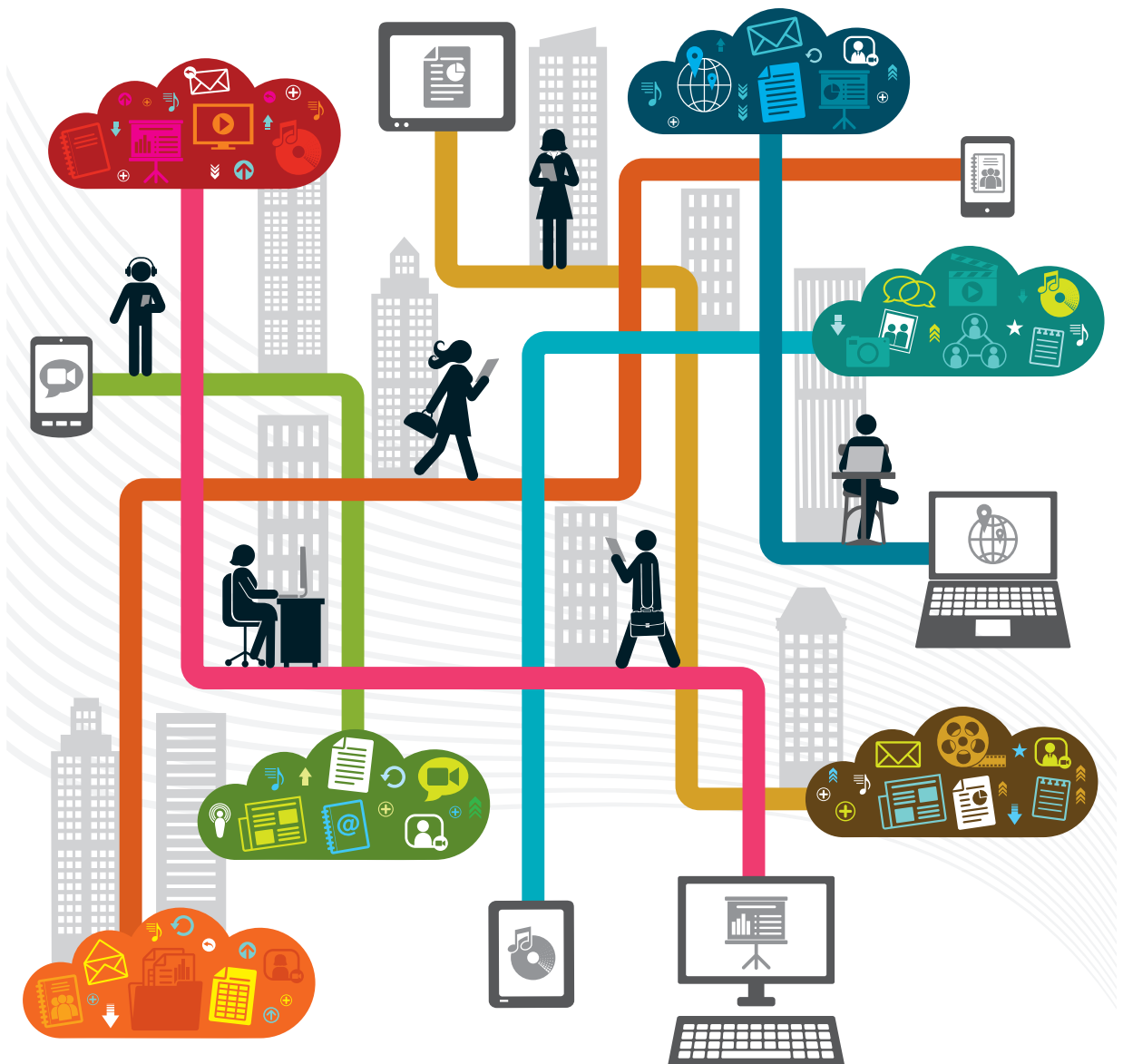




Making the Cloud Work for Business



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Executive Summary

Enterprises are increasingly turning to the cloud to reap economic benefits and effectively extend the reach of their business applications to users outside the bounds of the traditional corporate network—both in terms of physical location and end-user device type. IT decision makers are eager to begin or further their adoption of cloud solutions, but they have concerns, such as privacy and dependency on a single service provider, that are holding back broader adoption. Those are some of the key findings from a recent survey by Gatepoint Research, which also probed the willingness to embrace different types of cloud technologies as well as how enterprises are responding to the Bring Your Own Device (BYOD) phenomenon. This white paper examines cloud adoption trends and issues impacting further adoption of cloud technology.

Adjusting to On-Demand Needs

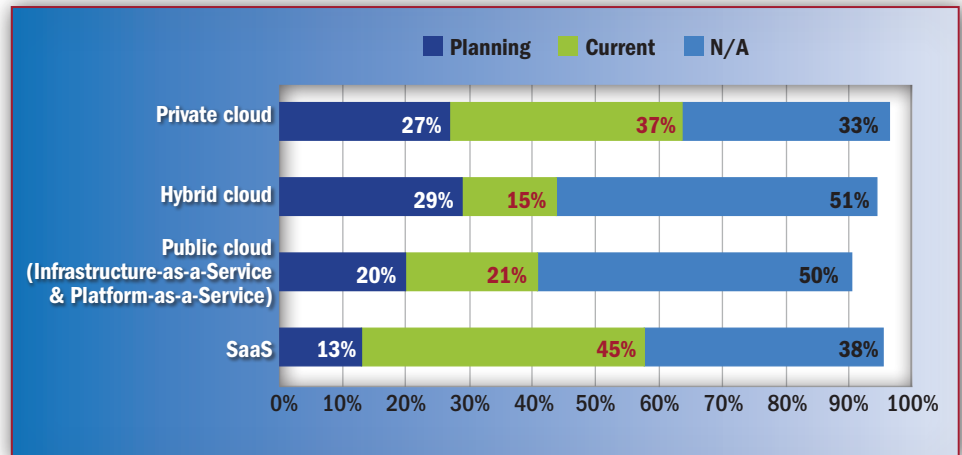
By providing on-demand access to applications and resources anywhere, cloud computing offers businesses significant cost savings, operational scalability, and an accelerated time to market. For many, this means overcoming reliance on legacy, on-premise systems, thereby requiring a leap of faith to embrace cloud for next-generation computing needs.

Market research firm IDC in 2012 predicted more than 80 percent of new business applications would be deployed/distributed via the cloud. “The many benefits of cloud-based infrastructure and application delivery are driving enterprise traffic from the corporate WAN to the Internet,” says IDC. “Companies are moving some of their existing applications out of the datacenter and into the cloud to take advantage of the IT cost savings, elastic resource provisioning, and on-demand business agility.”

According to the Gatepoint survey, software-as-a-service (SaaS) and private cloud are currently the most widely used cloud technologies at the companies of the more than 100 IT leaders who participated in the survey. Respondents represented business services, financial services, high tech, and manufacturing industries, with almost half of the total from Fortune 1000 companies.

SaaS applications are software that is hosted by the SaaS vendor and delivered to the consumers via the Internet.

Is your organization currently using or planning to use any of the following cloud computing services/technologies?

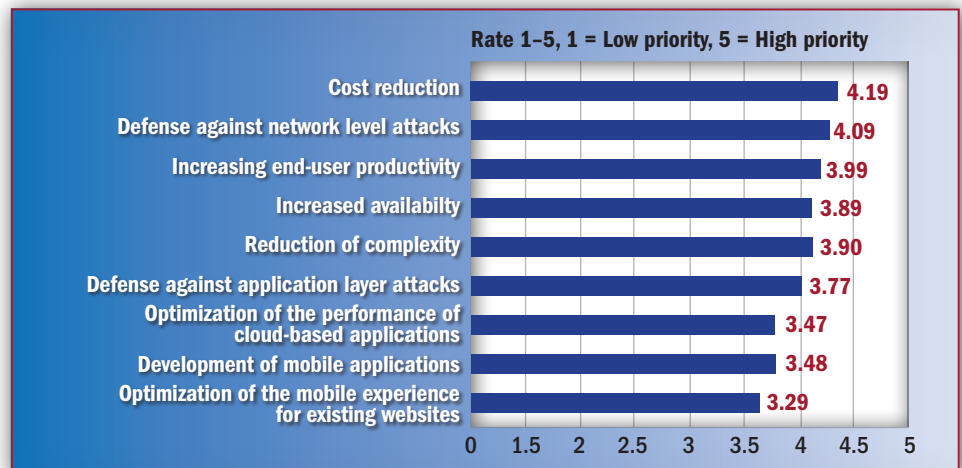


They are ideal for consumers who do not want to build out their own infrastructure to run certain software applications, and would rather consume software applications as a service, allowing them to reduce costs while improving agility and scalability. A private cloud represents an extension of a company’s data center, is used by only one enterprise and often relies on the Internet as the delivery vehicle for end-users.

Poised for Dramatic Growth

SaaS is in use at 45 percent of the companies represented in the Gatepoint Research survey, with another 15 percent indicating they have plans to utilize SaaS providers. Almost two thirds of the respondents say their companies are either already using (37 percent) or planning to use (27 percent) private cloud technology.

What IT priorities is your organization pursuing?



Enthusiasm is slightly tempered for the other primary versions of cloud: public cloud in which service providers deliver IT-enabled capabilities as a service to multiple customers and hybrid, which utilizes a mix of public and private cloud services.

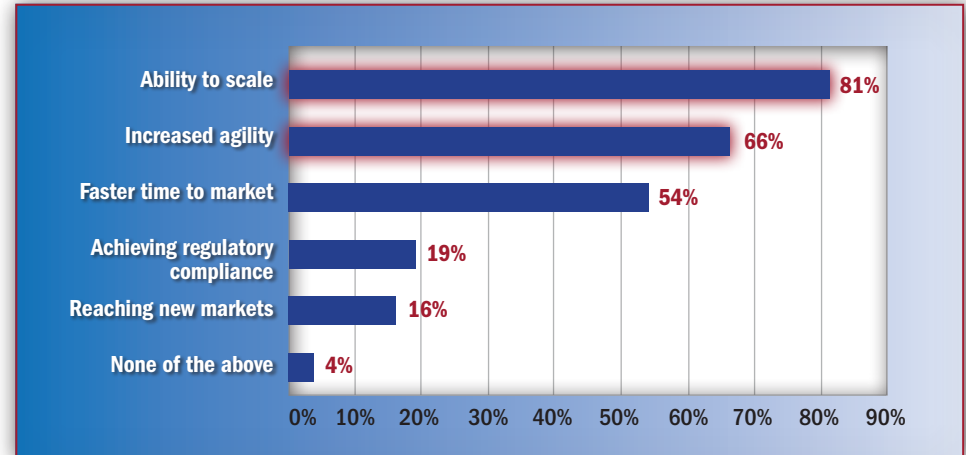
More companies are currently using public cloud (21 percent) than hybrid cloud (15 percent), but those ratings flip when it comes to future plans, with 29 percent looking to use hybrid cloud compared with 20 percent planning to use public cloud in the future.

“SaaS as a more mature service is understandably in greater use than newer and generally less understood services,” says Doug Barth, founder and principal of Gatepoint Research. “The fact that current and future use of private cloud eclipses that of SaaS represents a general market endorsement of this type of IT service. Hybrid and public are gaining ground, but there is definitely still a greater willingness by enterprises to adopt technology that they believe is more directly under their control.”

Ability to Scale

Most IT decision makers need no additional convincing that when it comes to the ability to scale, cloud is the way to go. More than 80 percent of the survey respondents indicated investing in cloud is the best way to achieve scalability. Additionally,

What business goals do you believe can best be served by investing in the cloud?



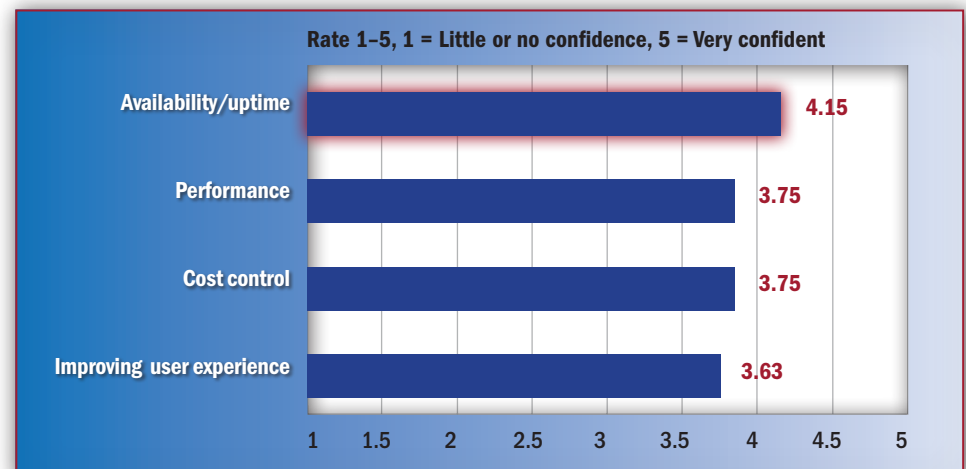
two-thirds indicated their goal of business agility can best be served by investing in cloud.

Furthermore, the respondents in the survey ascribe a high value to what cloud can bring to their organizations in the areas of infrastructure scalability (4.14 on a scale of 1-to-5) and infrastructure efficiency (3.94

out of 5). Increasing business agility was only slightly lower at 3.75.

Further down the scale, but still above the midpoint, are the ability to deliver value in application performance (3.5), supporting mobility (3.49), supporting real-time big data initiatives (3.30).

How confident are you that cloud technologies can deliver positively in the following areas?



“These findings indicate that IT decision-makers are convinced of the ability of cloud to transform the enterprise environment,” says Barth.

Overcoming Remaining Barriers

While there is surprisingly high confidence in moving IT infrastructure and applications to the cloud, primary concerns remain around privacy. This topped the list of concerns with 70 percent of respondents indicating privacy is a major issue to be resolved when considering how to adopt cloud solutions.

In contrast, the survey results indicate most respondents have confidence that cloud will have a positive impact on security and compliance, although almost half indicated they are concerned about compliance documentation in the cloud.

This disparity between privacy and the issues of risk mitigation, compliance, and security capabilities indicates that cloud as a replacement for legacy technology is still very much in its early stages. “Vendors competing to provide cloud services must make their case that their solutions are sufficiently mature in order to alleviate any lingering fears over cloud adoption,” Barth says.

The second greatest concern among survey respondents is the issue of relying on a single-provider relationship for cloud services. Almost 60

percent indicated this remains a top concern holding them back from more broad cloud adoption. “When you assess this finding alongside the preference for private cloud over other options, it would seem to indicate that IT decision makers are fearful of losing control over their infrastructure, especially for business critical applications,” says Gatepoint’s Barth.

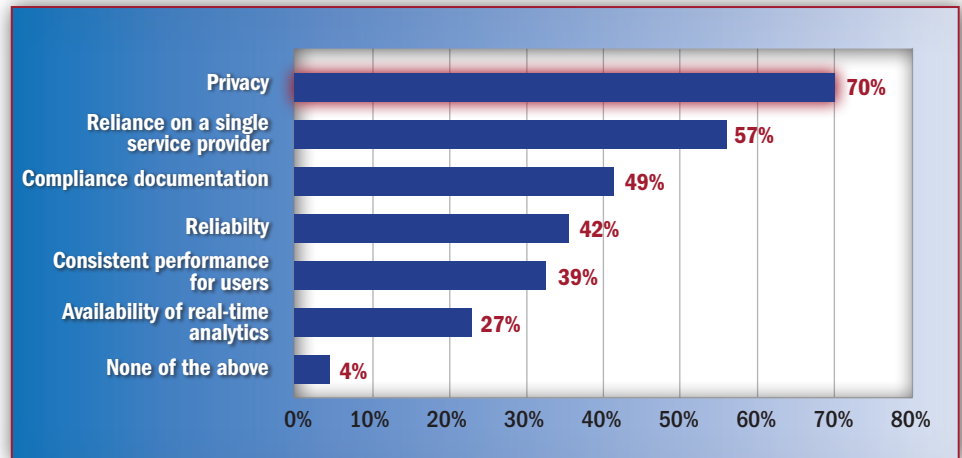
Less than half of the respondents indicate they are concerned about the reliability of cloud services and

Alignment with Top Priorities

Expectations and goals of cloud implementation go hand in hand with long-standing issues and challenges facing IT, where cost and security are top priorities.

In assessing their top IT priorities, cost reduction tops the list, averaging 4.19 on a scale of 1–5. Defending against network-level attacks comes in second. Other top priorities are increasing end-user productivity, increased availability, and reducing complexity.

What concerns, if any, do you have regarding utilizing cloud services?



the ability to provide a consistent performance for users. In the past, achieving reliability and performance via Internet delivery was a major hurdle impeding migration of enterprise applications, indicating that service providers are achieving relatively high success in convincing IT of their ability to meet key business requirements.

“Many organizations are struggling to realize the full potential of their investments in IT, and cloud projects are no different,” says Greg Lord, Senior Product Marketing Manager for Enterprise Solutions with Akamai Technologies. “The inherent challenges of balancing cost, complexity, and security across diverse systems is at the heart of IT’s struggle to achieve

technology and business goals when leveraging cloud-based solutions.”

Another top priority is defending against web security attacks, which have become a persistent threat in recent years. Respondents indicated that Web application layer attacks and attacks on DNS infrastructure are a drain on resources.

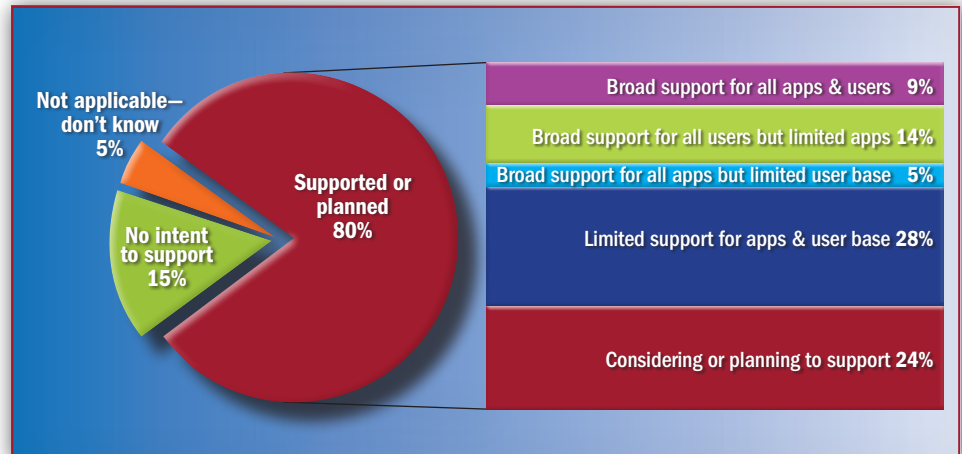
The BYOD Era

Hand-in-hand with the availability of cloud services and the growing importance of mobility is the phenomenon of BYOD, which supports users who want to use their own devices for both work and personal purposes.

A stunning 80 percent of respondents indicate they are already supporting or planning to support BYOD in some form or fashion. Just 9 percent indicate support extends to all users and applications, while 14 percent indicate they broadly support all users but only with limited applications. An additional 28 percent indicate limited support for both users and applications.

“It is remarkable that just 15 percent of those surveyed indicate they have no plans to support BYOD,” says Barth. “The speed with which this technology paradigm has taken hold

What is your organization’s policy regarding enabling workers to “Bring Your Own Device” (BYOD) for company business?



is unprecedented. It is a testament not only to the ability of enterprise to quickly adapt to new technology opportunities, but also a recognition in the value of granting greater latitude and choice to end-users and reducing the amount of centrally managed IT overhead.”

Demographics & Methodology

Gatepoint Research polled 106 executives at enterprises in business financial services, high tech services, and manufacturing. Respondents reflected a broad range of IT decision makers from the VP and CxO level to directors, architects and analysts. Participants were asked a range of questions in an effort to gauge current trends in cloud adoption and IT priorities.

Just under half of the executives are employed at Fortune 1000 firms with revenue of more than \$1.5 billion. An additional 11 percent work at companies with revenue between \$500 million and \$1.5 billion.

The Gatepoint Research survey was sponsored by Akamai Technologies. For additional information about utilizing the cloud to achieve IT and business objectives, please go to akamai.com/cloud, or contact an Akamai representative.

