

Corporate Cloud Computing Trends

Performance Matters for IaaS/Public Cloud

About This Report: A September survey of 609 members of the 451 Global Digital Infrastructure Alliance focused on trends in cloud computing including 90-day spending, along with trends in IaaS/public and private on-premises cloud.

Cloud Spending. A total of 41% of cloud users expect spending to increase over the next 90 days, while 4% expect a decrease. This is unchanged since the last survey.

Performance Matters. In order to better understand what customers value most in a IaaS/Public Cloud provider, respondents were asked to rate vendor attributes on a 10 point scale, where 0 is 'not at all important' and 10 is 'extremely important.' The three most important attributes are performance, ROI and technical support.

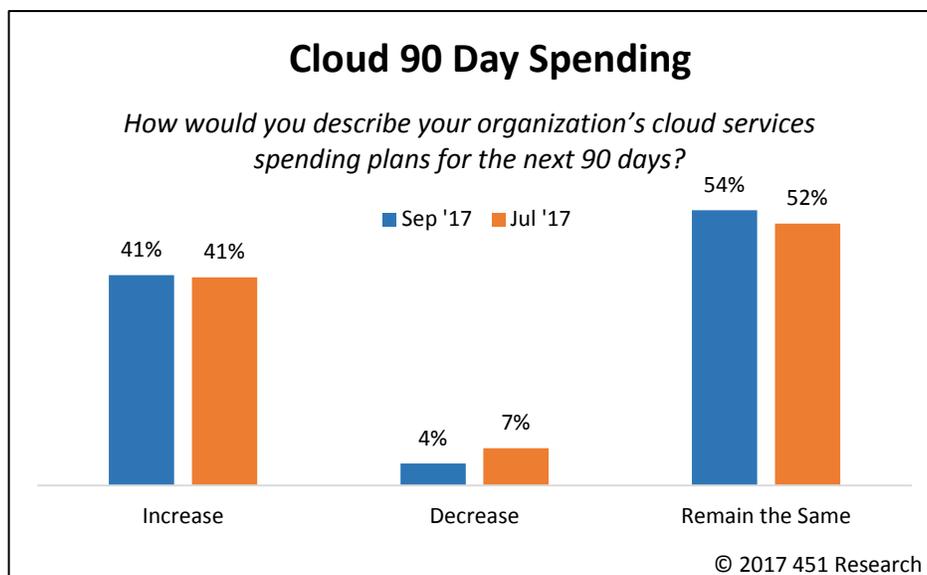
Commercial Solutions Top Choice. In terms of the most popular on-premises approach to private cloud environments, only 19% are using turnkey (10%) or open source (8%), the majority (79%) are using either proprietary commercial solutions (65%) or commercial open source (14%).

Digital Transformation. Digital transformation matters the most to very large organizations with over 10,000 employees, of which 78% are already undergoing IT transformation.

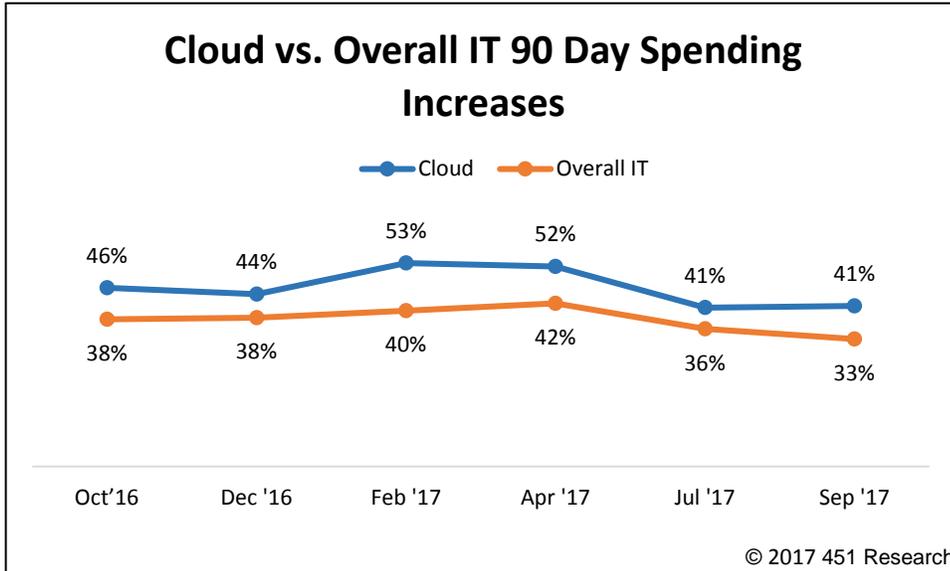
By Tracy Corbo

Cloud Spending Remains Strong

A total of 41% of cloud users expect their organization's cloud spending to increase over the next 90 days, which is unchanged from the previous survey in July. Only 4% expect cloud spending to decrease – 3 points better than the last survey.



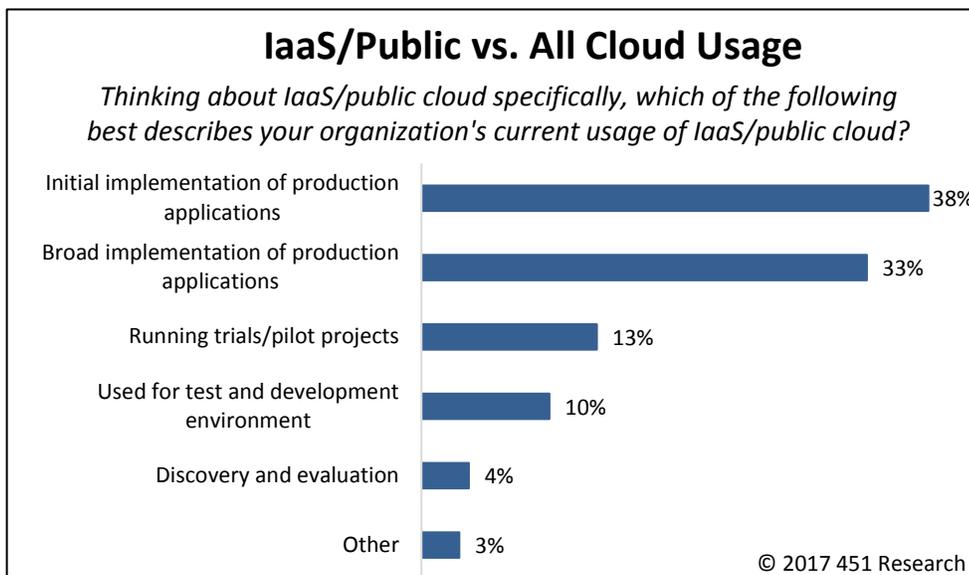
Cloud Spending Outpaces Overall IT. Cloud spending remains strong. Taking a look at 90-day spending increases over that last 12 months indicates that cloud spending increases continue to outpace overall IT spending.



IaaS/Public Cloud

The following set of questions were asked of respondents that are currently using IaaS/public cloud.

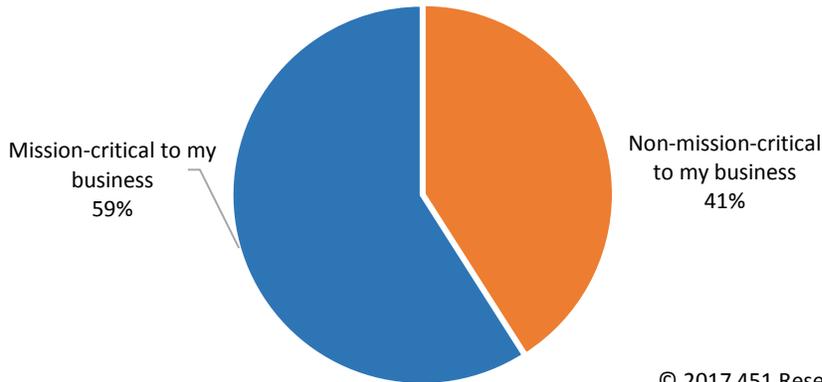
Deployments Well Under way. Respondents were asked about the status of their deployments, and 71% were either in the initial implementation phase (38%) or broad implementation (33%). Only 4% are in the discovery phase.



Mission-Critical Apps Are Running Off Premises. More than half (59%) of respondents are running mission-critical applications in their IaaS/public cloud.

Mission Critical Apps Running on IaaS/Public Cloud

How would you describe the criticality of the majority of applications running in your IaaS/public cloud environment?



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Performance Matters. In order to better understand what customers value most in an IaaS/public cloud provider, respondents were asked to rate vendor attributes on a 10-point scale, where 0 is 'not at all important' and 10 is 'extremely important.' The three most important attributes focus on performance, ROI and technical support.

Key Features from IaaS/Public Cloud Providers

Thinking about the primary IaaS/public cloud vendor your organization would like to work with, how important are the following attributes when making the decision/selection? (Mean)

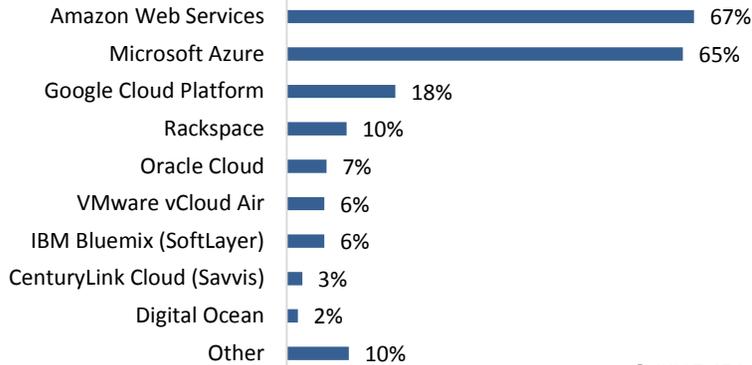


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Lots of Choices – Two Vendors Dominate. The most popular IaaS/public cloud services are AWS (67%) and Microsoft Azure (65%).

IaaS/Public Cloud Providers

Which of the following vendors is your organization currently using for IaaS/public cloud?



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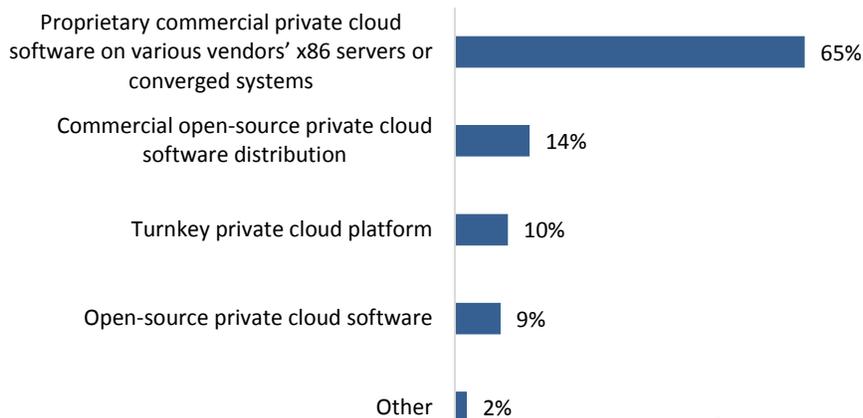
On-Premises Private Cloud

Respondents using on-premises private cloud services were asked several questions with regard to their on-premises private cloud implementations.

Commercial Solutions Top Choice. In terms of the most popular on-premises approach to private cloud environments, only 19% are using turnkey (10%) or open source (8%), the majority (79%) are using either proprietary commercial solutions (65%) or commercial open source (14%).

On-Premises Private Cloud Approach

Which of the following best describes your organization's approach to building your on-premises private cloud environment?



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Technical Support, Value and Performance Matter. Using a 10-point scale, where 0 is 'not at all important' and 10 is 'extremely important,' respondents were asked to rate how important various attributes are when selecting on-premises private cloud solutions. The top three that figure most prominently in the decision-making process are technical support, value for money, and product performance.

Most Important On-Premises Private Cloud Features

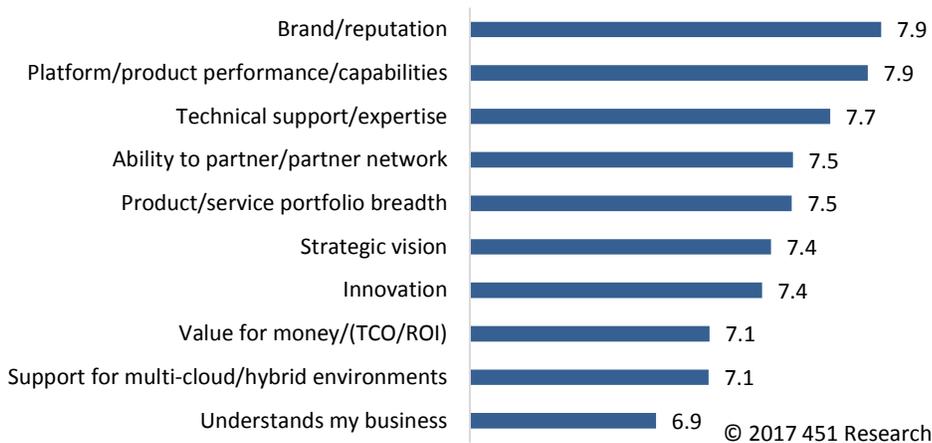
Thinking about the primary on-premises private cloud vendor and software/platform/technology stack your organization would like to work with, how important are the following attributes when making the decision/selection? (Mean)



Vendors Deliver on Brand and Platform. Respondents were asked to rate their vendors' ability to deliver on various attributes, where 0 is 'poor' and 10 is 'excellent.' Brand/reputation and platform/product performance/capabilities topped the list, followed closely by technical support.

On-Premises Private Cloud Attributes Delivery

How would you rate your on-premises private cloud software/platform/technology stack vendor on the following attributes, since you began your implementation?



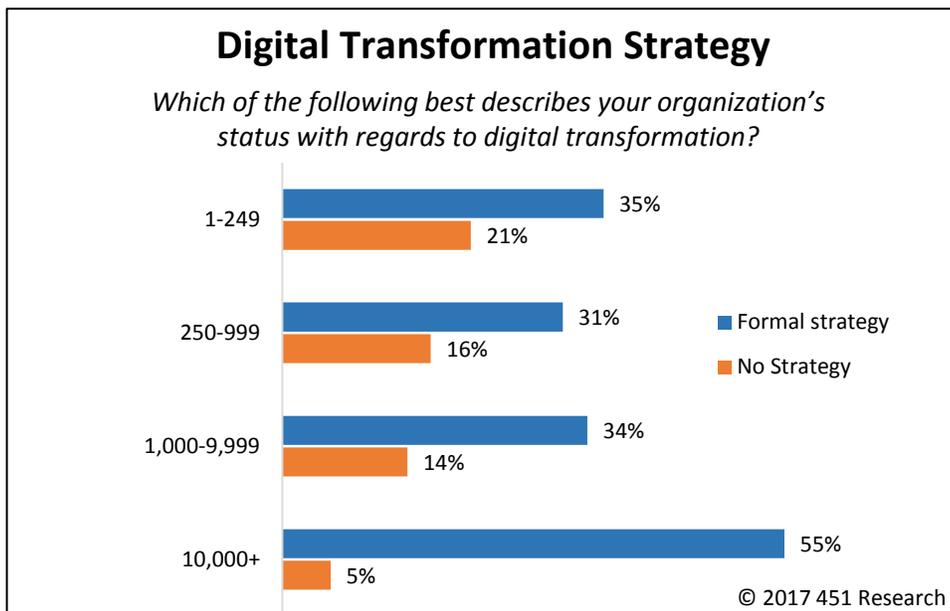
Digital Transformation

Ongoing digital transformation requires organizations of all sizes across all industries to adapt to changing expectations regarding business velocity, scale and operational flexibility. The inability to effectively implement and execute on business IT transformation could soon become a major stumbling block for some organizations, if they fail to remain relevant in the new digital economy.

Strategy in Place. Respondents were asked about whether they have any kind of digital transformation strategy in place, and only 38% said they have a formal strategy, while 15% said they have no digital transformation strategy.

<i>Which of the following best describes your organization's status with regards to digital transformation?</i>	
We have a formal strategy and are actively digitizing our business processes and/or assets	38%
We are in the planning stage and are researching to form our digital transformation strategy	28%
We are considering it, but have no formal plans	19%
We currently have no digital transformation strategy	15%

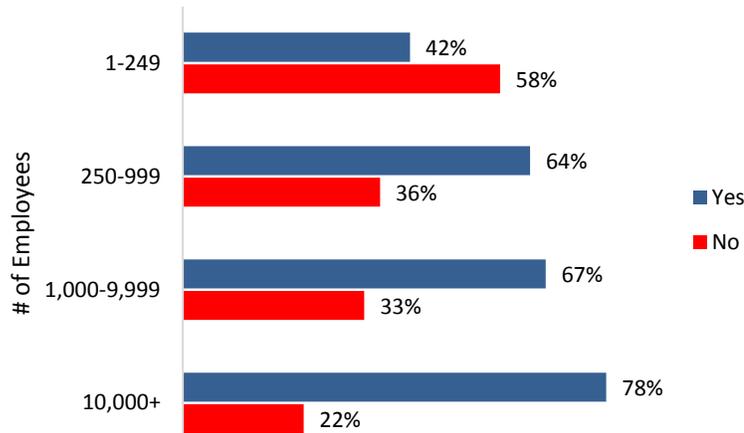
A closer look by company size at respondents with a formal strategy and those with no digital transformation strategy in place shows that more than half (55%) of very large organizations have a formal digital transformation strategy in place.



Larger Organizations Motivated. Very large organizations that have been in business for more than 20 years are facing the biggest challenges when it comes to making the transition to the digital economy. These companies typically have legacy systems that do not readily lend themselves to integration with newer technologies, yet represent critical components within the organization's core infrastructure. Consequently, it is no surprise that over three-quarters (78%) of very large organizations are already working on IT transformation initiatives.

Status of Digital Transformation

Is your organization currently undergoing an IT transformation initiative?



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Appendix: Definitions

<p>On-Premises Private Cloud</p>	<p>Infrastructure in a company's own datacenter(s) that is configured for resource pooling, automation and orchestration. May also include self-service, catalogs, metering and chargeback.</p>
<p>Hosted Private Cloud</p>	<p>Infrastructure deployed with a hosting provider but NOT shared with other customers, which is configured for resource pooling, automation and orchestration. May also include self-service, catalogs, metering and chargeback.</p>
<p>Public Cloud Infrastructure (IaaS)</p>	<p>Multi-tenant infrastructure that is shared with other customers. It is configured for resource pooling, automation and orchestration. May also include self-service, catalogs, metering and chargeback.</p>
<p>Software-as-a-Service (SaaS)</p>	<p>Finished business or consumer applications accessed over the internet. All aspects of the application are managed by the provider including security, availability, performance, development and maintenance.</p>
<p>Platform-as-a-Service (PaaS)</p>	<p>A hosted application development and deployment environment that typically includes a set of tools, libraries and services configured as a solution. This solution typically supports the entire application development lifecycle, including coding, testing, deployment, runtime, hosting and delivery.</p>