestrated environments.

- **AI-infused service delivery:** Leading providers are repositioning their portfolios by embedding AIOps and MLOps at the core of their managed services. This shift moves operations from reactive maintenance to predictive, autonomous models. Leaders are differentiating themselves by offering *AI-ready* blueprints that include management of specialised hardware such as GPUs and high-performance storage, which are essential for UK enterprises scaling GenAI pilots into production.
- **Evolution of resilient hosting:** The managed hosting segment has evolved into a *resilient infrastructure* play. Providers have moved beyond selling space and power to offering integrated DR and active-active architectures that bridge the gap between private environments and public cloud availability zones. An increasing number of providers are leveraging hybrid-native technologies, such as Azure Stack and AWS Outposts, to extend control planes directly into the client's or provider's data centre.



- **Sustainability as a competitive edge:** In the Sustainable Colocation Services quadrant, sustainability has emerged as the primary differentiator in 2026. Providers are investing heavily in the following:
 - **Advanced cooling:** Liquid-to-chip and immersion cooling are becoming standard requirements for AI-heavy tenants to manage extreme heat signatures.
 - **Edge connectivity:** To support low-latency applications such as autonomous logistics and smart manufacturing, providers are expanding their *near-edge* presence in regional UK hubs such as Manchester, Birmingham and Edinburgh. This regionalisation helps avoid congestion and the high costs associated with the London data centre market.

Outlook

Over the next 12-24 months, the UK private/hybrid cloud market will be characterised by a re-centralisation of data governance and a decentralisation of compute.

- **Future trajectory:**

1. **The rise of the edge:** As 5G and IoT mature, edge computing will move from niche use cases to a core component of the UK's industrial strategy, particularly in manufacturing and logistics.
2. **Agentic IT maturity:** We expect a shift towards autonomous infrastructure where AI agents handle 60-80 percent of Level 1 and Level 2 support tasks, allowing human talent to focus on high-value architecture.

- **Strategic guidance for enterprises:**

Buyers must prioritise providers that offer modular, vendor-agnostic orchestration. Avoiding lock-in at the management layer will be critical as the UK market oscillates between different AI chipsets and cloud platforms. Enterprises should also audit their providers' sustainability credentials, as regulatory penalties for carbon non-compliance are expected to escalate by 2027.

- **Strategic guidance for providers:**

Providers must close the gap between marketing AI and operational AI. Success in the UK will depend on the ability to handle high-density HPC workloads and demonstrate measurable ROI through FinOps. Those lagging in investing in sustainable, liquid-cooled infrastructure will likely be sidelined as the demand for AI-specific hosting is trending upward.

Enterprises in the UK are no longer content with reactive support; they demand *agentic IT* where AI integrates autonomy into infrastructure operations to reduce their technical debt barrier.





Provider Positioning

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	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
Accenture	Leader	Not In	Not In	Not In
Acora	Not In	Contender	Not In	Not In
ANS Group	Not In	Not In	Not In	Contender
Ark Data Centres	Not In	Not In	Not In	Product Challenger
AtlasEdge	Not In	Not In	Not In	Contender
Atos	Leader	Not In	Product Challenger	Not In
Axians	Contender	Contender	Not In	Not In
BT	Contender	Contender	Market Challenger	Contender
Capgemini	Leader	Not In	Not In	Not In
CDW	Not In	Contender	Not In	Not In





Provider Positioning

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	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
CGI	Market Challenger	Not In	Not In	Not In
Claranet	Product Challenger	Leader	Leader	Not In
Coforge	Not In	Leader	Not In	Not In
Cognizant	Leader	Not In	Not In	Not In
Colt Tech Services	Not In	Not In	Rising Star ★	Product Challenger
Computacenter	Leader	Not In	Not In	Not In
Csquare	Not In	Not In	Not In	Contender
Custodian Data Centres	Not In	Not In	Not In	Contender
CWCS	Not In	Not In	Contender	Contender
CyrusOne	Not In	Not In	Not In	Leader





Provider Positioning

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	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
Datum	Not In	Not In	Not In	Contender
Deutsche Telekom/T-Systems	Not In	Leader	Leader	Not In
Digital Realty	Not In	Not In	Not In	Leader
DXC Technology	Leader	Not In	Leader	Not In
Ensono	Contender	Product Challenger	Leader	Not In
Equinix	Not In	Not In	Not In	Leader
Fujitsu	Product Challenger	Product Challenger	Product Challenger	Not In
Global Switch	Not In	Not In	Not In	Leader
HCLTech	Leader	Not In	Not In	Not In
Hexaware	Leader	Leader	Not In	Not In





Provider Positioning

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	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
Hitachi Digital Services	Not In	Product Challenger	Not In	Not In
HYVE	Not In	Not In	Contender	Not In
Infosys	Leader	Not In	Not In	Not In
iomart	Not In	Not In	Contender	Product Challenger
Iron Mountain	Not In	Not In	Not In	Product Challenger
Kao Data	Not In	Not In	Not In	Rising Star ★
Kyndryl	Leader	Not In	Leader	Not In
Lenovo	Product Challenger	Not In	Not In	Not In
Logicalis	Contender	Contender	Not In	Not In
LTM	Product Challenger	Leader	Not In	Not In





Provider Positioning

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	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
Microland	Contender	Rising Star ★	Not In	Not In
Mphasis	Product Challenger	Product Challenger	Not In	Not In
Navisite (Accenture)	Not In	Not In	Market Challenger	Not In
nLighten	Not In	Not In	Not In	Contender
Node4	Not In	Not In	Not In	Contender
NTT DATA	Rising Star ★	Not In	Leader	Leader
OneAdvanced	Not In	Not In	Contender	Not In
Persistent Systems	Not In	Product Challenger	Not In	Not In
Pulsant	Not In	Not In	Leader	Leader
Rackspace Technology	Product Challenger	Leader	Leader	Product Challenger





Provider Positioning

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	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
Redcentric	Not In	Not In	Product Challenger	Market Challenger
Six Degrees	Not In	Not In	Not In	Contender
Softcat PLC	Not In	Contender	Not In	Not In
Sopra Steria	Contender	Product Challenger	Product Challenger	Not In
SysGroup	Not In	Not In	Contender	Not In
TCS	Leader	Not In	Not In	Not In
Tech Mahindra	Product Challenger	Product Challenger	Not In	Not In
Telefonica Tech	Not In	Leader	Contender	Not In
Telehouse	Not In	Not In	Not In	Leader
Trianz	Not In	Contender	Not In	Not In





Provider Positioning

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	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
Unisys	Product Challenger	Leader	Product Challenger	Not In
UnitedLayer	Not In	Product Challenger	Product Challenger	Not In
UST	Not In	Product Challenger	Product Challenger	Not In
VIRTUS	Not In	Not In	Not In	Leader
Vodafone	Contender	Contender	Not In	Not In
Wipro	Leader	Not In	Not In	Not In
Zensar Technologies	Not In	Product Challenger	Not In	Not In



This study focuses on what ISG perceives as the most critical aspects of **private/hybrid cloud and data centre services** in 2026.

Simplified Illustration Source: ISG 2026

AI-ready Infrastructure Managed Services — Large Accounts

AI-ready Infrastructure Managed Services — Midmarket

Managed Cloud Hosting and Resilient Infrastructure Services

Sustainable Colocation Services

Definition

This study assesses global and regional providers delivering private and hybrid cloud-centric infrastructure services to enterprises across regions and the U.S. public sector. The research covers AI-ready infrastructure managed services, managed cloud hosting and resilient infrastructure services, sustainable colocation services, and edge computing services, reflecting how organisations are modernising their core IT foundations to support data-intensive and AI-driven workloads.

AI technologies are increasingly being embedded across an entire infrastructure services stack, spanning on-premises, private, hybrid and public cloud environments. This shift is moving operations from reactive maintenance to predictive, automated and increasingly autonomous models. Providers leverage AI for intelligent monitoring, anomaly detection, automated root-cause analysis, predictive maintenance, dynamic resource scaling and enhanced cybersecurity. GenAI further improves operational efficiency through copilots, self-service interfaces

and advanced analytics that support incident resolution, capacity planning and infrastructure optimisation.

Enterprises and public sector institutions are also re-evaluating where they run their workloads. Managed hosting, colocation and sovereign cloud infrastructure have become central to hybrid cloud strategies, particularly for sensitive or regulated workloads, requiring jurisdictional control, compliance and risk mitigation. At the same time, sustainability has emerged as a critical infrastructure priority, owing to rising energy demand, limitations in power availability and regulatory pressure. Providers are increasingly applying AI both to optimise infrastructure efficiency and to reduce the environmental footprint of AI workloads.



Scope of the Report

This ISG Provider Lens® quadrant report covers the following four (spell out the number of quadrants; do not use a digit) quadrants for services: AI-ready Infrastructure Managed Services – Large Accounts, AI-ready Infrastructure Managed Services – Midmarket, Managed Cloud Hosting and Resilient Infrastructure Services, and Sustainable Colocation Services.

This ISG Provider Lens® study offers the following to business and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers.
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness
- Focus on the regional market

Our study serves as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current 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.

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 follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

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.

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.





AI-ready Infrastructure Managed Services — Midmarket

Who Should Read This Section

This report is valuable for providers offering **AI-ready infrastructure managed services** to **midsize** businesses in the **UK** to understand their market position and for enterprises looking to evaluate these providers. In this quadrant, ISG highlights the current market positioning of these providers based on the depth of their service offerings and market presence.

IT and infrastructure leaders

In the UK should read this report to analyse the modernisation capabilities of MSPs to identify the ones offering innovative solutions aligned with evolving technology trends. An understanding of these market advancements is critical for IT executives to design effective, future-proof private cloud strategies and ensure their organisations maintain competitive agility and resilience.

Software development and technology leaders

Should read this report to gain insights into providers' strategic positioning, technological expertise and innovations in infrastructure transformation. This insight would empower them to align internal software development and technology roadmaps with external expertise, driving efficient and impactful digital transformation.

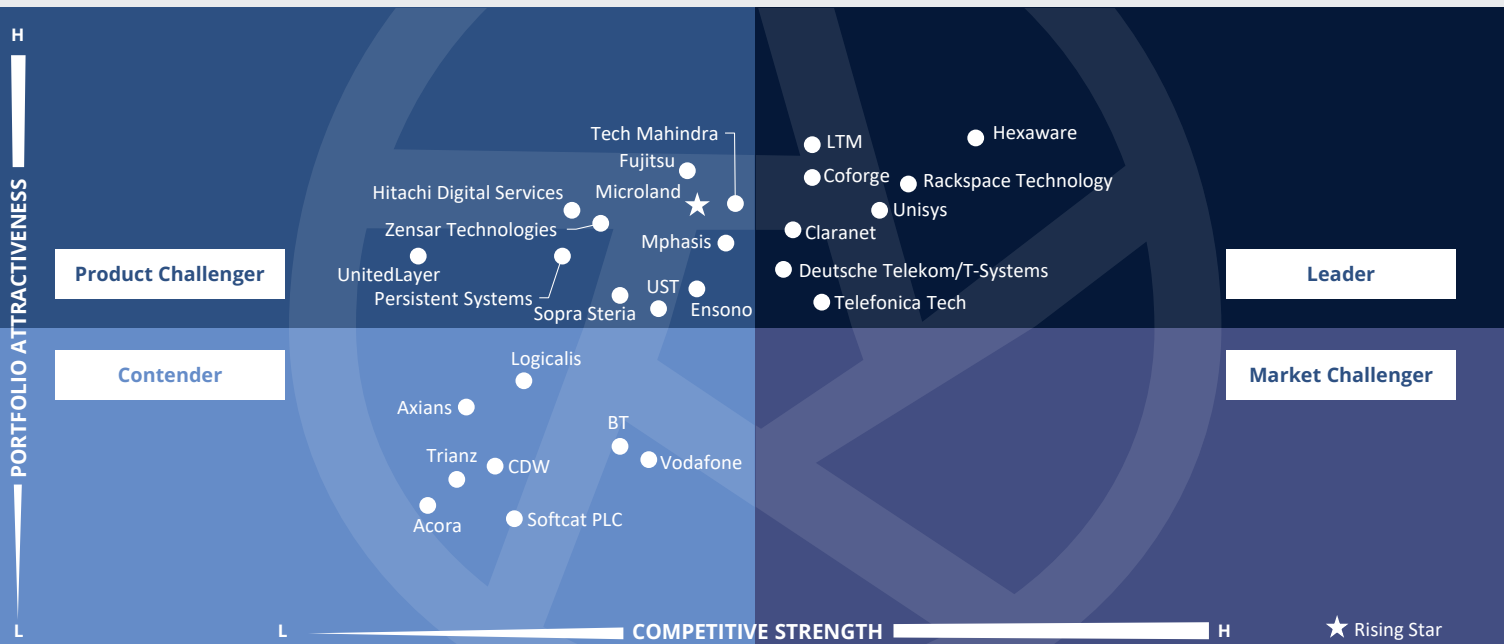
Sourcing, procurement and vendor management professionals

Should read this report to better understand the current landscape and partner ecosystem of AI-ready managed services in the UK. A deep understanding of provider competencies, differentiation and market presence would support informed selection decisions and negotiation strategies, ensuring the establishment of optimal partnerships that deliver both immediate value and sustainable long-term benefits.



Private/Hybrid Cloud – Data Center Services
AI-ready Infrastructure Managed Services – Midmarket

U.K. 2026



This quadrant assesses providers delivering managed infrastructure services across private and hybrid environments for midmarket firms, emphasising simplified, **cost-effective** operations for **AI** and **legacy workloads** through **automation** and **AIOps**.

Meenakshi Srivastava



AI-ready Infrastructure Managed Services — Midmarket

Definition

This quadrant assesses providers delivering managed services for private and hybrid cloud and data centre environments, with particular focus on continuous optimisation and operation of infrastructure to support AI workloads, alongside traditional workloads. Providers take on end-to-end responsibility for operating, automating and transforming infrastructure environments across client data centres, their own setups and third-party colocation facilities.

Unlike managed hosting, AI-ready infrastructure managed services include continuous transformation, AI-driven optimisation and lifecycle management of AI-integrated infrastructure, including GPUs, high-performance storage, container platforms and data pipelines. Providers leverage advanced automation, AIOps and MLOps to foster predictive operations, self-healing environments and optimised training and inference runtimes. Their services support both traditional and cloud-native applications and are tightly aligned with enterprise AI strategy, governance and sustainability objectives.

Eligibility Criteria

1. Offer managed services for **private, hybrid cloud and data centre infrastructure** (servers, middleware, storage and databases) without partner dependency
2. Take responsibility for **continuous optimisation and transformation of AI-integrated infrastructure**
3. Operate and **manage GPUs, accelerators, container platforms and AI runtime** environments
4. Leverage automation, AIOps and MLOps for **predictive operations and self-healing**
5. Support **infrastructure for AI training, inference and data pipeline readiness**
6. Show experience in **transition** projects that include **automation, consolidation, virtualisation and containerisation** with proven modernisation or AI-enablement outcomes
7. Act as an **extension of clients' IT organisation**, creating blueprints, architecture frameworks and management processes at their location
8. Provide services for the **centralised orchestration**, monitoring and management of a hybrid IT infrastructure, augmented with AI-driven observation and self-optimisation
9. Showcase relevant security and compliance **certifications** at the local level and adhere to emerging AI governance, sustainability and data sovereignty standards
10. Have **expertise in cost monitoring, spend management and FinOps** for AI workloads



AI-ready Infrastructure Managed Services — Midmarket

Observations

The UK managed services landscape is undergoing a structural transition as providers reorient their infrastructure for an AI-centric market. Key players such as BT, Claranet and Vodafone are prioritising domestic data residency and 5G-enabled edge computing to meet new national security standards. At the same time, providers such as Coforge, Hitachi and Fujitsu are pivoting from general cloud management to specialised agentic AI and LLM-optimised infrastructure, leveraging proprietary platforms and NVIDIA-powered hardware to automate cross-functional decision-making for enterprise and private equity clients.

Provider positions in the quadrant reflect these strategic shifts. Coforge advanced to the Leader position following the successful integration of Encora and the Quasar AI platform. Microland secured the Rising Star status owing to its continued expansion of European Digital Hubs in Birmingham and leadership in intelligent automation. Hitachi Digital Services advanced to Product Challenger due to its appointment

to the major UK Government Technology Services 4 framework and other strategically significant public sector wins. Conversely, Ensono and Fujitsu are repositioned to Product Challenger as market pressures shifted leadership towards providers with deeper sovereign or automated AI stacks. Mphasis slipped to the Product Challenger position, reflecting broader sector shifts in discretionary spending. Finally, BT and Vodafone acquired the Contender status as their primary market focus shifted towards massive core network integration and sovereign infrastructure development rather than specialised midmarket managed service differentiation.

From the 67 companies assessed for this study, 27 qualified for this quadrant, with eight being Leaders and one a Rising Star.

claranet

Claranet utilises its extensive UK data centre footprint and public cloud expertise to manage modular, localised infrastructure for midmarket AI workloads.

Coforge

Coforge integrates its Quasar AI platform with specialised engineering to provide midmarket firms with agile, cloud-to-edge managed infrastructure solutions.



Deutsche Telekom/T-Systems combines German engineering standards with UK midmarket needs by providing sovereign-compliant cloud architecture and high-security managed AI services.

HEXWARE

Hexaware uses its Tensai platform to deliver an automation-led strategy that reduces operational complexity and accelerates AI readiness for UK enterprises.

LTM

LTM offers global scale and sovereign cloud capabilities to provide UK midmarket clients with secure, end-to-end AI-ready infrastructure transformation.

rackspace technology.

Rackspace Technology, through its FAIR initiative, provides specialised multicloud managed services focused on secure, UK-based AI data residency.

Telefónica Tech

Telefónica Tech operates as a regional UK leader, providing end-to-end managed cloud and security infrastructure optimised for local midmarket AI adoption.

UNISYS

Unisys strengthens midsize enterprises in the UK by delivering AI-infused managed services and resilient digital workplace solutions to enhance infrastructure reliability.

MICROLAND®

Microland (Rising Star) applies vendor-agnostic automated frameworks to simplify the deployment and management of AI-ready digital infrastructure for midsize UK organisations.





“Through its Rackspace AI Solutions, Rackspace Technology offers a clear Ideate- Incubate- Industrialise pathway that is well-suited for midmarket firms experiencing pilot fatigue.”

Meenakshi Srivastava

Rackspace Technology

Overview

Rackspace Technology is headquartered in Texas, US. It has more than 5,100 employees across 23 countries. In FY24, the company generated \$2.7 billion in revenue. Rackspace Technology delivers private hybrid cloud managed services through fully managed VMware Cloud Foundation-based private clouds, offering flexible deployment, including on premises, colocation or Rackspace data centres, strong security, automation and outcome driven support for regulated and complex workloads. The firm's UK footprint is anchored by a London area office in Hayes, several data centre facilities and a sovereign cloud innovation stream focused on the UK public sector and regulated industry workloads.

Strengths

Industrialised private AI platform:

Rackspace Technology enables rapid AI adoption for the UK midmarket through a full-stack, enterprise-grade managed infrastructure optimised for NVIDIA GPUs and high-speed storage. Its private AI approach keeps sensitive data within organisational boundaries, offering a secure alternative to public cloud AI while reducing the TCO through open-source optimisation.

Accelerated time-to-value: Through partnerships with platforms such as Palantir and Uniphore, Rackspace Technology converts AI experimentation into measurable business outcomes. Its *Ideate-Incubate-Industrialize* framework helps midmarket firms move from concept to scaled AI operations within months.

Comprehensive AI reliability engineering:

Rackspace Technology goes beyond hosting, with its AI Reliability Engineering (AIRE) services spanning MLOps, LLMOps and AgentOps, to ensure sustained model performance. This proactive approach enables automation of complex workflows and supports scalable AI adoption.

Integrated AI Innovation Fabric:

The Rackspace AI Fabric, including capabilities such as Agent Factory, supports the development of multi-agent systems and advanced AI workflows, helping enterprises operationalise AI at scale with governance and efficiency.

Caution

Rackspace Technology should market its AI Fabric and Agent Factory as pre-built accelerators that reduce reliance on costly custom development. Offering off-the-shelf agentic workflows for common use cases can lower entry barriers and speed AI adoption for midmarket enterprises.





Appendix

The ISG Provider Lens 2026– Private/Hybrid Cloud — Data Center Services study analyzes the relevant software vendors/service providers in the U.K. 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:

Meenakshi Srivastava

Editor:

Kondappan S

Research Analyst:

Arpita Choudhury

Data Analysts:

Sachitha Kamath and Lakshmi Kavya Bandaru

Consultant Advisor:

Rakesh Parameshwara B

Project Manager:

Manikanta Shankaran

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The research and analysis presented in this report includes research 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. The data collected for this report represent information that ISG believes to be current as of May 2026 for providers that actively participated and for providers that did not. ISG recognizes that many mergers and acquisitions may have occurred since then, but this report does not reflect these changes.

All revenue references are in U.S. dollars (\$US) unless noted otherwise.

The study was conducted in the following steps:

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



Author and Editor Biographies

Author



Meenakshi Srivastava
Lead Analyst

Meenakshi Srivastava has nearly eight years of expertise and knowledge in IT infrastructure and analysis and insight generation. At ISG, Meenakshi is a lead analyst for ISG Provider Lens®, leading research activities and benchmarking exercises on the regional adoption of digital infrastructure such as private and hybrid cloud. She holds a bachelor's degree from Mumbai University in electronics engineering and an MBA degree in marketing from the Indian Institute of Management, Jammu (IIM Jammu).

Research Analyst and Co-Author



Arpita Choudhury
Senior research Analyst

Arpita is a Senior Research Analyst at ISG. She is responsible for supporting and co-authoring Provider Lens® studies on Public Cloud and Private Hybrid Cloud Data Center Solutions and Services. Arpita supports the Lead Analysts in the research process on multiple regions and authors the global summary report, and focal points. She also collaborates with the Lead Analysts in the process of rating the providers and in building insights around the market trends and drivers.

She has led and supported ad-hoc research requests in investment banking, healthcare, energy, and information and communication technology. During this period, she has also

spent a significant time enabling technology sales in pre-sales research teams. Arpita is skilled in insights generation, market sizing and forecasting, storyboarding, design thinking, financial analysis, go-to-market strategies, competitive intelligence, and benchmarking. Her areas of interest broadly are- technology, finance, and business strategy.



Author and Editor Biographies



Study Sponsor

Heiko Henkes
Director & Principal Analyst, Global IPL Content Lead

Heiko Henkes serves as Director and Principal Analyst at ISG, overseeing the Global ISG Provider Lens® (IPL) Program for all IT Outsourcing (ITO) studies alongside his pivotal role in the global IPL division as a strategic program manager and thought leader for IPL lead analysts.

Henkes heads 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 known for his contributions as a keynote speaker on digital innovation, sharing insights on using 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.



Provider Lens®

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