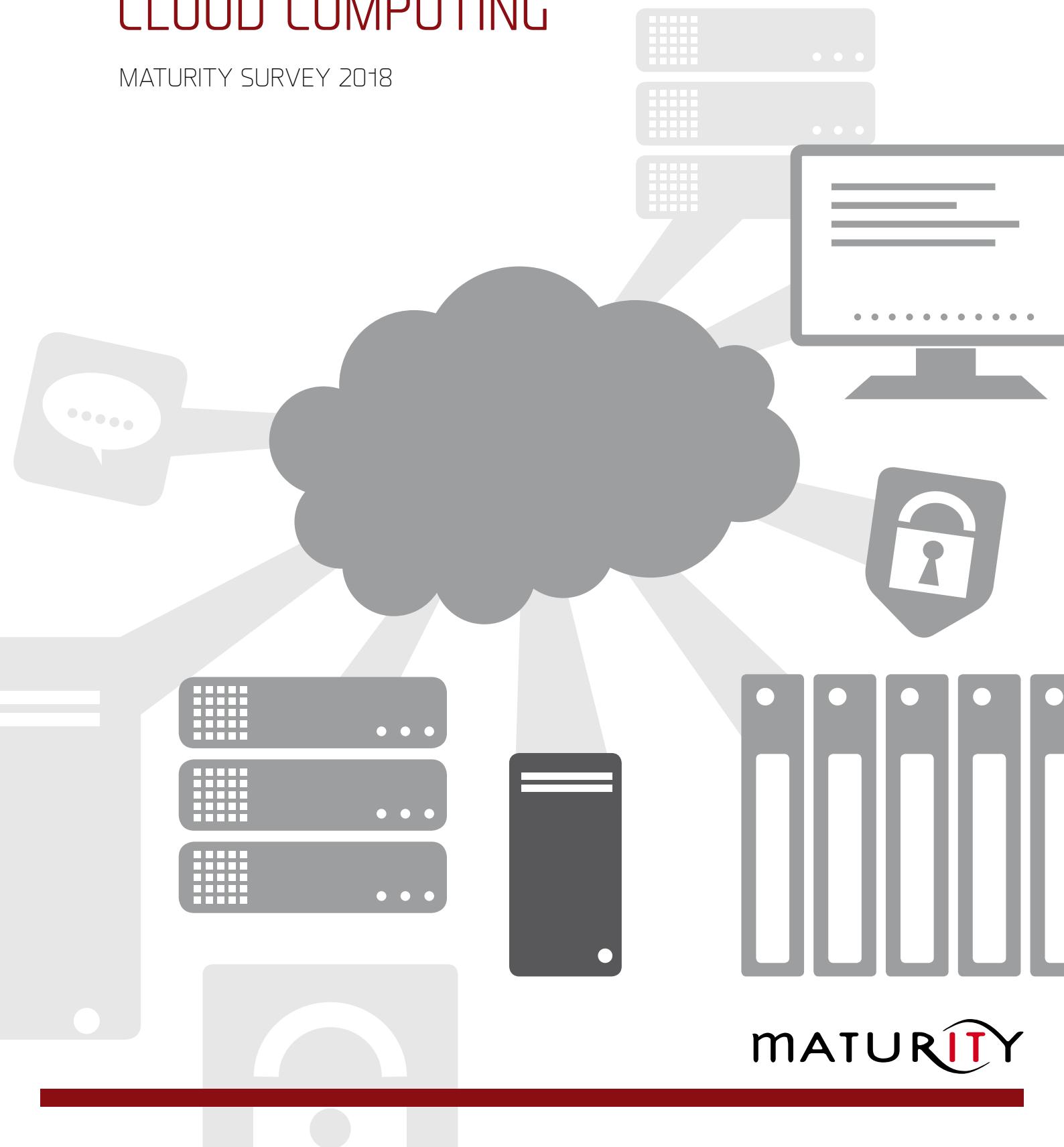


CLOUD COMPUTING

MATURITY SURVEY 2018

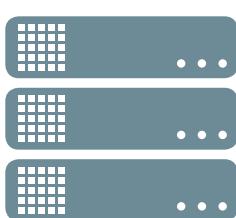


MATURITY

MATURITY SURVEY 2018

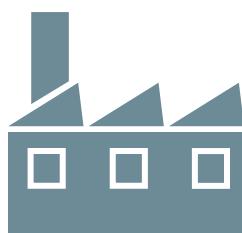
What impact on IT costs do you expect from cloud computing?

Hardware



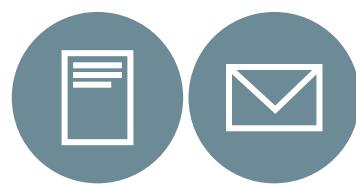
75 %
of participants expect
decreasing costs

Operations



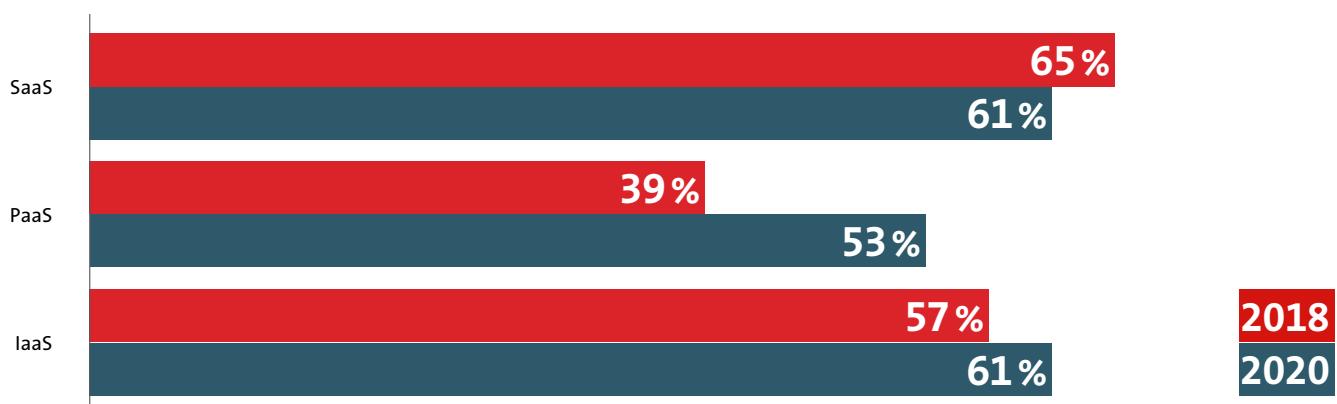
54 %
of participants expect
decreasing costs

Applications



40 %
of participants expect
decreasing costs

Which types of cloud computing are you using or planning to use in your company?



MANAGEMENT SUMMARY

After initial doubts, cloud computing has established itself in IT; flexibility and cost effects are the strongest drivers. The expectations of companies are quite high - and so is the pressure on IT to act.

THE CLOUD EVOLUTION

First there were data protection concerns, then the fear of losing control, and finally the Snowden revelations in mid-2013: It was not easy for the cloud to assert itself in Europe, especially in German-speaking countries. In the meantime, however, the wind has changed, and over 70 percent of respondents in this survey stated that their organisation's cloud usage is set to increase in 2019. This applies to both IT infrastructure and applications.

„The majority of users are satisfied with cloud prices, services and functions.“

One driver is that cloud users' experience with suppliers' services is fundamentally positive, both in terms of the price/performance ratio and quality/management. Nevertheless, the market shares of cloud pioneers are shifting slightly to those of competitors who later gained momentum, including traditional IT providers.

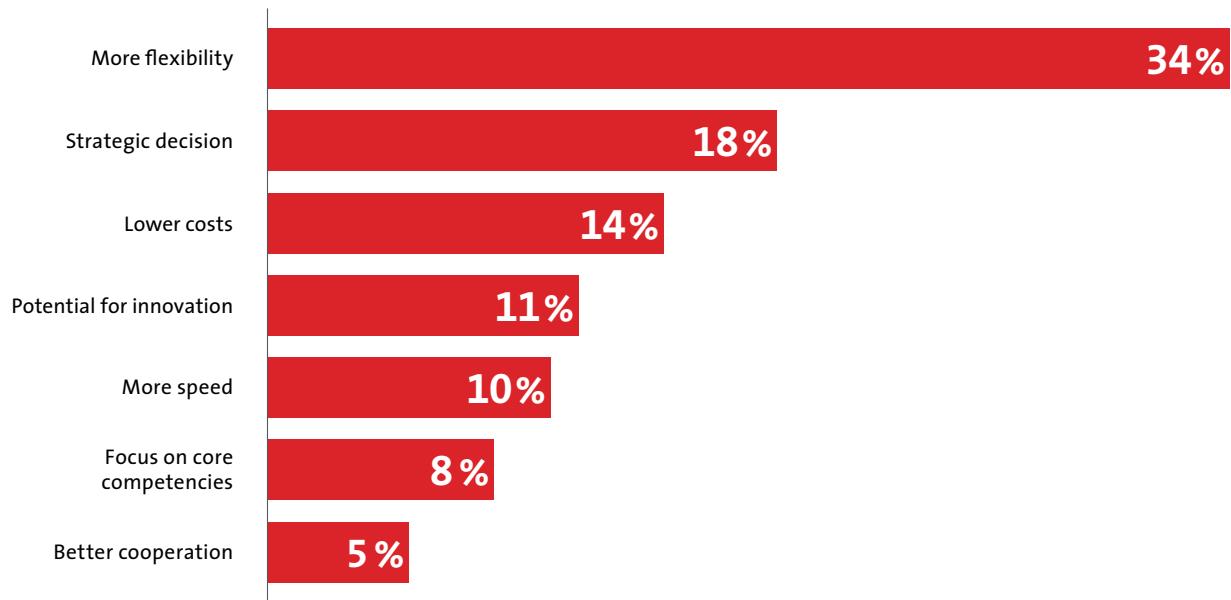
In the meantime, the fear seems to have given way to a certain euphoria, many cloud relocations are „strategic decisions“. However, the lack of skills, security and data protection requirements as well as cultural change cannot be solved with a single click. Added to this is the increasing use of a hybrid cloud, in which the advantages of a private cloud are combined with the economies of scale of public cloud. The evolution to the Multi Cloud, the combination of private cloud and several public cloud platforms, is not far away.

Around three quarters of the companies surveyed want to obtain more services from the cloud in the next two years. Cloud usage is increasing, especially when it comes to applications. The most important driver is greater flexibility; cost effects rank third. Many organisations expect declining expenditure, especially on hardware and operation. However, suitable key performance indicator systems, business case calculations and a professional cloud management system are indispensable if hopes are to be fulfilled.

“Suitable KPI systems, business case calculations and a professional cloud management system are indispensable if hopes are to be fulfilled.”

WHY CLOUD COMPUTING?

What is the main reason for using cloud computing?



The promise of the cloud to increase flexibility in IT deployment is the most important reason for change. Second place goes to the cloud as a strategic decision. This reason is mainly cited by small-

er companies (up to 1,000 employees). Low costs follow in third place. Here, too, there are more answers from small companies than from larger ones. With increasing company size (from 1,000

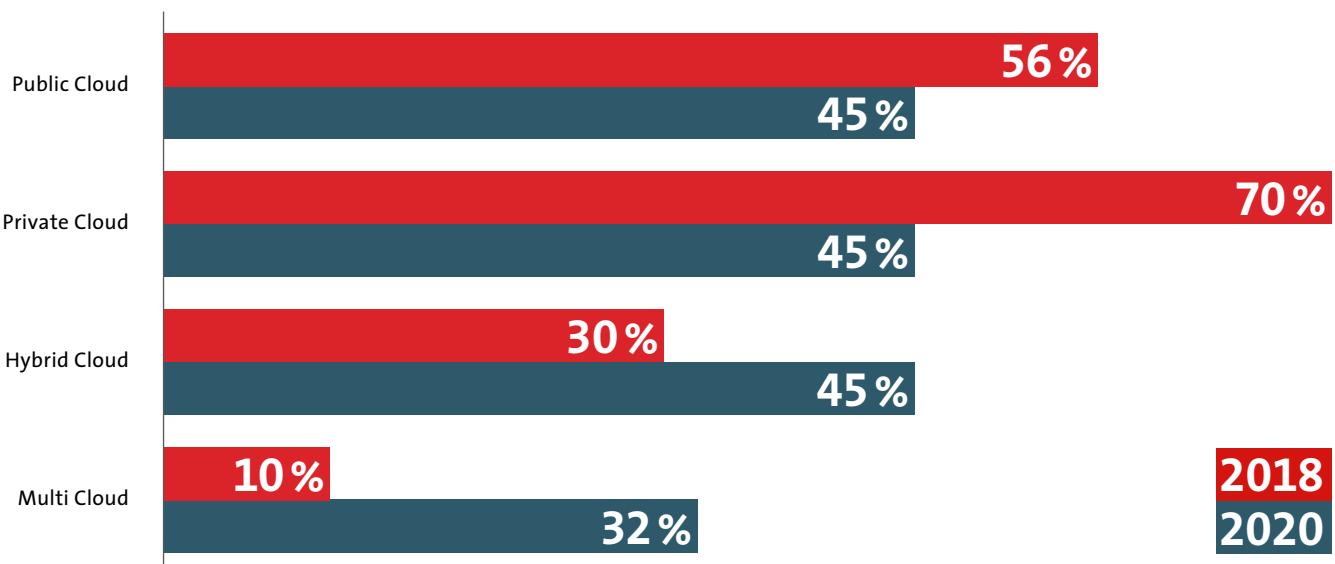
employees), the innovation potential of the cloud and the focus on one's own core processes gain in importance. The biggest driver is the IT organisation, far ahead of business units.

Which department in your organisation is the main driver of cloud computing?



CLOUD UTILISATION

Use of cloud models

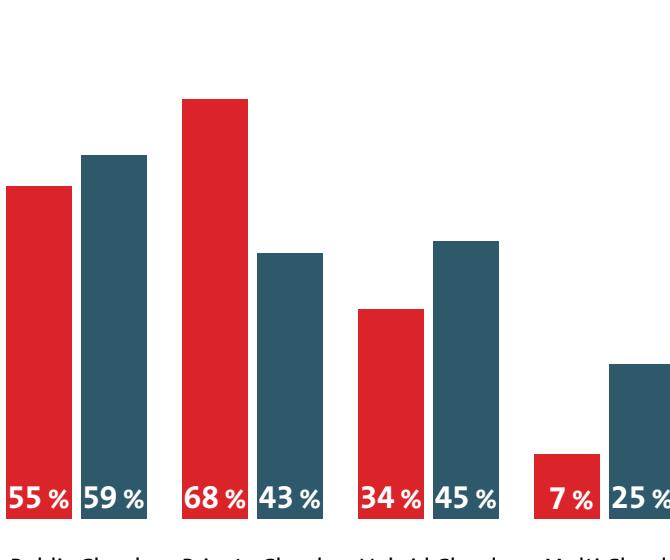


Private cloud as the primary variant (data protection, control, compliance) is gradually declining, better offers from suppliers are increasing the pressure to act. This is why multi clouds (several provi-

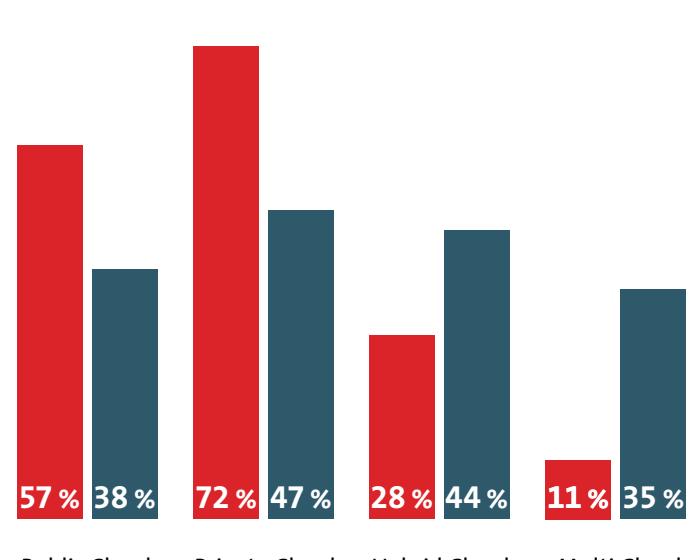
ders) and hybrid clouds (external and internal clouds) will establish themselves in the coming years - a kind of best of breed from the cloud. For smaller organisations with less than 1,000 employees, however,

the public cloud is only just beginning to emerge, while larger organisations are focusing primarily on multi-cloud environments. The challenge here is complex management of services.

Smaller organisations



Larger organisations

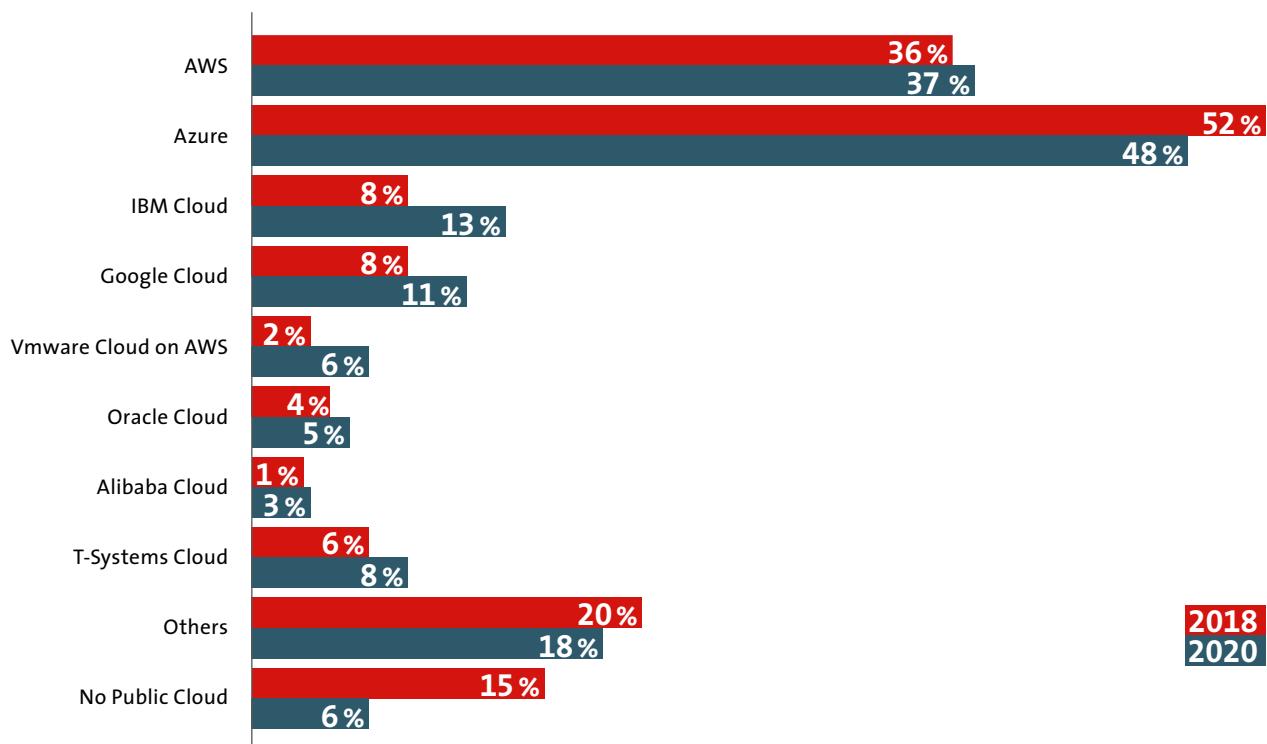


VENDORS AND SATISFACTION

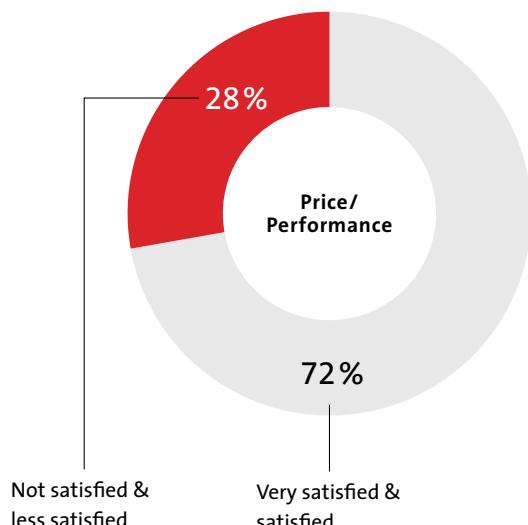
The move to the cloud is no surprise: around three quarters of users are satisfied or even very satisfied with their suppliers' prices and services.

New cloud players increase the variety of offers and attack the top dogs AWS and Azure.

Which public cloud provider is your company using and which provider do you plan to use?



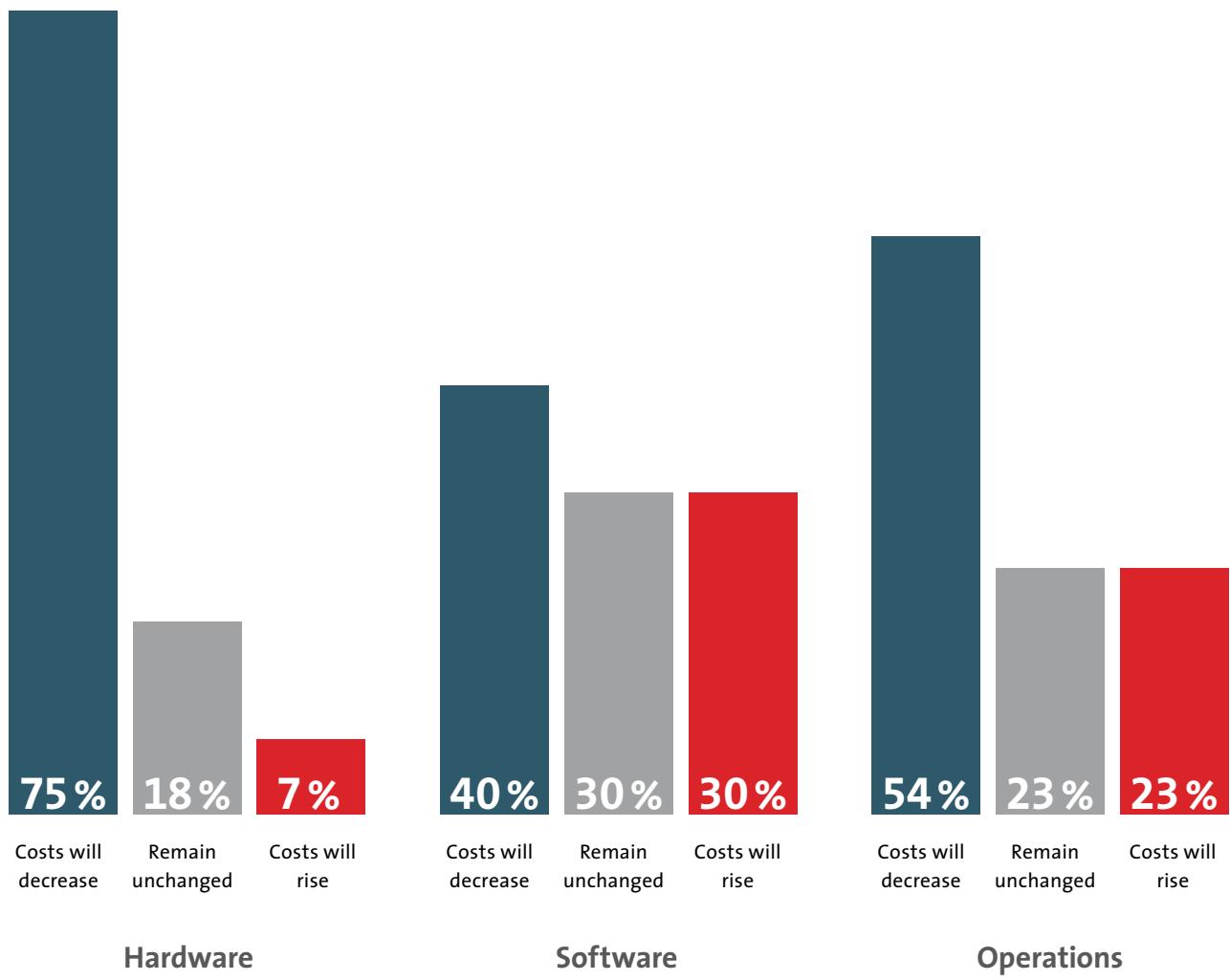
Satisfaction with cloud services



COST REDUCTION WITH THE CLOUD

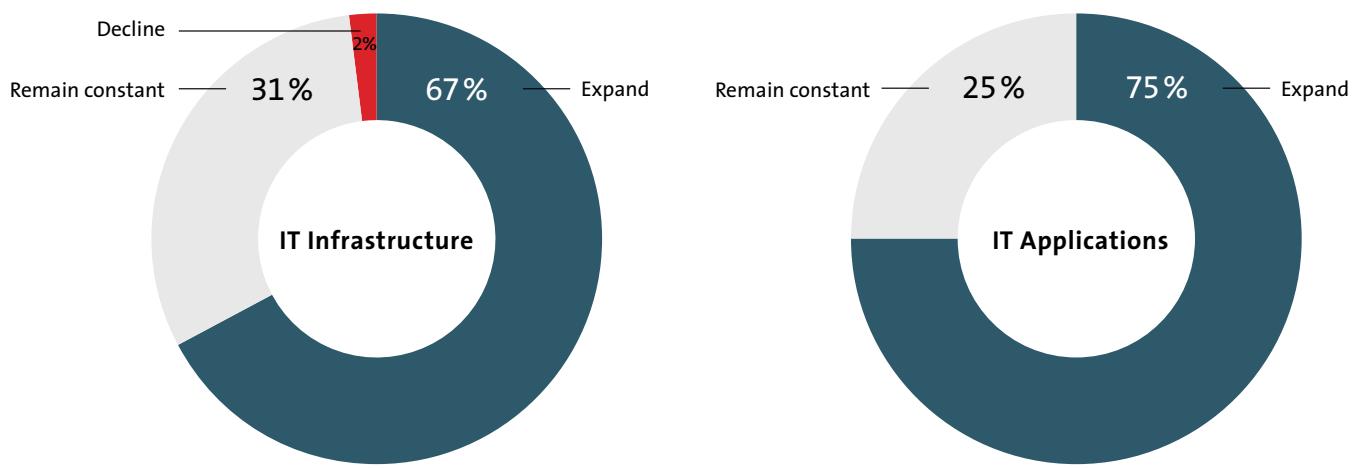
- There is great hope that cloud computing will help curb IT spending, especially in hardware and operations. However, just under a third of respondents do not expect any changes in applications. Another third even expect software costs to rise.
- The less euphoric assessment of software costs shows that lease models with clear price lists offer little scope for negotiation.
- Overall, most participants expect a moderate impact on the IT budget. The most common answer was: „Costs will fall between 10 and 25 percent.“

What impact on IT costs do you expect from cloud computing?



STRONG DEMAND

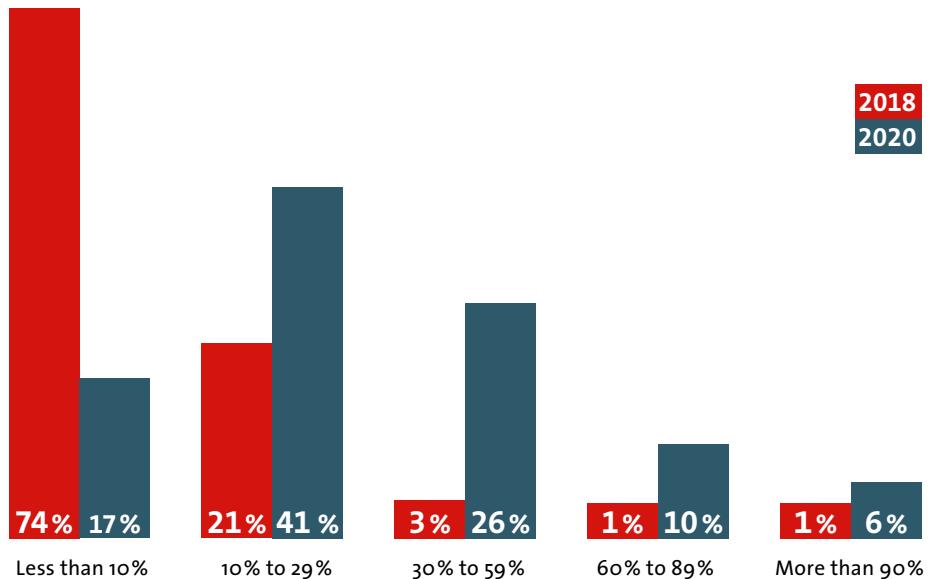
How will your cloud usage develop in 2019?



Satisfied users and the hope of savings are causing the demand for cloud services to rise sharply. This applies in particular to applications, where three quarters of companies expect cloud computing to expand, but two-thirds of companies also expect the cloud's utilisation rate to increase further in IT infrastructure by 2020.

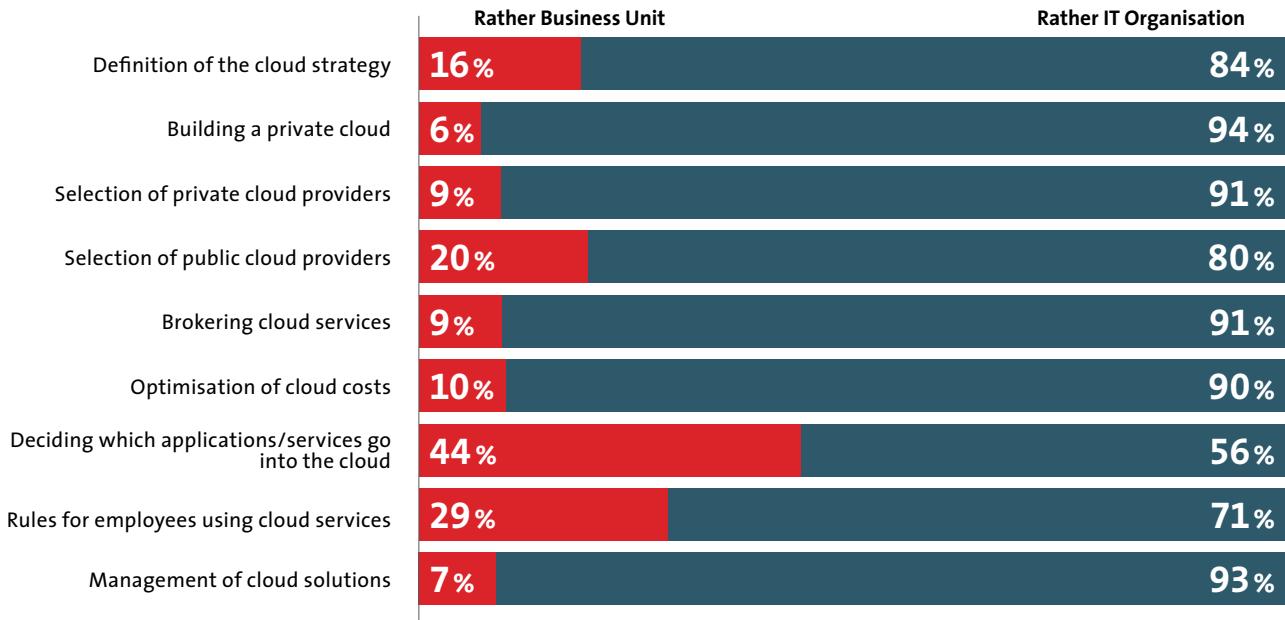
Around 75 percent of companies currently obtain less than one tenth of their applications from the cloud - they will be facing the topic of cloud management in the next few years, which is largely the responsibility of IT organisations (see „Alignment of business and IT“).

How many of your applications come from the cloud?



ALIGNMENT OF BUSINESS AND IT

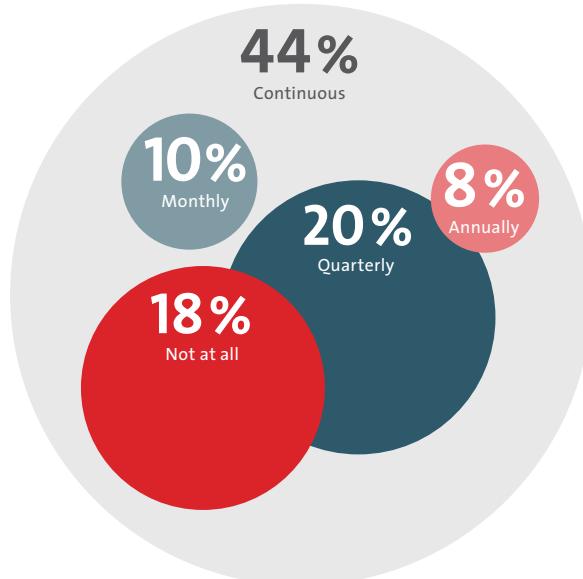
Which unit in your company is responsible for:



If you ask IT managers, the answers are clear: IT is responsible for the cloud. When it comes to deciding which applications and services should go into the cloud, the balance of power is almost even. This is where business units are most strongly involved.

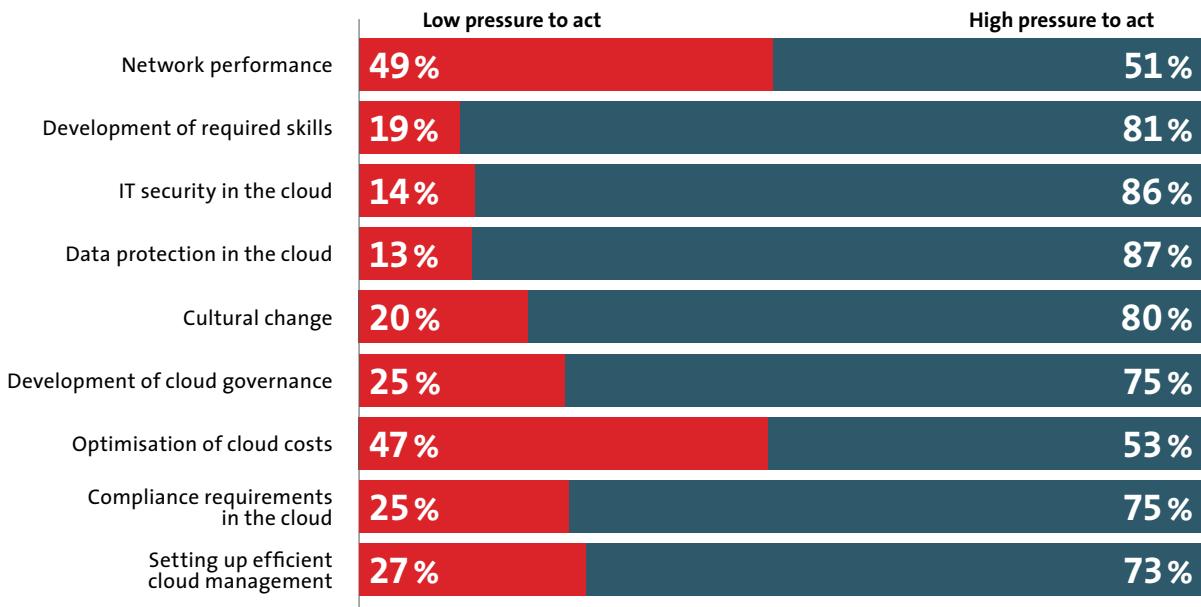
With regard to the frequency of coordination between business units and IT, the range of answers between „continuous“ and „not at all“ is particularly surprising. It seems that best practices have yet to emerge in cloud alignment.

How often are cloud projects coordinated between IT and business units?



HOMEWORK FOR THE IT ORGANISATION

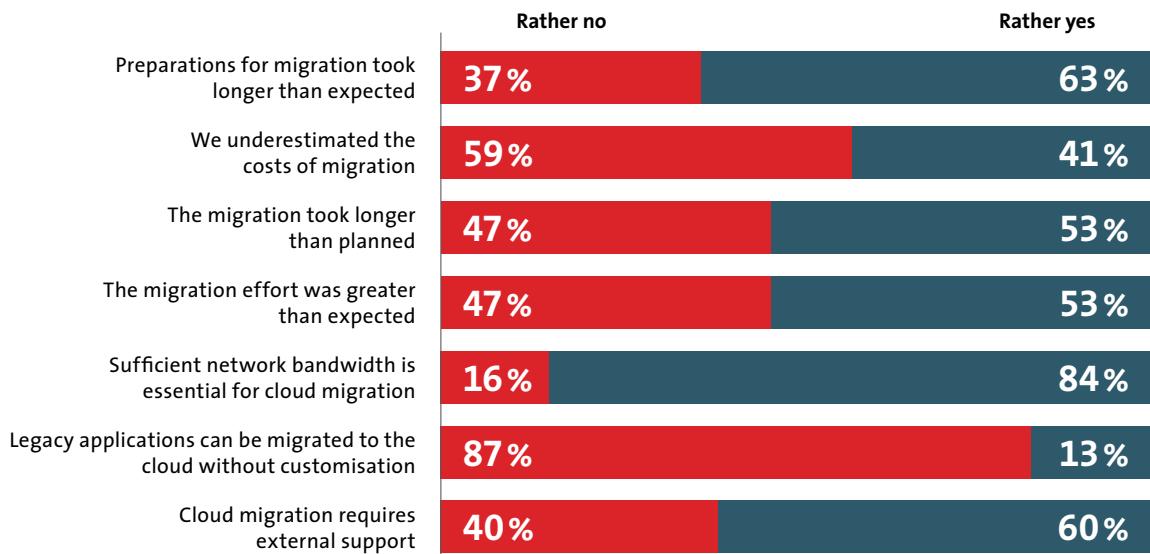
Where in your IT is there currently a need for action regarding the cloud?



There is a lot for IT to do to keep business units from falling out of the clouds. The least pressure for action is in networks and costs - although network performance is essential for cloud migration and low costs require good preparation. The attitude "Do my mess for less" had already proven to be deceptive in classic outsourcing - today, IT seems to be doing its homework better for the cloud.

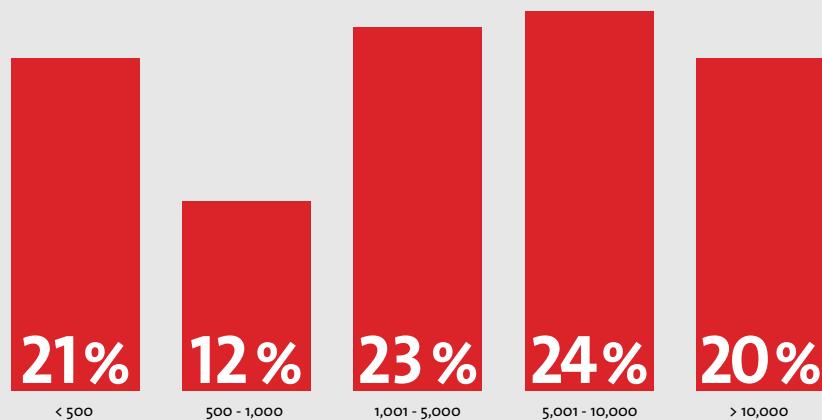
Almost 9 out of 10 respondents are convinced that existing services and applications cannot be transferred to the cloud without adjustments. Against this background, the high pressure to act with regard to skills indicates a potential bottleneck - 60 percent of the study participants therefore also plan to use external support for cloud migration.

What statements do you agree with about cloud migration?



ABOUT THE STUDY

Number of Employees

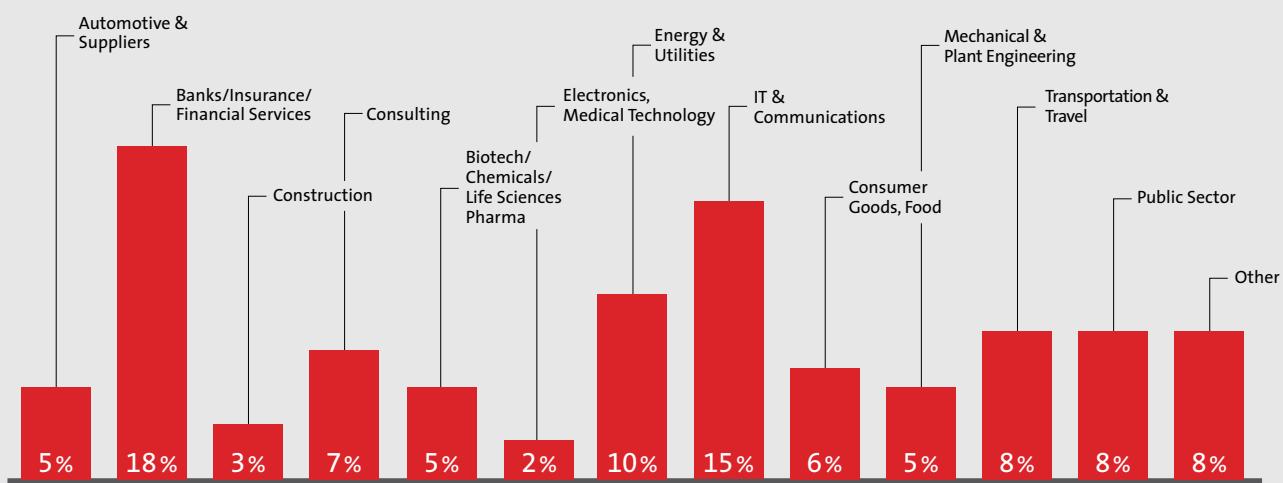


The survey "**Cloud Computing 2018**" is based on an online survey conducted in autumn 2018 by Maturity European managers from business units and IT were interviewed.

In total, 132 participants answered the questions, amongst them CIOs and IT directors, IT managers, IT project managers, procurement managers and comparable functions.

Further studies on the IT agenda and IT sourcing can be found at www.maturity.com/en/downloads.

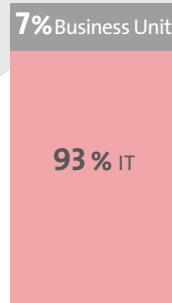
Industry sectors



Maturity Survey: 2018 Cloud Computing, n = 132

CLOUD COMPUTING

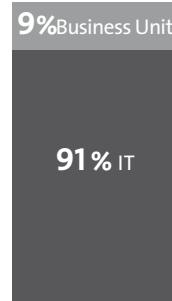
Responsible for:
Management of cloud solutions



Need for action in IT:
Setting up an efficient cloud management



Responsible for:
Brokerage of cloud services



Need for action in IT:
Development of required skills



How to find us:

Munich (HQ)

Maturity GmbH
Innere Wiener Straße 5c
81667 München

Tel.: 0049 (0) 89 44 11 98 0
Fax: 0049 (0) 89 44 11 98 299
E-Mail: munich@maturity.com

Milano office

Maturity GmbH
Milan North Park
Via Senigallia 18/2 Torre A
Milan 20161

Tel.: 0039 (0) 02 646 72 604
Fax: 0039 (0) 02 646 72 400
E-Mail: milan@maturity.com

London office

Maturity UK Ltd.
68 Lombard Street
EC3V 9LJ London

Tel.: 0044 (0) 20 78 68 19 01
Fax: 0044 (0) 20 78 68 18 00
E-Mail: london@maturity.com

Amsterdam office

Maturity Benelux B.V.
Joop Geesinkweg 999
1114 AB Amsterdam-Duivendrecht

Tel.: 0031 (0) 20 561 79 86
Fax: 0031 (0) 20 561 66 66
E-Mail: amsterdam@maturity.com

Frankfurt office

Maturity GmbH
Martin-Behaim-Straße 12-14
63263 Neu-Isenburg

Tel.: 0049 (0) 6102 882 460 0
Fax: 0049 (0) 6102 882 460 99
E-Mail: frankfurt@maturity.com

Vienna office

Maturity Austria GmbH
Herrengasse 1-3
1010 Wien

Tel.: 0043 (0) 664 111 0000
Tel.: 0043 (0) 664 395 1929
E-Mail: vienna@maturity.com

Zurich office

Maturity Schweiz GmbH
Rietstrasse 35
8840 Einsiedeln

Tel.: 0041 (0) 79 466 64 89
E-Mail: zurich@maturity.com