Gartner | Press Release

CONTACTS:

Janessa Rivera
Gartner
+ 1 408 709 8220
janessa.rivera@gartner.com

Robert van der Meulen
Gartner
+ 44 (0) 1784 267 738
rob.vandermeulen@gartner.com

Gartner Says Nearly Half of Large Organisations Will Have Hybrid Cloud Deployments by the End of 2017

Gartner Special Report Examines the Outlook for Hybrid Cloud

STAMFORD, Conn., October 1, 2013 — Nearly half of large organisations will have hybrid cloud deployments by the end of 2017, according to Gartner, Inc. In the past three years, private cloud computing has moved from an aspiration to a tentative reality for nearly half of large organisations. Hybrid cloud computing is at the same place today that private cloud was three years ago; as actual deployments are low, but aspirations are high.

When it comes to drivers of private cloud computing, while cost is always an important consideration, a business case for private cloud cannot rely on lower costs as the primary justification.

"Virtualisation reduces capital expenses, and standards and automation reduce operational expenses," said Thomas Bittman, vice president and distinguished analyst at Gartner. "However, taking the next step of adding usage metrics, self-service offerings and automated provisioning requires investment in technologies without a significant reduction in operational cost. With this in mind, the driving factor for going that next step should primarily be agility."

Since agility is the key driver to private cloud computing, Mr Bittman said that IT needs to understand where agility could make a difference in current services, understand what new services would be useful if provided with agility, and work closely with IT's customers to make those determinations.

Organisations that are well on their way with private cloud projects rarely consider technology the major issue. Certainly the technologies to deliver private cloud are relatively immature and evolving, and many companies find that custom work is required to meet their needs, but much more difficult are the transformational adjustments needed to use the technology. Cloud services require operational processes that are designed for speed and customised for the services offered. An ingrained IT culture focused on technical expertise doesn't fit a fully automated, self-service model that requires a service-oriented, team approach.

"Too often, private cloud projects are started by choosing a technology, but technology itself does not solve the transformational people and process issues," said Mr Bittman. "It is much better to focus first on an approach to make transformative changes. In many cases, that means creating a separate organisation outside of traditional IT processes — at least to incubate these projects — and focusing first on a simple project that has buy-in between IT and IT's customers."

Progress made with private cloud varies enormously, according to Gartner. Most deployments are starting small, with a limited scope of functionality. However, as those private cloud portfolios grow the resulting cloud infrastructures will likely be based on the technologies chosen for pilot projects. Gartner said that in a market with a lot of vendors vying for market share, the winners and losers will be determined very quickly and because of the importance of integration throughout the cloud management platform, smaller players will likely be acquired or go out of business within the next few years.

-more-

"Vendors are promoting private cloud computing as 'the next thing' for infrastructure and operations — and it is, but only for the right services," said Mr Bittman. "Virtualisation is a horizontal, very broad trend, impacting a high percentage of IT infrastructure. Private cloud is a specific style of computing that will leverage virtualisation, but is not appropriate for all services. While the majority of midsize and large organisations will build and deploy private cloud services over the next few years, private cloud will only be used for specific, appropriate services."

Where organisations do decide to deploy cloud services, the technology they choose matters tremendously. While pilot projects will tend to start small, with limited functionality, it's important to choose a technology foundation that offers room for expansion — both in terms of functionality richness, and in terms of hybrid cloud interoperability for the future. The other alternative is to choose a technology that provides a rapid return on investment — for example, two years — with the possibility of changing technologies in the future.

Additional information is available in the report entitled "Private Cloud Matures, Hybrid Cloud Is Next" at http://www.gartner.com/document/2585915?ref=QuickSearch.

Additional information is available in the Gartner Special Report "Hybrid Cloud: The Shift from IT Control to IT Coordination." The special report can be viewed at http://www.gartner.com/technology/research/hybrid-cloud/ and includes links to reports and video commentary that examine the impact of hybrid cloud on organisations.

Mr Bittman will provide additional analysis during the Gartner webinar, "Hybrid Clouds and Hybrid IT: The Next Frontier" on 3 October at 2pm and 4pm UK time. To register for this complimentary webinar, please visit http://my.gartner.com/portal/server.pt?open=512&objID=202&mode=2&PageID=5553&resId=2583519&ref=Webinar-Calendar.

About Gartner
Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in more than 13,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,500 associates, including 1,402 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

# # #