

1 in 4 Using Cloud Without IT Department's Knowledge

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IT departments here are struggling to keep up with the immense demand for cloud services within companies.

A quarter of Singaporean executives have purchased cloud services outside of the IT department's control, according to a survey conducted by Kelton Research.

This number was even higher than the global average of one out of five, said IT consulting services vendor, Avanade, which commissioned the survey.

Craig Dower, Avanade's Asia-Pacific president, told BizIT the results were surprising, but a stark revelation of the kind of demand that cloud services - particularly software-as-a-service (SaaS) deployments - are enjoying.

Applications on tap such as customer service relationship (CRM) software, Salesforce.com, or the Google Apps online document suite, allow users to run full-fledged software from within their browsers, without getting bogged down by setting it up or managing infrastructure. Of course, this is convenient for users, but companies run the risk of security breaches when such initiatives are run on public clouds outside of the IT department's gaze, said Mr Dower.

The problem, however, is that IT departments need time to set up their own private cloud versions of software, and often have long lists of requests from users, resulting in many turning to the public cloud for small projects, he noted.

According to the survey, 61 per cent found cloud services easier to deploy themselves than going through the IT department. Half of respondents also said it takes too long to go through IT. Alarming, almost half of executives said they don't have open communication with the IT department.

Mr Dower said the groundswell of demand is a good sign for the cloud as a whole. 'SaaS providers have made it easy (to deploy). It starts in companies as a small (project), then it grows. That's the way it is with every disruptive technology. It's hard for the IT department to be at the forefront of managing these changes, but it's good that users are pushing the boundaries.' IT departments should instead plan an overall roadmap for their cloud deployments, he said.

They should also be open-minded about users going to the cloud, he added. 'Security and privacy are big concerns for Singapore CIOs. There is a disconnect we don't really understand yet. Singapore is sophisticated, and most big (cloud providers) have big data centres set up within the country, so the obstacles of sovereign control don't exist,' he said.

Yet, in spite of this, there is a significant degree of resistance to using a cloud provider among companies here, he noted.

Still, Singapore companies are going to the cloud, pushed by user demand and the attraction to the cloud's lowered capital costs. Among North American firms, building out cloud deployments was the highest priority, with 74 per cent using the cloud in some form. Sixty-seven per cent of companies here had some type of cloud deployment. And 80 per cent of Singapore companies have allocated up to 30 per cent of their IT budgets towards building out the cloud, which has led to the proliferation of private clouds, said Mr Dower.

Currently, about 27 per cent of companies have private clouds set up, against the global number of 43 per cent. 'The emphasis here is still around cost reduction than innovation,' he said. One shift that he has observed is a growing investment in IT innovation here.

Where Singapore and other countries in the region have traditionally 'thrown people at the problem', the rising cost of expertise in modernising countries is starting to make companies move upwards in terms of IT sophistication, he said.