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## **A new world**

Public Cloud and the CIO

June 2017

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# Executive Summary

Transition and transformation to the Public Cloud is a key topic globally and for Swiss IT organisations. Business case realisation, migration, security, and regulatory requirements are key challenges when moving to the Cloud. We have polled 40 Swiss CIOs to better understand their view of the opportunity of the Cloud, their rate of adoption, and their experience as part of the journey to the Cloud.

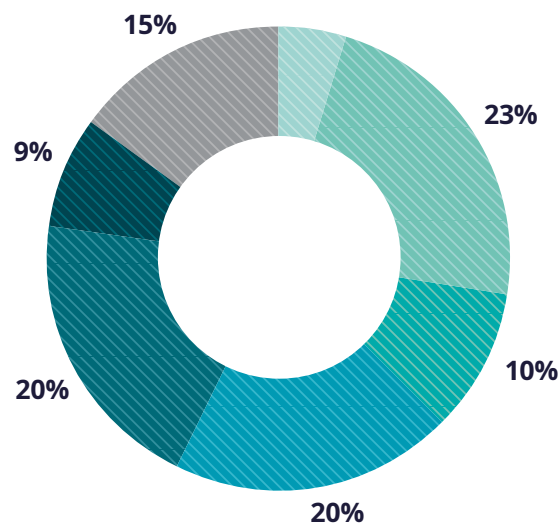
The results show that Swiss companies are planning to move significant workloads to the Public Cloud over the next 3 to 5 years.

1. CIOs see Public Cloud as an opportunity and are no longer taking a “wait and see” approach
2. Public Cloud benefits have been greater than expected and many CIOs will continue to increase Public Cloud adoption in the next 3 to 5 years
3. Technical and security challenges, not the business, are slowing the adoption

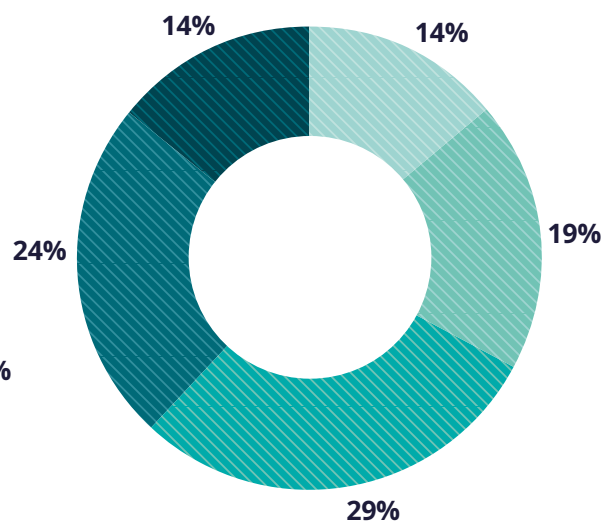
## About the survey

We surveyed 40 Swiss CIOs and IT leaders on Public Cloud adoption over 2 weeks in March and April 2017. The respondents represent a broad range of industries from both large multinational and smaller domestic organisations in Switzerland.

### Industry



### Revenue



■ Consumer Business
 ■ Financial Services
 ■ Life Sciences
 ■ Manufacturing and Energy
 ■ Public Sector
 ■ Services
 ■ Other

■ >20 bn
 ■ 5-20 bn
 ■ 2-5 bn
 ■ 1-2 bn
 ■ <1 bn

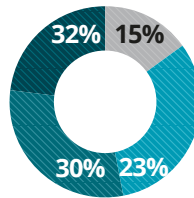
For the rest of this document, “Cloud” refers to Public Cloud, and “Services” refers to Software, Platform and Infrastructure as a Service.

# CIOs see Public Cloud as an opportunity and are no longer taking a “wait and see” approach

## 1. CIOs see Cloud as an opportunity



**85%** of organisations see Cloud as an opportunity  
**15%** have no interest in the Cloud



- Cloud is not an opportunity
- Cloud is an opportunity – no central guidelines or strategy
- Cloud is an opportunity – clear target end state but challenges exist
- Cloud is an opportunity – clear target end state and substantial progress

*“We see that Cloud adoption has reached a critical mass and that most CIOs have evaluated their position on Cloud.”*

## 2. Data location is a critical issue for CIOs not pursuing the Cloud



**100%** of those CIOs with no interest in Cloud indicated compliance issues related to data location as a key issue

*“Given Swiss data protection and privacy laws, we would expect some CIOs not able to adopt Cloud solutions.”*

## 3. CIOs are not taking a “wait and see” approach

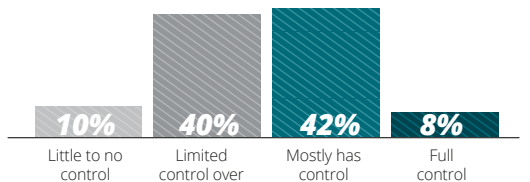


Only **30%** agree that they need to see other organisations’ experience to validate Cloud solutions

## 4. “Shadow IT” is a key driver for CIOs to embrace Cloud adoption



**50%** of the CIOs indicate that they have limited or no control over moving applications and data on the Cloud (i.e. shadow IT)



Public Cloud benefits have been greater than expected and many CIOs will continue to increase Public Cloud adoption in the next 3 to 5 years

### 5. CIOs are defining their approach to Cloud adoption



**53%** of CIOs have Cloud guidelines and strategy in-place

*“Given the rate of change in the Cloud marketplace and the uncertainty as to how Cloud will play out for enterprise IT, we suggest clients a) not to wait until they can formulate the perfect strategy before starting Cloud initiatives and b) to revisit and revise their Cloud strategy frequently.”*

### 6. CIOs have high aspiration for Cloud usage and are planning to move from none or minimal workloads today to significant workloads in 3 to 5 years



**Today** very few CIOs have put a substantial amount of workload on the Cloud:

Only **15%** of respondents have more than one-fifth of their IT workload on the Cloud

**In 3 to 5 years** the majority of CIOs will have a substantial workload on the Cloud:

**61%** of CIOs expect to have more than one-fifth of their IT workload on the Cloud

**34%** of CIOs will even have more than one-half of their IT workload on the Cloud

### 7. None of the CIOs are planning to take a “100% Public Cloud” approach



**0%** of CIOs plan to have all of their IT workload on the Cloud in 3 to 5 years

*“We see the adoption trend driving towards a hybrid cloud approach in which organisations are utilising the most appropriate internal and external solutions for their different types of workloads.”*

## 8. CIOs are seeing Cloud deliver significantly more value than expected



Of the CIOs who are increasing Cloud adoption,

**37%** saw Cloud deliver significantly more than expected in terms of flexibility and on-demand capabilities

## 9. Innovation, business results, and a more flexible IT organisation are key benefits identified by those CIOs increasing their Cloud adoption



### Top benefits identified by CIOs who are increasing Cloud adoption



Cloud adoption provides access to new solutions and reduced cycle times, via faster provisioning and reduced procurement overhead, which assists in business innovation

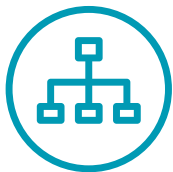


The development of powerful business analytics capabilities is enabled by the scalable, unlimited computing and storage resources available on the Cloud



Cloud enables CIOs to reshape IT organisations and pursue a more flexible model which is able to focus more on directly supporting business activities

## 10. Most CIOs have or will change the IT operating model due to Cloud



**94%** of CIOs recognise they need to change their IT operating models due to the presence of Cloud solutions

*"We see a dramatic shift in our clients IT organisations from traditional IT silos (e.g. storage, network, operating system teams) to fully service-oriented teams which have the agility to respond to business needs."*

# Technical and security challenges, not the business, are slowing the adoption

## 11. Control over services and a threat of “vendor lock-in” are the top challenges for CIOs on the Cloud



**50%** of CIOs perceive that using Cloud reduces control over services and increases the risk of downtimes which are not aligned with the business

**48%** of CIOs are concerned by the risk of vendor lock-in with Cloud service providers

*“We have seen organisations which manage their Cloud services via a policy-based approach (i.e. architecture and controls which are vendor agnostic), allows the movement of workloads between Cloud providers. However, IT vendor lock-in challenges will remain regardless whether they are traditional or Cloud providers.”*

## 12. CIOs are currently not satisfied with Cloud security



**40%** of CIOs see Cloud as a security threat or an area of uncertainty

Only **12%** of CIOs agree that Cloud provides comparable security and control to what an organisation can provide today

Only **18%** of CIOs believe Cloud security can be done at a lower cost

*“Security services are becoming more readily available in Cloud services and we expect to see competitive pricing and lower cost of entry in the future. We could see a future where Cloud is a key enabler of the organisation’s security strategy.”*

### 13. Technical complexities, not the business, presented the greatest challenge during migration to the Cloud



**43%** of CIOs experienced that some complex systems could not be accommodated on the Cloud

**33%** of CIOs confirmed some systems needed extensive re-architecture in order to be hosted on the Cloud

Only **20%** of CIOs think that major stakeholder resistance or traditional mind-sets/processes have held back the migration process to Cloud

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# Notes





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