

Do **More** with **Less**



Cloud Transformation Outlook

Global Research Report | October 2022

Insight 

 **Microsoft**

Research objectives

Sponsored by Microsoft and conducted by Emerald Research Group, this research provides insights into how enterprise organizations around the world are managing their cloud Migration and Modernisation (M&M) strategies and their outlook for how it is evolving over the next few years as they do more with less.

Our research questions



What is the current state of cloud migration and modernisation across the world?



How is migration and modernisation related, in terms of execution plans and outcomes?



What are current plans, perceptions, drivers, and pain points with regards to M&M?



Which workloads have already migrated to the public cloud and which are being prioritised next?



Methodology and scope

We surveyed 1,275 Decision Makers across 4 regions and 12 countries. Research was conducted across the Americas, Europe, and Asia Pacific (APAC).



General Screening Criteria

- Ages 25-60
- Employed full time
- Org uses Azure, Google Cloud, or AWS for public cloud services



Geographies

- North America (US/CA)
- S. America (BR)
- Europe (UK, DE, FR, IT)
- APAC (JP, IN, KR, AU, NZ)

Audience Screening Criteria

Enterprise: 500+ employees

Role Criteria: Decision makers that sit within an IT department. Must have insight and influence over major cloud strategies and migrations and significant influence or final decision-making authority for the company's cloud strategies, infrastructure, and migrations.

Sample Composition

Geography:	Role:	Industry representation:	Primary Cloud Provider:
North America 400	75% IT Manager or Senior 25% C-suite	19% Technology	37% Azure
S. America 150		19% Manufacturing	32% AWS
Europe 400		12% FinServ	23% GCP
APAC 325		8% Retail	8% Other
		6% Healthcare	
		37% Other	

Executive summary

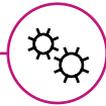
The global pandemic ignited a wave of cloud migration for mission-critical workloads. Cloud strategies are now maturing into broad migration and modernisation efforts.

In uncertain economic times, enterprises look to migration and modernisation to support growth, future-proof their businesses, and reduce costs.



Migrate

Cloud migration plans are expanding into secondary and advanced workloads – led by Artificial Intelligence/ Machine Learning (AI/ML), virtualisation and systems management.



Modernise

In addition to cloud migration, most enterprise are modernising their workloads which is expected to improve scalability, business continuity, and to manage and optimise costs.



Hybrid and Multicloud

As cloud technology matures, enterprises adapt their strategies for individual workloads; primary cloud vendor consolidation, multicloud adoption, and hybrid cloud architectures are all in play simultaneously.



Most organisations have developed a migration or modernisation strategy as the cloud enables their digital transformation.

Does your organisation have a cloud migration and modernisation strategy in place?

62% >>
of orgs have a migration and/or modernisation strategy

28%

Migration & Modernisation

14%

Modernisation only

20%

Migration only

38%

Neither

Base: Total (n=1,275)
Q214: How would you describe your organization's approach to cloud migration and modernization strategies?

Organisations believe migration and modernisation efforts will help them safely scale and protect their business through their digital transformation.

Top 3 perceived migration benefits

(Amongst organisations with an M&M strategy)

- 1 Scalability
- 2 Security and compliance
- 3 Improve business continuity/
disaster recovery



82%

of orgs with a migration & modernisation strategy say moving to the cloud is a stepping-stone to enabling digital transformation

Base: Orgs with a Migration & Modernization strategy (n=792)
Q400r: How much of a benefit is each of the features below to cloud migration?
Q525: How much do you agree?

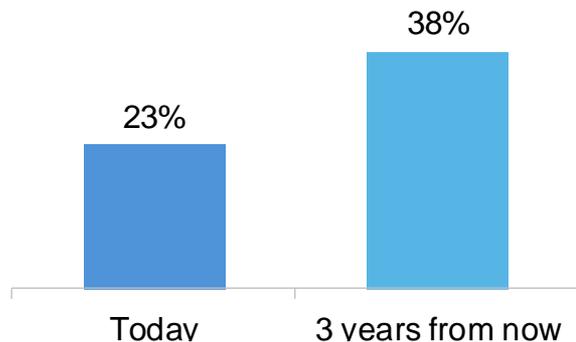
Organisations with migration and modernisation strategies are more rapidly moving toward “cloud-only” cloud strategies.

Does your organisation have a cloud-only approach?
Will it 3 years from now? (Amongst organisations with an M&M strategy)



Cloud only

All or almost all workloads and applications are in the cloud.



Orgs with a migration and modernisation strategy are

58%

more likely to be cloud-only 3 years from now.

Base: Total (n=1,275)

Q214: How would you describe your organization's approach to cloud migration and modernization strategies?

Q230: How would you describe your organization's cloud migration and modernization efforts over the next 12 months?



63%

of orgs plan to migrate workloads to a secondary provider over the next 3 years

The number of orgs migrating more than half of their workloads to the public cloud will grow by 74% versus the prior 18 months



% of orgs with 50% or more of workloads in public cloud

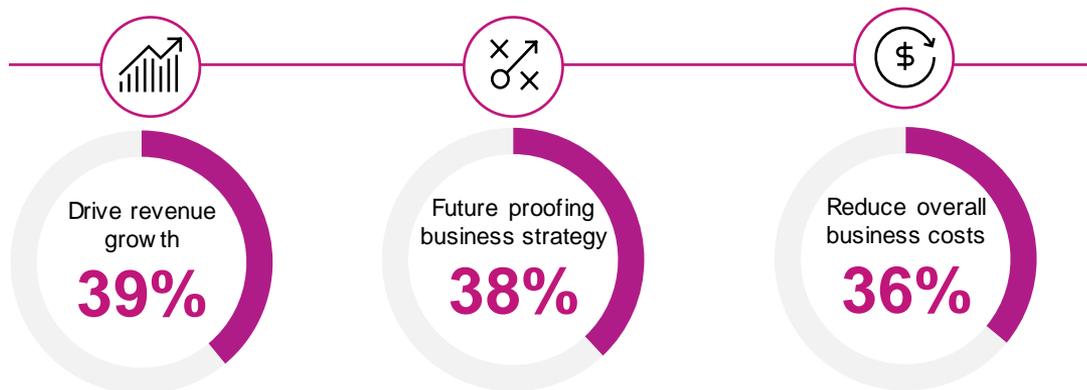
Base: Total (n=1,275) Q200. In the next 3 years, how likely is your organization to take the action shown? Q175: In the past 18 months, what percentage of your workloads has your organization migrated to the public cloud? Q180: Over the next 18 months, what percentage of your workloads do you think your organization will migrate to the public cloud?

During a time of economic uncertainty, organisations look to cloud migration and modernisation to drive revenue and protect their businesses.

Top 3 migration goals

- 1 Enable AI/ML, IoT, edge computing
- 2 Improve resiliency/ Disaster recovery
- 3 Ability to utilise best of breed services

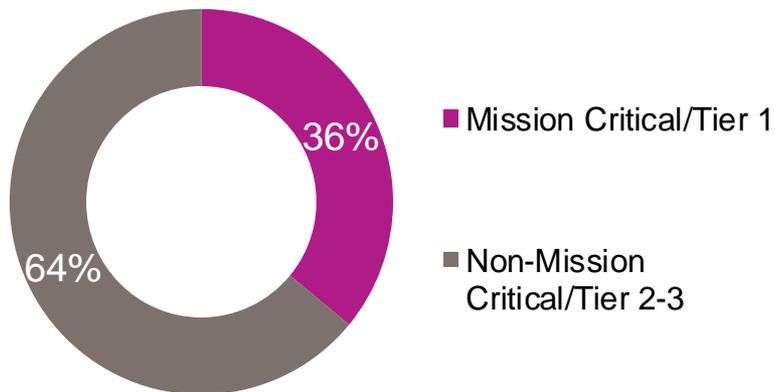
What is driving the pace of migration and modernisation?



Base: Total (n=1,275) Q301, Q305, Q306 Cloud migration goals (MIGRATION_SCORE)
Q232. Why do you feel your organization's cloud migration and modernization plans will speed up?

The next wave of workloads with migration plans are non-mission critical

Types of workloads being migrated over the **next 18 months**



Base: Total (n=1,275)

Q345: Of all the workloads you plan to migrate to the cloud over the next 18 months, about what percent are for each of these workload types? | Q205: What workloads have been migrated [with M&M strategy]

Q205: Workloads migrating in the next year [with M&M strategy]

Top 3 workloads **already migrated**

(Amongst organisations with an M&M strategy)

- 1 Networking, IT Security
- 2 Email, Collaboration, Workgroup, Productivity
- 3 Application development process (DevOps)

Top 3 workloads to be migrated over the **next 12 months**

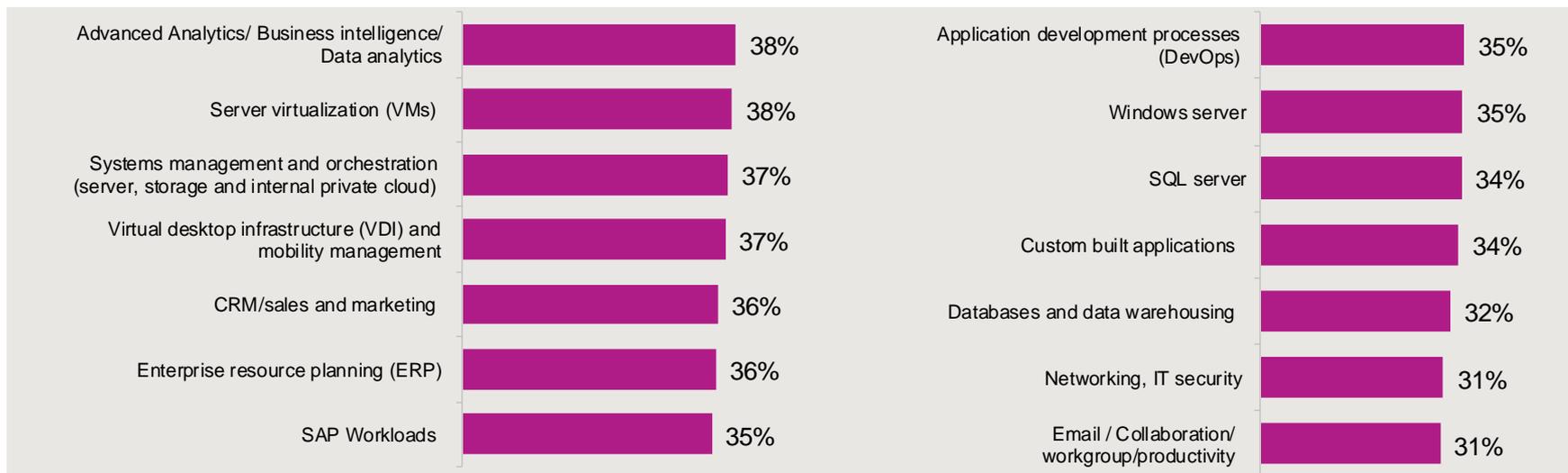
(Amongst organisations with an M&M strategy)

- 1 Advanced Analytics/BI/Data Analytics
- 2 Server virtualisation (VMs)
- 3 Systems management and orchestration

Organisations worldwide are planning to migrate a diverse set of workloads over the next year as their cloud strategies mature.

Which workloads do you plan to migrate to the cloud in the next year?

(% of organisations with an M&M strategy)



Base: Orgs with an M&M strategy (n=792) Q205. When, if at all, is your organization planning to migrate these workloads from on-premise to the cloud?

The vast majority of workloads that are migrated are planning to be modernised

What does your organisation plan to do with workloads it plans to migrate?



74%
of workloads migrated to the cloud have plans for modernisation



In addition to scalability and security/compliance benefits, organisations are looking to modernisation to deliver cost optimisation.

Top 3 perceived migration benefits

(Amongst organisations with an M&M strategy)

- 1 Scalability
- 2 Cost management/optimisation
- 3 Security & Compliance



70%

of orgs with a migration and modernisation strategy say they prefer to be as self-sufficient as possible during migration and modernisation activities by using self-service tools and documentation from cloud providers.

Base: Orgs with a Migration & Modernization strategy (n=792) Q405r: How much of a benefit is each of the features below to cloud modernization? | Q525: How much do you agree?



Most organisations are planning to modernise their existing workloads as they pursue multi-cloud and hybrid strategies

Top 2 components of a modernisation strategy

(Amongst organisations with a strategy)

- 1 Multi-cloud solutions (best-of-breed, cloud-cloud interoperability, etc.)
- 2 Hybrid solutions

Migration and Modernisation Plans in the next 3 years

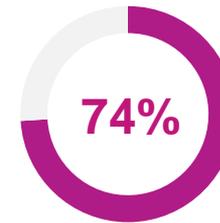
(Amongst organisations with M&M strategies)



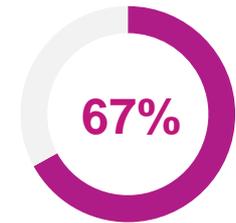
Modernise existing workloads



Consolidate workloads to primary vendor



Migrate workloads to primary provider



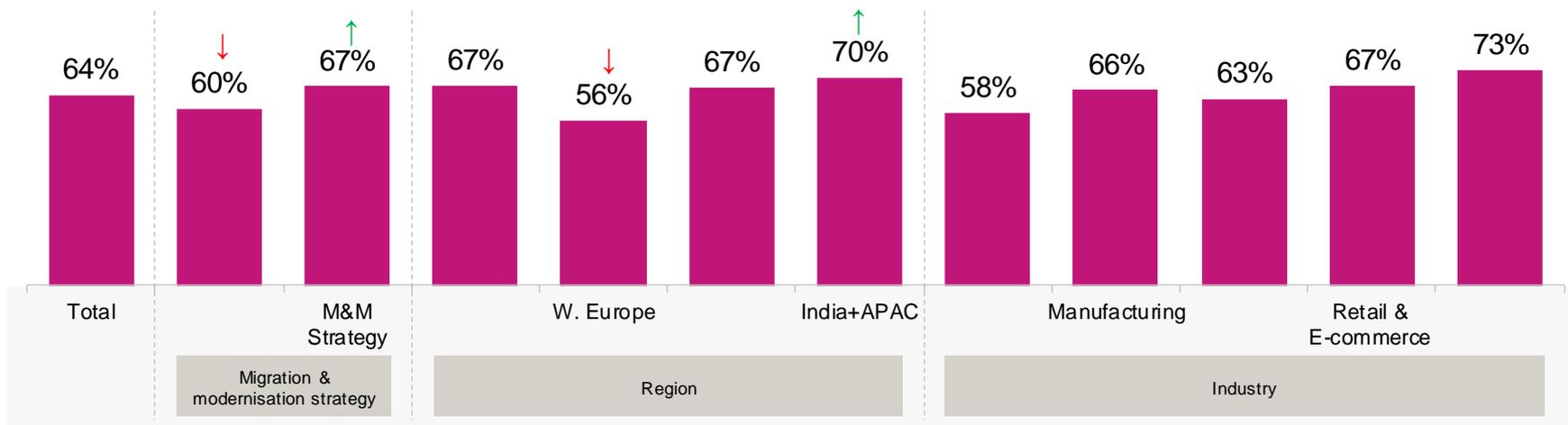
Migrate workloads to a second cloud provider

Base: Orgs with an M&M strategy (n=792) Q215r: X- Are the following a part of the execution of your organization's cloud modernization strategy | Q200. In the next 3 years, how likely is your organization to take the action shown?

On-prem investments will continue, even as cloud migration and modernisation efforts are a key focus.

India+APAC is more likely to continue on-prem investments over the next 3 years; W. Europe is less likely

Top 2: How likely are you to continue with on-premises investments over the next 3 years?



Base: Total (n=1,275) Q200r6: Continue with on-premises investments? | ↑ ↓ Indicates statistical significance within subgroup at 95% confidence level



Insight Cloud Services

Modernise with cloud, spur innovation and accelerate digital transformation.

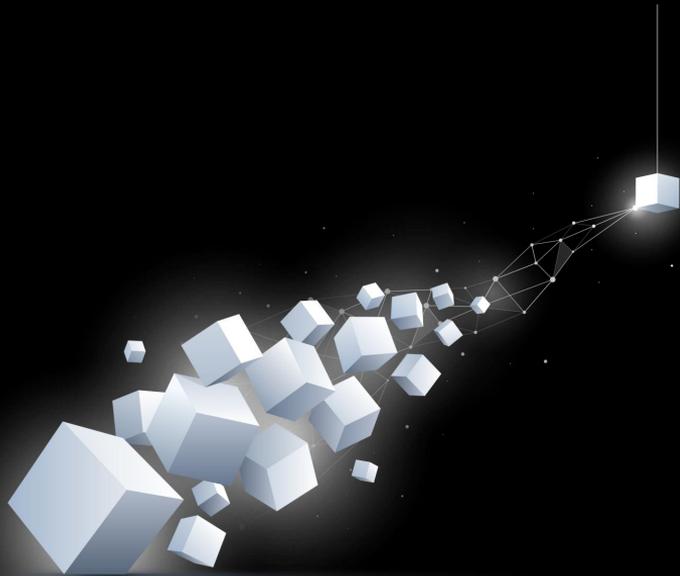
Insight helps organisations modernise to drive business value, with proven cloud technology architecture, flexible hybrid cloud, and data networking solutions. Leverage your technology investments to truly modernise and create efficient platforms to power growth.

Start your journey with Insight



Thank you

Do **More** with **Less**



Insight 

