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F5 Cloud / Virtualisation Research

October 2010



In a nutshell

'Cloud Pleaser'

Cloud services are being adopted at a lightening pace across Europe. The nature of adoption is varied and few companies take entire applications to cloud environments. However, step-by-step there is an evident appetite for service based, pay-per-use IT

'Cloud Control'

An interesting new concern is the level of importance associated with managing cloud service and applications performance. Businesses seek the resource and cost advantages offered by cloud models and virtual servers, but they want to maintain control. The best of both worlds is sought.

'Cloud Safety'

Whilst security concerns are present, they appear to be a diligent concern, rather than wholesale barrier to adoption. Companies are sensitive about security across ALL IT deployments, cloud, virtual or otherwise.



Increasing importance of cloud services comes with management concerns

70%

agree “cloud services are becoming **more important to my organisation** as solutions to practical problems”

68%

say “our use of cloud services will **increase in the next 12 months**”

68%

agree that “having applications hosted by a third party presents new management challenges”

72%

agree that there is “an **increasing array of options** for the way our organisation manages IT delivery”

77%

would prefer to maintain full in-house control of cloud services

64%

say the “cost benefits of cloud can be reduced by poor management”



...and still some room for improvement



54%

say “cloud services are **confusing** as the term is unclear and represents lots of IT delivery options”

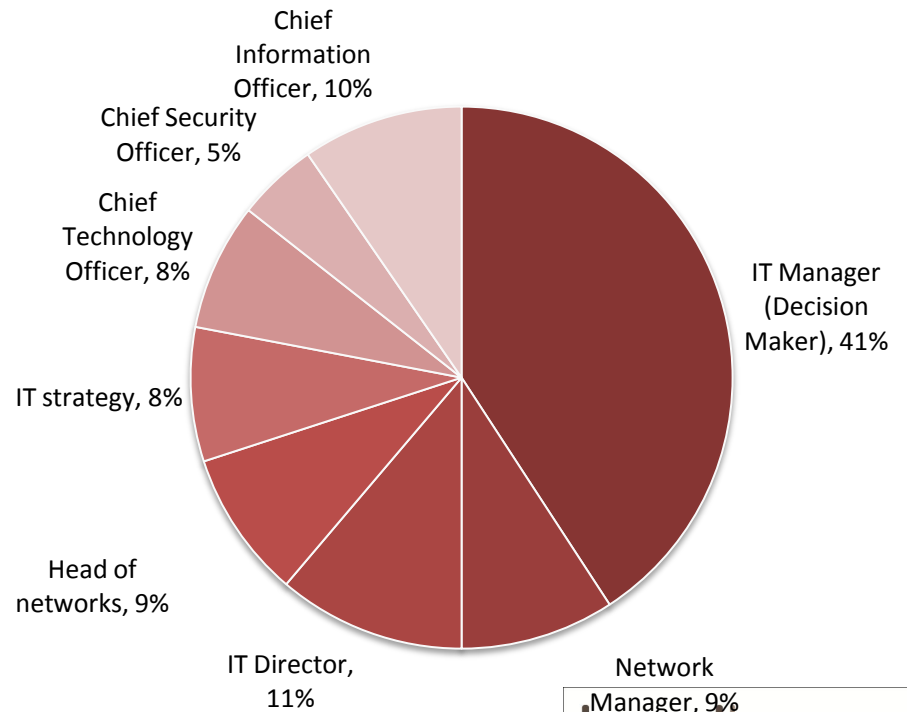
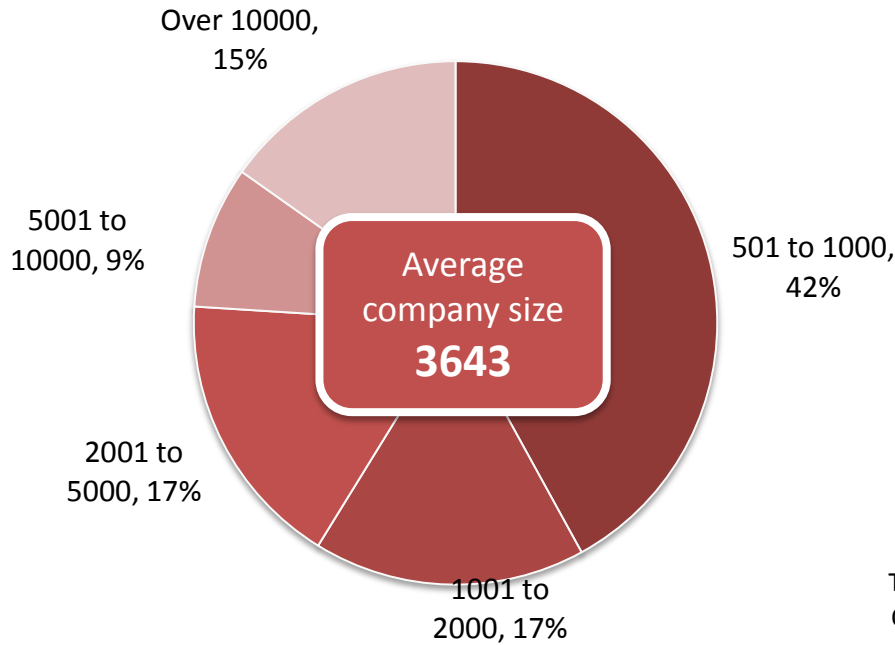


70%

agree that
“the full potential of cloud services has yet to be reached”



Company size / Job Function



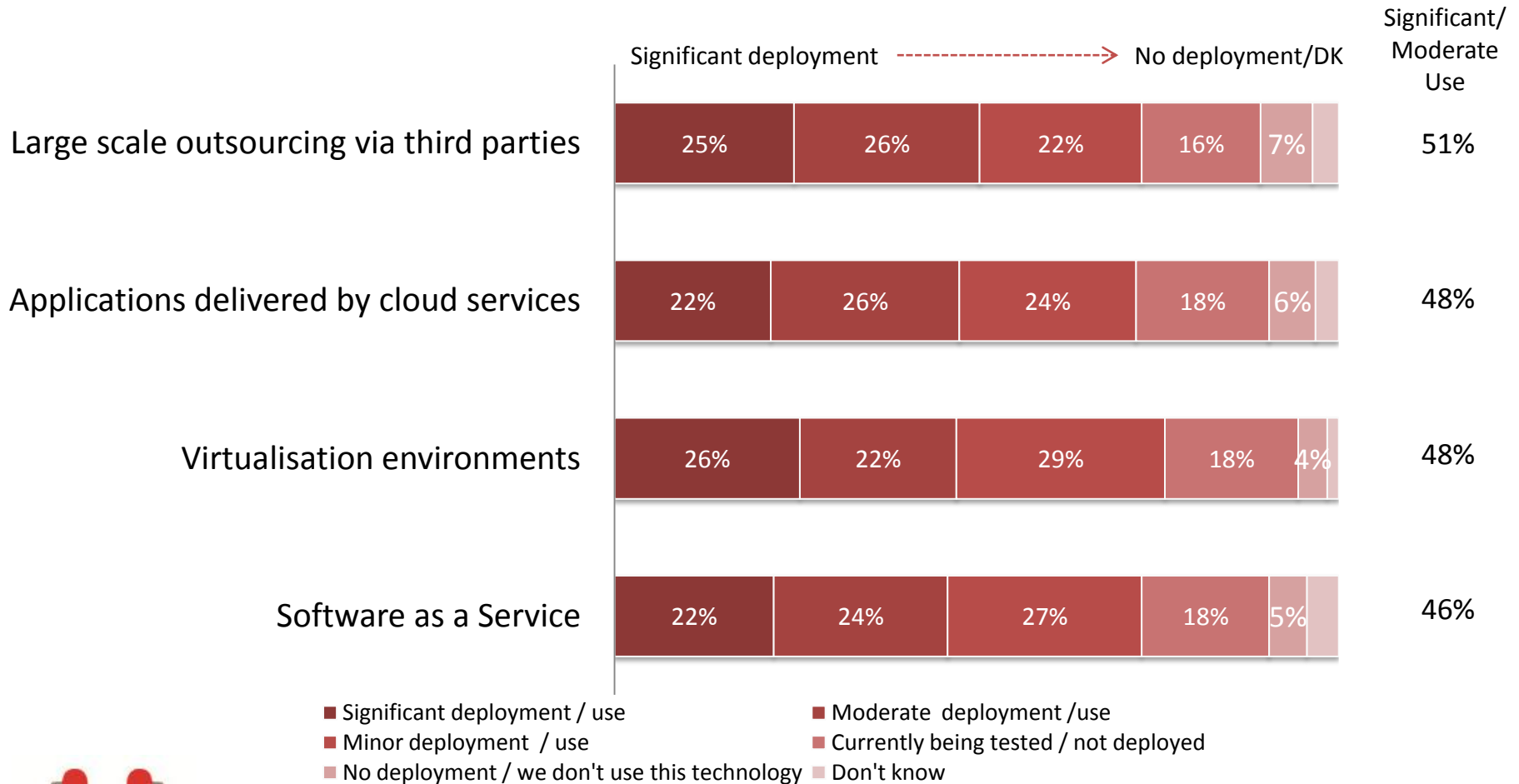
Q1 - How many people does your organisation employ?
Base: All (250)

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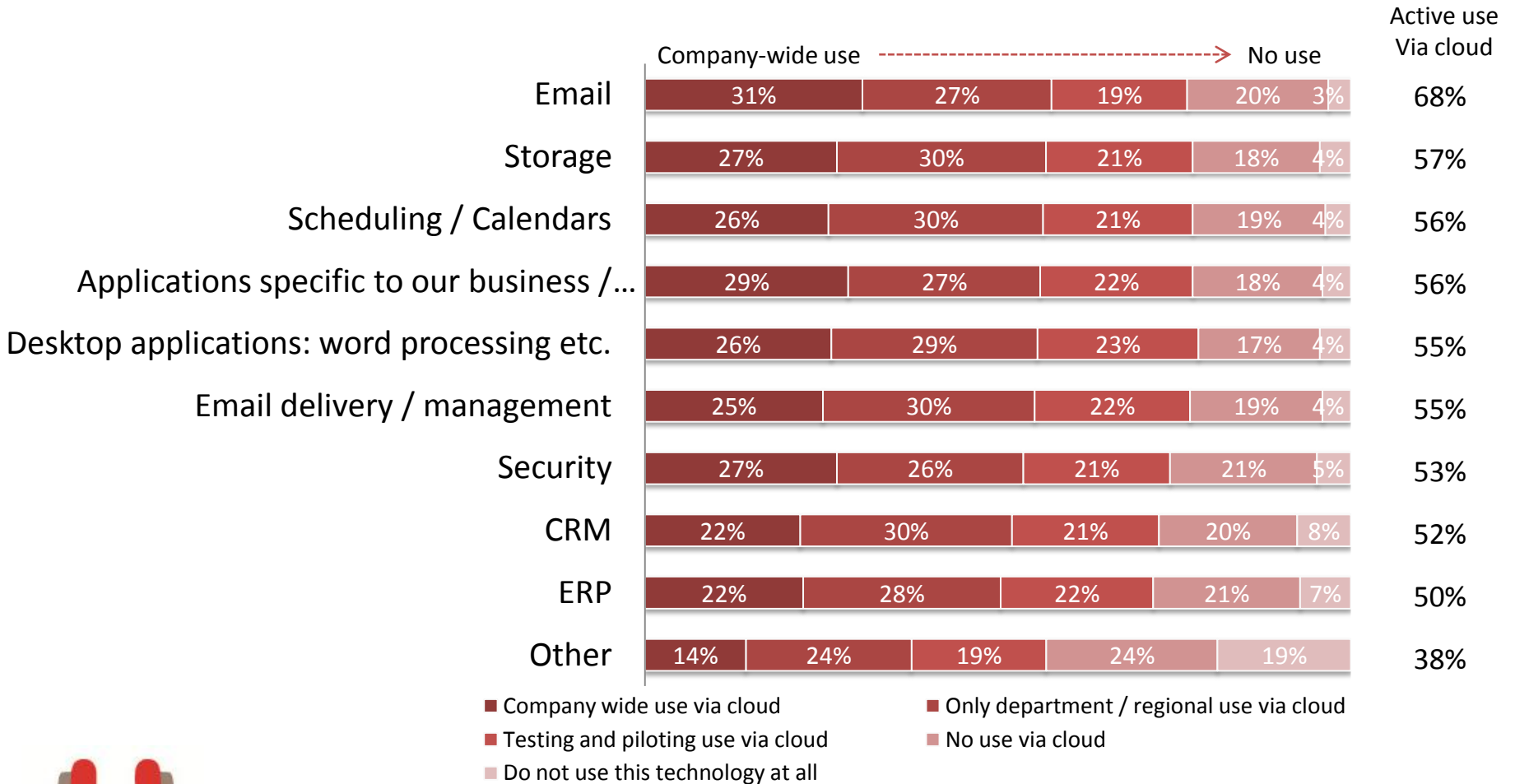
IT agility. Your way.

Most are at least experimenting with cloud/virtualisation solutions



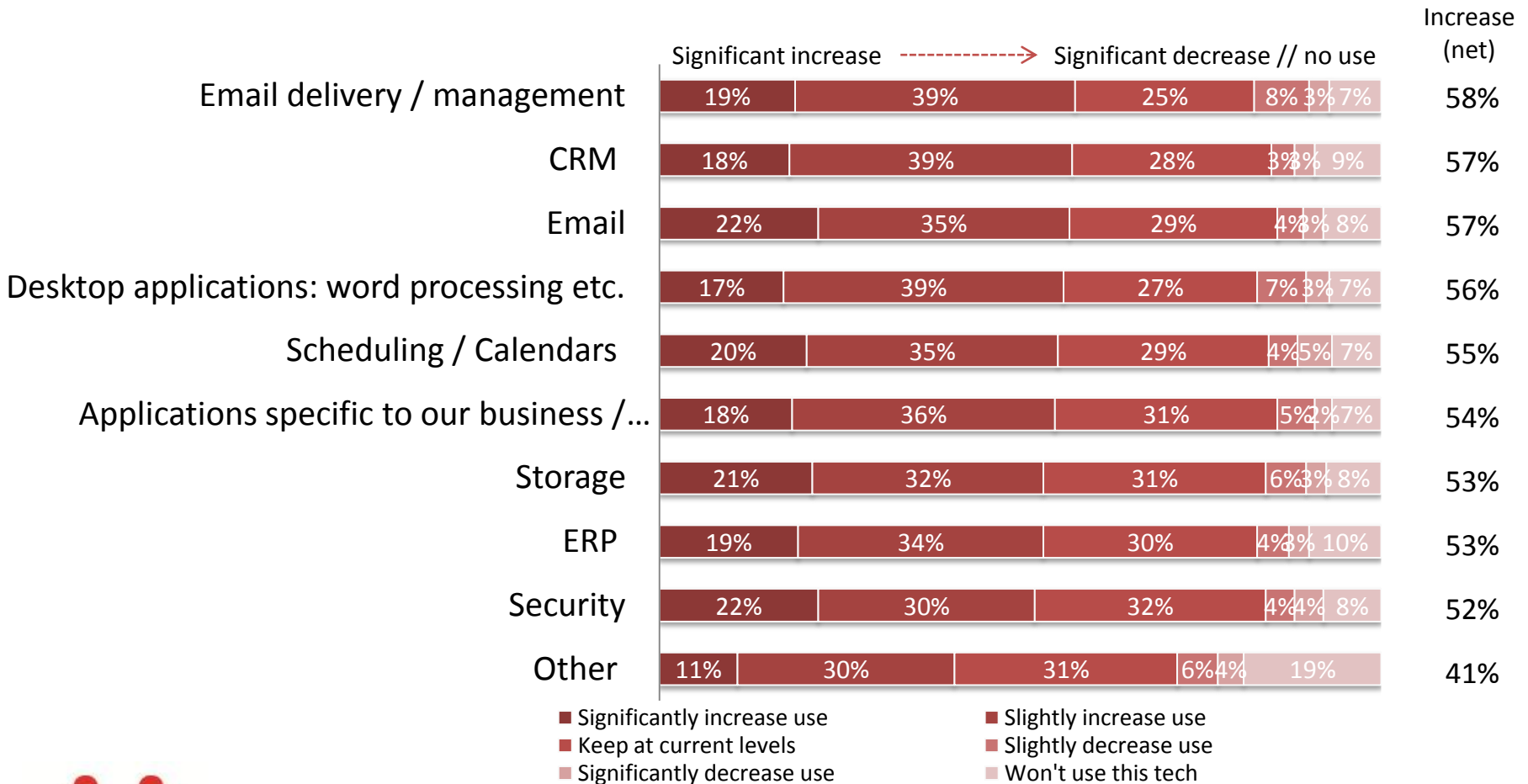
From the same list, which of the following technologies / services are deployed within your organisation?
Base: All (250)

Email is the most commonly used cloud service



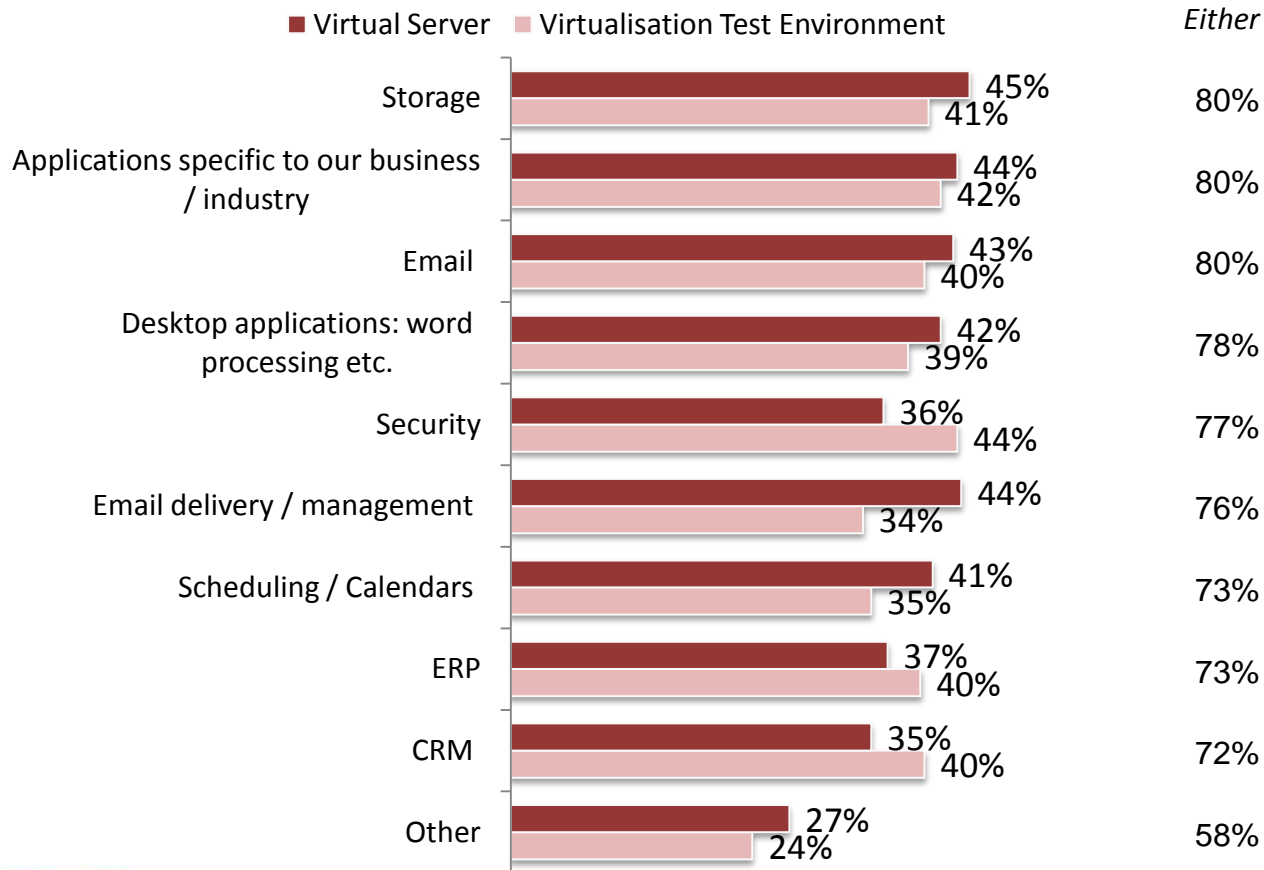
Q9 - In what ways does your company use cloud services or deploy applications via cloud computing, from the following options?
Base: All (250)

A majority expect to increase use of cloud in all areas over the next 2 years



Q11 - In what ways do you expect your company to change your use of cloud services or deployment applications via cloud computing over the next 12-24 months, from the following options? Base: All (250)

Large numbers are either using or testing virtualisation solutions

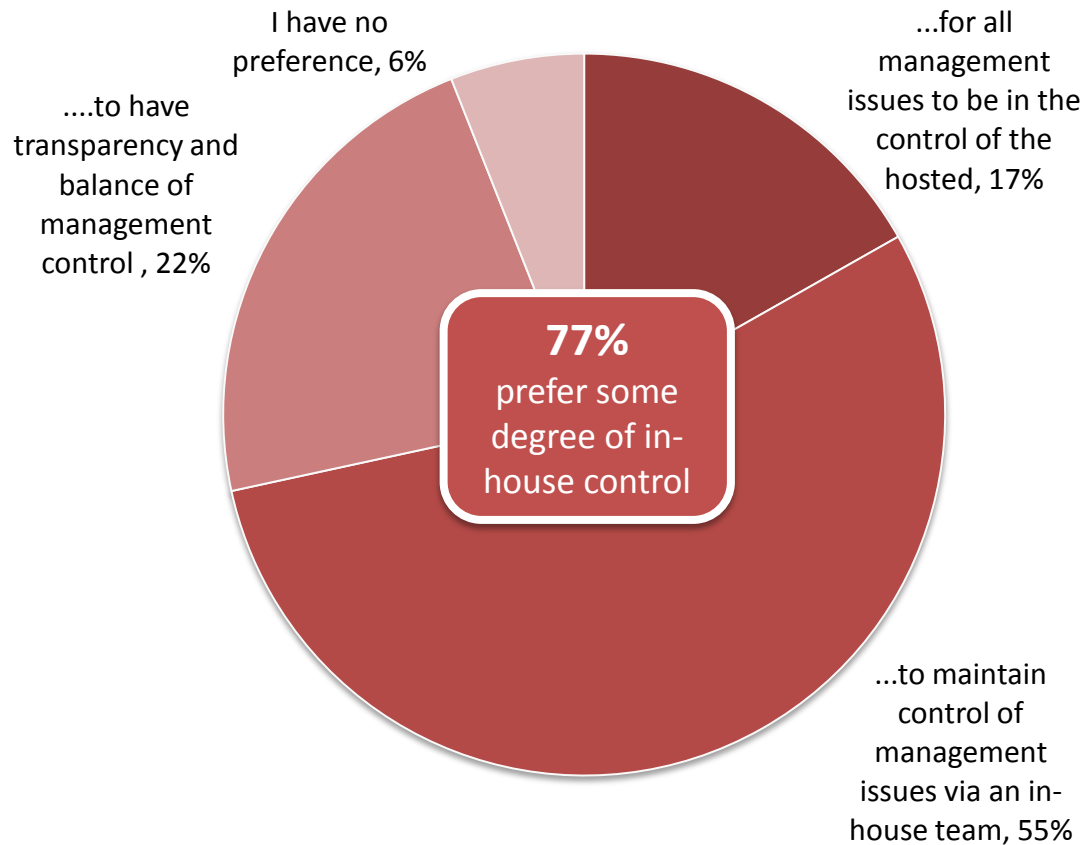


Q14 - For which of the following applications do you have virtualization environments deployed – i.e. apps are running on virtual servers, or using virtualization for testing? [Allowed to select both 'Virtual Server' AND 'Virtual Test Environment']
 Base: All (250)



Strong preference for in-house control of externally hosted applications

When applications are hosted externally, the preference is...



Q17 - What do you think is the most desirable solution to hosted application delivery?
Base: All (250)



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Challenges and concerns



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Security concerns around cloud

51%

agree “there is **resistance** to cloud services within the IT department because of concerns about IT security”

68%

agree that
“**security is an important concern for IT** whether the applications are managed in-house or hosted”

Password:

Login



...and specifically about surrendering control to a third party

68%

agree “having applications hosted by a third party presents **new management challenges** to our organisation”

52%

agree “**managing application performance is difficult** to control when handled by third party providers”

64%

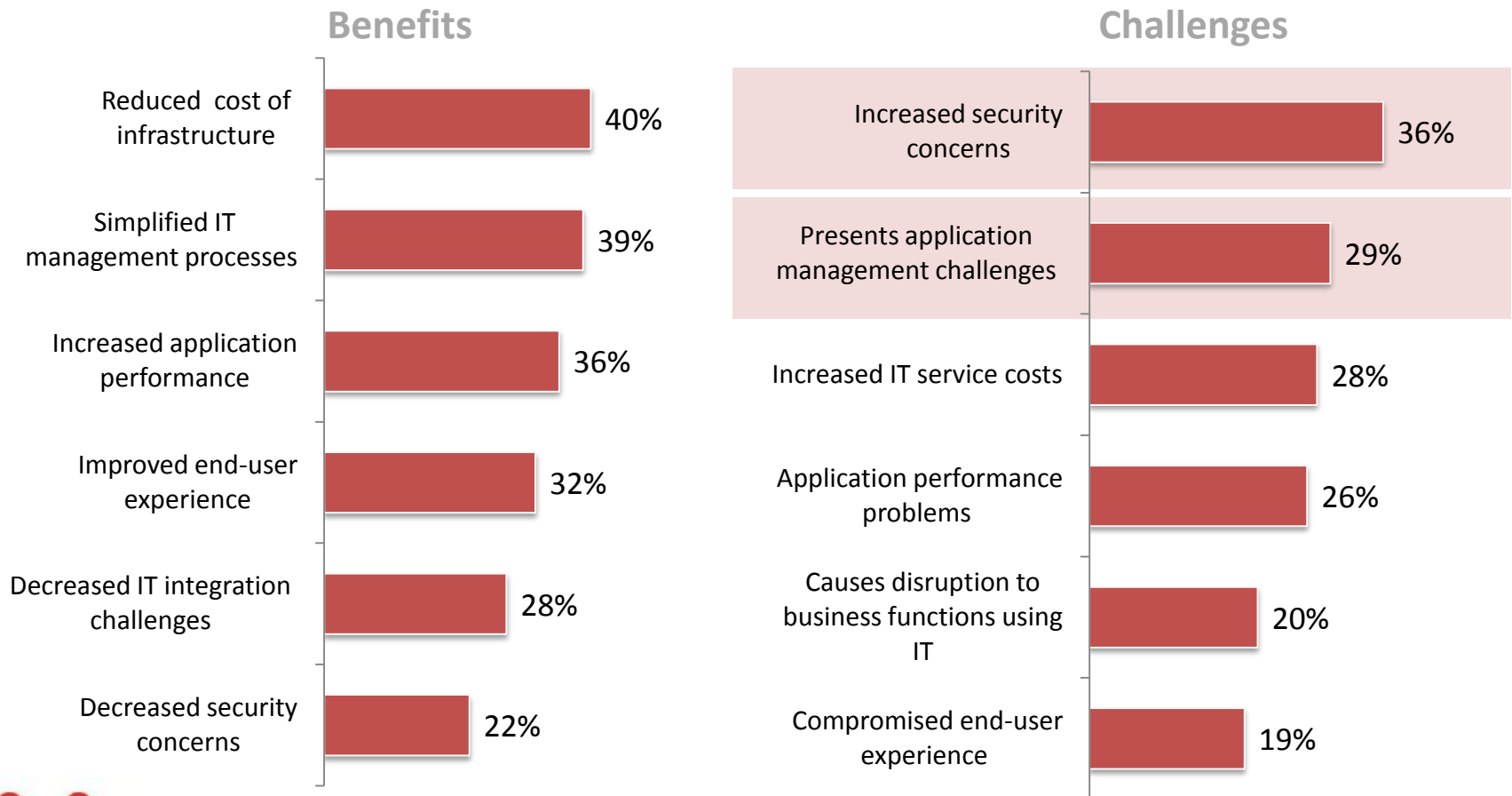
say “the **cost benefits of cloud services can be reduced** by poor management and failure to deliver on service level agreements”

66%

agree that “surrendering control of business critical applications to a third party creates **management concerns within the business**”



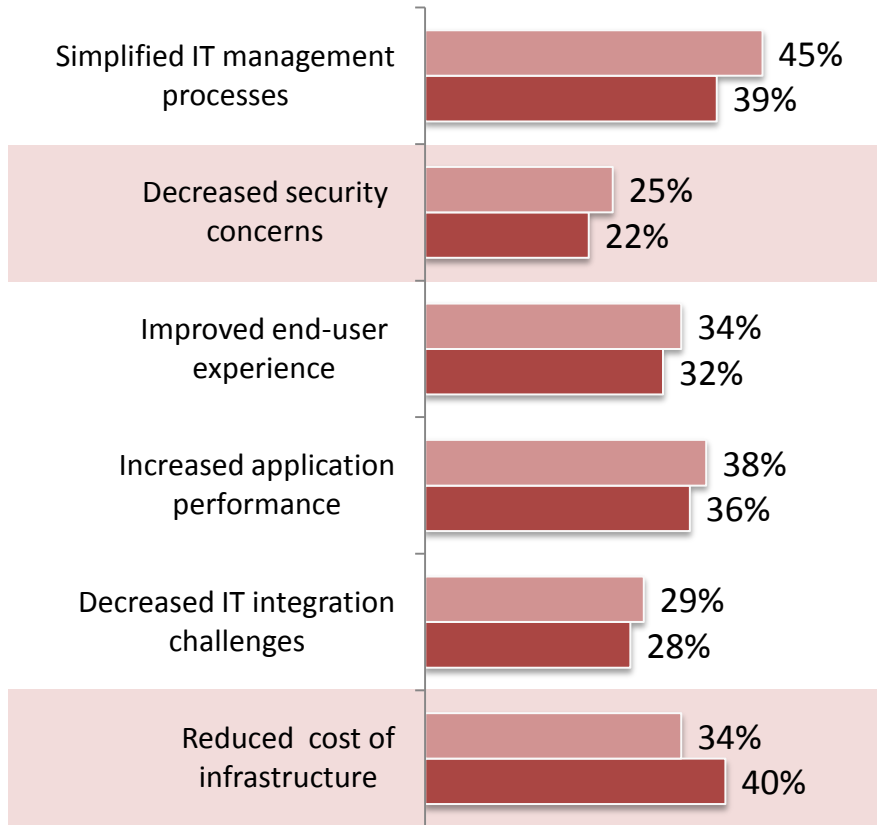
Cloud issues: cost and simplification benefits countered by increased security concerns



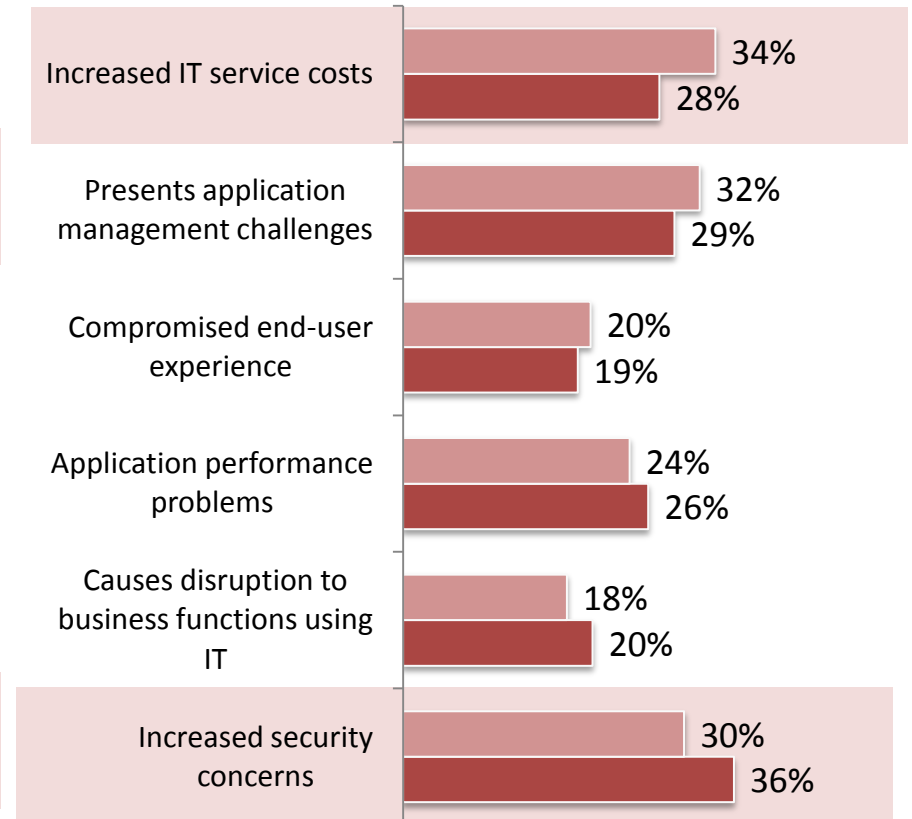
Q12 - Which of the following do you consider to be benefits of using cloud computing?
Q13 - Which of the following do you consider to be challenges of using cloud computing?
Base: All (250)

Cloud users are less likely to see security issues as an issue (but more likely to cite cost)

Benefits



Challenges

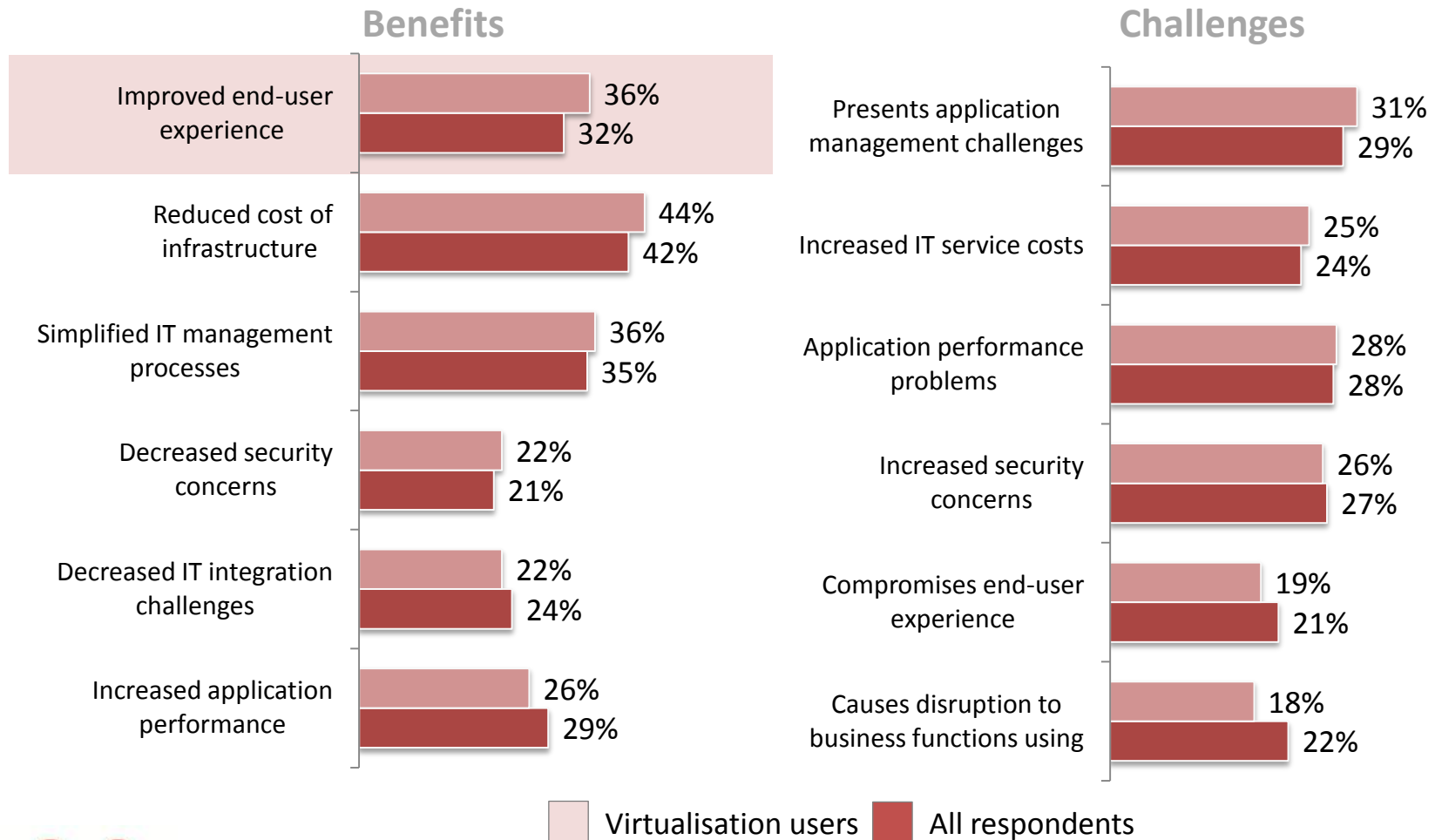


Cloud users

All respondents

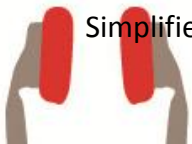
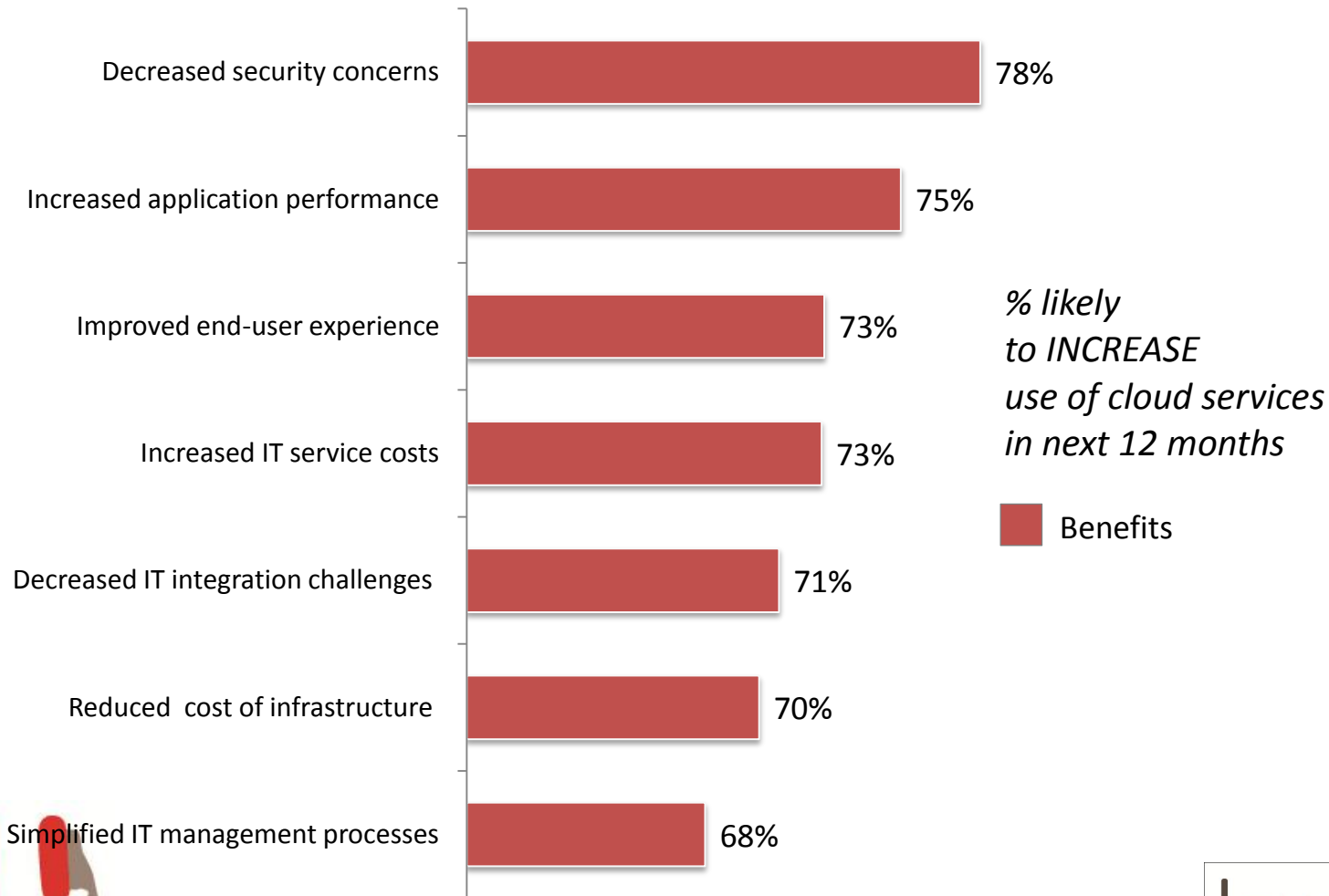
Q12 - Which of the following do you consider to be benefits of using cloud computing?
Q13 - Which of the following do you consider to be challenges of using cloud computing?
Base: All (250); Those with 'significant' or moderate' cloud use (119)

Current virtualisation users more likely to focus on improved end-user experience

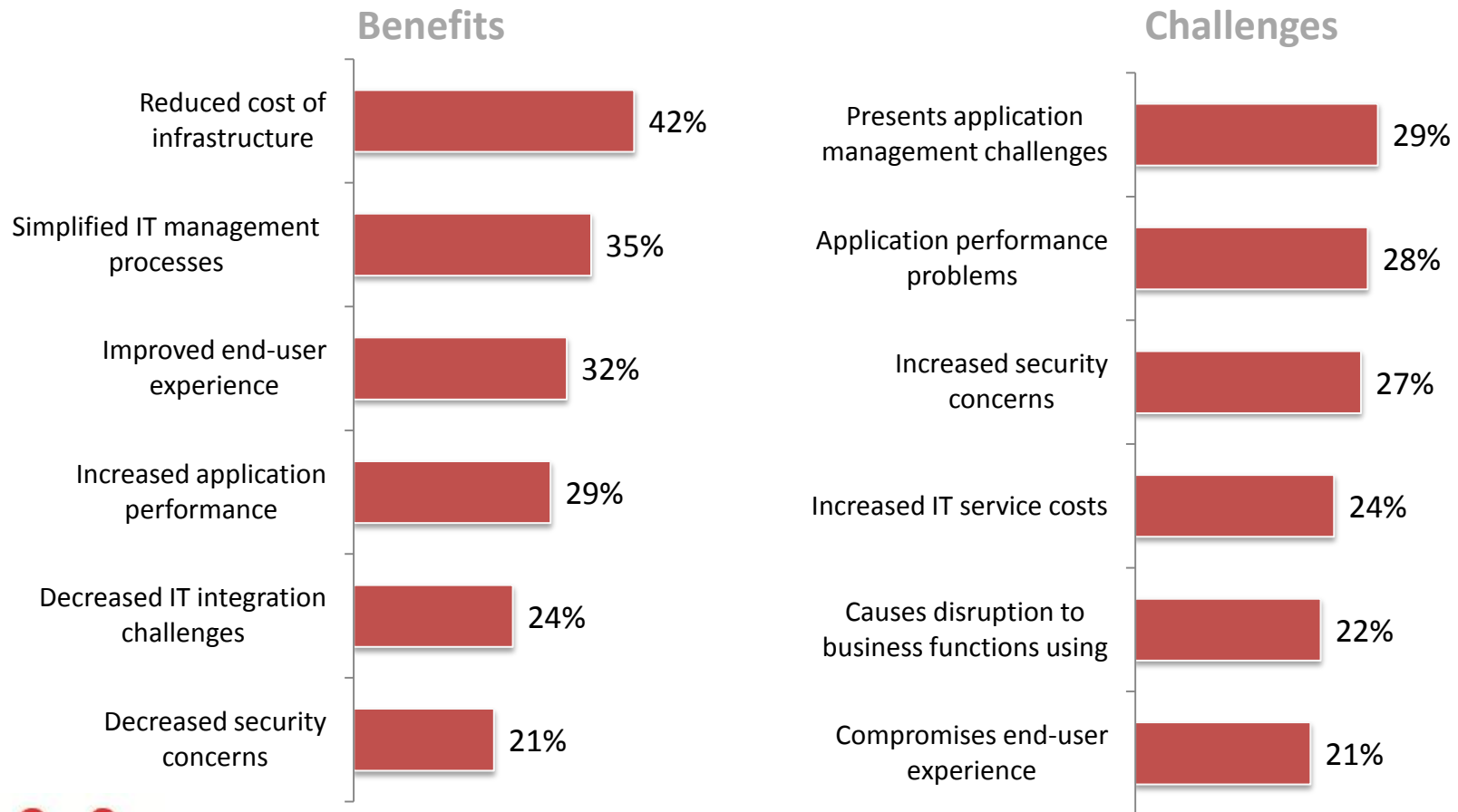


Q12 - Which of the following do you consider to be benefits of using cloud computing?
Q13 - Which of the following do you consider to be challenges of using cloud computing?
Base: All (250); Those with 'significant' or moderate' cloud use (118)

Those who see cloud as DECREASING security concerns are most likely to increase use of cloud services in next 12 months



Virtualisation benefits seen as similar to cloud, but wider range of concerns – less security-centric



Q15 - Which of the following do you consider to be benefits of using virtualization?
Q16 - Which of the following do you consider to be challenges of using virtualization?
Base: All (250)

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Regional differences



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Germany: confident and leading the way

- **Highest active use of all services** (Virtualisation 64% vs 47%; SaaS 54% vs 46%; Cloud 62% vs 48%)
- **Less likely to see security as a concern** overall (56% vs 68%) or see resistance from IT due to security concerns (44% vs 56%)
- Notably more likely to use cloud services for desktop apps (66% vs 56%) and CRM (60% vs 52%)
- More likely to use virtualisation services for a wide range of business functions
- Polarised (more opinionated?) view of hosted service control: more prefer exclusively in-house control than average (62% vs 55%), but more also prefer surrendering control entirely (22% vs 17%)
- More likely to name **benefits of cloud services**, especially 'simplified IT management processes' (52% vs 39%) and 'increased application performance' (42% vs 32%)
- Most likely to see 'increased IT service costs' as the main drawback of cloud (38% vs 28%)



France: a more complex picture

- More likely to agree that **'the full potential of cloud services has yet to be realised by my organisation'** (64% vs 54%)
- ..but more likely to **actively use cloud** for a range of business functions, especially storage (70% vs 57%), Scheduling (66% vs 56%) and ERP (60% vs 50%)
- **More concerned about security**, especially managing application performance when handled by **third parties** (68% vs 52%), and also more likely to believe surrendering control creates management concerns (74% vs 66%)
- ...but more likely to have faith in **Service Level Agreements** for removing IT management concerns (64% vs 46%)
- More likely to list most benefits of cloud computing, but particularly worried about 'application management challenges' (44% vs 29%) - similar story with virtualisation.



Spain: moving forward, with caution

- More likely to see an **increase in use of cloud** in next 12 months (74% vs 68%)
- More likely to see **security** as a challenge of cloud (44% vs 36%)
- More likely to see management concerns when surrendering control of business critical apps to a **third party** (76% vs 66%)
- More likely to seek a **balance of control** in hosted application delivery (30% vs 22%)
- More likely to have concerns about cloud use at a **company-wide** rather than departmental level (66% vs 57%)
- More likely than average to use cloud for storage (62% vs 57%) and email management (60% vs 55%)
- Lower adoption of virtualisation (36% vs 47%) and SaaS (40% vs 46%) but equivalent use of cloud services



UK: lower uptake and greater scepticism

- **Lower adoption** of cloud services (36% vs 48%) and SaaS (40% vs 46%)
- Generally **lower use** of cloud and virtualisation services in all areas of the business
- More likely to see cloud services as **confusing** (72% vs 66%) but also more likely to say they are becoming more important (78% vs 70%)
- **More concerned about security** overall (74% vs 68%) and more likely to see resistance in the IT department as a result (60% vs 52%)
- More likely to view 'application performance problems' as a challenge of cloud computing (36% vs 26%) and virtualisation (42% vs 28%)



Italy: holding back slightly

- Slightly lower use of virtualisation (42% vs 47%) and cloud (44% vs 48%)
- Less likely to see cloud services becoming more important to their organisation (56% vs 70%)
- Less likely to use cloud in many areas, especially storage (38% vs 57%)
- ...but more likely to use or be testing **virtualisation** in some specific areas, such as email (92% vs 80%)
- More likely to see **security** as an overall concern (74% vs 68%)



Higher levels of adoption in Germany

% "Significant" or "Moderate" Deployment

	Total	UK	Spain	Germany	France	Italy
Large scale outsourcing via third parties	50%	56%	42%	54%	44%	56%
Virtualisation environments	47%	50%	36%	64%	44%	42%
Software as a Service	46%	40%	40%	54%	48%	48%
Applications delivered by cloud services	48%	36%	48%	62%	48%	44%



From the same list, which of the following technologies / services are deployed within your organisation?
Base: All in each country (50 per country)

Attitude statements by country

% agree (net)

	Total	UK	Spain	Germany	France	Italy
There is an increasing array of options for the way that our organization manages IT delivery	72%	70%	70%	74%	74%	74%
Cloud services are becoming more important to our organization as practical solutions to IT challenges	70%	78%	74%	74%	68%	56%
Cloud services are recognized as a credible option for IT delivery across our organization -	70%	70%	64%	74%	66%	74%
Our use of cloud services will increase in the next 12 months	68%	64%	74%	70%	70%	64%
Cloud services are confusing as the term is unclear and represents lots of different types of IT delivery options	66%	72%	62%	64%	66%	64%
Cloud services work well as group level and testing environments, but are not suitable for company-wide use	57%	52%	66%	54%	58%	54%
The full potential of cloud capabilities has yet to be realized by my organization	54%	58%	48%	50%	64%	52%



Q5 - To what extent do you agree with each of the following statements?
Base: All in each country (50 per country)

Use of cloud services by country

% Active use of cloud

	Total	UK	Spain	Germany	France	Italy
Email	58%	54%	62%	56%	62%	54%
Storage	57%	52%	62%	62%	70%	38%
Scheduling / Calendars	56%	52%	58%	54%	66%	52%
Applications specific to our business / industry	56%	60%	54%	56%	58%	52%
Desktop applications: word processing etc.	56%	50%	54%	66%	62%	46%
Email delivery / management	55%	54%	60%	62%	54%	46%
Security	54%	52%	56%	52%	54%	54%
CRM	52%	42%	52%	60%	60%	46%
ERP	50%	50%	48%	48%	60%	46%
Other	38%	44%	40%	46%	26%	34%



Q9 - In what ways does your company use cloud services or deploy applications via cloud computing, from the following options?
Base: All in each country (50 per country)

Use of virtualisation services by country

% Using Virtual Server or Virtualisation Testing Environment

	Total	UK	Spain	Germany	France	Italy
Applications specific to our business / industry	80%	76%	82%	86%	76%	82%
Storage	80%	78%	82%	84%	72%	86%
Email	80%	70%	72%	88%	76%	92%
Desktop applications: word processing etc.	78%	66%	74%	82%	82%	84%
Security	77%	72%	78%	76%	76%	84%
Email delivery / management	76%	70%	74%	86%	72%	76%
Scheduling / Calendars	73%	70%	72%	82%	72%	70%
ERP	73%	66%	68%	80%	72%	80%
CRM	72%	66%	72%	78%	70%	74%
Other	58%	58%	58%	64%	62%	48%



Q14 - For which of the following applications do you have virtualization environments deployed – i.e. apps are running on virtual servers, or using virtualization for testing? [Allowed to select both 'Virtual Server' AND 'Virtual Test Environment']
Base: All in each country (50 per country)

France, UK and Italy are more concerned about security

% Agree with First statement

	Total	UK	Spain	Germany	France	Italy
Security is an important concern for IT whether the applications are managed in-house or hosted	68%	74%	56%	60%	76%	74%
Managing application performance is difficult to control when handled by a third party providers	52%	50%	42%	48%	68%	54%
There is resistance to cloud services within the IT department because of concerns about IT security	52%	60%	50%	44%	52%	52%
Service Level Agreements remove all IT management concerns when hosting applications via a third party	46%	46%	34%	40%	64%	48%



Q8 - For each pair, please tick the box that best describes where you stand on the scale
Base: All in each country (50 per country)

Control preferences by country

	Total	UK	Spain	Germany	France	Italy
...for all management issues to be in the control of the hosted	17%	18%	14%	22%	12%	18%
... to maintain control of management issues via an in-house team	55%	52%	52%	62%	54%	54%
...to have transparency and balance of management control	22%	20%	30%	12%	26%	24%
I have no preference	6%	10%	4%	4%	8%	4%



Q17 - What do you think is the most desirable solution to hosted application delivery?
Base: All in each country (50 per country)

Agreement by country

% agree (net)

	Total	UK	Spain	Germany	France	Italy
Having applications hosted via a third party presents new management challenges for our organization	68%	66%	76%	66%	68%	64%
Surrendering control of business critical applications to a third party creates management concerns within the business	66%	60%	76%	62%	74%	56%
The cost benefits of cloud services can be reduced by poor management and failure to deliver to Service Level Agreements	64%	64%	66%	68%	66%	58%
Cloud services and hosted applications can manage application performance challenges created by remote users and VPNs mo	60%	60%	60%	62%	62%	56%
Managing cloud services is made more complex when dealing with remote users and VPNs	56%	44%	58%	68%	50%	62%



Q18 - To what extent do you agree with each of the following statements?
Base: All in each country (50 per country)

Cloud benefits and challenges by country

% Selected as a benefit

	Total	UK	Spain	Germany	France	Italy
Reduced cost of infrastructure	40%	40%	36%	32%	46%	48%
Simplified IT management processes	39%	30%	34%	52%	42%	38%
Increased application performance	36%	32%	38%	42%	34%	32%
Improved end-user experience	32%	34%	32%	32%	34%	28%
Decreased IT integration challenges	28%	26%	16%	28%	38%	30%
Decreased security concerns	22%	18%	20%	20%	28%	24%

% Selected as a challenge

	Total	UK	Spain	Germany	France	Italy
Increased security concerns	36%	40%	44%	40%	28%	26%
Presents application management challenges	29%	28%	34%	12%	44%	28%
Increased IT service costs	28%	22%	18%	38%	30%	30%
Application performance problems	26%	36%	24%	20%	30%	22%
Causes disruption to business functions using IT	20%	18%	20%	18%	22%	24%
Compromised end-user experience	19%	28%	10%	22%	24%	10%



Q12 - Which of the following do you consider to be benefits of using cloud computing?
 Q13 - Which of the following do you consider to be challenges of using cloud computing?
 Base: All in each country (50 per country)

Virtualisation benefits and challenges by country

% Selected as a benefit

	Total	UK	Spain	Germany	France	Italy
Reduced cost of infrastructure	42%	44%	40%	38%	50%	36%
Simplified IT management processes	35%	34%	30%	36%	40%	36%
Improved end-user experience	32%	38%	36%	38%	26%	20%
Increased application performance	29%	22%	32%	32%	30%	30%
Decreased IT integration challenges	24%	24%	12%	18%	28%	36%
Decreased security concerns	21%	22%	16%	14%	28%	24%

% Selected as a challenge

	Total	UK	Spain	Germany	France	Italy
Presents application management challenges	29%	26%	34%	36%	24%	24%
Application performance problems	28%	42%	18%	18%	40%	20%
Increased security concerns	27%	18%	24%	38%	26%	28%
Increased IT service costs	24%	34%	14%	20%	24%	26%
Causes disruption to business functions using	22%	14%	32%	18%	26%	20%
Compromises end-user experience	21%	14%	22%	18%	32%	18%



Q15 - Which of the following do you consider to be benefits of using virtualization?
 Q16 - Which of the following do you consider to be challenges of using virtualization?
 Base: All in each country (50 per country)

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