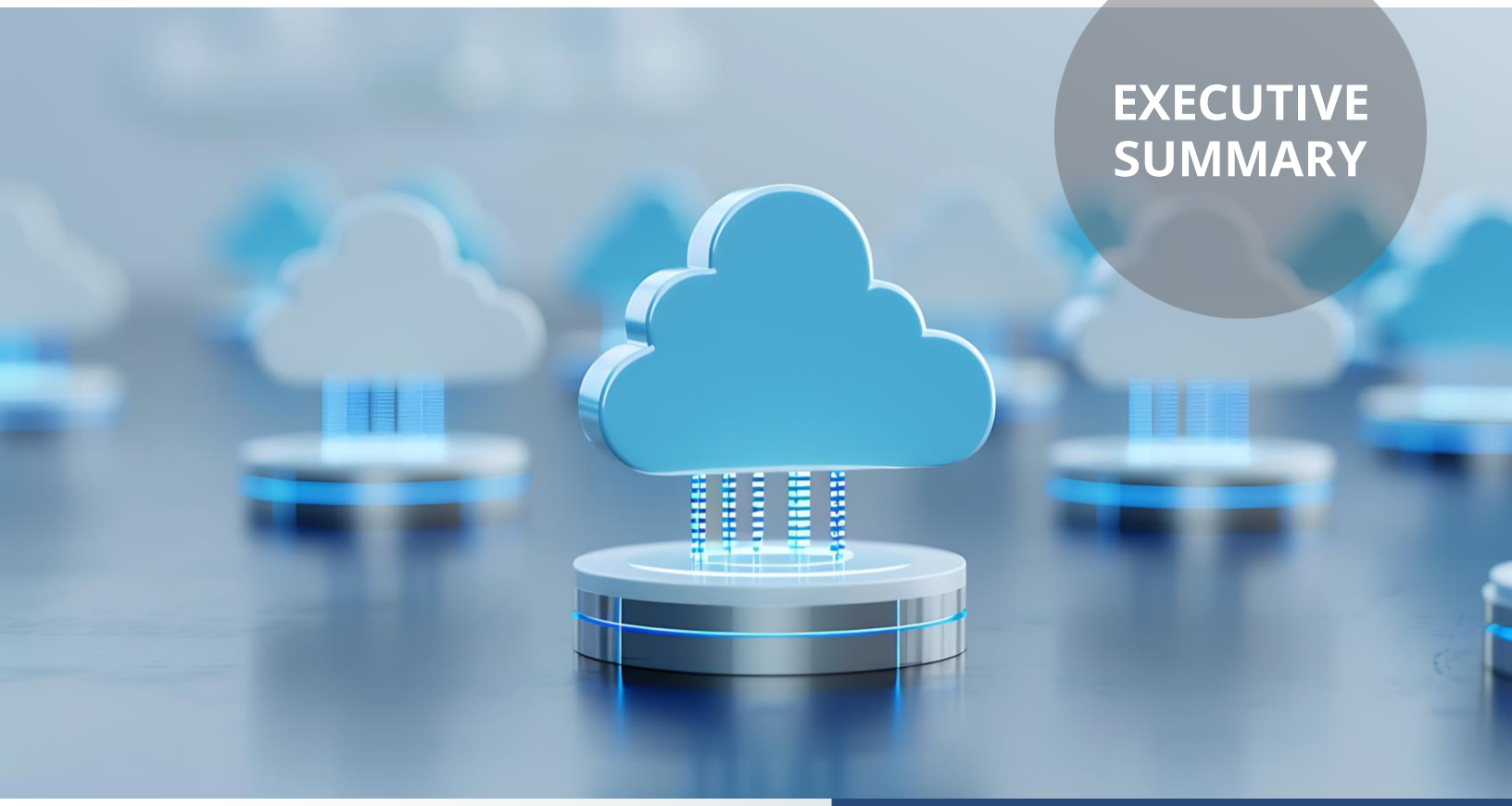
Private Cloud Platforms Buyers Guide

Software Provider and Product Assessment



EXECUTIVE SUMMARY

ISG Research

Private Cloud Platforms

Private Cloud platforms represent an approach tailored to meet stringent regulatory demands while prioritizing security and compliance. The advent of public cloud infrastructure introduced new concepts, including elasticity and isolated virtual private clouds (VPCs) that are also valuable in dedicated environments. Offering exclusive control over data and applications, this model empowers IT leaders to implement sophisticated security protocols without sacrificing performance. Whether hosted on-premises or through a trusted third-party vendor, the Private Cloud allows for customized configurations that align with an enterprise's specific needs. As data privacy regulations become increasingly complex, businesses that make use of Private Cloud solutions can confidently navigate compliance challenges while supporting an atmosphere of trust and security.

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ISG Research defines Private Cloud as a cloud environment dedicated exclusively to one enterprise, ensuring enhanced control over data and applications. This model emphasizes security, privacy and compliance, catering specifically to enterprises with strict regulatory requirements. The Private Cloud offers a customizable environment where businesses can implement tailored applications, allowing IT leaders to exercise greater control over security protocols and governance.

This cloud model is particularly relevant for industries such as finance, healthcare and government, where data security and compliance with regulations like HIPAA and GDPR are non-negotiable. Large enterprises that manage sensitive customer data or proprietary information often invest in Private Cloud platforms to maintain privacy and mitigate risks. By utilizing Private Cloud environments, enterprises can streamline operations while ensuring the infrastructure adheres to rigorous compliance standards, reinforcing a commitment to safeguarding sensitive information.

The concept of the Private Cloud emerged in response to enterprise demands for greater control and security in the IT infrastructure, particularly in the wake of rising data compliance concerns. Enterprises began investing in virtualization technologies in the mid-2000s, leading to a more efficient utilization of on-premises hardware and allowing the creation of internal cloud environments. Solutions from providers like VMware and Dell EMC helped catalyze this transformation, enabling IT departments to offer cloud-like services internally.

ISG asserts that through 2028, 9 in 10 enterprises will repatriate workloads from public cloud to private cloud or on-premises systems to contain costs and optimize performance.

Over time, the Private Cloud evolved from being a simple virtualization application to a sophisticated environment that emphasizes automation, orchestration and resource optimization. This focus has expanded to encompass hybrid models that integrate Private Cloud solutions with other cloud environments. Today, the Private Cloud is critical for enterprises that prioritize data sovereignty, security and flexibility, allowing organizations to adapt to evolving market conditions while maintaining control over technological assets.

When considering Private Cloud options, enterprises must address unique security, compliance, and regulatory needs to ensure the infrastructure aligns with organizational goals. A decisive factor is the structure of the Private Cloud environment, whether it will be hosted on-premises or through a trusted third-party provider. This decision often hinges on the local data governance requirements and the scalability of the solution to accommodate future growth.

Enterprises should also evaluate the technical architecture and management capabilities of the Private Cloud software. This entails assessing the flexibility of the platform to integrate with existing systems, including legacy applications, and the resources required for ongoing maintenance and support. It's essential to involve key stakeholders from IT, InfoSec, compliance and business units in the decision-making process to ensure that the chosen Private Cloud application meets operational and regulatory needs while providing a secure and efficient environment.

Private Cloud software must offer unparalleled security and compliance features to be deemed successful within enterprise contexts. This often involves implementing advanced data protection mechanisms, robust access controls and customization options to align with specific industry regulations. Enterprises that adopt Private Cloud solutions need assurance that sensitive data is handled within a secure, private environment that can be finely tuned to meet internal security policies and regulatory requirements.

Successful Private Cloud platforms should also provide flexibility to scale resources as organizational needs change, ensuring that businesses can expand capabilities without shifting to a different infrastructure model. User-friendly management tools that enable efficient resource allocation, monitoring and reporting will also be crucial, allowing IT teams to manage the cloud environment effectively. Finally, capabilities for interconnecting with Public

Cloud services are increasingly important, as enterprises look to create hybrid models to optimize workloads across both environments while maintaining control and oversight.

Generative AI (GenAI) is being employed within Private Cloud environments, primarily for data-driven decision-making, research and development simulations and compliance automation. Enterprises can utilize GenAI on their Private Clouds to securely analyze proprietary data and derive insights that guide strategic business initiatives. Enterprises involved in sectors such as pharmaceuticals and engineering employ AI-driven simulations to optimize product designs and speed up development cycles while adhering to strict regulatory standards. And Private Cloud solutions enable automated compliance reporting by generating comprehensive reports based on regulatory requirements, ensuring that enterprises can maintain compliance without extensive manual intervention.

Within Private Cloud settings, a compelling use case for agentic AI technology is in regulatory compliance automation. Enterprises can develop AI systems that autonomously monitor, analyze and interpret changes in regulations relevant to the industry, documentation and operational practices. By automating the compliance process, enterprises can reduce the burden of manual tracking and assessment, ensuring compliance with constantly evolving legal frameworks. Agentic AI could be utilized in advanced security monitoring systems, proactively identifying vulnerabilities and threats within the Private Cloud, enabling enterprises to respond swiftly to potential security incidents before they escalate.

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When selecting software providers for Private Cloud applications, enterprises must prioritize security, compliance and customization options tailored to the organization's specific needs. It is crucial to conduct comprehensive evaluations of providers that clearly demonstrate the ability to maintain data privacy and meet industry-specific regulatory requirements. Furthermore, enterprises should assess the scalability of the solutions to ensure they can adapt to future growth and changing business requirements. Engaging key stakeholders from IT, compliance and operations in the decision-making process will help ensure that the Private Cloud infrastructure aligns with overall business objectives while fostering an agile and secure operational environment.

The ISG Buyers Guide™ for Private Cloud evaluates software providers and products in key areas. The evaluation encompasses aspects such as IaaS, PaaS, SaaS, Private Cloud, AI/ML-as-a-Service, Compute-as-a-Service, Data Platform-as-a-Service, Function-as-a-Service, Networking-as-a-Service, Storage-as-a-Service, Cloud Application Marketplace, GenAI and agentic AI, Global Reach and investment in capabilities. It also reviews the management tools available for monitoring and controlling the Private Cloud environment. By shining a light on

these critical elements, the guide helps enterprises select software that not only meets immediate requirements but also supports long-term growth and security needs.

This research evaluates the following 21 software providers offering products to address key elements of private cloud platforms as we define them: Alibaba Cloud, AWS, Baidu AI Cloud, Broadcom, China Unicom, CloudFerro, Euskaltel, Google Cloud, Hetzner Cloud, IBM, IONOS, Kingsoft, Leaseweb, Microsoft, OpenNebula, Oracle, OVHcloud, Scaleway, Schwarz Digits, T-Systems and Vultr.

Buyers Guide Overview

For over two decades, ISG Research has conducted market research in a spectrum of areas across business applications, tools and technologies. We have designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of the business requirements in any enterprise. Utilization of our research methodology and decades of experience enables our Buyers Guide to be an effective method to assess and select software providers and products. The findings of this research undertaking contribute to our comprehensive approach to rating software providers in a manner that is based on the assessments completed by an enterprise.

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The ISG Buyers Guide™ for Private Cloud Platforms is the distillation of over a year of market and product research efforts. It is an assessment of how well software providers' offerings address enterprises' requirements for private cloud platforms. The index is structured to support a request for information (RFI) that could be used in the request for proposal (RFP) process by incorporating all criteria needed to evaluate, select, utilize and maintain relationships with software providers. An effective product and customer experience with a provider can ensure the best long-term relationship and value achieved from a resource and financial investment.

In this Buyers Guide, ISG Research evaluates the software in seven key categories that are weighted to reflect buyers' needs based on our expertise and research. Five are product-experience related: Adaptability, Capability, Manageability, Reliability, and Usability. In addition, we consider two customer-experience categories: Validation, and Total Cost of Ownership/Return on Investment (TCO/ROI). To assess functionality, one of the components of Capability, we applied the ISG Research Value Index methodology and blueprint, which links the personas and processes for private cloud platforms to an enterprise's requirements.

The structure of the research reflects our understanding that the effective evaluation of software providers and products involves far more than just examining product features, potential revenue or customers generated from a provider's marketing and sales efforts. We believe it is important to take a comprehensive, research-based approach, since making the wrong choice of private cloud platform can raise the total cost of ownership, lower the return on investment and hamper an enterprise's ability to reach its full performance potential. In addition, this approach can reduce the project's development and deployment time and

eliminate the risk of relying on a short list of software providers that does not represent a best fit for your enterprise.

ISG Research believes that an objective review of software providers and products is a critical business strategy for the adoption and implementation of private cloud platforms and applications. An enterprise's review should include a thorough analysis of both what is possible and what is relevant. We urge enterprises to do a thorough job of evaluating private cloud platforms and offer this Buyers Guide as both the results of our in-depth analysis of these providers and as an evaluation methodology.

Key Takeaways

Private Cloud Platforms serve enterprises that require strict control, security and compliance. They provide exclusive authority over data and applications while allowing customization to meet regulatory needs. Adoption is strongest in finance, healthcare and government where data sovereignty is vital. Providers are adding automation, orchestration and hybrid capabilities that link with public environments, helping enterprises adapt while maintaining oversight.

Software Provider Summary

The research identifies Microsoft, Google Cloud and Oracle as overall leaders, with Microsoft ranked highest across multiple categories. Classification placed Alibaba Cloud, AWS, Broadcom, Google Cloud, IBM, Microsoft, Oracle, OVHcloud, Scaleway and T-Systems in the Exemplary quadrant, while IONOS was categorized as Innovative. OpenNebula was placed in the Assurance quadrant, while Baidu AI Cloud, China Unicom, CloudFerro, Euskaltel, Hetzner Cloud, Kingsoft, Leaseweb, Schwarz Digits and Vultr were categorized as Merit. The research assessed providers on Product Experience and Customer Experience to highlight strengths and areas for improvement.

Product Experience Insights

Product Experience represented 80% of the overall evaluation, weighted across Capability, Usability, Reliability, Adaptability and Manageability. Google Cloud, Microsoft and AWS led in overall Product Experience. In Capability, Microsoft, Google Cloud and IBM excelled, while Google Cloud, AWS and Oracle led in Reliability. Google Cloud, Oracle and AWS distinguished themselves in Usability, while Oracle, Google Cloud and AWS led in Adaptability. Microsoft, Oracle and IBM were strongest in Manageability. Leaders demonstrated strength in combining reliability, usability and adaptability features with strong manageability, making them well-suited for enterprise-scale Private Cloud operations.

Customer Experience Value

Customer Experience accounted for 20% of the overall evaluation, focused on Validation and TCO/ROI. Oracle, AWS and Google Cloud led in Customer Experience by demonstrating strong commitment, proven success cases and lifecycle support. In TCO/ROI, Oracle, Google Cloud and IBM performed best, showcasing clear value frameworks and alignment to enterprise goals. Vendors outside the leadership group often struggled with insufficient ROI tools or weak onboarding processes, which reduced buyer confidence.

Strategic Recommendations

Enterprises should treat Private Cloud Platforms as strategic investments that unify security, compliance and scalability with flexible deployment. Buyers should prioritize providers that combine reliability, hybrid integration and transparent AI-driven management with measurable value frameworks. Platforms that deliver audit-ready compliance, adaptable architecture and ROI evidence will build confidence and adoption. With this approach, enterprises can align providers with organizational needs, regulations and long-term resilience.

How To Use This Buyers Guide

Evaluating Software Providers: The Process

We recommend using the Buyers Guide to assess and evaluate new or existing software providers for your enterprise. The market research can be used as an evaluation framework to establish a formal request for information from providers on products and customer experience and will shorten the cycle time when creating an RFI. The steps listed below provide a process that can facilitate best possible outcomes.

1. Define the business case and goals.

   Define the mission and business case for investment and the expected outcomes from your organizational and technological efforts.
2. Specify the business needs.

   Defining the business requirements helps identify what specific capabilities are required with respect to people, processes, information and technology.
3. Assess the required roles and responsibilities.

   Identify the individuals required for success at every level of the enterprise from executives to frontline workers and determine the needs of each.
4. Outline the project's critical path.

   What needs to be done, in what order and who will do it? This outline should make clear the prior dependencies at each step of the project plan.
5. Ascertain the technology approach.

   Determine the business and technology approach that most closely aligns to your enterprise's requirements.
6. Establish software provider evaluation criteria.

   Utilize the product experience: Adaptability, Capability, Manageability, Reliability and Usability, and the customer experience in TCO/ROI and Validation.
7. Evaluate and select the technology properly.

   Weight the categories in the technology evaluation criteria to reflect your enterprise's priorities to determine the short list of software providers and products.
8. Establish the business initiative team to start the project.

   Identify who will lead the project and the members of the team needed to plan and execute it with timelines, priorities and resources.

The Findings

All of the products we evaluated are feature-rich, but not all the capabilities offered by a software provider are equally valuable to types of workers or support everything needed to manage products on a continuous basis. Moreover, the existence of too many capabilities may be a negative factor for an enterprise if it introduces unnecessary complexity. Nonetheless, you may decide that a larger number of features in the product is a plus, especially if some of them match your enterprise's established practices or support an initiative that is driving the purchase of new software.

Factors beyond features and functions or software provider assessments may become a deciding factor. For example, an enterprise may face budget constraints such that the TCO evaluation can tip the balance to one provider or another. This is where the Value Index methodology and the appropriate category weighting can be applied to determine the best fit of software providers and products to your specific needs.

Overall Scoring of Software Providers Across Categories

The research finds Microsoft atop the list, followed by Google Cloud and Oracle. Providers that place in the top three of a category earn the designation of Leader. Oracle has done so in six categories, Google Cloud in five, AWS in four and IBM and Microsoft in three.

The overall representation of the research below places the rating of the Product Experience and Customer Experience on the *x* and *y* axes, respectively, to provide a visual representation and classification of the software providers. Those providers whose Product Experience have a higher weighted performance to the axis in aggregate of the five product categories place farther to the right, while the performance and weighting for the two Customer Experience categories determines placement on the vertical axis. In short, software providers that place closer to the upper-right on this chart performed better than those closer to the lower-left.

The research places software providers into one of four overall categories: Assurance, Exemplary, Merit or Innovative. This representation classifies providers' overall weighted performance.

Private Cloud Platforms

Overall

Providers	Grade	Performance
Microsoft	A-	*Leader* 82.5%
Google Cloud	A-	*Leader* 82.3%
Oracle	B++	*Leader* 80.0%
AWS	B++	79.9%
IBM	B++	79.0%
Alibaba Cloud	B	66.6%
OVHcloud	B-	60.9%
Scaleway	B-	57.6%
T-Systems	C++	55.3%
IONOS	C++	53.9%
Broadcom	C++	51.7%
Vultr	C+	49.7%
Leaseweb	C+	48.8%
CloudFerro	C+	45.6%
Hetzner Cloud	C+	44.4%
Kingsoft	C	43.6%
Schwarz Digits	C	42.8%
OpenNebula	C	42.1%
Baidu AI Cloud	C	41.1%
China Unicom	C-	31.6%
Euskaltel	D	28.1%

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Source: ISG Research
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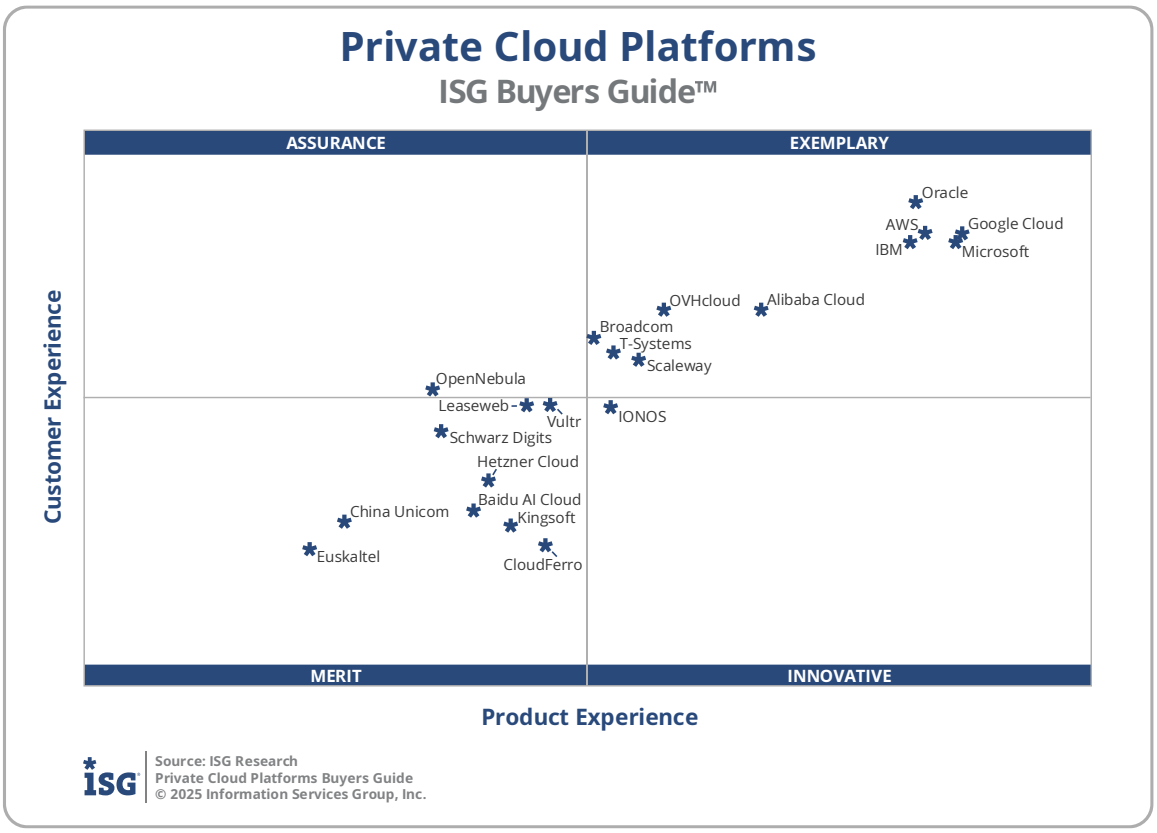

Exemplary: The categorization and placement of software providers in Exemplary (upper right) represent those that performed the best in meeting the overall Product and Customer Experience requirements. The providers rated Exemplary are: Alibaba Cloud, AWS, Broadcom, Google Cloud, IBM, Microsoft, Oracle, OVHcloud, Scaleway and T-Systems.

Innovative: The categorization and placement of software providers in Innovative (lower right) represent those that performed the best in meeting the overall Product Experience requirements but did not achieve the highest levels of requirements in Customer Experience. The provider rated Innovative is: IONOS

Assurance: The categorization and placement of software providers in Assurance (upper left) represent those that achieved the highest levels in the overall Customer Experience requirements but did not achieve the highest levels of Product Experience. The provider rated Assurance is: OpenNebula

Merit: The categorization of software providers in Merit (lower left) represents those that did not surpass the thresholds for the Assurance, Exemplary or Innovative categories in Customer or Product Experience. The providers rated Merit are: Baidu AI Cloud, China Unicom, CloudFerro, Euskaltel, Hetzner Cloud, Kingsoft, Leaseweb, Schwarz Digits and Vultr.

We warn that close provider placement proximity should not be taken to imply that the packages evaluated are functionally identical or equally well suited for use by every enterprise or for a specific process. Although there is a high degree of commonality in how enterprises handle private cloud platforms, there are many idiosyncrasies and differences in how they do these functions that can make one software provider's offering a better fit than another's for a particular enterprise's needs.

We advise enterprises to assess and evaluate software providers based on organizational requirements and use this research as a supplement to internal evaluation of a provider and products.

Product Experience

The process of researching products to address an enterprise's needs should be comprehensive. Our Value Index methodology examines Product Experience and how it aligns with an enterprise's lifecycle of onboarding, configuration, operations, usage and maintenance. Too often, software providers are not evaluated for the entirety of the product; instead, they are evaluated on market execution and vision of the future, which are flawed since they do not represent an enterprise's requirements but how the provider operates. As more software providers orient to a complete product experience, evaluations will be more robust.

The research results in Product Experience are ranked at 80%, or four-fifths, of the overall rating using the specific underlying weighted category performance. Importance was placed on the categories as follows: Usability (15%), Capability (30%), Reliability (15%), Adaptability (10%) and Manageability (10%). This weighting impacted the resulting overall ratings in this research. Google Cloud, Microsoft and AWS were designated Product Experience Leaders.

Private Cloud Platforms

Product Experience

Providers	Grade	Performance
Google Cloud	A-	*Leader* 66.1%
Microsoft	A-	*Leader* 66.0%
AWS	B++	*Leader* 63.6%
Oracle	B++	62.9%
IBM	B++	62.6%
Alibaba Cloud	B	51.9%
OVHcloud	B-	45.0%
Scaleway	C++	43.3%
T-Systems	C++	41.4%
IONOS	C++	41.2%
Broadcom	C++	40.0%
Vultr	C+	37.4%
CloudFerro	C+	36.8%
Leaseweb	C+	35.8%
Kingsoft	C	34.5%
Hetzner Cloud	C	33.4%
Baidu AI Cloud	C	32.3%
Schwarz Digits	C	30.5%
OpenNebula	C	30.3%
China Unicom	D	22.6%
Euskaltel	D	20.1%

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Source: ISG Research
Private Cloud Platforms Buyers Guide

Customer Experience

The importance of a customer relationship with a software provider is essential to the actual success of the products and technology. The advancement of the Customer Experience and the entire lifecycle an enterprise has with its software provider is critical for ensuring satisfaction in working with that provider. Technology providers that have chief customer officers are more likely to have greater investments in the customer relationship and focus more on their success. These leaders also need to take responsibility for ensuring this commitment is made abundantly clear on the website and in the buying process and customer journey.

The research results in Customer Experience are ranked at 20%, or one-fifth, using the specific underlying weighted category performance as it relates to the framework of commitment and value to the software provider-customer relationship. The two evaluation categories are Validation (10%) and TCO/ROI (10%), which are weighted to represent their importance to the overall research.

The software providers that evaluated the highest overall in the aggregated and weighted Customer Experience categories are Oracle, AWS and Google Cloud. These category leaders best communicate commitment and dedication to customer needs.

Software providers that did not perform well in this category were unable to provide sufficient customer case studies to demonstrate success or articulate their commitment to customer experience and an enterprise's journey. The selection of a software provider means a continuous investment by the enterprise, so a holistic evaluation must include examination of how they support their customer experience.

Private Cloud Platforms
Customer Experience

Providers	Grade	Performance
Oracle	A	Leader 17.9%
AWS	A-	Leader 17.1%
Google Cloud	A-	Leader 17.0%
Microsoft	A-	16.9%
IBM	A-	16.8%
OVHcloud	B+	15.0%
Alibaba Cloud	B+	14.9%
Broadcom	B+	14.2%
T-Systems	B+	13.8%
Scaleway	B	13.7%
OpenNebula	B	12.7%
Leaseweb	B	12.6%
Vultr	B-	12.5%
IONOS	B-	12.4%
Schwarz Digits	B-	11.8%
Hetzner Cloud	C++	10.5%
Baidu AI Cloud	C+	9.7%
Kingsoft	C+	9.4%
China Unicom	C+	9.2%
CloudFerro	C+	8.8%
Euskaltel	C	8.4%

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Appendix: Software Provider Inclusion

For inclusion in the ISG Buyers Guide™ for Private Cloud Platforms in 2025, a software provider must be in good standing financially and ethically, have at least $100 million in annual or projected revenue verified using independent sources and sell products and provide support on at least two continents. The principal source of the relevant business unit's revenue must be software-related, and there must have been at least one major software release in the past 12 months.

The research is designed to be independent of the specifics of software provider packaging and pricing. To represent the real-world environment in which businesses operate, we include providers that offer suites or packages of products that may include relevant individual modules or applications. If a software provider is actively marketing, selling and developing a product for the general market and it is reflected on the provider's website that the product is within the scope of the research, that provider is automatically evaluated for inclusion.

All software providers that offer relevant private cloud platforms and meet the inclusion requirements were invited to participate in the evaluation process at no cost to them.

Software providers that meet our inclusion criteria but did not completely participate in our Buyers Guide were assessed solely on publicly available information. As this could have a significant impact on classification and ratings, we recommend additional scrutiny when evaluating those providers.

Products Evaluated

Provider	Product Names	Version	Release Month/Year
Alibaba Cloud	Alibaba Cloud	N/A	June 2025
AWS	AWS	N/A	June 2025
Baidu AI Cloud	Baidu AI Cloud	N/A	June 2025
Broadcom	VMware Cloud Foundation (VCF)	VCF 9.0	June 2025
China Unicom	Unicom Cloud	N/A	July 2025
CloudFerro	CloudFerro	N/A	June 2025
Euskaltel	Euskaltel	N/A	January 2025
Google Cloud	Google Cloud	N/A	July 2025
Hetzner Cloud	Hetzner Cloud	5.1.0	June 2025
IBM	IBM Cloud	1.54.0	July 2025
IONOS	IONOS Cloud	1.48.0	June 2025
Kingsoft	Kingsoft Cloud	N/A	April 2025
Leaseweb	Leaseweb	N/A	June 2025
Microsoft	Azure	N/A	June 2025
OpenNebula	OpenNebula	7.0.0	June 2025
Oracle	Oracle Cloud Infrastructure (OCI)	N/A	August 2025
OVHcloud	OVHcloud	N/A	April 2025
Scaleway	Scaleway	N/A	June 2025
Schwarz Digits	STACKIT	N/A	August 2025

T-Systems	T-Systems	N/A	July 2025
Vultr	Vultr	N/A	June 2025

Providers of Promise

We did not include software providers that, as a result of our research and analysis, did not satisfy the criteria for inclusion in this Buyers Guide. These are listed below as "Providers of Promise."

Provider	Product	Revenue >$100 million	Sales and operation on 2 continents
IBA Group a.s.	ICDC	No	Yes
Stackscale	Stackscale	No	Yes

About ISG Software Research and Advisory

ISG Software Research and Advisory provides market research and coverage of the technology industry, informing enterprises, software and service providers, and investment firms. The ISG Buyers Guides provide insight on software categories and providers that can be used in the RFI/RFP process to assess, evaluate and select software providers.

About ISG Research

ISG Research provides subscription research, advisory, consulting and executive event services focused on market trends and disruptive technologies. ISG Research delivers guidance that helps businesses accelerate growth and create more value. For further information about ISG Research subscriptions, please visit research.isg-one.com.

About ISG

ISG (Nasdaq: III) is a global AI-centered technology research and advisory firm. A trusted partner to more than 900 clients, including 75 of the world's top 100 enterprises, ISG is a long-time leader in technology and business services sourcing that is now at the forefront of leveraging AI to help organizations achieve operational excellence and faster growth. The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.