



## **Enterprise Cloud Services – Annual Report 2016: “Cloud the Bedrock of Digital Business”**

Cloud and Infrastructure Services

Annual Report – March 2016 – Preview Deck

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## ▶ Recruitment & Talent Acquisition

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### Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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<sup>1</sup> Banking, financial services, and insurance

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# Summary of key messages

Cloud services have moved beyond infrastructure-centric strategy for most enterprises. Now these enterprises consider cloud to be extremely important to drive digital transformation. However, different enterprises approach cloud adoption in their own unique manner to drive digital transformation

This research provides fact-based trends impacting the cloud services market. It analyzes multiple aspects such as overall cloud service market size and growth estimates, deal size, cloud deployment trends, buyer adoption trends, and outlook for 2016-2017. Buyers will gain by understanding the role of cloud in digital services and how their peers across industries are going about cloud adoption. Service providers will benefit to understand the key expectation of enterprises and suitably evolving their capabilities.

**Some of the findings in this report, among others, are:**

## Major highlights and key trends

- Around 86% of enterprises consider cloud to be the critical component of their digital transformation. However, there is a significant difference between enterprises who “think” cloud is important versus who “believe” in that
- Within the digital portfolio of enterprises, cloud is the “top 3” priority only for 60% of enterprises indicating a disconnect between “considering” cloud is critical to digital versus “believing” that

## Cloud engagements: Overview

- Around 20% of infrastructure global services engagements include cloud-delivered services
- Buyers have become more demanding and though ~90% of global services engagements with cloud delivery involved IaaS, only 45% of enterprises termed these as “transformative”

## Buyer adoption

- Retail industry led cloud adoption almost doubling their contribution to overall engagements. North America and United Kingdom contributed around 55% of cloud engagements
- Manufacturing and energy & utilities industries continue to witness challenges in their businesses. This has led to demand contract in these industries

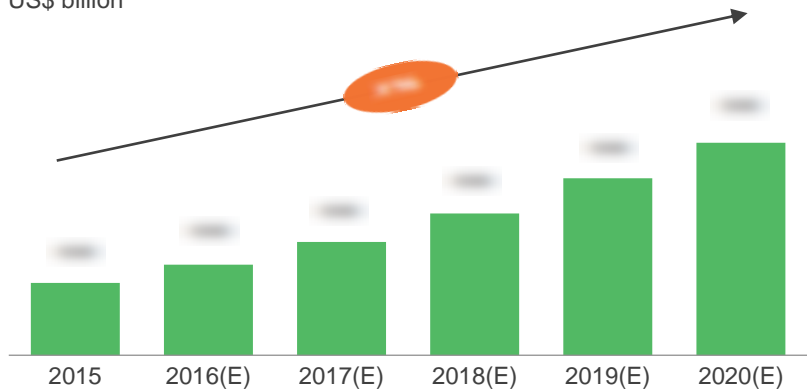
## Outlook for 2016-2017

- Enterprises will demand ITaaS model that goes way beyond simple adoption of cloud platforms.
- Clients may also drive “business process” driven cloud adoption. Where they will not be concerned about cloud platform and its technology superiority, but about leveraging it to drive an “as-a-service” consumption model

# Cloud services will be essential for digital transformation of enterprises

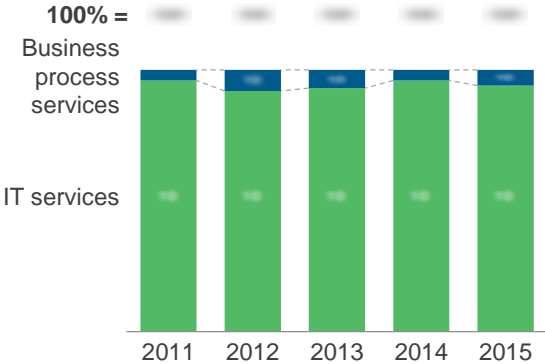
## Cloud services market size and growth

Global cloud services market  
US\$ billion

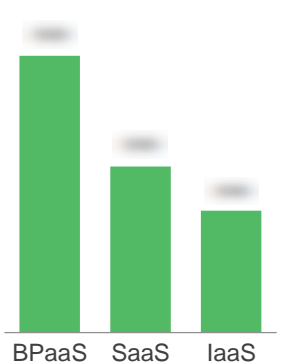


## Adoption of cloud model

Services scope in deals with cloud delivery  
2011-2015; Number of deals

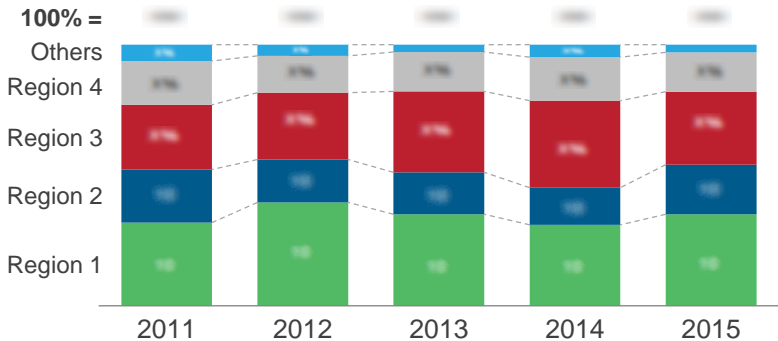


Cloud layers in scope  
2015; Percentage of deals



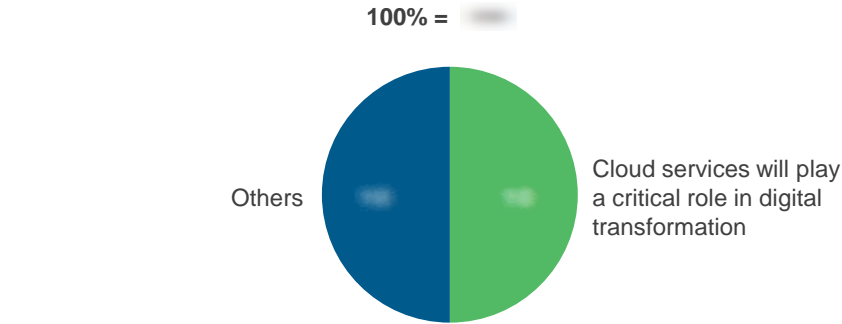
## Cloud adoption and opportunity across regions

Distribution of cloud deals based on buyer geography  
2011-2015; Number of deals



## Cloud as the bedrock of digital enterprise

Percentage of enterprises who believe cloud services are integral to digital transformation  
2015; Number of responding enterprises



Source: Everest Group (2015)

# Cloud and Infrastructure Services research calendar

Topic	Release date
Private Cloud Enablement Services – PEAK Matrix™ Assessment and Profiles Compendium .....	September 2015
Hosted Private Cloud Services – PEAK Matrix™ Assessment and Profiles Compendium .....	December 2015
IT Security Services: Market Update and PEAK Matrix Assessment .....	January 2016
Upcoming Contract Renewals – Infrastructure Services .....	March 2016
Enterprise Cloud Services – Annual Report 2016: “Cloud the Bedrock of Digital Business” .....	March 2016
Workplace Services – Market Update and PEAK Matrix Assessment and Profiles Compendium .....	Q2 2016
Infrastructure Services – Annual Report 2016 .....	Q2 2016
Private Cloud Services – Market Update and PEAK Matrix Assessment and Profiles Compendium .....	Q3 2016
IT Infrastructure Automation Market Update .....	Q3 2016
FIT Matrix for IT Infrastructure Automation .....	Q3 2016
Hosted Private Cloud Services – PEAK Matrix™ Assessment and Profiles Compendium .....	Q3 2016
Internet of Things (IoT) : Market Update and PEAK Matrix Assessment and Profiles Compendium .....	Q3 2016

# Additional Cloud and Infrastructure Services research references

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The following documents are recommended for additional insight on the topic covered in this report. The recommended documents provide either additional details on the topic or complementary content that may be of interest:

1. **IT Security Services – Market Trends and PEAK Matrix™ Assessment & Profiles Compendium** ([EGR-2016-4-R-1678](#)); 2016. This Everest Group research provides a comprehensive analysis of the cyber security market in terms of enterprise challenges, initiatives, and the growing importance of security services. It also assesses the capabilities of leading security services providers to serve multiple enterprise objectives.
2. **Infrastructure Services – Annual Report 2015: “Digital Businesses: Mind Your Security”** ([EGR-2015-4-R-1502](#)); 2015. This annual research deep dives into the infrastructure services landscape. It provides data-driven facts and perspectives on the overall market. The research covers IS adoption trends, demand drivers, and buyer expectations. The research analyses buyer challenges, trends shaping the market, and also provides an outlook for 2015 for the broader IT as well as IS market.

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