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# ENTERPRISE CLOUDSCAPES: DEEPER AND MORE STRATEGIC

## 2012-13 IOUG CLOUD COMPUTING SURVEY

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## EXECUTIVE SUMMARY

Cloud computing is no longer a novel concept being experimented with at the edge of the enterprise. It is now a mainstream business technology strategy that is delivering the agility and flexibility that businesses require to move forward. A new survey finds that cloud computing continues gaining converts within the enterprise, and is pushing down deep roots within companies that have deployed the approach.

The opportunities and challenges presented by the growing cloud computing phenomenon are addressed in a new survey of 262 data managers and professionals, most of whom are part of the Independent Oracle Users Group. The survey was underwritten by Oracle Corporation and conducted by Unisphere Research, a division of Information Today, Inc.

While definitions of “cloud” vary, for purposes of this survey, “private cloud” is defined as on-demand shared services provided to internal departments or lines of business within enterprises. “Public cloud” is defined as on-demand services provided by public cloud providers.

**Key highlights and findings from the survey, which explores cloud computing patterns within enterprises, include the following:**

- A majority of respondents with private clouds are or will be running a substantial portion of their IT workloads within these environments. Thirty-eight percent now run substantial portions of their workloads in the cloud, and this number will increase to 51% within a year’s time. Private clouds are prevalent in close to two-fifths of the organizations surveyed, and public cloud adoption is accelerating—even among large organizations.
- There has been a notable surge in adoption of both private and public clouds for application hosting, development, and storage. Database platform as a service via public cloud is up three-fold over the past two years to 37%. Email and collaboration tools are the applications most used within cloud settings, and this is particularly the case with public cloud engagements. Cloud-based human resources applications are also on the rise.
- While most executives favor private clouds over public clouds because of security, private clouds are also seen as more cost-effective over the long run. In addition, cost savings through consolidation is the main business benefit from private cloud deployments; higher scalability is the leading technical benefit. The ability to operate without an IT infrastructure is the most frequently cited advantage with public cloud, followed by speed to market.
- Management and oversight of both public and private clouds is mainly left to IT departments. And while there is also more reliance on outside service firms to manage private clouds, IT still is in control at three-fourths of sites. A majority of organizations are boosting or maintaining both their private and public cloud budgets. However, allocating funds to private cloud ventures is still an open question, with only about one-third of private cloud organizations possessing a way to monitor actual usage for chargeback purposes, or just “showback” in which costs per department or business group are illustrated.

Along with data drawn from the survey results, respondents also provided additional observations on the challenges and opportunities that lay before them. There is a general consensus that, if properly implemented and managed with the support of the business, cloud computing will deliver what is needed. As expressed by one respondent: “Cloud does provide better value. There are no infrastructure maintenance costs. It is easier to upgrade to the latest certified operating system. We do not have to worry about the performance of the application at different centers of the company, as everyone would have access to the same internet connectivity. The test and development applications would also be on faster machines.”

Still, respondents recognize that, just as with every new computing paradigm, there is no easy path—a lot of education and hard work is required at all levels of the organization. As another respondent put it: “Private cloud-based services are here to stay as I can see greater value at lower costs and higher availability. But huge challenges exist, primarily security, people’s resistance to change, fear of the unknown, and a perceived loss of control.”

Survey respondents hold a variety of job roles and represent a wide range of organization types and sizes and industry verticals. The largest segment (36%) of respondents hold the title of database administrator, followed by that of director or manager. Close to one-third work for very large organizations with more than 10,000 employees. By industry sector, the majority of respondents come from IT service providers, government organizations, financial services, and computer software. (See Figures 31–33 at the end of this report for more detailed demographic information on job titles, company sizes, and industry groups.)

On the following pages are the results of this latest examination into the emerging world of private and public cloud computing. This is the third survey in this series since 2010, and where relevant, comparisons are made with the first survey, conducted in the early days of enterprise cloud adoption.