Overall Sample
Worldwide Sample Size  n=2041
11 Countries Represented Across Mature and Emerging Markets
Screeners
Role at Work

S1. Which of the following statements is true of your role at work? (CHECK ALL THAT APPLY; MUST SELECT AT LEAST ONE OF 3-6, ELSE TERMINATE)

- I have significant decision making authority regarding IT: 62%
- I am influential in IT decisions and strategy: 61%
- I make IT purchasing recommendations: 58%
- I manage relationships with 3rd party IT providers: 47%
- I build or maintain IT systems: 32%
- I develop or maintain IT software: 30%

n=2041
S2. Rate your familiarity with the use of IT services at your company. This is where IT infrastructure, software or platforms are delivered and managed by providers in their own datacenters that you pay for on an hourly, monthly or annual basis. Use a 5-point scale where 1=not at all familiar and 5=very familiar. (TERMINATE ON FAMILIARITY=1 OR 2)

Respondents had to be familiar with IT services providers to be included in the study.
**Company Size**

**S4.** Approximately how many employees work in your entire organization? Please include all subsidiaries, divisions and branches worldwide. (Soft quotas apply)

- **Small (<100 employees),** 25%
- **Medium (100-499 employees),** 37%
- **Large (500-4,999 employees),** 26%
- **Very Large (5,000+ employees),** 12%

**n=2041**

---

**North America (n=779)**
- Very Large (5,000+ employees): 47%
- Large (500-4,999 employees): 39%
- Medium (100-499 employees): 28%
- Small (<100 employees): 14%

**Europe (n=555)**
- Very Large (5,000+ employees): 40%
- Large (500-4,999 employees): 33%
- Medium (100-499 employees): 24%
- Small (<100 employees): 9%

**Asia (n=557)**
- Very Large (5,000+ employees): 15%
- Large (500-4,999 employees): 28%
- Medium (100-499 employees): 24%
- Small (<100 employees): 15%

**South America (n=150)**
- Very Large (5,000+ employees): 11%
- Large (500-4,999 employees): 39%
- Medium (100-499 employees): 24%
- Small (<100 employees): 4%
**S5. What is the primary industry of your business? (Soft quotas apply)**

- Manufacturing: 15%
- Other services: 13%
- Finance, Banking and Insurance: 11%
- Prof/Scientific/Tech services: 10%
- Trade: 10%
- Information & Information Technology Services: 9%
- Resource industries: 9%
- Health Care and Social Assistance: 6%
- Educational Services: 5%
- Other: 5%
- Transportation and Warehousing: 4%
- Government: 3%

**Percent Answering**

- Software: 96%
- Other: 4%

n=188

Percent of Sample: n=2041
S7a. Which – if any – of the following IT services does your organization currently buy from service providers today? MUST SELECT 2 OR 3, ELSE TERMINATE

S7c. Which – if any – of the following IT services does your organization plan to add from service providers within two years?

- **Software-as-a-Service**: 71% today, 14% to add in 2 years
- **Hosted Infrastructure Services**: 69% today, 14% to add in 2 years
- **Outsourcing Services**: 43% today, 17% to add in 2 years
- **Platform-as-a-Service**: 37% today, 26% to add in 2 years
- **Colocation Services**: 27% today, 17% to add in 2 years
S7b. Which services are you likely to buy again within the next two years?

- **Outsourcing Services (n=886)**
  - Will likely buy again in the next 2 years: 91%
  - Will no longer buy: 9%

- **Hosted Infrastructure Services (n=1414)**
  - Will likely buy again in the next 2 years: 91%
  - Will no longer buy: 9%

- **Software-as-a-Service (n=1444)**
  - Will likely buy again in the next 2 years: 89%
  - Will no longer buy: 11%

- **Platform-as-a-Service (n=754)**
  - Will likely buy again in the next 2 years: 85%
  - Will no longer buy: 15%

- **Colocation Services (n=545)**
  - Will likely buy again in the next 2 years: 82%
  - Will no longer buy: 18%

Percent of Sample: 0% 20% 40% 60% 80% 100%

n=2041
S7a. Which – if any – of the following IT services does your organization currently buy from service providers today? MUST SELECT 2 OR 3, ELSE TERMINATE
S7c. Which –if any – of the following IT services does your organization plan to add from service providers within two years? (show only those NOT selected in S7a)

- No Plans to Add/Does not apply
- Platform-as-a-Service
- Colocation Services
- Outsourcing Services
- Software-as-a-Service
- Hosted Infrastructure Services

[Skip S7c if all the services are selected in S7a]
S7a. Which – if any – of the following IT services does your organization currently buy from service providers today? MUST SELECT 2 OR 3, ELSE TERMINATE.

- Software-as-a-Service
- Hosted Infrastructure Services
- Outsourcing Services
- Platform-as-a-Service
- Colocation Services

Percent of Sample

- <100 Emps (n=480)
- 100-499 Emps (n=700)
- 500+ Emps (n=704)
- Govt/Education (n=157)
S7c. Which – if any – of the following IT services does your organization plan to add from service providers within two years? (show only those NOT selected in S7a)
S8. Approximately what percent of your total IT budget in 2013 is allocated to IT resources that are: [sum to 100%]

S9. And how do you expect the budget will be split in 2 years? [sum to 100%]

In datacenters or sites your organization operates
Outsourcing Services
Hosted Infrastructure Services
SaaS
PaaS
Colocation

Today
- 41%
- 10%
- 19%
- 18%
- 7%
- 5%

In 2 Years
- 38%
- 13%
- 18%
- 15%
- 9%
- 6%
S8. Approximately what percent of your total IT budget in 2013 is allocated to IT resources that are: [sum to 100%]

- In datacenters or sites your organization operates Today
- Outsourcing Services Today
- Hosted Infrastructure Services Today
- SaaS Today
- PaaS Today
- Colocation Today

Overall (n=2041):
- 41% In datacenters or sites
- 10% Outsourcing Services
- 19% Hosted Infrastructure Services
- 18% SaaS
- 7% PaaS
- 5% Colocation

Region:
- North America (n=779):
  - 43% In datacenters or sites
  - 10% Outsourcing Services
  - 18% Hosted Infrastructure Services
  - 16% SaaS
  - 7% PaaS
  - 6% Colocation
- Europe (n=555):
  - 42% In datacenters or sites
  - 9% Outsourcing Services
  - 20% Hosted Infrastructure Services
  - 17% SaaS
  - 7% PaaS
  - 5% Colocation
- Asia (n=557):
  - 40% In datacenters or sites
  - 11% Outsourcing Services
  - 20% Hosted Infrastructure Services
  - 19% SaaS
  - 6% PaaS
  - 5% Colocation
- South America (n=150):
  - 33% In datacenters or sites
  - 16% Outsourcing Services
  - 17% Hosted Infrastructure Services
  - 20% SaaS
  - 9% PaaS
  - 5% Colocation
S8. Approximately what percent of your total IT budget in 2013 is allocated to IT resources that are: [sum to 100%]

- In datacenters or sites your organization operates Today
- Outsourcing Services Today
- Hosted Infrastructure Services Today
- SaaS Today
- PaaS Today
- Colocation Today

Overall (n=2041):
- 41% in datacenters or sites your organization operates Today
- 10% Outsourcing Services Today
- 19% Hosted Infrastructure Services Today
- 18% SaaS Today
- 7% PaaS Today
- 5% Colocation Today

Company Size:

- <100 Emps (n=480):
  - 44% in datacenters or sites your organization operates Today
  - 7% Outsourcing Services Today
  - 23% Hosted Infrastructure Services Today
  - 18% SaaS Today
  - 18% PaaS Today
  - 5% Colocation Today

- 100-499 Emps (n=700):
  - 40% in datacenters or sites your organization operates Today
  - 11% Outsourcing Services Today
  - 18% Hosted Infrastructure Services Today
  - 18% SaaS Today
  - 8% PaaS Today
  - 5% Colocation Today

- 500+ Emps (n=704):
  - 38% in datacenters or sites your organization operates Today
  - 12% Outsourcing Services Today
  - 17% Hosted Infrastructure Services Today
  - 17% SaaS Today
  - 8% PaaS Today
  - 7% Colocation Today

- Govt/Education (n=157):
  - 45% in datacenters or sites your organization operates Today
  - 10% Outsourcing Services Today
  - 20% Hosted Infrastructure Services Today
  - 15% SaaS Today
  - 15% PaaS Today
  - 5% Colocation Today
Hosted Infrastructure Services
Q1. Which of the following HOSTED INFRASTRUCTURE SERVICES does your organization procure? (CHECK ALL THAT APPLY)

- Website Hosting: 70%
- Storage: 64%
- Backup/Restore Services: 64%
- Dedicated servers: 56%
- Database Hosting: 54%
- Disaster Recovery/Business Continuity Services: 45%
- Virtual machines on shared/multi-tenant servers: 41%
- Virtual Desktop Hosting/Hosted VDI: 35%

Percent of Sample: n=1414
Hosted Infrastructure Services Deployment Models

Q2. Approximately, what percent of your spending on Hosted Infrastructure Services is split across the following deployment models CURRENTLY?
Q2a. And in 2 years [sum to 100%]

Today

- Public Cloud: 24%
- Hosted Private Cloud: 28%
- Traditional Dedicated: 48%

2 Years

- Public Cloud: 25%
- Hosted Private Cloud: 32%
- Traditional Dedicated: 42%

n=1414
Years Using Hosted Services by Company Size

Q3. How long has your organization been using Hosted Infrastructure Services?
On Premises Infrastructure
## On-Premise Infrastructure Spending Deployment Models

**Q4. Approximately, what percent of your on-premise infrastructure spending is split across the following three deployment models CURRENTLY? [sum to 100%]**

**Q5. And how do you expect this will be split in 2 years? [sum to 100%]**

<table>
<thead>
<tr>
<th>Deployment Model</th>
<th>Today</th>
<th>In 2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standalone non-virtualized infrastructure Today</td>
<td>43%</td>
<td>37%</td>
</tr>
<tr>
<td>Virtualized infrastructure Today</td>
<td>31%</td>
<td>35%</td>
</tr>
<tr>
<td>Automated &amp; Orchestrated PRIVATE CLOUD Today</td>
<td>26%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Average Percent: 0% to 100%

n=2002
Q6. Has your organization configured any of the following clouds for interoperability. Check all that apply

- On premise PRIVATE cloud with a HOSTED private cloud: 60.8%
- On premise PRIVATE cloud with a PUBLIC cloud: 42.1%
- HOSTED private cloud with a PUBLIC cloud: 39.6%

n=2002

No: 51%
Yes: 49%
Deployment of Hosted/Cloud Applications
Q8. We are interested in how your organization decides which applications are a good fit for [1234]. The following is a list of application characteristics. Using a scale where 0=Poor Suitability to 10=Very Good Suitability, please rate the suitability of applications for if it:

- Requires a secure network connection
- Is an existing, well tested application in steady state
- Easily scale large numbers of users
- Has low organizational risk in event of loss or outage
- Requires low Total Cost of Ownership
- Requires low upfront costs
- Requires multiple levels of Identity and Access Management
- Requires Adherence to Data sovereignty laws in countries or...
- Accessed by significant numbers of mobile device users
- Needs to connect to other data with APIs or web services
- Has dependencies with on-premise applications
- Requires low network latency due to heavy IO or frequent data...
- Requires tuning or customization
- Requires Multi-site redundancy
- Has unpredictable or seasonal user demand
- Is a new, untested workload

Scale from 0 = Not at all important to 10 = Extremely important
Q9. **Who are the primary users of the applications in your [1234] environments: (select one answer)**

- **Employees**: 49%, 61%, 48%, 35%, 45%, 20%, 13%, 0%
- **Businesses**: 20%, 13%, 23%, 22%, 22%, 18%, 13%, 0%
- **Consumers**: 17%, 15%, 13%, 22%, 18%, 17%, 15%, 13%
- **Business Partners**: 10%, 15%, 13%, 25%, 25%, 14%, 10%, 0%
- **Other**: 0%, 0%, 0%, 0%, 0%, 0%, 0%, 0%

---

**Overall (n=2016)**

- Employees: 49%
- Businesses: 20%
- Consumers: 17%
- Business Partners: 10%
- Other: 0%

**1. TRADITIONAL...w/hoster (n=675)**

- Employees: 61%
- Businesses: 13%
- Consumers: 15%
- Business Partners: 11%
- Other: 0%

**2. HOSTED PRIVATE (n=360)**

- Employees: 48%
- Businesses: 23%
- Consumers: 13%
- Business Partners: 17%
- Other: 0%

**3. PUBLIC CLOUD (n=359)**

- Employees: 35%
- Businesses: 22%
- Consumers: 22%
- Business Partners: 25%
- Other: 0%

**4. SAAS (n=621)**

- Employees: 45%
- Businesses: 22%
- Consumers: 18%
- Business Partners: 14%
- Other: 0%
Q11. When selecting a provider, how important is it that the management and automation tools they use are the same as your existing IT management tools? Use a scale from 0 to 10 where 0=Not at all Important and 10=Extremely Important.

Mean Rating ➔

<table>
<thead>
<tr>
<th>Mean Rating</th>
<th>Percent of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.2</td>
<td>Very Important (8-10)</td>
</tr>
<tr>
<td>7.1</td>
<td>Somewhat Important (4-7)</td>
</tr>
<tr>
<td>7.0</td>
<td>Not Important (0-3)</td>
</tr>
<tr>
<td>7.2</td>
<td>Overall (n=1811)</td>
</tr>
<tr>
<td>7.1</td>
<td>1. TRADITIONAL...w/hoster (n=323)</td>
</tr>
<tr>
<td>7.5</td>
<td>2. HOSTED PRIVATE (n=336)</td>
</tr>
<tr>
<td>7.0</td>
<td>3. PUBLIC CLOUD (n=591)</td>
</tr>
<tr>
<td>7.2</td>
<td>4. SAAS (n=561)</td>
</tr>
</tbody>
</table>

47% 48% 50% 45% 46%
Q10. Are the management and automation tools for your [1234] primarily: [randomize]
Pay Premium For Security Guarantees

Q12. Is your organization prepared to pay a premium for security guarantees for your applications:

- Yes, we already do: 25.1%
- Yes, if we could: 60.9%
- No: 14.0%

n=1811

Q12b. What % premium would you be prepared to pay/do you pay?

Average Premium

- Yes, we already do: 26%
- Yes, if we could: 25%
Q13. Is your solution subject to internal IT audit with your IT security team?
**Pay Premium For Superior Customer Support**

**Q14. Is your organization prepared to pay a premium for superior customer support services for [xxx] solutions?**

- **Yes, we already do**: 19.6%
- **Yes, if we could**: 54.5%
- **No**: 26.0%

**n=1811**

**Q14b. What % premium would you be prepared to pay?/do you pay?**

- **Average Premium**
  - Yes, we already do: 25%
  - Yes, if we could: 26%
Q15. Over the last 12 months, which of the following types of issues have initiated contact with the customer support center at your [1234] provider?

- Performance issue
- Upgrade issue
- Security issues
- Installation/deployment issue
- Migration issue
- Outage
- Contract issue
- Other

Overall (n=1590)

1. TRADITIONAL w/hoster (n=506)
2. HOSTED PRIVATE (n=290)
3. PUBLIC CLOUD (n=303)
4. SAAS (n=491)
Q16. Which do you consider as valuable forms of communication with the provider for support issues? (all that apply) [randomize]

<table>
<thead>
<tr>
<th>Type of Communication</th>
<th>Overall (n=1814)</th>
<th>TRADITIONAL w/hoster (n=563)</th>
<th>HOSTED PRIVATE (n=323)</th>
<th>PUBLIC CLOUD (n=336)</th>
<th>SAAS (n=591)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone conversation/Customer support specialist</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Online chat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automated help/online repair tool</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community forum shared with other customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q16. Which do you consider as valuable forms of communication with the provider for support issues? (all that apply)

- Telephone conversation/Customer support specialist
- Email
- Online chat
- Automated help/online repair tool
- Community forum shared with other customers

Overall (n=1814)
- North America (n=719)
- Europe (n=491)
- Asia (n=477)
- South America (n=127)
Difficult of Recreating Environment with New Provider – by Environment

Q17. In general, how difficult would it be for your organization to recreate your current [1234] with a new provider? Use a scale where 0=Not at all Difficult and 10=Extremely Difficult.

Mean Rating

<table>
<thead>
<tr>
<th></th>
<th>5.6</th>
<th>5.6</th>
<th>5.6</th>
<th>5.7</th>
<th>5.6</th>
</tr>
</thead>
</table>

- **Very Difficult (8-10)**
  - Overall (n=1811) 20%
  - 1. TRADITIONAL ...w/hoster (n=323) 18%
  - 2. HOSTED PRIVATE (n=336) 22%
  - 3. PUBLIC CLOUD (n=561) 27%
  - 4. SAAS (n=591) 17%

- **Somewhat Difficult (4-7)**
  - Overall (n=1811) 63%
  - 1. TRADITIONAL ...w/hoster (n=323) 65%
  - 2. HOSTED PRIVATE (n=336) 63%
  - 3. PUBLIC CLOUD (n=561) 55%
  - 4. SAAS (n=591) 66%

- **Not Difficult (0-3)**
  - Overall (n=1811) 17%
  - 1. TRADITIONAL ...w/hoster (n=323) 17%
  - 2. HOSTED PRIVATE (n=336) 15%
  - 3. PUBLIC CLOUD (n=561) 18%
  - 4. SAAS (n=591) 17%
Hosted/Cloud Applications
Q18. Using 100 points, estimate the percent of spending on [1234] that is for:

- Other
- Virtual Desktop Hosting/VDI
- Media Streaming
- Web serving/Web site
- Storage/File Serving
- Unified Communications
- Application development
- Collaborative applications
- Email
- Database
- Decision support applications
- Business applications

**Overall (n=2014)**

- 0% Other
- 17% Business applications

**1. TRADITIONAL w/hoster (n=697)**

- 0% Other
- 18% Business applications

**2. HOSTED PRIVATE CLOUD (n=364)**

- 0% Other
- 16% Business applications

**3. PUBLIC CLOUD (n=363)**

- 0% Other
- 14% Business applications

**4. SaaS (n=626)**

- 0% Other
- 18% Business applications

**451 Research | Uptime Institute | Yankee Group**
Q20. Which of the following best describes the type of service provider that you are using for your applications (select one)

- Global Hosting Provider
- Local or Regional Hosting Provider
- ISV or Software company
- Telecommunications Provider
- Systems Integrator with significant hardware assets
- Datacenter Operator
- Value-added Reseller (VAR)
- Systems Integrator or 'Asset-light' consultant
- Other

Percent of Sample

0% 5% 10% 15% 20% 25% 30% 35% 40%

Overall (n=1865)
Database (n=345)
Email (n=341)
Collaborative apps (n=347)
Unified Communications (n=346)
Storage/File Serving (n=347)
All others (n=139)
Q22. Are there other applications that you prefer to buy with your YYY application as a bundled package?
Q22. Which other applications do you prefer to buy with your YYY application as a bundled package? (CHECK ALL THAT APPLY)

- Business applications: 51%
- Unified Communications: 41%
- Application development: 40%
- Virtual Desktop Hosting/VDI: 37%
- Other: 35%
- Web serving/Web site: 30%
- Collaborative applications: 29%
- Storage/File Serving: 22%
- Decision support applications: 21%
- Database: 20%
- Media Streaming: 19%
- Email: 1%

Percent of Sample: n=478
Thinking about your [1234] Email, does your organization buy:

- **Advanced email services**: full-featured archiving, rights management
- **Intermediate email services**: integrated document management
- **Basic email services**: email, calendar, address book

**Graph Details:**
- **Overall (n=342):**
  - Advanced: 26%
  - Intermediate: 35%
  - Basic: 39%

- **1. TRADITIONAL w/hoster (n=126):**
  - Advanced: 29%
  - Intermediate: 43%
  - Basic: 37%

- **2. HOSTED PRIVATE (n=60):**
  - Advanced: 35%
  - Intermediate: 22%
  - Basic: 47%

- **3. PUBLIC CLOUD (n=54):**
  - Advanced: 24%
  - Intermediate: 39%
  - Basic: 33%

- **4. SAAS (n=102):**
  - Advanced: 20%
  - Intermediate: 33%
  - Basic: 47%
Cloud Maturity
Cloud Computing Adoption by Region

Q24. Which of the following best describes your organization's adoption of cloud computing models?

- **Broad implementation of production apps**
- **Initial implementation of production apps**
- **Running trials/Pilot Projects**
- **Discovery and Evaluation**
- **None**

The chart shows the distribution of responses across different regions:

- **Total (n=2041)**: 16% for Broad, 29% for Initial, 27% for Running, 17% for Discovery, 7% for None.
- **North America (n=779)**: 17% for Broad, 28% for Initial, 27% for Running, 29% for Discovery, 24% for None.
- **Europe (n=555)**: 16% for Broad, 27% for Initial, 29% for Running, 27% for Discovery, 29% for None.
- **Asia (n=557)**: 17% for Broad, 29% for Initial, 27% for Running, 26% for Discovery, 38% for None.
- **South America (n=150)**: 1% for Broad, 1% for Initial, 1% for Running, 1% for Discovery, 7% for None.
Q25. Which of the following best describes your organization's approach to using cloud computing for new applications or IT projects?

- Cloud is our default platform for new applications
- We heavily rely on cloud computing for new projects
- We selectively target new applications for cloud computing
- We are reluctant to use cloud computing

![Graph showing cloud computing adoption by region]
Q26. Which of the following does your organization have in place as it relates to cloud computing? [all that apply]

- A goal for the number of applications or resources that will be part of cloud: 35.9%
- A formal cloud computing strategy plan: 32.4%
- A preferred vendor list: 32.1%
- A vendor assessment checklist: 29.1%
- A standard architecture for hosted solutions: 23.9%
- TCO models that compare cloud to on-premises costs: 12.1%
- None of the above: 12.4%

Percent of Sample n=2041
Cloud Computing App Proportion In Two Years

Q27. What is your organization's goal for the proportion of applications or resources that will be part of a cloud computing environment in two years?

- 80%+ (8%)
- 60-79% (15%)
- 40-59% (24%)
- 20-39% (34%)
- 10-19% (14%)
- < 10% (5%)

n = 2040

Average = 39%
Q28. Please rate the following in terms of what you believe is a good best practice for driving a successful cloud computing project. Use a scale where 0=Not a good Practice to 10=Essential Best Practice [randomize]

- Have a well-defined architecture for security: 7.7
- Understand who the end-users are: 7.6
- Train users to be cautious with access and security: 7.5
- Have a well-defined architecture for performance: 7.5
- Have a phased approach starting with pilot testing: 7.4
- Compare costs to on-premise models: 7.4
- Start with projects that are non-disruptive to end-users: 7.3
- Selectively target applications that are 'fit' to move: 7.3
- Evaluate implications for software licensing: 7.2
- Test application performance with multiple providers: 7.2
- Have an 'undo' plan to make it easy to move off the provider: 7.2
- Have an enthusiastic executive sponsor from the business: 7.0
- Start with 'new' applications or IT project: 6.9

Scale from 0 = Not a Good Practice to 10 = Essential Best Practice
Top Five Best Practices for Cloud Computing Project by Region

**North America**
- Have a well-defined architecture for security
- Understand who the end-users are
- Train users to be cautious with access and security
- Have a well-defined architecture for performance
- Start with projects that are non-disruptive to end-users

**Europe**
- Have a well-defined architecture for security
- Understand who the end-users are
- Have a well-defined architecture for performance
- Have a phased approach starting with pilot testing
- Train users to be cautious with access and security

**Asia**
- Have a well-defined architecture for security
- Understand who the end-users are
- Train users to be cautious with access and security
- Have a well-defined architecture for performance
- Selectively target applications that are 'fit' to move

**South America**
- Have a well-defined architecture for security
- Test application performance with multiple providers
- Start with projects that are non-disruptive to end-users
- Have a well-defined architecture for performance
- Train users to be cautious with access and security
## Top Five Best Practices for Cloud Computing Project by Company Size

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Best Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1-99 Employees</strong></td>
<td>- Have a well-defined architecture for security&lt;br&gt;- Understand who the end-users are&lt;br&gt;- Train users to be cautious with access and security&lt;br&gt;- Have a well-defined architecture for performance&lt;br&gt;- Have a well plan to make it easy to move off the provider</td>
</tr>
<tr>
<td><strong>100-499 Employees</strong></td>
<td>- Have a well-defined architecture for security&lt;br&gt;- Understand who the end-users are&lt;br&gt;- Train users to be cautious with access and security&lt;br&gt;- Have a well-defined architecture for performance&lt;br&gt;- Compare costs to on-premise models</td>
</tr>
<tr>
<td><strong>500+ Employees</strong></td>
<td>- Have a well-defined architecture for security&lt;br&gt;- Understand who the end-users are&lt;br&gt;- Have a well-defined architecture for performance&lt;br&gt;- Have a phased approach starting with pilot testing&lt;br&gt;- Train users to be cautious with access and security</td>
</tr>
<tr>
<td><strong>Govt/Education</strong></td>
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</tr>
</tbody>
</table>
Q29. What is your organization’s highest expectation for moving to cloud? [choose one] [randomize]
E1. Does your organization have "shadow IT", meaning business units are spending their own budget on cloud computing projects outside of the IT approval processes?
E7. Are you familiar with the NSAs surveillance program called PRISM which gives the US
government access to metadata and content from public cloud providers such as Google, Microsoft, 
Facebook and Yahoo?
**PRISM Impact on Perception of Cloud Computing**

*E7b. How have these revelations about PRISM impacted your organization’s perception of cloud computing? Use a scale from 0 to 10, where 0=very negatively impacted, 5=no impact and 10=very positively impacted.*

**Overall (n=982)**
- Positive (6 thru 10): 39%
- Negative (0 thru 4): 31%
- No Impact (5): 30%

**Region**
- North America (n=449): Positive 30%, Negative 31%, No Impact 39%
- Europe (n=266): Positive 31%, Negative 47%, No Impact 22%
- Asia (n=221): Positive 58%, Negative 8%, No Impact 34%
- South America (n=46): Positive 63%, Negative 31%, No Impact 8%

**Employment Size**
- 1-99 Emps (n=217): Positive 45%, Negative 4%, No Impact 51%
- 100-499 Emps (n=330): Positive 53%, Negative 3%, No Impact 44%
- 500+ Emps (n=368): Positive 56%, Negative 2%, No Impact 42%
- Govt/Education (n=67): Positive 53%, Negative 4%, No Impact 43%

**Average Rating**
- 0=very negatively impacted, 5=no impact and 10=very positively impacted

n=2041
Provider Satisfaction, Importance & Advocacy
E4. Overall, how satisfied are you with the service providers used by your organization? Use a scale from 0 to 10 where 0=not at all satisfied and 10=extremely satisfied.
Importance of Service Providers by Region

E5. How important will the use of service providers be in meeting the goals of your business over the next 2 years? Use a scale from 0 to 10 where 0=not at all important and 10=extremely important.
 Recommend Cloud Computing by Region and Company Size

**E6. Would you recommend Cloud Computing to a peer or colleague?**

- Overall (n=2041): 87% Yes, 13% No
- North America (n=779): 89% Yes, 11% No
- Europe (n=555): 83% Yes, 17% No
- Asia (n=557): 87% Yes, 13% No
- South America (n=150): 93% Yes, 7% No
- 1-99 Embs (n=480): 80% Yes, 20% No
- 100-499 Embs (n=700): 87% Yes, 13% No
- 500+ Embs (n=704): 91% Yes, 9% No
- Govt/Education (n=157): 90% Yes, 10% No
Would you recommend Cloud Computing to a peer or colleague—If yes, why?

- Good experience/better service/it works: 25%
- Improves Costs/Cost effective/Cheaper: 20%
- Easier / more convenient: 15%
- Access/availability: 10%
- Faster/Agility: 10%
- It’s the Future / Trend: 10%
- Helps grow the business: 10%
- Security/more secure/less risk: 10%
- Increase productivity/efficiency: 10%
- Reliable: 5%
- Flexibility/scalability: 5%
- Saves Time: 5%
- Good for backup: 5%
- None/Don’t know/Refused: 5%

Would you recommend Cloud Computing to a peer or colleague—If no, why not?

- Security issues/concerns: 25%
- Uncertainty/it’s too new: 20%
- Bad experience/it’s not good: 10%
- Costs too much: 10%
- Unnecessary: 10%
- Too complicated: 10%
- None/Don’t know/Refused: 10%
Top Reasons For Recommending Cloud Computing by Company Size

**E6b. Would you recommend Cloud Computing to a peer or colleague--If yes, why?**

- **Good experience/better service/it works**
- **Improves Costs/Cost effective/Cheaper**
- **Easier / more convenient**
- **Accesss/availability**
- **Faster/Agility**

![Bar chart showing reasons for recommending cloud computing by company size.](chart_image)

- Overall (n=1778)
- 1-99 Emps (n=385)
- 100-499 Emps (n=610)
- 500+ Emps (n=642)
- Govt/Education (n=141)
Organizational Demographics
Organizational Goals by Company Size

D1. Allocate 100 points among the following five goals as they relate to your company or organization? [sum to 100] [randomize]

- Increase revenue
- Lower costs
- Improve product or service quality
- Speed time to market
- Lower risk

**Overall (n=2041)**

- Increase revenue: 30
- Lower costs: 21
- Improve product or service quality: 21
- Speed time to market: 14
- Lower risk: 15

**Company Size:**

- **1-99 Emps (n=480)**
  - Increase revenue: 37
  - Lower costs: 20
  - Improve product or service quality: 20
  - Speed time to market: 12
  - Lower risk: 12

- **100-499 Emps (n=700)**
  - Increase revenue: 29
  - Lower costs: 21
  - Improve product or service quality: 20
  - Speed time to market: 15
  - Lower risk: 15

- **500+ Emps (n=704)**
  - Increase revenue: 27
  - Lower costs: 21
  - Improve product or service quality: 20
  - Speed time to market: 15
  - Lower risk: 16

- **Govt/Education (n=157)**
  - Increase revenue: 21
  - Lower costs: 25
  - Improve product or service quality: 26
  - Speed time to market: 12
  - Lower risk: 16

**Average Points**
D2. What is the single biggest challenge that your organization faces in the next 2 years?

- Decreasing costs/issue with rising costs/ cost control: 9.0%
- Increasing profit/revenue/sales: 7.5%
- Security Concerns/issues: 7.3%
- Competition: 7.3%
- General growth/ expansion: 6.8%
- Budget constraints/funding/financial issues: 4.8%
- Increasing customer base/ market share: 4.5%
- Poor/Slow economy/ Market instability: 4.4%
- Product/Service quality or improvement: 4.2%
- Internal resources / talent/ turnover: 4.0%
- Adapting to change/keeping up with technology: 3.5%
- Expanding into new markets: 1.9%
- Cloud computing: 1.6%
- Regulatory Compliance/Issues: 1.5%
- Customer Satisfaction/Keeping current customers happy/ meeting…: .9%
- Lower risk/ Risk management: .8%
- Storage issues/Data sprawl: .8%
- Marketing: .7%
- Time to market: .3%
- None/Don’t know/Refused: 9.8%
- Other: 18.3%

n=2041
D2. What is the single biggest challenge that your organization faces in the next 2 years?

- Decreasing costs/issue with rising costs/cost control
- Increasing profit/revenue/sales
- Security Concerns/issues
- Competition
- General growth/expansion
- Budget constraints/funding/financial issues
- Increasing customer base/market share

Percent of Sample

Overall (n=2041)
1-99 Emps (n=480)
100-499 Emps (n=700)
500+ Emps (n=704)
Govt/Education (n=157)
Q25. Which of the following best describes your organization’s approach to using cloud computing for new applications or IT projects?

- Cloud is our default platform for new applications: 58%
- We heavily rely on cloud computing for new projects: 59%
- We selectively target new applications for cloud computing: 56%
- We are reluctant to use cloud computing: 61%

By Region:
- Total (n=1872): 6% (18%), 7% (18%), 5% (19%), 4% (17%), 4% (23%)
- North America (n=714): 58% (17%), 59% (20%), 56% (18%), 61% (15%)
- Europe (n=518): 4% (18%), 17% (20%), 18% (20%), 4% (15%)
- Asia (n=506): 57% (18%), 18% (17%), 4% (18%), 4% (23%)
- South America (n=134): 4% (18%), 17% (20%), 5% (18%), 15% (23%)
We are early adopters on the leading edge

We are pragmatic about new technology, but will act sooner rather than later

We are conservative about new technology and take a wait and see approach

We are skeptical and are usually late to the game

n=2041

G1. Which of the following best describes your organization's approach to NEW technology adoption?
**Firmographics**

**G2. How long has your company been in business?**

- < 1 year: 1%
- 1-1.9 years: 6%
- 2-4.9 years: 26%
- 5-9.9 years: 18%
- 10-24.9 years: 22%
- 25+ years: 27%

**G3. What department do you work in at your organization?**

- Application Development: 68%
- IT Operations/Administration: 18%
- Business Unit: 5%
- Other, (specify): 9%

n=2041
G4. What is your title?

- CTO: 3%
- IT Vice President: 5%
- IT Director/Manager: 34%
- Software Architect/Engineer/Analyst: 4%
- Software Developer: 3%
- Systems Architect/Engineer/Analyst: 2%
- Systems Administrator: 7%
- Network Administrator: 3%
- Network Architect/Engineer/Analyst: 1%
- Security Analyst/Engineer: 1%
- Business Analyst: 2%
- Project Manager: 5%
- DBA: 0%
- Senior Management (CEO, CFO, etc): 6%
- Vice President: 1%
- Director/Manager: 9%
- Other: 10%

Percent of Sample

n=2041
G5. What was your total IT budget for 2013? This includes all capex and opex spend on staffing, hardware, software and IT services and providers?

<table>
<thead>
<tr>
<th>Bracket</th>
<th>Percent of Sample</th>
</tr>
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<tbody>
<tr>
<td>&lt;$100,000</td>
<td>29%</td>
</tr>
<tr>
<td>$100,000 to less than $499,999</td>
<td>20%</td>
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<tr>
<td>$500,000 to less than $1 million</td>
<td>10%</td>
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<tr>
<td>$1 million to less than $5 million</td>
<td>14%</td>
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<td>6%</td>
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<tr>
<td>$500 million to less than $1 billion</td>
<td>0%</td>
</tr>
<tr>
<td>$1 billion+</td>
<td>1%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>12%</td>
</tr>
</tbody>
</table>
Two Year Change In IT Budget by Region

**G5B. By what percent will your total IT budget increase/decrease in 2 years?**

- **Decrease**
  - Overall (n=2041): 10% (10%), 8% (32%), 14% (38%), 10% (27%), 7% (14%), 0% (31%), 10% (60%), 20% (30%), 30% (40%), 40% (50%), 50% (60%), 60% (70%), 70% (80%), 80% (90%), 90% (100%)
  - North America (n=779): 12% (60%), 6% (49%), 12% (62%), 17% (79%)
  - Europe (n=555): 10% (10%), 6% (12%), 14% (17%)
  - Asia (n=557): 10% (10%), 6% (12%), 14% (17%)
  - South America (n=150): 10% (10%), 6% (12%), 14% (17%)

- **Stay the same**
  - Overall (n=2041): 10% (10%), 8% (32%), 14% (38%), 10% (27%), 7% (14%), 0% (31%), 10% (60%), 20% (30%), 30% (40%), 40% (50%), 50% (60%), 60% (70%), 70% (80%), 80% (90%), 90% (100%)
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  - Asia (n=557): 10% (10%), 6% (12%), 14% (17%)
  - South America (n=150): 10% (10%), 6% (12%), 14% (17%)

- **Increase**
  - Overall (n=2041): 10% (10%), 8% (32%), 14% (38%), 10% (27%), 7% (14%), 0% (31%), 10% (60%), 20% (30%), 30% (40%), 40% (50%), 50% (60%), 60% (70%), 70% (80%), 80% (90%), 90% (100%)
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  - Asia (n=557): 10% (10%), 6% (12%), 14% (17%)
  - South America (n=150): 10% (10%), 6% (12%), 14% (17%)

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**Note:** The percentages in parentheses represent the number of respondents who chose each option.
G6. What percent of your 2013 IT Project Spend was for [sum to 100]?

- **Growth** - Development of New Applications for new Businesses Models
- **Maintenance** - Development for Existing Applications/Businesses Models
- **Trim** - IT Efficiency Projects

<table>
<thead>
<tr>
<th>% IT Spend for “Growth”</th>
<th>Average % of Apps in Cloud in Two Years (Q27)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;60%</td>
<td>45%</td>
</tr>
<tr>
<td>15-60%</td>
<td>39%</td>
</tr>
<tr>
<td>&lt;15%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Percent of Sample: n=2041
Annual Revenue

G7. Which of the following categories best describes your organization's total annual revenue [convert to local currency]

- Under $2 Million: 17%
- $2 Million to less than $10 Million: 13%
- $10 Million to less than $25 Million: 11%
- $25 Million to less than $50 Million: 10%
- $50 Million to less than $100 Million: 11%
- $100 Million to less than $250 Million: 10%
- $250 Million to less than $500 Million: 7%
- $500 Million to less than $1 Billion: 5%
- Over $1 Billion: 7%
- Don't Know: 10%

n=2041
G8. Approximately how much does your organization spend with your hosting (or service) providers on a monthly basis? [convert to local currency]

- <$100/month: 8%
- $100-499/month: 10%
- $500-999/month: 12%
- $1000-1999/month: 11%
- $2000-2499/month: 9%
- $2500-4999/month: 10%
- $5000-9999/month: 9%
- $10,000-24,999/month: 8%
- $25000-49,999/month: 4%
- $50,000-99,999/month: 2%
- $100,000+ /month: 3%
- Don't Know: 12%

n=2041