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Avanade research shows UK companies delaying new IT delivery models, even though they could bring cost savings

LONDON – THURSDAY 12 MARCH, 2009 – Avanade, a global IT consultancy, today announced the UK results of global research into attitudes to technology adoption and cloud computing. While 81 per cent of UK respondents recognise the value of cloud computing as a real technology option, 75 per cent of those who currently use proprietary IT systems stated that the economic downturn has not spurred their interest in cloud models. Avanade, which is focused on the Microsoft platform – believes this is because organisations are waiting for the model to be proven in the enterprise, as rewards must strongly outweigh perceived risks in today’s uncertain economic conditions.

Twenty-seven per cent of those already using cloud computing said that the downturn has encouraged them to make more of the technology, though 60 per cent said there had been no impact and 13 per cent said usage had actually decreased.

The research found that 52 per cent of UK organisations use only proprietary IT systems, versus 61 per cent worldwide; 48 per cent use a combination of cloud and on-premise solutions and just three per cent rely solely on cloud computing. The UK has more adopters of cloud computing than the global average: however, 50 per cent of those who are resisting the trend said it is not in their plans to start using the technology, and more than half would not yet feel comfortable moving to a pay-as-you-use pricing model. While 48 per cent of UK organisations said they are keen to adopt new technologies that will save them money, 65 per cent said they tend to wait until new technologies are tried and tested before adopting them – versus two-thirds of US companies who describe themselves as early adopters.

Ian Jordan, UK managing director at Avanade, commented: “The three key benefits for cloud computing are cost-saving, immediacy and agility. The problem is not that UK organisations don’t believe that cloud computing can reduce up-front costs – indeed, 68 per cent agreed it would. But cost alone is not enough to encourage them to launch into adoption. IT directors and business leaders will not take unnecessary risks solely to achieve cost savings. Any change in strategy needs to show definitive evidence of the ability to improve IT performance and capacity in as secure a way as each business demands.

“As we work with UK organisations to offer cloud solutions based on Microsoft technology, it is Avanade’s role to work with customers to prove the models are effective for the needs of the business as well as to provide the insight into the richness of opportunities that the Microsoft cloud strategy affords organizations for the future’ he added.

(456 words)

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About Avanade

Avanade is a global IT consultancy dedicated to using the Microsoft platform to help enterprises achieve profitable growth. Through proven solutions that extend Microsoft technologies, Avanade helps enterprises increase revenue, reduce costs and reinvest in innovation to gain competitive advantage. Avanade consultants deliver value according to each customer's requirements, timeline and budget by combining insight, innovation and the talent of our global workforce. Avanade, which is majority owned by Accenture, was founded in 2000 by Accenture and Microsoft Corporation. Avanade has more than 9,000 professionals serving customers in 24 countries worldwide. Additional information can be found at www.avanade.com.

About the Survey

The 2009 Cloud Computing survey, conducted by Kelton Research, interviewed 502 C-level executives and IT decision makers across 17 countries in North America, Europe and Asia-Pacific. For more information on this study and Avanade's cloud computing expertise, please visit www.avanade.com.

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