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Cloud Computing Adoption Continues Accelerating In The Enterprise

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A recent study by IDG found that 69% of enterprises have either applications or infrastructure running in the cloud today, up 12% from 2012.

(<https://web.archive.org/web/20141126112353/https://twitter.com/intent/tweet?url=http%3A%2F%2Fonforb.es%2F1xiN45H&text=69%25%20of%20enterprises%20have%20either%20applications%20>

[The IDG Enterprise Cloud Computing Study 2014](https://web.archive.org/web/20141126112353/http://www.idgenterprise.com/report/idg-enterprise-cloud-computing-study-2014)

(<https://web.archive.org/web/20141126112353/http://www.idgenterprise.com/report/idg-enterprise-cloud-computing-study-2014>) found that cloud investments have increased by 19% in large-scale enterprises (1,000+ employees) spending on average \$3.3M

([/web/20141126112353/https://www.forbes.com/companies/3m/](https://web.archive.org/web/20141126112353/https://www.forbes.com/companies/3m/)) a year. In 2015, 24% of IT budgets will be allocated to cloud solutions, with the highest percentage being allocated to SaaS models.

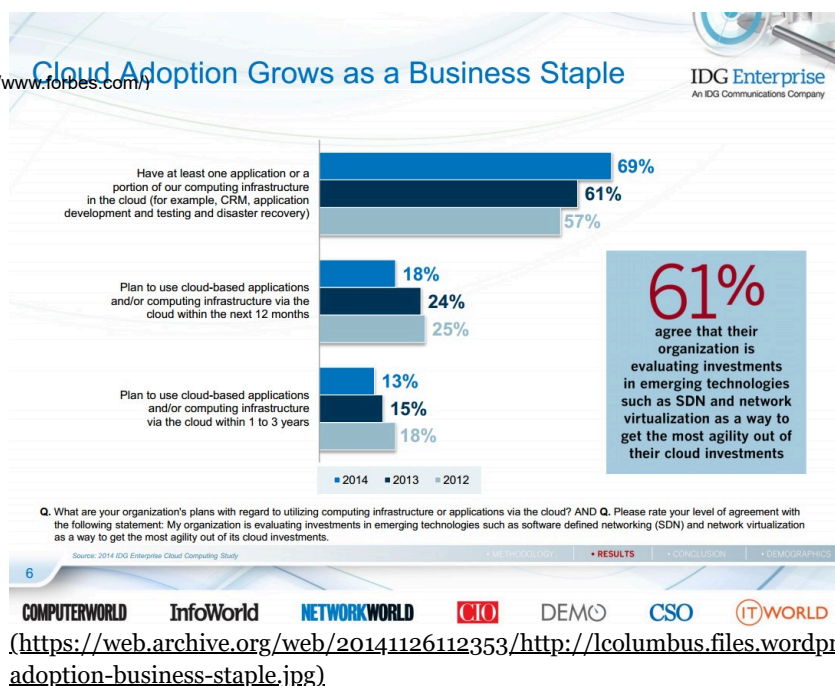
These and other findings are from the [IDG Enterprise Cloud Computing Study 2014](https://web.archive.org/web/20141126112353/http://www.idgenterprise.com/report/idg-enterprise-cloud-computing-study-2014)

(<https://web.archive.org/web/20141126112353/http://www.idgenterprise.com/report/idg-enterprise-cloud-computing-study-2014>) published earlier this month. [You can download the study and methodology here](#)

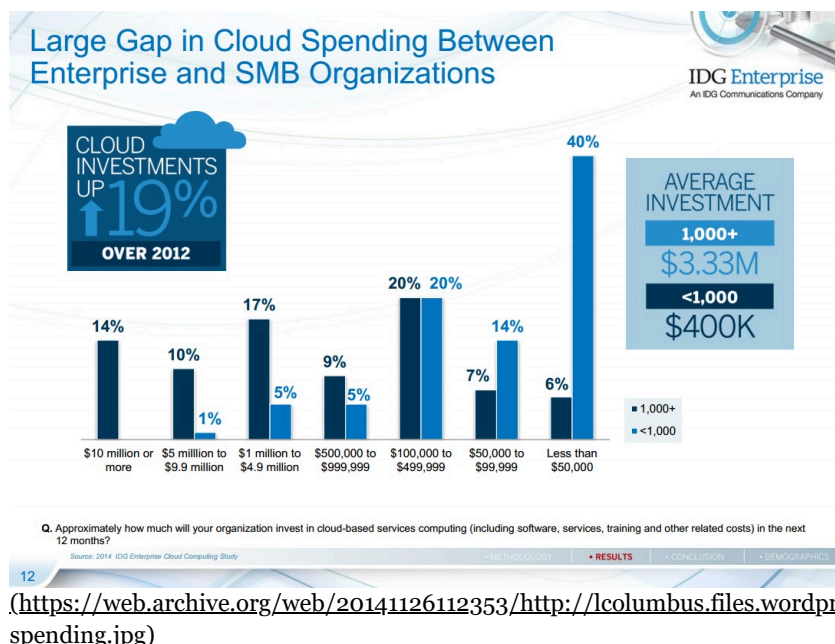
(<https://web.archive.org/web/20141126112353/https://www.scribd.com/document/downloads/246107324?extension=pdf&from=embed&source=embed>) (PDF, no opt in).

Additional key take-aways from the study include the following:

- 69% of enterprises have at least one application or a portion of their computing infrastructure in the cloud, up from 57% of enterprises in 2012. 18% plan to use cloud-based applications and/or computing infrastructure via the cloud in the next 12 months, and 13% are planning to use cloud-based applications and/or computing infrastructure via the cloud within 1 to 3 years. The graphic below compares three years of survey data:

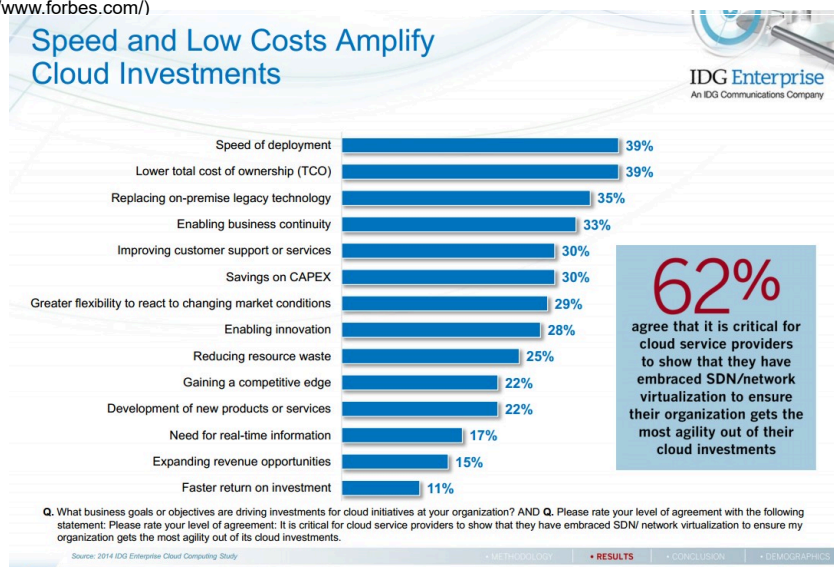


- Enterprise
(<https://web.archive.org/web/20141126112353/http://www.forbes.com/enterprise/>) investment in cloud computing have increased 19% since 2012, with the average investment of large-scale enterprises (+1,000 employees) reaching \$3.33M in 2014. Mid- and smaller scale enterprises with less than 1,000 employees spent \$400K this year on cloud solutions and technologies. The following graphic shows the spending breakouts by size of companies:



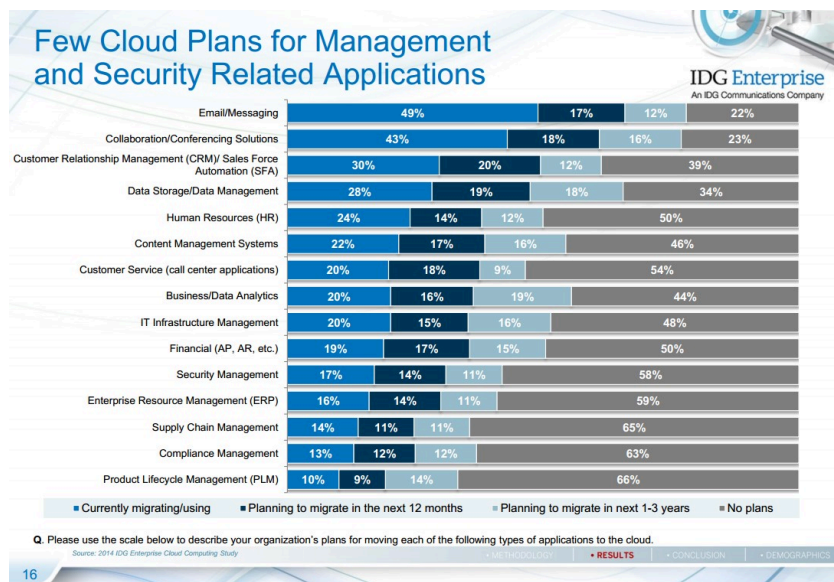
- The ability to get up and running quickly with cloud-based applications (39%) and the lower cost of ownership they provide (39%) are the two most popular reasons why enterprises are transitioning to the cloud today. Replacing on-premise legacy technology (35%) is the third most common reason. This is especially true in manufacturing industries, where legacy ERP systems that can't scale to current and future business

(<https://web.archive.org/web/20141126112353/http://www.forbes.com/business/>) models are gradually being replaced.



(<https://web.archive.org/web/20141126112353/http://lcolumnbus.files.wordpress.com/2014/11/speed-and-costs-graphic.jpg>)

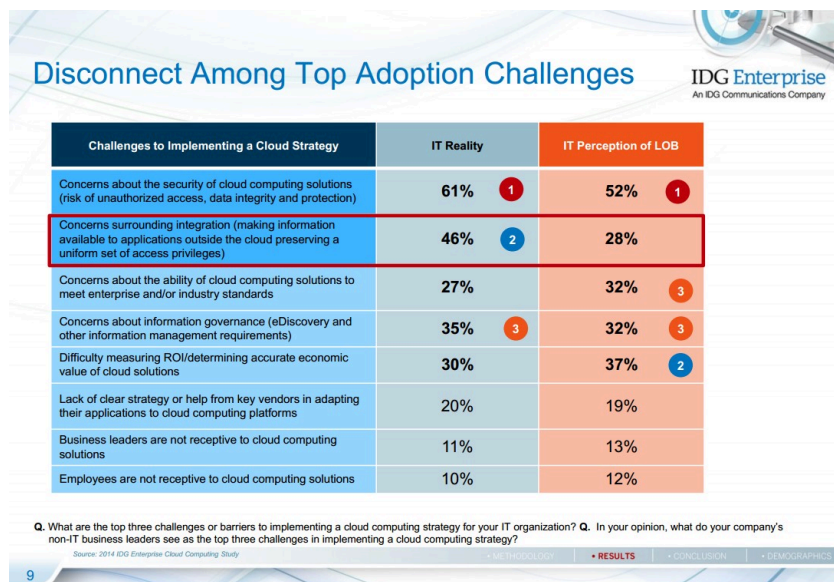
- Business/data analytics (19%), data storage/data management (18%), collaboration/conferencing solutions, content management systems, and IT infrastructure management (16%) are the top three application areas enterprises are planning to migrate to the cloud in the 12 months. The following graphic provides an overview of application adoption in the cloud:



(<https://web.archive.org/web/20141126112353/http://lcolumnbus.files.wordpress.com/2014/11/distribution-of-applications.jpg>)

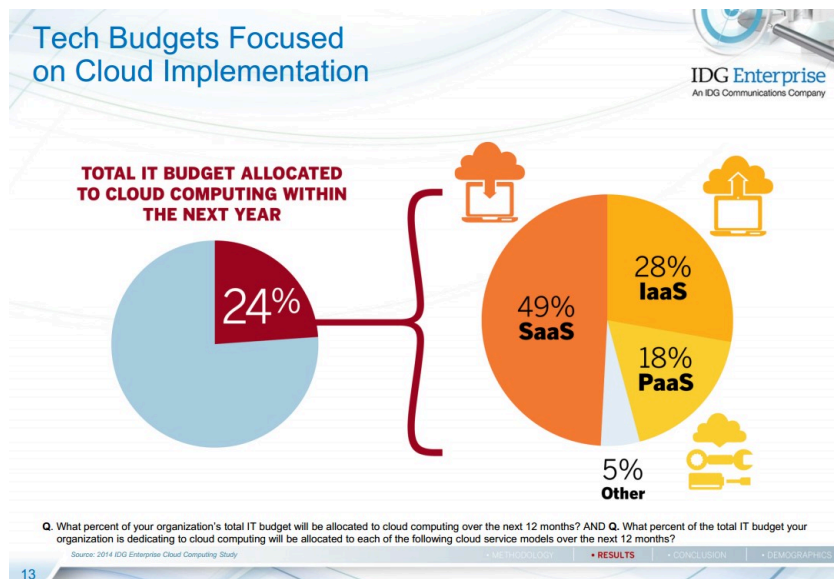
- The three biggest disconnects holding cloud-based infrastructure and applications back from greater adoption from an IT senior management perspective include concerns about the security (<https://web.archive.org/web/20141126112353/http://www.forbes.com/security/>) (61%), integration challenges (46%) and information governance (35%). IT leaders

perceive that line-of-business (LOB) leaders are most concerned about security (52%), difficulty measuring Return on Investment (ROI) and determining the accurate economic value of cloud solutions (37%) and a tie between information governance and cloud-based applications being able to meet enterprise and/or industry standards (32%). The following graphic compares the perceptions of IT leaders regarding cloud computing adoption challenges:



(<https://web.archive.org/web/20141126112353/http://lcolumnbus.files.wordpress.com/2014/11/perception-differences.jpg>).

- 24% of enterprise's IT budgets next year are already allocated to cloud solutions, with the largest percentage allocated to SaaS-based applications (49%) followed by IaaS (28%), PaaS (18%) and other (5%). Being able to get a new application up and running quickly, lowering the total cost of ownership, and the need to move off of legacy applications and systems that no longer scale to current business model needs are three of several factors driving this distribution of budget funds in 2015.



(<https://web.archive.org/web/20141126112353/http://lcolumnbus.files.wordpress.com/2014/11/budget-distribution.jpg>).

- Marketing (45%), Sales (43%) and Human Resources (40%) are the three most common departments funding cloud initiatives outside of IT.

- 56% of enterprises are still identifying IT operations that are candidates for cloud hosting and 38% have identified all IT operations they want hosted in the cloud, gives the current state of cloud technologies and services.
- Security continues to dominate the concerns of both IT and line-of-business (LOB) leaders across the spectrum of enterprises surveyed. 19% of all respondents are not very/not at all confident in cloud security, with 74% somewhat confident. Despite the many advances in cloud security technologies, concerns over cloud security continue to limit broader adoption.

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