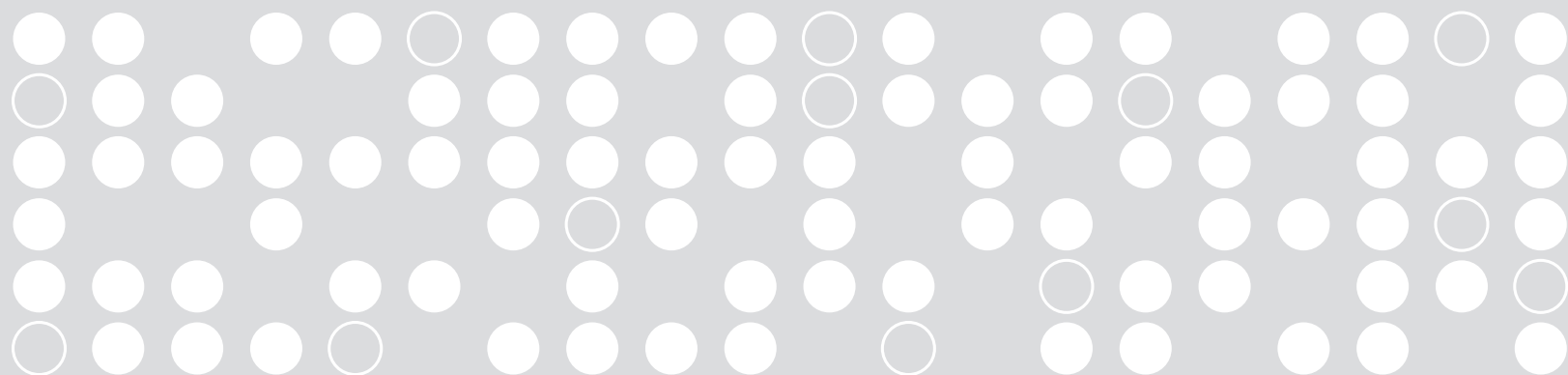




ASSESSING THE IMPACT OF THE CLOUD ON IT OPERATIONS IN MID- TO LARGE-ENTERPRISES

summary of findings



Independent research conducted by:
Gatepoint Research

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BACKGROUND

In the spring of 2011, ScienceLogic commissioned independent research firm, Gatepoint Research, to survey IT executives in mid- to large-sized enterprises in North America. The primary objective of this research was to determine how these IT organizations view cloud computing and specifically, how they expect it to impact their existing IT Operations. With this in mind, Gatepoint elected to allow respondents to answer questions based on their own definitions of the cloud and not to segment the research according to respondents' biases and intentions vis-à-vis public vs. private vs. hybrid cloud computing.

The participating companies ranged from small-to-medium size businesses with less than \$500 million in revenues to multi-billion dollar enterprises; two thirds fell into the \$500 million to \$10 billion range (see Figure 1). To best assess the current cloud strategies and plans in these organizations, Gatepoint targeted IT executives for the survey. Of the participants, 88% had the title of Director or above. All of them responded to the e-mail survey voluntarily; none were engaged using telemarketing.

Cloud Adoption

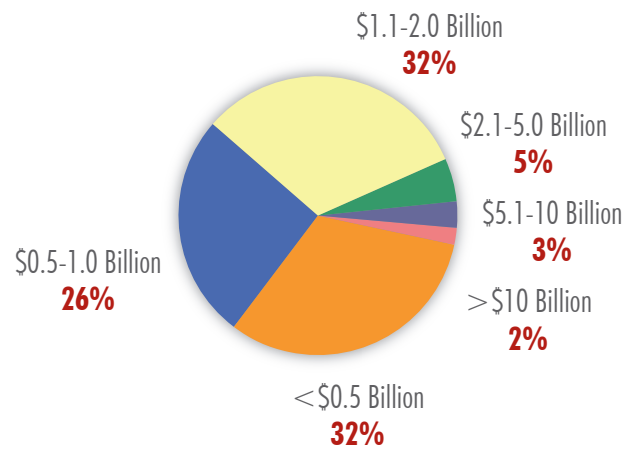
A surprisingly high 79% of respondents reported that they are running production applications in the cloud (based on their own definitions). However, adoption is still early, and the majority (almost two thirds) runs less than a quarter of their production applications in the cloud (see Figure 2).

Impact of the Cloud

In general, the research indicates that IT executives view the cloud favorably and expect to see fewer application availability and performance issues. Considering almost four fifths of the respondents already run production applications in the cloud, this is encouraging. However, it is possible that new challenges will be encountered as IT organizations move beyond the “low hanging fruit” and tackle cloud migrations of more complex applications.

The organizational impact of cloud computing is still unclear. Much has been written by industry analysts and thought leaders about the need for IT organizations to become internal service providers, providing à la carte services to their end users on a pay-as-you-use basis. At the same time, the role of IT Operations in such cloud-enabled enterprises is a popular topic in the blogosphere with advocates for ‘DevOps’ and ‘NoOps’ hailing companies like Netflix as the new model for IT, provisioning and managing cloud resources with minimal management oversight. The reality is, of course, that the majority of businesses cannot fully embrace the Netflix model for a host of reasons. But the survey responses do indicate a slight majority of IT executives expect that a

Figure 1. Profile of survey companies.



move to the cloud will simplify and even reduce the need for the IT Operations function. At the same time, a small majority of executives believe the cloud will reduce the number of IT functional silos and foster greater cross-silo collaboration (see Figure 3). Respondents also foresee IT Operations costs (people and tools) decreasing slightly as services are moved to the cloud.

Managing Applications in the Cloud

While the somewhat evenly divided survey results described above reflect the uncertainty about how cloud computing will play out and its impact on the IT Operations function, the executives who participated

Figure 2. Percentage of production applications running in the cloud.

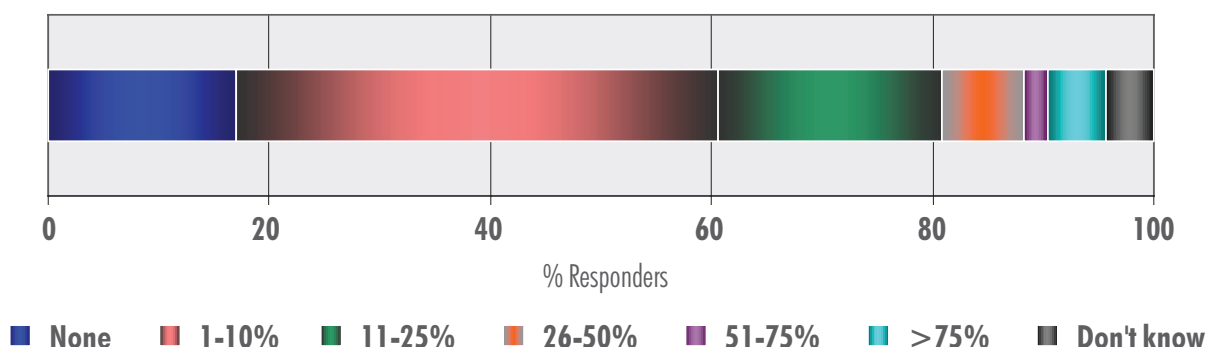
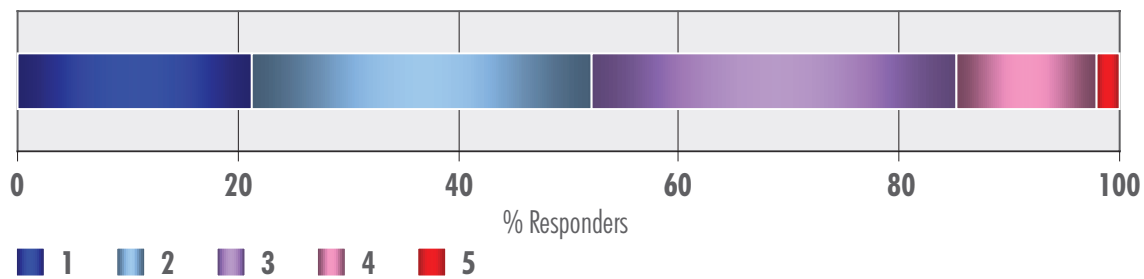


Figure 3. Impact of cloud on workgroup collaboration and organizational silos.



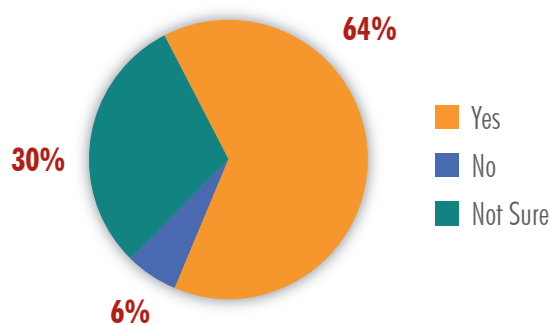
1 = Cloud will help remove silos and increase collaboration

5 = Cloud will create more silos and decrease collaboration

in this survey clearly recognize the need to boost the cloud skills in their organizations and add new cloud management tools. Forty-seven percent of respondents expect to train existing IT Operations staff for the cloud rather than add staff, while 31% expect to hire additional cloud-trained staff. Twenty-two percent are still unsure. These results, with more than three quarters of respondents expecting to invest in adding and/or training IT Operations staff for managing cloud services, strongly indicate that IT executives expect the IT Operations function to play an important role in managing cloud resources and service delivery.

Similarly, the majority of respondents (almost two thirds) recognize the need for new management tools as they move services to the cloud (see Figure 4). Only 6% see no need for additional tools while 30% are unsure.

Figure 4. Need for new management tools as services move to the cloud.



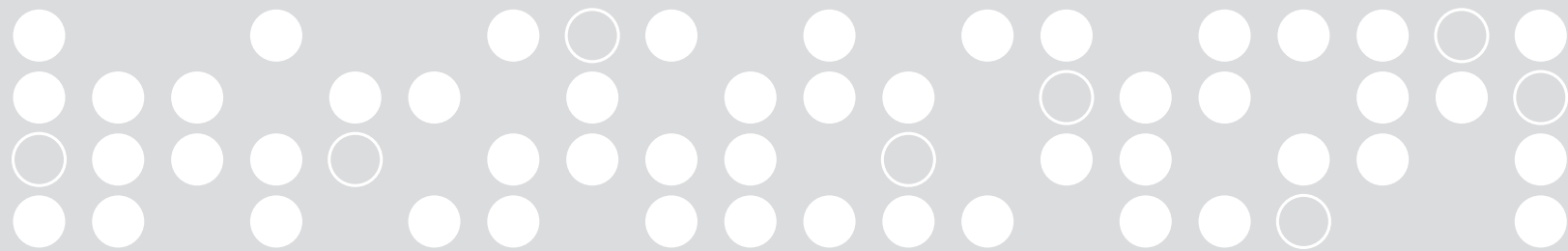
Furthermore, 65% of the IT executives plan to use in-house tools to measure the performance of cloud applications. Only 17% expect to rely solely on their cloud service provider to provide performance metrics.

Summary

The survey results clearly show that mainstream cloud adoption is underway, although most enterprises are still early in the process. As IT organizations figure out their cloud strategies and how to best leverage on-premises and cloud infrastructure, the role of IT Operations is in flux. In theory, its role could diminish as cloud services become easily accessible to end users with minimal IT intervention, and applications scale horizontally for high resiliency and performance. But for most enterprises, the IT Operations function is the interface between IT and the business, providing critical visibility and support, both of which will be increasingly important and challenging as services move into the cloud.

When asked directly about the importance of the role of IT Operations in the cloud, the surveyed IT leaders were divided in their responses. However, when questioned on the tactical matters of staffing and the use of management tools, their responses were unequivocal: They will invest in their own IT Operations organizations to ensure they are staffed and equipped to manage service delivery in the cloud.

You can see the complete survey analysis at: <http://img.en25.com/Web/ScienceLogic/ScienceLogic%20Survey%20Pulse%20Report%2006-24-11%20FINAL.pdf>



ScienceLogic facilitates centralized IT operations and dynamic cloud management via a Management Fabric that unites and correlates critical IT functions such as performance, fault, availability, asset, service desk, automation, and event management. The cohesive ScienceLogic platform provides an accurate, actionable view of business service delivery across any mix of physical, virtual and cloud environments. Beyond just monitoring, ScienceLogic technology gives service providers and enterprises the management and customization capabilities needed to deliver optimal application performance, improve IT efficiency, and confidently move to new architectures and differentiated service offerings.



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