Accelerating Enterprise Cloud Adoption

Achieve global scale by creating consistency in hybrid infrastructure.

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In This InfoBrief

▶ The number of applications that enterprises are managing continues to grow, and **45% of those applications are likely to move to a new environment over the next 12 months.**

▶ While the move to public cloud is increasing, enterprises are still maintaining some level of on-premises infrastructure, **requiring a hybrid cloud strategy.**

▶ To maintain consistency and reduce complexity in hybrid cloud environments, **CIOs are looking to vendor partnerships that provide more control over the environment.**

▶ Solutions that minimize the need for changes to underlying technology or operational processes when **migrating to the cloud can reduce cost and risk.**

Cloud Buyers Manage an Increasing Number of Applications

■ In test   ■ In production

42%

58%
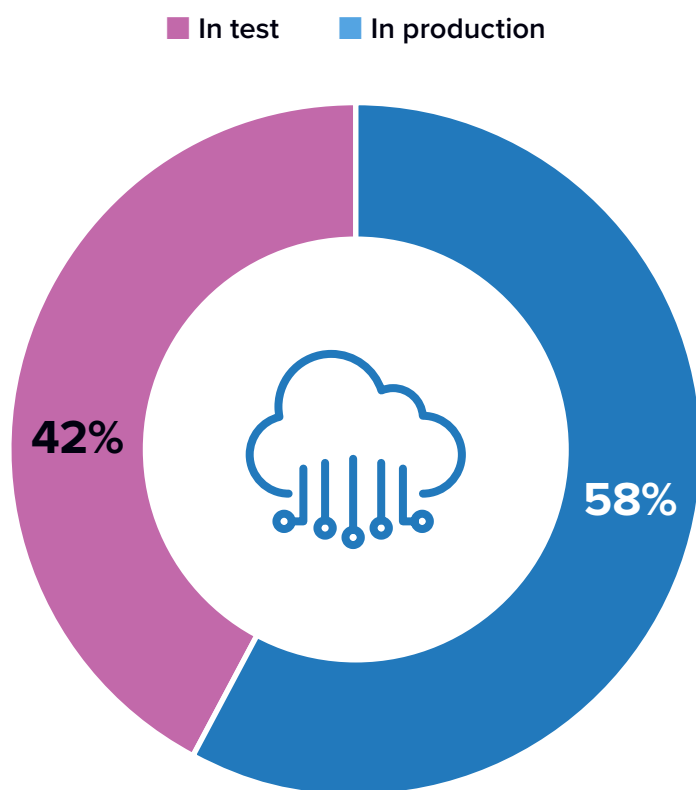
The average number of applications a company manages **has increased from 30 in 2022 to 38 in 2023.**

45%
of current applications **will likely move to a new cloud or another environment** in the next 12 months.

n = 1,351; Source: IDC's *QA2, QA7, QA7b, QA8, QA8b, 1Q23 Cloud Pulse Survey*, March 2023
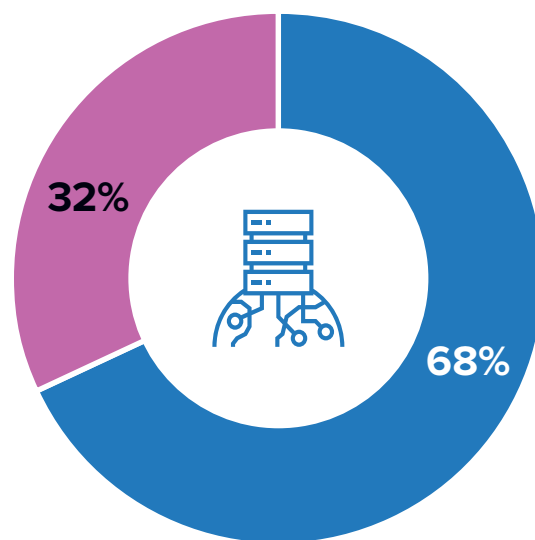
These Applications Rely on Modern Infrastructure

▶ **VMware is the leading virtual machine software vendor with 77.5% market share.**

▶ **VMware powers more than 85 million workloads across private and public clouds.**

Despite the move to cloud native, virtual machines still dominate.

■ Virtual machines ■ Containers

32%

68%

Databases are quickly moving to the cloud.

■ On premises ■ Cloud

2022

48% 52%

2027

27%

73%
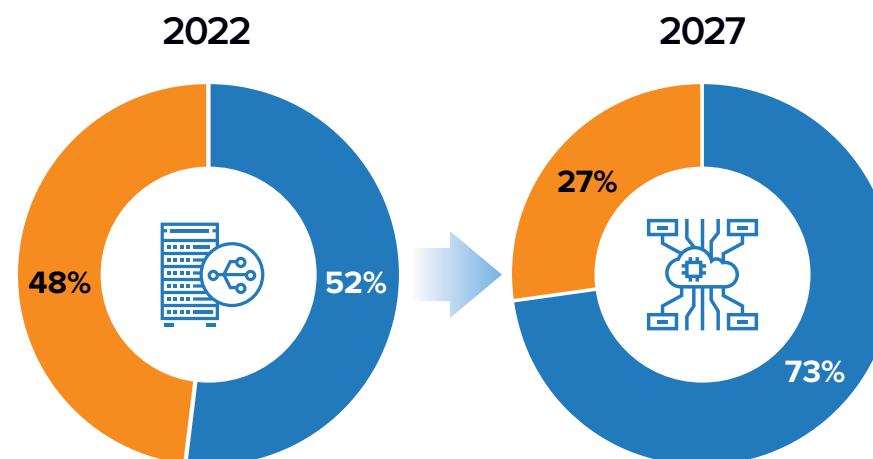
Sources: IDC's *Worldwide DBMS Software Forecast, 2023–2027*; IDC's *Container Infrastructure Software Market Assessment: Container Deployment Forecast*, 2022–2025;
IDC's *Worldwide Virtual Machine Software Market Shares*, 2022; https://blogs.vmware.com/vsphere/2021/10/how-innovations-in-vsphere-are-redefining-infrastructure-to-run-future-apps.html

Applications Continue to Move Off Premises

While there has been a steady migration of applications to service providers, **a significant amount remain on premises.**

Legend: On-premises non-cloud | On-premises private cloud | Hosted private cloud | IaaS | PaaS | SaaS | Off-premises non-cloud

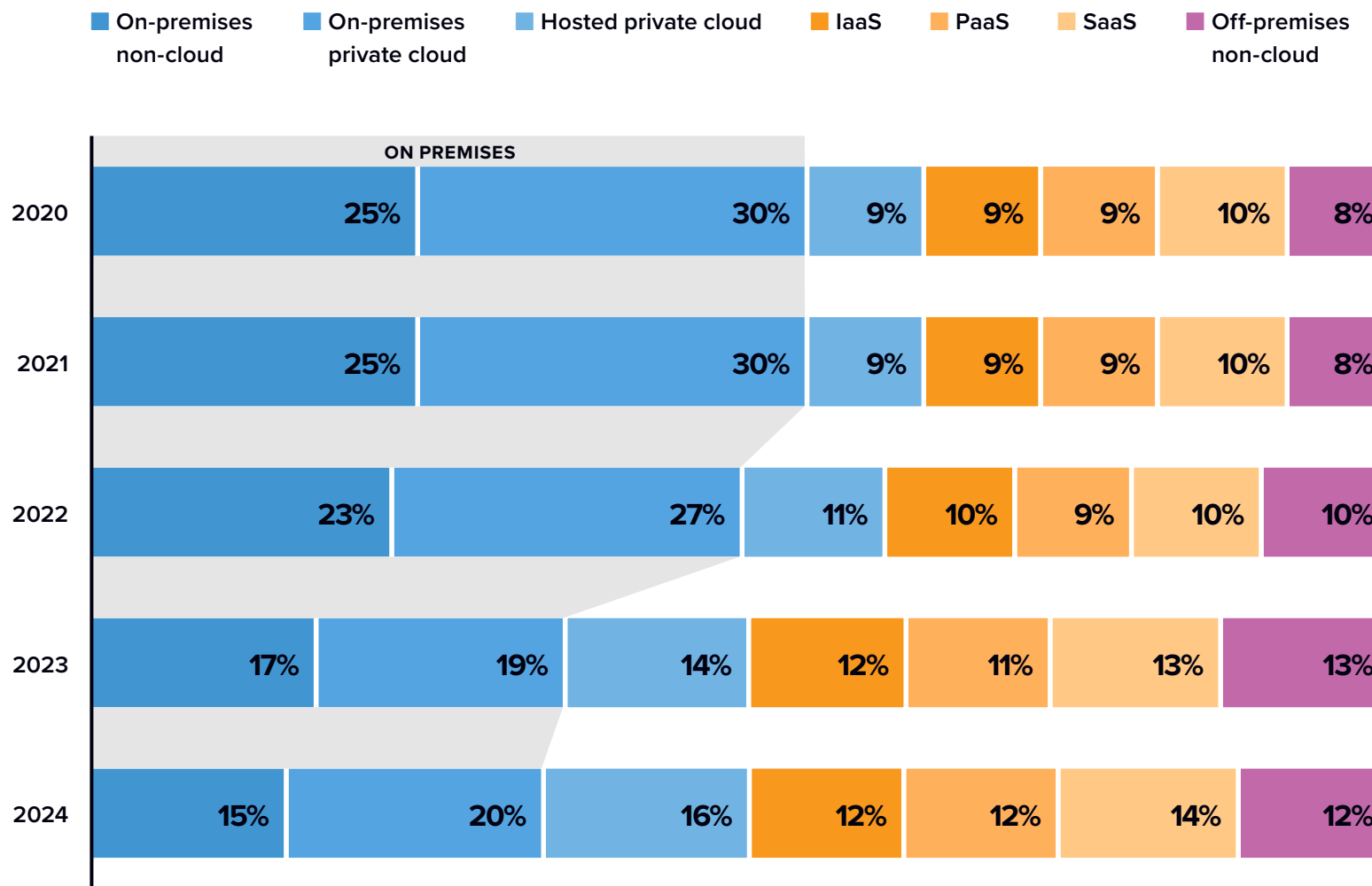| Year	On-premises non-cloud	On-premises private cloud	Hosted private cloud	IaaS	PaaS	SaaS	Off-premises non-cloud
2020	25%	30%	9%	9%	9%	10%	8%
2021	25%	30%	9%	9%	9%	10%	8%
2022	23%	27%	11%	10%	9%	10%	10%
2023	17%	19%	14%	12%	11%	13%	13%
2024	15%	20%	16%	12%	12%	14%	12%

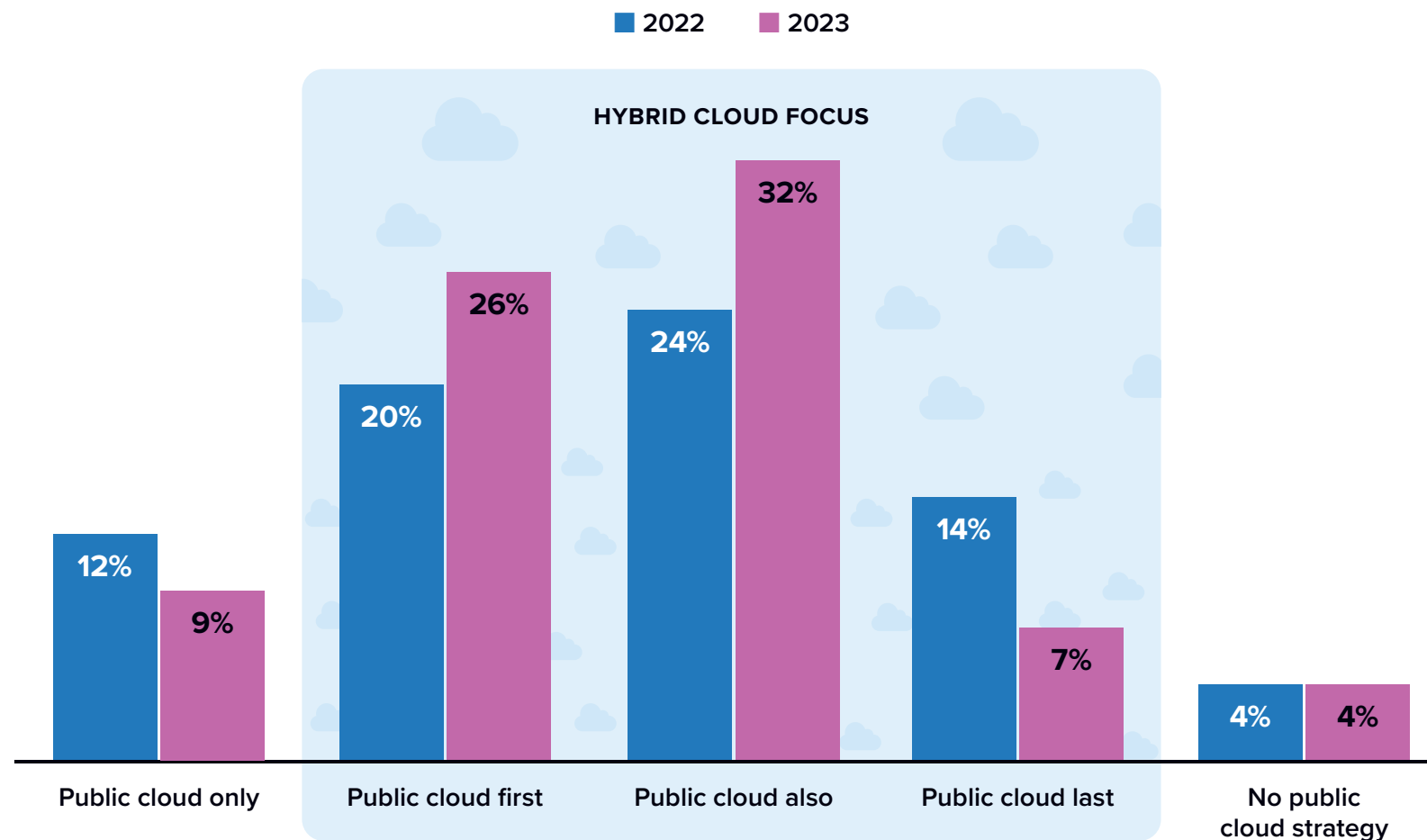*ON PREMISES* (spans On-premises non-cloud, On-premises private cloud, Hosted private cloud)

n = 1,324; Source: IDC's *1Q23 Cloud Pulse Survey,* March 2023 | For an accessible version of the data on this page, see Supplemental Data in the Appendix.

Buyers Are Shifting from a Single-Cloud Model to a Combination of Platforms
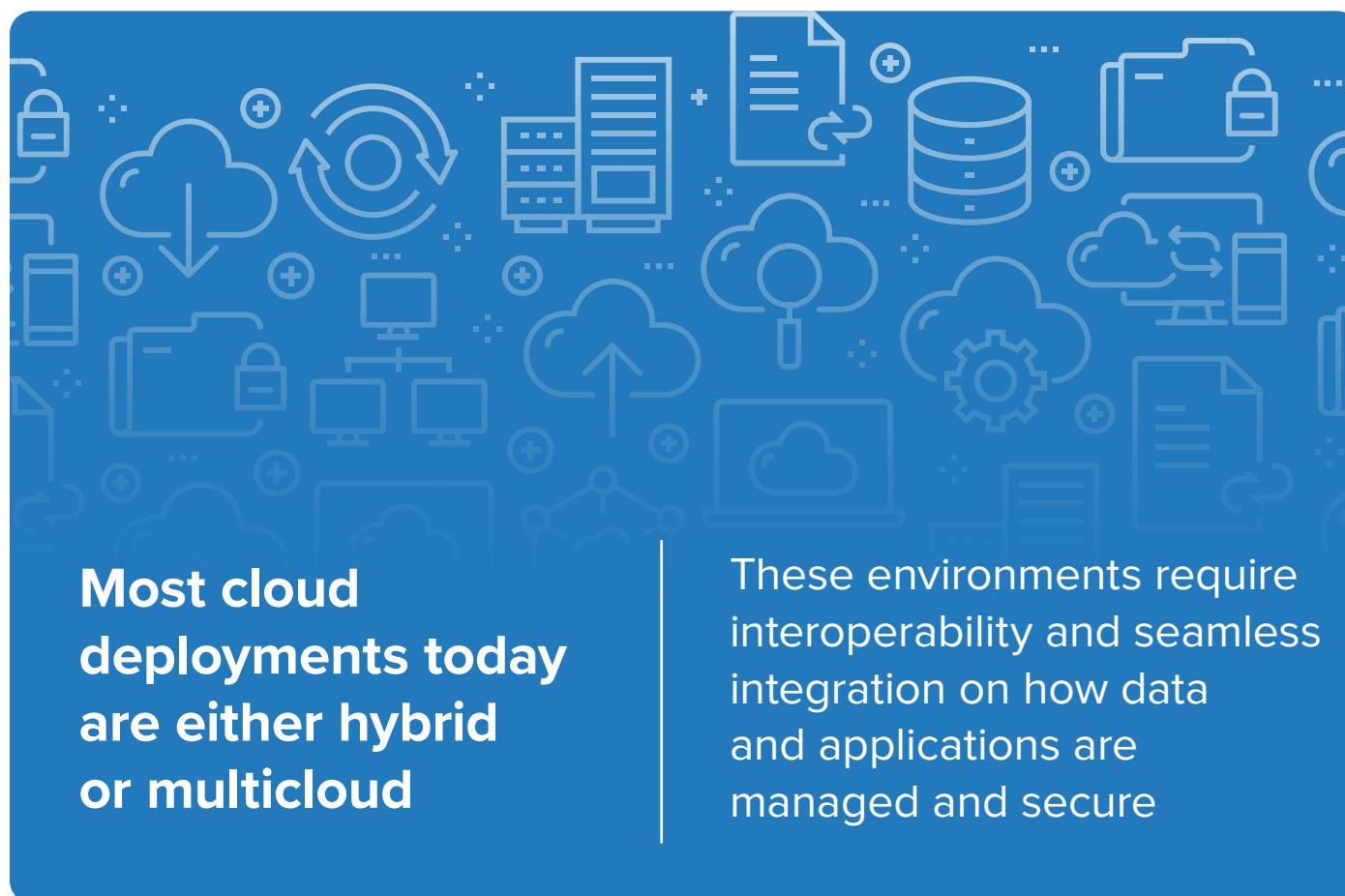
Whether the strategy is a public cloud–first approach or the use of public cloud to augment other infrastructure, **more environments are becoming hybrid.**

■ 2022   ■ 2023

HYBRID CLOUD FOCUS

	2022	2023
Public cloud only	12%	9%
Public cloud first	20%	26%
Public cloud also	24%	32%
Public cloud last	14%	7%
No public cloud strategy	4%	4%

n = 1,351; Sources: IDC's *1Q22 Cloud Pulse Survey, 2022;* IDC's *1Q23 Cloud Pulse Survey, 2023* | For an accessible version of the data on this page, see Supplemental Data in the Appendix.

Hybrid Interoperability Is Becoming the De Facto State for Many Cloud Buyers

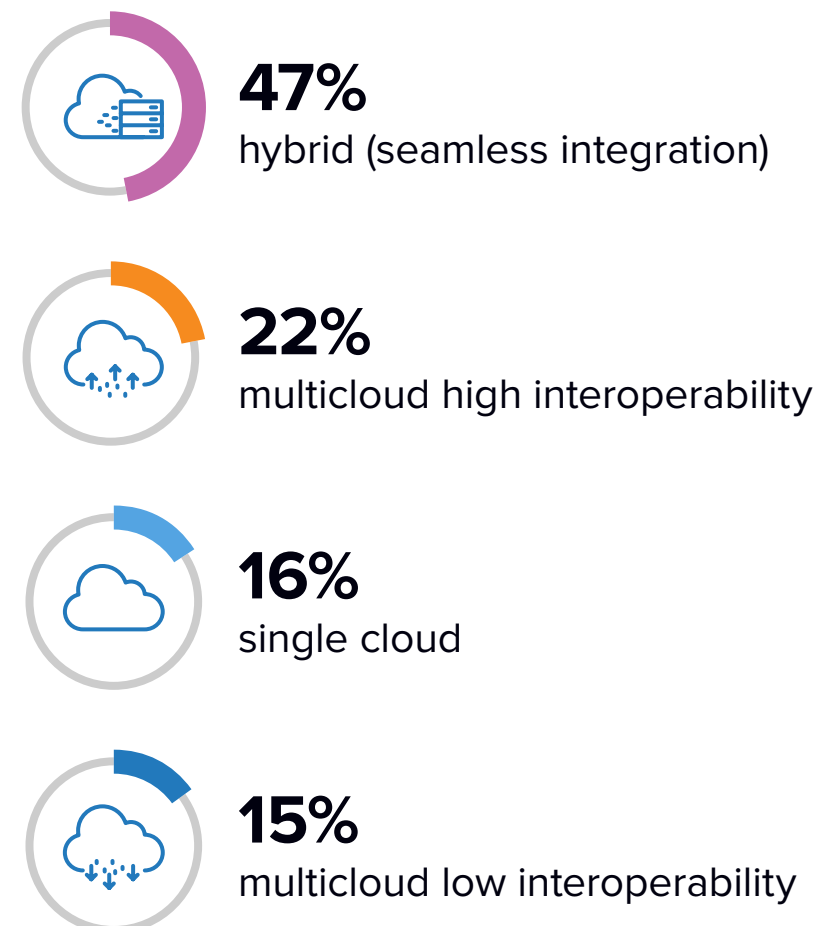**Most cloud deployments today are either hybrid or multicloud**

These environments require interoperability and seamless integration on how data and applications are managed and secure
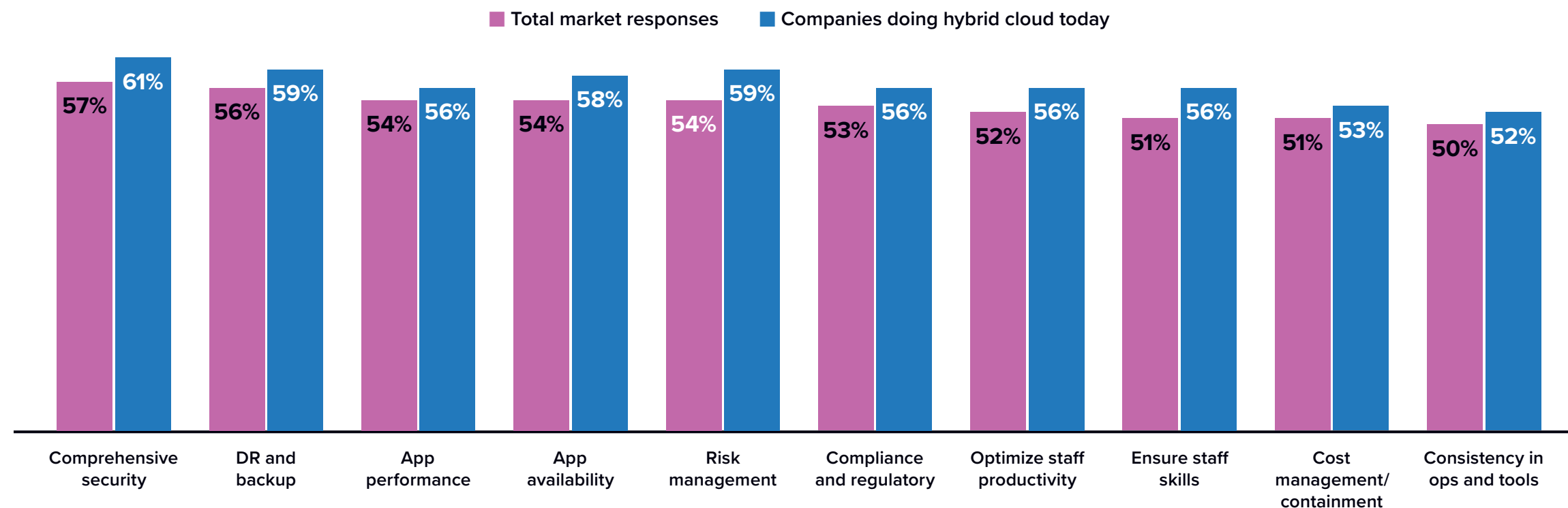
47% hybrid (seamless integration)

22% multicloud high interoperability

16% single cloud

15% multicloud low interoperability

n = 1,351; Source: IDC's *1Q23 Cloud Pulse Survey, March 2023*

# Hybrid Cloud Increases the Focus on Security and Management

Most important considerations for cloud investments to meet business goals in the next two years

Number of responses — total market and those doing hybrid cloud

- ■ Total market responses
- ■ Companies doing hybrid cloud today

Category	Total market responses	Companies doing hybrid cloud today
Comprehensive security	57%	61%
DR and backup	56%	59%
App performance	54%	56%
App availability	54%	58%
Risk management	54%	59%
Compliance and regulatory	53%	56%
Optimize staff productivity	52%	56%
Ensure staff skills	51%	56%
Cost management/ containment	51%	53%
Consistency in ops and tools	50%	52%

n = 1,351; Source: IDC's *QSP9, 1Q23 Cloud Pulse Survey, March 2023* | For an accessible version of the data on this page, see Supplemental Data in the Appendix.

Choosing the Right Hybrid Cloud Control Plane
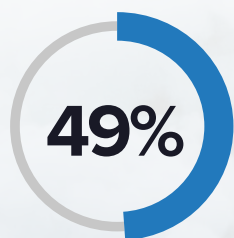
49% of organizations with a hybrid cloud architecture say they **use a third-party management plane.**

Reasons for selecting a cloud management control plane

1. Most suited for our current multicloud environment

2. Best for compliance/cloud network options

3. Better suited to our future multicloud environment

Most important tasks for a cloud management control plane

1. Enhanced security features

2. Ability to manage traditional and new applications based on microservices/containers

3. Ability to automate tasks and workflow/ control over cloud network resources/ability to manage clouds at scale

n = 917; Source: IDC's QK2, QK3, QK4 3Q23 Cloud Pulse Survey, September 2023

Transparency and Management of Cloud Costs Increasingly Influence Cloud Purchase Decisions

51%

of cloud buyers say **cost management/containment** is highly important when it comes to making cloud investment decisions over the next two years.

Savvy cloud buyers are realizing that data transfer fees, regional pricing variances, and support costs can have a **big impact on the bottom line.**

Cloud providers can address this through **uniform pricing, transparency in costs, and commercial incentives.**

n = 1,351; Source: IDC's *QSP9, 1Q23 Cloud Pulse Survey, March 2023*

Essential Guidance

Adopt cloud on your terms by creating an architecture that spans from public cloud regions to on-premises datacenters and even edge locations.

Reduce complexity and costs by creating consistency in how hybrid environments are managed and secured by leveraging common technology and skill sets.

Plan for scale by selecting a cloud provider with global availability of in-country datacenters in the places where you need it.

Take advantage of cloud provider partnerships that can bridge traditional IT environments with new cloud services that are designed to work together.

Appendix: Supplemental Data

The tables in this appendix provide accessible versions of the data for the complex figures in this document. Click "Return to original figure" below each table to get back to the original data figure.

SUPPLEMENTAL DATA FROM PAGE 6

	2020	2021	2022	2023	2024
On-premises non-cloud	25%	25%	23%	17%	15%
On-premises private cloud	30%	30%	27%	19%	20%
Hosted private cloud	9%	9%	11%	14%	16%
IaaS	9%	9%	10%	12%	12%
PaaS	9%	9%	9%	11%	12%
SaaS	10%	10%	10%	13%	14%
Off-premises non-cloud	8%	8%	10%	13%	12%

n = 1,234; Source: IDC's *1Q23 Cloud Pulse Survey, March 2023*

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Appendix: Supplemental Data

SUPPLEMENTAL DATA FROM PAGE 7

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Public cloud first	20%	26%
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n = 1,351; Source: IDC's *1Q22 Cloud Pulse Survey, 2022, IDC; 1Q23 Cloud Pulse Survey, 2023,*

Return to original figure

SUPPLEMENTAL DATA FROM PAGE 9

Most important considerations for cloud investments to meet business goals in the next two years

	Total market responses	Companies doing hybrid cloud today
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Compliance and regulatory	53%	56%
Optimize staff productivity	52%	56%
Ensure staff skills	51%	56%
Cost management/containment	51%	53%
Consistency in ops and tools	50%	52%

n = 1,351; Source: IDC's *QSP9, 1Q23 Cloud Pulse Survey, March 2023*

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About the IDC Analyst

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Dave McCarthy is a vice president within IDC's worldwide infrastructure practice, where he leads a team of analysts covering shared (public) cloud, dedicated (private) cloud, and edge strategies. Benefiting both technology suppliers and IT decision makers, Dave's insights delve into how hybrid and distributed cloud platforms provide the foundation for next-generation workloads, enabling organizations to innovate faster, automate operations, and achieve digital resiliency. His research is available via syndicated research programs (subscription services), data products (IDC Trackers), and custom engagements.

More about Dave McCarthy

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