

CLOUD INDUSTRY FORUM

ENTERPRISE

**The changing role of
the IT department:
Enterprise**



An ongoing evolution of the enterprise

It has been many years since enterprises first started talking about digital transformation, so leaders have had plenty of time to embrace it in its many forms. Despite the near ubiquity of technology in the modern business, the digital transformation journey is far from over: there is still a great deal of progress to be made in terms of ongoing growth and making the very most of the tools and services that are designed to make this process easier.

Over the last few years, we have seen enterprises take significant leaps forward regarding their technological readiness, and it is clear that the commitment to continuous development is very much there. What we plan to pinpoint in this paper are the specific areas where further work is needed to ensure digital transformation maintains its momentum.

The Cloud Industry Forum commissioned this research, in association with BT, to gauge where enterprises currently are in this evolution and provide recommendations for the coming year.

Digital transformation strategies now seem to be commonplace across the vast majority of organisations, whether fully formed or still in the process of being rolled out. That said, there are still challenges to be ironed out – such as skills shortages or an overall lack of budget – if these plans are to be considered a resounding success in the long run.

Cloud continues to be a great enabler here, both in the way it is being currently used, and in its potential to define the future of digital transformation. Enterprises are fully aware of its importance, with more and more now seeing it as integral to the smooth running of the business. A crucial next step is for cloud providers to take note of what organisations are looking for in terms of cloud expertise, and ensure that these demands are met.

Another cause for encouragement is how prominently the board now figures in key IT matters, as displayed below. This is great to see, although there is also plenty of room for it to rise even further up the wider company agenda.

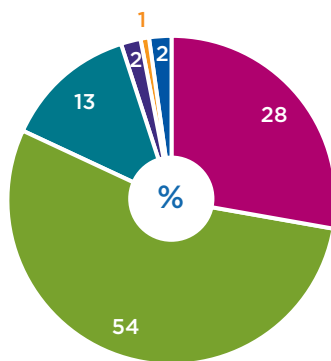
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Which of the following functions in your organisation are a key IT stakeholder?



1 Digital transformation front of mind for Enterprise

Does your organisation have a digital transformation strategy?



YES

YES, WE ARE CURRENTLY IMPLEMENTING ONE

NO, BUT WE INTEND TO HAVE ONE IN THE NEXT 12 MONTHS

NO, BUT WE INTEND TO HAVE ONE IN THE NEXT 24 MONTHS

NO, WE DO NOT INTEND TO HAVE ONE IN THE NEAR FUTURE

I DON'T KNOW

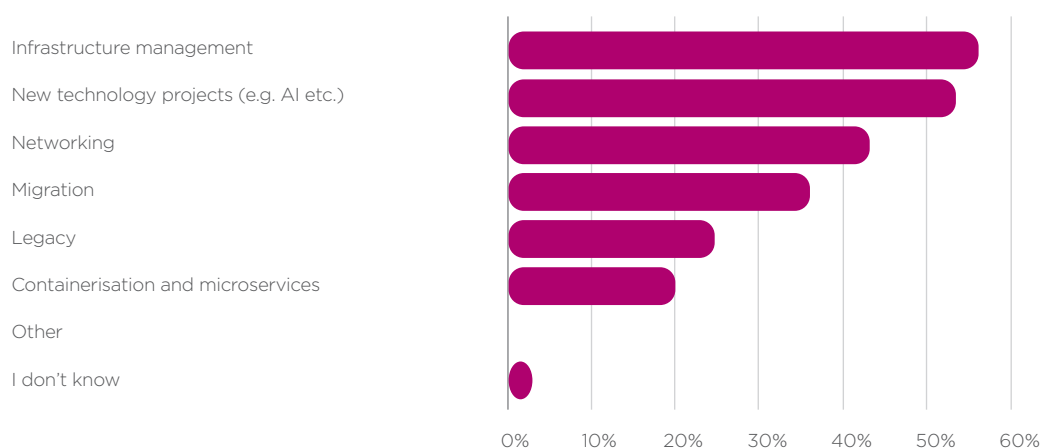
A third of enterprises (33%) now have a fully formed digital transformation strategy in place, with 44% in the process of implementing one. This puts enterprise ahead of the overall market, where 28% have a full strategy in place and 54% are rolling one out. Almost all organisations at least have plans to introduce such a strategy over the course of the next two years, which underlines how integral digital transformation has become.

As far as clarity of strategy is concerned, there is considerable cause for optimism: 98% of enterprises say their strategy is at least fairly clear, which is an indicator of how far businesses have come in this respect.

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2 Assessing the big projects

Which of the below are your organisation's most important IT projects?



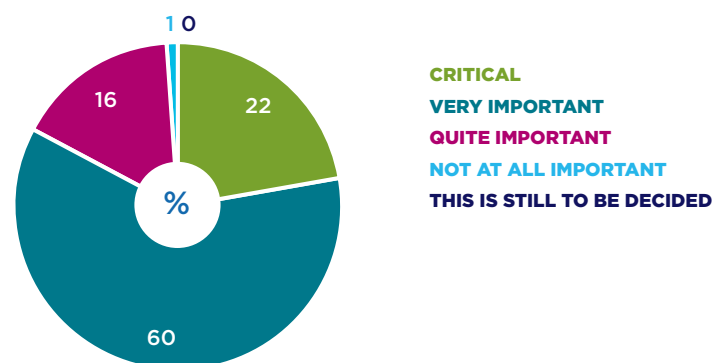
New technology projects – such as AI – are the most widely named priority IT project, cited by 58% of enterprise respondents. This is followed by infrastructure management (53%), networking (47%) and migration (41%).

There is some differentiation between enterprise and the wider market here, as infrastructure management is the most frequently cited project when looking at businesses of all sizes (56%), with new technologies in second place (53%). This is perhaps an indicator of how larger organisations are more likely to have their houses in order when it comes to IT infrastructure, leaving them more time to spend on embracing new tech.

While there is willing, enterprises will require greater assistance from the vendor and channel community to realise the art of the possible and safely embrace these technologies

3 Cloud taking centre stage

How important is cloud to your organisation's digital transformation strategy?

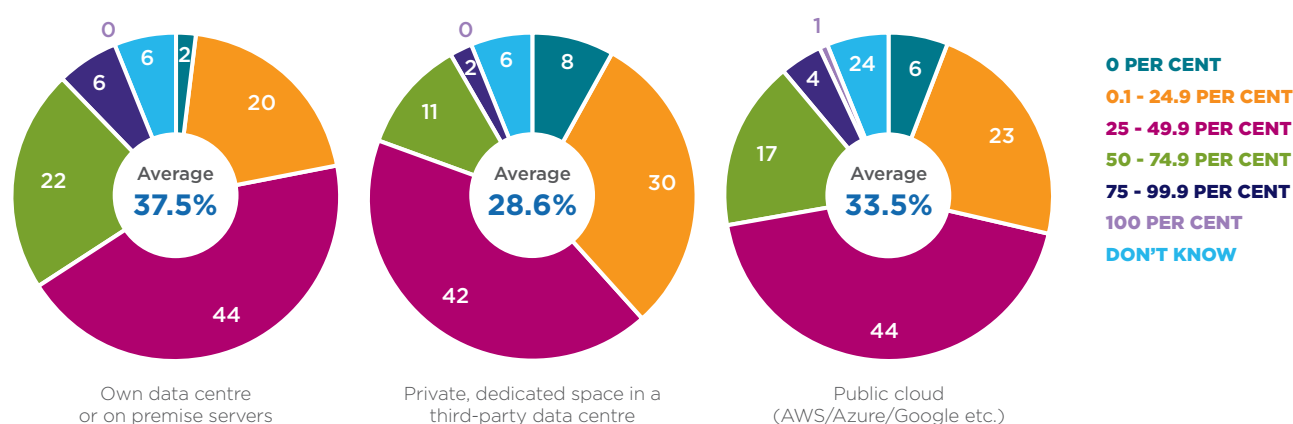


Cloud computing has a crucial role to play in digital transformation, as it brings the flexibility and easy scalability that an agile organisation needs. At its core, it serves to reduce reliance on expensive on-site infrastructure that is so often a significant burden to maintain, and frees up IT teams to work on new initiatives that drive value for the business.

Almost all respondents (98%) see cloud as being an important part of their enterprise's digital transformation strategy, with almost a third (30%) seeing it as critical and 58% considering it very important. Here, the data suggests that enterprise is ahead of the overall market in terms of cloud maturity, as only 22% of overall respondents describe cloud as critical, and 60% consider it very important.

4 Monitoring cloud maturity

What percentage of your organisation's workloads are stored within the following:



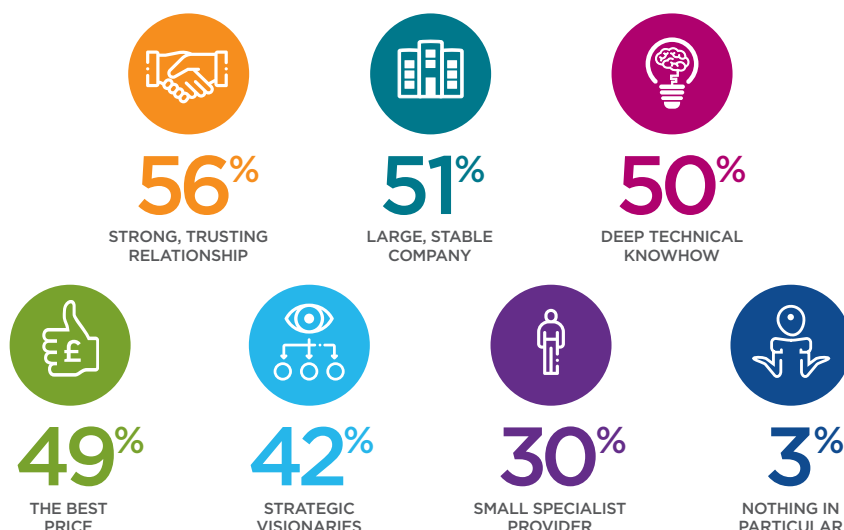
Cloud might be prominent in the minds of enterprise decision-makers, but more insight can be gleaned when looking at just how far these organisations have come on their cloud migration journeys.

On average, 35% of organisational workloads in enterprises are stored within public cloud, with 27% held in private cloud. This is broadly in line with the overall market. While this equates to over 60% of workloads now being cloud-based, 38% are still stored on-premise, proving that enterprises still tend to favour traditional or hybrid approaches.

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5 A diverse range of priorities

What does your organisation prioritise when looking for a cloud provider?



Any stretched IT department is likely to look for external support to ensure projects are delivered in good time. Cloud providers have a leading role to play here, as long as they pay close attention to what their customers are looking for.

Enterprises' priorities in this area are diverse. Price is important as would be expected, but much less so than it is for the wider market, where 49% cite it as a priority. More valued attributes include a strong, trusting relationship; deep technical knowledge; or a large, stable company to deliver this support. Cloud providers that can combine these attributes are the ones most likely to make their mark.

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Conclusion

Digital disruption waits for no one. With an explosion in data traffic, rising customer expectations, new competitors emerging and cost pressures intensifying, the move to the right cloud is critical for achieving the agility and pace of innovation required to be successful in today's changing market.

This report bears out what we hear from our customers every day. Almost all enterprises have mature digital strategies and the cloud is an enabler, but organisations are finding challenges in achieving the agility, economics and flexibility they seek.

Organisations are managing an increasingly sophisticated mix of their own on-premise datacentres (37%), together with private space in third party datacentres (28%), and a growing use of public cloud (33.5%).

Whilst public cloud is fast-growing, private cloud is still the right choice in my opinion, for organisations who have rigorous application performance requirements, legacy applications unsuited to public cloud or who operate in a highly regulated environment. For this reason we see continued strong demand for Private Cloud and associated services.

Many enterprises rush in with an 'all in the cloud' strategy which is difficult to achieve, and can often require a Plan B or an evolution of their Cloud strategy to 2.0.

The most common challenges to overcome are:

- leveraging legacy infrastructure that wasn't built for and doesn't support a cloud experience
- finding new skills and tools to manage a hybrid mix of public and private cloud workloads
- securing the cloud, detect threats earlier and respond faster
- designing the best low latency, high performance network to underpin the cloud experience for users

As the cloud market expands and matures, we know enterprises are highly motivated to retain choice and control over cloud deployments and their application landscape.

We want to put you in control of the cloud and turn your uncertainties into confidence, giving you the benefits no matter what your current IT looks like. Wherever you are in your journey, we have the network, infrastructure and know-how to help you reap the rewards of the cloud.



David Simpkins

General Manager - Managed Services and Public Cloud, BT

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About

The Cloud Industry Forum (CIF) was established in direct response to the evolving supply models for the delivery of software and IT services. Our aim is to provide clarity and advice for end users when assessing and selecting Cloud Service Providers based upon the clear, consistent and relevant provision of key information about the organisation/s, their capabilities and operational commitments.

BT is a leading business communications provider with customers in 180 countries, serving global multinational organisations with security, cloud and networking services.



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