

Cloud transformation outlook in a do more with less world

Global Research Report
October 2022

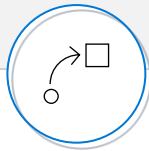
Research objectives

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 Modernization (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



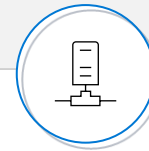
What is the current state of cloud migration & modernization across the world?



How is migration and modernization 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 prioritized 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.

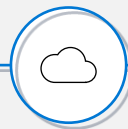
Sample Composition

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

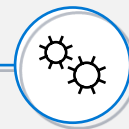
The global pandemic ignited a wave of cloud migration for mission-critical workloads. Cloud strategies are now maturing into broad migration and modernization efforts.

In uncertain economic times, enterprises look to migration and modernization 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), virtualization, and systems management.



Modernize

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

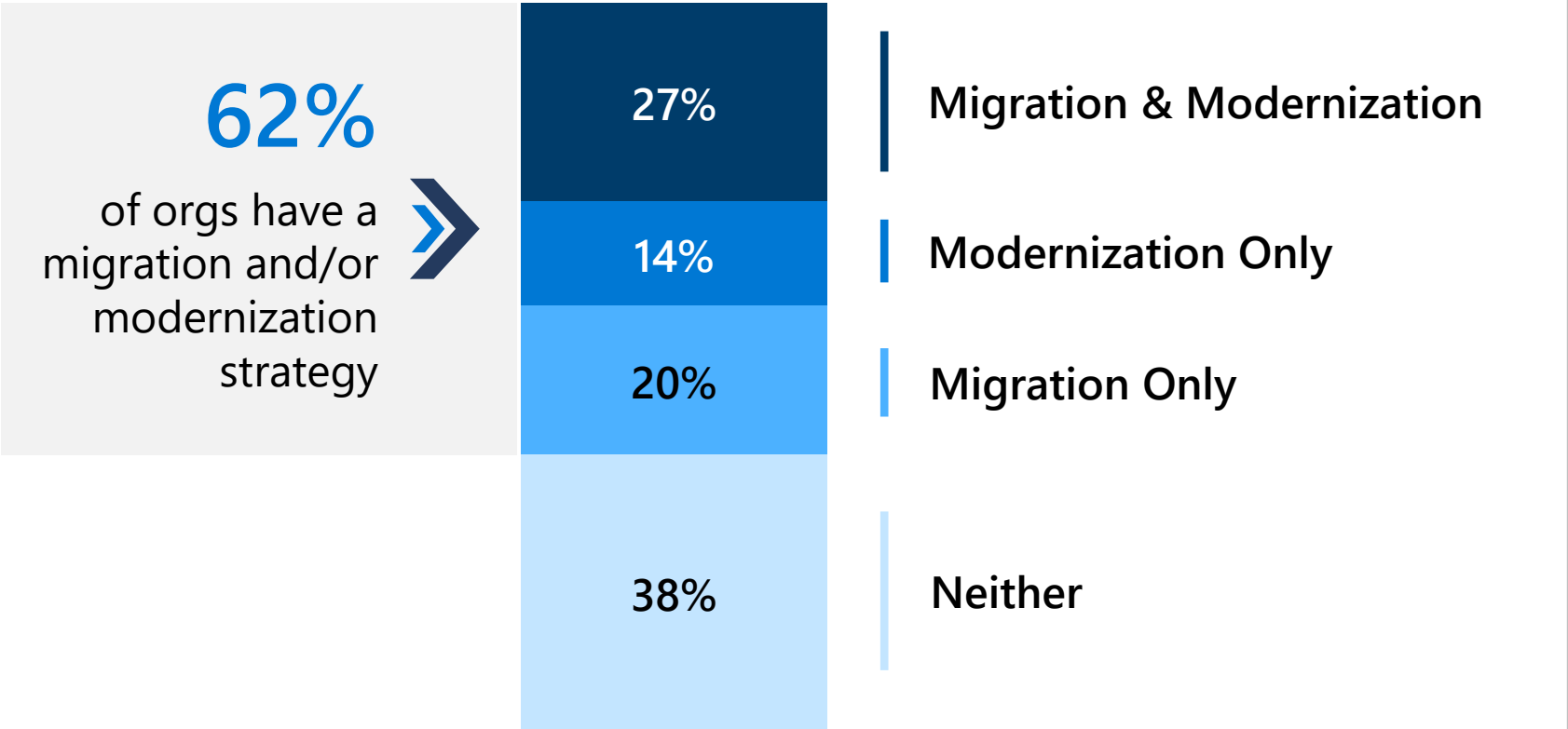


Hybrid and Multicloud

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 organizations have developed a migration or modernization strategy as the cloud enables their digital transformation

Does your organization have a cloud migration and modernization strategy in place?



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

Organizations believe migration & modernization efforts will help them safely scale and protect their business through their digital transformation

Top 3 perceived migration benefits

(Among orgs with an M&M strategy)

1

Scalability

2

Security and compliance

3

Improve business continuity/
disaster recovery



82%

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



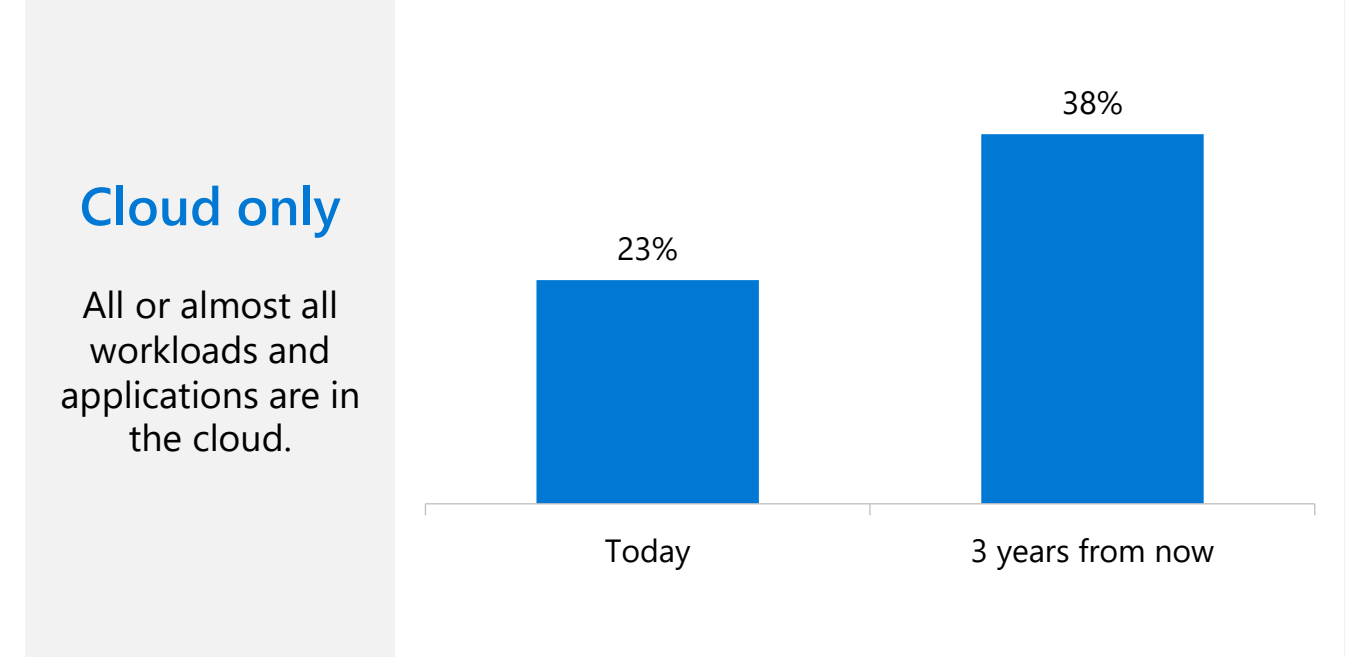
Base: Orgs with a Migration & Modernization strategy (n=792)

Q400r: How much of a benefit is each of the features below to cloud migration? | Q525: How much do you agree?

Organizations with migration & modernization strategies are more rapidly moving toward “cloud only” cloud strategies

Does your organization have a cloud-only approach?
Will it 3 years from now?

(Among orgs with an M&M strategy)



Orgs with a migration & modernization 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?

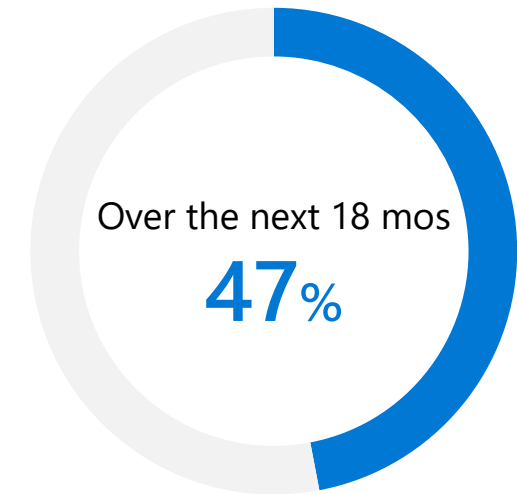
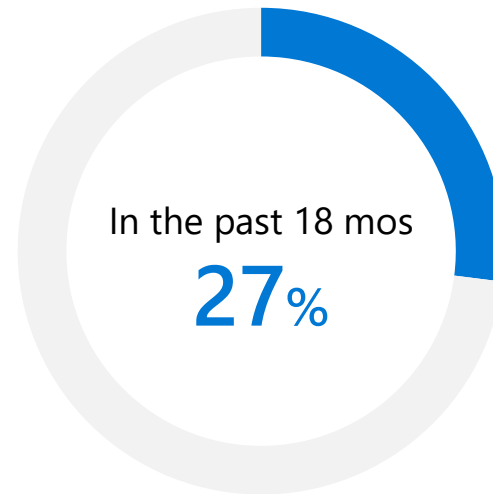


63%

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

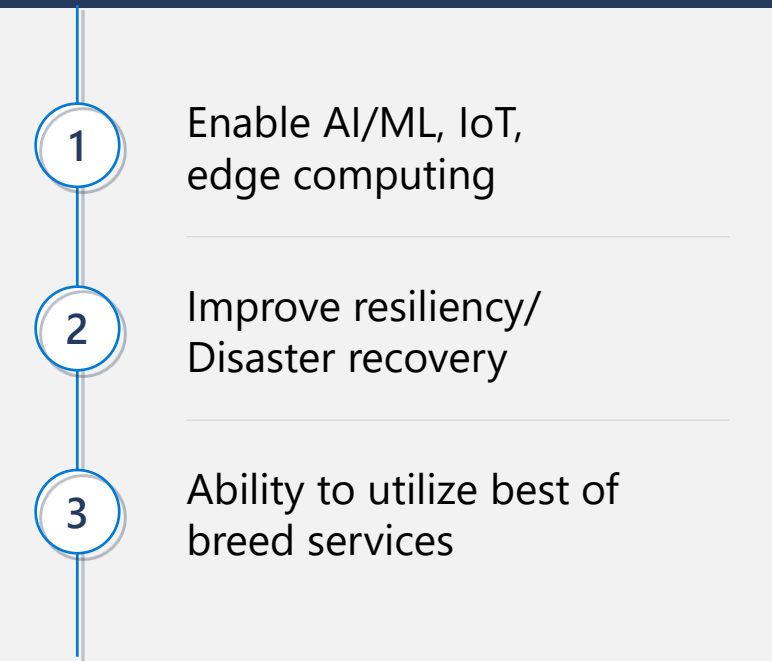


Base: Total (n=1,275)

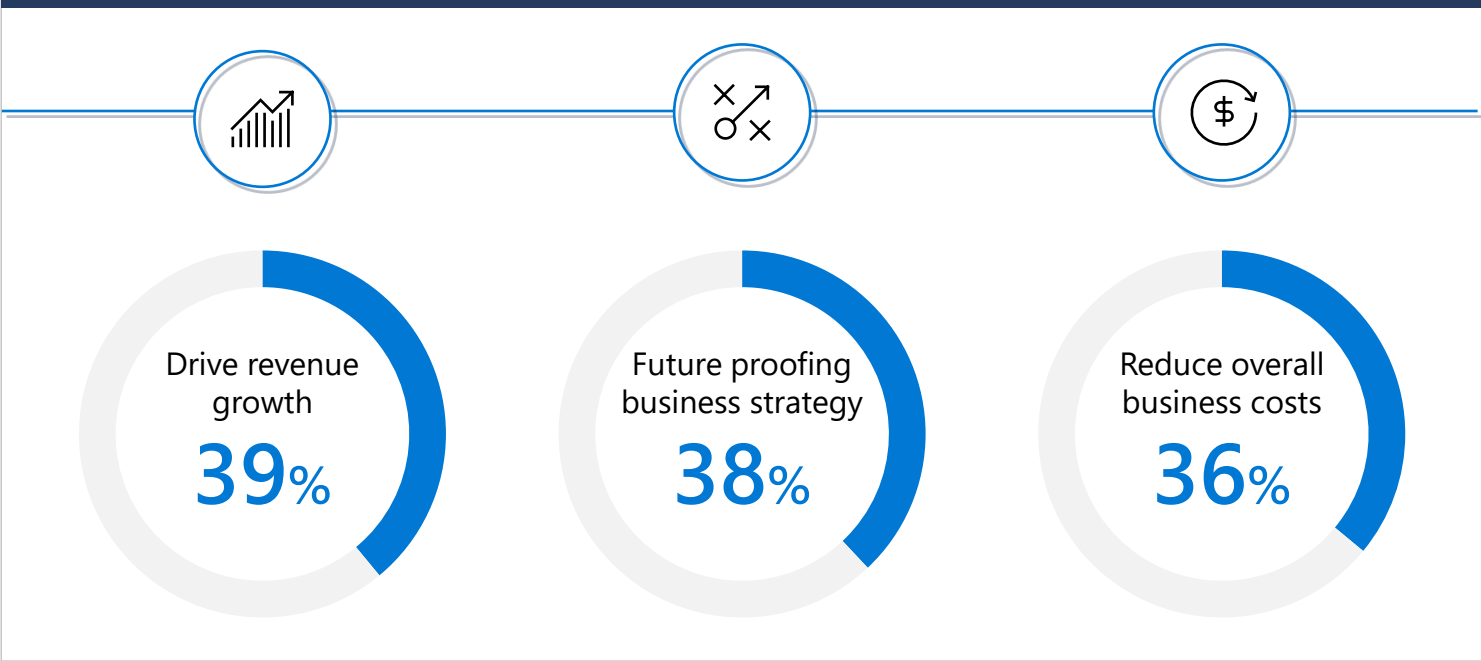
Q200. In the next 3 years, how likely is your organization to take the action shown? | Q175: In the past 18 months, what percentage of your workloads has your organization migrated to the public cloud? | Q180: Over the next 18 months, what percentage of your workloads do you think your organization will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

During a time of economic uncertainty, organizations look to cloud migration and modernization to drive revenue and protect their businesses

Top 3 migration goals

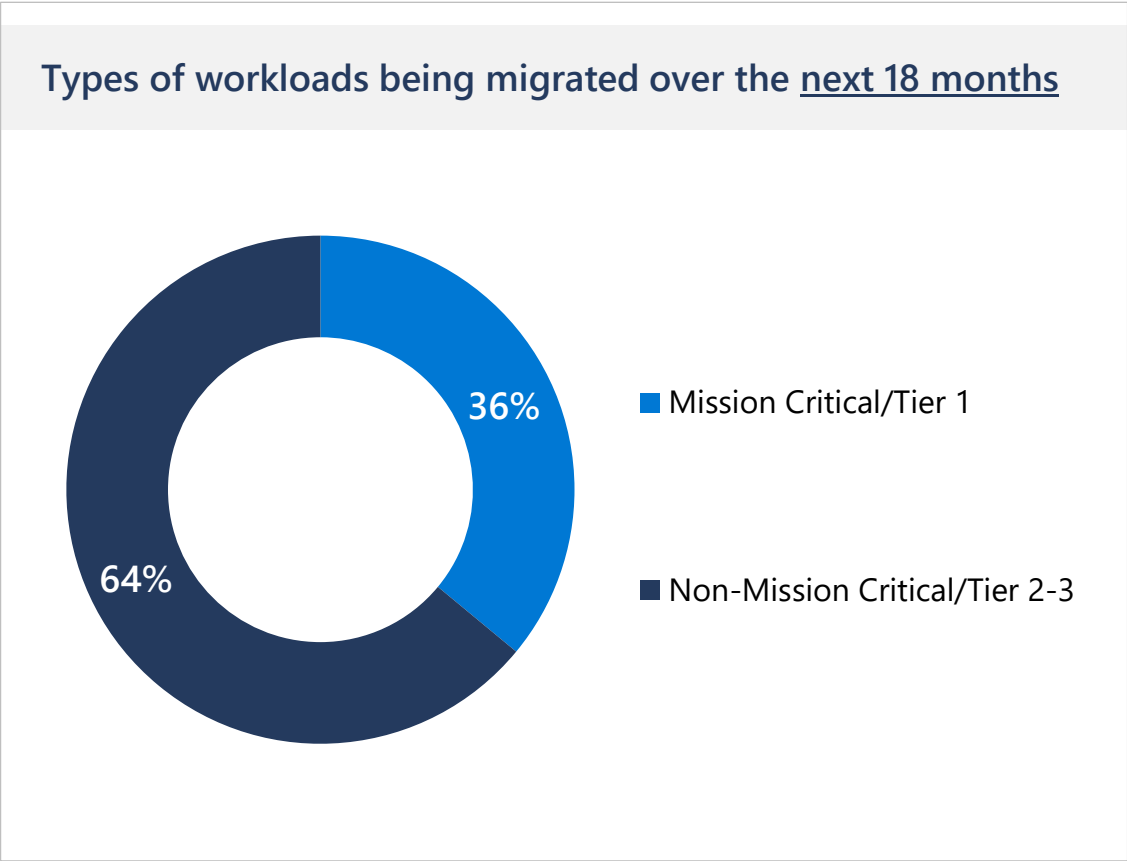


What is driving the pace of migration and modernization?



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?

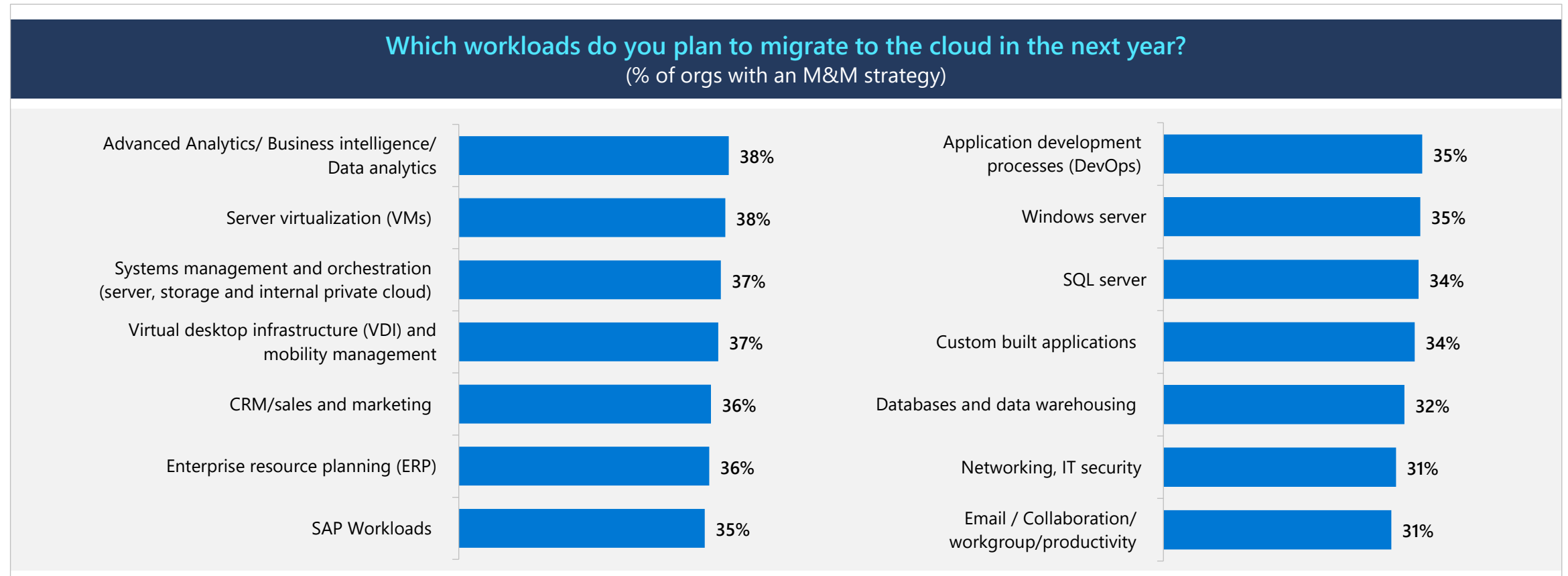
The next wave of workloads with migration plans are non-mission critical



- Top 3 workloads already migrated**
(Among orgs 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**
(Among orgs with an M&M strategy)
- 1 Advanced Analytics/BI/Data Analytics
 - 2 Server virtualization (VMs)
 - 3 Systems management and orchestration

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]

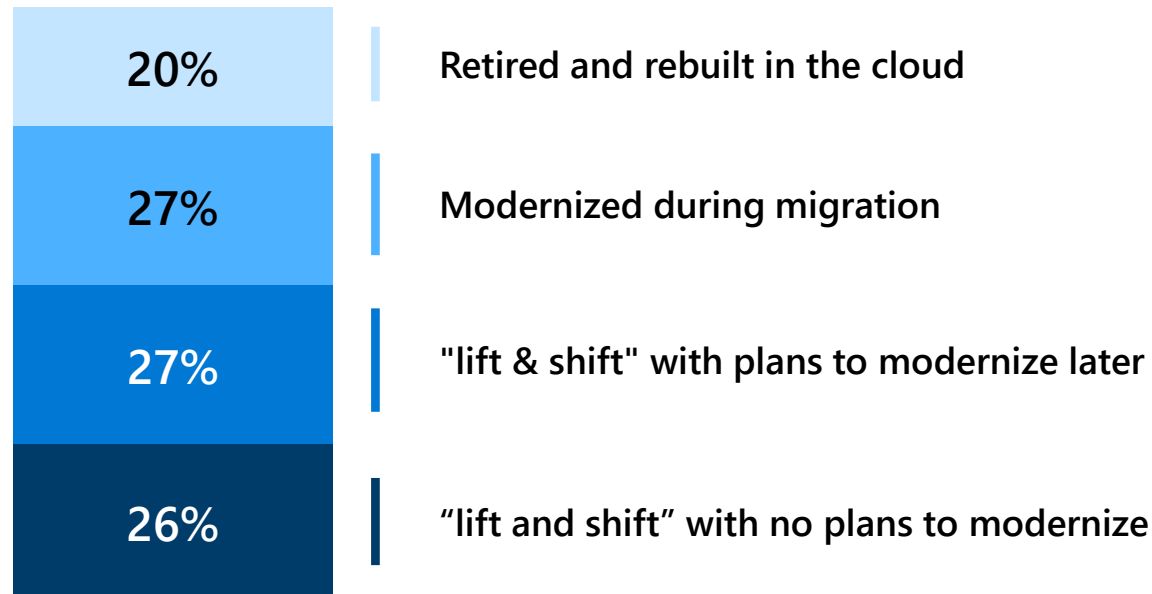
Organizations worldwide are planning to migrate a diverse set of workloads over the next year as their cloud strategies mature



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 planned to be modernized

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



74%

of workloads migrated to the cloud
have plans for modernization

In addition to scalability and security/compliance benefits, organizations are looking to modernization to deliver cost optimization

Top 3 perceived migration benefits

(Among orgs with an M&M strategy)

1

Scalability

2

Cost management/optimization

3

Security & Compliance



70%

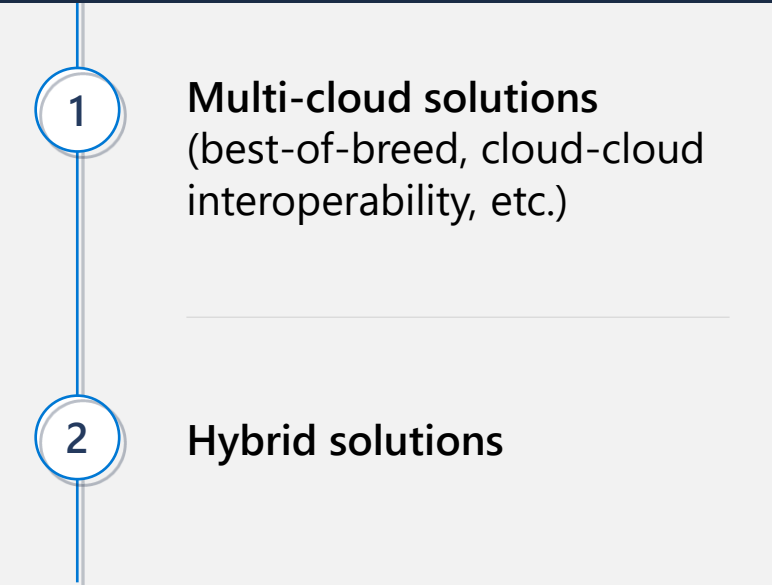
of orgs with a migration & modernization strategy say they prefer to be as self-sufficient as possible during migration and modernization activities by using self-service tools and documentation from cloud providers



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

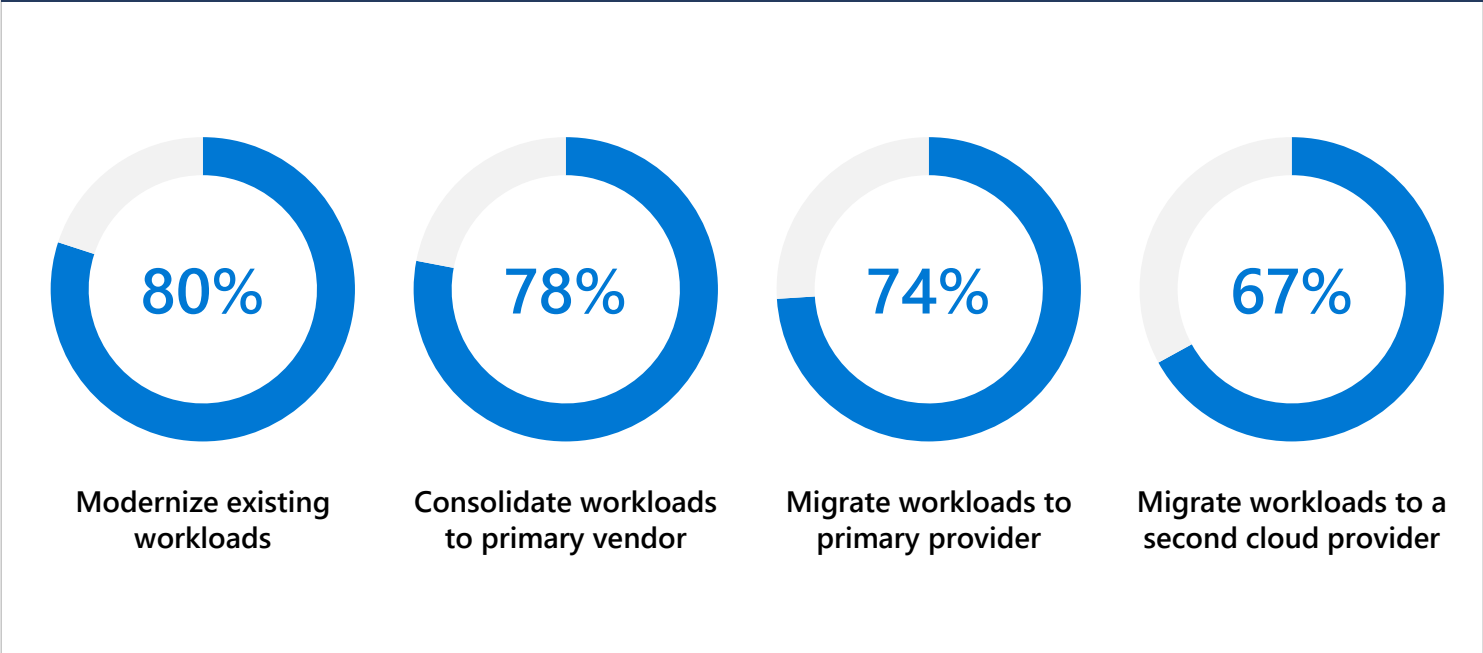
Top 2 components of a modernization strategy

(Among orgs with a strategy)



Migration and Modernization Plans in the next 3 years

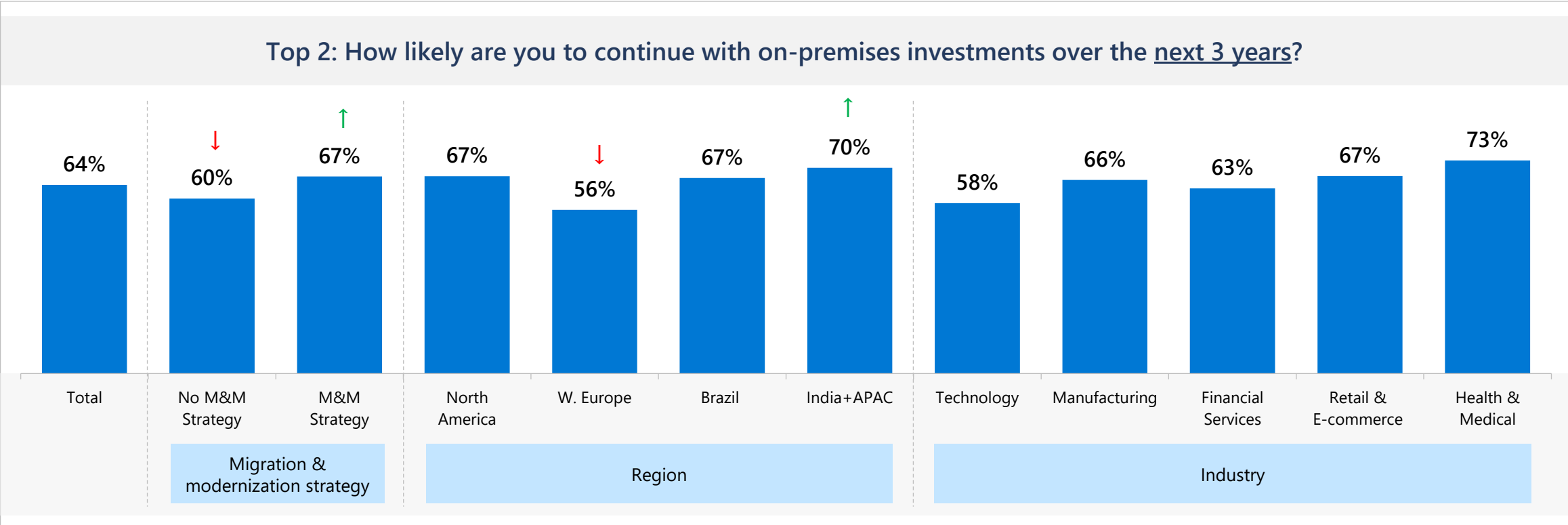
(Among orgs with M&M strategies)



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 & modernization 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



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

Complex cloud-to-cloud integrations can slow migration & modernization plans and orgs want dedicated help from their cloud vendors

The **#1**

Incentive for an org to work with a cloud vendor is a dedicated Migration & Modernization team

Top 3 barriers to Migration & Modernization

(Among orgs with a strategy)

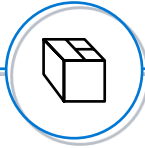
1

Complexities of cloud-to-cloud integration



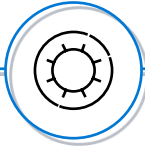
2

Complexity of refactoring existing application



3

Integration with legacy backends



Base: Orgs with an M&M strategy (n=792)
Q415; Q416, Q417 What are the barriers to migrating workloads to the cloud? | Q434. Think about ways a Cloud Service Provider may incentivize you to work with them. Please rank the following from most to least valuable (1 is most valuable)

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