

Transforming the future of **cloud** adoption in the UK

Gain insights from 1000 senior business executives on their hesitations towards The Cloud and what compelled them to migrate

A whitepaper by StratoGen

Executive summary

New research by StratoGen, part of the Access Group, which questioned 1,000 senior business executives, reveals the perceptions that are leading some business leaders to hesitate before migrating to the cloud and miss out on the benefits.

This whitepaper delves into some of the common misconceptions in more detail and how organisations can protect their business applications with confidence, without breaking the bank. In turn, their customers benefit from a faster and more valuable customer service.

Cloud industry body CIF [reported](#) 78 per cent of UK organisations have adopted at least one cloud-based service.

The study also found UK cloud adoption had grown by 61.5 per cent over the previous four years, with adoption rates at 75 per cent for small to medium sized organisations and 86 per cent for large enterprises. The report went on to predict a further high growth surge of cloud computing adoption in 2015.

In 2014, KPMG substantiated the findings with its own report, which outlined an expanding cloud market carrying remarkable opportunities for businesses. KPMG went on to reveal 70 per cent of businesses they surveyed had already seen both cost and efficiency advantages of cloud materialise within their company.

However, there are still some myths surrounding the adoption of cloud which will now be investigated in this whitepaper.

Introduction

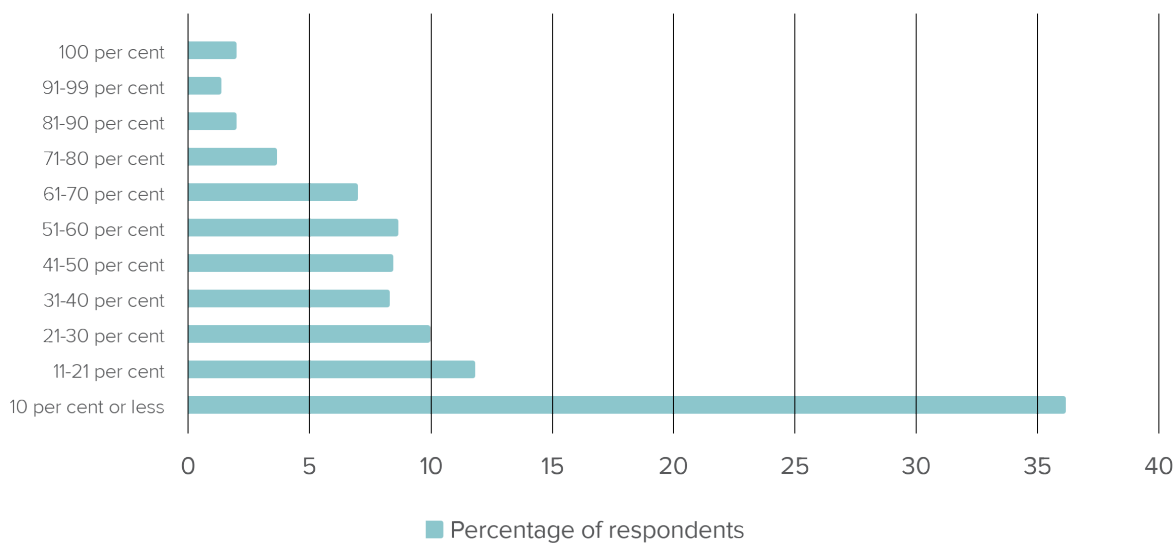
The vast majority of businesses today will have considered a move to the cloud. Companies may have looked at taking a wholesale approach or opting for a hybrid solution, whilst others are forced to sit on the sidelines due to lack of expertise making it difficult to gain a balanced perspective or reap the benefits of cloud.

Cloud usage in today's UK businesses

With around a quarter (24.78%) of organisations surveyed saying that more than half of their business applications are cloud hosted, there's clearly an appetite there. And whilst over a third (36.47 per cent) of UK senior business leaders host less than ten per cent of their business's IT applications on the cloud this could be due to a myriad of reasons.

Primarily 40.68% of respondents were business owners or partners, indicating that they're more likely smaller organisations. Unless they're already operate in the technology field, many often don't have the resources or knowledge of cloud services.

Fig. 1: Responses to the question: what percentage of your business's IT applications are currently hosted in the cloud?

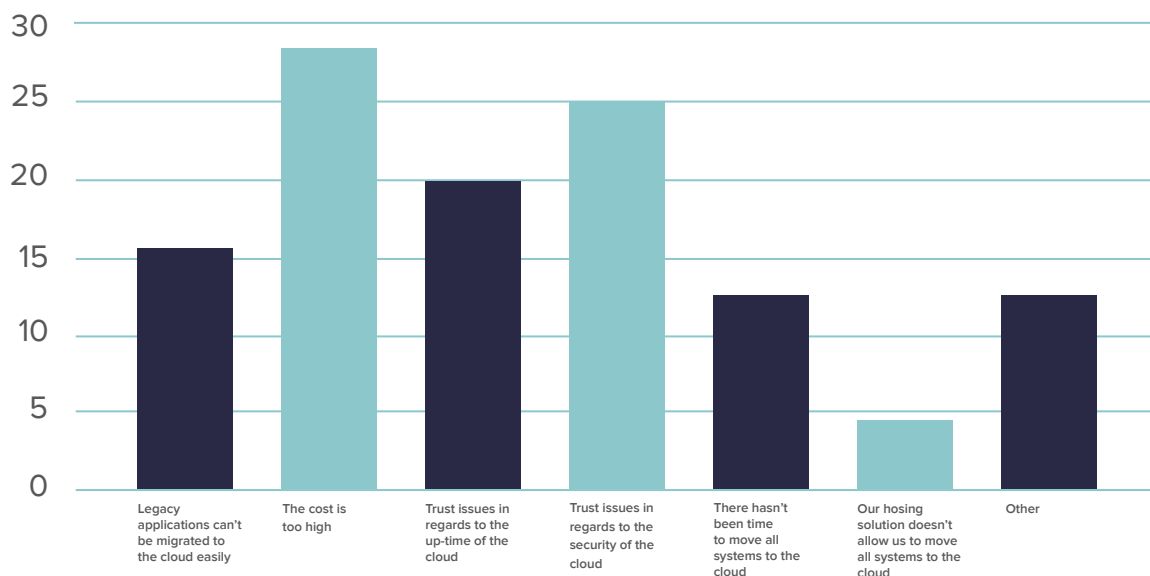


We believe investment in cloud will continue to grow, not only for larger and mid-sized organisations but also smaller businesses too – particularly once they recognise they can take advantage of software that was previously only the domain of larger organisations with big budgets.

The true cost of cloud adoption

Having access to high performing cloud infrastructure without any initial CAPEX costs are just some of the benefits that are synonymous with cloud computing. The OPEX model in particular, is one that resonates with a C-suite that's looking for predictable spending as well as high quality compute power for its business.

However, the most common reason why businesses have not moved IT applications into the cloud is the perceived expense. Over a quarter (26.16 per cent) of respondents thought the price of cloud hosting might be too high, particularly if they were to move all IT applications into the cloud.



However, it doesn't have to be like that. Not all cloud providers add hidden metered costs to their services. To manage the costs of cloud computing, UK businesses should work with a cloud service provider that will take the time to understand their business needs, and develop a platform with in-built scalability to allow for business growth, without surprising cost hikes.

At the same time, there are other ways to reduce cloud computing costs. Working with an OpenStack infrastructure, for example, can reduce the risk of vendor lock-in and dramatically improve a business's ability to control its cloud expenditure. Coupled with the fact that businesses can also benefit from the latest cloud technologies, and not having to purchase the infrastructure in-house it also reduces this headache, along with maintenance too.

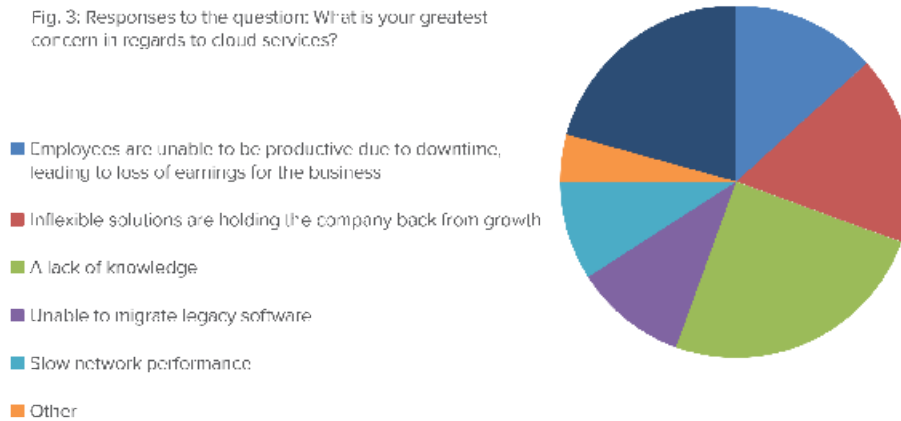
Trust issues regarding security was another area highlighted by 21.7 per cent of respondents – and it's understandable that businesses may worry about this. However, research from CIF, published in [The Independent](#), highlighted that 'some 70 per cent of businesses cite concerns about security when moving to the cloud, yet 99 per cent never experience a breach'.

In fact, reputable cloud providers will have the highest levels of security – as safe if not safer than any business storing data and operating from its own premises. This is, after all, in their best interests to ensure services are as secure as possible as their business depends on it, not to mention they have a great deal of experience in this area.

Getting the best cloud performance

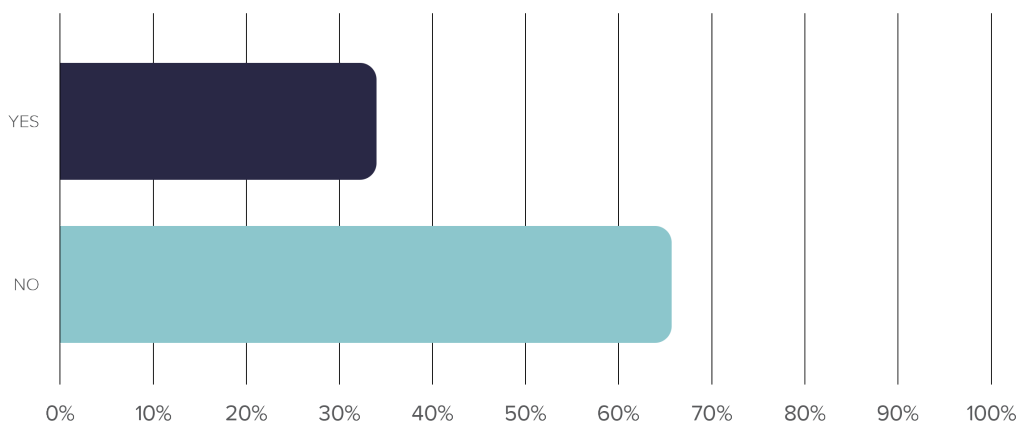
The research also highlights that businesses are painfully aware they may not have the expertise in-house when it comes to cloud services. And that means making any meaningful decision around cloud can be difficult.

Fig. 3: Responses to the question: What is your greatest concern in regards to cloud services?



Interestingly, only 13.58 per cent said they are concerned their business’s employees are unable to be productive due to cloud downtime, resulting in a loss of earnings for the business. A tenth of respondents (9.71 per cent) cited concerns about slow network performance when using cloud services in their organisation. With so few businesses seeing these as issues, it would indicate that they’re not major concerns or at least they’re not overtly impacted by it. Indeed 21.81 per cent of respondents said they had no concerns over cloud services at all.

Fig. 4: Response to the question: Have you ever been prevented from hitting a business deadline because of an outage on a cloud-based system at work?

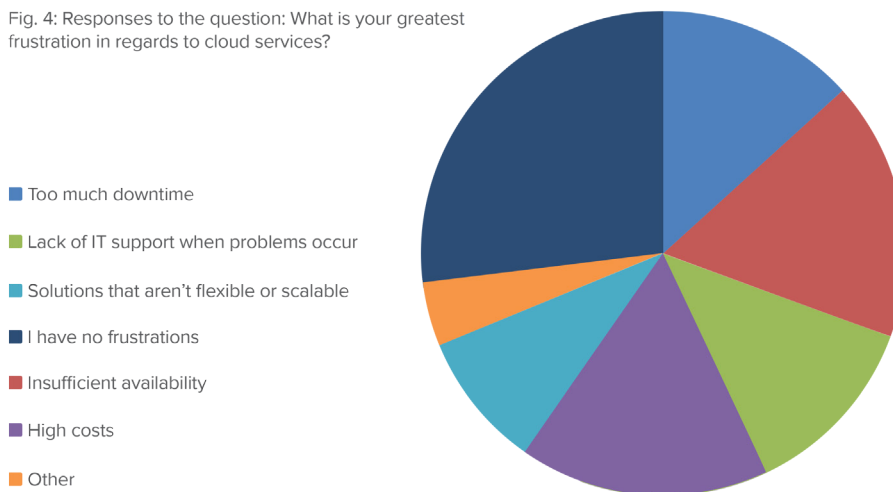


In fact, when respondents were asked if they’d ever been prevented from hitting a business deadline because of an outage on a cloud-based system at work, nearly two thirds (65.81 per cent) of them said no. This highlights that downtime or the impact of downtime isn’t as high as some would make out. With StratoGen’s 100% uptime guarantee then this would not be an issue at all.

Better access to solutions

When it comes to the current business use of cloud, the research highlighted usability and performance as key irritations, although over a quarter (26 per cent) said they had no frustrations at all. These days' performance and usability should not be major issues as the service levels of reputable providers are normally very high.

Fig. 4: Responses to the question: What is your greatest frustration in regards to cloud services?

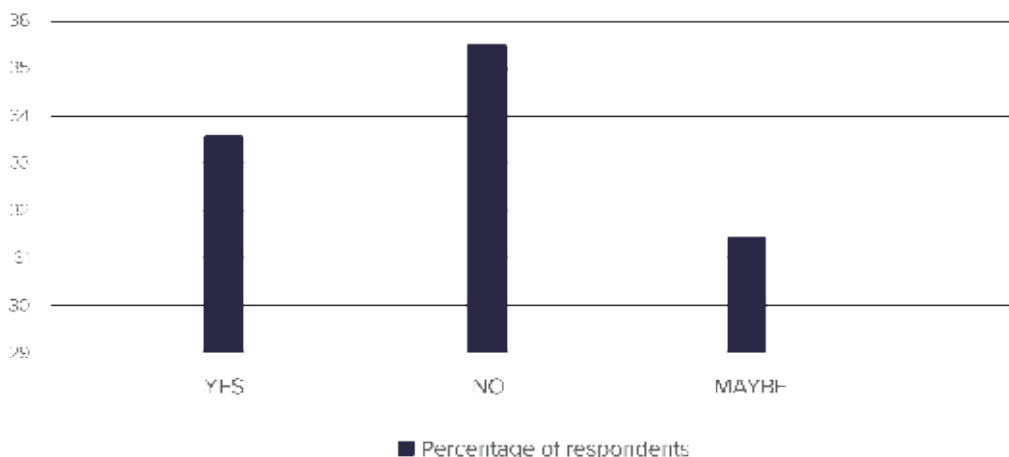


With the plethora of cloud providers businesses should check references of their chosen supplier to ensure that they're going to be getting the service they expect. Whilst 16.45 per cent of respondents cited lack of IT support when problems occur, picking the right provider will open up a pool of expert advisors to turn to should you have a problem or questions. Business users relying on cloud to perform daily tasks should look for providers who can give them the uptime they need, so the business can enjoy the benefits of cloud and improved business performance.

Benefits outweigh frustrations

More than a third (35.38%) of respondents said they wouldn't take their applications off cloud, indicating that the benefits outweighed any frustrations they might have.

Fig. 5: Responses to the question: Would any of your concerns or frustrations in regards to the cloud lead to you taking your cloud-hosted IT applications off the cloud?



Businesses can take confidence in the cloud by selecting to work with one that can guarantee 100% uptime. A provider which has certified engineers on hand 24x7x365 will be able to prevent downtime and match infrastructure needs with its customer's business priorities as they evolve. When a business grows, its cloud solution should be able to scale to the necessary number of nodes to keep frustration to a minimum and uptime (and business growth) to a maximum.

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Conclusion: reaping the benefits of cloud

Analysis of the research study has highlighted three key factors where perceptions are tempering take up such as cost, security and a general lack of knowledge over cloud services. The latter in particular is clearly causing some businesses to lose out on the benefits to be gained. This may be particularly the case for businesses at the smaller end of the scale. Separating the facts from the scaremongering is important to ensure a business thrives and makes best utilization of technology available. Doing so will give it an edge of competitors.

a. Investing in the future

When any company makes an investment, particularly in technology, the anticipated return must be carefully considered before any outlay is made. Investment in the cloud is no different. At the start of a cloud integration project the upfront cost is measured against both the expected short and long term value. And once a business has been moved to a cloud platform, it doesn't have to be hit with unexpected costs. StratoGen, for instance, operates on a policy of 'no nasty surprises'. Its experience has shown that clients want predictable costs and so it has gone against the trend of utility billing to having a set cost which suits its client base.

Therefore there are many benefits to be had by adopting cloud. Consider that organisations have no infrastructure to invest in upfront yet have the flexibility to add more resources as they grow, using the latest technologies. In addition, they've fewer IT personnel to employ on site yet experts are just a phone call away to answer any questions and provide support (reducing the need to train in-house IT people). All of this and more should help to provide peace of mind.

b. In need of support

With some UK businesses still having a lack of knowledge around cloud services, this naturally will impact confidence. However, a trusted cloud provider will be able to offer invaluable support every step of the way.

A reputable cloud provider will be able to ask questions to help businesses come to a decision over what cloud services are right for them. What's more, organisations can start off small and expand out as the company grows so there's no need to be prohibited from utilising cloud.

Of course, to truly instil confidence, cloud solutions must prove the business value being provided. That goes without saying for any product or service. But by finding the right provider they'll be able to get the organisation up and running as efficiently as possible so that they can focus on their core business rather than worrying about their cloud provision. The positive impact is that organisations can get on with running their business and ensuring their growth.

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c. Cloud gazing

Alex Hilton, chief executive of CIF, said in an article published by The Independent: “Three quarters of cloud users expect to increase their usage over the next year and more than six in ten organisations can foresee a time when they will migrate everything to the cloud, representing a significant shift from this time last year.”

This would seem to indicate that once businesses move into the cloud and see the value of it, they’re likely to take up more services. Today, there’s such a wide range of options for businesses. And whilst the choice can sometimes seem bewildering, it provides opportunities for solutions that were never possible before, helping businesses to continue to grow and prosper. With a reputable cloud provider as a trusted advisor, organisations can tap into those resources taking advantage of both the benefits and the expertise at the organisation’s disposal.

For more information click [here](#), or talk to the StratoGen team about their Cloud solutions.



About StratoGen Private Cloud

StratoGen understands businesses worth building are worth protecting.

StratoGen Private Cloud is powered by OpenStack technology. The solution delivers the agility and efficiency of a public cloud combined with increased security, control and performance, without businesses having to take on the burden of designing, deploying and managing their own infrastructure.

The technology is designed to scale to the individual needs of growing businesses with 100% API uptime guarantee and 24x7x365 technical support.

By ensuring there are no large upfront costs with predictable, fixed monthly price and no hidden metered payments, businesses and their customers are given the confidence to put their enterprise data into StratoGen’s hands.

With ISO credentials, clients can be sure that their data is handled with the maximum attention to security. What’s more, care sector clients can have complete piece of mind that we’re HIPAA compliant.

Businesses ultimately benefit from having more time to focus on what they do best: innovating to grow their company and deliver great customer service and value.



Access' softwares is recognised by





About Access Group

StratoGen is part of Access Group, a leading author of fully integrated business management software. The portfolio spans solutions for ERP, finance, HR, Payroll, warehousing, business intelligence, professional service automation and manufacturing. More than 7,000 UK businesses and not-for-profit organisations use Access solutions to improve their performance, profitability and drive growth, unlocking their business potential through improved business insight.

Vertical focus and industry-specific solutions differentiate Access in the market and templated solutions make for rapid and easy deployments. Using Access software to automate operations, streamline processes and share real-time business information anytime, anywhere, businesses can benefit from significant performance improvements.

Access is one of the top five fastest growing UK software developers in The Sunday Times Buyout Track 100 2012 and featured in last year's Profit Track 100. On-going commitment to excellence, customers and employees has also placed the company among the UK's top employers in The Sunday Times' 100 'Best Companies to Work For' 2014 and 2015.