IT service delivery models

Will the cloud make your datacentre redundant?

With many organisations under pressure and IT teams struggling at times to keep pace with fast-moving business requirements, some experts would have you believe that every workload running inside a private datacentre today is ultimately destined to move to the public cloud. But is this proposition really true?
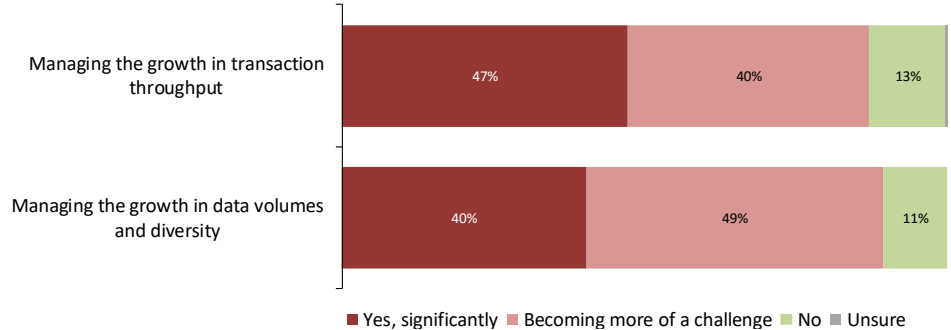
Freeform Dynamics recently conducted a survey among 320 datacentre professionals to learn their views on cloud computing and how their own datacentres fit into the grand scheme of things.

It became clear that respondents use a wide range of approaches to provide IT services to their organisations. These range from running services in their own datacentres and private hosted systems to global public clouds. But as to whether datacentres run by organisations themselves are becoming less important, the answer was a resounding no.

DATACENTRE Talking Point

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in association with

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Organisations today are evolving at a rapid pace, which makes keeping up with the increasing adoption of IT systems in all areas of the business a considerable challenge for many IT teams.
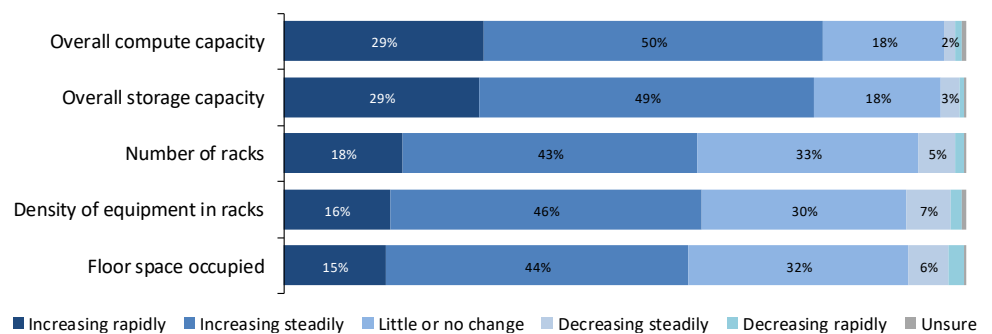
Keeping up with growth in the business use of IT systems is a considerable challenge for many IT teams.

Have [business] pressures led to any of the following datacentre related challenges?

	Yes, significantly	Becoming more of a challenge	No	Unsure
Managing the growth in transaction throughput	47%	40%	13%	
Managing the growth in data volumes and diversity	40%	49%	11%	

Business reliance on services delivered by centralised IT systems leads, inevitably, to an increase in the demands made on many areas of datacentre IT capacity. It also increases the density of equipment in the datacentre itself.
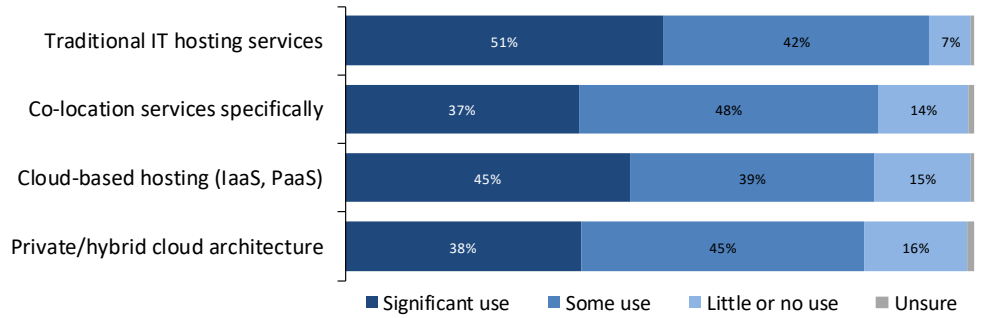
Business reliance on services delivered from the datacentre leads, inevitably, to an increase in demands on datacentre IT.

Considering your datacentre environment overall, how are the following changing?

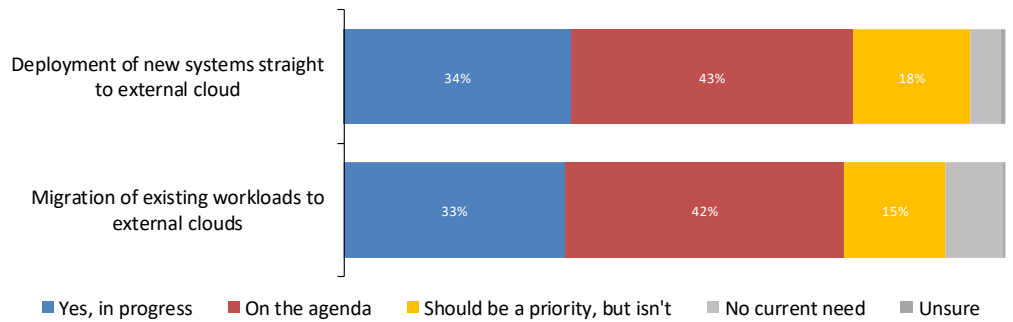|	Increasing rapidly	Increasing steadily	Little or no change	Decreasing steadily	Decreasing rapidly	Unsure
Overall compute capacity	29%	50%	18%	2%		
Overall storage capacity	29%	49%	18%	3%		
Number of racks	18%	43%	33%	5%		
Density of equipment in racks	16%	46%	30%	7%		
Floor space occupied	15%	44%	32%	6%		

So in light of these pressures, what are organisations doing to ensure IT services are provided effectively? The survey reveals that, in addition to increasing the capacity of systems running inside their datacentres, many organisations are also using a number of external offerings. Of these, "cloud" is now right up there beside more traditional hosting solutions.

In addition to increasing the number of systems running inside their datacentres, many organisations make use of a number of external solutions.

How would you describe your use of the following?

	Significant use	Some use	Little or no use	Unsure
Traditional IT hosting services	51%	42%	7%	
Co-location services specifically	37%	48%	14%	
Cloud-based hosting (IaaS, PaaS)	45%	39%	15%	
Private/hybrid cloud architecture	38%	45%	16%	

■ Significant use   ■ Some use   ■ Little or no use   ■ Unsure

As to what the public cloud is being used for in particular, the research demonstrates that it is not being deployed simply to run new systems. Instead some organisations are also looking to migrate existing datacentre-based applications and workloads to it.
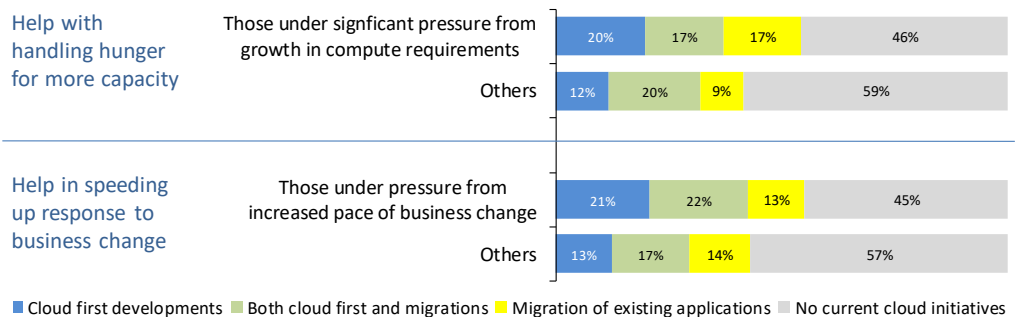
Do you have projects or initiatives in relation to datacentre modernisation?

Public cloud is not being used simply to run new systems.

	Yes, in progress	On the agenda	Should be a priority, but isn't	No current need	Unsure
Deployment of new systems straight to external cloud	34%	43%	18%		
Migration of existing workloads to external clouds	33%	42%	15%		

■ Yes, in progress   ■ On the agenda   ■ Should be a priority, but isn't   ■ No current need   ■ Unsure

The survey also shows clear evidence of multiple drivers for public cloud uptake. The approach is especially popular among organisations experiencing high levels of growth in demand for IT resources in general, and compute requirements in particular. It is also being adopted by organisations having to handle rapidly-changing business requirements. The attraction of the public cloud in this context is that it is possible for organisations to provision IT resources rapidly without needing to procure kit far in advance.

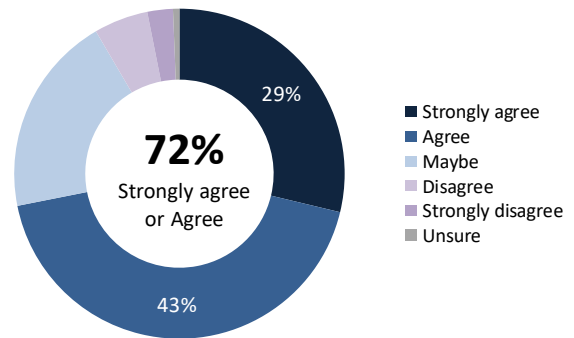### Do you have active cloud-related initiatives?

There is clear evidence of multiple drivers for public cloud adoption.

		Cloud first developments	Both cloud first and migrations	Migration of existing applications	No current cloud initiatives
Help with handling hunger for more capacity	Those under significant pressure from growth in compute requirements	20%	17%	17%	46%
	Others	12%	20%	9%	59%
Help in speeding up response to business change	Those under pressure from increased pace of business change	21%	22%	13%	45%
	Others	13%	17%	14%	57%

■ Cloud first developments   ■ Both cloud first and migrations   ■ Migration of existing applications   ■ No current cloud initiatives

So does the public cloud signal the imminent demise of the datacentre? Contrary to what many cloud advocates would have you believe, the survey clearly indicates not.

The widespread use of public cloud solutions is not a sign that organisations are rushing to move everything out of their datacentres.

The widespread use of public cloud solutions and other hosted services do not signal that most organisations are rushing to move everything out of their datacentres as rapidly as possible in order to rely totally on the public cloud for their IT needs.
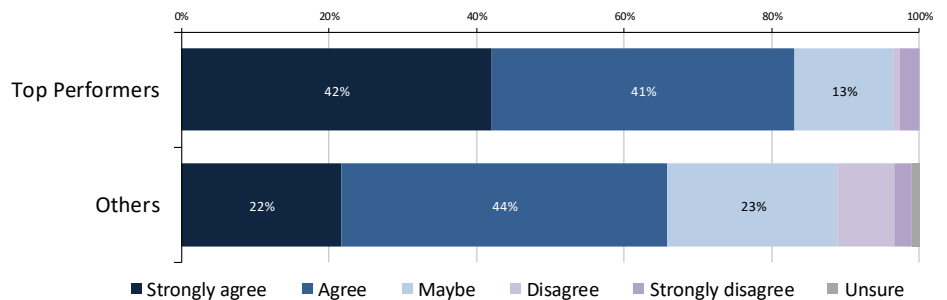
Operating our own datacentre(s) will remain critical to the business, despite the advent of cloud

72%
Strongly agree or Agree

29%
43%

■ Strongly agree
■ Agree
■ Maybe
■ Disagree
■ Strongly disagree
■ Unsure

A clear majority of organisations see their own datacentres as critical to their business operations.

A clear majority of organisations today still see their datacentres as critical to their business operations. The evidence for this is even stronger among Top Performing organisations – 30% of the survey base, who generally provide IT services more effectively than the rest of the research sample (see 'About the Research' section for more details).

Agree or disagree: Operating our own datacentre(s) will remain critical to the business, despite the advent of cloud

Top Performers	42%	41%	13%
Others	22%	44%	23%

■ Strongly agree   ■ Agree   ■ Maybe   ■ Disagree   ■ Strongly disagree   ■ Unsure

Most organisations will use their own datacentres or the public cloud where it makes sense.

These findings reflect those of many other surveys carried out in recent years, namely that public cloud is regarded by most organisations as simply another means of delivering IT services rather than the be-all and end-all. It is good for some workloads, but not ideal for others. It is, in fact, just another option to be considered when working out how to provide a particular service or workload.
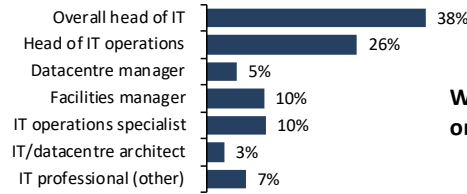
As a result, most organisations will use their own datacentres and the public cloud where it makes sense. This situation will vary over time as IT demands continue to change rapidly. Steady-state is no longer the way of the IT world - if it ever was.
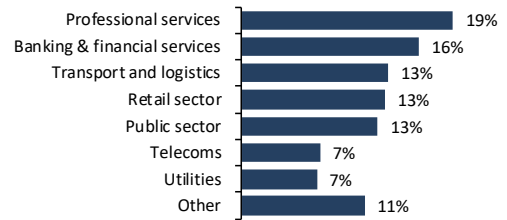
About the research

The research referenced in this document was designed and executed by Freeform Dynamics with sponsorship from Eaton. Input was gathered via an online survey of 320 datacentre professionals during September 2016.

RESEARCH SAMPLE

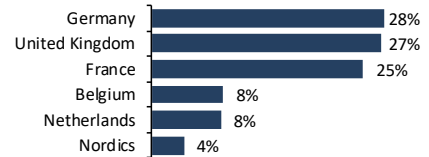**Which of the following best describes your role?**

Overall head of IT	38%
Head of IT operations	26%
Datacentre manager	5%
Facilities manager	10%
IT operations specialist	10%
IT/datacentre architect	3%
IT professional (other)	7%

Which of the following best describes your organisation's core business?

Professional services	19%
Banking & financial services	16%
Transport and logistics	13%
Retail sector	13%
Public sector	13%
Telecoms	7%
Utilities	7%
Other	11%

How many full-time employees work for your organisation worldwide?

Over 1,000 employees	34%
250 to 1,000 employees	33%
Less than 250 employees	33%

Approximately how many racks of equipment are installed in your datacentre(s) overall?

500 or more	12%
100 to 499	11%
50 to 99	24%
20 to 49	28%
5 to 19	24%

Which country/region are you based in?

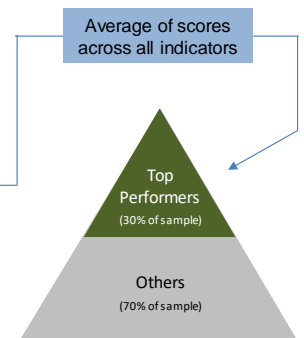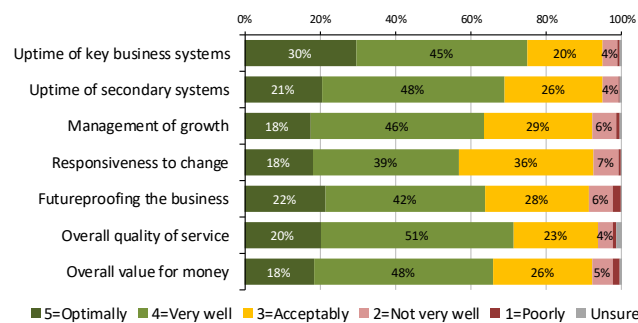|	
Germany	28%
United Kingdom	27%
France	25%
Belgium	8%
Netherlands	8%
Nordics	4%

320 total respondents

Please note that the online methodology used tends to attract respondents who are more knowledgeable and/or interested in the subject matter being investigated. While every effort has been made to minimise this effect, the possibility of some degree of bias in the sample must be acknowledged. However, such limitations have been borne in mind when interpreting the research and are unlikely to have significantly impacted the observations and conclusions outlined.

'Top Performers'

Performance indicators were scored and analysed to identify 'Top Performers', i.e. the 30 percent with the best scores in the index created.

How well does your datacentre environment enable strong performance in the following areas?

	5=Optimally	4=Very well	3=Acceptably	2=Not very well
Uptime of key business systems	30%	45%	20%	4%
Uptime of secondary systems	21%	48%	26%	4%
Management of growth	18%	46%	29%	6%
Responsiveness to change	18%	39%	36%	7%
Futureproofing the business	22%	42%	28%	6%
Overall quality of service	20%	51%	23%	4%
Overall value for money	18%	48%	26%	5%

■5=Optimally ■4=Very well ■3=Acceptably ■2=Not very well ■1=Poorly ■Unsure

Average of scores across all indicators

Top Performers (30% of sample)

Others (70% of sample)

About Freeform Dynamics

Freeform Dynamics is an IT industry analyst firm. Through our research and insights, we aim to help busy IT and business professionals get up to speed on the latest technology developments, and make better-informed investment decisions.

For more information, and access to our library of free research, please visit www.freeformdynamics.com.

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