

Enterprise Cloud Computing Unlocks Deep Strategic Value Through Increased Business Agility: High Adopters Reap More Benefits

The cloud creates immediate operational benefits and enables longer-term strategic development, especially among organizations with more than half of their infrastructure and apps in the cloud

BUSINESSES HEADING TO THE CLOUD recognize the huge opportunity for monetizing data, increasing operational efficiency and business collaboration, and fostering innovation. They are realizing powerful, secure business value, according to a global IDG Research survey of 600 cloud-using companies across a variety of industries. Forty-one percent of respondents' IT infrastructure and applications is already cloud-based, but those with the highest provision are experiencing much deeper transformative value — including increased customer satisfaction.

High adopters reap the biggest benefits

Organizations with high levels of cloud adoption (more than half of infrastructure and apps in the cloud) are much more likely to report multiple quantifiable benefits than those with lower levels (less than 30% in the cloud).

More than three-quarters of all respondents are seeing three or more benefits as a result of public cloud deployments, including quantifiable improvements in customer satisfaction, efficiency, and cost savings.

Forty-four percent of strong adopters cite better utilization and monetization of data with the cloud — 10 percentage points greater than those with low cloud provision. They also have higher operational efficiency, with 53% experiencing improvements thanks to the cloud, compared to 46% of lower adopters.

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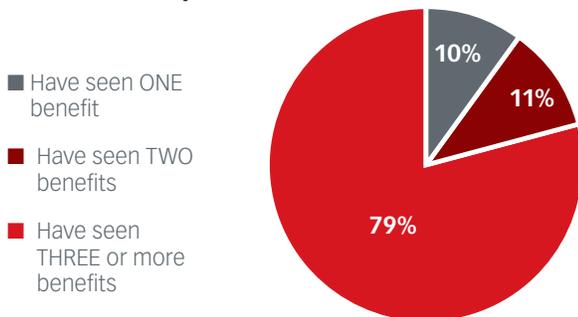
Customer satisfaction is greatly affected at these companies: More than four in 10 (41%) are witnessing improved customer sentiment directly due to cloud implementation, compared to 33% of lower adopters.

Some of these benefits at cloud-mature organizations are derived from the cultural sea change the technology brings. High adopters report in larger numbers that IT is working broadly with other lines of business (38% vs. 31%), and that tech departments have re-gained focus on emerging technology (34% vs. 28%).

In short, the cloud is empowering these deeper adopters to innovate and experiment. Nearly four in 10 find implementing process standards easier, and a similar number have stepped up analytical capabilities. More than one-third find working with expert partners easier for repetitive tasks.



Fig. 1 **Number of Quantifiable Benefits Experienced**



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Drivers for the cloud

Echoing findings from our 2016 report, **Accelerating the Cloud Migration Dividend**, enterprises of all sizes are looking for cost savings, efficiency gains, and agility to innovate when moving to the cloud. More than six in 10 firms (61%) seek cost savings, and for half, cost savings is a key measure of cloud success. In addition, 56% of businesses expect to introduce services more quickly with a move to the cloud.

Perception around security has seen a major shift: It is now among the top three drivers for cloud migration. In strong contrast to concerns cited in our 2016 survey (in which 55% said data security and privacy were top cloud inhibitors), more than half of businesses now say the cloud improves security.

At the largest enterprises — those with more than 100,000 employees — monetization of data and increases in revenue are the top targets.

Early operational wins

Overall, businesses are achieving great success with the cloud, and 79% report quantifiable benefits in three or more areas. More than half (53%) have gained notable operational efficiencies, and 45% have lowered infrastructure and/or storage costs.

More than a third (36%) of organizations have improved their time-to-market — a major driver — by using the cloud, and one-third (33%) are seeking app development skills that likely will help. “I would say now it’s under a week to do a release versus easily four to six weeks previously,” says the director of trading at a financial services company.

Companies also are expressing clear confidence in security. Seventy-four percent feel confident about their cloud-based data, and 73% believe they have better protection with providers than with any solution they can build alone. The financial director at a health physics and safety company says, “The cloud has given us a much stronger layer of security. We are bound by HIPAA laws, tracking, and a lot of audits, and we’ve been fully compliant since we moved to the cloud.”

Solving issues and maximizing success

Businesses of all sizes, however, do face remaining questions. While confidence in security is up, nearly half (45%) of organizations indicate that the greatest challenge to public cloud deployment is how to integrate data security. As a result, this is the most desired skill, ahead of data science. More than one-third (36%) of businesses also struggle with managing costs, in particular thanks to poor visibility into charges.

The third issue is managing compliance and legal risk, including identifying non-compliance. With one-third of firms struggling with cloud governance, many are looking for relevant expertise.

Businesses have employed several specific strategies to tackle these issues and optimize the cloud. First, they are successfully transforming organizational culture, and 42% are improving IT-business collaboration. Forty-five percent use dev ops methodology for more than half of their apps projects, linking software development and operations to high release cadence and quality.

Ultimately, businesses still struggle to have the right skills, so they are turning to third parties. Most businesses bring in support for some aspects of deployment — and as the head of IT at an industrial products company notes, “There’s no turning back. We are not looking to build expertise in house.”

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More than four in 10 firms with cloud have a pressing demand for security integration expertise, data scientists, and/or risk management skills. Approximately one-third (31%) of respondents partner for security integration, focusing on implementation, staff education, and metrics. After this, 27% of firms partner for data and analytics skills, and a quarter partner for platform expertise. Twenty-three percent of organizations supplement risk management.

Conclusion

Businesses using the public cloud are realizing the value, speed, agility, and security it brings. High adopters, who move most or all of their apps and infrastructure to the cloud, experience particularly strong benefits around efficiency, monetization of data, and customer satisfaction; **this echoes the speed of results they cited last year**. Those with an advanced setup now say cloud has helped them develop a more innovative and experimental culture, which is essential to success.

As cloud strategies mature, businesses need to focus on skills realignment and deployment, security, and culture. Third parties are helping to manage and optimize most companies’ setups. Used well, the cloud is massively powerful, and it allows effective, secure business transformation so businesses can deliver reliably on their strategic goals. An expert third-party partner can help organizations meet these objectives.

To learn more, visit <https://www.accenture.com/us-en/service-aws-cloud>.