Sovereign Cloud Platforms Buyers Guide

Software Provider and Product Assessment

ISG Research

Sovereign Cloud Platforms

Data privacy and local compliance are gaining importance, and the Sovereign Cloud stands out as a tailor-made solution for enterprises navigating complex regulatory landscapes. By ensuring that sensitive data remains within geographic boundaries and is controlled by trusted providers, Sovereign Cloud models empower enterprises to uphold jurisdiction-specific laws and governance practices. This focus on local compliance not only mitigates risks associated with cross-border data transfers but also solidifies an enterprise's commitment to data sovereignty. As business leaders grapple with the implications of global data regulations, adopting Sovereign Cloud strategies becomes important for preserving their reputations and building consumer trust.

ISG Research defines Sovereign Cloud as a cloud model that is exclusively controlled by an enterprise or a trusted provider, focusing on local compliance. This approach ensures adherence to jurisdiction-specific laws regarding data sovereignty and privacy, which is becoming essential whereas data breaches can have severe repercussions. By maintaining sensitive data within geographic boundaries, enterprises reduce risks associated with cross-border data transfers.

ISG asserts that by 2028, 60% of Sovereign Cloud providers will have completed country-level certifications to deploy isolated and governed infrastructure, meeting demand from public sector and regulated organizations.

Sovereign Clouds play a crucial role in industries such as telecommunications, financial services, healthcare and the public sector, where compliance with local regulations is critical. Enterprise organizations in these sectors often require a dedicated infrastructure that aligns closely with legal requirements, effectively managing risks associated with data governance. As global data regulations become more stringent, adopting Sovereign Cloud strategies is vital for enterprises aspiring to fortify their compliance postures while delivering assurance to stakeholders about the security and privacy of their data.

The Sovereign Cloud concept emerged in response to the growing concern surrounding data privacy and compliance stemming from regulatory change. As enterprises began to recognize the risks associated with cross-border data transfers, particularly in the wake of scandals and data breaches, the demand for localized cloud solutions surged. This shift prompted cloud providers to develop services that enable enterprises to retain control over their sensitive

data while ensuring compliance with specific legal frameworks, leading to the birth of Sovereign Cloud offerings.

From an IT perspective, Sovereign Cloud solutions have rapidly evolved into comprehensive platforms that prioritize data protection, security and compliance with local regulations. As enterprises face mounting pressure to safeguard sensitive information and adhere to regulations such as GDPR and CCPA, the Sovereign Cloud has become an essential component of their IT strategy. One-third (33%) of respondents in the 2025 ISG Data and AI Market Lens study include legal and regulatory data compliance in their top five initiatives (i.e., funding). The ongoing evolution of this model reflects the critical need for enterprises to maintain data governance while fostering stakeholder trust.

To make informed buying decisions about Sovereign Cloud solutions, enterprises must first comprehend the specific regulatory environments in which they operate, ensuring that their data management practices align with local legal requirements concerning data sovereignty and privacy. Enterprises should conduct a detailed analysis of their data flows, identifying sensitive information that necessitates compliance with jurisdiction-specific regulations to determine the advantages of a Sovereign Cloud approach.

> **Enterprises should gauge the provider's commitment to transparency and accountability regarding legal obligations, as well as their capabilities in disaster recovery and data integrity.**

Enterprises must also evaluate potential provider offerings to understand how they facilitate compliance while ensuring appropriate security and governance measures are in place. This includes assessing the provider's infrastructure capability, support for data localization and mechanisms for safeguarding sensitive data from unauthorized access. Additionally, enterprises should gauge the provider's commitment to transparency and accountability regarding legal obligations, as well as their capabilities in disaster recovery and data integrity, thereby informing a purchasing strategy that addresses both operational needs and regulatory mandates.

Successful Sovereign Cloud software must prioritize data localization and compliance with local regulations, ensuring that sensitive information remains within the geographic boundaries dictated by law. This entails comprehensive data governance frameworks that not only protect data but also facilitate adherence to specific jurisdictional requirements. Enterprises require assurance that their chosen solution will maintain compliance with regulations such as GDPR, CCPA and others relevant to their industry.

Sovereign Cloud platforms should also incorporate strong security measures, including encryption and access controls, to safeguard sensitive data from unauthorized access or

breaches. They should provide enterprises with intuitive management interfaces that allow for effective monitoring of data usage and compliance status. Incremental support for integration with existing enterprise systems, as well as capabilities for interaction between different cloud environments, is essential for enterprises looking to leverage multiple platforms while adhering to data sovereignty requirements. By fulfilling these needs, Sovereign Cloud software can help enterprises maintain trust and accountability regarding their data management practices.

In Sovereign Cloud environments, generative artificial intelligence (GenAI) and agentic AI have yet to appear as tools for manageability or usability of software services. Potential future use cases include data localization strategies, sensitive information handling and automation of regulatory compliance reporting. This does not preclude Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) applications operating on a Sovereign Cloud from incorporating GenAI and agentic functionality. All considerations for the security of AI applications and data apply.

Enterprises evaluating software providers for Sovereign Cloud applications should emphasize the provider's compliance with local data protection regulations and their ability to maintain data sovereignty. Enterprises need to seek providers that implement strong data governance and security measures, assuring adherence to regional legal requirements regarding data handling and storage. It is essential for businesses to assess the transparency of the provider's data management practices, including how data is accessed and processed. Engaging in comprehensive due diligence and considering the total cost of ownership will help enterprises make informed decisions while ensuring that their data remains secure and compliant within jurisdictional frameworks.

The ISG Buyers Guide™ for Sovereign Cloud Platforms evaluates software providers and products in key areas. This evaluation focuses on Sovereign Cloud capabilities including compliance certifications, performance benchmark tools, isolation, scalability, AI integration, openness, data protection and security, control and governance, configuration and customization, compliance assurance, service efficiency, support and training, multi-cloud compatibility, sustainability practices, incident response and management, automation and integration capabilities, testing and validation mechanisms, and data lifecycle management. It also evaluates Infrastructure-as-a-Service (IaaS), PaaS, SaaS, Hybrid Cloud functionality, 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. By diligently assessing these vital factors, the guide empowers enterprises to make informed decisions that safeguard their data while fulfilling compliance obligations in an increasingly regulated environment.

This research evaluates the following 16 software providers that offer products that address key elements of Sovereign Cloud platforms as we define it: AWS, Bleu, Clever Cloud, CloudFerro, Delos Cloud, Google Cloud, IONOS, Microsoft, OpenNebula, Oracle, OVHcloud, SAP, 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.

> **ISG Research has designed the Buyers Guide to provide a balanced perspective of software providers and products that is rooted in an understanding of business requirements in any enterprise.**

The ISG Buyers Guide™ for Sovereign 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 Sovereign 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 Sovereign 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 Sovereign 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 Sovereign Cloud platforms. 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 Sovereign Cloud platform systems and tools and offer this Buyers Guide as both the results of our in-depth analysis of these providers and as an evaluation methodology.

Key Takeaways

Sovereign Cloud Platforms have emerged as essential solutions for enterprises operating under strict regulatory regimes. These environments ensure sensitive data remains within geographic boundaries, giving organizations stronger control over compliance and governance. Adoption is growing in sectors such as financial services, healthcare and the public sector, where adherence to local regulations is non-negotiable. Providers are advancing Sovereign Cloud offerings with stronger data protection, transparency and integration capabilities to help enterprises safeguard trust while maintaining operational efficiency.

Software Provider Summary

The research identifies Microsoft, Oracle and Google Cloud as overall leaders, with Microsoft ranked highest across multiple categories. Classification placed AWS, Google Cloud, Microsoft, Oracle, OVHcloud, Scaleway and T-Systems in the Exemplary quadrant, while Bleu and Delos Cloud were categorized as Innovative. SAP was placed in the Assurance quadrant, while Clever Cloud, CloudFerro, IONOS, OpenNebula, 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. Microsoft, Google Cloud and Oracle led in overall Product Experience. In Capability, Microsoft, Google Cloud and AWS 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 Google Cloud were strongest in Manageability. Leaders demonstrated strength in combining reliability with usability, ensuring platforms can deliver consistent performance while supporting efficient 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 Microsoft performed best, showcasing clear value frameworks and alignment to enterprise goals. Non-Leader vendors often struggled with limited customer references or insufficient documentation of ROI tools, weakening buyer confidence.

Strategic Recommendations

Enterprises should view Sovereign Cloud Platforms as strategic investments that unify compliance, security and governance with operational flexibility. Buyers should prioritize providers that combine strong data localization, robust governance frameworks and integration with existing enterprise systems. Platforms that deliver transparency, audit-ready compliance and clear ROI evidence will inspire confidence and adoption. This approach ensures alignment with organizational needs, regulatory obligations 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 Oracle and Google Cloud. Providers that place in the top three of a category earn the designation of Leader. Google Cloud and Oracle have done so in six categories; AWS in five; and Microsoft in four categories.

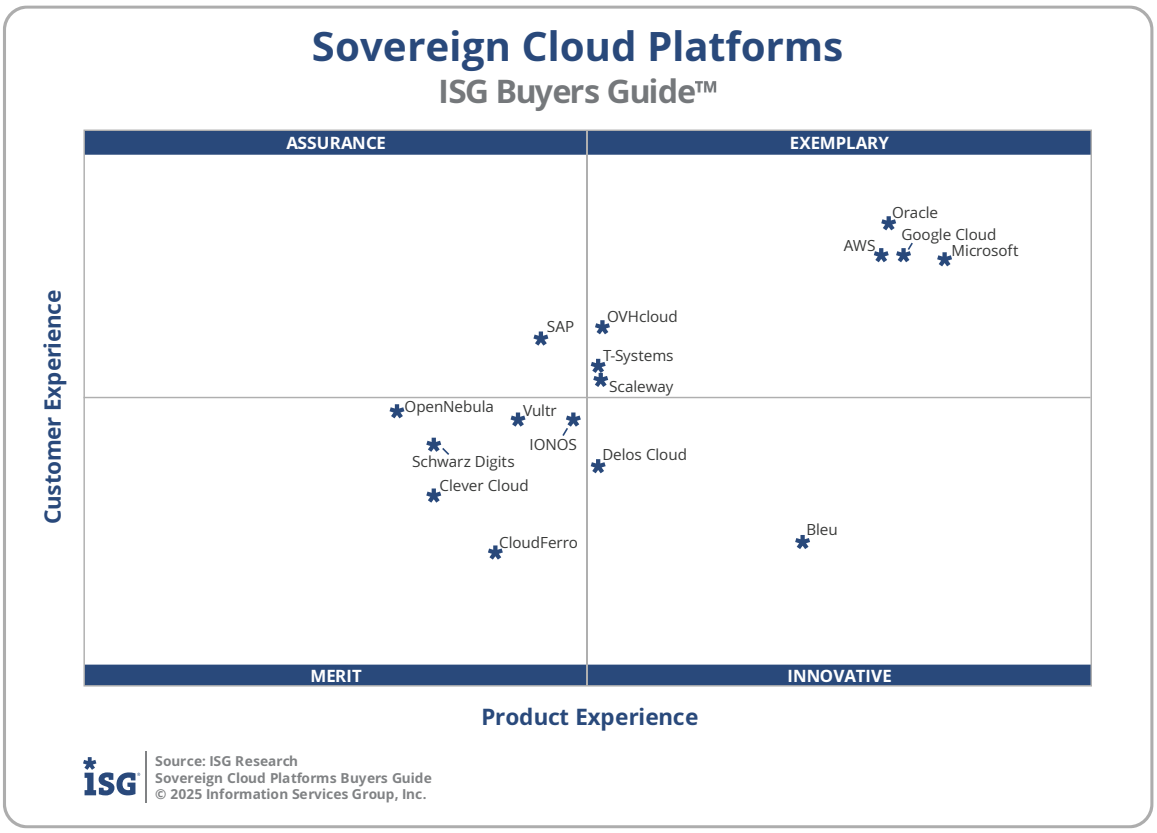
The overall representation of the research below places the rating of the Product Experience and Customer Experience on the *x* and *y* axes, respectively, to provide a visual representation and classification of the software providers. Those providers whose Product Experience have a higher weighted 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.

Sovereign Cloud Platforms
Overall

Providers	Grade	Performance
Microsoft	A-	Leader 82.4%
Oracle	B++	Leader 79.3%
Google Cloud	B++	Leader 79.1%
AWS	B++	78.0%
Bleu	B	64.8%
OVHcloud	B-	59.5%
Scaleway	B-	57.8%
T-Systems	B-	57.4%
IONOS	C++	54.6%
Delos Cloud	C++	52.4%
SAP	C++	52.1%
Vultr	C++	50.9%
CloudFerro	C+	46.4%
Schwarz Digits	C+	46.1%
OpenNebula	C	43.0%
Clever Cloud	C	42.7%

Source: ISG Research
Sovereign Cloud Platforms Buyers Guide

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



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: AWS, Google Cloud, 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 providers rated Innovative are: Bleu and Delos Cloud.

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: SAP.

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: Clever Cloud, CloudFerro, IONOS, OpenNebula, 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 Sovereign 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. Microsoft, Google Cloud and Oracle were designated Product Experience Leaders. While not a Leader, AWS was also found to meet a broad range of enterprise product experience requirements.

Sovereign Cloud Platforms

Product Experience

Providers	Grade	Performance
Microsoft	A-	*Leader* 65.9%
Google Cloud	B++	*Leader* 63.3%
Oracle	B++	*Leader* 62.2%
AWS	B++	61.9%
Bleu	B+	56.7%
OVHcloud	C++	43.8%
Scaleway	C++	43.4%
Delos Cloud	C++	43.4%
T-Systems	C++	43.4%
IONOS	C++	41.9%
SAP	C+	39.7%
Vultr	C+	38.5%
CloudFerro	C+	37.5%
Schwarz Digits	C	33.5%
Clever Cloud	C	33.5%
OpenNebula	C	31.1%

ISG

Source: ISG Research
Sovereign 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.

Sovereign 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%
OVHcloud	B+	15.0%
SAP	B+	14.7%
T-Systems	B+	13.8%
Scaleway	B	13.7%
OpenNebula	B	12.7%
Vultr	B-	12.5%
IONOS	B-	12.4%
Schwarz Digits	B-	11.8%
Delos Cloud	C++	11.2%
Clever Cloud	C++	10.4%
Bleu	C+	9.1%
CloudFerro	C+	8.8%

Source: ISG Research
Sovereign Cloud Platforms Buyers Guide

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.

Appendix: Software Provider Inclusion

For inclusion in the ISG Buyers Guide™ for Sovereign Cloud Platforms in 2025, a provider must be in good standing financially and ethically and provide a product that offers a deployment model of IaaS, PaaS and/or SaaS, and Sovereign Cloud functionality.

Sovereign Cloud providers must have at least $20 million in annual or projected software-related revenue and sell products and provide support in at least one country. 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 last 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 Sovereign 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
AWS	AWS	N/A	June 2025
Bleu	Bleu	N/A	2025
Clever Cloud	Clever Cloud	N/A	September 2025
CloudFerro	CloudFerro	N/A	June 2025
Delos Cloud	Delos Cloud	N/A	June 2025
Google Cloud	Google Cloud	N/A	July 2025
IONOS	IONOS Cloud	1.48.0	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
SAP	SAP Sovereign Cloud	N/A	September 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	$20+ Million Revenue	One or More Countries
Clarence	Clarence	No	Yes
S3NS	S3NS	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.