



Red Hat and Computacenter: Meeting the Needs of the Digitally Determined Customer

Introduction

By 2022, almost 50% of European GDP will be digitised, with growth in every industry driven by digitally enhanced offerings, operations and relationships. European organisations across the board are facing significant pressure to transform. Some — which IDC refers to as the Digitally Determined — are meeting these challenges head on, while others — the Digitally Distracted — are struggling to do so. According to IDC, Digitally Determined organisations follow a four-pronged approach to transformation, characterised by:

1. A single enterprise strategy
2. A determination to make the required organisational and cultural changes
3. A long-term investment strategy based on the principle that digital is inherently valuable to the business
4. A single digital platform to scale technology innovations

In these companies, technology becomes the key enabler of future business models. Data-driven innovation, agility and speed of execution become the foundation of new revenue streams.

Digitally Determined organisations are challenged to not only integrate innovation but to also deliver projects in much shorter cycles. IT service providers therefore cannot stand still in this fast-changing world. Along with the need for greater innovation and speed, spending will increasingly move outside the realms of IT towards dedicated digital transformation (DX) and line-of-business (LOB) budgets. These organisations no longer want a static, transactional IT supplier; they need a trusted partner that is agile and ready to meet their business outcomes and deliver business value.

Recognising this dynamic, Computacenter has made significant changes to its business model and go-to-market strategy to align to the needs of the Digitally Determined organisation. It has done this while deepening relationships with a handful of strategic partners, one of which is Red Hat®.

In This Partner Spotlight

Founded in 1981, Computacenter positions itself as "a trusted technology partner to large corporate and public sector organisations, helping its customers source, transform and manage their technology infrastructure to deliver digital transformation, enabling users and their business." Headquartered in Hatfield, in the UK, Computacenter has a global presence, employing around 15,000 people,

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with estimated group revenue of £4.8 billion in 2018. The IT services company is among the largest in Europe.

In this IDC Partner Spotlight, we analyse Computacenter's three-pronged go-to-market strategy and its new investments in services and solutions. We also explore Computacenter's strategic partnership with Red Hat, and how this has supported and accelerated its transformation.

Red Hat is a leading provider of enterprise open source software solutions, using a community-powered approach to deliver reliable and high-performing Red Hat® Enterprise Linux® (RHEL), hybrid cloud, container and Kubernetes technologies. Red Hat further supports customers with integration, automation, security, support, training and consultancy offerings, which are delivered through its network of trusted partners, including Computacenter.

Computacenter and Red Hat have been partners for more than 15 years, together helping customers to achieve their business goals through their joint solutions and offerings. As an early adopter of open source and container technologies, Computacenter has developed deep expertise in this space. In this report, we will examine the key success factors of the partnership.

Red Hat's vice president for partners and alliances in EMEA, Petra Heinrich, confirms that Computacenter is a key partner for Red Hat. "Computacenter has demonstrated a true focus on putting the customer first, developing deep technical capabilities around open source, containers and cloud in order to do so, along with next-generation internal processes," she said. "Our partnership with Computacenter is growing from strength to strength."

Situation Overview

IDC's 2018 *Executive Sentiment Survey* found that around 42% of European enterprises are considered Digitally Determined, slightly lower than the global average of 46%. However, in three years, IDC expects this to increase to more than half. The next three years will, therefore, result in a significant opportunity for IT service providers, like Computacenter, to advise, implement, integrate and support their customers through this transformation. In fact, IDC predicts that digital transformation will lead to more than \$1 trillion in IT-related spending in 2019–2022.

As their customers transform, IT service providers must do likewise and undertake their own transformations to meet these needs and capture these opportunities. IDC's 2018 partner research shows that 48% of European partners have digital transformation as a key part of their corporate strategy, and two-thirds are currently investing or planning to invest in building a portfolio of solutions and services in next-generation technologies to support their customers' digital transformation. Computacenter is one such company.

Computacenter's Approach to Meeting the Demands of the Digitally Determined

Computacenter has made significant changes to its business model, investing in new technology areas and launching several new initiatives to help its customers

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transform. According to the company, each of these elements has been designed with the customer at the centre to help them on their transformation journey. Paul Casey, Computacenter's chief technologist for platform and hybrid IT, believes that customers understand the value of working with IT service providers such as Computacenter.

"We work with large enterprise customers and they have so many vendors trying to sell to them that it can be hard for them to make sense of it all," Casey said. "We are a trusted advisor and help filter all of that down to something that will actually drive their outcomes. With so many vendors trying to sell to them with similar sounding messages and solutions it can be hard for them to make sense of it all, and they can't afford the time to evaluate every similar sounding product. We are engaged as a trusted advisor to help filter out the noise so that we can help them to select the most appropriate solutions quickly and with confidence."

Enabling Digital Determination — The Hybrid Cloud Adoption Framework

One such initiative that Computacenter has deployed is its Hybrid Cloud Adoption Framework (HCAF), a consultative framework to guide customers on their journey towards the cloud. Aiming to provide a structured yet flexible approach to modernisation and transformation, HCAF guides customers in adopting a cloud IT services model, whether that is building and migrating to private, public, hybrid or multicloud platforms. It spans the entire modernisation stages, from setting strategy; to building a business case and road map; to proving technology and process; to creating an operational foundation; to migrating, managing and optimising. Through HCAF, Computacenter provides the key tactical and strategic activities needed to initiate rapid adoption among customers, ensuring that they can move quickly while maintaining their existing operations. The key objectives are to create clear definitions and measurements of value-based outcomes and help customers establish an aligned strategic vision and hybrid IT strategy. While customers can choose to leverage individual elements of HCAF, Computacenter finds that customers benefit most by starting with its Strategic Foundation stage and participating in one of its "Digithons".

Computacenter Digithon

The Digithon is an approach designed by the company to help its customers define their digital needs and make these a reality. As part of the process, Computacenter undertakes detailed research within the user base of IT across an organisation (in other words, the IT department's internal customers and consumers) to understand their needs. The research is then brought together and positioned during a day-long workshop using the "world café" method (a process for hosting group dialogue) to align the key stakeholders, including IT, the IT consumer, app development and service delivery. Using the existing IT strategy and consumer research as the starting point, the Digithons enable the organisation to understand where it is, to set priorities and define its desired outcomes. The process offers Computacenter's customers a streamlined approach to becoming digital, starting with what their needs are and how they can be met. When combined with the HCAF process, the Digithon acts as a key activity to accelerate customers' journeys

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to the cloud. The Digithon process enables customers to understand where they are on that journey and what the view is across stakeholders. Then the HCAF process enables the customer to find a way to improve its IT, with Computacenter's neutral assistance and guidance.

"In the Hybrid Cloud Adoption Framework, we move the customer quickly along the stages they set out, and realise the value of what we've discovered in the Digithon," said Casey. "Customers are often paralysed by indecision — they don't know what to do. There are many conflicting views within any organisation, and our customers need help understanding what to do and how to sequence the activities to drive the outcomes that match the goals of the IT consumer and the business. This exercise helps them arrive at a consensus to move the company forward. Then we're on a fast track. The Digithons and the Hybrid Cloud Adoption Framework help us put customer outcomes first."

Computacenter has also recognised that Digitally Determined organisations do not simply want to buy technology products — they want their business outcomes to be met. In response, its go-to-market offerings are structured in a new three-pillar digital strategy, which sits across its entire portfolio. Once organised only by product offering, now the Computacenter portfolio fits into one of these three key digital-focused segments — Digital Me, Digital Power and Digital Trust — directly mapping to customer needs.

- **Digital Trust** covers all elements of security from the endpoint to wider cyberdefence strategies. This strand of the portfolio links with both Digital Me and Digital Power, in that security underpins all the solutions Computacenter delivers. The proposition includes information security management, cyberdefence, identity and access management, endpoint security and infrastructure security. As with Digital Me and Digital Power, Digital Trust pivots around the idea of being a business enabler and, for this reason, the three strands are aligned.
- **Digital Me** centres around digital workplace solutions aimed at helping customers meet their needs around technology. This encompasses the delivery of workplace solutions that boost productivity through modern devices and operating systems and enabling collaboration through online tools. The digital workplace proposition includes end-user platforms, collaboration, information management, digital identity and security.
- **Digital Power** centres around helping customers navigate and manage increasingly complex, heterogeneous and continuously transforming IT environments, and can be split into five main areas — accelerating digital business, connecting and securing the hybrid, modernising the datacentre, building the private cloud and enabling the public cloud. The hybrid IT proposition includes its datacentre, network, security, cloud, workloads/applications and data analytics portfolio. Combining a mix of on-premise and cloud expertise, Computacenter aims to meet customers' business needs to increase agility and speed while reducing costs, and has

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invested in a portfolio of services around private, public, multicloud and hybrid IT environments.

A Commitment to Containerisation Underpinning Hybrid Cloud

Central to this strategy is a belief that containers are the new paradigm for hybrid cloud architectures. Containers, with their open source nature and deeper abstractions, are key to enabling hybrid cloud architectures with full workload portability. Initially aimed at cloud-native applications, containers increasingly come into play to effectively modernise how existing applications run.

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A Red Hat Premier Partner in Europe, Computacenter selected Red Hat® OpenShift® as its primary container solution back in 2015. Red Hat OpenShift accelerates application delivery and provides the technology foundation needed in a DevOps transformation for IT. In turn, Computacenter has built a dedicated DevOps practice to help customers develop, deploy and manage modern applications. Moreover, Computacenter has developed capabilities around infrastructure as code (IaC), which is increasingly used to manage and automate the deployment of resources. The company also offers capabilities around application and infrastructure performance monitoring that are complemented by Computacenter's strong capabilities around security, which remains a top priority for Digitally Determined organisations.

Computacenter's Deepening Relationship With Red Hat

Red Hat and Computacenter have enjoyed a strategic partnership for many years, working together to meet customer outcomes by leveraging the Red Hat open source portfolio in areas such as RHEL, Red Hat OpenShift, Red Hat® OpenStack® and Red Hat® Ansible®. Over the past 18 months, Red Hat and Computacenter have embarked on a journey to strengthen this relationship even further. This is part of Computacenter's strategy to more closely align with strategic vendors as it looks to better meet customer outcomes. In tandem, Red Hat is also pursuing a similar strategy, looking to more closely align with some of its more strategic partners to achieve the same goal.

An example of the way that Computacenter and Red Hat have deepened their strategic relationship is a partner planning initiative that aims to drive joint revenue at both firms by enhancing the way they work together and plan their business. The Red Hat Initiative, which came out of its EMEA partner organisation in 2016 and was taken global in 2018, is analysed in detail in *Partnering Best Practice — Red Hat's Innovative Approach to Strategic Partner Planning* (IDC #EMEA44881019, March 2019). In summary, the planning process revolves around five key steps:

- Aligning, buying in and developing shared responsibility
- Joint planning and goal setting

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- Measuring success with agility
- Fuelling success through sales challenges
- Developing joint value propositions

This structured approach taken by Red Hat and Computacenter demonstrates the commitment each company has to the partnership and their joint customers, and acts as a crucial foundation for the joint solutions they create and take to market.

Future Outlook/Challenges

Restructuring its own business around digital transformation demonstrates in real terms that Computacenter understands the requirements of the Digitally Determined. Looking ahead, Computacenter will maintain this transformation mindset and continuously evolve as the industry continues to transform at pace. Digital determination is a continuous transformation.

Its commitment to open source and containerisation has given Computacenter an early mover advantage and has put the company in a strong position, particularly given that Red Hat decided to standardise on the now-de facto industry standard Kubernetes as Red Hat OpenShift's container orchestration platform in 2016. Computacenter has developed deep expertise around Kubernetes and is using it as its platform orchestration service to support enterprises adopting container technologies. Having deep open source capabilities is — and will continue to be — a key competitive differentiator for the company. Computacenter's challenge will be to make sure that value is well understood across all lines of business, as well as the value proposition of the partnership between Red Hat and Computacenter.

Conclusion

Computacenter recognises the shift happening within customers trying to integrate innovation into their business, with a need not to procure technologies for technology's sake but to meet needs across the business. Its three-pronged, customer-centric approach, hybrid cloud strategy, Digithon offerings and investments in strategic partnerships like Red Hat are prime examples of the way Computacenter is moving in this direction.

IDC considers the Computacenter and Red Hat partnership one that demonstrates best practice in next-generation partnering. Both organisations recognise that customers are requiring more sophisticated solutions that are developed by an ecosystem of partners to better meet their needs. Digitally Determined customers need partners that understand them and can help them meet their specific and critical business needs. Equally, for Digitally Distracted customers, there is an opportunity to engage more strategically with their partners, like Computacenter, and understand how digital transformation can benefit their business.

Computacenter and Red Hat not only recognise this shift in customer demand but, through a far more strategic partnership, are determinedly delivering on it.

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