

Three's A Crowd: Businesses working with too many cloud providers, Telstra research finds

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New research released today from Telstra reveals that despite three-quarters of IT decision makers wanting to procure all cloud services from a single provider, the majority have purchased offerings from three vendors, resulting in a complex cloud environment that may be hindering their agility and speed to market.

According to Martin Bishop, Head of Network, Applications & Services, Telstra Global Enterprise & Services, with consumers more in control of their purchasing power than ever before, a flexible and scalable cloud infrastructure has become increasingly critical to an organisations' success or failure.

"We are living in a buyers' market and our research suggests that in an effort to satisfy diverse customer expectations, many businesses initially turn to multiple cloud vendors to meet their various infrastructure needs. The result can be a complex cloud environment that is hard for the business to manage, integrate and control.Â Â

"Despite this, our research also reveals that pooling resources into a single private cloud isn't the ideal end-state either, with the majority of IT decision makers arguing this model fails to deliver the flexibility required for the varying types of processes, services and workloads that global companies must support.

"In a move away from the private clouds of yesterday, the trend in 2015 appears to be towards a hybrid approach, delivered by a single partner, fully accountable for an organisations cloud services end-to-end. In fact, our research shows that 72 per cent of IT decision makers would prefer a single provider or broker for all cloud services, then go through the challenge of managing multiple vendors," Mr Bishop said.

According to Telstra's research, the flexibility and scalability associated with a hybrid cloud are what local IT leaders consider the most appealing benefits of this model.

"The market has shifted and customers now have the power to do what they want, when they want and how they want. Technology is clearly at the centre of this enablement and organisations that can align the power of hybrid cloud with customer demands are well placed to create what we're terming the Customer Centric Cloud - enabling more agile development and testing of applications, faster decision making and overall, an enhanced customer experience."

Telstra's research revealed that while four in ten (45 per cent) enterprises have adopted IaaS - with 42 per cent planning to adopt it in the near future - cloud providers can do more to guide businesses on their IaaS migrations. Â

"Organisations that do not use IaaS could be falling behind their competitors - leaving themselves exposed to inefficiencies, high costs and without the ability to fully utilise critical information and data. Each of these issues is not just important from an IT perspective, but also has significant implications for the wider business and the end customers.

"Adoption of IaaS also varies widely by industry, with manufacturing (61 per cent), professional services (54 per cent), and the finance and insurance sectors (46 per cent) most likely to be using the technology. Conversely, the higher education sector has been the least likely to adopt IaaS, with more than a quarter (27 per cent) having no implementation plans at this stage," Mr Bishop said.

As businesses look to expand outside to new and emerging markets throughout Asia and around the world, Telstra's research found half (49 per cent) of respondents would opt to use a global rather than local service provider, with only 27 per cent preferring this option. Â

"Across all industries, competition is both fierce and increasingly international. Many organisations today want the capability to host data offshore to support business growth and as evidenced in our research, see value in working with providers who are familiar with the various regulation, governance and legal considerations across the multiple markets they operate in," Mr Bishop concluded.

For more information on Telstra's new research whitepaper, Customer Centric Clouds - Hype or Hybrid?, visit Telstra online here - www.telstraglobal.com/hybrid-customer-clouds