



Vodafone Cloud Barometer 2015

A detailed insight into the changing world
of cloud computing and the increasing
use of hybrid cloud environments

The future is exciting.
Ready?



Foreword



Michelle Senecal de Fonseca

Director, Vodafone Cloud & Hosting Services

Whether you are one of the many companies that have already committed to cloud at the highest levels, or are still testing the waters, you face the same questions: how do you compare to your peers? What path should you follow to get the best results? And what does the future hold? To answer these questions, Vodafone created this, our first global study of cloud use.

The Cloud Barometer 2015 provides you with a snapshot of how and why businesses are using cloud. It's based on our analysis of survey responses from hundreds of organisations around the world and insight gleaned from the in-depth conversations we have with enterprise IT leaders every week. We had responses from more than 700 senior IT decision makers, based in 16 countries across five continents. As a result, this Barometer gives you both a fact base against which to compare yourself, and an insight into your peers' experiences, motivations and intentions.

To supplement this analysis we've drawn on our expertise to provide predictions and recommendations that you can use to drive your own cloud strategies in the years ahead.

Please do let us know if you have comments, questions or ideas for how we can improve this kind of research going forward. You can contact me and my team at hostingenquiries@vodafone.com — we'd love to hear from you.

A handwritten signature in black ink, appearing to read 'M Senecal de Fonseca', written in a cursive style.

Michelle Senecal de Fonseca

Director, Vodafone Cloud & Hosting Services

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Executive summary

Our research shows that cloud adoption is driving a transformation not only in IT infrastructure, but also in the fundamental way companies work to create and deliver value to their customers.

Cloud is here to stay — and it's playing a larger role

- **Cloud is an established part of IT delivery**
89% of enterprises anticipate using some kind of cloud by the end of 2016, up from 77% in 2014. And 70% of enterprises use or would consider using cloud for mission-critical enterprise applications, such as business intelligence (BI) and enterprise resource planning (ERP).
- **Multiple factors are driving adoption**
Adoption is being driven by users and consumers — so-called “shadow adoption” — but also by increasing use of cloud-dependent technologies like machine-to-machine communications (M2M), analytics, and mobility. 83% of organisations reported that their mobility strategies were driving the way they adopt cloud.
- **Cloud users report the highest levels of confidence in their business performance**
Four out of five large companies that have currently adopted cloud services are positive when asked questions about their business priorities and ability to succeed in the future, compared to just over half of those companies who have not. Said another way: cloud adopters are more likely to feel “business-ready”.

Most businesses use #cloud. But the way they use it is changing. Find out more in the Vodafone Cloud Barometer,

cloud.vodafone.com/barometer2015



Business goals drive cloud models

- **Cloud is all about helping CIOs serve the business**
The most popular benefits of adopting cloud are to free up IT resources and to enable responsiveness to business demands.
- **Businesses tend to take multiple steps on their cloud journey**
Most companies start with private cloud, this offers the greatest reassurance for those coming from traditional outsourcing. Hybrid cloud is showing the fastest growth and promises the most potential for businesses.
- **Choice of deployment model depends on many factors**
It's driven by the business's strategic priorities (including focus on business transformation and customer experience), and its attitude toward factors such as risk and innovation. The more innovative the business, the greater the focus on cloud.

#Cloud is about meeting business needs and cloud models must reflect that. Find out more in our Cloud Barometer,

cloud.vodafone.com/barometer2015



To find out more about the use of cloud and what's driving it, see **Section 1** (page 7).



To find out more about choosing cloud deployment models, see **Section 3** (page 12).



Multiple factors will shape the future of cloud

- **Barriers to cloud adoption still exist**

Security, control and organisational inertia are the top barriers to continuing cloud adoption. But the most significant inhibitor is internal to the IT department: lack of time and resources.

- **IT leaders are time-constrained**

Most CIOs and IT directors spend half their time on operational tasks, instead of growth tasks such as innovation. Cloud brokerage — the use of one provider to manage relationships with multiple cloud providers — is gaining traction as a way to help free up IT resources.

- **Innovation champions can help**

Organisational focus on cloud deployment models is strongly linked to who within (and outside) the organisation is responsible for driving innovation. The involvement of senior leadership, and the voice of the customer, can help push adoption of cloud.

Internal factors have the biggest impact on #cloud results. Find out more in the Vodafone Cloud Barometer,

cloud.vodafone.com/barometer2015



To find out more about how business factors will affect cloud, see **Section 4** (page 16).



Recommendations for getting the most out of cloud

- **Use a mix of cloud models, led by hybrid**

Consider not just the right cloud deployment methods for your enterprise strategy, but the right mix of cloud models for each part of your application landscape. As with all IT transformations, it starts with an audit, a future vision and a gap analysis.

- **Get ready for mission-critical cloud**

Cloud brokers can help, but there's no substitute for choosing the right partners and developing the right governance capabilities in-house.

- **Focus on organisational change**

Changes to organisational cultures, structures, processes and relationships take time. Now is your opportunity to lead conversations about the steps ahead and to position IT as a source of competitive advantage.

- **Complement your skills**

Leverage the resources of specialist IT and communications providers to help you understand the impact of current and future trends, and to identify opportunities to use technology to enhance your company.

Follow our four approaches to realise the full promise of #cloud.

Find out more in the

Vodafone Cloud Barometer,

cloud.vodafone.com/barometer2015



To read more predictions and recommendations, see **Section 5** (page 18).



About the survey

Vodafone commissioned independent research with 703 large companies across five continents and 16 countries, including: USA, Canada, UK, Germany, the Netherlands, Italy, Spain, India, Hong Kong, Singapore, Australia, the United Arab Emirates, South Africa, Egypt, Nigeria and Tanzania (see Figure 1).

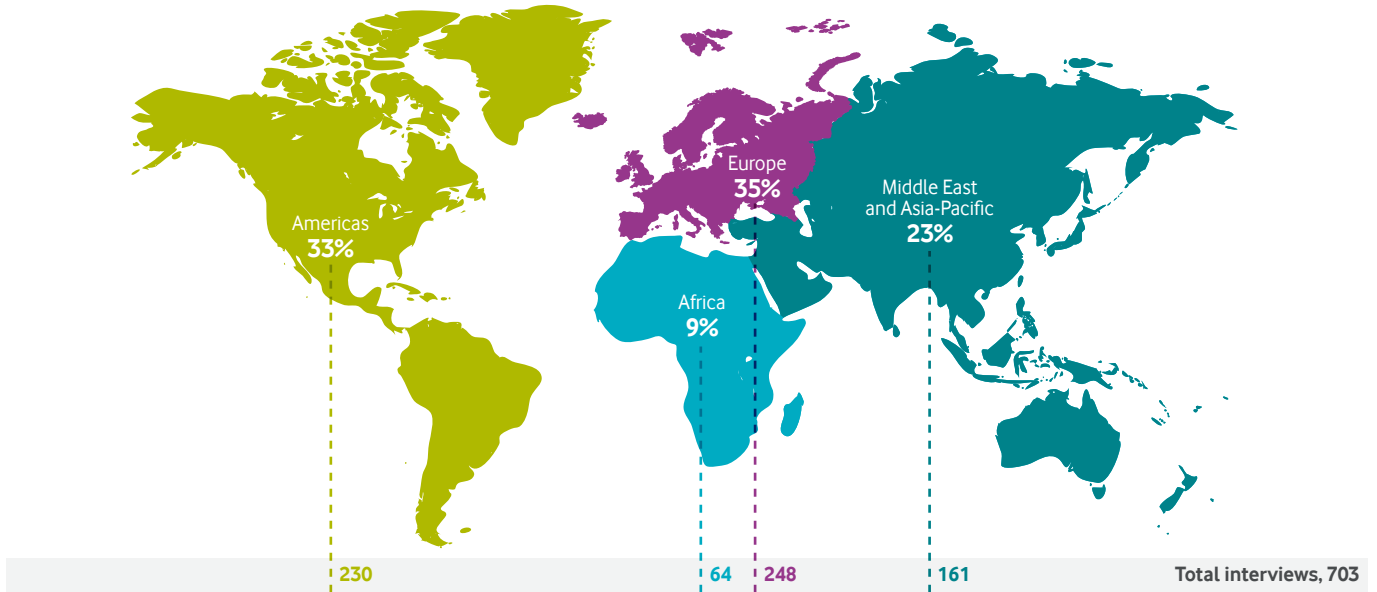


Figure 1
Survey respondents by geographical location

We questioned 703 companies, ranging from those employing 250 staff to those with more than 100,000. From this group we selected 631 companies representing a range of industry sectors (see Figure 2) to complete a detailed questionnaire on how they are using cloud now and how they anticipate using it in the future.

Interviewees were asked about:

- Their experience with cloud and hosting services.
- Current and planned use of IT infrastructure deployment models.
- Current use and consideration of cloud-enabled managed services.
- Who is driving the use of technology to innovate within the business.
- The impact of mobility on IT.

We also carried out in-depth interviews with 18 respondents to delve deeper into their experiences of cloud and their plans for the future.



Figure 2
Survey respondents by industry sector

Cloud is here to stay

If you don't already use cloud, you're in the minority

This probably won't come as news to you, but cloud is an integral part of how most enterprises deliver IT services today. We found that 77% were using cloud at the beginning of 2015, with 85% anticipating using it by the end of the year and 89% by the end of 2016.



of large businesses say they'll be using cloud by the end of 2015

Tellingly, even those that regard themselves as cautious adopters of technology are adopting cloud at nearly the same rate. Almost equal proportions of our sample identified with the statement “we're worried about moving too slowly” and “we're worried about moving too fast”; 93% of the “fast” group said that they'd be using cloud by the end of 2015, but the “slow” group weren't far behind, on 78%.

Three key factors are driving cloud adoption

You'd expect that, as market penetration approaches such high levels, growth would slow. But three powerful forces are pushing cloud even further into the mainstream.

1. “Bring your own cloud”

Cloud adoption continues to be driven not only by top-down enterprise IT strategies, but by bottom-up pressure from users and consumers — in much the same way as the use of smartphones and tablets has been.

Cloud may not have started out as an expressly consumer technology, but tech-savvy consumers have grown used to Software-as-a-Service (SaaS) products like Gmail, Dropbox and iCloud at home, and they don't see why they can't use the same convenient tools in the office. And why not, when there are accessible, friendly cloud apps from both startups and enterprise heavyweights like Oracle and Salesforce.com available for a monthly fee? Whether it's HR software or marketing automation, these purchases are assigned to the departmental budget or in some cases even an individual manager's corporate card. We expect that somewhere, somebody in your business is using a cloud application right now that IT didn't specify or purchase.

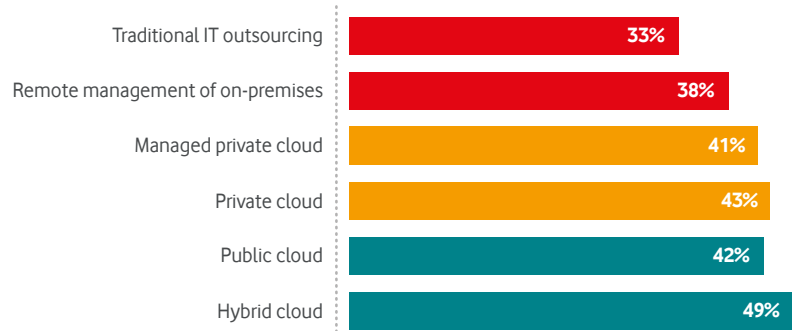
We think it's time to recognise that technology is part of everyone's job today, and bring business-led cloud adoption out into the open. The IT function has a lot to add in ensuring that the cloud solutions used offer the best value, are consistent with company security and compliance standards, and are robust enough for enterprise use.

2. The new IT landscape

In IT, nothing happens in isolation — new technologies naturally intersect, and the expectations and benefits that drive one tend to drive others. We found in our research for this Cloud Barometer that cloud adoption links closely to, and is driven by, the organisation's mobility initiatives.

Figure 3
Business which claim increased use of deployment models as a result of mobility strategies

Base: All respondents (631).



Mobility is a top priority for most enterprises, so it's a natural place to start. We asked enterprises if their mobility initiatives affected how they spend their IT budgets (87% agreed); and how they used different cloud deployment models (80% agreed). We found that companies' mobility initiatives are particularly driving budget toward increased use of hybrid cloud, but all deployment models saw increased use as a result of mobility strategies (see Figure 3).

Given the increasing expectation for access to the information and services users need — at any time, from any location, and from any connected device — it makes sense for them to be delivered from the cloud. There is little doubt that mobility and cloud deployments are linked.

And it's not just mobility strategies that are affecting companies' attitudes toward cloud. In our recently published **2015 M2M Barometer**, we found that organisations using M2M tended to also use cloud and big data, and vice versa.

In some senses, cloud is the "glue" for all of the major new technology trends — data gathered from M2M assets, big data applications, mobile applications and social applications all need somewhere to live that makes it accessible from across the business. The cloud is that place.

"I always see IT's main role as supporting the business. We have to be flexible. A lot of IT people still like to build empires of hardware and software. I have always had a different view. If someone external can do a better job then why wouldn't you opt for that? It does not make the IT department any less important."

UK, IT decision-maker,
Media and entertainment

3. Proven results

Perhaps the biggest factor sustaining cloud growth is the simple fact that it's delivering highly visible results. Enterprises are reading case studies and reports filled with examples and ROI figures. They're building business cases for pilots — and they're seeing results that justify further investments.



of cloud adopters agree with each of our Ready Business statements

We asked adopters of various kinds of cloud if they agree with four "Ready Business" statements about their business effectiveness today and their prospects for the future. As Figure 4 on the next page shows, their confidence far outshone that of non-adopters. Is cloud adoption the cause or the effect of this confidence? Perhaps a bit of both. But we're sure that using cloud helps any business face the future.

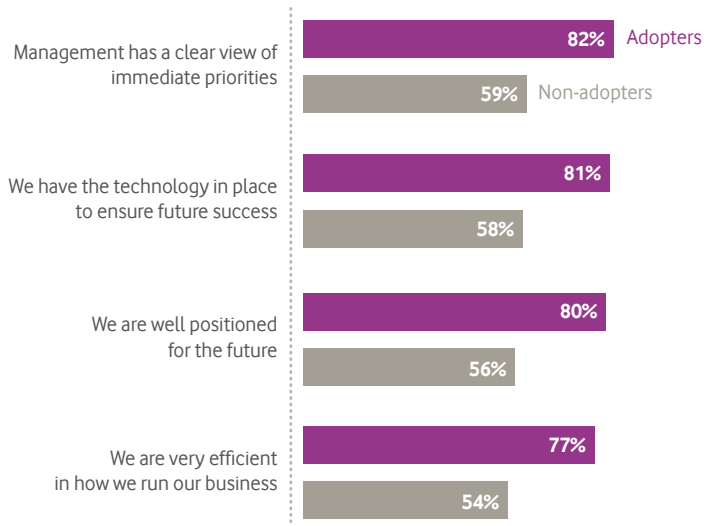


Figure 4
Businesses using cloud are more likely to see their company as a Ready Business

Corporates that have already implemented a cloud solution.
Base: All respondents (631).

When asked what was important in building a justification for investment the “benefits case” (how a new technology will support the business strategy and enhance innovation) beat the financial case, but only just — 33% to 31%. So while companies see cloud as an enabler of change, they also appreciate the financial and operational benefits of transforming their IT infrastructure.

Many find that the cloud’s subscription-based, pay-as-you-go model, aligned with operating expenditures (OpEx), suits them better than up-front investments and depreciation based on traditional capital expenditures (CapEx). Most find that cloud computing provides them with a more flexible, scalable, up-to-date and cost-effective solution for IT infrastructure than looking after it all on their own.

Definitions

Virtualisation is the “abstraction” of the traditional computing model. This enables a single physical server to run multiple virtual machines, each of which can run different operating systems and applications.

Cloud computing provides a virtualised environment for application workloads that is elastic (scalable up and down) and priced in line with actual usage. It’s available in a number of different varieties:

- **Public cloud** refers to infrastructure that a third-party service provider hosts, manages and makes available for shared use by all subscribing businesses.
- **Private cloud** is dedicated to a specific customer, whether it’s hosted in a cloud provider’s data centre or the customer’s facility.
- **Hybrid cloud** refers to cloud models that include both private and public elements and enable application workloads to move between them as needed.

There are three basic service models for cloud services:

- **Infrastructure-as-a-Service (IaaS)**, a fully virtualised environment on which companies can run their network-based applications, eliminating their need to install, operate and support their own private networks, storage and hosts.
- **Platform-as-a-Service (PaaS)**, software services and application development interfaces, along with their underlying networks, storage and hosts, which companies can use to develop, test and deploy network-based applications.
- **Software-as-a-Service (SaaS)**, applications provided over the Internet, eliminating the need for businesses to install, operate and support them on their own private networks, storage and hosts.

XaaS or *aaS are sometimes used to describe all three of these service models.

Section

2

Cloud will play a larger role

Enterprises are choosing cloud for mission-critical workloads

Enterprises are increasingly comfortable making cloud a key part of their business going forward. In fact, many of the decision-makers told us so, in no uncertain terms — one called cloud a “no-brainer”.

“The acceleration of this type of service today means it’s almost a no-brainer if you’re looking at a new HR [human resources], CRM [customer relationship management], email or financial system. You will find ones in the cloud that are a much better deal.”

UK, IT decision maker,
Media and entertainment

With adoption nearing 80% and bold statements from our interviewees, we think it’s safe to say that pretty soon adopting cloud won’t be news at all. Based on our research, you’re significantly more likely to be looking ahead to what to do with cloud next than you are to be taking your first steps. And it’s quite likely that the answer will involve some kind of mission-critical application.



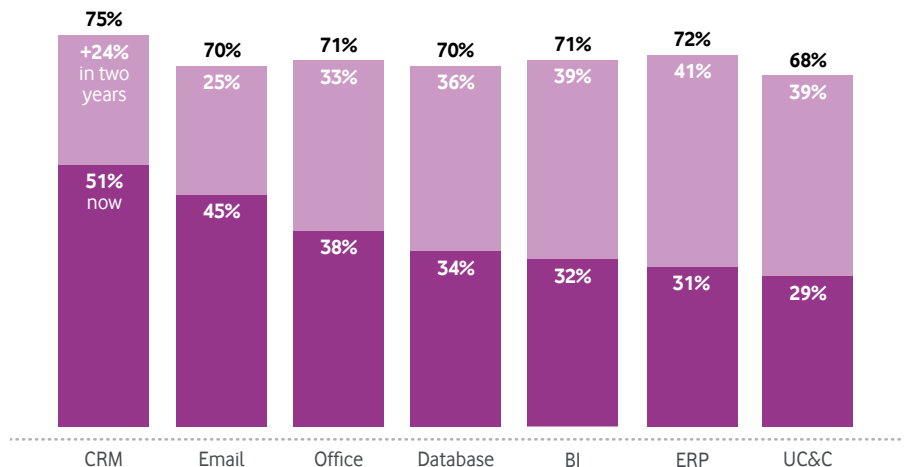
of large companies say they’d consider using cloud-enabled managed services for mission-critical applications

For example, more than 70% of the large companies in our study either currently use, or would consider using, cloud-enabled managed services for mission-critical applications such as databases, BI and ERP.

In line with cloud’s greater maturity, we found that businesses are choosing to use cloud for a wider range of applications, processes and services, including strategic ones (see Figure 5).

Figure 5
Willingness to use cloud-enabled managed services for enterprise applications

Base: All qualifying corporates, whether or not using cloud-enabled managed services, globally (631).



It's not just new applications that businesses are thinking about putting in the cloud. Our survey found that companies are also considering cloud-enabled managed services for many of their requirements at the infrastructure and platform level.



of large companies say they currently use or plan to use cloud-enabled managed services for an IT service

Close to 90% of the large companies we spoke to said they currently use or plan to use cloud-enabled managed services for IT services, such as desktop management and disaster recovery (see Figure 6).

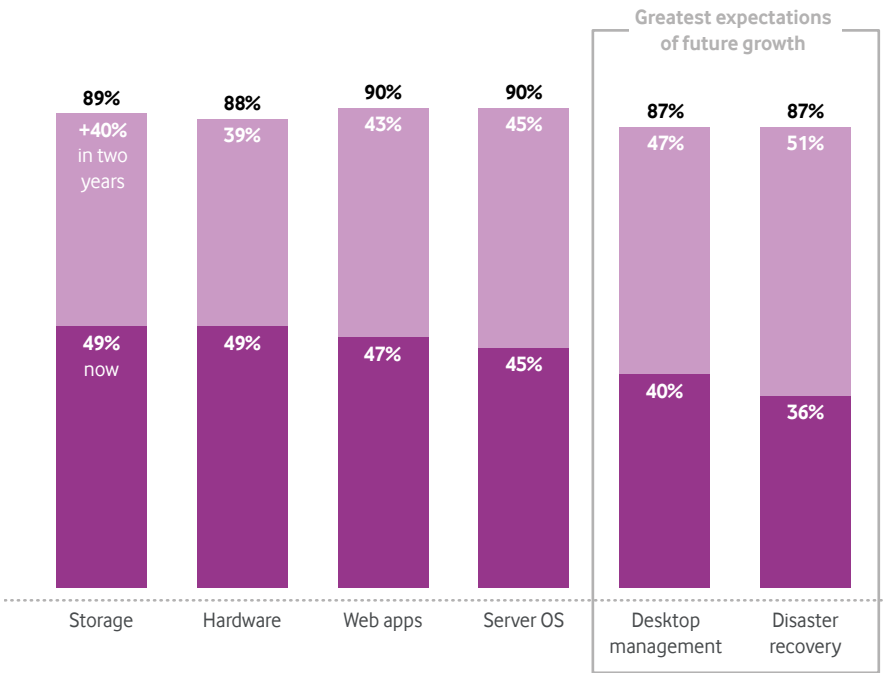


Figure 6
Consideration of cloud-enabled managed services for different IT services

Base: All qualifying corporates globally (631).

What does this tell us? Perhaps most clearly it suggests that enterprise IT decision-makers are increasingly confident that cloud can deliver the required availability, security and performance needed for core business applications.

It also suggests that cloud has decisively moved beyond the clichéd use cases of the past — where cost efficiency is everything, where traffic volumes are highly elastic, and where cloud instances must be built up and torn down on a daily basis to suit business needs. Most databases, ERP systems and desktop management services are at the more predictable end of the infrastructure spectrum.

“SaaS, we’ve been using that for years. What has changed is the focus on business apps, making sure business processes work well.”

UK, IT decision maker,
Financial Services

Section

3

Business goals drive cloud models

IT exists to support the business

While some IT departments are still trying to lock users down and resist “shadow IT” adoption of any technology, most CIOs believe that it’s their mission to support the business in any way they can.

Adopting cloud helps IT departments support their companies in two ways:

- By answering direct demands from the business: for example marketing asking to be able to add capacity more quickly to support promotions.
- By proactively moving services to the cloud, freeing up time and budget to focus on other business initiatives: for example moving messaging services.

Our research bears this out (see Figure 7). We asked what organisations saw as the key benefits of adopting cloud, and found that the list was dominated by freeing up IT time (to support the business) and improving responsiveness to business demands. The third most-sought-after benefit — more manageable costs — is also about enabling IT to support the company better, by making limited budgets go further.

“Investment priorities are about making a decision to go with a technology at the right time. We don’t want to be the leading edge, but we are good at thinking ahead of the game. The business just wants things to work, they don’t care about anything else. They want a proven ROI case. It has to be more cost effective than the way we do it now.”

UK, IT decision maker,
Media and entertainment

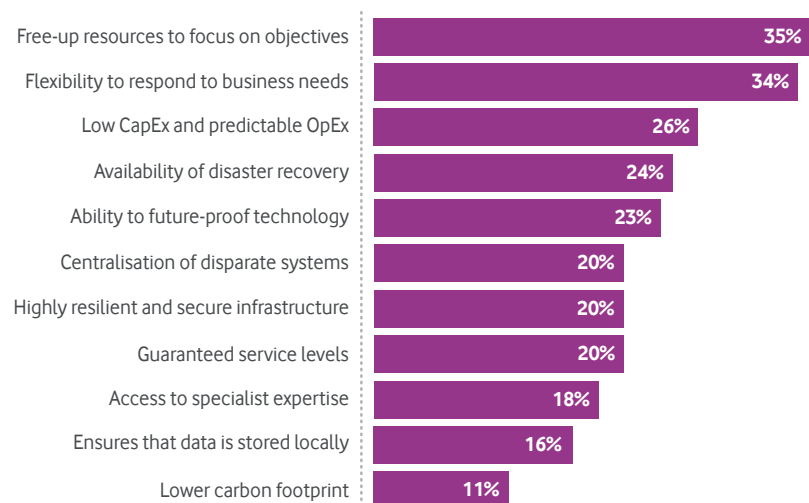


Figure 7

Perceived benefits of using cloud-enabled managed services

Base: All qualifying corporates (631).

Cloud is a journey, not a destination

With adoption of cloud approaching saturation level, the question is not whether you’re using it, but how extensively and in what areas you’re using it. The next phase of adoption will be the degree of cloud’s penetration within the business, across departments and workloads.

Cloud is always evolving, as are expectations for it. This means even the most cloud-savvy IT function can’t afford to sit back. IT departments must strive to keep their IT-managed cloud portfolios attractive and flexible enough that users see no need to circumvent IT and go direct to the market themselves, risking incurring additional costs and compromising corporate security and control.

Most IT functions are adaptable to change

Most of the people we talked to believed that their IT function is already doing a good job of keeping a focus on the future and staying flexible to support the needs of the business. We asked them to choose between pairs of statements, and found that:

- More say that IT **accelerates** change than say that it **controls** change.
- More say that IT adds **value** than say that it focuses on **costs**.
- More say that IT focuses on **applications** than **infrastructure**.
- More say that IT is a **proactive** adviser to the business than say that it simply **responds** to requests.
- More say that IT investment decisions are taken in view of a **long-term strategy** than say they're made on an **ad hoc basis**.

Cloud strategies depend on a range of factors

The cloud adoption path that a company takes depends on several factors, perhaps most importantly where it starts from.

For most businesses their cloud path will begin with some kind of traditional IT outsourcing arrangement. It's clear from the expected growth rates for each kind of cloud that IT outsourcing is being challenged by as-a-service delivery (see Figure 8). Traditional outsourcing has the highest adoption today, and the lowest growth.

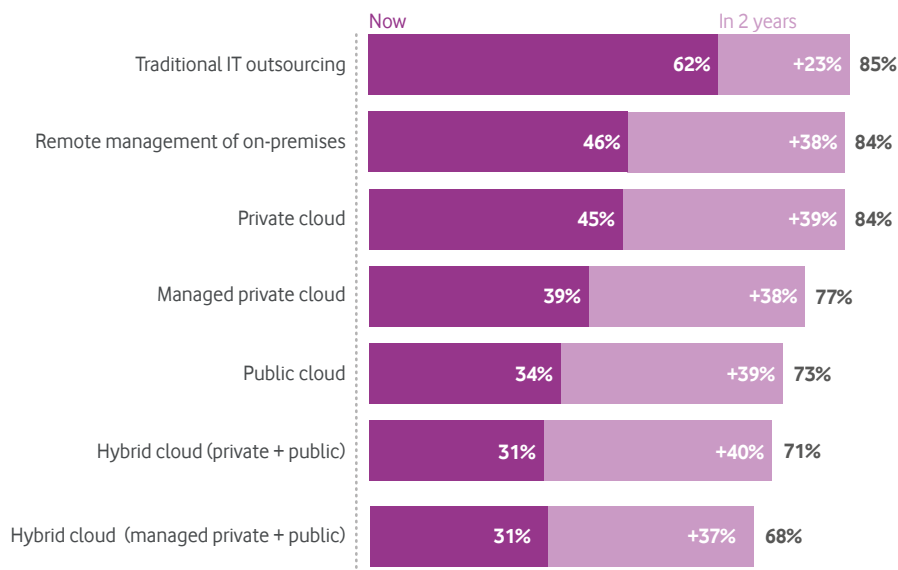


Figure 8
Current and planned infrastructure deployment

Base: All qualifying corporates including those who don't have cloud and hosting technology globally (631).

There are many different types of cloud, and for most businesses there's a staged adoption path:

- First private cloud, with remote management of private cloud and managed private cloud.
- Then public cloud services, of all types (SaaS, PaaS and IaaS).
- Finally, hybrid cloud deployments — that is, the use of a mix of both private cloud and public cloud infrastructure to support the organisation's overall portfolio of applications.

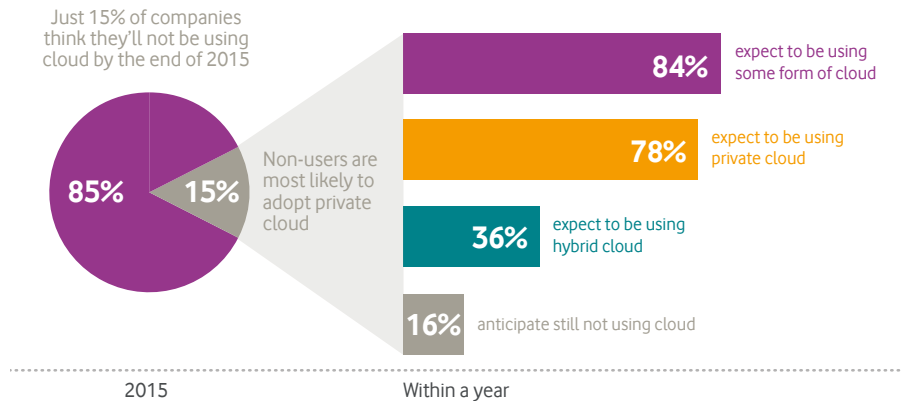
Let's take a closer look at this journey.

Private cloud is the first step for cloud adopters

By the end of 2015, only 15% of businesses anticipate that they still won't be using cloud. Of those, 84% say they expect to be using cloud by the end of 2016. For these first-timers, private cloud is overwhelmingly the most popular choice: 78% say they'll be using private cloud (see Figure 9). This makes sense. Private cloud is the model closest to traditional IT, offering greater control and visibility, and more visible security and privacy. For organisations nervous about cloud, it's the lowest apparent risk.

Figure 9
Anticipated adoption path for those not using cloud in 2015

Base: All qualifying corporates (631).

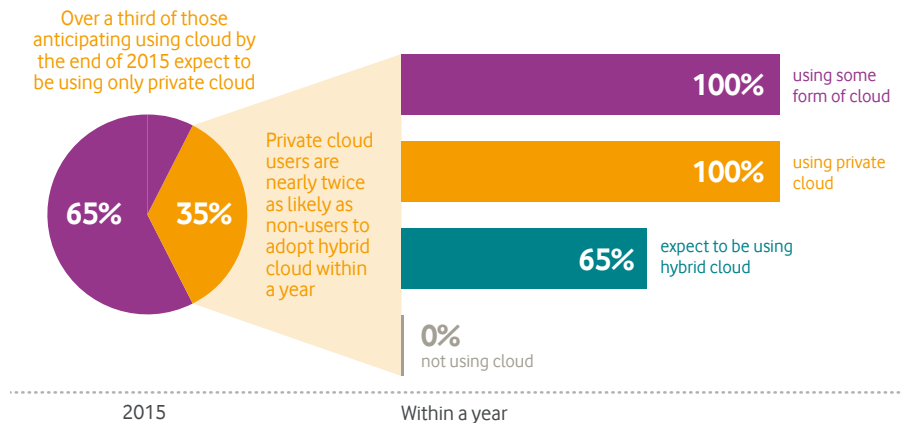


From private cloud, the majority will move to hybrid

What about those using private cloud? Where do they move next? Hybrid cloud is the answer. 35% of cloud users say they expect to be using only private cloud by the end of 2015. 65% of those say they expect to be using hybrid cloud by the end of 2016 (see Figure 10). Again, this is natural. Hybrid cloud is in some sense an extension of private cloud. Once companies realise the benefits of virtualisation through their use of private clouds, they gain the experience and confidence to take the next step into the elasticity and cost-effectiveness of hybrid.

Figure 10
Anticipated adoption path for those using only private cloud in 2015

Base: All corporates anticipating using some form of cloud by the end of 2015 and specifying a type (458).



The right model for the business

There's a clear relationship between the deployment models that companies choose and the strategic principles they display. We looked at five factors: the degree of focus on business transformation and customer experience, and attitudes toward risk, flexibility and innovation.

As Figure 11 shows, those using public or hybrid options are more likely to agree that their company is focusing on business transformation via applications, rather than on infrastructure. Those using cloud are also more likely to say that they're focused on customer experience (although it's worth noting that all organisations showed more interest in customer experience than in business transformation).

"We're leaning towards a hybrid implementation where we've got our private cloud and we're slowly moving services that are not core to our business [to public cloud]."

South Africa, Group IT Manager, Manufacturing

Organisations using private cloud are more likely to say they're focused on delivering tailored customer service experiences than transformation. And companies whose infrastructure plans focus on traditional IT outsourcing are less likely to identify with either of these strategic priorities.

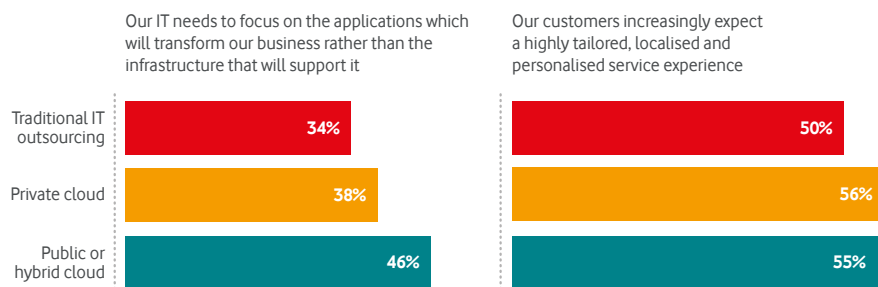


Figure 11
Alignment of strategic priorities and infrastructure deployment models

Base: All qualifying corporates who are only using a private model (34), traditional IT outsourcing (44) or public/hybrid (341).

Whichever way you interpret the cause and effect — that organisations focused on transformation and on the customer are more willing to experiment with cloud, or vice versa — cloud-first companies are putting business goals before infrastructure.

We also asked respondents about how their businesses agreed with three attitudes, and looked at the cloud adoption of those agreeing with each.

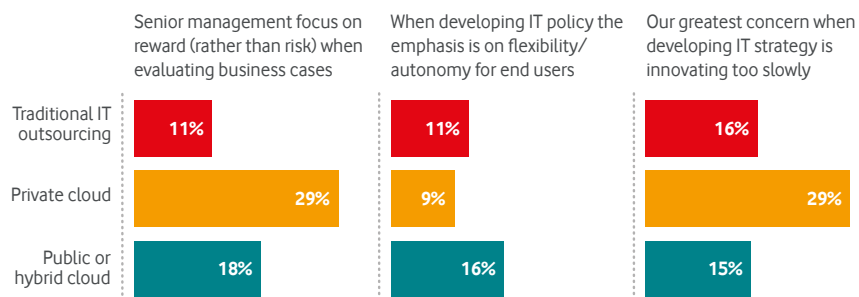


Figure 12
Alignment of business imperatives with infrastructure deployment models

Base: All qualifying corporates who are only using a private model (34), traditional IT outsourcing (44) or public/hybrid (341).

Although the picture in Figure 12 is not clear-cut, users of traditional IT outsourcing are less likely to be concerned with:

- The potential reward of new technologies, instead of their risks.
- Delivering flexibility and autonomy for users and customers, instead of on security.
- Innovating too slowly and losing competitive advantage, instead of being too hasty.

The right cloud for each application

The choice of (one or more) cloud deployment models depends not just on the business's attitudes, but on the applications that it hosts and expects to host, and each application's demands for elasticity, cost control, security and many other factors.

In general, we're seeing that organisations are moving important, serious business applications to cloud platforms: perhaps not yet those applications that are most key to differentiating the business in its markets, but certainly those that it depends on to function — payroll, CRM and ERP, for example. The more critical the workload, the more likely it is to stay in private cloud, under direct management and control; the more "commoditised" the workload, the more likely it will be moved to benefit from the efficiency of public cloud.

This demonstrates broad confidence in as-a-Service technologies, but, looking at the expected benefits of cloud, it also shows that organisations are freeing up more of their IT resources to focus on the remaining applications that are truly strategic. Indirectly, every application is therefore benefitting from cloud.

Case study:

UK charity chooses cloud to suit project flexibility needs

To increase productivity, this large international charity has developed a mobility strategy focused on improving flexibility and collaboration, particularly across remote regions. Cloud and hosting is key to the strategy and is the number one investment area for IT in the organisation.

The respondent uses public, private and hybrid cloud options depending on the level of flexibility required for each project. Because most of the countries the company works in have limited internet connection, hybrid and public cloud solutions tend to be the most effective.

Section

4

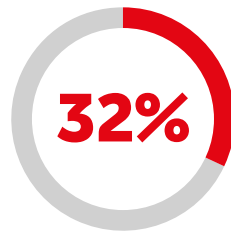
Multiple factors will shape the future

There are still barriers to cloud use

Many of the concerns that made companies hesitant to adopt cloud have fallen by the wayside as services have matured and IT departments have become more comfortable with the technology. Networks are becoming faster and more reliable, meaning users can access remotely hosted workloads without worrying about performance. The security of public cloud services is improving, reducing risk and increasing confidence. Software and service options for cloud computing continue to evolve, making all phases of adoption easier, from data migration to management and integration.

“Security concerns are the most important barrier.”

China, IS Department Director,
Energy



of large companies say security, privacy and compliance are a concern when considering moving to cloud

But those that have not yet adopted cloud in any form still cite barriers that are familiar on any technology adoption lifecycle: “we’re concerned about security, privacy and compliance” (32%); “we worry that we’ll lose control of our IT” (24%); “our current systems are just fine” (21%).

How seriously should we take these objections? Very few organisations have outright rejected using cloud. But many, even some at the forefront of adoption, have chosen to assign their more sensitive applications to on-premises private cloud rather than public cloud, or have decided to not put certain kinds of applications into the cloud at all. This is where hybrid cloud promises to play a critical role. It can help businesses realise the hoped-for benefits of public cloud, in terms of cost and scalability, while providing similar levels of security and control to private cloud.

Cloud’s future impact depends on IT change

Most CIOs will tell you: what’s going on in the market is only part of the picture of any technology’s adoption. If businesses are to take full advantage of cloud — and if the IT department is going to be the engine that makes that happen — some things need to change inside the organisation itself. IT leaders already know they need to support the business, as we’ve discussed. But they’re not getting enough time to focus on innovation.

We asked what CIOs and IT directors are spending their time on, and on average it’s fairly evenly split between infrastructure (reducing cost, managing legacy), integration (making systems talk to each other), intelligence (enabling business access to information), and innovation (transforming the business). When even the senior leaders of the IT function are spending half their time just making things work and keep working, there’s definitely room for improvement.

Case study:

Financial services company sees cloud as a boon to security

This financial services company has 3,600 employees across 36 countries. Employees frequently work in remote locations in developing countries, so cloud, hosting and mobility are key to operations. Security is obviously of primary importance to a financial services company, but the IT Director takes a positive view of cloud security: “If we deal with reputable organisations and take all necessary measures, then [public clouds] can be as safe, if not safer, than internal systems.”

Ironically, the very cloud initiatives that many CIOs aren't getting to spend time on are the ones that respondents say are going to free up IT department time. If there's any way to shortcut that conundrum, it's for cloud to have champions elsewhere in the business. We asked which stakeholders outside the IT department are responsible for driving innovation. The results split by primary delivery model are shown below (see Figure 13).

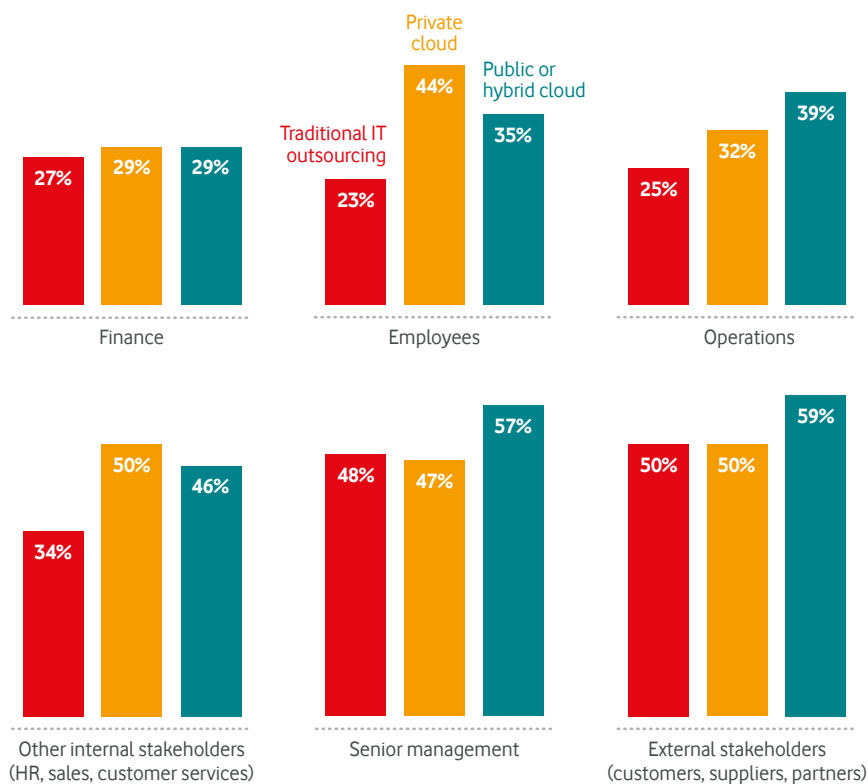


Figure 13

The relationship between stakeholders driving innovation and the usage of infrastructure deployment models

Base: All qualifying corporates who are only using a private model (34), traditional IT outsourcing (44) or public/hybrid (341).

Businesses that say their innovation is being driven by finance, operations and employees are much less likely to have plans for outsourcing or any kind of cloud. It's when other stakeholders grab the reins of innovation that change happens.

Senior management can always make things happen. But, and this ties squarely in to the idea of shadow IT, it's when functional leaders, or even outside stakeholders such as customers, get involved that all kinds of alternative delivery models (including outsourcing) come to the fore. When HR, sales, marketing, or customers are looking for capabilities that the old models can't deliver, cloud moves up the agenda.

Cloud brokerage can help deliver more with less

One answer might be the rise of cloud brokerage. As cloud adoption increases, and as IT departments seek to support diverse business requirements, many expect they'll start to work with cloud brokers to help manage the different cloud provider relationships that emerge. This will help ensure consistency, drive better value, and manage risk — all while freeing up staff time.

“IT is no longer as simple a job as system maintenance. IT needs to help an enterprise cope with the latest changes in the market and to better communicate with business functions so that they can adopt the most appropriate and up-to-date solutions.”

China, IT Manager, Manufacturing

Section

5

Looking forward

Enterprise leaders shared their beliefs, concerns, intentions and hopes in our Cloud Barometer research. What does this reveal about the future?

Hybrid cloud will start to dominate

Pretty much everyone will be using cloud within 12 months.

What will set you apart is how extensively and imaginatively you're using it. Cloud is not just about saving money, it's about enabling business transformation.

While public and private suit some workloads, hybrid has the broadest applications. It offers the ROI that the business demands alongside the control and security that many cautious decision-makers and regulated industries need.

Hybrid cloud is already showing the fastest growth rates, and we believe it will continue to dominate new deployments.

Recommendation

Don't just think about the right cloud deployment methods for your enterprise strategy, remember to consider what is the right mix of cloud models for each part of your application landscape.

As with most IT transformation projects, it pays to start with a thorough audit, clearly define a future vision and then perform a detailed gap analysis.

Cloud will become more critical — and complex

Nearly half of the companies we talked to have cloud brokerage on their radar.

It won't be long before the vast majority of large companies have more than one cloud project, use more than one type of cloud, and work with more than one cloud provider.

As mission-critical applications like BI and ERP move into the cloud, the stakes will get higher. We'll see an increase not only in cloud management muscle in internal IT departments, but the emergence of cloud brokers who will take some of the pain away and deliver more of a "service catalogue" experience.

Recommendation

Cloud brokers can help, but there's no substitute for choosing the right partners and developing the right governance capabilities in-house.

Develop an IT resourcing strategy that blends both internal and external resources to give you the right combination of efficiency, flexibility and security. This may mean recognising that the optimal strategy is a combination of internal and external solutions.

IT and other leaders will become close allies

The alignment between business and IT is already close, and it will grow even closer.

In fact, astute IT leaders will use the demands of other functional leaders and of customers, partners and suppliers as a lever to break down barriers to cloud adoption in the rest of the organisation, turning the fears of “shadow IT” on their heads.

As cloud helps free up time and make IT more responsive, we’ll see the CIO standing shoulder-to-shoulder with other leaders to tackle challenges like reinventing the customer experience and transforming business models.

Recommendation

Changes to culture, organisation structures, processes and relationships take time. Now is your chance to lead conversations about the steps needed and to position IT as a key contributor to company strategy. Evaluate opportunities to make increased use of outsourced, hosting and managed services to improve your company’s flexibility, reduce your cost base and free resources for strategic activities.

Cloud projects will become business projects

Many businesses already say their cloud investments are being driven by mobile or other new technologies — that can only continue.

Trends in IT reverberate across the business, amplifying change elsewhere, and it’s already a (sometimes necessary) distortion to consider any one technology in isolation.

We’ll see greater intersection of M2M, big data and analytics, mobile and social projects with cloud, and in fact many businesses will start to categorise their projects not by the kind of technology involved but by outcome, process or business unit instead.

Recommendation

Leverage the skills and resources of specialist IT and communications providers to help you understand the impact of current and future trends, and to identify opportunities to use technology to enhance your company.

If all you use cloud for is replacing systems like-for-like, you’ll be missing a massive opportunity to create competitive advantage.

To find out more about the latest cloud trends and how we can help you respond to them and transform your business, visit: <http://www.cloud.vodafone.com>

About Vodafone

Vodafone is one of the world's largest telecommunications companies and provides a range of services including voice, messaging, data and fixed communications. Vodafone has mobile operations in 26 countries, partners with mobile networks in 55 more, and fixed broadband operations in 17 markets. As of 31 March 2015, Vodafone had 446 million mobile customers and 12 million fixed broadband customers.

Our Cloud & Hosting Services business serves public sector and enterprise customers across the world. We have 18 data centres in the UK, Ireland, Germany and South Africa that are complemented by a network of Vodafone and partner facilities, enabling us to offer a service on a truly global scale.

By combining the world's biggest networks with innovative products, services and knowhow, we help enterprises gain control of IT and increase their business agility. Through Vodafone Cloud & Hosting Services, we have the expertise to understand an enterprise's unique IT needs and identify opportunities for improving performance and reducing costs. We help companies move to the cloud, transform the way they operate and leave complexity and unnecessary costs behind.

Find out more at cloud.vodafone.com

About Circle Research

Circle was founded in 2006 as an alternative to traditional consumer-focused market research agencies. Through primary research, its mission is to uncover hidden truths about its customers' target markets in order to provide a compelling competitive advantage. Based in London, Circle works globally with ambitious B2B firms, including half of the Top 10 B2B Superbrands.

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