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GLOBAL SURVEY REVEALS EXPLOSION OF PUBLIC CLOUD COMPUTING SERVICES; SHOWS RISK OF CLOUD SPRAWL

Three Signs Point to Cloud Computing as a Maturing Technology

SEATTLE – June 07, 2011 – [Avanade](#), a business technology services provider, today announced the results of a global survey, which reveals the rapid growth in the use of public cloud services. Cloud services are becoming more mainstream, which is causing growing pains for many companies. One in five executives says it's impossible to manage the disparate cloud services within their organization, while another 60 percent are worried about cloud sprawl – the unmanaged adoption of public cloud services within an organization.

Despite these challenges, the survey shows cloud computing is maturing in the enterprise as CIOs increasingly look to cloud services to achieve business benefits, such as improved flexibility, reduced costs and helping to speed time to market.

“As is true with many forms of technology innovation, consumer technology often has a way of secretly creeping into the enterprise,” said Tyson Hartman, global chief technology officer at Avanade. “Today, public cloud services are in a similar situation. The barrier to entry for many cloud capabilities continues to lower and our research shows some are so easy to adopt, they are outpacing the ability of IT leaders to manage them effectively.”

One in five respondents says they have personally purchased a cloud service without the IT department's knowledge. While 60 percent of companies report they have policies in place that prohibit such actions, respondents say there are no real deterrents for purchasing cloud services by stealth. In fact, 29 percent report there are no ramifications whatsoever while another 48 percent say it is little more than a warning.

The survey also reveals a communication chasm. One-quarter of executives report they don't have open communication with the departments and business unit leaders that may be provisioning their own cloud services.

“While policy is a place to start, managing cloud sprawl requires a real cooperation and dialogue between CIOs and their business counterparts,” said Hartman. “It's important that companies define a user-centric cloud strategy. With that strategy in hand, it's much easier to have an open dialogue in discovering what cloud services are already being used, where the gaps are and what new technologies the company should leverage to drive business value.”

In terms of overall cloud computing adoption, the survey found 74 percent of companies are using some form of cloud services today – a 25 percent growth in adoption since [Avanade's September 2009 survey](#). Of those organizations that have yet to implement cloud, three-quarters say it's on the horizon.

With this growth in adoption also emerged three signs cloud computing is maturing:

1. Companies are increasing investments to secure, manage and support cloud.
2. There is a growing adoption and preference for private cloud.
3. Execs are starting to see cloud as a way to generate revenue.

Executives report they are investing in security solutions as well as people to ensure successful cloud deployments. In fact, 64 percent say they are investing in training for new and current employees to increase expertise in cloud technologies.

The survey also shows private cloud deployments are growing – especially where critical, differentiating internal operations and customer services are at stake. Today, 43 percent of companies report they utilize private clouds, while an additional 34 percent say they will begin to do so in the next six to 12 months.

Further, companies are moving beyond internal employee-facing cloud services to use them with external customers. Many companies report they are now using cloud computing to deliver new products and services to customers, while more than one in five C-level executives believe cloud computing will increase revenues.

“Any decision to begin using cloud computing requires forethought, planning and preparation,” said Larry Beck, senior director, cloud strategy at Avanade. “Companies must identify their business objectives, determine which applications are prime targets for moving to the cloud, prove the business case and ensure the technology fits. The journey to cloud is an evolution that will occur over time. IT professionals should start with a clear plan, sound analysis, proven methodologies and practices, and a strong line of communication to the user community and corporate executives.”

The “Has Cloud Computing Matured?” survey was conducted by Kelton Research, an independent research firm, in March to April 2011, and surveyed 573 C-level executives, IT decision makers and business unit leaders at top companies located in 18 countries across North America, South America, Europe and Asia Pacific.

For additional information or to download a copy of the executive summary, please visit <http://www.avanade.com/cloud>.

About Avanade

Avanade provides business technology services that connect insight, innovation and expertise in Microsoft technologies to help customers realize results. Avanade’s services and solutions help improve performance, productivity and sales for organizations in all industries. The company applies Microsoft expertise from its global network of consultants, drawing on the right mix of onshore, offshore and nearshore skills, which together are designed to help deliver results faster, at lower cost and with less risk. Avanade, which is majority owned by Accenture, was founded in 2000 by Accenture and Microsoft Corporation and serves customers in more than 20 countries worldwide with more than 12,000 professionals. Additional information can be found at www.avanade.com.

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