



## News Advisory

# HP Research: Enterprises Bet on Hybrid Cloud to Lower Costs, Drive Agility and Speed Innovation

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LAS VEGAS, June 12, 2013 — HP today released global research revealing that enterprises are accelerating cloud adoption, showing significant gains in private cloud investments and establishing hybrid delivery models that will meet their needs as organizational requirements change.

According to a new global study commissioned by HP,<sup>(1)</sup> by 2016, 75 percent of enterprise IT delivery is expected to be cloud-based, with 39 percent as private cloud, 21 percent as managed cloud (private cloud managed by someone else) and 15 percent as public cloud. Traditional IT will remain a key delivery model accounting for 25 percent.

Rapid adoption rates are driven by respondents' expectations that cloud will lower costs (68 percent), drive agility (59 percent) and improve customer/citizen service (55 percent). However, while the respondents expect these benefits, nearly half of organizations (48 percent) admit that they are not running any return on investment analysis for their cloud initiatives. For those organizations that do have some form of measurement, 16 percent say they only use "time to delivery" metrics, while 11 percent measure their cloud implementations by calculating the cost benefits.

### Open standards are the key to cloud success

The study indicated that as budgets continue to be funneled to cloud technology, enterprises want open architectures that span private, public, managed and traditional delivery models. In fact, 59 percent of respondents believe that cloud computing should evolve to an open platform.

### Key factors to adopting a cloud strategy

The research also outlined the critical factors to implementing a cloud strategy and moving applications to the cloud.

- Respondents noted defining service level agreements (SLAs) (68 percent), meeting regulation and governance (63 percent), managing issues with data sovereignty (62 percent) and identifying the right, strategic partner (62 percent) as the primary barriers to cloud solution implementation.
- More than half of the companies (54 percent) surveyed have created a cloud sourcing strategy for the initial applications and workloads to be moved to the cloud.

- For organizations with a cloud sourcing strategy, the most important applications to move to the cloud are customer relationship management (CRM) (71 percent), database storage and backup (67 percent), and storage and archival (65 percent), with finance applications being the least likely to be transitioned.
- Respondents rated security (72 percent); highly specified SLAs (61 percent) and the ability to handle enterprise-grade workloads (59 percent) as the most important capabilities in an organization's public cloud usage with credit card (pay-as-you-go) based solutions ranked least important, at 39 percent.

### **Methodology**

The study was conducted by Coleman Parkes Research on behalf of HP, and comprised 550 interviews among senior business and technology executives within enterprises (more than 1,000 employees – 75 percent of the sample) and midmarket companies (500-1,000 employees). The interviews were conducted via phone in April 2013. Regions included North America (United States and Canada), Europe and the Middle East (Czech Republic, France, Denmark, Germany, Russia, United Arab Emirates and United Kingdom), Asia Pacific (Australia, China, India, Japan and South Korea) and Latin America (Brazil and Mexico).

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(1) "HP Research: Big Data and Cloud," Coleman Parkes Research, Ltd., April 2013.

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