ISG Provider Lens®

Private/Hybrid Cloud — Data Center Services

Managed Cloud Hosting and Resilient Infrastructure Services

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of: rackspace technology

QUADRANT REPORT | JUNE 2026 | U.S.

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U.S. firms are adopting a governance-driven AI-ready hybrid cloud operating model with outcome-focused service delivery.

This report presents an independent benchmarking of leading service providers delivering private hybrid cloud and data center (PHCDC) services in the U.S. market. It is designed to help enterprise buyers evaluate providers based on their ability to support modernization, manage complex hybrid cloud environments and enable AI-ready infrastructure. As enterprises increasingly balance legacy stability with cloud transformation and AI adoption, this study assesses how effectively providers align their portfolios, operating models and delivery capabilities to evolving enterprise needs.

Market Context

The U.S. PHCDC services market is undergoing a structural shift driven by three converging forces: the rise of AI workloads, the persistence of legacy infrastructure and increasing regulatory and governance requirements. Enterprises are no longer pursuing full cloud migration strategies; instead, they are adopting hybrid models that allow them to retain control over sensitive workloads while leveraging cloud scalability and innovation. This shift has elevated the significance of private cloud, managed hosting and colocation services as strategic components rather than transactional solutions.

A defining trend in the market is the emergence of AI-ready infrastructure as a core design principle. Service providers are restructuring offerings to include GPU-enabled environments, AI factories and agentic operations frameworks. These capabilities are being tightly integrated with observability, FinOps and automation to create unified operating models that support both traditional and AI workloads. Enterprises are demanding stronger governance, sovereignty and cost control, particularly in regulated industries and public sector environments.

Another key market dynamic is the convergence of infrastructure services with

Providers differentiate with **AI-led integrated, automated and outcome-focused** delivery.

managed operations and transformation. Providers are no longer evaluated solely on their ability to host or manage infrastructure but on their ability to deliver continuous modernization while maintaining operational stability. This has led to increased emphasis on platform-led delivery, automation maturity and integrated lifecycle services spanning advisory, build and run.

Economic pressures and cost optimization priorities are reshaping enterprise expectations. Buyers are increasingly scrutinizing pricing models, pushing providers toward outcome-based and consumption-driven constructs. This shift is also accelerating the adoption of automation and AI-led operations, as enterprises seek measurable efficiency gains alongside transformation outcomes.

Enterprise Priorities

Enterprise buyers in the U.S. are responding to the market shifts by redefining their infrastructure and operations strategies around control, flexibility and measurable outcomes. Rather than pursuing large-scale, disruptive transformations, enterprises are adopting phased modernization approaches that allow them to evolve hybrid cloud environments while maintaining continuity for mission-critical systems. A central theme observed is to run AI workloads in controlled environments. Enterprises are increasingly seeking private and hybrid cloud solutions that support GPU-intensive workloads while ensuring data sovereignty, security and compliance. This is particularly relevant for industries such as financial services, healthcare and the public sector, where regulatory constraints limit the use of public cloud for certain workloads.

Another key priority is operational efficiency through automation and AI-driven management. Enterprises expect providers to deliver AIOps, agentic operations and predictive analytics as part of managed services, enabling faster incident resolution, reduced manual effort and improved system reliability. However, buyers are also cautious about over-reliance on automation, favoring models that balance machine-driven operations with human oversight. Cost governance has also emerged as a critical concern. Enterprises are looking for integrated FinOps capabilities that provide real-time visibility into infrastructure spend across hybrid environments. This includes the ability to optimize resource utilization, forecast costs and align spending with business outcomes. Providers that can demonstrate continuous cost optimization rather than one-time savings are gaining stronger traction.

Enterprises are prioritizing vendor flexibility and ecosystem integration. As hybrid environments become more complex, buyers are seeking providers that can operate across multiple platforms, avoid lock-in and integrate seamlessly with hyperscalers and third-party tools. This shift is driving the demand for vendor-neutral architectures and platform-agnostic operating models. Finally, enterprises are placing greater emphasis on resilience and continuity. Disaster recovery, cyber recovery and business continuity are no longer optional capabilities but core requirements embedded into managed services. Buyers expect providers to deliver these capabilities as part of a unified operating model rather than as standalone solutions.

Provider Dynamics

Service providers in the U.S. PHCDC market are actively evolving their portfolios and delivery models to align with these changing enterprise priorities. A key trend is the shift toward platform-led managed services, where providers integrate infrastructure, operations and governance into a unified control layer. These platforms combine observability, automation, FinOps and security to enable consistent management across hybrid cloud environments. Another significant development is the increasing focus on AI-enabled infrastructure and operations. Providers are investing heavily in AI factories, GPU-as-a-service offerings and agentic operations frameworks. These capabilities are designed to support the full lifecycle of AI workloads, from deployment to ongoing management. However, there is considerable variation in maturity, with some providers offering advanced autonomous operations while others remain in early adoption stages.

Providers are also strengthening their hybrid cloud and private cloud capabilities to address enterprise demand for control and flexibility. This includes the development of vendor-neutral architectures, sovereign cloud offerings and modular deployment models that allow enterprises to tailor infrastructure to their specific needs. Partnerships with hyperscalers and technology vendors are becoming increasingly important, enabling providers to extend their capabilities and deliver integrated solutions. A notable trend is the emphasis on governance and compliance as core differentiators. Providers are embedding zero-trust architectures, policy-driven controls and audit-ready frameworks into their services, especially for regulated industries and public sector clients. This reflects the growing importance of security and compliance in enterprise decision-making.

However, several challenges remain. Many providers face complexity in standardizing delivery across legacy and modern environments, leading to variability in execution. Reliance on traditional pricing models and global delivery structures can limit agility and transparency. Providers are also under pressure to demonstrate clear differentiation in a crowded market, particularly as capabilities such as automation and hybrid cloud become table stakes.

Future Outlook

The PHCDC services market in the U.S. will continue to evolve toward AI-centric, platform-driven operating models. Enterprises will increasingly treat infrastructure as a strategic enabler of innovation, rather than a cost center, driving demand for providers that can deliver both stability and transformation.

For enterprise buyers, the focus should be on selecting providers that can act as long-term transformation partners rather than transactional service vendors. This includes evaluating providers based on their ability to deliver measurable outcomes, scale automation and support AI workloads in production environments. Buyers should also prioritize flexibility, ensuring chosen providers can operate across diverse platforms and adapt to changing requirements.

For service providers, the key imperative will be to move beyond capability building to execution maturity. This includes demonstrating real-world proof points for AI-led operations, standardizing delivery models and adopting outcome-based pricing structures that align with enterprise expectations. Providers must also continue to invest in ecosystem partnerships and innovation to maintain competitiveness.

Finally, both enterprises and providers must address the growing complexity of hybrid cloud environments. This will require greater emphasis on governance, observability and integrated operations to ensure infrastructure can scale effectively while maintaining control and compliance. The market is moving toward a model where hybrid cloud, managed services and AI operations converge into a unified operating layer, enabling enterprises to modernize with confidence while preparing for future innovation.

Enterprise demand to integrate AI in their operations has resulted in service providers evolving their solutions into platform-led offerings that integrate infrastructure, automation, FinOps and AI-driven operations into a unified operating model. Providers' key differentiator is to deliver consistent execution, support production-scale AI workloads and enable continuous modernization while maintaining stability and compliance.

Provider Positioning

	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
11:11 Systems	Not In	Contender	Contender	Not In
365 Data Centers	Not In	Not In	Not In	Product Challenger
Accenture	Leader	Not In	Not In	Not In
Altimetrik	Not In	Product Challenger	Not In	Not In
Atos	Product Challenger	Not In	Product Challenger	Not In
Birlasoft	Not In	Product Challenger	Not In	Not In
Capgemini	Leader	Not In	Not In	Not In
CDNetworks	Not In	Not In	Not In	Contender
CGI	Product Challenger	Not In	Not In	Not In
Codero	Not In	Not In	Contender	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
Coforge	Not In	Leader	Not In	Not In
Cogent	Not In	Not In	Not In	Product Challenger
Cognizant	Leader	Not In	Not In	Not In
Colocation America	Not In	Not In	Contender	Contender
Cologix	Not In	Not In	Not In	Rising Star ★
Computacenter	Not In	Product Challenger	Not In	Not In
CoreSite	Not In	Not In	Not In	Leader
Csquare	Not In	Not In	Not In	Leader
CyrusOne	Not In	Not In	Not In	Leader
DataBank	Not In	Not In	Not In	Leader

Provider Positioning

	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
Digital Realty	Not In	Not In	Not In	Leader
DXC Technology	Leader	Not In	Product Challenger	Not In
Ensono	Not In	Leader	Product Challenger	Not In
Equinix	Not In	Not In	Not In	Leader
Expedient	Not In	Not In	Not In	Contender
Flexential	Not In	Not In	Product Challenger	Leader
FNTS	Not In	Product Challenger	Not In	Not In
Fujitsu	Not In	Product Challenger	Product Challenger	Not In
HCLTech	Leader	Not In	Not In	Not In
Hexaware	Contender	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
HorizonIQ	Not In	Not In	Contender	Not In
HPE	Rising Star ★	Not In	Not In	Not In
IBM	Not In	Not In	Product Challenger	Not In
Infinite Computer Solutions	Not In	Leader	Not In	Not In
Infosys	Leader	Not In	Not In	Not In
Innova Solutions	Not In	Product Challenger	Not In	Not In
InterVision	Contender	Not In	Contender	Not In
Iron Mountain	Not In	Not In	Not In	Product Challenger
Kyndryl	Leader	Not In	Leader	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
Lenovo	Product Challenger	Not In	Not In	Not In
Liquid Web	Not In	Not In	Contender	Not In
LTM	Product Challenger	Not In	Not In	Not In
Lumen Technologies	Not In	Contender	Product Challenger	Product Challenger
Microland	Contender	Leader	Not In	Not In
Mphasis	Product Challenger	Leader	Not In	Not In
NTT DATA	Leader	Not In	Leader	Leader
Park Place Technologies	Not In	Contender	Not In	Not In
Persistent Systems	Not In	Product Challenger	Not In	Not In
phoenixNAP	Not In	Not In	Not In	Contender

Provider Positioning

	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
QTS	Not In	Not In	Not In	Leader
Rackspace Technology	Product Challenger	Leader	Leader	Product Challenger
Red River	Not In	Contender	Not In	Not In
Stefanini	Contender	Not In	Not In	Not In
Sutherland	Not In	Contender	Not In	Not In
Switch	Not In	Not In	Not In	Contender
Syntax	Not In	Product Challenger	Product Challenger	Not In
TCS	Leader	Not In	Product Challenger	Not In
Tech Mahindra	Product Challenger	Not In	Not In	Not In
TierPoint	Not In	Not In	Contender	Product Challenger

Provider Positioning

	AI-ready Infrastructure Managed Services — Large Accounts	AI-ready Infrastructure Managed Services — Midmarket	Managed Cloud Hosting and Resilient Infrastructure Services	Sustainable Colocation Services
T-Systems	Product Challenger	Not In	Not In	Not In
Unisys	Product Challenger	Leader	Leader	Not In
UnitedLayer	Not In	Product Challenger	Leader	Product Challenger
US Signal	Not In	Not In	Not In	Product Challenger
UST	Not In	Product Challenger	Not In	Not In
Wipro	Leader	Not In	Not In	Not In
Zensar Technologies	Not In	Product Challenger	Product Challenger	Not In
Zones	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 center services** in 2026.

- **AI-ready Infrastructure Managed Services — Large Accounts**
- **AI-ready Infrastructure Managed Services — Midmarket**
- **Managed Cloud Hosting and Resilient Infrastructure Services**
- **Sustainable Colocation Services**

Simplified Illustration Source: ISG 2026

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 organizations are modernizing 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 optimization.

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 optimize infrastructure efficiency and to reduce the environmental footprint of AI workloads.

The dedicated lens on the U.S. public sector, for this study, encompasses state and local government and education (SLED) organizations, public utilities, public health entities and other U.S. agencies. For these organizations, private and hybrid cloud environments form the foundation for secure and compliant AI adoption, enabling innovation at scale while protecting sensitive data and meeting stringent governance and regulatory compliance requirements.

Scope of the Report

This ISG Provider Lens® quadrant report covers the following four 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 IT decision-makers:

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

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 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 Cloud Hosting and Resilient Infrastructure Services

Who Should Read This Section

This report is valuable for providers offering **managed cloud hosting and resilient infrastructure services** in the **U.S.** 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

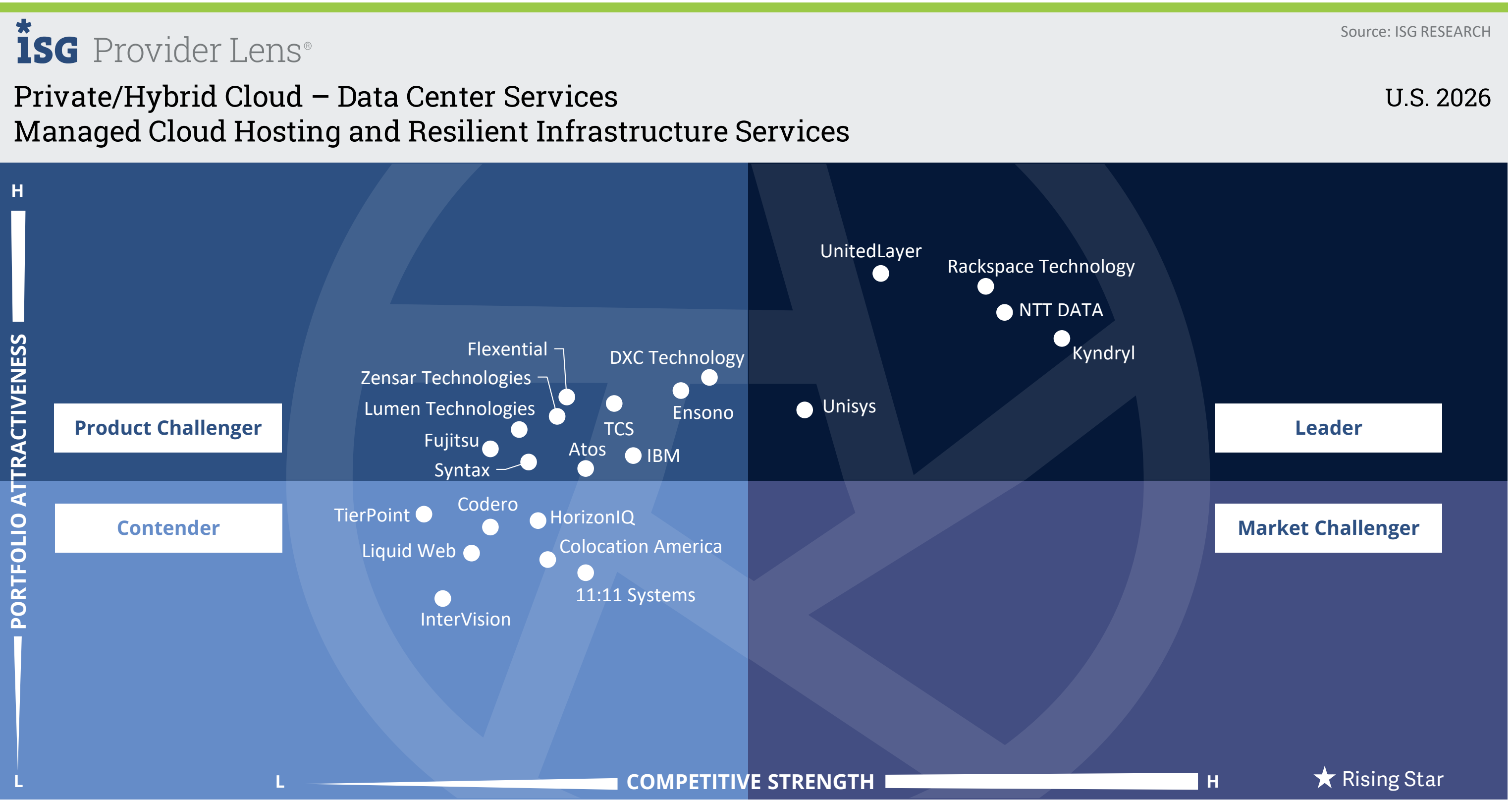
Should read this report to evaluate managed cloud hosting providers in the U.S. that deliver resilient architectures, covering high availability, backup/DR, cyber recovery, zero trust operations and workload portability across private, hosted and public environments. They use the capabilities to guide the modernization of mission critical platforms, optimize decisions on workload and ensure business continuity.

Software development and technology leaders

Software development and technology leaders should read this report to understand the way hosted platforms support application modernization, including Kubernetes, databases, middleware and integration services, while meeting latency, performance and compliance needs. This report clarifies provider road maps for automation, observability and platform SRE to enable teams with reliable launches, reduced efforts and accelerated release cycles for regulated and enterprise workloads.

Sourcing, procurement and vendor management professionals

Should read this report to compare contracts designed for resilience, covering recovery objectives, immutable backups, security controls, burst capacity and cross-region designs, alongside transparent pricing, exit options and governance. These insights can foster structured RFPs, robust negotiations and measurable outcomes for hosted and hybrid infrastructure programs.



This quadrant assesses providers offering **enterprise-grade hosting solutions** using their own or **third-party facilities**. Providers are responsible for the **ongoing management** of **data center** equipment such as **servers, storage, operating systems** and **networks**.

Shashank Rajmane

Definition

This quadrant assesses providers delivering enterprise-grade managed cloud hosting and resilient infrastructure services using their own, colocated or contracted third-party facilities. The providers take on the responsibility of provisioning, operating and maintaining core infrastructure components, including compute, storage, networking, operating systems and AI-integrated infrastructure, to ensure high availability, performance, security and recovery under definitive SLAs.

Managed cloud hosting focuses on the stable and predictable operations of infrastructure environments, with providers ensuring infrastructure runtime stability, data protection, disaster recovery and workload proximity. However, they do not take the responsibility of continuous infrastructure transformation, AI pipeline optimization or the lifecycle management of AI workloads beyond hosting support. The quadrant also evaluates providers that support AI- and data-intensive workloads from a hosting and capacity perspective, emphasizing resilience, scalability and cost efficiency.

Eligibility Criteria

1. Offer **enterprise-grade** managed hosting services using own, colocated (realty only) or contractually secured infrastructure
2. Provide **SLA-backed** availability, **resilience, backup** and **disaster recovery** (active-active or active-passive)
3. Demonstrate the ability to **maintain** and **expand** infrastructure capacity in tandem with demand
4. Operate and manage **dedicated** and **shared infrastructure** environments on a unified platform
5. Implement **multilayered security** controls across **physical, network** and **system** layers
6. Support **AI- and data-intensive** workloads through required infrastructure support and runtime stability
7. Provide **data locality, compliance** and **regulatory** alignment support as required

Observations

Managed hosting in the U.S. is evolving from a traditional *keep-the-lights-on* model into a governed, automation-led operating layer for hybrid infrastructure. A consistent theme is the integration of hosting with observability, AIOps, disaster recovery and FinOps into a single control plane, enabling enterprises to manage legacy and modern workloads together. Managed hosting providers are increasingly positioning hosting as a continuity-first foundation, especially for regulated, latency-sensitive and business-critical environments where full public cloud migration is not practical.

Another notable trend is the convergence of hosting with hybrid cloud flexibility and workload placement strategies. Enterprises are no longer treating hosting as a static destination but as a dynamic layer that supports workload mobility across on-premises, colocation and cloud environments. Capabilities such as vendor-neutral architectures, VMware-based private cloud models and workload-proximate deployment are becoming central, allowing buyers to balance cost, control and performance while avoiding lock-in. Providers are embedding cyber recovery, DraaS and predictive operations directly into hosting services rather than offering them as add-ons.

From an enterprise buyer perspective, managed hosting remains highly relevant, particularly for core systems, regulated workloads and hybrid estates. Enterprises in the U.S. should prioritize providers that can demonstrate automation maturity, consistent governance across environments and clear modernization pathways, not just infrastructure stability.

From the 68 companies assessed for this study, 22 qualified for this quadrant, with five being Leaders.

kyndryl

Kyndryl is bringing stronger governance and operational consistency to complex hybrid cloud estates while preserving IBM Z and IBM i environments. It is a managed hosting partner for clients seeking resilience, control and continuity across critical legacy workloads.

NTT DATA

NTT DATA stands out for its disciplined resilience, recovery and workload placement across hybrid environments. It is well suited for enterprises seeking managed hosting that reduces operational risk while maintaining control and continuity across distributed hybrid cloud estates.

rackspace technology

Rackspace Technology offers a clearer managed hosting proposition built around a VMware-centered private cloud model aligned to clients' compliance and recovery needs. It gives buyers a coherent option for sensitive and proximity-dependent workloads with high resilience.

unisys

Unisys presents managed hosting as a governed operating model that combines AIOps, FinOps, workload placement and disaster recovery. This positions it well for clients seeking tighter control, resilience and economic discipline across complex hybrid cloud estates.

UnitedLayer

UnitedLayer stands out for its platform-led approach that combines multi-hypervisor flexibility with embedded operations and resilience. It gives buyers a mission-critical private cloud solution with specialized options, separating control from recovery readiness.

Leader

"Rackspace Technology leverages its managed hosting heritage to bring greater coherence to VMware-based private cloud, enabling U.S. enterprises to achieve stronger operational accountability while balancing cost, control and resilience."

Shashank Rajmane

Rackspace Technology

Overview

Rackspace Technology is headquartered in Texas, U.S. It has more than 5,100 employees across 23 countries. In FY24, the company generated $2.7 billion in revenue. Rackspace's managed cloud hosting portfolio is being reshaped around a simplified VMware-based private cloud model spanning multi-tenant VCF Cloud and dedicated VCF Enterprise, supported by bare metal, networking, data protection and cyber recovery services. In the U.S., the company shows particular relevance in compliance-sensitive hosted environments, with healthcare and public sector activity backed by HIPAA-, HITRUST- and FedRAMP-aligned hosted environments.

Strengths

Regulated-workload hosting: Rackspace differentiates itself by offering private hosting within a compliant, hosted operating environment. Its portfolio delivers to specific verticals in regulated industries and offers healthcare cloud, financial cyber recovery and government-hosted private cloud backed by HIPAA, HITRUST, PCI, SOC and targeted FedRAMP-certified U.S. facilities for enterprises running sensitive workloads.

Recovery-led resilience: Rackspace embeds recovery into its hosting offering rather than treating it as a separate add-on. The portfolio links Rackspace Data Protection, Cyber Recovery Cloud powered by Rubrik, disaster recovery options in VCF Enterprise and the N+1 resilient data center design. This approach gives U.S. enterprises a more complete continuity posture against platform failures and site disruptions.

Workload-proximate deployment: Rackspace can run private cloud in its own facilities or deploy and manage dedicated VCF environments at customer-selected sites through VCF Enterprise and VCF Edge. That capability gives U.S. enterprises more practical control over latency, adjacency and placement when workloads need to stay close to users, equipment and regulated data.

Caution

Rackspace's managed hosting services, while strong in VMware-based environments, may show limited differentiation beyond core platforms. Enterprises in the U.S. should assess the firm's ability to deliver innovation and modernization pathways, especially for clients seeking transition from traditional hosting to hybrid models.

Appendix

The ISG Provider Lens 2026 – Private/Hybrid Cloud — Data Center Services study analyzes the relevant software vendors/service providers in the U.S. market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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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:

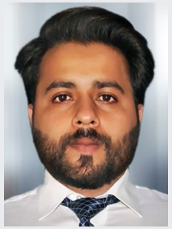
1. Definition of Private/Hybrid Cloud — Data Center Services market
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge & 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

Shashank Rajmane

Manager and Principal Analyst

Shashank Rajmane has more than a decade of extensive experience in research and works as a Principal Analyst at ISG. He leads the efforts for ISG Provider Lens® studies — Public Cloud Services & Solutions and Private/Hybrid Cloud & Data Center Outsourcing Services. He also authors the U.S. and Global reports. Apart from these, Shashank has been part of many consulting engagements and helping ISG's enterprise clients with their cloud strategy, along with selecting the right service providers/ vendors based on their IT-related buying requirements. He has authored several white papers, thought leadership articles, briefing notes, blogs and service provider intelligence reports, especially in the next-generation hybrid cloud and infrastructure services domain. Shashank has also delivered several workshops, webinars and podcasts and has been quoted in IT journals.



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

Yatharth has over 7 years of experience with a strong background in research, data analysis, and business analysis.

In his previous role, Yatharth oversaw custom research and analysis projects to support businesses in better decision-making. Specializing across various industries with Everest Group, Yatharth provided valuable insights and recommendations and led in-depth analyses of enterprises and their operations to provide tailored insights to the clients.

Study Sponsor

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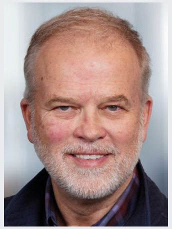
Heiko Henkes serves as Director and Principal Analyst at ISG, overseeing the Global ISG Provider Lens® (IPL) Program for all IT Outsourcing (ITO) studies alongside his pivotal role in the global IPL division as a strategic program manager and thought leader for IPL lead analysts.

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.

ISG Provider Lens®

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