



News Advisory

HP Research: The Future of Cloud Is Hybrid

Enterprises need holistic approach to cloud management

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PALO ALTO, Calif., April 10, 2012 - HP today announced global research that reveals the need for organizations to implement a hybrid delivery strategy to speed innovation, enhance agility and improve financial management when moving to the cloud.

The convergence of cloud computing and connectivity is changing how technology is delivered and how information is consumed. According to research commissioned by HP,⁽¹⁾ more than 80 percent of business and technology executives believe that cloud computing will be at least as disruptive to the technology landscape as the impact of virtualization or the internet. The survey also revealed that though adoption of public and private cloud services will increase by 2020, traditional technology will remain integral to the enterprise.

Highlights of the study include:

- Currently, only 24 percent of enterprise delivery models are cloud-based. By 2020, senior business and technology executives expect public and private cloud delivery models to almost double.
- Top drivers of cloud adoption are rapid application development (50 percent), enhanced agility to respond to market changes (32 percent) and reduced cost of operations (18 percent).
- Business and IT executives recognize that cloud implementations will be critical to driving successful outcomes and innovation. Approximately one in two chief executive officers and chief financial officers are currently setting cloud strategies for their organizations.
- Organizations are prioritizing cloud investments, with 43 percent of enterprises expected to invest \$500,000 to \$1 million annually on cloud computing between now and 2020, and almost 10 percent planning to spend more than \$1 million annually.

- Respondents listed the top three barriers to adoption of cloud services as security concerns (35 percent), transformation concerns (33 percent), and compliance or governance concerns (17 percent).

As organizations accelerate the adoption of cloud services, the need arises for holistic, enterprise-wide governance and compliance strategies to control and manage IT environments. Nearly 50 percent of respondents admitted that their organizations are running non-IT sanctioned cloud solutions, while 18 percent did not have a clear view of the cloud solutions running outside of IT.

It is anticipated that this problem will continue to escalate, reflected by 69 percent of business executives and 54 percent of technology executives, who expect non-IT sanctioned cloud use to be as high as 50 percent by 2020.

Enterprises need secure solutions that facilitate the transformation to cloud with minimal risk or disruption to services, and deliver governance without vendor lock in. The path to the cloud requires a hybrid delivery environment consisting of traditional IT as well as private, managed and public cloud offerings.

Methodology

The Coleman Parkes survey was conducted by Coleman Parkes Research on behalf of HP and consisted of 550 interviews among senior business and technology executives within enterprises (more than 1,000 employees) and midmarket companies (500-1,000 employees). The interviews were conducted via phone in February 2012. Regions included: North America (United States and Canada), Europe and the Middle East (United Kingdom, France, Germany, Denmark, Russia, Czech Republic and United Arab Emirates), Asia Pacific (India, China, Japan, Australia and Korea) and Latin America (Brazil and Mexico).

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(1) "HP Research: The Future of Cloud," Coleman Parkes Research Ltd., February 2012.

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