Report

Multicloud
Market Research

eurofiber

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How have organisations experienced multicloud? Over 200 respondents with a decision-making or advisory role on cloud strategy in their organization provided a clear picture. Our research shows that the majority of organizations (62 percent) use two or more cloud vendors for both public and private cloud. Each of these organizations have a hybrid cloud strategy or multicloud strategy. Additionally, as many as 70 percent have recently rethought their cloud strategy.

The rapid rise of the cloud as a dominant model in the market for IT infrastructure is significant in its own right. Flexibility and scalability are important advantages for customers, but at the same time it is an art to stay in control. When the situation demands it, organizations want to be able to move their workloads quickly without incurring high costs or risks. It's for good reason that the multicloud has become an increasingly prominent item on the IT agenda in recent years. Many companies now have a hybrid cloud strategy or a multicloud strategy.

Which challenges do companies face when defining and implementing such a strategy? This was one of the aspects we wanted to discover with our research. A chosen solution should not only pay off now, but above all not stand in the way of a healthy future. Markets and technologies change rapidly; how do organizations see the future?

Read ours finding in this report and compare your organization's status with that of other organizations. Do the results reflect your own answers? In any case, you will discover in this research report that your organization is certainly not the only currently navigating "the cloud".

Eurofiber recently started offering a total solution in which an organization's complete cloud strategy is arranged. This study gives us the opportunity to test whether our new proposition is indeed in line with client demand.

There are challenges in both the connectivity and setup of the cloud. We expect the challenges in the cloud to be mainly in migration and security. We know from experience that (so far) no organization is going fully into the cloud. Therefore, we also expect that organizations will always maintain the combination with on-premise. This is often the point where clients struggle. Challenges come mainly from the new functionalities and features of large cloud service providers that are constantly changing. It is important to look mainly at these functionalities and not only at the price. To use the cloud safely, the cloud needs to be set up properly and that takes time, money and resources.

Industry

Consulting firm

Automotive

Construction/contact labor/craftsmanship

Communication

Retail/Wholesale

E-commerce/Online Retail

Electricity, gas and water supply

Energy and Utilities

Energy/Consumables

Financial institutions/insurance/banks

FMCG (Consumer Goods)

Hospitality/entertainment or recreation/leisure industry

Hospitality

Industry and production

IT and Internet

Legal Sector

Arts and Culture

Agriculture/forestry/fisheries

Charities

Aerospace

Management consulting marketing/advertising/PR

Marketing/Market Research

Media/New Media

Military Services

Education

Movable and immovable property/brokerage

Government

Public sector

Technology services or products

Telecommunications

Textiles/raw materials/chemicals

Transportation

Publishing

Recruitment/Posting/Re-integration

Science/research/chemistry/biotechnology
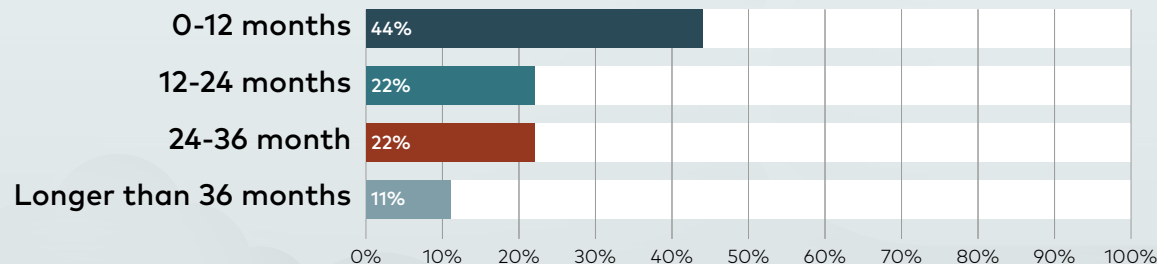
Healthcare & Welfare/Pharmacy

3 | Multicloud Research

How many cloud vendors does your organization currently have (both private and public)?

Category	Value
None	5%
One	34%
Two	39%
More than two	23%

(0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%)
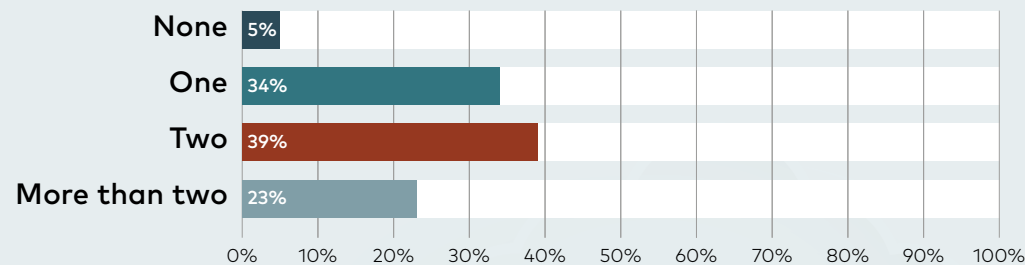
Most organizations (62 percent) use two or more cloud vendors (both public and private cloud).

Within which timeframe do you plan to use the cloud within your organization?

| Category	Value
0-12 months	44%
12-24 months	22%
24-36 month	22%
Longer than 36 months	11%

(0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%)

If not yet using a cloud vendor, most organizations expect to start using it within zero and twelve months.

# How many of these cloud vendors are local cloud vendors?

Answer	Percentage
None	21%
One	51%
Two	20%
More than two	8%
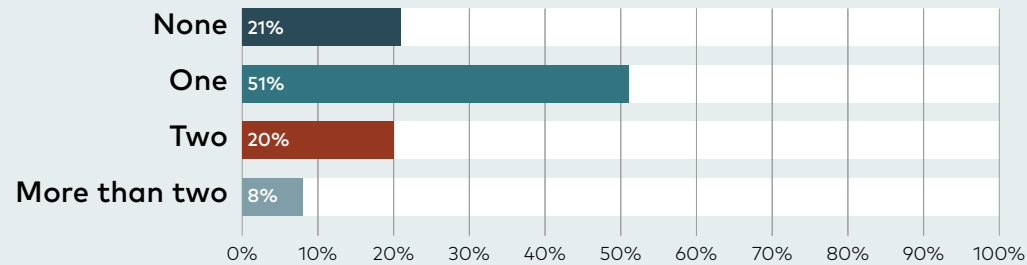
Local vendors are popular: more than half of organizations have at least one local vendor.

What kind of cloud environments does your organization use?

Only private	35%
Only public	15%
Both	51%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
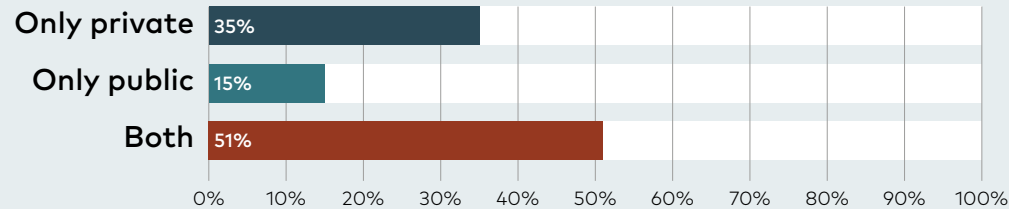
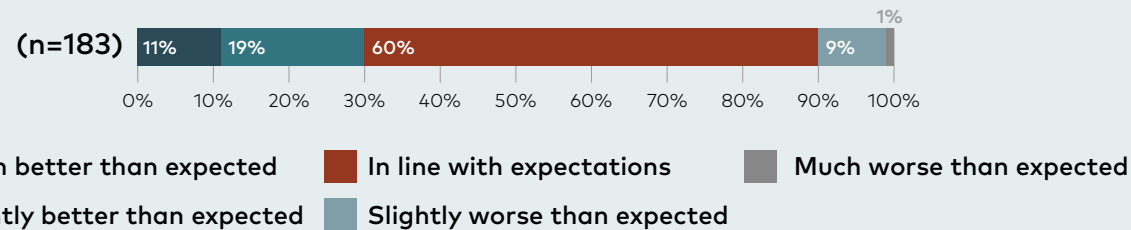Most organizations combine private and public cloud environments.

What kind of cloud environments do you expect your organization will use?

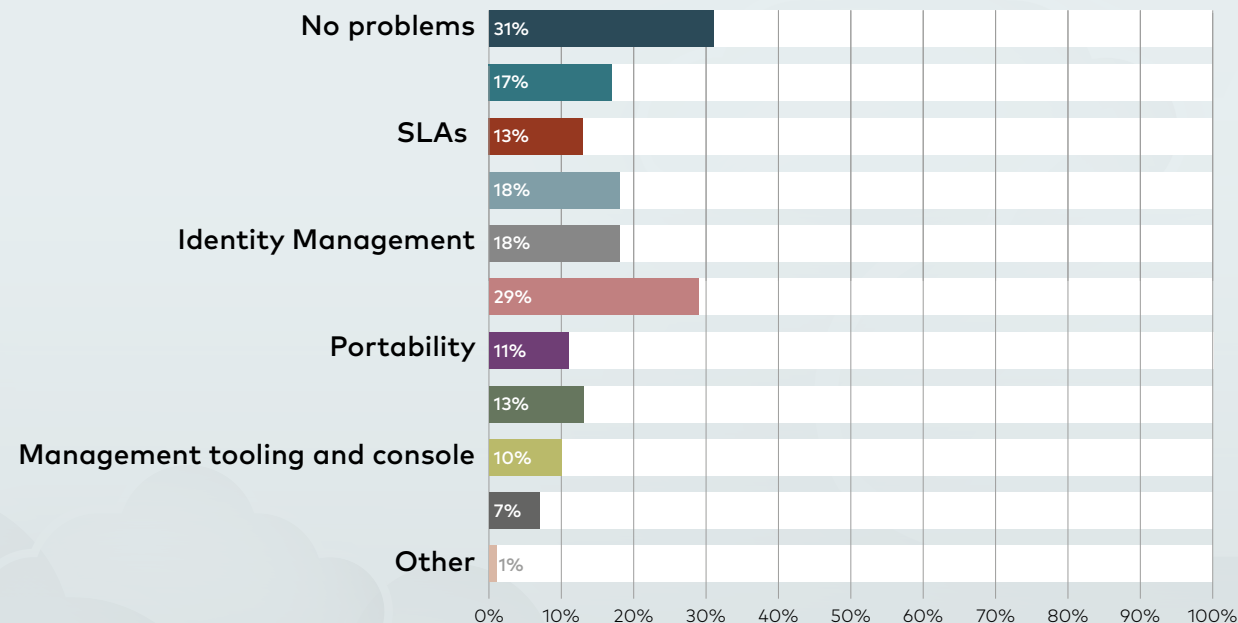|	
Only private	86%
Only public	
Both	14%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
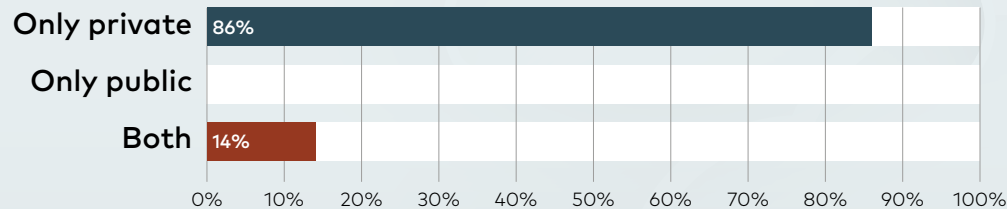
If not yet using a cloud provider, the private cloud seems to be permanent; no respondents expect to adopt a "public only" strategy in the future.

How have your cloud migration projects performed compared to your expectations?

(n=183) — 11% | 19% | 60% | 9% | 1%

0%　10%　20%　30%　40%　50%　60%　70%　80%　90%　100%

- ■ Much better than expected
- ■ Slightly better than expected
- ■ In line with expectations
- ■ Slightly worse than expected
- ■ Much worse than expected

Cloud migration projects have gone as expected at the majority of organizations.

Which of the following problems have you experienced while migrating to the cloud?

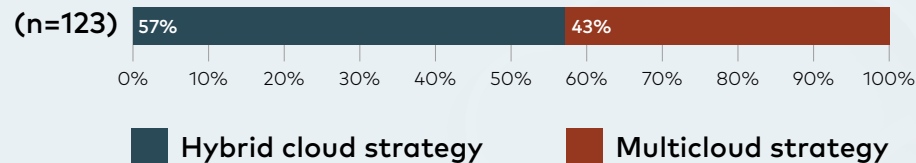|	
No problems	31%
	17%
SLAs	13%
	18%
Identity Management	18%
	29%
Portability	11%
	13%
Management tooling and console	10%
	7%
Other	1%

0%　10%　20%　30%　40%　50%　60%　70%　80%　90%　100%

If any problems have been experienced, it has been in the actual migration, dealing with different pricing models, identity and architecture.
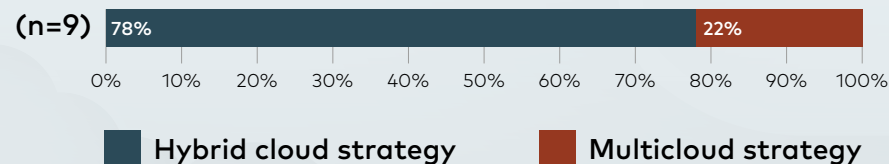
There are multiple cloud strategies.

Hybrid cloud strategy: Components of the infrastructure run both on premises/co-location (private) and in the public (cloud) environment.

Multicloud strategy: Multiple public cloud platforms are used.

## What cloud strategy is your organization using?

(n=123) | 57% | 43% |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Hybrid cloud strategy   ■ Multicloud strategy

Most organizations use a hybrid cloud strategy (57 percent).

What cloud strategy do you think your organization will use?

(n=9) | 78% | 22% |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
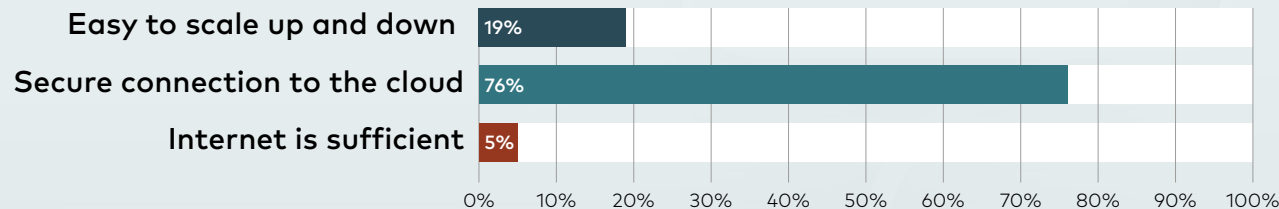
■ Hybrid cloud strategy   ■ Multicloud strategy

In the event that the organization is not yet using the cloud and expects to do so within three years, 78 percent believe they will use a hybrid cloud strategy.

Have you been exploring a cloud strategy in the past 24 months?

(n=30)

70%		**30%**

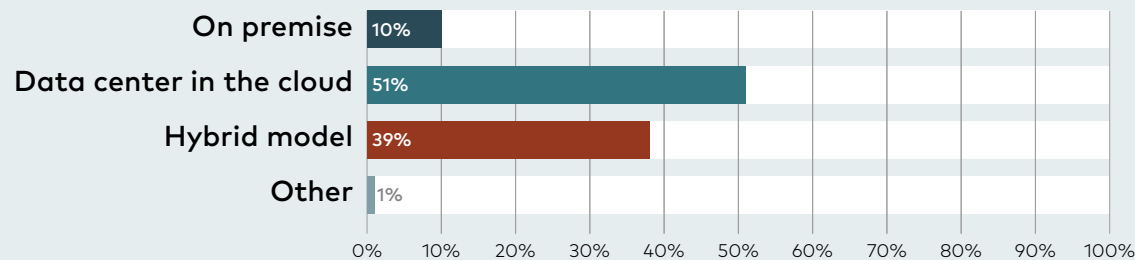0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Yes ■ No
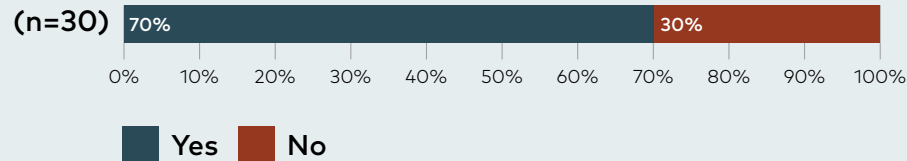
As many as 70 percent have oriented themselves toward a cloud strategy.

What conditions must connectivity meet before you take steps toward the cloud?

Easy to scale up and down	19%
Secure connection to the cloud	76%
Internet is sufficient	5%

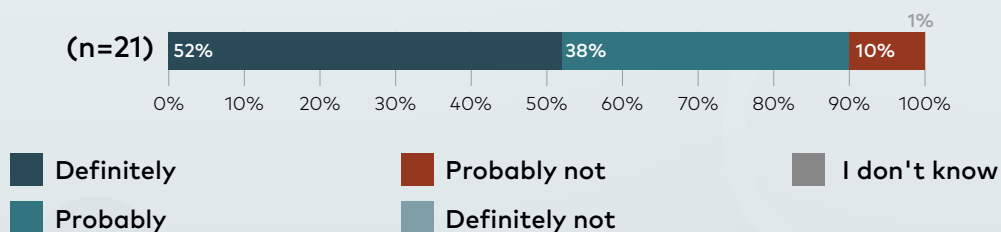0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

A secure connection to the cloud is most often cited as the most important requirement for connectivity before taking steps to the cloud.

How do you see the role of a future data center?

On premise	10%
Data center in the cloud	51%
Hybrid model	39%
Other	1%

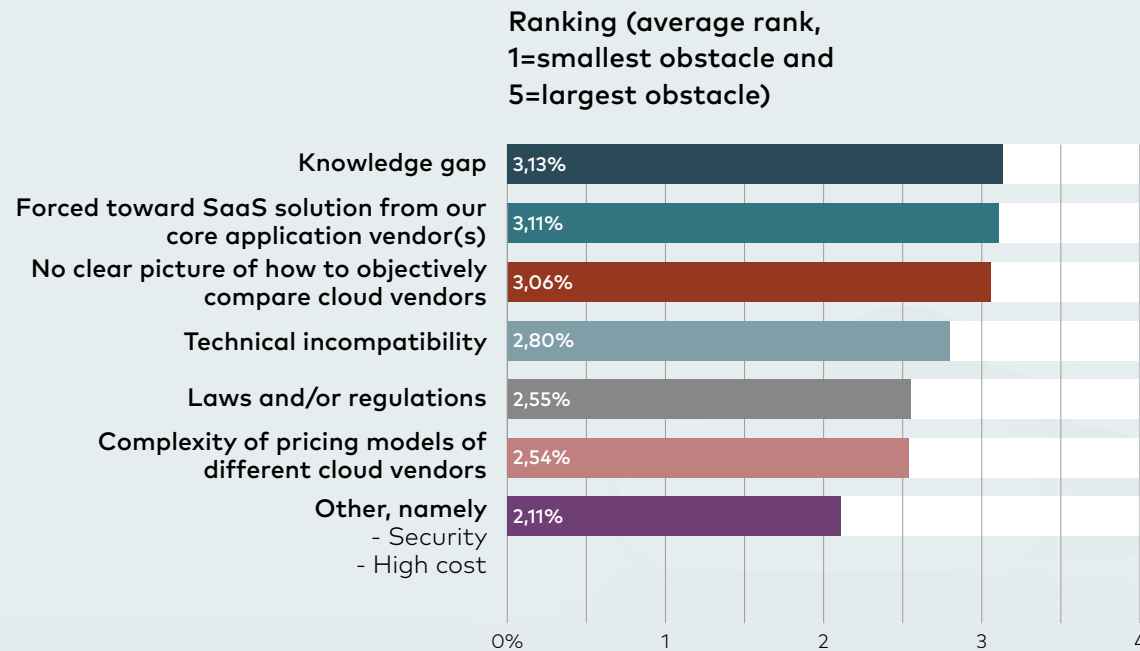0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

According to 51 percent, the future data center is located in the cloud. On-premise will remain, however: 39 percent envision a hybrid model where data will reside both locally and in the cloud.

In the future, does your organization (whether or not it is already using the cloud at the moment) plan to use multicloud services (i.e., as opposed to a "single vendor" strategy)?
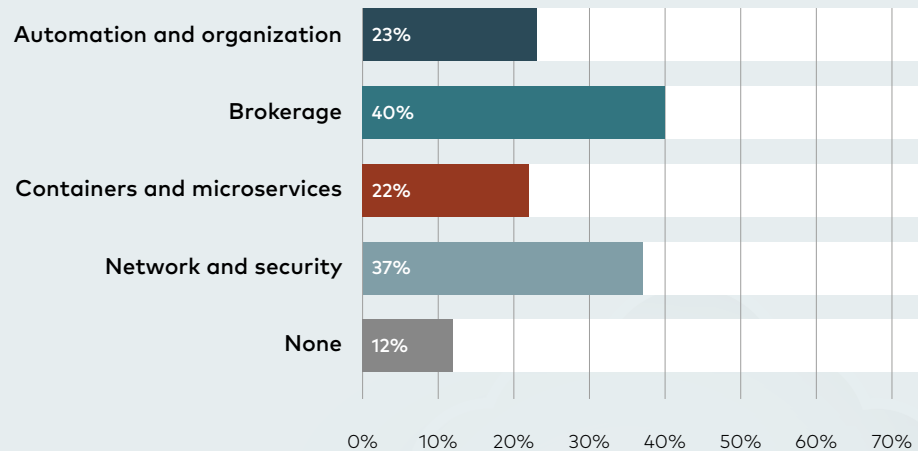
(n=21) | 52% | 38% | 10% | 1%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

- ■ Definitely
- ■ Probably
- ■ Probably not
- ■ Definitely not
- ■ I don't know

Ninety percent definitely or probably expect to use multicloud services.

What is the main barrier to adopting a cloud strategy within your organization?

Ranking (average rank, 1=smallest obstacle and 5=largest obstacle)

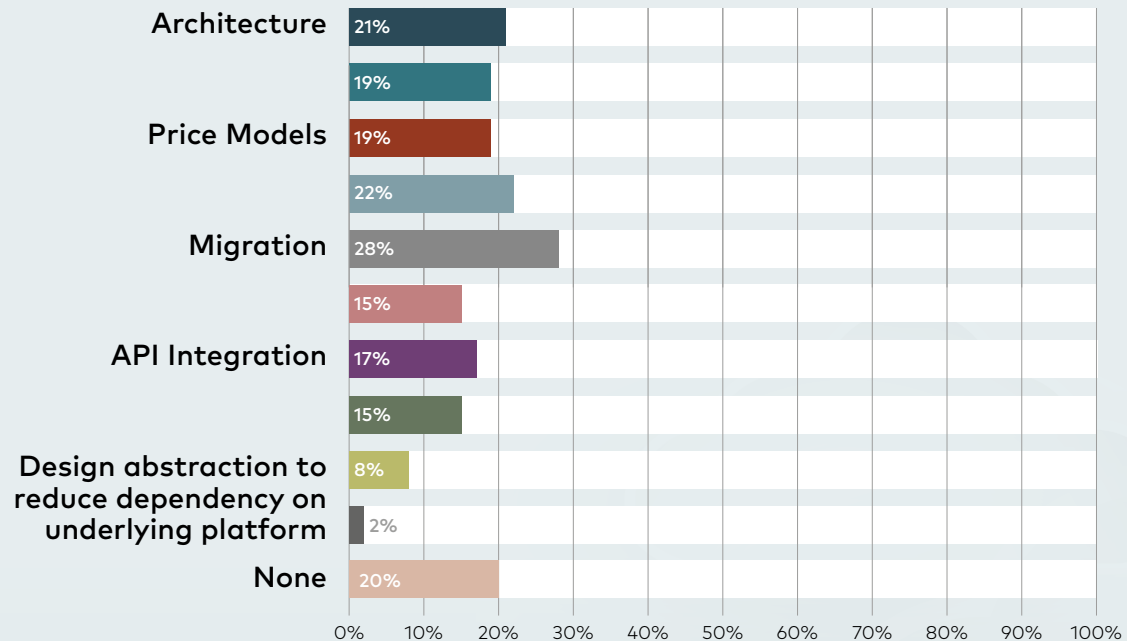| Barrier	Value
Knowledge gap	3,13%
Forced toward SaaS solution from our core application vendor(s)	3,11%
No clear picture of how to objectively compare cloud vendors	3,06%
Technical incompatibility	2,80%
Laws and/or regulations	2,55%
Complexity of pricing models of different cloud vendors	2,54%
Other, namely - Security - High cost	2,11%

Axis: 0% 1 2 3 4

The top three barriers to adopting a cloud strategy are lack of knowledge, forced choices by core application vendors, and an unclear view of how cloud vendors can be objectively compared.

When it comes to transitioning to the cloud, where would you look for third-party support?

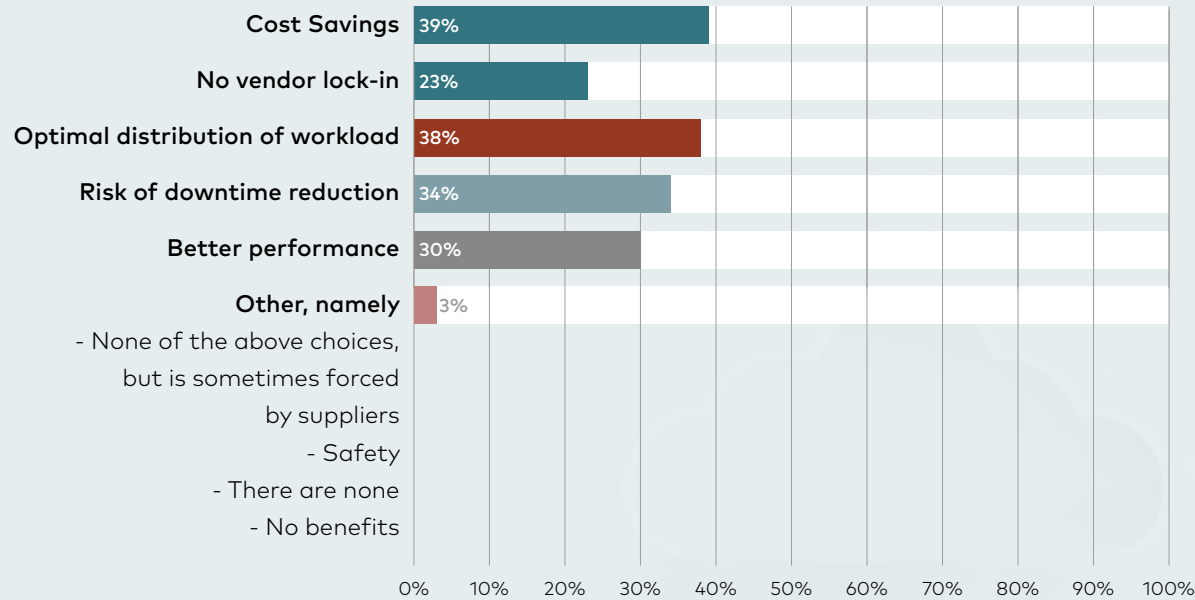| Category	Percentage
Automation and organization	23%
Brokerage	40%
Containers and microservices	22%
Network and security	37%
None	12%

Support for transitioning to the cloud is what organizations need most when it comes to knowledge and expertise, possibly through software tooling, to compare clouds in real time and determine which cloud to run in which process.

Which of these technical and organizational implications of a multicloud strategy could you use support with?

Category	Value
Architecture	21%
	19%
Price Models	19%
	22%
Migration	28%
	15%
API Integration	17%
	15%
Design abstraction to reduce dependency on underlying platform	8%
	2%
None	20%

When it comes to the technical and organizational implications of a multicloud strategy, one can especially use support in migration, setting up identity management, and setting up the architecture properly.

What do you think are the main benefits of a multicloud strategy?

Benefit	Percentage
Cost Savings	39%
No vendor lock-in	23%
Optimal distribution of workload	38%
Risk of downtime reduction	34%
Better performance	30%
Other, namely	3%
- None of the above choices, but is sometimes forced by suppliers	
- Safety	
- There are none	
- No benefits	

The main benefits of a multicloud strategy are cited as cost savings, optimal distribution of workloads and reducing the risk of downtime.

As mentioned, 62 percent of organizations use two or more cloud vendors. Local vendors are popular: more than half of organizations have at least one local vendor. The main benefits of a multicloud strategy are cited as cost savings, optimal distribution of workloads and reducing the risk of downtime.

Most organizations combine private and public cloud environments. When it comes to strategy, 57 percent say they are working with a hybrid cloud strategy. In all other cases, there is a multicloud approach.

The cloud migration projects have gone as expected in the majority of the organizations. If any problems have been experienced, it has been in the actual migration, dealing with different pricing models, identity and architecture.

A secure connection to the cloud is most often cited as the most important requirement for connectivity before taking steps to the cloud. On-premise will remain, however: 39 percent envision a hybrid model where data is stored both locally and in the cloud. This is also in line with our expectations prior to the survey, namely that the combination with on-premise will mostly be retained. Ninety percent expect to definitely or probably use multicloud services.

The top three barriers to adopting a cloud strategy are lack of knowledge, forced choices by core application vendors, and an unclear view of how cloud vendors can be objectively compared. The cloud market is constantly changing and cloud service providers are constantly introducing new features and functions. Each provider has a different model and in practice it is not yet easy to connect these to the existing situation.

Support for transitioning to the cloud is what organizations need most when it comes to knowledge and expertise, possibly through software tooling, to compare clouds in real time and determine which cloud to run in which process. Support in the areas of network technology and security are also frequently mentioned needs in the survey. When it comes to the technical and organizational implications of a multicloud strategy, individuals can primarily use support in migration, setting up identity management, and setting up the architecture properly. Eurofiber is also aware of this: setting up the cloud properly and securely is something which requires specific expertise. It definitely costs money, time and resources to do this successfully. Only then can the cloud really deliver on its promise of flexibility and scalability.
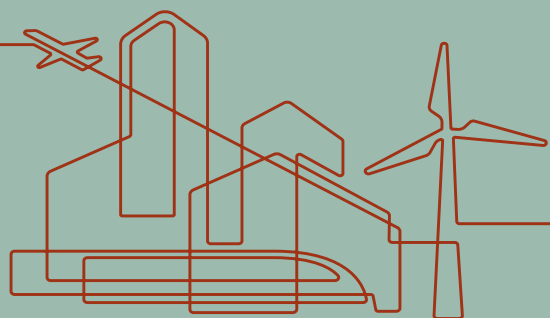
Eurofiber. Lifeline for the digital society