CLOUD INDUSTRY FORUM®

Cloud UK

Paper four

Cloud Adoption and Trends for 2012

4

Executive summary

The language of cloud computing may not be universally understood and applied, however, adoption of cloud services is becoming commonplace. During the nine months between this research and the prior UK market analysis carried out by the Cloud Industry Forum, adoption has increased by over 10 per cent measured in terms of the volume of new organisations using such services.

What is truly encouraging is that we have seen a levelling out of adoption regardless of the size of organisations proving that the universal principles of flexibility and scalability delivered on a pay-as-you-use commercial model has opened up the market and enables small companies to access and leverage new technology alongside enterprises, levelling the playing field and potentially changing the basis of competition in many markets going forward.

Equally important to take onboard is that almost all organisations that have taken on cloud services (96 per cent) have stated satisfaction with their experience and result. This is an astonishing position for any new market, and itself is an improvement on the 94 per cent satisfaction rating declared in the prior research.

So whilst we cannot ignore (and fully recognise) that the language of cloud computing can be confusing, that marketing hype by vendors can obscure the practical understanding among end users; and that there are (arguably as a result) real concerns to provide comfort, clarity and mitigation around... the simple truth is that cloud services are growing in adoption and delivering positive results by those who have used them.

In the first research, reported by White Paper one, we stated that cloud computing was a disruptive technology and would change the way that businesses use information technology. We stand by that but would argue it goes further. Cloud is an enabler of business process change; it enables organisations to achieve activities more quickly, more efficiently and more flexibly. The power of any IT solution has to be in the business benefits that it brings, be it in improving operational costs, improving time to market, enabling rapid change in focus or developing new IP and capability. The evidence we see in this research is that organisations do now largely understand the cloud opportunity and that IT strategy now embraces the consideration of cloud services in most organisations.

In assessing current adoption in cloud service we have built upon the understanding we gained at the beginning of the year and have explored broader related issues that impact upon cloud adoption by capturing existing capabilities organisations have when they consider expanding from on-premise to embrace the cloud services opportunity. We have better insight into whether they have existing server rooms or data centres, what level of connectivity they have and whether they operate in regulated industries or have tightly integrated application suites. This added colour helps to determine what are real barriers to cloud adoption and what considerations help shape the deployment model that best suits a given organisational opportunity.

This research further validates that cloud services are a reality today, that they are proving beneficial, and that they should continue to improve in both capability and adoption. As such, all organisations need to be aware of, and considering, how to best make use of this agile and efficient IT supply model. It is also clear that any organisation may over time utilise any or all cloud service and/or deployment models and it is imperative that vendors and resellers need to be educated and aware of how to assess and guide end users to deliver the solution that will meet their specific needs. What is right for one company with one specific application, may not be right for another. The suppliers that will succeed in the market over the long term are those that recognise and embrace this and provide confidence and clarity to their customers and prospects.

This paper explores current adoption of practical cloud services across the UK and looks into the levels of adoption across different organisational types; the drivers for adoption; the services being accessed; satisfaction levels and the issues and concerns that impede adoption at times. From this paper the reader should be able to gauge current market readiness and satisfaction levels of cloud service users in the UK and be able to understand some of the key issues and considerations to take into account when contemplating or reviewing plans to adopt cloud services as part of a wider IT strategy. The next paper in the series will provide greater insight into the drivers of different Service and Deployment Models and matching these to customer scenarios to ensure that cloud services are delivered on their terms.

The simple truth is cloud services are growing in adoption and delivering positive results by those who have used them

Methodology and sampling

In October 2011, Vanson Bourne conducted a second body of research on behalf of the Cloud Industry Forum to determine the level of cloud adoption among participants and to gather attitudes and trends about end user perception and experience.

The research polled 300 senior IT and business decision-makers in enterprises, small-to-medium businesses (SMBs) and public sector organisations. The organisations participating all had UK based operations, of which 257 were headquartered in the UK, 24 in the US and 12 in Continental Europe.

Of the 300 end user organisations questioned, 32 per cent came from the IT and technology sector, 10 per cent from business and professional services, 8 per cent manufacturing and financial services and 5 per cent from retail and logistics. A further 33 per cent comprised of public sector organisations ranging from central and local government, education and healthcare.

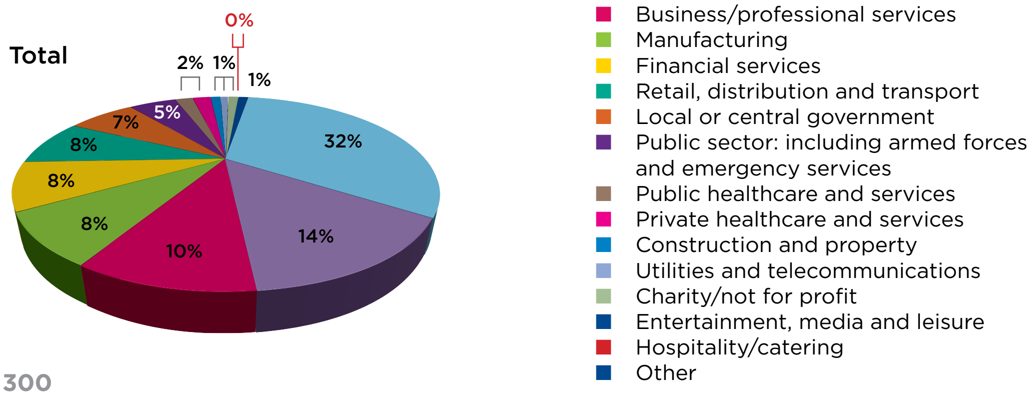
38 per cent of participating organisations were plc's, 32 per cent public sector, 11 per cent Ltd, 8 per cent LLC, 6 per cent NFP and 2 per cent partnerships (3 per cent cited other).

This White Paper summarises the results of this research and examines the drivers for adoption of cloud services by end user organisations; the changing business rationale for migrating to the cloud; and the factors that impact purchasing and deployment decisions.

In addition the results are compared and contrasted to the results of a similar body of research carried out at the beginning of 2011 to validate the original work and to determine emerging trends that may give some insight into what may occur in 2012.

The organisations participating all had UK based operations, of which 257 were headquartered in the UK, 24 in the US and 12 in Continental Europe

In which sector does your organisation primarily operate?



Sample: 300

1. UK Cloud Adoption

This survey polled 300 respondents responsible for IT decision-making, from a wide range of industries. The most widely-represented sectors included IT and services; education; business professional services; manufacturing; financial services; and retail, distribution and transport. The public sector was also well represented, with a third (100) of total respondents.

The results of the survey clearly validate that "cloud" is becoming more common parlance in business language, that the hype continues to give way to practical adoption and that a broad spectrum of organisations are using cloud based services.

Over half (53 per cent) of all organisations polled already consciously use cloud computing in some shape or form within their organisation, this is a 5 point increase or 10 per cent growth in the last nine months.

When further analysis is undertaken it is clear from the findings of the research that it is the private sector leading the way still at 56 per cent adoption (up 3 points) however, public sector has shown the more dramatic increase gaining 11 points to 49 per cent!

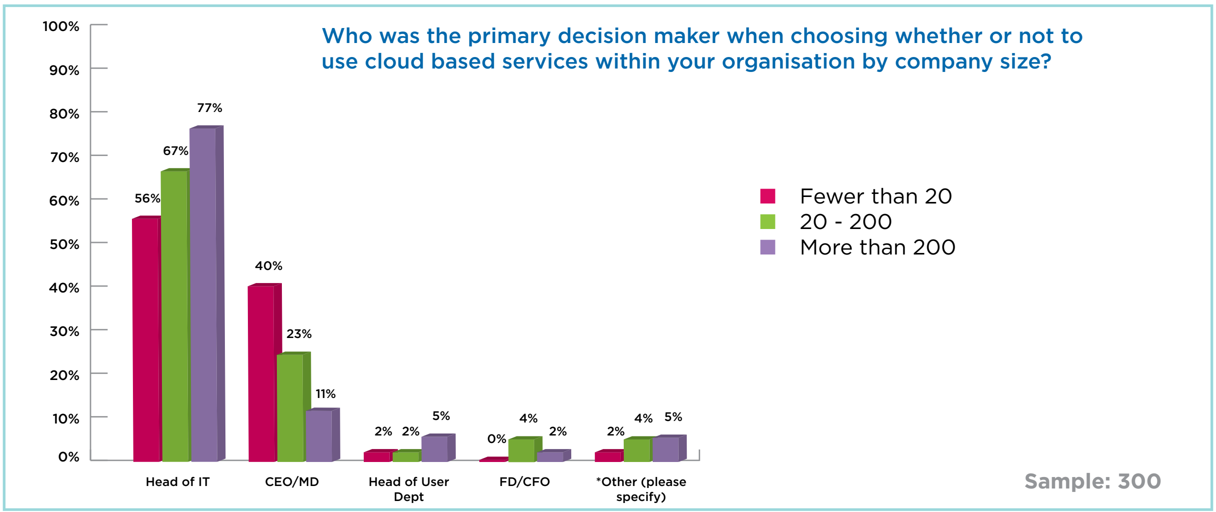
In the nine months between research projects new cloud service adoption grew by 10 per cent

Does your company have any cloud based services in use today?

All respondents	Total	No. employees Fewer than 20	20 - 200	More than 200	Private	Public
Yes	**53%**	54%	54%	52%	56%	49%
No	**47%**	46%	46%	48%	44%	51%
Base	**300**	100	100	100	200	100

Interestingly it would also appear from the figures that size of organisation is far less an indicator of current adoption as it was at the beginning of the year as all primary groupings showed equivalent rates of adoption at around 53 per cent, reinforcing the fact that cloud services are a leveller for enabling IT adoption and efficiency in organisations of every size and status. In real terms we have seen cloud adoption by business under 20 employees and public sector, increase adoption by a similar level over the last 10 months, outstripping the growth of mid to large organisations by a factor of 4.

The survey findings also indicate that the decision to migrate to the cloud is predominantly taken by the head of IT, with 67 per cent of respondents, compared to just a quarter who said it was still the responsibility of CEOs / MDs.



Defining the organisational environment is critical to further understanding. The research highlighted that the majority of organisations already operate an on-premise server room or data centre and as such are usually invested in on-premise IT when they make a cloud service decision.

In terms of levels of connectivity, 18 per cent of the sample used standard broadband packages, 42 per cent used business ADSL and 37 per cent used MPLS and the balance of 13 per cent used private networks, fibre or were unsure.

2. Primary drivers

According to the research the overwhelming reason given for initially adopting cloud based services is the flexibility that it brings to the organisation. This was identified by 46 per cent of respondents of the entire sample. Next, but considerably behind in importance, was cost savings at 17 per cent and then low cost of adoption at 14 per cent.

When looked at in detail the findings clearly highlight that it is organisations with under 20 employees that place the greatest value on flexibility (54 per cent) as they seek to compete in the wider market with limited technical resources in-house. In those organisations of between 20 and 200 it was mentioned in the majority of responses (46 per cent). And even in the large enterprises flexibility was seen as the primary reason for adoption in 38 per cent of those questioned.

Coupled with the more rapid recent adoption in the SMB sector (as opposed to the larger organisations - which historically have been the first to ride the wave of technological innovation) this research reinforces expectations that cloud is a disruptive technology, enabling businesses to access leading capabilities at an affordable cost and therefore to adapt and compete more successfully in a changing market.

Arguably one of the more interesting statistics is that there is very little separating public and private sector organisations. In both cases flexibility came out as the number one reason for the adoption of cloud services (public:private – 48 per cent:43 per cent).

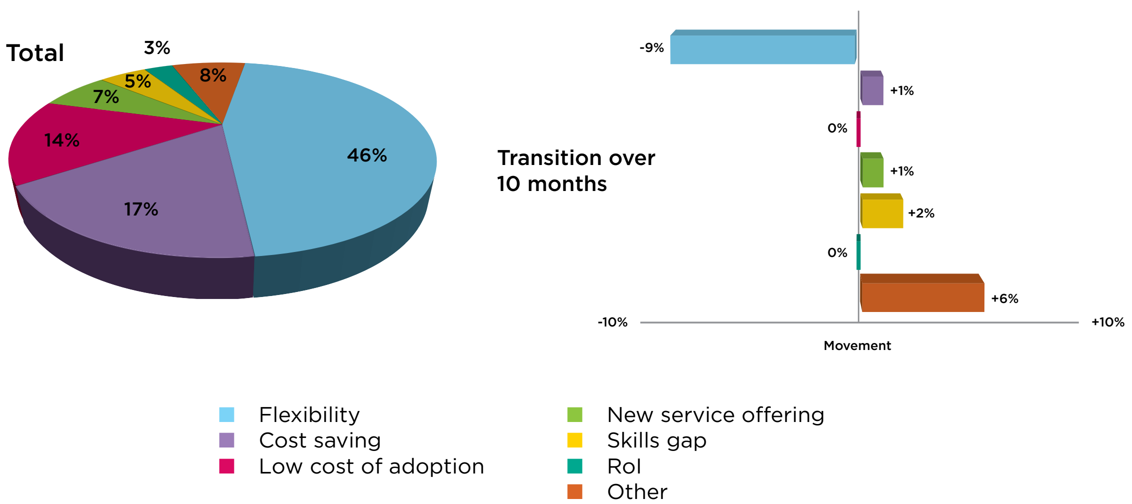
Whilst the marketing of the industry continues to focus on the cost savings afforded by cloud solutions the research proves again that initial adoption is usually driven by non-financial activity where the organisation values the flexible attribute of a cloud service over on-premise solutions. That said, financial benefits are being achieved and do drive further adoption from companies already using the cloud, but it is the agility given to businesses to deliver new services; access technology quickly; and, to offer solutions that they did not already have that has driven initial adoption.

Cost savings grew by 1 per cent point to 17 per cent since the last research, validating that benefits are real as more companies were surveyed this time that were further investing in cloud solutions. Low cost of adoption was cited by 14 per cent as the primary driver for using cloud services, 7 per cent cited lack of in house skills and 5 per cent cited the launch of a new service as the key driver.

So what conclusion can we draw from this? The evidence indicates that the cloud is affording businesses both large and small, public and private, the flexibility they need to adapt to the ever changing business climate. This is the principal hook for early adopters. The fact that cost savings can and usually do materialise over time is a secondary benefit.

Flexibility outstrips cost savings as the primary driver of cloud adoption in the UK by more than threefold

Which of these was the primary reason for adopting cloud-based services?

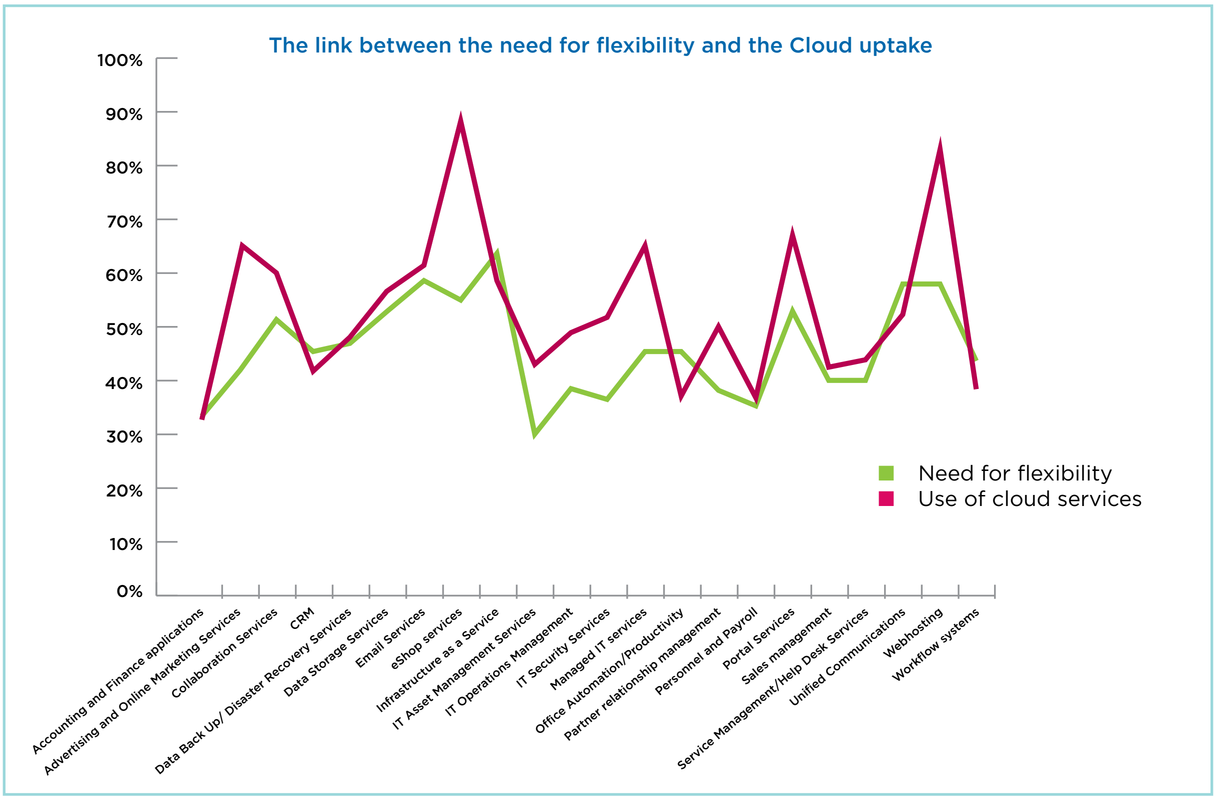


Sample: 160

In regard to solutions being adopted as cloud services the research identified three core themes:

1. Web services were typically deployed in a cloud or hosted model vs on-premise, including but not limited to website hosting, ecommerce applications, portals and online marketing solutions.
2. More traditional IT solutions such as storage, email, disaster recovery, PRM/CRM and security are still more likely to be deployed on premise but are showing far greater growth as a service.
3. New services like Unified Communications, collaboration solutions and Infrastructure-as-a-Service are by nature encouraging a higher uptake as an online solution than an on-premise capability.

It is worthwhile noting that the research also identified an interesting correlation between businesses citing the need for flexibility in scale of an application and the attraction of a cloud based solution as reflected in the table below.

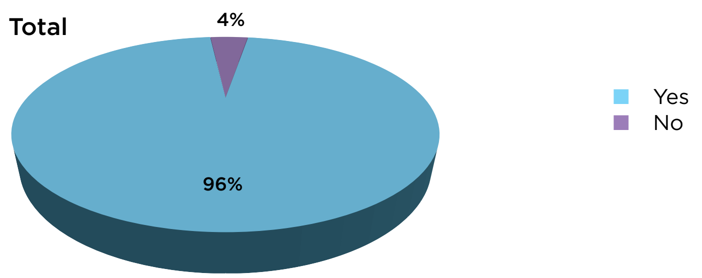


3. Satisfaction levels

When it comes to organisational satisfaction with the current use of cloud services, the original research at the beginning of 2011 reflected a staggering 94 per cent of those then using cloud services stating that they were happy with the results of their experience.

This was an extremely high figure and we believed demonstrated clear evidence that the market was no longer immature and that businesses that had embraced the opportunity to adopt cloud services perceived that they are reaping the benefits they sought. Of course, from such a high base we were unsure what the most recent research would reflect nine months on. Well it is a statement of validation and endorsement, with satisfaction rating climbing in the limited headroom it had available to an amazing 96 per cent!

Have you been satisfied with the results of your use of hosted or cloud-based services?



Sample: 160

Breaking this result down by company size the results were as follows:

Only asked of respondents who have hosted or cloud-based services in use	Total	No. employees Fewer than 20	20 - 200	More than 200	Private	Public
Yes	**96%**	96%	96%	96%	95%	100%
No	**4%**	4%	4%	4%	5%	0%
Base	**160**	54	54	52	111	49

Those organisations that stated they were unhappy with the level of service amounted to a total of six and while statistically this is not a representative sample, the reasons cited need to be explored from a cloud services provider perspective. Four from the group highlighted poor levels of service provision, three of whom also felt the solution was too generic. Two of the end users also claimed that the migration to the cloud had proven difficult.

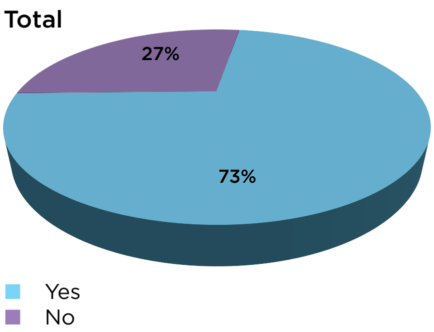
96 per cent of organisations using cloud services are satisfied with their results

4. Future trends: An outlook to 2012

Given the almost unanimous user satisfaction with their cloud experience to date it should come as no surprise to see that moving into 2012 the majority of those end users already using cloud services intend to extend the use of cloud services within their organisations.

73 per cent of those organisations questioned in the research currently using cloud services expect to increase their use over the next 12 months, with growth most likely to centre on five core applications – email, storage, data back-up / disaster recovery, collaboration solutions and web services.

Do you expect your adoption of cloud services to increase over the next 12 months?



Sample: 160

In what areas do you expect your adoption of cloud services to increase over the next 12 months?

Only asked of respondents who expect their adoption of the cloud to increase	Total
Email services	36%
Data storage services	35%
Data backup/ Disaster recovery services	28%
Collaboration services	28%
Webhosting	26%
IT operations management	23%
Portal services	22%
Office automation	18%
Managed IT services	18%
IT asset management services	16%
Unified communications	16%
Advertising and online marketing services	15%
CRM	15%
IT security services	14%
Workflow systems	13%
Accounting and finance applications	12%
eShop services	11%
Service management / Help desk services	10%
Personnel and payroll	9%
Sales management	9%
Infrastructure as a service	7%
Partner relationship management	6%
Niche vertical applications	2%
Other	2%
Base	**116**

The fifth White Paper will go into further detail on the nature of business applications being adopted by organisations and the issues impacting their deployment choice between on-premise, hosted and public, private or hybrid cloud solutions.

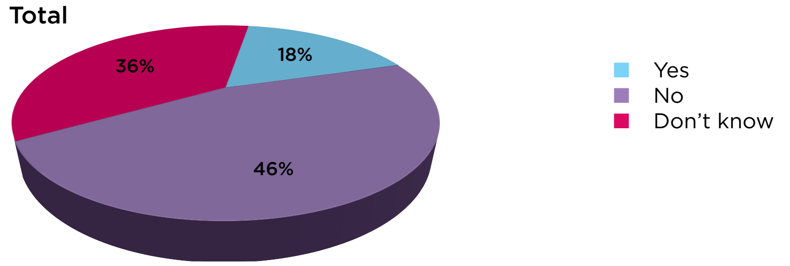
The survey also asked those existing users of cloud services why they would not extend cloud provisioning still further. Admittedly this is a small sample of 44 organisations, and yet it is worth dwelling on the figures for a moment.

- In terms of split by size, the highest number of organisations were categorised as private sector with less than 20 employees. Larger organisations and public sector were only accounting for a quarter of the companies not planning to expand cloud adoption. It is interesting that having seen such a sharp rise in smaller company adoption that one fifth had no further plans to expand cloud usage in the near term.
- Overall just under a third (32 per cent) cited that they wished to keep their remaining applications and data in-house. This was notably higher among mid sized business were 38 per cent (i.e. 6 companies) believed this to be the situation. 41 per cent cited they had no further need for cloud services, 14 per cent did not have the human or financial resource to roll out further and 9 per cent (4 companies) saw no benefit from cloud usage.

73 per cent of those organisations questioned in the research currently using cloud services expect to increase their use over the next 12 months

In regard to the expansion of cloud services among new organisations (i.e. 47 per cent not currently using cloud services), it is insightful that almost a fifth (18 per cent) said that they anticipated adopting them in 2012 (though this number rises to 35 per cent among large organisations and 27 per cent in public sector).

Do you anticipate cloud services being adopted by your organisation within the next 12 months?



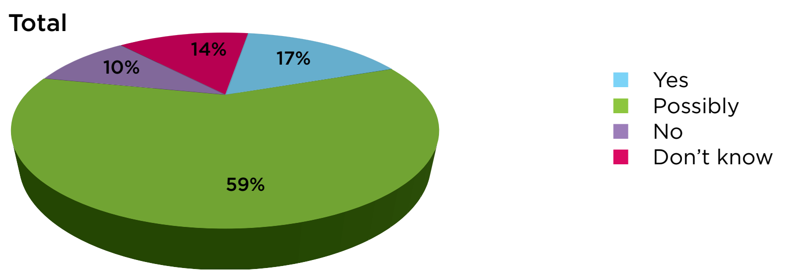
Sample: 140

Breaking this result down by company size the results were as follows:

Only asked of respondents who do not have hosted cloud-based services	Total	No. employees Fewer than 20	20 - 200	More than 200
Yes	**18%**	7%	11%	35%
No	**46%**	61%	50%	29%
Don't know	**36%**	33%	39%	35%
Base	**140**	46	46	48

For those not planning to have cloud services within the next year, 17 per cent believed they would adopt cloud services, 59 per cent said they were likely to, 14 per cent said they were not sure and only 10 per cent (11 out of 300 organisations or 3 per cent of the survey) said they would not adopt cloud services.

Do you foresee your business ever making use of cloud services?



Sample: 115 - i.e. those not adopting in the next 12 months

Even though the general trend of cloud adoption looking ahead is very positive the vast majority of participants (68 per cent, and up 3 points from the previous research) still consider that there are applications and data sets that they deem to be unwilling to move to a cloud delivery model at this time. Notably accounts and financial data as well as employee data were stated by around 60 per cent of this subset.

In regard to how cloud services are procured, two thirds of respondents stated that they believe cloud solutions offer them a viable way to change how they currently acquire IT capability. It was their opinion that cost reduction and flexibility of choice drove them to acquire cloud solutions and that that demand outweighed their benefits of their traditional approach to purchasing IT capability. Speed of delivery and ease of use also encouraged a self service mindset. This reiterates a concern written about in White Paper 2 where CIF outlined the need for the IT reseller community to ensure that it has a clear position on its ability to offer, sell, provide, support or partner for the delivery of cloud solutions or they will face increased risk of customer loss.

Where organisations do not foresee cloud changing the way IT is procured (34 per cent), half preferred to keep certain solutions on-premise, 42 per cent believed the benefits were not yet proven and 38 per cent believed that the culture change required inside their company was too great at this time.

Interestingly there was no material correlation to size of company in regard to this issue, nor between private vs public sector.

Two thirds of participants stated the benefits and nature of cloud services could encourage changes to how they provide IT

5. Concerns

To present a balanced assessment of Cloud adoption it is equally important to understand the practical as well as the emotive concerns that organisations face.

This latest research reiterates the widely held belief that many organisations cite as their number one concern, namely is the mitigation of risks around committing data to be stored and accessed in the cloud. When asked to name their most significant concerns about cloud adoption, users were clear that data security and privacy stood out above all others, cited by 62 and 55 per cent of respondents respectively. It is important to note though that both these values are reduced (by 2 and 7 points respectively) since the last research, though public sector organisations remain the most concerned at 69 per cent and 55 per cent respectively.

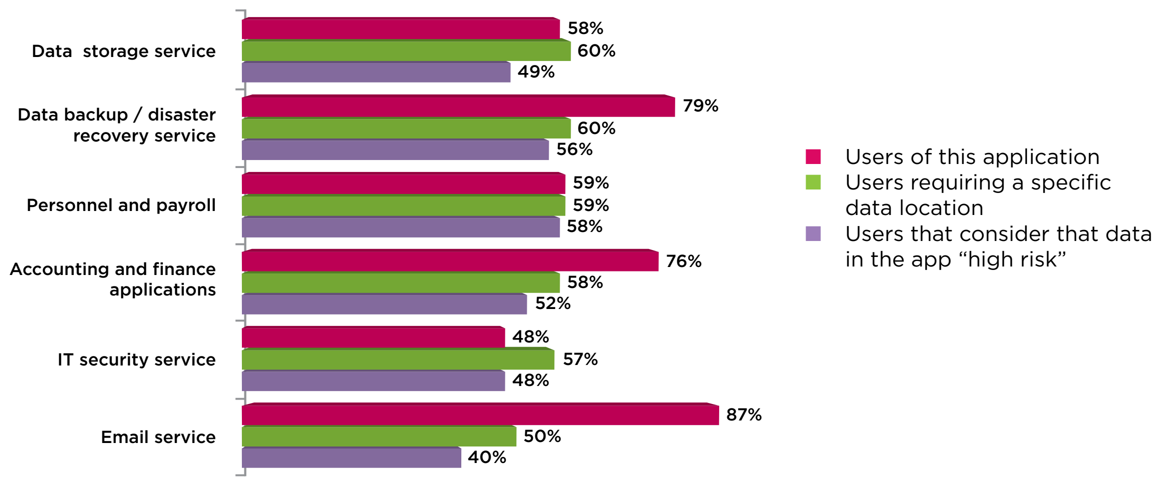
What are your most significant concerns, if any, about the adoption of cloud in your business?

Only asked of respondents who either currently use cloud or will do at some point in the future	Total	No. employees Fewer than 20	20-200	More than 200
Data security	**62%**	58%	66%	62%
Data privacy	**55%**	47%	57%	61%
Dependency upon internet access	**49%**	55%	56%	38%
Confidence in the reliability of the vendors	**35%**	34%	35%	36%
Contract lock-in	**34%**	34%	38%	30%
Contractual liability for services if SLA's are missed	**34%**	23%	37%	41%
Cost of change/migration	**33%**	29%	37%	34%
Confidence in the vendors business capability	**25%**	15%	26%	34%
Confidence in knowing who to choose to supply service	**23%**	13%	22%	32%
Confidence in the clarity of charges (i.e. will they be cheap on-premise)	**19%**	15%	15%	27%
Lack of business case to need cloud service	**19%**	13%	12%	30%
Lack of advice within the company to adopt cloud services	**9%**	6%	9%	12%
Lack of any promotion or awareness by people we get IT from	**8%**	3%	4%	15%
Other	**0%**	0%	0%	0%
Base	**204**	62	68	74

Coupled with the aspect of security and privacy of data is the more emotive issue of data sovereignty, i.e., where and under which jurisdiction is data physically stored. The underlying issues that give rise to this concern can range from industry regulatory requirements; concern over international law; heightened sense of loss of control or security risk; through to the actual nature of the application/data in question and internal organisational policy. In total the physical location of data was identified by 69 per cent of participants as an issue they had to manage. Though in contrast to the issues of data security and privacy, it is the private sector who have the bigger concern around data sovereignty, though both groups rate this as a key issue.

Data security, privacy and sovereignty remain the key concerns of organisations adopting cloud

Correlation of data use, risk & storage location



For those organisations where data was required to be stored in a specific location (69 per cent), almost half (47 per cent) required the data to be held in the UK, compared to 6 per cent who accepted the EEA and 4 per cent elsewhere. The remaining 43 per cent believed certain data was best kept on premise. It is of note that there is little diversity of opinion now regardless of size of company or private vs public sector, save that larger private companies are more pro UK hosting than on-premise. In a separate public survey carried out by the Cloud Industry Forum of 5800 individuals, 64 per cent had concern as to where data would be stored and the vast majority (59 per cent) of the respondents wanted data stored in their own country, with only 28 per cent naturally accepting anywhere within the EEA, and 13 per cent accepting other territories). These individual research activities continue to validate that location and security of data are paramount in cloud service selection.

47 per cent of organisations wanted their data stored in the UK

In regard to the data that you are required to store in a specific location, where are you required to store it?

Only asked of respondents whose organisations are required to store data	Total	No. employees Fewer than 20	20 - 200	More than 200	Private	Public
Hosted within the UK	**47%**	42%	43%	54%	48%	43%
On-premise	**43%**	54%	45%	32%	42%	45%
Hosted within the EEA	**6%**	2%	8%	8%	6%	7%
Other	**4%**	2%	4%	5%	3%	5%
Base	**208**	59	75	74	132	76

This is an interesting situation as whilst it reflects natural concerns driven by regulation (such as the Data Protection Act) it also shows a sense of national Law being perceived to provide a higher level of comfort to cloud users, even though many laws within the EEA are unified. This is particularly relevant to cloud adoption as it requires end users to be able to determine where their data will reside in a hosted environment and requires the cloud industry to ensure that it caters for clarity and choice in the design and delivery of SaaS and IaaS solutions as a one-size-fits all delivery will not meet all organisations requirements, regardless of cost benefits.

6. Models of cloud service adoption

White Paper 5 will focus in detail on the factors impacting how and why organisations choose to adopt cloud services in different models. The language of cloud computing is still maturing and awareness is often obscured by vendor marketing, as such many organisations do not consciously label or classify their use of cloud services, but for the purpose of analysing and comparing cloud adoption we will adopt the language of the National Institute of Standards and Technology* in part to relate activity to a normalised nomenclature.

*NIST Special Publication 800-145 (September 2011)

Of immediate and obvious note, there is no universal cloud proposition that will meet the overall needs of an organisation. Cloud is a means of accessing IT as a service which sits alongside any on-premise capability and does not necessarily replace it.

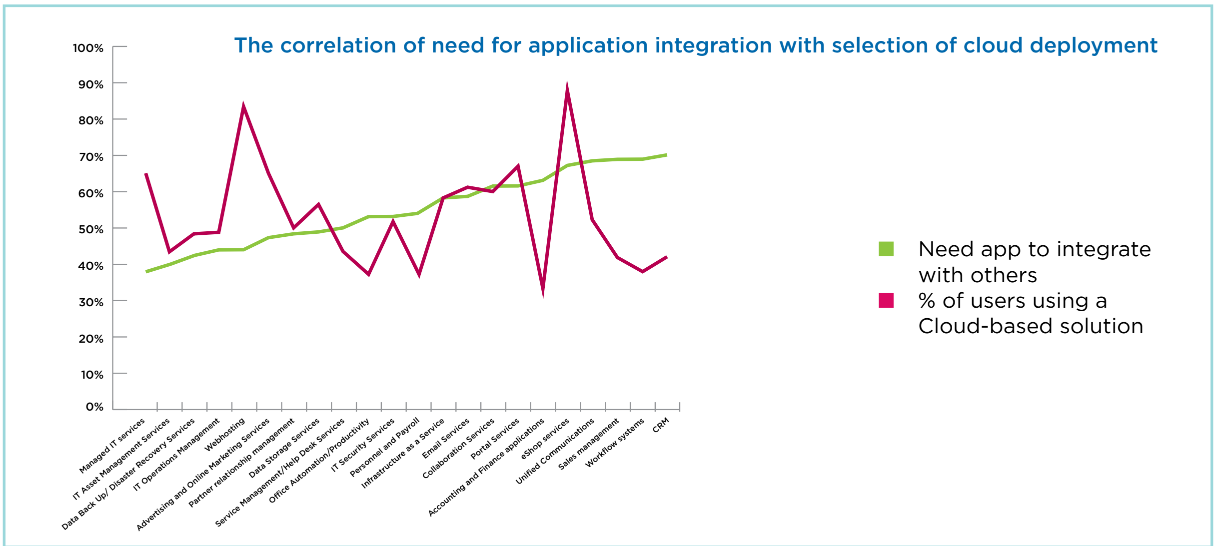
Whilst Service Models have become more familiar in terms of Software, Platform and Infrastructure-as-a-Service as well as the associated deployment models which we define as being Public, Private and Hybrid cloud for the purpose of this research. The reality is that experience, expectation and common sense all point to the fact that any one organisation will access IT in any combination of on-premise and in-cloud, and through any combination of Service and Deployment models. To this end it is essential that organisations are able to clearly assess for each project or application which scenario best achieves their objectives and how that fits within their wider and long term IT strategy.

There is no universal cloud and it is essential that organisations are able to clearly assess which scenario best achieves their objectives

In order to understand the best fit of cloud to any given opportunity it is important that organisations are able to make a practical assessment of the criteria that will help define the options possible. Notable examples of factors that influence choice can be summarised as:

- Nature of application/solution being evaluated
- Uniqueness of process or data needs
- Relevant Industry regulation
- In-house skills available to organisation
- In-house operational capacity available to organisation
- Scalability and predictability of solution over time
- Capital expenditure limitations
- Time to Market considerations
- Level of integration of solution with other business applications
- Efficiency of solution vs available network capacity

The following example from the research highlight the nuances that impact perception and practical adoption models which we will explore in more detail in the next paper.



Market messaging today tends to over-play vendor specific messaging about platforms or, too often, paint cloud as a panacea. Whilst neither approach are necessarily incorrect in very specific circumstances, they downplay or risk ignoring the practical considerations facing organisations adopting cloud services and can lead to a more cynical view of claims made and therefore, fail to embrace the reality that cloud is part of an IT strategy and not often the whole IT strategy.

Conclusion

Adoption of cloud services has continued healthily in 2011 up 10 per cent by volume since the original research, with penetration of organisations now at 53 per cent with one or more cloud services. From the latest research a number of key conclusions can be drawn:

1. Adoption of cloud services in 2011 has been faster in smaller private companies and public sector organisations.
2. Adoption is now at almost parity regardless of size of organisation or private:public sector reflecting a realisation of the cloud mantra that it offers benefits that are available to any organisation as the barriers to entry and adoption are comparatively low compared to other technological innovations. This also points to a wider market opportunity in 2012 for both customer adoption and service provider delivery.
3. Satisfaction with cloud services (where they have been adopted) remains extremely high, growing 2 points to 96 per cent of those organisations using cloud services. As we saw in the previous research this is coupled to the claims that the majority of current users (73 per cent) will expand their use of cloud into other areas of their IT operations in 2012. This simultaneous move to a new type of technology enabled business model is a rare occurrence and reflects the significance that cloud offers any organisation to reconsider its approach to leveraging IT to drive flexibility, agility, competitive advantage and cost restructure.
4. While the first wave of adoption continues to be primarily driven by end user requirements for the flexibility that the cloud service and deployment models provide, it is the pursuit of ongoing cost savings that is the main benefit that is derived and becomes the driver for the second wider phase of adoption.
5. The most common cloud services adopted remain: email; back-up / disaster recovery; storage; and webhosting services. While this by no means defines "the cloud", it gives a very helpful indication of how the cloud is most popularly and effectively accessed by end users. Interestingly this reflects more about IT back office services than the higher profile often given to vertical specific business applications, confirming that IT departments are also looking to make the cloud delivery part of their wider IT strategy to embrace on-premise and cloud solutions overall. A fact directly confirmed by the majority of participants. Collaboration services have grown in prominence over the period between the two research projects and are expected to grow further still in the year ahead.
6. End users take into account a range of key factors in considering fitness of cloud services to fulfil a solution need including the from nature of application: sensitivity of data; regulation; resourcing; capital and integration needs. A consequence of this is that any single company will likely utilise multiple cloud service and deployment models over time alongside an on-premise capability. The industry needs to work to ensure portability of data and interoperability in a secure and trusted form continues to advance in their product strategy to ensure they are able to allay fears of proprietary lock in.
7. There are several areas of concern that end users require clarity and comfort on in making a decision for cloud services. Most notable are those relating to data in regard to its security, privacy and sovereignty. Whilst there has been marginal improvements in the sensitivity of these issues between the research projects, it is still the significant majority of organisations primary concern regardless of size or sector. Whilst this is in part an educational issue it is also evident that service providers can do more to be transparent about their services, their data centre standards, security practices and jurisdiction.
8. The reality that cloud services are part of an IT strategy is still clearly evidenced in the fact that even companies that have not yet adopted cloud do formally consider cloud as a viable solution as and when projects are evaluated. The breadth of service and deployment options enable organisations to embrace cloud as an extension of their on-premise capability or as segmentation for solutions that are not critical to operate in-house.

The research re-confirmed that cloud computing is becoming mainstream, that it is not an all-or-nothing approach and can be consumed in multiple service and deployment models in any given organisation. What is more, there are major opportunities for expanding the cloud market alongside an on-premise capability, by enabling organisations that have yet to adopt or by encouraging existing users that they can confidently take even more data and IT functionality into the cloud.

In closing, when asking the participants in the research "Do you see value in working with CSP's who sign up publicly to an industry Code of Practice that is independently audited over those that have no public accountability?" The overwhelming majority, 79 per cent, said yes, reinforcing the Cloud Industry Forum's focus in driving adoption of the industry Code of Practice.

79 per cent of end user organisations would value working with CSP's who sign up publicly to an industry Code of Practice that is independently audited over those that have no public accountability

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The Cloud Industry Forum (CIF) was established in direct response to the evolving supply models for the delivery of software and IT services. Our aim is to provide much needed clarity for end users when assessing and selecting Cloud Service Providers based upon the clear, consistent and relevant provision of key information about the organisation/s, their capabilities and operational commitments.

We achieve this through a process of self-certification of vendors to a Cloud Service Provider Code of Practice requiring executive commitment and operational actions to ensure the provision of critical information through the contracting process. This Code of Practice, and the use of the related Certification Mark on participant's websites, is intended to provide comfort and promote trust to businesses and individuals wishing to leverage the commercial, financial and agile operations capabilities that the Cloud based and hosted solutions can cover.

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