

## SURVEY OF GLOBAL ORGANISATIONS CONFIRMS EARLY SUCCESS AND BENEFITS FROM CLOUD COMPUTING, BUT CONCERNS PERSIST

**The report reveals that although 54% of respondents have already, or are about to invest in Cloud Computing, application and platform security still top the list of development management concerns.**

Cambridge, UK – 9 NOVEMBER 2009 – IT-Business alignment experts MWD Advisors (MWD) today released the findings of a new survey of global IT architects which set out to explore how IT architects view Cloud Computing. The results are published in a report titled *Success with Cloud Computing: a survey of IT architects 2009*.

The survey was designed and conducted in partnership with the International Association of Software Architects (IASA), the international non-profit business association dedicated to the advancement and sharing of issues related to software architecture in the enterprise, product, education and government sectors. The web-based survey took place during September 2009, resulting in responses from 358 organisations around the world.

“This survey is important because although there’s a lot of talk about Cloud Computing, there’s not a lot of research that reports on what people are actually doing and whether they’re seeing success,” said Neil Ward-Dutton, MWD Advisors’ CEO and founder. “We wanted to talk to IT architects about this because Cloud Computing is a big technology model shift for organisations, and architects will be natural influencers.”

### **54% of respondents say they’re already investing or planning to invest in Cloud Computing**

Although the industry is still in the early stages of maturity, the survey revealed that a significant amount of investment in Cloud Computing is already underway: 35% of respondents indicated that their organisations have already made Cloud Computing investments. Adding in those planning to invest at some point in the next 12 months, the proportion of the survey sample who can be considered to be “actively engaged” in Cloud Computing initiatives of some kind rises to 54%. 27% of respondents indicated that they had no plans to start at present.

Commitment to Cloud Computing comes from both ends of the spectrum. The largest organisations (those with 25,000+ employees) are strong investors (43% of that group is already investing), only equalled by the very smallest organisations (with 49 or fewer employees). By contrast, the survey reveals that mid-sized organisations (the combination of those categories above with between 50 and 4,999 employees) are the ones least ready to make Cloud Computing investments.

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## **61% of respondents are investing in Cloud Computing for IT development and testing**

The survey also reveals the areas of Cloud Computing in which organisations are investing. IT development and testing tops the list, with 61% of respondents using Cloud Computing for this purpose. Additionally, 46% of respondents highlighted customer-facing marketing or promotional applications, and 45% cited collaboration applications as the next most popular areas of Cloud Computing investment.

## **Despite market immaturity, 22% of respondents already report a return on investment**

Although investment in Cloud Computing remains in the very early stages, the survey revealed that 33% of organisations are reporting benefits: 22% of respondents indicated that Cloud Computing has delivered a good Return on Investment (ROI), while a further 11% agreed that they have seen benefits but also admitted that the business value is patchy and the initial investment has been higher than was expected.

31% believe that they are on the right track and an equal number say that it is too early to make any judgement yet. While only 33% confirmed they are seeing benefits, the vast majority of the remainder are not talking about failure in any form. In fact, just three people who responded to this question reported that they haven't achieved anything like they had expected from Cloud Computing.

## **Application and platform security top the list of development management concerns**

Despite the overall positive attitude towards Cloud Computing, the survey respondents highlighted a number of development management concerns. Not surprisingly, application and platform security are at the top of this list (71%). Perhaps more surprising is the need to get the right development and deployment processes in place (61%), although by contrast, team collaboration and communication with suppliers are the least of their concerns (25% and 24% respectively).

## **Proven ability to scale and support for standards are top supplier selection criteria**

The survey also explores how IT architects view supplier selection. The most important criteria cited by 68% of respondents was a proven ability to scale applications. This was followed closely by the need for a strong support for development technology standards, indicated by 64% of respondents. By contrast, the importance of an existing relationship with the supplier in question was cited by only 28% of respondents, highlighting the fact that the market for Cloud Computing services remains wide open, leaving plenty of opportunity for new suppliers to get a foothold in the market if they can meet the expectations of their prospective customers.

## **About the survey**

This survey was conducted as part of a series of research reports published within MWD's new premium Software Delivery advisory service, also launched today. Full details about this service can be found in a news release published today and available to download at <http://www.mwdadvisors.com/press/club.php>

The report can also be purchased individually for £370. The full findings of the survey are also available in a report prepared by MWD exclusively for members of the IASA. For further information please visit <http://www.iasahome.org> and <http://www.mwdadvisors.com>

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## **About MWD Advisors**

MWD Advisors is a specialist European IT advisory firm which focuses exclusively on issues surrounding IT-business alignment. Founded in 2005 by two high profile UK-based industry analysts, MWD provides advice to enterprise IT organisations and suppliers of IT technologies and services to help senior decision makers make better business decisions, and to maximise the business value received from IT investments.

MWD's analysts bring over 60 years' experience working with senior IT decision makers worldwide from a range of industries including retail, financial services, oil and gas, travel and leisure, utilities, manufacturing, public sector, healthcare and telecoms. We use our significant industry experience, acknowledged expertise, and a flexible approach to advise businesses on IT architecture, integration, management, organisation and culture.

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