

# THE CLOUD OR BUST:

Why your competition's IT is leaving the nest for more agility in the cloud



*The issue is no longer the technology, but an evolving IT culture that won't stick around to see on-premises deployments gather dust...*

# Table of Contents

---

Introduction	3-5
Why Businesses Stay On-Premises	6
Breaking Down Those Concerns	7-8
The Direction IT is Heading	9-12
What is Leading IT to the Cloud?	13-16
What is Keeping IT from the Cloud?	17-18
The Different Types of Cloud	19
All Signs Point to the Hybrid Model	21
What Should IT Outsource?	22
What Can Hosting Providers Help With?	23
Conclusion	24-25

# why does this eBook exist?

---

## READ THIS BEFORE GOING ANY FURTHER:

This eBook exists because the Cloud still strikes fear in the heart of man.

*And not just your grandparent-types who have trouble figuring out the remote control - we're talking about the IT managers, directors, decision makers and C-levels who want to **move their business forward** but still have their feet stuck in the mud.*

This eBook shows why shrugging off the Cloud and refusing to harness its benefits will stymie your growth and begin widening the gap with your competitors. Like a person boasting all they'll ever need is their Nokia phone from 2001, or a business that laughs at social media and says 'not for me', *it will make you a dinosaur!*



# where do we get our stats?

---

## THE EVIDENCE OF THE CLOUD FORMING

Just type “cloud stats” into your favorite search engine and watch a myriad of “pro cloud” results appear and confirm an upward trend and bright future for the cloud.

This eBook will feature a few findings from famed research analyst firm, Gartner, as well as focus intently on an exhaustive study by Savvis for their [IT Global Trends September 2013](#) report while also nitpicking from [North Bridge’s Future of Cloud Computing Survey](#).

*Each resource is a titan of the industry, all are current reports and all point in the same direction... up.*





# in the next 5 years, 70% of all IT infrastructures will be outsourced

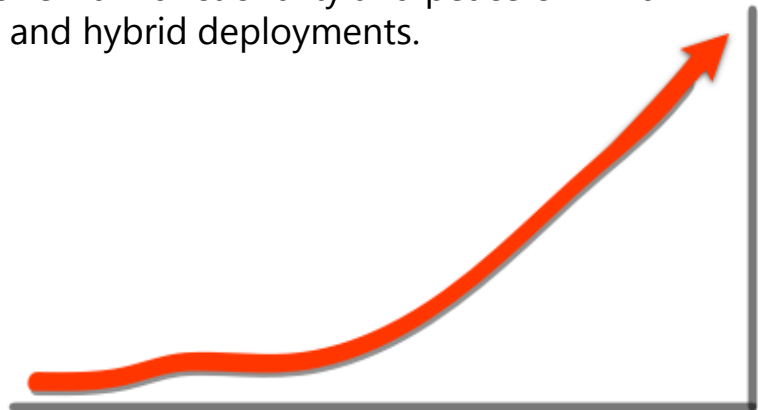
---

## STARTING OFF WITH A CRAZY STATISTIC!

*Savvis's IT Global Report, September 2013* leads with this astounding statistic. IT is focusing on innovation and growth and it's leading them in one direction: the Cloud.

But they're not just diving headfirst into the cloud. Many businesses are getting their toes wet with 'hybrid' IT infrastructures that harness on-premises *and* cloud solutions.

In the last handful of years, Cloud technology has ironed out security, availability and control issues that made decision-makers grimace in the past and can now offer full functionality and peace of mind through private clouds and hybrid deployments.





# then, why do businesses stay on-premises?

---

Adoption of the cloud is still a relatively new concept, and drastic technological advances in the workplace are not done overnight:

## 5 REASONS BUSINESSES STAY IN-HOUSE:

- 1. Tradition:** For some, it's all they know. The *'if it ain't broke, don't fix it'* mentality is reason enough for most IT teams.
- 2. Security:** A false sense of security abounds behind their business doors. The perception is that if they can see it, it's safe.
- 3. Control:** They don't want their data 'hijacked' by hosting providers. They want to customize their servers as they see fit.
- 4. No contract:** Who wants to be attached to long contractual obligations?
- 5. We already have IT:** Why hire a provider and use their team when you've got a perfectly capable one in house?

*Now, let's address each of these concerns, one by one...*



# breaking down your on-premises concerns

---



## •Tradition:

The 'if it ain't broke, don't fix it' mentality isn't relevant here. No one is saying that your infrastructure is broke – we're saying that it is stagnant – incapable of moving with the latest advancements –decreasing your agility to compete for your share of the market.



## •Security:

Unless you are a major enterprise with an ever-evolving, state-of-the-art datacenter, there is no way your [security](#) is stronger than what hosting companies can employ thanks to shared costs.



## •Control:

It's easier than you think to [retain control of your data](#). It can be outlined in the contract, and the private cloud model lets you keep total server control and allows unlimited customizations. Basically full parity with an on-premises deployment.



# breaking down your on-premises concerns (cont.)

---



## •No contract:

Contracts can be flexible and help you [manage a budget](#) easily since you no longer have to worry about replacing broken equipment, upgrading software, handling licensing, maintenance and more. Just find the terms that work for your business.



## •We already have IT:

Your IT staff likely spends all of their time troubleshooting issues and maintaining and supporting a technology that isn't their main center of expertise. Outsourcing leaves it to the [experts](#) so your staff can refocus their efforts on innovation.

*The 'we will stay in-house forever' argument is falling apart. Businesses are forced to consider an environment that involves the cloud or begin fading gently into the night...*

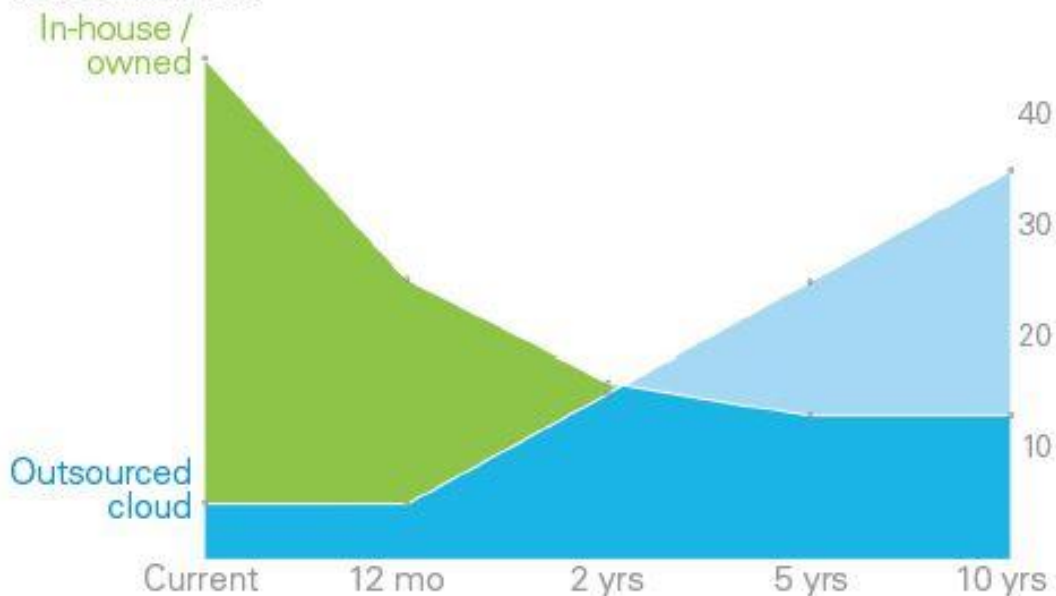




# a clear direction for the future of IT

Growing dominance of outsourced cloud over in-house owned IT infrastructures

BASE: ALL RESPONDENTS



From Savvis Global IT Report, September 2013: Dominance of Outsourced Cloud

On-premises infrastructures may make up the majority of enterprise deployments at the moment, but that trend is shifting.

Expect [hybrid](#) and [private clouds](#) to take over almost completely as the infrastructure of choice in the next five years.



## backed up Gartner research

---



The famed analyst firm, Gartner, predicts that the worldwide market for cloud computing will grow 18.5% this year to \$131 billion. Companies want cheaper more agile IT resources to help achieve business initiatives and the Cloud delivers.

Gartner analysts also confirm that security concerns are disappearing as reports surface of small and midsize businesses actually improving their security with cloud services.

*More and more IT teams are moving from the denial stage to the acceptance stage...*

---

“The use of cloud computing is growing, and by 2016 this growth will increase to become the bulk of new IT spend.”

- Gartner

---

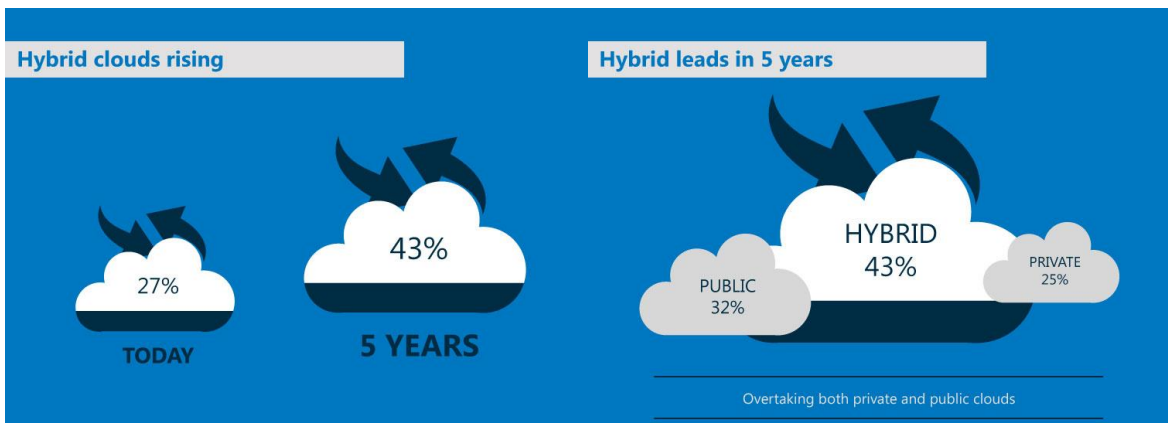
# the *Future of Cloud Computing* 2013 Survey confirms as well

North Bridge and GigaOM Research surveyed 855 IT decision makers and C-levels to analyze their Cloud adoption and growth.

The survey confirmed that businesses have embraced the cloud and in five years, according to continued growth expectations, it will be the norm in IT deployments all over the world.

In addition, 68% of respondents believe the cloud will bring equal or better total cost of ownership to the organization.

“76% of respondents expect hybrid clouds to be the core of their cloud strategies within the next five years..”



From Future of Cloud Computing 2013 Survey: Hybrid Cloud Rising



# a cloud is forming over traditional IT teams

Almost every company uses the Cloud at least in some capacity, whether that be for storage or hosting small applications.

## Applications deemed suitable for the outsourced cloud today

BASE: RESPONDENTS WHOSE ORGANIZATION HAS NOT ALREADY OUTSOURCED ALL ELEMENTS OF THEIR IT INFRASTRUCTURE

	TOTAL
Email	58%
Website and microsite	47%
Intranet	42%
Security (Firewall, AVAS, Content Filtering)	33%
Customer relationship management (CRM)	31%
Mobile applications	27%
Supply chain management (SCM)	27%
Enterprise resource planning (ERP)	26%
Finance applications	25%
Telecom (virtual PBX, conferencing, fax)	23%
BASE	449

From Savvis Global IT Report, September 2013: Applications Being Outsourced

68% of enterprises using the cloud,  
implemented it in the last year

# what's leading IT to the cloud?

---

IT is finding out that the benefits are real. *And they're spectacular.* Cost still reigns supreme among advantages of the Cloud, but these days, there's a lot more where that comes from...

**Cost, quality and scalability drive outsourcing**  
BASE: ALL RESPONDENTS

	TOTAL
Cost reduction or containment	42%
Improved quality of service	36%
Infrastructure scalability and flexibility	35%
Reduced administration time	30%
Enhanced security	29%
High and flexible service level agreements	29%
Access to best of breed technologies	23%
Faster time-to-market	18%
Environment considerations	17%
Ease-of-provisioning	16%
Future-proofing infrastructure	13%
Ability to more quickly leverage innovative platforms	13%
<b>BASE</b>	<b>550</b>

From Savvis Global IT Report, September 2013: What Drives IT Outsourcing?

---

Not surprisingly, companies that have higher growth rates use more managed services than companies with lower growth rates.

---

# zeroing in on cost savings

Organizations want cost savings they can see and feel – and the cloud is delivering! The cloud is driving revenue with the agility it brings to your IT team and satisfying the budget with savings across the board.

## Cost savings achieved through outsourcing are growing

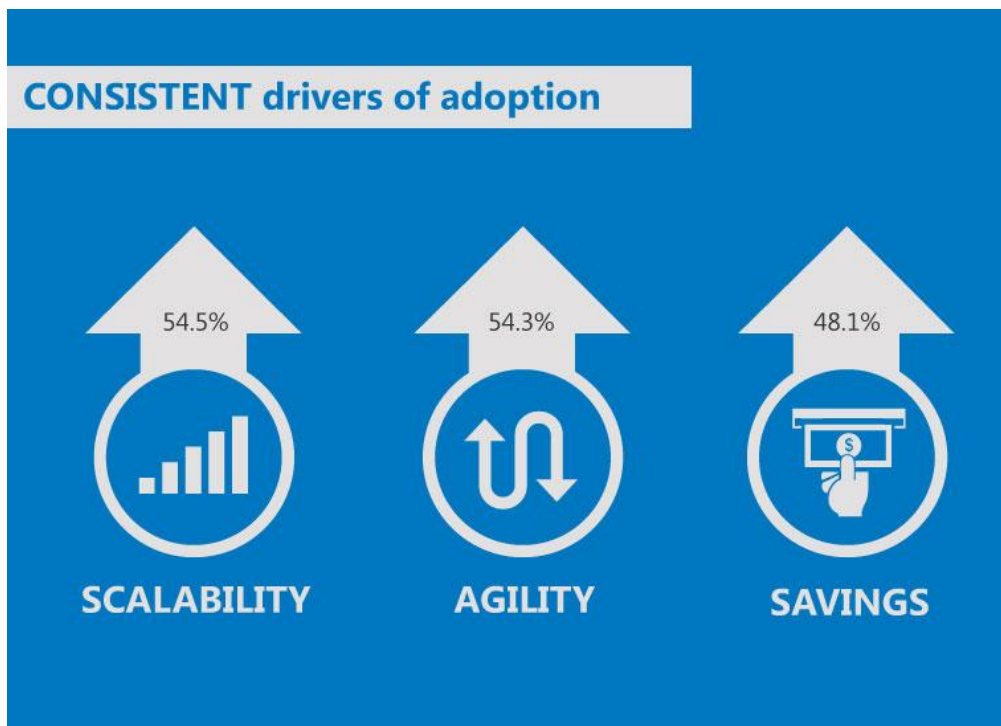
BASE: ALL RESPONDENTS	CURRENTLY SAVING	SAVE WITHIN 2 YEARS	SAVE WITHIN 5 YEARS
Nothing	18%	6%	5%
Less than 10%	40%	18%	11%
Between 10% and 20%	29%	39%	33%
Between 20% and 35%	10%	26%	28%
Between 35% and 50%	2%	10%	16%
Between 50% and 75%	1%	1%	5%
More than 75%	0%	0%	1%
Average (percentage)	11%	19%	24%
BASE	550	550	550

From Savvis Global IT Report, September 2013: Cost Savings of Outsourcing

Companies that outsource save an average of 11% the first year, 19% the second year and 24% by the fifth year

# what else drives IT to the cloud?

North Bridge & GigaOM Research discovered that businesses look especially to Cloud for the agility to get to market faster than their competition. Scalability and cost savings are still favorites as well.



From Future of Cloud Computing 2013 Survey: What Drives Cloud Adoption

More than half of the survey respondents cited business agility (54.5%) and scalability (54.3%) as the main drivers, with cost close behind at 48%.



# The cloud becomes a resting place for IT's concerns

---

IT is discovering that their top drivers to innovation and growth can exist peacefully in the cloud since it provides a solution to each of their biggest business concerns.

## Top strategic concerns of IT leaders

BASE: ALL RESPONDENTS	TOTAL
<b>Controlling costs</b>	<b>36%</b>
<b>Focusing IT resources on developing and/or managing business-critical applications</b>	<b>35%</b>
<b>Finding more cost effective IT infrastructure solutions</b>	<b>28%</b>
<b>Better collaboration across the business</b>	<b>27%</b>
BASE	550

From Savvis Global IT Report, September 2013: IT's Top Strategic Concerns

---

Savis explains that businesses are even placing innovation and growing the business above cost control

---



# so what's stopping them?

IT is discovering that their top drivers to innovation and growth can exist peacefully in the cloud.

## Security and lack of control top barriers to outsourcing

BASE: RESPONDENTS WHOSE ORGANIZATION HAS NOT ALREADY OUTSOURCED ALL ELEMENTS OF THEIR IT INFRASTRUCTURE

	TOTAL
Security concerns	52%
If we manage it, then we are in control	43%
Company culture	34%
Contractual obligations	34%
Sunk cost — owned and it is not written off	27%
BASE	543

From Savvis Global IT Report, September 2013: IT's Top Strategic Concerns

Savvis explains that businesses are even placing innovation and growing the business above cost control

# but should it?

It's no surprise that companies can be reluctant to bring sensitive data to the cloud if they are unclear what protection their hosting provider is capable of. But for businesses that have done their research, they're all in:

## Security a top reason for cloud adoption

BASE: ALL RESPONDENTS	TOTAL
Lower cost	37%
Enhanced security	32%
Ability to scale up and down computer, storage and bandwidth consumption to manage fluctuating demand	31%
Improved reliability	30%
BASE	550

From Savvis Global IT Report, September 2013: Reasons for Cloud Adoption

A roadblock for some is also the driving force behind many IT decision makers move to the cloud: **Security!**

[Learn more about Cloud security!](#)

# actually more secure than ever

---

Everyone has data that they don't want out in the public. The bottom line is, if the Cloud couldn't protect that data, then the Cloud wouldn't exist.

Most people attach a public cloud definition to a broad Cloud terminology, when there are three standard cloud deployments that are available to your business.



## Private Cloud

a dedicated environment accessible only to users or partners of a single organization, with services provided behind a secure firewall



## Public Cloud

a multitenant environment where all of your data resides in a shared storage network



## Hybrid Cloud

an IT infrastructure that employs resources both on-premise and in the Cloud, or can be a mixture of services in different clouds

---

Security and compliance concerns remain a strong proponent for private or hybrid cloud deployments.

---

[Learn more about the types of Cloud](#)

# and businesses have noticed

---

Organizations look to the Cloud to help bolster their own capabilities. Promising you're secure and highly-available has never been enough, the cloud has had to prove itself. And as the technology matures, businesses are now able to see proven track records by hosting providers which gives them the confidence to make the switch.

## Uptime and security most important for colocation services

BASE: ALL RESPONDENTS

TOTAL

<b>100%-proven data center uptime</b>	<b>49%</b>
<b>Security of data center</b>	<b>47%</b>
<b>Value for money</b>	<b>37%</b>
<b>High availability and uptime SLAs</b>	<b>37%</b>
<b>Experience of provider</b>	<b>37%</b>
<b>BASE</b>	<b>550</b>

From Savvis Global IT Report, September 2013: Uptime and Security

---

49% of those surveyed indicated proven data uptime was the top criteria for selecting an outsourcing provider.

---

# all signs point to hybrid

---

*Businesses have found the healthy medium their IT decision makers need to move their companies forward into the cloud.*

In his report [Private Cloud Matures, Hybrid Cloud is Next](#), Thomas Bittman, a Gartner analyst, admits that actual hybrid deployments haven't been off the charts yet, but nearly 3/4ths of enterprises surveyed have declared they will be exploring the hybrid model by 2015.

This approach lets IT take advantage of the scalability and cost savings of the cloud, while providing the comfort of keeping sensitive data in-house.



---

Half of large enterprises will try hybrid cloud by 2017

---

# so what should be outsourced?

---

Where do you need more strength? Where can you use more expertise?  
 What aspect of your infrastructure do you want to stop worrying about?

This study shows what IT managers wish their business would outsource:

## Currently managed in-house, should be outsourced

BASE: ALL RESPONDENTS	TOTAL
Non mission critical applications	45%
Data center facilities	41%
Storage	39%
Content management applications	37%
Mobility solutions	36%
BASE	550

From Savvis Global IT Report, September 2013: What Should be Outsourced?

---

Your IT team wants to offload the maintenance, upkeep and support so they can focus on innovation and the next step...

---

# and what should your hosting provider bring to the table?

If you're going to step into the cloud, you want to know that your hosting provider has you every step of the way.

It's no surprise that the desired attributes of providers falls in line with the biggest pride points of many top hosting providers, including Fpweb.net.

## Desired attributes of a cloud provider

BASE: ALL RESPONDENTS	TOTAL
Stringent cloud security	45%
Proven IT infrastructure experience	34%
Best-of-breed technology	31%
Global scale	24%
Flexible contracts	23%
BASE	550

From Savvis Global IT Report, September 2013: Attributes of Cloud Provider

Very honorable mention: One of the biggest attributes that this survey failed to identify is **trust**. Relying on a hosting provider to handle your business is impossible without trust.



# so what's your next step?

---

These stats aren't meant to make you sign the contract, they're meant to get your team thinking outside of the box (*or outside of your office...*).

If you've been closed off to the idea of Cloud before, it's time to think again.

## Your next move:



### Have a conversation

Talk to your team about your goals, aspirations and expectations, then start talking to hosting providers.



### Ask the right questions

Make sure you can trust their hosting services by finding out if they're the right fit for your unique business needs.

---

Educate yourself. Employ the cloud. Empower your business.

---



---

# THE 10 QUESTIONS YOU SHOULD ASK EVERY HOSTING PROVIDER

The IT trend is clear and the benefits are proven - the Cloud will change your business. Ready to give your business the advantage?

These questions will get you started on your journey to the Cloud!

---

**DOWNLOAD NOW!**