



# 2020 CLOUD INFRASTRUCTURE REPORT

In 2009, Amazon Web Services (AWS) revenues were estimated at around \$300 million. By 2019, AWS had evolved to become a \$32 billion business, and the biggest player, by far, in the global cloud infrastructure market.<sup>1</sup> What began as a movement to provide companies with easier and more cost-effective access to IT infrastructure has become the most important computing development in history.

And what can be said about the future of the cloud infrastructure market? Will its rapid growth continue? Will companies remain aggressive in their pursuit of digital transformation initiatives inspired and enabled by the cloud? Which technologies will emerge to support companies' use of cloud infrastructure?

In an effort to better understand the issues that are driving trends and changes in the cloud infrastructure market, AllCloud put these and other related questions to over 150 IT professionals in U.S. companies with at least 300 employees. The first-annual AllCloud Cloud Infrastructure Report takes a closer look at how organizations are using AWS today, how they plan to use AWS in the future, and how this rapidly growing ecosystem is continuing to evolve.

Unsurprisingly, the report's findings are consistent with feedback that AllCloud has been receiving from its clients across the globe, which is that their use of cloud infrastructure and related technologies has been growing – and fast. As these companies have grown, and their digital transformation programs have progressed, many have embraced AWS as their foundation.

Last year, Forrester predicted that cloud adoption would accelerate and change the enterprise landscape entirely, transforming the cloud from being “a place to get some cheap servers or storage... [to being] shorthand for how companies turn amazing ideas into winning software - faster.”<sup>2</sup> This statement correlates perfectly with AllCloud's finding that **85% of organizations expect to have the majority of their workloads on the cloud by 2020.**

<sup>1</sup> Statista, Amazon Web Services: TTM revenue 2014-2019, J. Clement. <https://www.statista.com/statistics/422270/ttm-amazon-web-services-revenue/>

<sup>2</sup> Forrester, Predictions 2019, Dave Bartoletti, Lauren Nelson. [https://www.forrester.com/report/Predictions+2019+Cloud+Computing/-/E-RES144740?utm\\_source=forbes&utm\\_medium=pr&utm\\_campaign=predictions\\_2019&utm\\_content=syndication\\_Bartoletti](https://www.forrester.com/report/Predictions+2019+Cloud+Computing/-/E-RES144740?utm_source=forbes&utm_medium=pr&utm_campaign=predictions_2019&utm_content=syndication_Bartoletti)



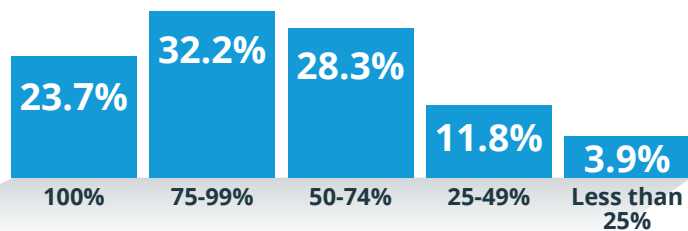


# 85%

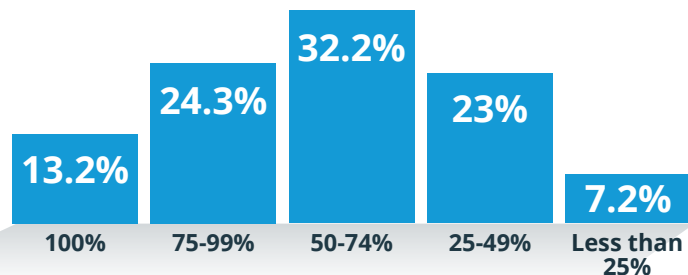
of organizations expect to have the majority of their workloads on the cloud by 2020.

## The shift to the cloud is real

What percentage of your IT workloads do you expect to have in the cloud by the end of 2020?



What percentage of your IT workloads are currently running on the cloud?



According to the AllCloud study, just **7% of organizations have less than 25% of their workloads currently running on the cloud**, and businesses expect this number will fall to less than 4% over the next year. On the other end of the spectrum, more than **70% of IT professionals said half their companies' IT workloads are in the cloud now**, **85% expect to have the majority of their workloads on the cloud by 2020**, and more than 23% will be cloud-only.

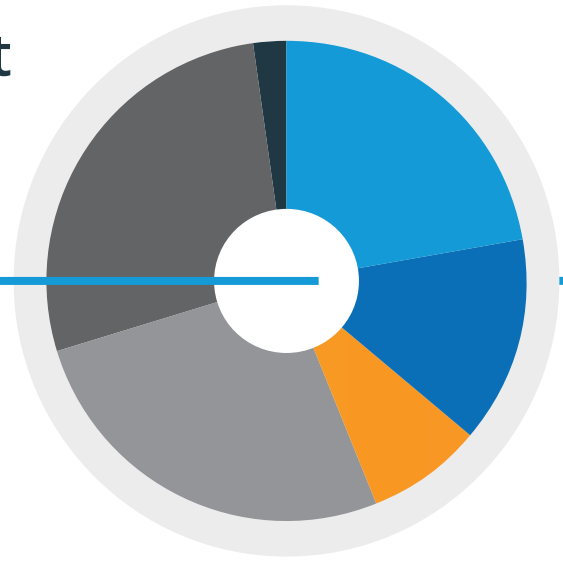
Again, this data supports anecdotal evidence provided by AllCloud clients. Organizations are not only becoming more comfortable and familiar with cloud technology, they are also recognizing its increasing benefits as well. Companies that began with a simple implementation or migration to the cloud have stepped-up their IT modernization efforts. As this continues to happen, organizations will look for new ways to use cloud technology.

The amount of manpower required by companies to maintain cloud infrastructure will also shift in 2020. According to AllCloud's research, **56% of IT professionals are reporting that at least seven people within their organizations are charged with maintaining the company's cloud infrastructure today**. Subsequent reports will likely show this number increasing as cloud takes on a larger role across organizations.





## Security and reliability are significant cloud drivers



What was your organization's primary goal when deciding on a cloud platform?

**27.6%** ■ Security

**26.3%** ■ Reliability

**22.4%** ■ Flexibility

**13.8%** ■ Cost

**7.9%** ■ Integrations

**2.0%** ■ Internal knowhow, available resources

**26%**  
of AllCloud survey respondents cited reliability as their main concern.

A similar number (28%) cited security, while 22% said flexibility was their most important consideration. These issues were all identified as being more important than cost, which only achieved 14% of the vote.

These results clearly show that organizations are looking to improve their product or service offering with the support of the cloud, and IT professionals will choose the platform that best suits their needs before selecting the platform with the lowest price tag. This represents a forward-thinking shift from just a few years ago, when cost concerns dominated the cloud decision-making process.





## Organizations may need a more cohesive cloud strategy



If you are using a multi-cloud approach, which other cloud platforms are you using **with AWS**?

Microsoft Azure is AWS's biggest competitor, used in conjunction with AWS by

**49%**

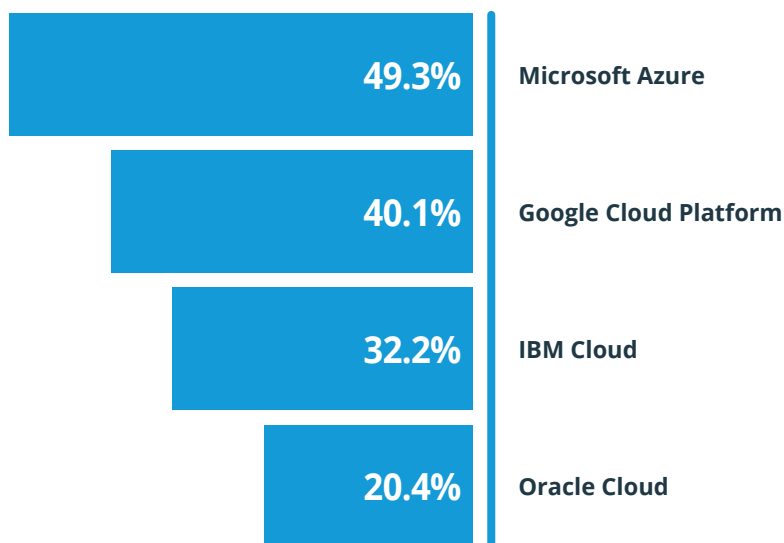
of respondents to our survey, followed by

**40%**

that use Google Cloud Platform, and

**32%**

that leverage IBM Cloud.



The complexity of cloud infrastructure may lead some organizations to take on a multi-cloud approach. While all respondents to the survey are using AWS, there were a subset of respondents that are using another cloud in conjunction with AWS.

This data demonstrates how AWS is capable of supporting the mission-critical data and application requirements of its most high-profile users, while remaining flexible enough to thrive in a multi-cloud world.

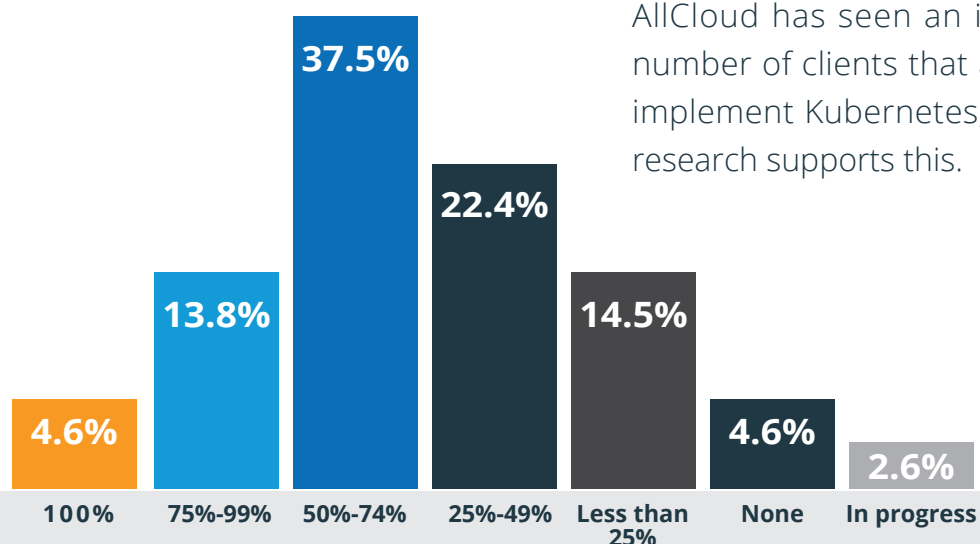


## Container technology will continue to be in demand

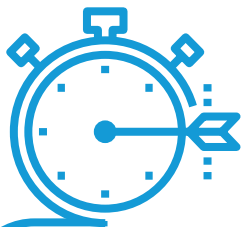
**56%**

of IT professionals are leveraging containers for at least half of their workloads.

What percentage of your organization's cloud workloads are using containers or microservices?



AllCloud's clients are continuously looking for ways to innovate, and containerized workloads are a big part of that strategy. Container technology adds efficiency, consistency and ease of management to an enterprise cloud strategy. In particular, AllCloud has seen an increase in the number of clients that are planning to implement Kubernetes, and AllCloud's research supports this.



## Managed services are giving organizations access to new expertise

✓ **43%**

What percentage of the AWS services being utilized by your company are fully managed services?

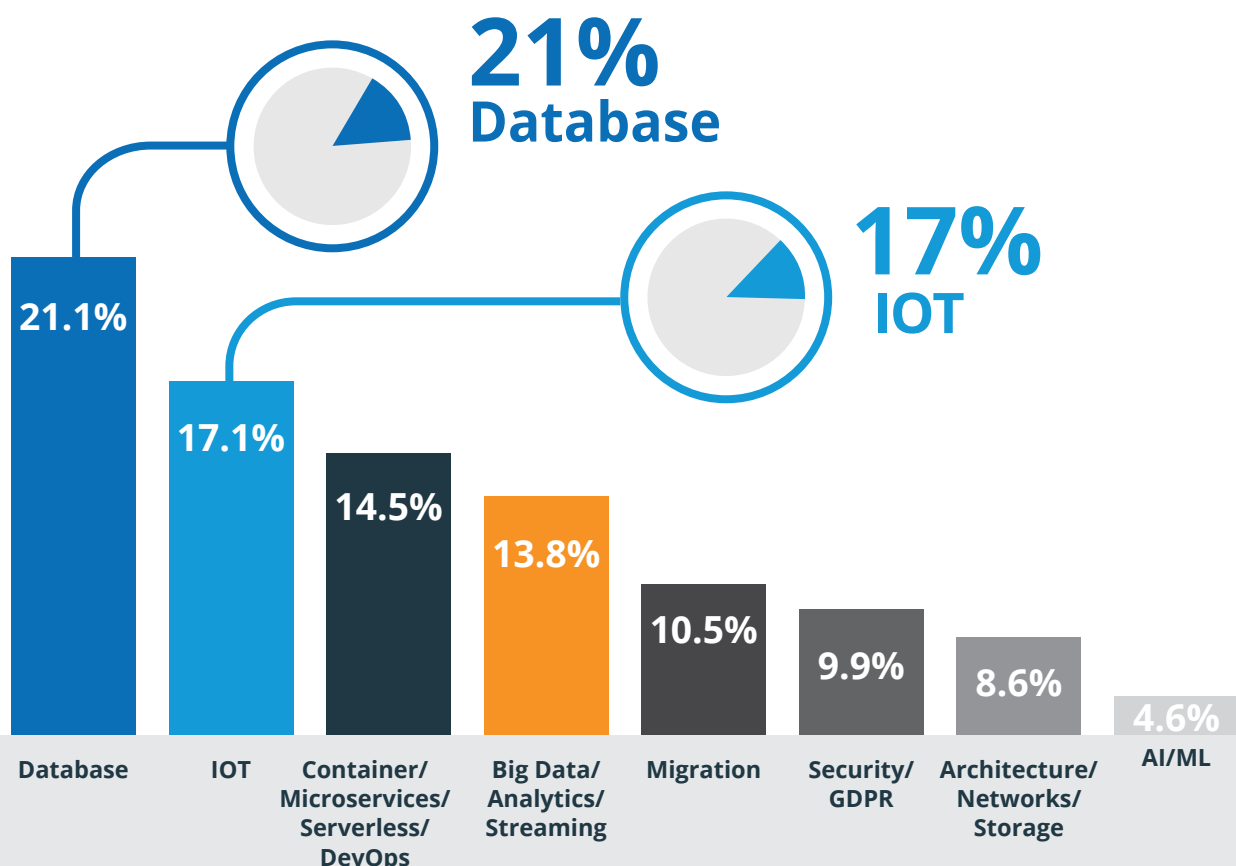
of IT professionals responding to AllCloud's survey said they are running more than half of their workloads with outside help.

This strategy frees-up internal resources and shortens the learning curve for companies pursuing "continuous innovation," which allows an organization's skilled professionals to focus on their core business strategies.

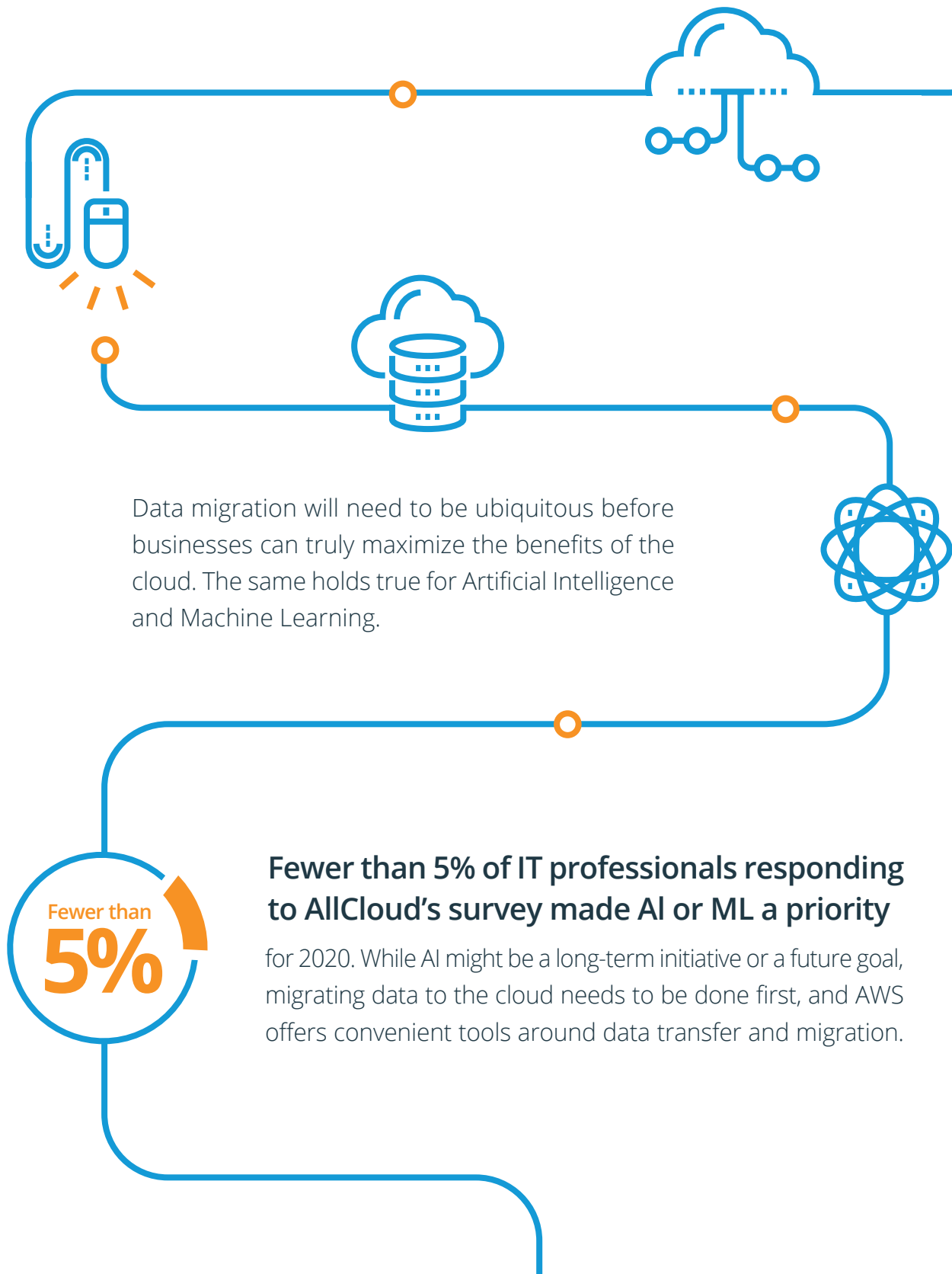
## Database will be the foundational service category in 2020

Which AWS service category are you most likely to implement within your organization within the next year?

Database and IoT are by far the service categories that IT professionals surveyed by AllCloud are most likely to adopt in 2020.



The service offerings for Database have made a real leap, making it easy for customers to take advantage of no-hassle migration. There is also a growing understanding that organizing and managing your data is a necessary foundational service and strategy, allowing businesses to set the stage for analysis and broader cloud goals. AllCloud expects this trend to continue in 2020.





## AWS continues to work to make a hybrid cloud approach easier

**35.5% NO**

**64.5% YES**

Are you also using a private cloud environment, either on-premises or at a co-location center?

**65%**

of the IT professionals surveyed by AllCloud are using a hybrid-cloud approach.

This reinforces the flexibility of the AWS platform, which easily works with other infrastructure and technology solutions. These hybrid collaborations are sometimes short-term, while others come down to necessity; the AWS partnership with VMware signals the need for traditional technologies to find a way to move to the cloud.

AllCloud expects to see this number decrease, as more best practices for common enterprise use-cases become available. For example, AWS Landing Zones offer proven templates built on best practices that streamline and support large migrations.

## The AWS partnership with VMware will continue to strengthen



For those using a hybrid-cloud approach, how much of those workloads are using VMware?

**73%**

According to our survey, almost three-quarters of enterprise private cloud workloads are using VMware, which underlines the need for continued integration between the two platforms. The existing partnership is likely to grow stronger and broader, with more accessibility released between the technologies. This will allow a faster rate of enterprise adoption for organizations that want to leverage the benefits of the cloud.

## Conclusion

Looking at this data in one place, we have uncovered some exciting trends about the reality of cloud adoption in 2019, and provided an insight into the direction cloud infrastructure is moving towards for 2020.

This data also shows that organizations not only understand that the cloud is an enabler for agility, innovation and success but that there is no 'end-game' for the cloud. In fact, if companies operate on the misconception that they just need to migrate to the cloud and the journey is complete, they have missed the point altogether. In contrast, as soon as Organizations have achieved one goal, they should be moving on to the next, with a dynamic, breathing roadmap that supports the future lifecycle of their organization.

The majority of these findings fall exactly in line with what we are seeing with our clients across the board. We are excited to see that so many organizations are looking at their cloud infrastructure as an enabler and value add for the business and part of a long term strategy. One that requires not only constant innovation, but the need to focus on development and modernization, and that they are putting the tools and building blocks in place for organizational transformation.



## About AllCloud

AllCloud is a global professional services company providing organizations with the tools for cloud enablement and transformation. Through a unique combination of expertise and agility, AllCloud accelerates cloud innovation and helps organizations fully unlock the value received from cloud technology.

As an AWS Premier Consulting Partner and a Salesforce Platinum Partner, AllCloud helps clients connect their front office and back office by building a new operating model that allows them to harness the benefits of both Salesforce and AWS. AllCloud is supported by a robust ecosystem of technology partners, proven methodologies, and well-documented best practices. Thereby, elevating customers by achieving operational excellence on the cloud, within a secure environment, at every milestone of the journey to becoming cloud first.

With over 11 years of experience and a portfolio with thousands of successful cloud deployments, AllCloud serves clients across the globe. AllCloud has offices in Israel, Europe and North America.

