

Microsoft AI and Cloud Ecosystem

A report comparing providers' capabilities to help decision-makers more effectively source services more effectively

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LTM

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*Report Author: Dr. Tapati Bandopadhyay
and Sameen Mohammed Siddique*

Driving enterprise transformation by leveraging Microsoft AI and cloud for AI-powered modernization

The ISG Provider Lens® Microsoft AI and Cloud Ecosystem 2026 — U.S. report examines how service providers support enterprises as Microsoft shifts from cloud-first enablement to AI-native operating models across productivity, data, platforms and managed services. The study evaluates four quadrants: Microsoft Productivity and Business Process Services, Azure Data Transformation and AI Services, Azure Managed Services and Azure Professional Services, assessing provider capabilities, market positioning and execution across advisory, implementation and managed services within the defined scope of the study.

The U.S. Microsoft AI and cloud ecosystem is undergoing a structural shift as enterprises transition from cloud-first to AI-first operating models. This evolution is marked by the

integration of data platforms, productivity tools and business applications into unified intelligence layers powered by Microsoft Fabric, Azure OpenAI and Copilot. Enterprises are no longer treating AI as an overlay but embedding it directly into their workflows, enabling continuous decision-making, automation and optimization at scale.

Market context: forces reshaping the U.S. ecosystem

U.S. enterprises are moving beyond migration-driven cloud adoption to operationalize AI securely and at scale. Macroeconomic pressures, including interest rates, cost constraints and scrutiny, are focused on efficiency, measurable ROI and faster time to value. The Microsoft ecosystem supports this shift by integrating AI, data, analytics and productivity across Fabric, Foundry and Copilot, amid rising regulatory and protection requirements.

From cloud adoption to AI-native enterprise execution: The Microsoft AI and cloud ecosystem in the U.S. has entered a new transformation phase. With the core platform

U.S. partners lead
with **AI-native**
models and **data-**
to-AI platforms,
driving outcomes
at scale.



Executive Summary

established, organizations are shifting toward scaling AI across operations. AI is increasingly embedded into workflows, enabling real-time insights, automation and continuous optimization, positioning it as a core enterprise capability driving productivity, efficiency and innovation.

AI and data workloads redefine Azure

consumption patterns: AI and data workloads are reshaping Azure consumption, with Azure Consumed Revenue (ACR) increasingly driven by AI-intensive, data-centric use cases rather than infrastructure scale. U.S. enterprises are shifting to Fabric, Azure AI Services and always-on analytics, creating distributed, continuous usage patterns. This change elevates the importance of cost governance, rightsizing and FinOps, as organizations pursue predictable AI costs while scaling Copilot, agents and analytics through efficient architectures and controlled execution.

AI-driven innovation balanced by trust and governance:

As enterprises scale AI, trust, security and governance are becoming foundational enablers. Organizations are building responsible AI frameworks, identity-

centric architectures and traceable data pipelines to ensure compliant, auditable deployments, enabling confident enterprise-wide AI adoption that can deliver long-term value while mitigating risk.

Platform convergence accelerating value

realization: Microsoft's integrated platform spanning Fabric, OneLake, Copilot Studio and Azure AI is reshaping enterprise technology design by converging data, analytics, AI and automation. This approach accelerates time-to-value, reduces complexity and supports scalable, AI-ready foundations for continuous innovation and operational efficiency.

Co-innovation with Microsoft and with clients:

Co-innovation in the U.S. Microsoft ecosystem operates on parallel tracks, with Microsoft and enterprise clients, and leading providers connect both. With Microsoft, it centers on service adoption, co-developed architectures, accelerators and roadmap alignment across Copilot, Fabric and agent frameworks. With clients, it focuses on applied problem solving, translating capabilities into reusable assets and scalable production outcomes that deliver faster value.

Enterprise priorities: how enterprises are adopting and scaling

Scaling AI from pilots to enterprise-wide impact:

U.S. enterprises are accelerating the transition from experimentation to production-scale AI deployment. The focus is on embedding AI into everyday workflows, enabling Copilot-led productivity, intelligent automation and agent-driven execution. Enterprises are prioritizing solutions that deliver repeatable outcomes, seamless integration and measurable business impact, turning AI into a core driver of enterprise performance.

Building governed and scalable AI operating models:

Governance is emerging as a key enabler of scale. Enterprises are establishing AI CoEs, policy-driven control frameworks and real-time monitoring capabilities to ensure that AI systems operate reliably and responsibly. These governance structures enable organizations to scale AI confidently while maintaining visibility, control and alignment with business and regulatory requirements.

Maximizing value through cost transparency and optimization:

Economic efficiency remains a critical priority. Enterprises are embedding FinOps practices into AI and cloud operations, enabling real-time cost visibility, optimization and alignment with business outcomes. By linking AI investments directly to measurable value, organizations are ensuring that innovation is both sustainable and economically impactful.

Adopting platform-centric and product-aligned models:

Organizations are evolving toward platform-based operating models, where they treat digital platforms as long-term strategic assets. Enterprises expect service providers to not only build but also operate, enhance and continuously optimize these platforms, enabling ongoing innovation, resilience and business agility.

Enterprises prioritize marketplace-ready, governed AI solutions:

U.S. enterprises increasingly expect to source AI, data and industry solutions through the Microsoft Commercial Marketplace to accelerate



deployment while retaining governance and cost control. Marketplace offerings are favored when they provide pre-integrated architecture, transparent pricing, security and compliance validation.

Key enterprise priorities shaping sourcing decisions:

- Prioritizing production-ready AI and Copilot deployments that deliver secure, scalable and outcome-driven business value
- Emphasizing integrated governance frameworks across data, AI and automation to enable trusted innovation
- Embedding cost optimization and financial accountability into cloud and AI operations
- Selecting partners that can deliver platform-driven transformation and continuous value realization

Provider dynamics

Service providers in the U.S. Microsoft AI and cloud ecosystem are undergoing significant strategic repositioning to align with evolving enterprise demands.

Shift to AI-first, platform-led delivery:

Providers are reorganizing their portfolios around AI-first transformation, integrating Microsoft 365, Azure data platforms and business applications into unified delivery models. The emphasis is on platform-centric architectures that enable seamless integration across productivity, analytics and operations.

Investment in proprietary IP and accelerators:

Leading providers are differentiating through proprietary frameworks, accelerators and platforms that industrialize delivery. These assets include migration factories, AI enablement frameworks, governance toolkits and agent orchestration layers that reduce time-to-value and improve consistency across engagements.

Advancement of agentic AI capabilities:

Developing agentic AI systems represents a key area of innovation. Providers are building multi-agent architectures that automate complex workflows, integrate with enterprise systems and enable autonomous decision-making under human supervision. This marks a transition from assistive AI to operational AI embedded in business processes. Providers

are increasingly designing solutions where Copilot and AI agents act as orchestration layers rather than standalone features. In productivity and business process services, this means structuring workflows so collaboration tools trigger transactions, analytics and automated actions across Dynamics 365 and Power Platform. In managed services and operations, agents are used to automate monitoring, remediation and optimization tasks under defined trust boundaries and approval checkpoints, balancing autonomy with control.

Convergence of build and run responsibilities:

In Azure managed services and professional services, providers are blurring traditional boundaries between transformation projects and steady-state operations. Providers are extending their role beyond implementation to full lifecycle ownership, covering strategy, build, run and optimization. They differentiate themselves by offering lifecycle ownership models that extend from strategy and migration through continuous optimization, embedding FinOps, security controls and reliability engineering into day-to-day operations rather than layering them on after deployment.

Managed services are evolving into continuous control planes that manage cost, performance and governance across cloud and AI environments.

Outlook (12-24 months): accelerating shift toward agentic and autonomous enterprises

Over the next 12 to 24 months, the Microsoft AI and cloud ecosystem in the U.S. will continue evolving toward AI-native, platform-driven enterprise models, with intelligent capabilities embedded across business operations.

- AI will become a default operating layer across enterprise functions.
- Multi-agent systems will expand, enabling autonomous workflows and real-time decision-making.
- Enterprises will consolidate into unified data and AI platforms for scalability.
- Responsible AI, compliance and data governance will become critical competitive factors, particularly in regulated industries.



Leading indicators:

- Increased enterprise investment in AI-ready data platforms
- Expansion of Copilot and agent-based deployments
- Growth in demand for AI-driven managed services
- Adoption of outcome-based transformation models

Strategic priorities for enterprises:

- Prioritize data governance and quality to enable reliable AI outcomes.
- Establish responsible AI frameworks with policies for compliance, bias mitigation, transparency and accountability in AI systems.
- Build organizational readiness through upskilling employees, cross-functional collaboration and adopting structured change management.
- Focus on measurable value creation by aligning AI use cases to strategic business goals and clearly tracking ROI and impact.

Strategic priorities for service providers:

- Invest in scalable AI platforms, tools and accelerators to enable efficient enterprise-wide adoption.
- Strengthen governance, auditability and compliance capabilities to meet enterprise and industry standards.
- Deliver tailored value across sectors that address specific challenges and requirements in industries such as healthcare, finance, manufacturing and retail.
- Demonstrate business impact through frameworks and metrics that help clients quantify AI benefits, track performance and communicate value to stakeholders effectively.

Future action: building future-ready enterprises with AI at the core

U.S. enterprises should formalize AI-native operating discipline on Microsoft platforms before expanding Copilot, agentic workflows and Fabric-led intelligence at scale. This process requires centralized AI and data governance that enforces architecture, security, identity and lifecycle controls. Enterprises

should mandate AgentOps, MLOps and FinOps runbooks aligning AI usage with business KPIs, consumption thresholds and risk controls. Providers must deliver outcome-based reusable accelerators and governance frameworks enabling repeatable, auditable and marketplace-ready offerings.

Microsoft's future strategy

At Build 2026, Microsoft signalled a structural shift from leveraging partner models such as OpenAI and Anthropic to developing its own frontier stack alongside partner offerings. This strategy supports long-term self-sufficiency and models you can trust, with clean, non-distilled data lineage as the key value proposition to regulated enterprises. Its MAI Superintelligence Team launched seven in-house MAI models spanning reasoning, coding, image generation, transcription and voice. Led by the flagship MAI-Thinking-1 reasoning model, these capabilities are integrated across GitHub Copilot, VS Code, PowerPoint and Microsoft Foundry. Microsoft positions the models as competitive with leading rivals while emphasizing efficiency and lower cost. It also introduced the Frontier Tuning tool, which lets

enterprises customize the models on their own data, co-designed with its in-house Maia 200 silicon for increased cost efficiency. Microsoft also introduced the Microsoft Scout, its first always-on Autopilot agent built on the open-source OpenClaw framework and the Work IQ context layer. Microsoft Scout works across Teams, Outlook, OneDrive, SharePoint, desktop and browser environments to prepare meetings, identify risks and resolve conflicts proactively. The agent stack is wrapped in enterprise governance, including per-agent Microsoft Entra identities, OS-level sandboxing via Microsoft Execution Containers, Purview DLP and sensitivity labels, and human-in-the-loop gates for high-consequence actions.

i. What it means for service providers

- From Copilot to agent orchestration: Enterprise demand is shifting from deploying assistant seats toward designing and operating governed multi-agent systems with clearly defined trust boundaries and approval checkpoints.



Executive Summary

- Model customization as a service: Frontier Tuning turns domain fine-tuning into a productizable engagement, creating differentiation based on accuracy and cost efficiency rather than generic model capability.
- Multi-model optionality and economics: Providers can architect the right model for each task across MAI, OpenAI and Anthropic, drawing on MAI's cost efficiency while taking ownership of FinOps for always-on workloads.

ii. Provider roadmap for enterprise readiness

Meeting enterprise demands requires a phased roadmap that prioritizes foundational capabilities before scaling and monetization:

- Establish the data foundation: Given how data readiness has become central to Microsoft's enterprise positioning, providers should begin with Purview-based classification, labeling and lineage clean-up. Enterprises are prioritizing these capabilities, and these capabilities carry a clear requirement for strict guardrails, since agents are only as trustworthy as the data and the permissions they inherit.
- Engineer AgentOps into the build: As autonomous agents can act using credentials and perform consequential actions, enterprises will require verifiable containment and auditability before granting them production access. Providers should, therefore, embed per-agent identities, sandboxing, policy-as-code allow-and-deny lists, and human-in-the-loop gates from the outset rather than retrofitting them. Governance built in from the outset transforms an agent demonstration into a solution that security and compliance teams can approve for production use.
- Differentiate through Frontier Tuning: As generic model capabilities become increasingly commoditized, durable advantage shifts to those tuned on a client's own clean data with a defensible lineage. Providers should establish repeatable, auditable fine-tuning processes with documented data provenance because in regulated sectors such as BFSI, healthcare, defense and the public sector, buyers view the ability to prove how a model was trained as a procurement requirement rather than an afterthought.
- Operate at scale with FinOps: Always-on agents continuously consume compute resources and can spawn sub-agents, driving ongoing costs. With enterprises increasingly tying measurable ROI from AI investments, providers should attune cost governance and chargeback models to these continuous consumption patterns and give clients real-time cost visibility and predictable unit economics before agent fleets scale.
- Scale and monetize: Once the foundational capabilities, governance and cost controls are in place, the opportunity moves from one-off builds to repeatable, productized offerings. Providers should operate and optimize agent fleets as a managed control plane and package governed, transparently priced accelerators on the Microsoft Commercial Marketplace. This will enable enterprises to quickly adopt these offerings while retaining control, and give providers a scalable, recurring revenue stream.

In 2026, the Microsoft AI and cloud ecosystem is enabling enterprises to move beyond cloud adoption to AI-native, outcome-driven transformation. Unified data platforms, Copilot-led productivity, agentic AI and intelligent cloud operations accelerate innovation, improve efficiency and convert AI investments into measurable business value. Governed scalability and platform cohesion are making AI a sustained competitive advantage.





Provider Positioning

Page 1 of 4

	Microsoft Productivity and Business Process Services	Azure Data Transformation and AI Services	Azure Managed Services	Azure Professional Services
Accenture & Avanade	Leader	Leader	Leader	Leader
Atos	Product Challenger	Product Challenger	Product Challenger	Product Challenger
Birlasoft	Product Challenger	Product Challenger	Product Challenger	Product Challenger
Brillio	Product Challenger	Product Challenger	Product Challenger	Rising Star ★
Capgemini	Product Challenger	Leader	Product Challenger	Product Challenger
Coforge	Rising Star ★	Product Challenger	Leader	Rising Star ★
Cognizant	Leader	Leader	Leader	Leader
Computacenter	Product Challenger	Product Challenger	Product Challenger	Product Challenger
DXC Technology	Leader	Leader	Leader	Leader
EPAM Systems	Product Challenger	Product Challenger	Not In	Product Challenger





Provider Positioning

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	Microsoft Productivity and Business Process Services	Azure Data Transformation and AI Services	Azure Managed Services	Azure Professional Services
EY	Market Challenger	Market Challenger	Market Challenger	Market Challenger
Genpact	Leader	Rising Star ★	Product Challenger	Product Challenger
Grazitti Interactive	Contender	Contender	Contender	Contender
HCLTech	Leader	Leader	Leader	Leader
Hexaware	Leader	Leader	Leader	Leader
IBM	Market Challenger	Market Challenger	Market Challenger	Leader
Infosys	Leader	Leader	Leader	Leader
Korcomptenz	Contender	Contender	Not In	Contender
KPMG	Market Challenger	Market Challenger	Market Challenger	Market Challenger
Kyndryl	Leader	Product Challenger	Rising Star ★	Product Challenger





Provider Positioning

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	Microsoft Productivity and Business Process Services	Azure Data Transformation and AI Services	Azure Managed Services	Azure Professional Services
LTM	Leader	Product Challenger	Leader	Leader
Mphasis	Product Challenger	Product Challenger	Product Challenger	Product Challenger
NTT DATA	Leader	Leader	Leader	Leader
Persistent Systems	Product Challenger	Product Challenger	Rising Star ★	Product Challenger
PwC	Product Challenger	Product Challenger	Product Challenger	Product Challenger
Rackspace Technology	Leader	Leader	Leader	Leader
Softtek	Contender	Contender	Not In	Not In
Syntax	Contender	Not In	Contender	Not In
TCS	Leader	Leader	Leader	Leader
Tech Mahindra	Rising Star ★	Rising Star ★	Product Challenger	Product Challenger





Provider Positioning

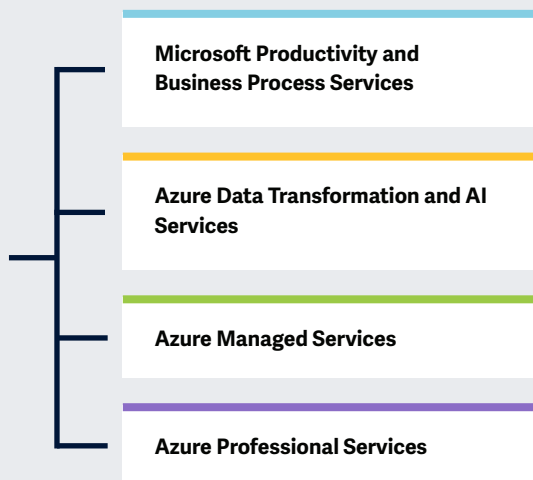
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	Microsoft Productivity and Business Process Services	Azure Data Transformation and AI Services	Azure Managed Services	Azure Professional Services
Unisys	Market Challenger	Market Challenger	Product Challenger	Not In
UST	Product Challenger	Not In	Product Challenger	Contender
Visionet	Not In	Product Challenger	Contender	Contender
Wipro	Leader	Leader	Leader	Leader
YASH Technologies	Contender	Contender	Contender	Contender



Key focus areas for **Microsoft AI and Cloud Ecosystem 2026** study

Simplified Illustration Source: ISG 2026



Definition

The Microsoft AI and cloud ecosystem represented connected intelligence at Ignite 2025, marking the rise of Frontier Firms, which are agent-operated, human-led organizations. Microsoft addresses enterprise needs through a unified IQ layer that integrates Work IQ, Fabric IQ and Foundry IQ, combining insights from productivity tools, analytics, collaborative platforms and AI-driven service innovation.

Microsoft is deeply embedding AI into Microsoft 365, with Copilot-powered features such as Facilitator and AI agents in Teams, automating meetings and enhancing collaboration. At Ignite 2025, Microsoft introduced Agent 365 to manage AI agents across workflows. Voice commands, AI-generated summaries, agenda assistants and insight cards are becoming increasingly common, while Copilot continues to unlock cross-application productivity using organizational data. By tailoring deployments to client contexts, partners can address key AI challenges such as cultural shifts, trust, large-scale adoption and ROI.

Providers are moving from cloud migrations to strategic business process redesigns, leveraging the Microsoft Agent Framework, Zero Trust architecture and security roadmaps. Partners are emerging as key architects by differentiating with proprietary IP and using new Power Platform App Agent tools to build connected apps, agents, Power BI reports and workflows via low-code/no-code platforms. AI-native capabilities now include generative actions and intelligent document processing for complex automation.

Dynamics 365's 2025 release improves vertical and business process capabilities with agent-based automation, predictive insights and strong Power Platform integration. An enhanced Dataverse enables AI-ready experiences with advanced business logic and search. Providers harness Microsoft Fabric, Foundry, Azure OpenAI and cognitive architectures to deliver scalable analytics and advanced AI solutions.



Scope of the Report

This ISG Provider Lens® quadrant report covers the following four quadrants for services: Microsoft Productivity and Business Process Services, Azure Data Transformation and AI Services, Azure Managed Services, and Azure Professional 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) on their competitive strengths and portfolio attractiveness
- Focus on the regional market

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

Provider Classifications

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

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.

- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

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

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





Provider Classifications: Quadrant Key

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

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.





Microsoft Productivity and Business Process Services

Who Should Read This Section

This report is valuable for service providers offering **Microsoft Productivity & Business Process 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.

Technology professionals

Should read this report to evaluate service providers across the Microsoft ecosystem and to learn how providers embed the latest Productivity & Business Process Services capabilities into their solutions. The report highlights the approaches to enhance productivity, streamline business processes and enable secure collaboration, helping organizations maximize the value of Microsoft's modern workplace services.

Knowledge management professionals

Should read this report to gain strategic insight into service provider positioning and emerging trends within the Microsoft Productivity & Business Process Services ecosystem. The report helps identify partners who can strengthen information governance, collaboration frameworks and knowledge-sharing practices, enabling organizations to maximize the value of their digital workplace investments.

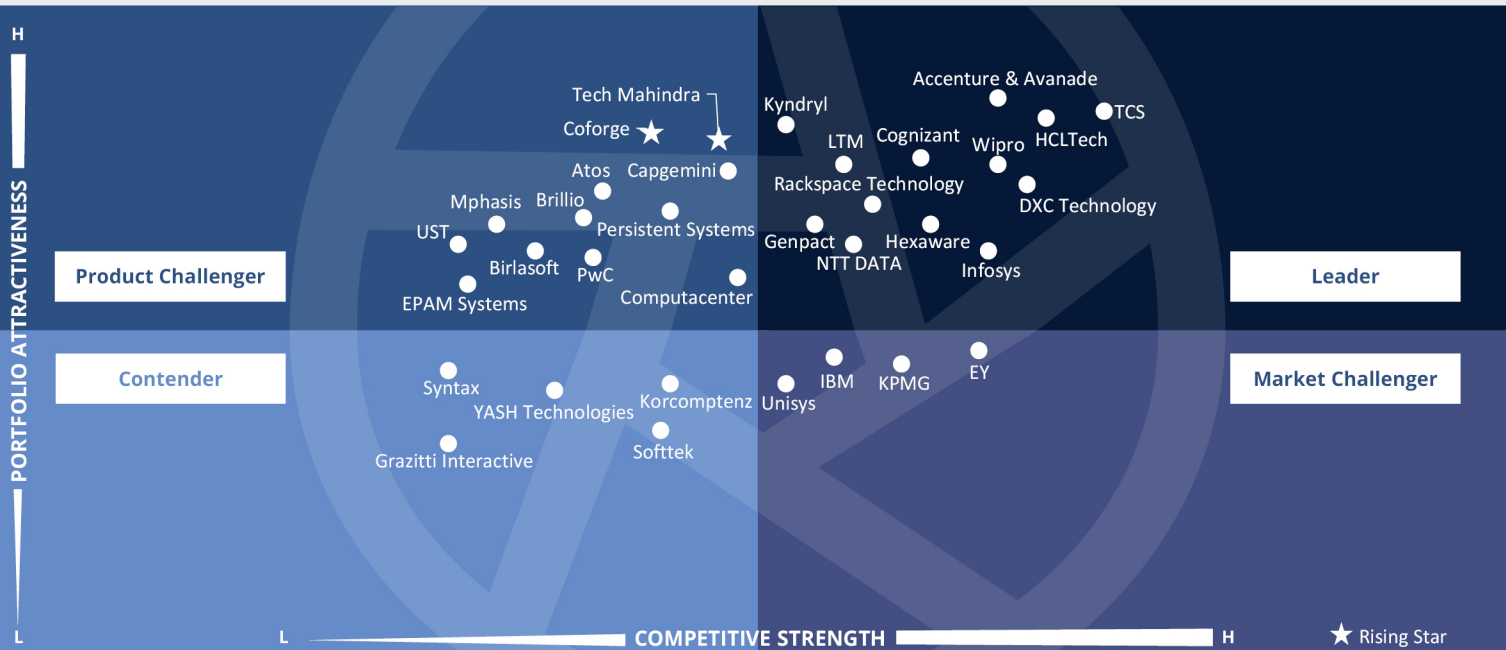
Procurement professionals

Should read this report to understand the current provider landscape for Microsoft Productivity & Business Process Services. The report offers insights into how different service providers approach integration and delivery, helping procurement teams distinguish among market players and make informed sourcing decisions that align with organizational goals.



Microsoft AI and Cloud Ecosystem Microsoft Productivity and Business Process Services

U.S. 2026



This quadrant assesses providers **modernizing work and business processes with AI** across Microsoft 365, Dynamics 365 and Power Platform, emphasizing **Copilot adoption, governed automation and measurable productivity outcomes**.

Dr. Tapati Bandopadhyay and Sameen Siddique



Definition

This quadrant evaluates providers that offer a comprehensive range of services, including consulting, implementation and integration of Microsoft 365, Dynamics 365 and Power Platform. The partners focus on integrating collaborative tools, operational and transactional data and automation into an AI-enabled ecosystem for agentic workflows.

Providers are assessed on their ability to modernize the digital workplace and implement automated business processes that utilize Microsoft's productivity and business process stack to drive enterprise collaboration and efficiency. They augment Microsoft's native features with their proprietary frameworks (reference architectures, migration toolchains, process templates and adoption playbooks) to enhance UX, ensure process consistency and drive deep organizational adoption across the entire business application ecosystem, including CRM, ERP and low-code environments.

Eligibility Criteria

1. Service portfolio that covers **consulting, implementation, integration and operation** of the Microsoft 365 modules
2. **Innovative solutions** integrated with Microsoft 365 to shape the modern workplace, including AI capabilities and automation, with a focus on RPA through Power Automate
3. Microsoft Office **API management** that ensures appropriate use and enhances productivity
4. Structured offerings and services that support enterprises' adoption of all **Power Platform solutions** such as **Power BI, Power Apps, Power Pages, Power Automate and Power Virtual Agents**
5. Ability to define and implement **enterprise-wide AI and Copilot strategies** across Microsoft 365, Power Platform and Dynamics 365
6. **Structured CoE models** to govern, scale and optimize Power Platform, automation and AI initiatives across the organization
7. Scalable managed services and operational models for **continuous optimization, monitoring and innovation of Microsoft-based digital workplaces**
8. Comprehensive **Microsoft Dynamics 365 service portfolio for implementation, customization, provisioning and support**, with special consideration for industry-specific services and capabilities
9. Strong **partnership with Microsoft**, measured by the relevant Modern Work and Business Applications solution partner badges and specializations and evidence of strategic cooperation, including partnership tenure



Observations

Service providers in the U.S. have evolved from deploying productivity tools and collaboration platforms to orchestrating end-to-end business process transformation powered by AI and low-code platforms. The focus has shifted to outcome-driven modernization, where they use Microsoft 365, Dynamics 365 and Power Platform to drive measurable productivity gains, process efficiency and faster decision-making.

Emphasis on enterprise-scale Copilot adoption: Leading providers are moving from pilot-based experimentation to enterprise-wide Copilot deployments, supported by structured readiness assessments, identity-driven security frameworks and governance models. Copilot is increasingly embedded across Teams, Dynamics 365 and Microsoft 365 workflows to streamline tasks such as sales enablement, contact center automation and financial reporting, delivering tangible productivity improvements.

Outcome-driven platform modernization: Industry demand in the U.S. is shifting toward outcome-linked modernization across finance

operations, contact centers, sales, supply chain and knowledge-intensive functions, rather than broad workplace refresh programs. Power Platform now serves as the core automation backbone, not a secondary capability, with low code treated as an enterprise asset governed like core IT.

AI-first operating ecosystem: Providers are shaping ecosystems where collaboration tools initiate actions, business apps execute transactions and AI agents orchestrate cross-functional workflows. This shift moves organizations from traditional workplace programs to AI-first operating models that deliver measurable gains in productivity, cycle time and CX.

From the 35 companies assessed for this study, 34 qualified for this quadrant, with 13 being Leaders and two Rising Stars.



Accenture & Avanade leverage expert knowledge and exceptional Microsoft access with Avanade's Productivity Studio to help clients evolve their digital workplaces, fostering rapid innovation and seamless IT-business integration.



Cognizant leverages integrated advisory, implementation and managed services across Microsoft 365, Dynamics 365 and Power Platform. This approach positions the company to support complex, multi-function productivity and business application estates.



DXC Technology expands its productivity portfolio by emphasizing integrated Copilot adoption, identity-anchored governance and Power Platform CoE structures, reflecting a

shift toward scalable, AI-supported workplace and process modernization models across Microsoft 365 and Dynamics 365.



Genpact positions itself as a comprehensive Microsoft Productivity Partner by combining Microsoft 365 Copilot, Power Platform and experience-led change, helping enterprises operationalize productivity with governance, adoption discipline and measurable business outcomes.

HCLTech

HCLTech positions itself as a Copilot-led productivity partner by integrating Microsoft 365, Dynamics 365 and Power Platform. Together, these technologies help orchestrate enterprise work, automate business processes and scale agent-driven collaboration.



Microsoft Productivity and Business Process Services

HEXAWARE

Hexaware is positioned as a scale-driven Microsoft partner, combining deep Microsoft 365 delivery, structured Copilot enablement and Power Platform governance with proprietary accelerators to support enterprise-wide productivity and business process modernization.



Infosys applies an outcome-oriented business process model, integrating Power Platform automation and AI-enabled workflows to deliver scalable productivity gains while supporting compliant, enterprise-grade citizen development programs.



Kyndryl occupies a strong position for large enterprises seeking integrated productivity and business process modernization, combining certified Microsoft talent, structured adoption

frameworks, and security-aligned delivery across Microsoft 365, Power Platform and Dynamics 365.



LTM continues to advance its standing by aligning Copilot adoption, Power Platform services and BizApps modernization into an end-to-end Microsoft productivity ecosystem focused on enterprise adoption and operational outcomes.



NTT DATA is positioned as an enterprise-scale provider that converges Microsoft 365, Dynamics 365 and Power Platform into governed, AI-enabled business workflows with full lifecycle ownership beyond deployment.



Rackspace Technology positions its productivity services around governed Copilot adoption. It combines readiness assessments, identity-centric controls and continuous

operations to deliver secure, production-ready Microsoft 365 and Power Platform environments.



TCS is shifting U.S. BizApps delivery from traditional implementation toward agentic, AI-driven models that unify Dynamics 365, Microsoft 365 Copilot and Power Platform under structured governance and industry-aligned transformation patterns.



Wipro, with its deep Microsoft alignment, certified talent at scale and marketplace-ready offerings, delivers consistent execution in modern work, automation and ERP-CRM process convergence across global enterprises.



Coforge (Rising Star) has strengthened its position through an integrated Microsoft 365, Power Platform and Dynamics 365 portfolio, reinforced by agent-led automation and governance-first delivery models.



Tech Mahindra's (Rising Star) long-standing Microsoft partnership, certified workforce and disciplined platform lifecycle management position it as a stable partner for enterprise-wide adoption of productivity, automation and business applications.



LTM



"With strong Microsoft expertise and skilled, certified teams, LTM helps enterprises modernize digital workplaces and embed automation and AI into everyday business processes."

Dr. Tapati Bandopadhyay and Sameen Siddique

Overview

LTM is headquartered in Mumbai, India. It has more than 87,000 employees across 40 countries. In FY26, the company generated \$4.76 billion in revenue. LTM offers a mature, enterprise-ready Microsoft productivity and business process services portfolio built on Microsoft 365, Power Platform and Dynamics 365. It delivers advisory, implementation, adoption and managed services to modernize workplaces and automate processes. LTM differentiates through integrated collaboration, low code, business apps, AI-driven automation, governance and adoption. Its strong Microsoft alignment, certified talent and accelerators that drive measurable productivity outcomes enhance its services.

Strengths

Operationalizing Copilot for productivity:

LTM has built dedicated capabilities for large-scale Microsoft 365 Copilot rollouts, emphasizing adoption, governance and value realization over pilots. Its approach covers readiness, security alignment, prompt engineering, persona-based use cases, enablement and telemetry-driven optimization. With experience across tens of thousands of users, LTM embeds Copilot into daily workflows to deliver controlled, auditable and measurable productivity gains.

Integrated CRM and ERP modernization:

LTM delivers end-to-end Microsoft Dynamics 365 services across CRM, ERP and business process modernization. Its capabilities span implementation, customization, global rollout and support across sales, service, finance

and supply chain. Its integration of Dynamics 365 with Power Platform and Microsoft 365 enables seamless data flow, automation and insights to support enterprise-wide operational transformation rather than isolated upgrades.

Governance-first delivery: LTM embeds security, compliance and governance across Microsoft 365, Power Platform and Dynamics 365 services. Using secure by design principles and global certifications, it addresses identity, data protection, access controls and low-code governance to help enterprises modernize productivity and processes with regulatory alignment and resilience.

Caution

LTM can enhance its Microsoft productivity and business process services by strengthening its CoE governance model, tailoring industry use cases, and advancing workplace analytics and experience insights. These steps would enable more controlled extensibility, consistent automation and market-relevant, scalable productivity outcomes.





Azure Data Transformation and AI Services

Who Should Read This Section

This report is valuable for service providers offering **Azure Data Transformation and AI 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.

Technology professionals

Should read this report to evaluate service providers within the Microsoft ecosystem and gain clarity on how they embed advanced Azure AI capabilities into their solutions. The report highlights AI-driven insights that enable organizations to modernize operations and unlock new business value. Understanding these integrations helps professionals align technology strategies with innovative goals and ensure scalable, secure adoption of Azure-based services.

C-level executives

Should read this report to understand how enterprise data modernization and AI service providers can help them achieve strategic objectives and maintain a competitive edge. The report provides a comprehensive overview of how data modernization and AI technologies drive innovation and create new revenue streams, enabling leaders to make informed decisions about technology investments and formulate effective strategies.

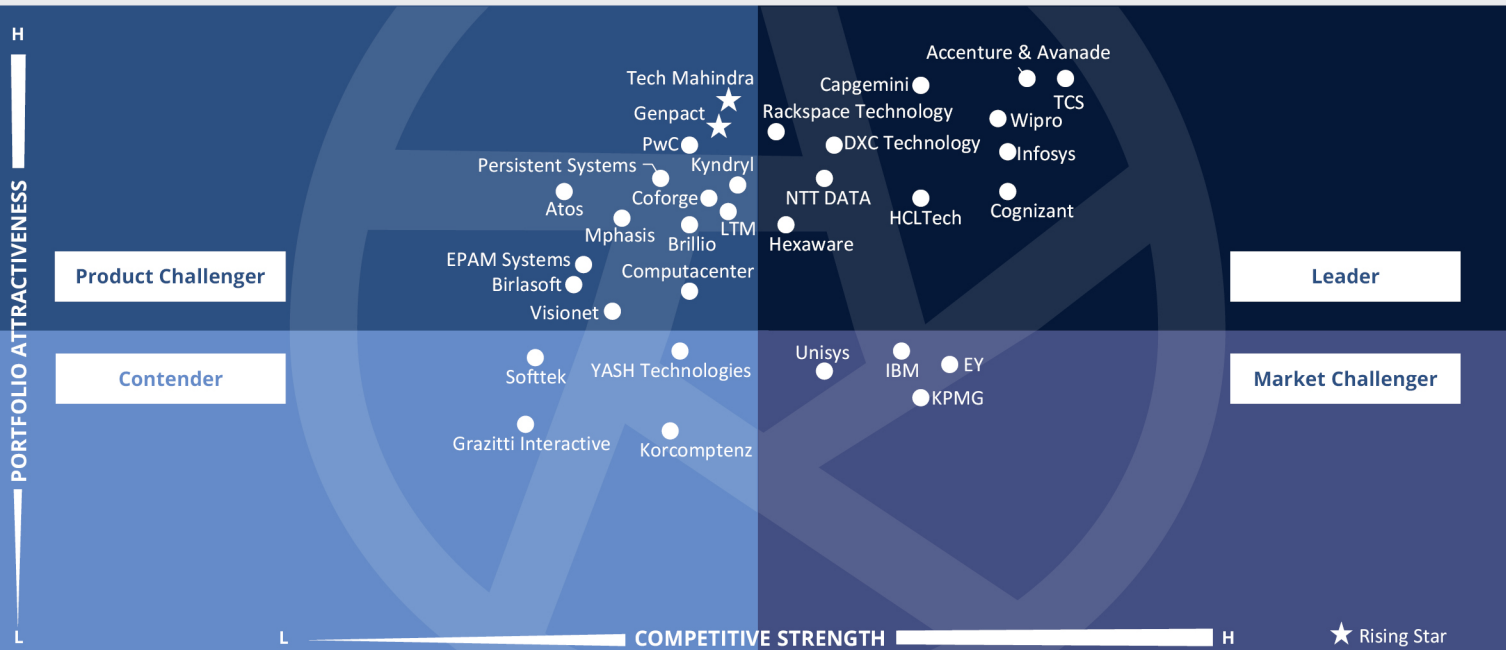
Innovation leaders

Should read this report to gain strategic insights into how Microsoft service providers enable the adoption of AI-driven innovations across Microsoft Clouds. The report highlights how Azure Data Transformation and AI services can accelerate digital initiatives and unlock new business models. By understanding these capabilities, leaders can better position their organizations to harness emerging technologies, drive competitive differentiation and scale innovation.



Microsoft AI and Cloud Ecosystem Azure Data Transformation and AI Services

U.S. 2026



This quadrant evaluates providers' capabilities in building **production-grade AI platforms** that leverage Azure-native data, analytics and AI and ML models, along with enterprise models. It focuses on **governed intelligence foundations** and scaling operational AI for real-time decision-making.

Dr. Tapati Bandopadhyay and Sameen Siddique



Definition

This quadrant assesses providers specializing in enterprise AI and data ecosystems. It focuses on the transition from unified data platforms to unified intelligence platforms, where AI and data work in tandem to enable autonomous reasoning and real-time business action. Service providers are evaluated on their ability to create solutions that turn fragmented information into a secure, governed foundation for enterprises. They leverage a mix of proprietary data management and enrichment platforms, alongside the Microsoft Fabric and OneLake as the foundation for data engineering and science, and Power BI analytics to deliver high-performance AI. Within the enterprise AI ecosystem, partners leverage Microsoft offerings, such as CoreAI, Azure OpenAI Services, Azure ML, Microsoft Foundry and Microsoft Agent Framework, with Copilot acting as an intelligent assistant, accelerating workflows and enhancing productivity through automation, guidance and best practices, while adhering to responsible AI guardrails.

Eligibility Criteria

1. Expertise in implementing **unified data architectures** to create **real-time, structured models of business operations**
2. Comprehensive expertise in **engineering intelligent systems that can reason and act** across distributed enterprise environments
3. Ability to migrate legacy data silos to modern cloud environments and **offer intelligence-as-a-service models using unified data fabrics** such as OneLake
4. **Proprietary platforms or frameworks for lineage, quality management, and metadata enrichment** to enhance AI and data performance
5. Ability to **build, deliver, maintain and scale multimodal and multi-model enterprise LLMs and agentic AI solutions** using Azure AI infrastructure
6. Expertise in implementing **robust security and compliance** frameworks within Azure
7. Demonstrated commitment to **ethical AI development**, complying with **Microsoft's Responsible AI principles**
8. Proven experience in developing **industry-specific AI models and functional business use cases**
9. Expertise in integrating AI-driven insights into operational systems to **enable real-time decision-making and closed-loop business actions**
10. Expertise in **data and AI cost management**, including optimization of computing, storage and model execution across Azure environments
11. Ability to measure and demonstrate the **business impact of AI** initiatives through defined KPIs, value tracking and continuous optimization frameworks



Observations

Providers in the Azure data transformation and AI services market in the U.S. are moving decisively from data modernization to production-grade intelligence platforms. The focus has shifted from data consolidation to operationalizing AI at scale, where data, analytics and AI models work together to drive business outcomes.

Acceleration of enterprise AI platforms and frameworks: Leading providers are building standardized AI platforms that are easy to adopt and can be scaled across an enterprise. These platforms include reusable components, governance frameworks and operational controls to support use cases such as predictive analytics, customer personalization and risk management.

Adoption of intelligent and autonomous systems: There is an increasing emphasis on deploying AI systems that go beyond insight generation to take action. Providers are implementing solutions that can analyze data, generate recommendations and automate

responses across business processes such as supply chain management, IT operations and customer support.

Governed intelligence foundations: Data quality and governance remain the main hurdles for scaling. Providers embed AI governance, data lineage and policy enforcement directly into run operations, with Azure ML going beyond experimentation to handle lifecycle management. Copilot is positioned as an intelligent assistant that boosts productivity through guided automation, while responsible AI, explainability and oversight are applied by design, rapidly delivering intelligence that is accountable and economically sustainable.

From the 35 companies assessed for this study, 33 qualified for this quadrant, with 11 being Leaders and two Rising Stars.



Accenture & Avanade strengthen their position in Azure data transformation and AI services space through their 20th Microsoft Global SI Partner of the Year recognition, demonstrating sustained leadership, deep co-innovation and proven capabilities in delivering AI-powered transformation at enterprise scale.



Capgemini takes an industrialized approach to Azure data and AI modernization. It combines Fabric-centric data engineering, standardized migration patterns and AI-ready governance to support the scaling of enterprise intelligence for transformation.



Cognizant positions itself as an enterprise-scale Azure data and AI partner, combining Microsoft Fabric-led data modernization with enterprise AI engineering and proprietary platforms. This approach enables it to support AI-ready transformation at enterprise scale.



DXC Technology is evolving beyond classic data platforms and toward a productized unified intelligence stack on Microsoft Fabric, with AI Workbench and the Xponential framework bringing agentic AI, MLOps and observability to help enterprises advance toward unified intelligence.



HCLTech

HCLTech differentiates itself with an AI Foundry-led approach that brings together data engineering, governance and AI lifecycle management. This approach helps organizations move from data modernization to enterprise-wide AI adoption.

HEXAWARE

Hexaware positions itself as a Microsoft Fabric-led Azure data partner, bringing together large-scale data engineering and OneLake-centric architectures. It leverages Power BI to move enterprises from fragmented analytics stacks to unified, AI-ready data platforms.



Infosys positions itself as an AI-led Microsoft partner by aligning Microsoft Fabric, Azure OpenAI Services and agent-driven architectures to move enterprise data platforms toward unified intelligence and production-ready AI operations.

NTT DATA

NTT DATA focuses on production-grade unified intelligence, combining Microsoft Fabric, OneLake, Azure AI Foundry and agentic orchestration to shift enterprise data platforms from analytics enablement to operational decisions.



Rackspace Technology positions itself as an engineering-led Azure Data and AI partner. It combines Microsoft Fabric, Azure AI services and governed operations to help enterprises move from data modernization to production-ready intelligent systems.



TCS' differentiators include early launch partner status for Microsoft Foundry Agent Service and Framework, investments in agentic- and AI-powered offerings such as Autonomous

Operations and TCS Agentic SDLC and AI Advisor, alongside ESG and sovereign cloud services.



Wipro positions itself as a strong execution-focused provider, combining Microsoft Fabric-led data modernization with enterprise AI and agentic capabilities to support the shift toward unified intelligence platforms.



Genpact's (Rising Star) AI Gigafactory represents an industrialized delivery model on Azure that integrates data advisory, engineering, analytics and Azure OpenAI Services to move AI initiatives from pilots into governed, repeatable enterprise-scale operations.



Tech Mahindra (Rising Star) demonstrates expertise in deploying explainable, production-grade enterprise AI across distributed environments through its ontology-driven agentic AI platform built on Azure AI Foundry and Microsoft Fabric.





Azure Managed Services

Who Should Read This Section

This report is valuable for service providers offering **Azure Managed 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.

Technology professionals

Should read this report to gain a clear understanding of partners' positioning and competencies within the Azure ecosystem. The report provides guidance on establishing strategic partnerships with MSPs to ensure ongoing operational support. It outlines proven best practices for deploying and optimizing managed digital workplace services on Azure, enabling organizations to enhance productivity, scalability and resilience.

Digital professionals

Should read this report to understand the transformative impact of MSPs' Azure offerings on enterprisewide digital initiatives. The report highlights how leveraging Azure managed services accelerates cloud migration while unlocking measurable business value. Readers will gain practical insights into streamlining workflows, breaking down operational silos and driving seamless collaboration.

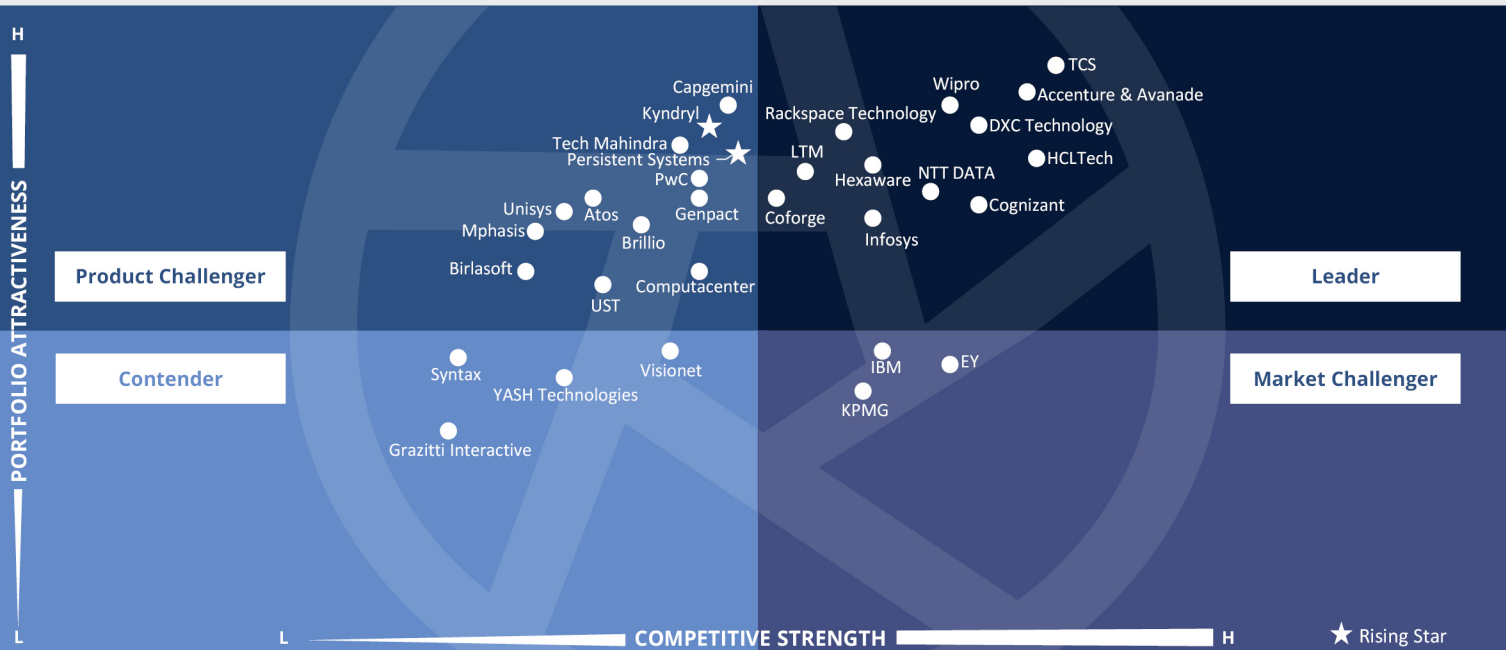
Strategy professionals

Should read this report to identify Microsoft MSPs in the U.S. capable of aligning cloud operations with broad business objectives. Key considerations include providers' ability to optimize cloud costs through robust FinOps methodologies, ensure high levels of security and compliance within managed environments and build operational resilience.



Microsoft AI and Cloud Ecosystem Azure Managed Services

U.S. 2026



This quadrant assesses providers' Azure managed services capabilities to deliver **predictive, automated cloud operations** across complex estates, focusing on **integrated security, compliance and value optimization** to sustain performance, resilience and cost alignment in U.S. environments.

Dr. Tapati Bandopadhyay and Sameen Siddique



Definition

This quadrant evaluates service providers that offer managed public cloud services to augment Azure's native IaaS and PaaS capabilities while orchestrating comprehensive cloud operations across hybrid cloud and multi-cloud environments. The focus is on self-optimizing infrastructure, where AI and automated agents handle orchestration, patching, and incident response. Providers are assessed on how they integrate their own proprietary operational platforms for monitoring and remediation with Azure's native tools. The service portfolio includes FinOps, DevOps, MLOps, and AgentOps, ensuring that both the infrastructure and the AI workloads are reliable and efficient. These partners utilize deep observability and proactive reliability engineering to maximize performance and sustainability while automating the complete cloud lifecycle. Providers establish benchmarks for Azure managed services based on cost, energy, and service quality to ensure optimized performance.

Eligibility Criteria

1. Experience in **designing, building and managing public cloud and multicloud environments**, with a focus on Azure
2. Ability to automate the complete cloud lifecycle, including provisioning, scaling, patching, upgrades and decommissioning
3. Demonstrated experience in establishing and managing service benchmarks for cost, performance, availability and sustainability
4. Expertise in autonomous, ML-driven orchestration, configuration and management of platforms and systems
5. Experience in **solutions architecture and cost optimization through FinOps**
6. Application of Azure operational best practices aligned with **site reliability engineering (SRE) principles**
7. **Robust DevOps solutions** for streamlined delivery
8. Ability to **measure and optimize cloud-related carbon emissions** on Azure
9. Integration of **agentic AI for managing routine monitoring, incident remediation and automation**
10. Ability to provide transparent reporting and KPI-driven governance across cost, reliability, security and environmental impact



Observations

The U.S. Azure managed services market has evolved from reactive infrastructure management to proactive, intelligence-driven operations focused on continuous improvement and measurable business value. Providers are increasingly differentiated by their ability to deliver predictive operations, automated governance and integrated cost management across hybrid cloud and multicloud environments.

Shift to predictive and automated operations:

Providers are moving beyond monitoring and reactive support toward predictive operating models that identify and address potential issues before they impact business performance. Automated remediation and intelligent workflows are increasingly used to maintain system stability, improve uptime and enhance UX.

Integrated approach to security and

compliance: As regulatory and security requirements continue to grow, providers are embedding continuous governance into

managed services. Automated controls, policy enforcement and real-time monitoring help maintain secure and compliant environments, reducing risk while minimizing the need for manual oversight.

Expansion of cost management into value

optimization: Cost management practices are evolving into broader value-optimization strategies. Providers are aligning cost, performance and resource utilization to ensure that cloud investments deliver maximum return. This approach includes continuous monitoring, resource optimization and closer alignment with business priorities such as scalability and sustainability.

From the 35 companies assessed for this study, 32 qualified for this quadrant, with 12 being Leaders and two Rising Stars.



Accenture & Avanade apply rigorous design, governance and operational oversight to Azure migrations and managed environments, helping clients run compliant, stable and high-performance workloads across hybrid and regulated multicloud environments.



Coforge is strengthening its position in Azure Managed Services by embedding AI-driven automation and site reliability engineering-aligned practices into cloud operations, enabling reliable management of complex enterprise environments.



Cognizant's Azure managed services emphasize agentic automation, using a balanced mix of proprietary agents and

Azure-native agents to streamline monitoring, remediation and operational orchestration at scale.



DXC Technology has evolved its Azure managed portfolio toward modular services, higher automation, policy-as-code pipelines and agentic operations, while expanding assets such as Nucleus and Azure Secure AIOps Platform to support more standardized and AI-assisted cloud operations.



HCLTech positions Azure managed services as an orchestration-led run model, emphasizing hybrid and regulated cloud operations over infrastructure ownership, with Azure serving as a unified control plane for steady-state enterprise workloads.



Azure Managed Services

HEXAWARE

Hexaware's managed services strategy reflects a shift from reactive support toward proactive optimization, leveraging AI-led observability, digital twins and FinOps intelligence to link Azure operations with measurable business value.



Infosys anchors managed Azure operations around platform engineering ownership, extending Azure environments into multicloud and datacenter landscapes rather than limiting services to isolated cloud workloads.

LTM

LTM is moving toward zero touch Azure operations by using AIOps and agent-assisted remediation, reducing manual intervention while ensuring consistent service reliability and performance.

NTT DATA

NTT DATA positions Azure managed services around agentic operations, embedding managed agents, observability and lifecycle governance directly into run services rather than treating them as post-deployment enhancements.



Rackspace Technology uses AI-driven operations and intent-based automation to reduce operational noise and accelerate issue remediation, improving service reliability while reinforcing its engineering-centric managed cloud delivery model.



TCS showcases advancements in agentic cloud operations, comprehensive FinOps capabilities, integrated governance through TCGOP and expanded observability models built on Azure-native telemetry and multi-agent frameworks.



Wipro, through platforms such as FAST and A3S, positions itself as a structured Azure operations partner focused on standardization, modular consumption and outcome-oriented managed cloud services.



Kyndryl (Rising Star) continues to shape its Azure managed services strategy around agent-driven operations. Its Agentic AI Framework and Agent Builder enable autonomous orchestration, remediation and lifecycle management across Azure environments.



Persistent Systems (Rising Star) introduces AI-assisted operational patterns into Azure managed services through automation, telemetry-driven insights and remediation workflows, signaling a transition from manual operations to more intelligent, platform-guided cloud management.



LTM



"LTM's Azure managed services reflect a shift toward zero touch operations, combining AIOps, reliability engineering and standardized CloudOps frameworks to reduce manual effort and improve operational consistency."

Dr. Tapati Bandopadhyay and Sameen Siddique

Overview

LTM is headquartered in Mumbai, India. It has more than 87,000 employees across 40 countries. In FY26, the company generated \$4.76 billion in revenue. LTM is positioned as a platform-led Azure managed services provider, operating large-scale Azure, hybrid cloud and multicloud environments using SRE-aligned, AI-assisted CloudOps models. Its services emphasize standardized delivery, policy-driven automation and continuous optimization across cost, reliability and security. LTM's proprietary platforms, including CloudPulse and CloudElevate, extend native Azure services, supported by a strong delivery footprint and certified Azure and site reliability engineering talent.

Strengths

Autonomous cloud lifecycle management:

LTM differentiates its Azure managed services through proprietary, policy-driven platforms that enable autonomous cloud operations. Platforms such as CloudPulse, Cloud Experience and AIOps automate provisioning, patching, remediation and lifecycle management using AI and agents. Integrated with Azure Arc, Azure Monitor and Azure Policy, these platforms replace manual runbooks, support hybrid cloud and multicloud estates and provide real-time visibility into performance, cost and compliance.

Autonomous Azure cost management: Cost optimization is embedded in LTM's Azure managed services through the BlueVerse Tech FinOps platform, an AI-assisted

framework integrated with CloudOps.

It combines Azure Cost Management, tagging, budgets, anomaly detection and conversational AI to drive optimization. Aligned with SRE practices, the model supports chargeback, rightsizing and cost governance across Azure, hybrid and AI/GPU-based workloads.

Zero trust cloud operations: Security and compliance are embedded in LTM's Azure managed services through a policy-first model and continuous controls. Services include vulnerability management, automated patching, identity governance and audit-ready evidence. Integrated with Azure Policy and zero trust architectures, AI-assisted remediation supports regulated and sovereign cloud deployments across the U.S. and Europe.

Caution

While LTM has developed a broad set of proprietary intellectual property, such as CloudElevate, CloudXperienz, BlueVerse (Insights, V2C, Tech FinOps and AIOps), it can improve differentiation by more clearly articulating how these offerings operate as an integrated operating layer, consistently driving outcomes for U.S. enterprises.





Azure Professional Services

Who Should Read This Section

This report is valuable for service providers offering Azure Professional 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.

Technology professionals

Should read this report to gain a clear understanding of partners' positioning and competencies within the Azure ecosystem. The report provides guidance on establishing strategic partnerships with MSPs to ensure ongoing operational support. It outlines proven best practices for deploying and optimizing managed digital workplace services on Azure, enabling organizations to enhance productivity, scalability and resilience.

Digital professionals

Should read this report to understand the transformative impact of MSPs' Azure offerings on enterprisewide digital initiatives. The report highlights how leveraging Azure managed services accelerates cloud migration while unlocking measurable business value. Readers will gain practical insights into streamlining workflows, breaking down operational silos and driving seamless collaboration.

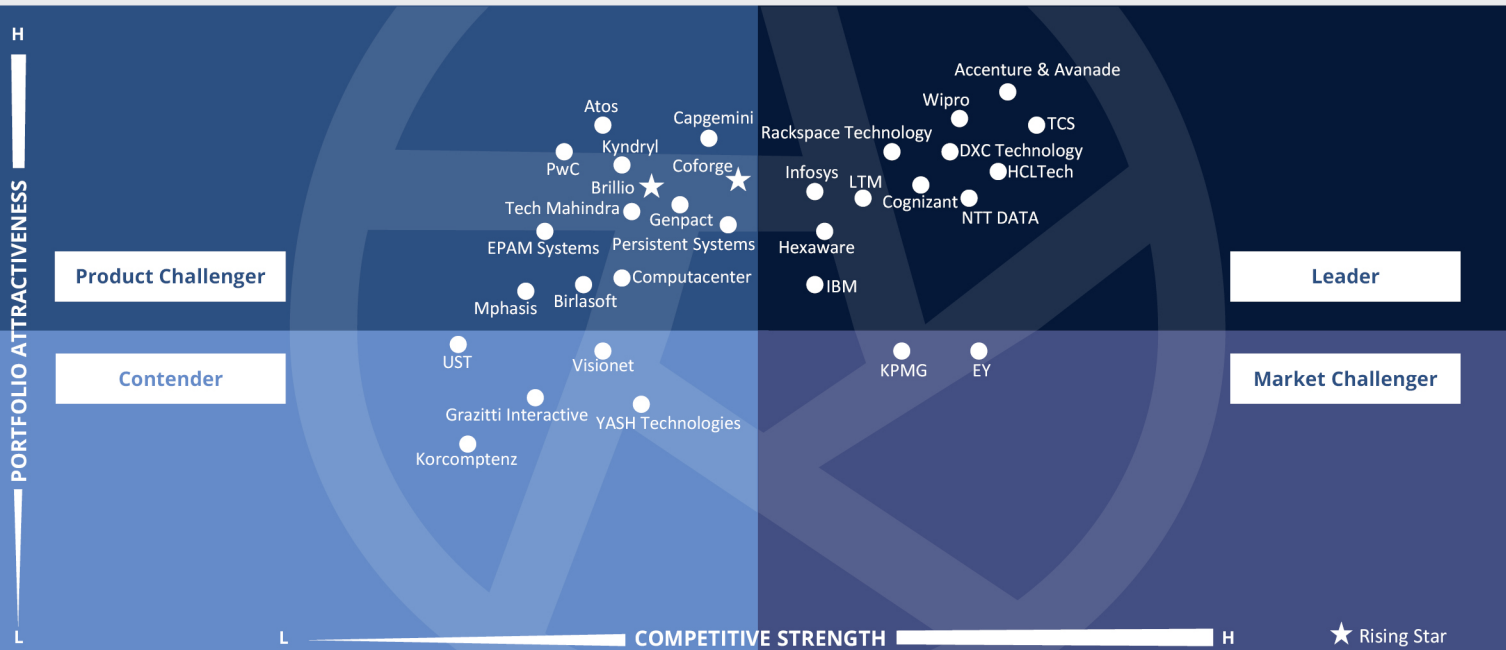
Procurement professionals

Should read this report to understand how providers use automation and cloud management platforms (CMPs), integrate DataOps, MLOps and AIOps, and align with operational best practices to compare service offerings. The report equips them to benchmark service offerings, assess differentiated value propositions and negotiate SLAs that support resilient, efficient cloud operations management.



Microsoft AI and Cloud Ecosystem Azure Professional Services

U.S. 2026



This quadrant evaluates providers' ability to drive Azure **strategy-led transformation programs** across the U.S. focusing on **end-to-end ownership and industrialized Azure migration**, with AI embedded to accelerate modernization and improve consistency.

Dr. Tapati Bandopadhyay and Sameen Siddique



Definition

This quadrant evaluates providers offering a robust suite of consulting and migration services to guide and support businesses through their Azure transformation. These providers should deliver a wide range of services tailored to meet diverse business and IT needs, including business and technology consulting, migration and modernization for the intelligent cloud era. The offerings encompass cloud strategy formulation, compelling business case development and support for ESG and AI-GRC needs. This quadrant focuses on business value discovery and the design of transformation roadmaps while demonstrating expertise in transitioning clients to Azure and Microsoft Sovereign Cloud and implementing Microsoft Industry Clouds. Providers' portfolio must cover the Cloud Adoption Framework and the migration of mission-critical legacy systems to modern, AI-optimized data architectures. They should align technical strategies with long-term business objectives while ensuring adherence to evolving U.S. compliance standards.

Eligibility Criteria

1. A **comprehensive portfolio of Azure competencies, service delivery offerings, designations and specializations**, complemented by consulting and migration expertise
2. A strategic **Azure-focused consulting roadmap**, incorporating current and planned innovations
3. Alignment with **Microsoft's Cloud Adoption Framework (CAF) and Well-Architected Framework** during strategic implementation
4. **ESG and GRC guidance**, tools, technologies and services for secure and compliant Azure adoption
5. Reliable migration of **business-critical applications** to Azure
6. A strong portfolio of **AI- and ML-driven innovations**, with expertise in **GenAI-enabled migrations, agentic workflows and enterprise workload modernization** for operational efficiency
7. Implementation and management of **hybrid cloud and multicloud environments** to ensure **seamless integration** and operational consistency
8. **Measurable business outcomes** that demonstrate clear value and drive business-technology transformation
9. Robust **Azure security capabilities**, including **advanced threat protection** and compliance framework implementation
10. **Verticalized cloud solutions**, leveraging Azure's specialized platforms to address unique business challenges



Observations

The U.S. Azure professional services market has shifted from migration delivery to strategy-led, outcome-focused transformation. Across the quadrant, the Microsoft CAF now serves as an operating backbone, guiding portfolio rationalization, landing zone designs and executive governance while enabling compliant, AI-ready migration of mission-critical systems.

End-to-end ownership of transformation

programs: Providers are taking responsibility for the complete transformation lifecycle, spanning strategy definition, planning execution and ongoing optimization. This includes application modernization, data architecture transformation and embedding governance and security into cloud environments from the outset rather than as post-migration activities.

Industrialization of migration and

modernization approaches: Migration and modernization initiatives have become highly standardized and automated. Providers leverage structured frameworks, toolsets and repeatable methodologies to accelerate

delivery, reduce execution risk and ensure consistency across large-scale Azure transformation programs.

Embedding AI into transformation initiatives:

AI technologies are increasingly integrated into transformation processes to improve efficiency and outcomes. Providers apply AI to streamline tasks such as application assessment, code conversion, testing and documentation, enabling faster modernization and reducing technical complexity.

From the 35 companies assessed for this study, 32 qualified for this quadrant, with 12 being Leaders and two Rising Stars.



Accenture & Avanade showcase strong capability through Azure Modernization and Migration Factory, delivering secure, accelerated and compliant cloud transformations that reinforce their leadership in mission-critical modernization.



Cognizant is positioned as a scaled Azure transformation partner, combining CAF-aligned consulting with industrialized migration factories to modernize infrastructure, applications and data estates across complex enterprise environments.



DXC Technology has expanded its Azure professional services with Nucleus IaC assets, CSO orchestration, automated landing zones and multiple agentic AI innovations, including InOps AI Automation and AI-based database migration engines, signaling continued investment in industrialized and AI-informed delivery.



HCLTech positions Azure professional services as a consulting-led orchestration layer, integrating strategy, engineering and AI-assisted modernization to support complex, regulated enterprise transformations rather than discrete cloud migration programs.



Hexaware's Azure professional services positioning reflects a shift from traditional migration services toward AI-ready, automation-backed modernization programs aligned with long-term platform sustainability.



IBM anchors its Azure professional services with a dedicated Microsoft Practice, aligning strategy, migration and modernization to deliver measurable business value across large-scale cloud and AI transformation programs.



Azure Professional Services



Infosys differentiates its Azure professional services through deep internal consumption of Microsoft technologies, enabling delivery teams to operationalize AI-augmented software development life cycle (SDLC) practices before applying them across client transformation programs.

LTM

LTM uses AI-driven automation within Azure modernization efforts to speed up application analysis, CI/CD optimization and operational readiness while staying aligned with CAF guidelines and enterprise governance requirements.

NTT DATA

NTT DATA's Azure professional services connect migration programs with AI-ready architectures using Azure AI Foundry, Microsoft Fabric and AKS, positioning modernization as a foundation for production-grade AI adoption.



Rackspace Technology positions its Azure professional services around AI-assisted, workload-aware modernization, helping enterprises move beyond lift-and-shift migrations to optimized, cloud-native and AI-ready Azure environments.



TCS supports end-to-end modernization through accelerators such as AI Advisor for AI Infrastructure, TCS Cloud Data Migration accelerator and TCS Report Migration Assistant, with strong participation across Microsoft Foundry and Fabric programs.



Wipro is positioned as a transformation-led Azure partner, combining consulting-driven strategy, industrialized migration execution

and strong Microsoft alignment to support enterprise-scale and regulated cloud modernization programs.

Brillio

Brillio (Rising Star) integrates AI-assisted tooling across Azure migration and engineering workflows, positioning cloud transformation as a foundation for AI readiness and operational efficiency rather than a standalone infrastructure exercise.

Coforge

Coforge (Rising Star) positions Azure professional services around a balance of engineering depth, industry alignment and innovation velocity, supporting client enterprises transitioning from legacy environments to AI-ready Azure platforms.



LTM



Leader

"LTM's Azure professional services combine CAF-aligned architecture, large-scale migration engineering and Azure-native modernization into a repeatable delivery model suited for complex enterprise environments."

Dr. Tapati Bandopadhyay and Sameen Siddique

Overview

LTM is headquartered in Mumbai, India. It has more than 87,000 employees across 40 countries. In FY26, the company generated \$4.76 billion in revenue. LTM demonstrates a mature Azure professional services capability spanning advisory, architecture, migration and modernization for large enterprises. Its approach emphasizes structured assessments, CAF alignment and factory-based execution for complex estates. Combining Azure-native modernization, DevOps automation, hybrid models and proprietary accelerators, LTM supports regulated and distributed environments with a focus on reliability, governance and scalable Azure lifecycle delivery.

Strengths

Factory-based Azure migrations: LTM delivers Azure migration programs through a structured, repeatable engineering model for large, complex application estates. Using a standardized 6R framework with discovery and impact analysis via CAST, Sonar and Copilot-assisted engineering, it supports lift-and-shift, replatforming and refactoring. Factory-based delivery integrates with Azure landing zones and governance controls to enable secure, cost-controlled and predictable migration outcomes.

Modernizing legacy application estates:

LTM's professional services focus on application modernization using Azure-native services. Capabilities include .NET Core rewrites, microservices, API-first design and containerization aligned with Azure PaaS

offerings such as App Service, Functions, API Management and Data Factory. Modernization is integrated with data transformation to improve performance and scalability, enabling structured transitions from legacy systems to cloud-optimized architectures.

Accelerated Azure program execution: LTM applies reusable IP and automation assets to scale Azure professional services delivery. These include assessment accelerators, migration tools, provisioning templates and modernization frameworks that reduce manual effort, enforce architecture standards and improve risk control, enabling faster and more predictable outcomes across complex Azure programs.

Caution

While LTM actively integrates AI across modernization initiatives and embeds AI governance, risk and compliance with security-by-design principles, articulating these capabilities more clearly and cohesively would better reflect the growing importance U.S. clients place on secure transformation outcomes.





Appendix

The ISG Provider Lens® 2026 – Microsoft AI and Cloud Ecosystem study analyzes the relevant/ 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.

Study Sponsor:

Heiko Henkes

Lead Authors:

Dr. Tapati Bandopadhyay and Sameen Siddique

Editors:

Poulomi Nag and Dona George

Research Analyst:

Riya Tomar

Data Analyst:

Pooja Nayak

Consultant Advisor:

Shriram Natarajan

Project Manager:

Monika Pathak

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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 June 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 Microsoft AI and Cloud Ecosystem 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

Lead Author



Dr. Tapati Bandopadhyay
Lead Analyst and Research Partner

Dr. Tapati Bandopadhyay has been an inventor, builder, practitioner and researcher in AI, intelligent automation and related domains, for 27+ years. She has been a global practice leader and executive-level advisor & consultant in AI-automation-cloud and services management, covering MLOps, AIOps, CloudOps, DataOps, ModelOps & DevOps metrics-driven practices and data and AI story-building and story-telling practices and tools. As an ISG Lead Analyst on AWS and in AI-ML, consulting & managed services, she is responsible for defining and leading the ISG Provider Lens branded research projects for the US market.

With more than 25 years of experience focused on AI, ML, data sciences and intelligent automation technology development, strategy and adoption practices across key industries, including BFSI, manufacturing & FMCG, retail, media, hi-tech & telco's, governments and healthcare services.

Lead Author



Sameen Mohammed Siddique
Lead Analyst

Sameen is a Lead Analyst at ISG, focusing on market and industry research across emerging technologies. She authors Provider Lens® studies covering areas such as intelligent automation, AWS, Google Cloud, Microsoft Cloud and AI ecosystem, and mainframes. In addition to these studies, she contributes to research articles exploring evolving technology landscapes. Her core areas of expertise include automation, the hyperscalers ecosystem, telecommunications, and retail.

Sameen has managed diverse technology, business, and consumer research teams, transforming market data into actionable insights and intelligence reports for several

leading firms. In her prior roles, she has worked on competitive intelligence, market feasibility and SWOT assessment, GTM strategy, customer satisfaction and brand health studies. Her expertise synthesizes advanced technological understanding for competitive positioning and emerging innovation trajectories for global and regional markets.



Author and Editor Biographies



Riya Tomar
Research Analyst

Riya Tomar is a Research Analyst at ISG, supporting Provider Lens® Ecosystem Studies. She brings over three years of experience in technology research and advisory services. In her current role, Riya contributes to service provider evaluations and market trend analysis. She collaborates with lead analysts to validate data, prepare the Enterprise Context and Global Summary sections and maintain consistency across reports.

Enterprise Context and Global overview Analyst

Prior to her current role, Riya authored research reports and created custom client presentations for strategic advisory projects, translating complex datasets into actionable insights and delivering high-quality outputs for decision-makers.



Heiko Henkes
Managing Director

Heiko Henkes serves as a Managing Director 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. 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.

Study Sponsor

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 partner 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.



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