DATA BRIEF: CLOUD COMPUTING

Cloud computing encompasses a variety of different services all of which center around the delivery of hosted services over the Internet. Eighty-nine percent of the companies in the sample reported using some type of cloud computing technology. These services are generally of three types: Motivation for cloud adoption is the need to move faster and be able to change and adapt. Agility, efficiency and productivity are the primary payoffs currently realized.

FUNCTION USE. Cloud services are primarily the purview of the IT function. Eighty-nine percent of the companies in the sample reported using some type of cloud computing technology within information technology (64%). And while 89% of the companies report using cloud technology outside of IT is confined to the sales and marketing functions of the company.

TYPE OF USE. Cloud services are of three types: software as a service (SaaS), infrastructure as a service (IaaS) or platform as a service (PaaS) or combinations of the three types. Overall, most companies (74%) use Software as a Service platforms. SaaS is frequently coupled with other services although 27% of companies at this time are using SaaS exclusively. Only 23% of the companies are making extensive investments in a combination of cloud services – with services including software, platform and infrastructure.
DRIVERS. The juxtaposition of lowered costs and higher productivity is a major driver towards the use of the cloud. The top reasons for ‘going to the cloud’ cited by the executives in the sample center around the ability to be agile either by being able to move faster (47%) or by the flexibility to grow or retract quickly (43%). And, roughly one-third reported capital and operating expense savings as an impetus for adopting the cloud.

PAYOFFS. Cloud computing has resulted in improved business agility (79% citing improvement), efficiency (79%) and employee productivity (75%) – three important metrics of an organization’s performance and in line with the most frequent reasons for initially adopting cloud technology. Pretty much split down the middle between no change and improvement are customer relations, sales and decision-making quality.

ABOUT THE SURVEY
A total of 124 CXOs were surveyed over a 6 month period. Forty-four percent of the respondents were the chief executive officer (CEO) or President of the company, 11% were COOs, and 17% were CFOs. The size of the companies ranges from small to very large companies with 29% of the CXOs in companies with more than 10,000 employees and 30% in companies with less than 1,000 employees. Total annual revenue ranges from under $100 million (12%) to over $10 billion (11%). The companies are primarily engaged in manufacturing (42%), services (27%), finance, insurance and real estate (11%) and trade (14%) industries. Two-fifths of the companies surveyed were founded after 1990, while 29% were the older, more established companies founded before 1970.