

Tapping Multiple Cloud Vendors Delivers Clear Business Benefits

Companies with multi-cloud services are outperforming their peers on a number of metrics — and achieving the key objectives that led them to the cloud services model.

Take a look at the IT ecosystem of any company today and there's a good chance you'll find it includes offerings from several cloud services providers. That's certainly the case at mid- to large-sized companies with at least 500 employees, according to a recent survey conducted by IDG Research.

The survey of 100 senior IT professionals found that 59% are already multi-cloud adopters — that is, using computing and storage services from two or more cloud providers. Another 31% of respondents say they plan to become multi-cloud organizations in the coming 12-24 months, with only 10% still in the "consideration" phase.

The survey results also reveal interesting insights into the drivers behind multi-cloud adoption. The perennial desire to reduce IT costs remains important, but the respondents rate two other factors as more critical: improving operational speed and agility, and fostering better IT and business alignment.



Achieving both of these goals is heavily dependent on increased infrastructure automation, the survey respondents say. Furthermore, to improve the return on investment (ROI) of their IT automation initiatives, companies leverage both data analytics and, increasingly, computing solutions that tap artificial intelligence (AI)-based cognitive technologies.

More broadly, the survey provides a window into the maturity of existing multi-cloud deployments as they progress through multiple stages, from initial planning to full optimization. Perhaps most important, the survey confirms that those adopting multi-cloud strategies are on the right track. Companies that have already implemented integrated multi-cloud solutions are more likely to realize a greater range of benefits than peers still in the consideration and early planning stages.

SPONSORED CONTENT



Companies that have already implemented integrated multi-cloud solutions are more likely to realize a greater range of benefits than peers still in the consideration and early planning stages.

A Variety of Multi-cloud Initiatives Requires Multiple Approaches

Although nearly 60% of the surveyed organizations have already deployed integrated multi-cloud solutions, the maturity of those deployments varies considerably. To shed light on these differences, the survey asked respondents where they fell on a 5-stage multi-cloud lifecycle.*

A large majority of the multi-cloud projects were categorized as one of the first three stages of deployment:

- **62%** Plan and Design (understanding which cloud solutions to leverage for the most success)
- **79%** Build and Provision (orchestrating deployments to keep up with shifts in application demand and consumption)
- **60%** Migration (transitioning workloads to the cloud in a controlled, efficient, and minimally disruptive manner)

Comparatively few of the multi-cloud initiatives have reached the top two levels of the cycle:

- **29%** Monitoring and Management (capturing and managing data about the cloud deployments' costs, efficiencies, performance, etc.)
- **22%** Optimization (optimizing cloud usage and spend to improve business results)

When asked which of the five deployment stages they find the most challenging, 37% of respondents indicated the Build and Provision phase. While that finding may seem surprising, it likely reflects, in part, the fact that more of the respondents currently have deployments at this stage than at any other. In addition, the actual challenges of building and provisioning a multi-cloud environment are far from trivial.

Respondents also report more-granular challenges when deploying and managing workloads in multi-cloud environments. Topping the challenges list: the adaption of IT processes to work with dynamic demand. However, respondents noted additional multi-cloud challenges, including providing financial transparency to line-of-business (LOB) managers and managing data created by the multi-cloud environment, as shown in Figure 1.

*Because different cloud projects within the same company may be at different stages, the percentages total more than 100%.

FIGURE 1. Top Challenges Associated with Multi-Cloud Services

Q: What are your organization's specific challenges with respect to deploying and managing workloads in a multi-cloud environment? (Select Five) SOURCE: IDG Research

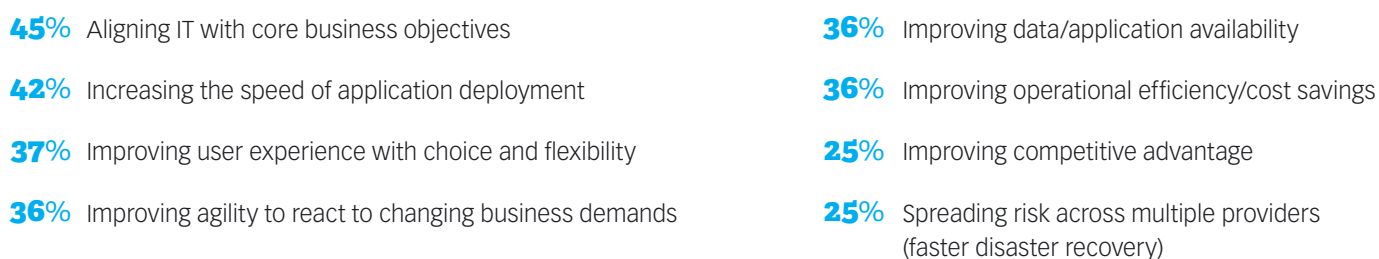
- | | |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 37% Adapting IT processes to work with dynamic demand | 26% Managing the complexity of workload dependencies |
| 32% Providing financial transparency to line of business leaders | 25% IT skills gaps |
| 31% Managing data created by the multi-cloud environment | 25% Cultural change management |
| 29% Managing cloud deployments with minimal disruption to business operations | 25% Managing security in the cloud environment |
| 29% Ensuring compliance/governance of IT processes | 24% Ensuring scalability/flexibility to react to shifts in IT demand and consumption |
| 27% Gaining visibility into IT assets across your entire environment | 21% Adapting to agile/DevOps driven IT consumption |
| 27% Shadow IT (unknown IT spend on public cloud) | 19% Optimizing workloads for reliability/availability |

Top multi-cloud benefits: Closer alignment with LOBs and faster application development

Predictably, as growing numbers of organizations build out multi-cloud ecosystems today, reducing IT costs remains a core driver behind their efforts. But cost savings doesn't even crack the top-three multi-cloud drivers cited by respondents (Figure 2). Leading the list: using multi-cloud deployments to help align IT with an organization's core business objectives. Close behind: increasing the speed of application development.

FIGURE 2. Primary Motivations for Moving to a Multi-Cloud Strategy

Q: What are your organization's primary motivations for moving to a multi-cloud strategy? SOURCE: IDG Research



The reasons are logical. In short, by relying on cloud service providers to handle tasks such as infrastructure deployments, maintenance, management, and security, organizations remove those burdens from their IT departments. IT professionals can then spend more time on strategic tasks, the survey respondents report.

The top-rated benefit, better IT and LOB alignment, is also the top motivation for moving to multi-cloud.

This directly reflects the needs of IT: more than one-third (38%) of respondents say they are too busy managing infrastructure to spend time on innovative and strategic projects. Another 33% say they could allocate some time to such critical projects, but not as much as they would like.

Importantly, the benefits associated with multi-cloud deployments align quite well with the drivers that catalyze their multi-cloud initiatives in the first place. The top-rated benefit, better IT and LOB alignment, is also the top motivation for moving to multi-cloud. Likewise, the ability to get applications up and running quickly (rated #2 benefit) is the second highest multi-cloud driver.

As for cost reduction, it remains an important objective even if it isn't the primary goal. Here also, the benefits match well with the initial driver. On average, respondents reduce their IT costs by 11% with multi-cloud IT environments.

Automation is a key enabler, with AI fast emerging

Ultimately, many of the benefits associated with multi-cloud deployments – from faster operations to reduced costs – rely on automating core IT processes. The survey indicates that most companies are making great strides in their automation initiatives. For example:

- **95%** of respondents say many of their day-to-day infrastructure operations such as incident management, change and request tasks, and preventative maintenance are already fully or partially automated
- **80%** of respondents say they have fully or partially automated infrastructure provisioning, orchestration, and/or deployment

Through a continuum of design, build, migrate, manage, and optimize solutions, IBM Services helps enterprises minimize costs, increase flexibility, and improve workload agility to accelerate your journey to cloud regardless of provider or destination.

IBM Services

Our mission is to help enterprises in their digital transformation by providing infrastructure and technology support services that enable business innovation through infrastructure transformation. Through a continuum of design, build, migrate, manage and optimize solutions, IBM Services helps enterprises minimize costs, increase flexibility and improve workload agility to accelerate your journey to cloud regardless of provider or destination.

At IBM, we see organizations driving down three paths towards IT transformation:

- **Migrate and Modernize:** To take advantage of the increased agility cloud provides, you have to get there first. IDG found that 60% of organizations are migrating to the cloud today. Equally important is the need to modernize traditional legacy applications for the cloud.
- **Integrate, Manage, and Optimize:** Integrating existing infrastructure and applications with cloud can create IT stability and optimize your day-to-day operations – giving you more time for innovation.
- **Enable Cloud Native:** Creating business value through IT innovation is driven by successful cloud adoption. Leveraging cloud services from multiple vendors can further increase your speed to market and drive the creation of new business models.



Visit our website to learn more about how IBM can help you on your journey to cloud:
<http://ibm.biz/BdYdCr>

With increased IT automation a near-universal goal, it's no surprise find that organizations are pursuing a number of strategies to improve the ROI of their automation investments. The top way to do so is by leveraging analytics. This was rated as a critical or very important objective by 90% of the survey respondents. Sophisticated analytics can not only help organizations identify which processes to automate, but also help measure the effectiveness of any automation efforts.

Interestingly, almost as many of the respondents (83%) say they are hoping to improve the ROI of their IT automation by experimenting with AI-based technologies. These technologies include machine learning, pattern recognition, and natural language processing, among others.

Only 19% of the respondents say they are currently using AI in production environments, but 15% are in piloting/testing stages, and 64% are considering or evaluating the use of AI for this purpose.

Lagging in multi-cloud adoption means lagging in business benefits

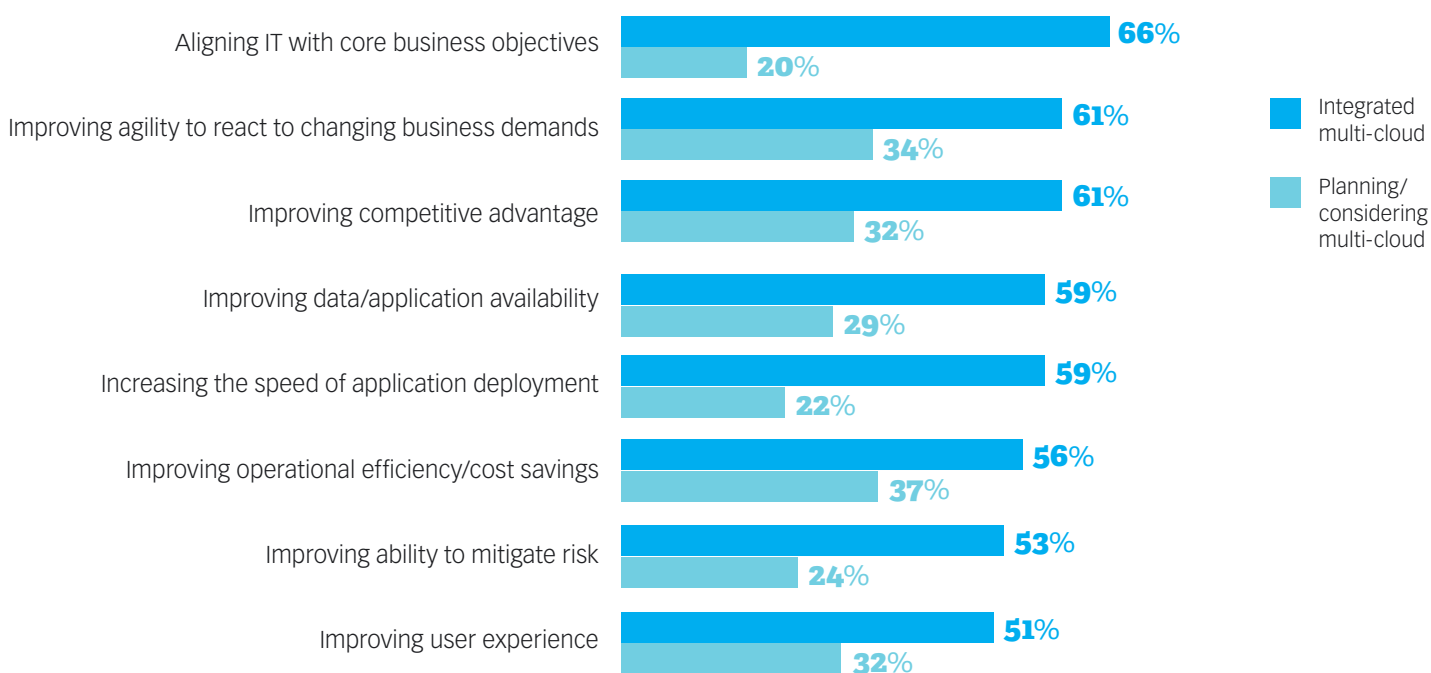
As suggested by the 5-stage multi-cloud lifecycle and the relatively small percentages of organizations that have reached the final two stages, the transition to optimized multi-cloud environments is a gradual, and sometimes challenging, process. That said, the IDG survey results also make clear that the journey is worth the effort.

How so? There is a marked distinction in business benefits realized between companies that have begun implementing versus those still in the consideration or planning stages.

As shown in Figure 3, organizations with integrated multi-cloud solutions in place say they've made significant progress in delivering a host of benefits. By comparison, their peers in consideration and planning stages lag behind.

FIGURE 3. IT's Progress on Delivering Key Business Benefits

Q: How would you describe your IT team's progress with delivering benefits in the following areas over the past 12 months SOURCE: IDG Research



This disparity is most evident in the top goal of aligning IT with core business objectives. Two-thirds of respondents with integrated multi-cloud deployments say they have made "excellent" progress in delivering this benefit, but only one-fifth of those still considering or starting to plan say they have made solid progress.

Many companies that want to realize the full promise of multi-cloud are turning to outside experts for assistance. These partners help with everything from speeding up the deployment and integration of multiple cloud services, to ensuring the optimal efficiency, performance, security, and availability of those deployments. IBM Services has become a go-to partner for many organizations traveling down the multi-cloud path (see "About IBM Services" sidebar).

For information about how IBM Services can support your multi-cloud strategy at every stage of the multi-cloud lifecycle, see <http://ibm.biz/BdYdCr>.