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Kyndryl – Looking Beyond the Launch

New Skills, Partnerships and Services

On 4 November Kyndryl completed the spin-off from IBM and began trading as an independent company on the New York Stock Exchange. It is effectively a USD 19 Billion start-up, and the industry will be tracking its journey keenly. Kyndryl has the ability to disrupt markets as it reinvents its business to embrace growth areas and help clients through their tech-led transformations.

As Ecosystm gears up to be a part of the **Kyndryl 2021: The ASEAN Launch** on **9 December 2021**. Ecosystm Analysts comment on Kyndryl's strategy going forward and the associated opportunities.

Darian Bird
Principal Advisor,
Cloud, IT Services,
Telecommunications

Peter Carr
Principal Advisor,
Strategy &
Technology Advisory

Sash Mukherjee
VP Content &
Principal Analyst,
Industry Research

Tim Sheedy
Principal Advisor,
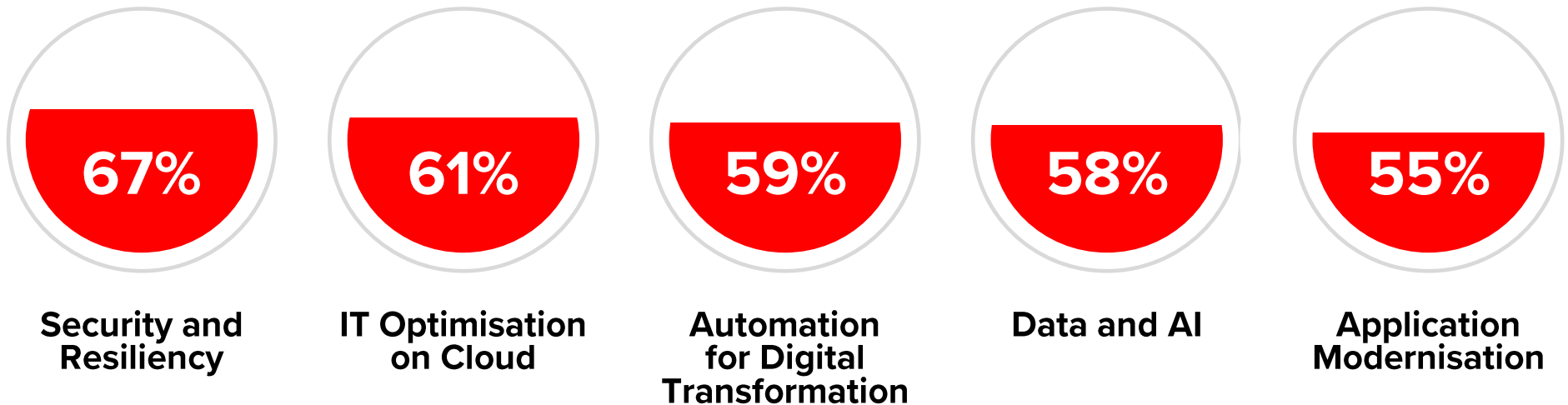CX, Digital Transformation,
AI

Ullrich Loeffler
COO

Venu Reddy
Principal Advisor,
Outsourcing, IT Services,
Software & Cloud

Organisations' Priorities in 2022 and Beyond

Organisations will continue to focus on digital transformation in the near future. Kyndryl's success will be largely dependent on its ability to align the portfolio to the needs of its customers.

67%
Security and Resiliency

61%
IT Optimisation on Cloud

59%
Automation for Digital Transformation

58%
Data and AI

55%
Application Modernisation

Kyndryl's Portfolio of Solutions

Cloud

Enabling digital transformation with a controlled expert-led transition through cloud modernisation

Core Enterprise & zCloud

Managing mission-critical workloads seamlessly by modernising mainframes to handle high-volume, always-on computing

Digital Workplace

Enhancing experience and work location flexibility by providing a consumer experience to employees

Application, Data & AI

Improving business outcomes through data management and AI-infused operations that yield intelligent insights

Security & Resiliency

Maintaining business continuity and constantly adapting to new threats and regulatory standards

Network & Edge

Preparing for the next wave of cloud with 5G-enabled edge and software-defined networking (SON)

Where do the main opportunities lie for Kyndryl?

Venu Reddy
Principal Advisor,
Outsourcing, IT
Services, Software,
& Cloud

Kyndryl has the advantage of starting with a base of 4,000 customers and that is an immense opportunity. However, I think Kyndryl's main opportunity will lie in its ability to form the right partnerships. Kyndryl is definitely not limited by the choice of partners (especially for cloud and application services). This could mean a major uplift in their go-to-market (sell-with and sell-through) activities. This is primarily a function of the depth of partnership and agreements that they are now going to forge, in a range of areas — from training to product review.

Tim Sheedy
Principal Advisor,
CX, Digital
Transformation, AI

Kyndryl has the advantage of being able to create a new identity — not just that of another tech services firm, but one that brings with it a legacy of innovation and capable delivery with a new-found hunger for transformation and disruption. It has the opportunity to beat offshore providers on delivery capability; and onshore providers on business and industry insight and thought leadership.

How is Kyndryl shaping its Organisational Culture?

Ullrich Loeffler
COO

I have had engagements with multiple teams at Kyndryl over the last few months. Throughout these engagements and across all levels of the organisation, I could sense a strong sense of identification, pride and belonging towards the new brand and the mission ahead. I was surprised and impressed at how quickly Kyndryl managed to infuse a new culture and brand identity across teams.

This new culture will be critical, for Kyndryl to succeed in its own path and to play the hand it was dealt. Success will depend on new partnerships, a new ecosystem of technology partners and a more diverse client portfolio. In order to build these relationships quickly and more importantly, to execute them effectively on the ground, Kyndryl needs to take advantage of its 'slimmed down organisation' and break down legacy barriers that had made it difficult to engage with.

In order to 'Do Agile' you have to 'Be Agile' and this is an equation of organisational agility, tools and methodologies and – most importantly – culture.

How is Kyndryl positioning itself in the Cloud solutions market?

Darian Bird
Principal Advisor,
Cloud, IT Services,
Telecommunications

Under its former home at IBM, Kyndryl attempted to build alliances with the hyperscalers but it was always limited by how much it could truly commit to a relationship with a competitor. Now that it's independent, Kyndryl can sign meaningful deals with Microsoft, AWS, Google, and Alibaba Cloud and most importantly, appear unconflicted in front of their customers. These new relationships combined with its strong historical ties to VMware, position Kyndryl well for enterprises adopting a hybrid cloud strategy.

Kyndryl already has a good incumbency position in many of the largest enterprises for on-premises services. The split from IBM and these new cloud alliances will give it a chance to modernise its services portfolio and potentially broaden its customer base into newer industries.

What are your thoughts on Kyndryl's hyper-converged service offerings?

Peter Carr
Principal Advisor,
Strategy &
Technology Advisory

The continual march of infrastructure automation is both a driver for business transformation and an inevitable operational end-state for all computing. It arises from the unavoidable necessity to manage the accelerating speed of change, and sheer complexity of the contemporary technology environment and the even more complex solution ecosystem.

That is why, as a full-stack global managed services company, Kyndryl is well-positioned to succeed. Because at its heart it is a massive partner integration ecosystem that understands software-defined everything and is clearly focused on using that capability to help companies automate, stay in business, and grow.

This is evident in every practice – from their core enterprise and zCloud solutions (now dense with microservices and modern language capabilities historically only found outside the mainframe) to their software-defined private 5G network and edge, Day 1 applications, and data AI practices.

By many measures, at launch, Kyndryl is the USD 19 Billion hyper-converged service layer for systems integration.

What is the key focus of Kyndryl's AI and data management capabilities?

Tim Sheedy
Principal Advisor,
CX, Digital
Transformation, AI

One of the six key focus areas around which Kyndryl is building its business is Applications, Data and AI. While the applications portfolio is what you would expect (from SAP, Oracle etc), the Data and AI capabilities will help to set the business apart. The company is helping businesses solve their core data architecture and management challenges – partnering with a broad range of suppliers to ensure customers get the best solution for their specific challenge.

In the AI space they have two key focus areas.

- AIOps; making the technology environments they implement, manage and support more reliable, resilient and available, to help businesses turn technology from an inhibitor to an enabler.

- Helping businesses build competitive advantage through their data science capability. Its teams can discover and analyse data and create unique algorithms that allow businesses to improve their internal or customer-facing processes and create better products or services.

The AIOps capabilities help businesses become best practice – leading their market or industry in technology availability and reliability – while the data scientists helps businesses drive "next-practice" – to ensure they stay ahead of competitors and in-line with ever changing business and customer expectations.

How well is Kyndryl aligned to the Security & Resiliency needs of the market?

Sash Mukherjee
VP Content & Principal Analyst,
Industry Research

The cybersecurity solutions market has become increasingly fragmented, with tech providers focusing on and pushing their niche solution capabilities. What the market needs is a technology provider that is able to provide an integrated view across an organisation's security measures and practices. Kyndryl can provide this integrated view. To this end there is a strong focus on creating a security consulting practice that can help organisations with their operational resiliency needs.

Ecosystm research finds that 70% of organisations globally feel that a cyber breach is inevitable. This makes it extremely important for organisations to not only have the right security measures, but also a disaster recovery and cyber response strategy – a key area of expertise for Kyndryl (including DRaaS).

But security goes beyond cybersecurity solutions and services – it underpins all technology solutions today. All of Kyndryl's other solution offerings focus on 'design for security' – which will be a key go-to-market message across its portfolio.

What should Kyndryl continue to focus on?

Sash Mukherjee
VP Content & Principal Analyst,
Industry Research

While this is the time for Kyndryl to form new partnerships and alliances, it should not forget one of its key partners over the years – IBM. Especially in some technology areas such as Cybersecurity and AI, IBM should remain a great ally.

Venu Reddy
Principal Advisor,
Outsourcing, IT Services,
Software, & Cloud

Kyndryl has a clear focus on "technology related services". But there might be a need to invest in technology consultancy services as most of it might have been left back in IBM.

Ullrich Loeffler
COO

Kyndryl is like a young adult moving out of its parents' house to make its own mark on the world. We have seen 3 of its key global partnerships (VMWare, Microsoft and of course IBM); there will be many more. Each partnership needs to move beyond a global alliance and be executed across the diverse set of country markets.
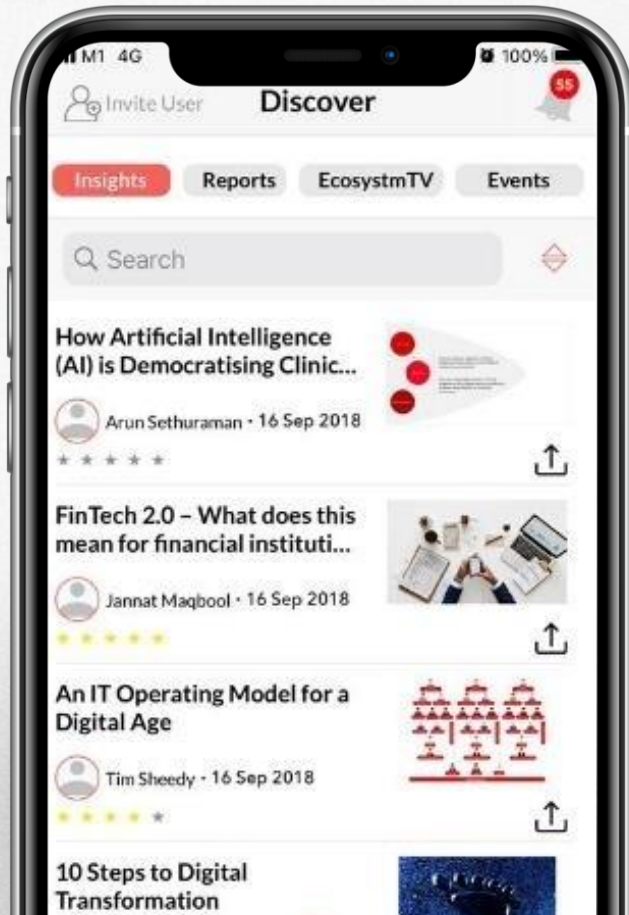
Thank You

For further enquiries, please contact:

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