fasthosts

Making Business Work Better Online

Cloud
adoption trends 2012

Stephen Holford Sales & Marketing Director

www.fasthosts.co.uk

Ask the Experts

Microsoft Partner Network™

2011 PARTNER OF THE YEAR
Hosting
Winner

Cloud computing

Cloud Computing relates to the IT infrastructure required to develop/host/run IT services and applications, on demand, with consumption based pricing, as a resilient service.

Communicating over the internet and requiring little or no client end components it provides resource and services to store data and run applications, from many devices, anytime, anywhere, as a service.

The services can in turn be scaled up and down as needed to meet a customer's variable operational needs, ensuring maximum cost efficiency.

SaaS (Software-as-a-Service)

Software or applications accessed over the internet, requiring no installation on local machines.

IaaS (Infrastructure-as-a-Service)

Delivers computing infrastructure, such as RAM, CPU and storage, along with networking capabilities, to effectively provide a hosted data centre or server on demand for running software or applications.

PaaS (Platform-as-a-Service)

Delivers a platform where the management of the infrastructure is automated and effectively hidden from the user. Typically refers to the environment within which developers can build & launch new applications from.

Cloud benefits

1 Availability (delivered on-demand)

A user can chose to provision computing capabilities, such as storage, processing, network and memory, (or an application) as needed automatically without requiring human interaction with the service provider & services often have built in resiliency and recovery

2 Flexibility (agile & scalable)

The amount of resource consumed by the user can be increased or decreased to meet their operational needs. Supplier capabilities for such a service appear unlimited and available in any quantity and for any amount of time

3 Chargeability (charged based on consumption)

Users only pay for the services they use. All resources should be easily monitored / managed so that charging & use is clear and transparent

4 Accessibility (accessible anywhere)

As cloud & hosted services are delivered over the internet and accessed through standard web interfaces, uw should be able to manage and/or consume services anywhere there is an internet connection, using the device of their choice

Public Cloud

- Used by multiple parties as once

- Provide maximum value for money using shared architecture

- Many operate internationally for scale and/or resilience

- Shared infrastructure, often with less configuration capability

Public cloud computing is a style in which scalable and elastic IT-enabled capabilities are provided as services to external customers using Internet technologies.

Gartner

Private Cloud

- Resources are restricted to a single customer or community

- User retains higher control & configuration

- Can be run locally or hosted by a third party

- Typically IaaS model associated to it

Private cloud computing is a form of cloud computing that is used by only one organization, or that ensures that an organization is completely isolated from others.
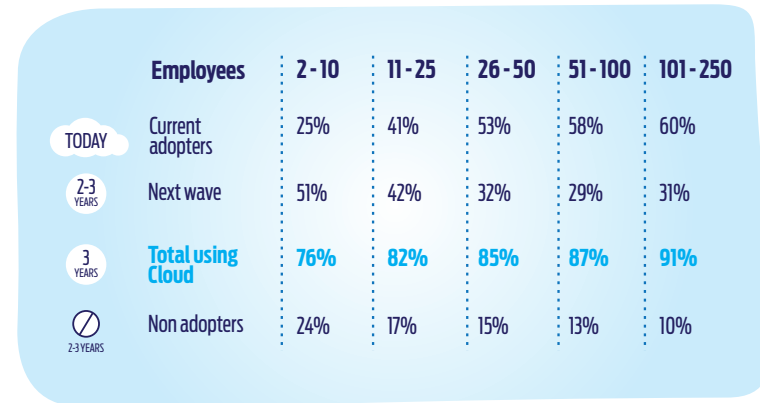
Gartner

Hybrid Cloud

- Joins public and/or private clouds together, or with on-premise infrastructure

- Often used to expand existing IT networks and systems using an alternative platform

- Networks can be expanded using VPN to create seamless integration

Hybrid cloud computing refers to the combination of external public cloud computing services and internal resources (either a private cloud or traditional infrastructure, operations and applications) in a coordinated fashion to assemble a particular solution.
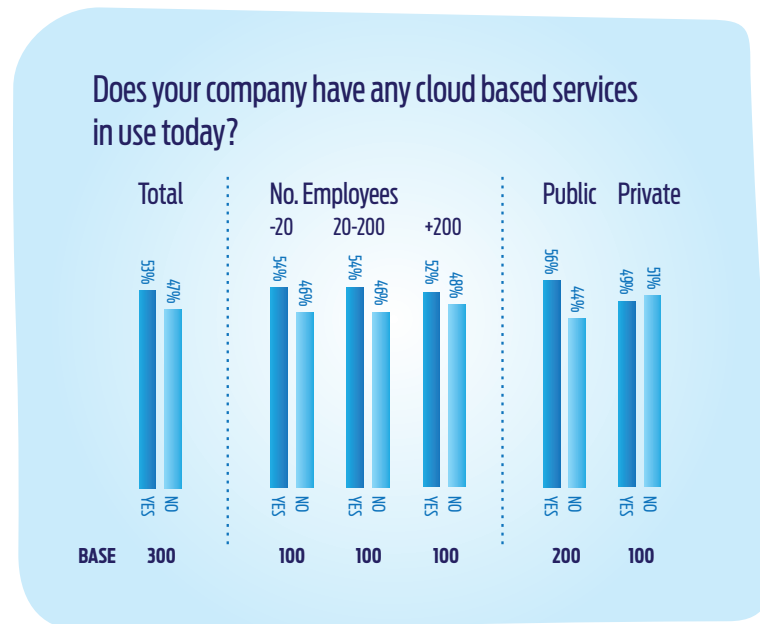
Gartner

SMB's buying cloud today

- Cloud is being used today by many businesses

- Growth over the next 2-3 years is forecast to be considerable

- Over 70% of SMB's require technology that enables staff to work anywhere, anytime

- Private sector is leading the way, but the public sector is catching

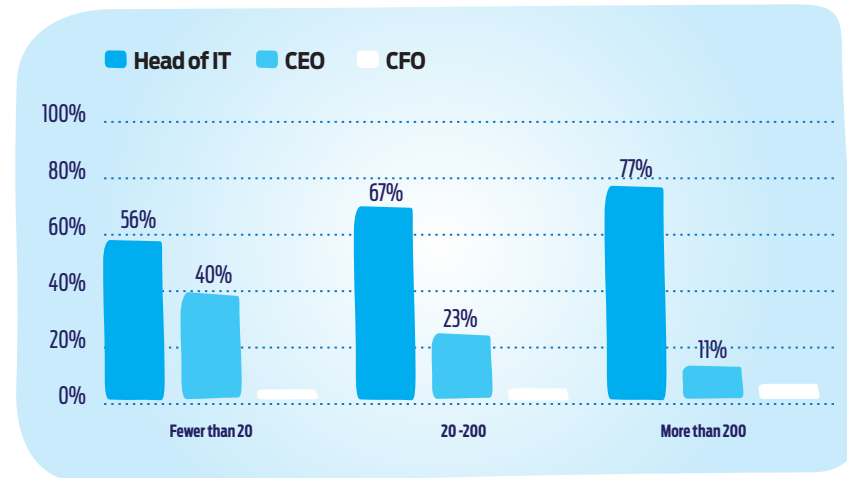- Size of company not the factor in cloud adoption rates

	Employees	2 - 10	11 - 25	26 - 50	51 - 100	101 - 250
TODAY	Current adopters	25%	41%	53%	58%	60%
2-3 YEARS	Next wave	51%	42%	32%	29%	31%
3 YEARS	**Total using Cloud**	**76%**	**82%**	**85%**	**87%**	**91%**
2-3 YEARS	Non adopters	24%	17%	15%	13%	10%

Source: Edge Strategies Research

Does your company have any cloud based services in use today?

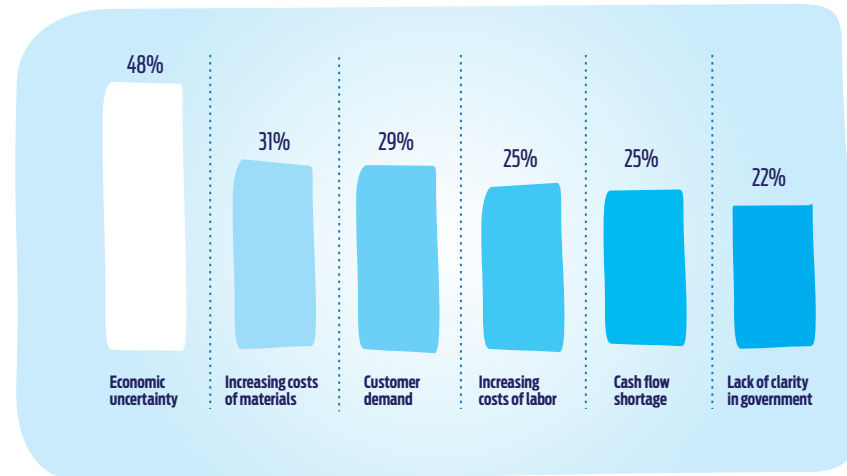|	Total	No. Employees			Public	Private
		-20	20-200	+200		
YES	53%	54%	54%	52%	56%	49%
NO	47%	46%	46%	48%	44%	51%
BASE	300	100	100	100	200	100

Source: Cloud Industry Forum

Who is buying cloud?

- Head of IT primary decision maker for cloud adoption

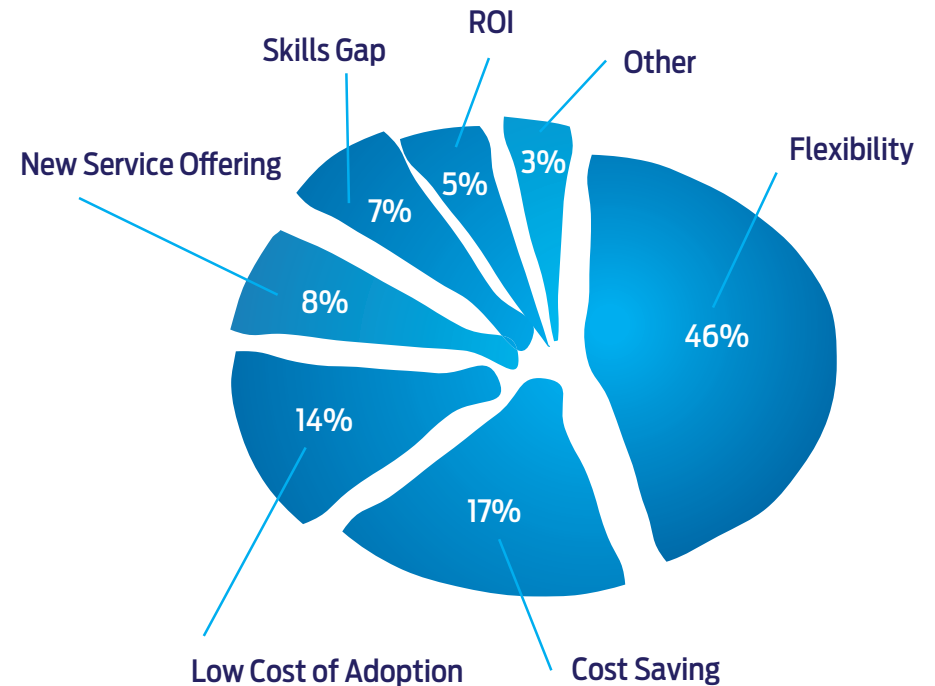- MD/CEO key factor for micro & very small businesses

- Challenges facing SMB's help focus on cloud adoption

- Financial hardship / uncertainty and fluctuating demand all suit cloud model

Source: Edge Strategies Research

Source: Edge Strategies Research

Why Cloud?

- Flexibility, not cost savings, the big driver

- IT designed for the business, there & then, that is ready to grow is key — no need to invest for the future

- Most notable in small & micro businesses with 54% highlighting this as the primary driver for cloud adoption

- Cost savings, low setup fee and better cash flow all contribute

- Cost savings are a larger driver for medium and larger businesses, but flexibility is still a key factor

Skills Gap

ROI

Other

New Service Offering

Flexibility

7%

5%

3%

8%

46%

14%

17%

Low Cost of Adoption

Cost Saving

Source: Cloud Industry Forum
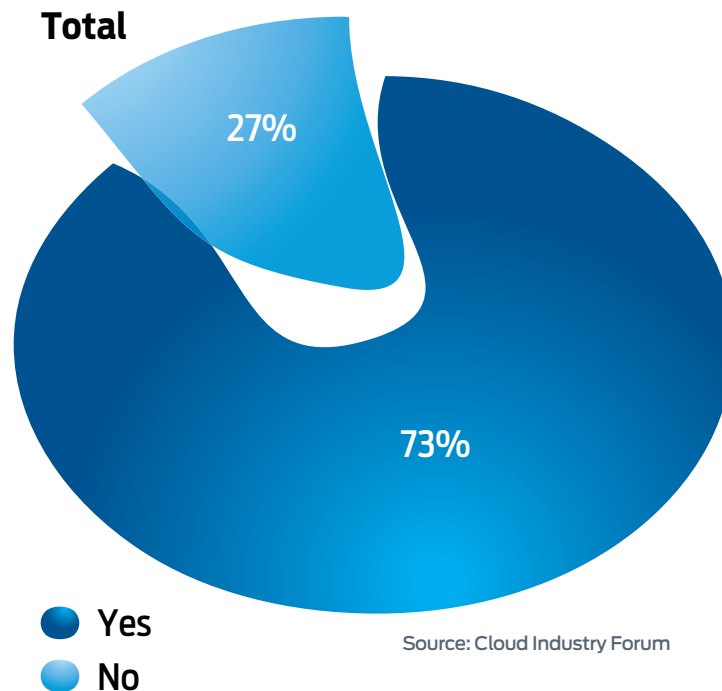
What are they currently hosting?

- Web services, such as hosting, ecommerce, portals and online marketing solutions were common

- Small and micro businesses are also using email as a cloud service, while larger SMB's often still use it on-premise

- File sharing, instant messenger services and online backup are also currently being used in the cloud

- Test & development platforms have also been popular

Making Business Work Better Online

What are the growth products?

- Email, especially dedicated or private cloud email is increasing substantially (forecast 36% increase in 2012)

- Data storage & backup services also expected to have a 35% growth in 2012

- Collaboration services, web conferencing and other communication tools are growing fast

What are the growth products?

In what areas do you expect your adoption of cloud services to increase over the next 12 months?

Only asked of respondents who expect their adoption of the cloud to increase

Do you expect your adoption of cloud services to increase over the next 12 months?

Total

27%

73%

Source: Cloud Industry Forum

● Yes
● No

Email services	**36%**
Data storage services	**35%**
Data backup/ Disaster recovery services	**28%**
Collaboration services	**28%**
Web hosting	**26%**
IT operations management	**23%**
Portal services	**22%**
Office automation	**18%**
Managed IT services	**18%**
IT asset management services	**16%**
Unified communications	**16%**
Advertising and online marketing services	**15%**
CRM	**15%**
IT security services	**14%**
Workflow systems	**13%**
Accounting and finance applications	**12%**
eShop services	**11%**
Service management / Help desk services	**10%**
Personnel and payroll	**9%**
Sales management	**9%**
Infrastructure as a service	**7%**
Partner relationship management	**6%**
Niche vertical applications	**2%**
Other	**2%**
Base	**116**

UK is following the US market

Cloud Server OS, Cloud UC, and Cloud Productivity drive 63% of incremental SMB spend

10-99 employee segment accelerating spending, 100-499 a close second

Cloud growth outpacing On-Premises 5:1 & increasing to 51% of relevant SMB spending in 2015

Source: Edge Strategies Research

Concerns / Challenges

Only asked of respondents who either currently use cloud or will do it at some point in the future	No. employees			
	Total	**Fewer than 20**	**0-200**	**More than 200**
Data security	**62%**	58%	66%	62%
Data privacy	**55%**	47%	57%	61%
Dependency upon internet access	**49%**	55%	56%	38%
Confidence in the reliability of the vendors	**35%**	34%	35%	36%
Contract lock-in	**34%**	34%	38%	30%

Source: Cloud Industry Forum

Data still the primary concern

· Security

· Privacy

· Sovereignty

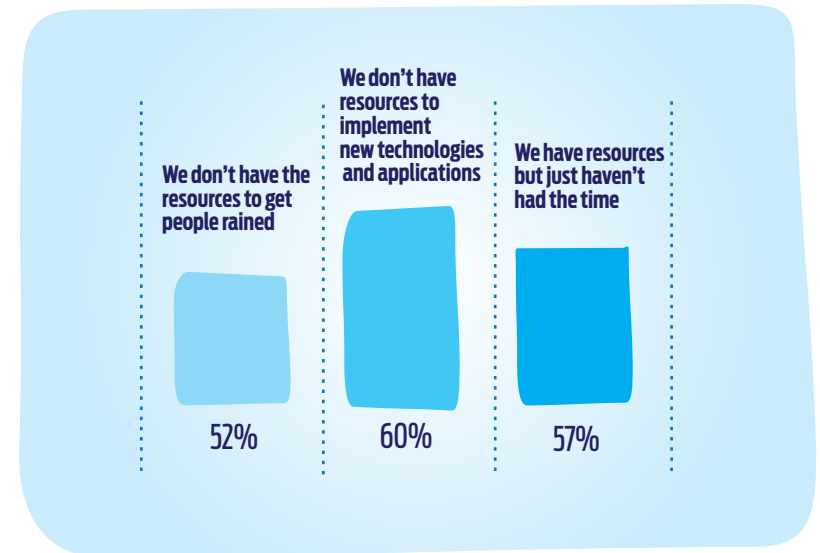| *Only asked of respondents whose organisations are required to store data*	No. employees				
	Total	**Fewer than 20**	**0-200**	**More than 200**	**Private**	**Public**
Hosted within the UK	**47%**	42%	43%	54%	48%	43%
On-premise	**43%**	54%	45%	32%	42%	45%
Hosted within the EEA	**6%**	2%	8%	8%	6%	7%
Other	**4%**	2%	4%	5%	3%	5%
Base	**208**	**59**	**75**	**74**	**132**	**76**

Source: Cloud Industry Forum

Secondary concerns

· Connectivity

· Reliability

· Contract lock-in

Who are SMB's asking for help?

- Cloud adoption is restricted by lack of time & resources — SMB's need help in implementing cloud

- SMB's need to work with technology suppliers to get the advice, support and deployment assistance to get cloud services in place

- Service Providers, Software suppliers and Industry leaders are key (36% of SMB's use as first contact)

- Getting the solution to suit the business requirement is key — SMB's that focus on this, get the benefits of cloud

We don't have the resources to get people rained

We don't have resources to implement new technologies and applications

We have resources but just haven't had the time

52% 60% 57%

Source: Edge Strategies Research

fasthosts

Making Business Work Better Online

Cloud adoption

- Adoption of cloud has been faster in smaller companies in 2011

- Private & Public sectors are at similar levels of adoption now

- Satisfaction with current deployment of cloud services is at 96%, with 73% looking to expand their cloud services further in 2012

- 85% see cloud as a core part of their IT strategy

- Most common cloud services are still email, backup, storage and web hosting, reflecting back office services still driving adoption

- Cloud services are being adopted alongside on-premise services

fasthosts

Making Business Work Better Online

Thank you

Stephen Holford Sales & Marketing Director

Stephen.holford@fasthosts.co.uk
www.fasthosts.co.uk

www.fasthosts.co.uk

Ask the Experts

Microsoft Partner Network

2011 PARTNER OF THE YEAR
Hosting
Winner