

# MAKING THE MOST OF YOUR RESOURCES WITH CLOUD APPLICATIONS

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## Report Highlights

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**58% of Best-in-Class organizations are able to better support remote workers with the cloud.**

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**32% of Best-in-Class companies have been able to reduce the need for capital budget with the public cloud.**

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**35% of organizations moved to the cloud because they saw greater value in a subscription model.**

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**57% of IT departments that have deployed SaaS applications have reported a reduction in application related expenses.**

The public cloud is allowing organizations to consume and use applications more easily and efficiently than ever before. IT organizations enjoy the benefits of easier deployment and management, while end-users see benefits from the ease of accessibility and enhanced collaboration that public clouds provide.

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**The leading benefit that 58% Best-in-Class organizations see from moving to the public cloud is the ability to better support remote and home based workers.**

### Definition of Best-in-Class

Aberdeen's 2013 Usage of Public Cloud survey included feedback from **134 professionals**. Those companies were measured against 3 key performance indicators:

- Change in annual IT budget
- Change in application deployment and support costs
- Time to deploy a new application

Respondents were scored against those 3 metrics and fell into the following categories:

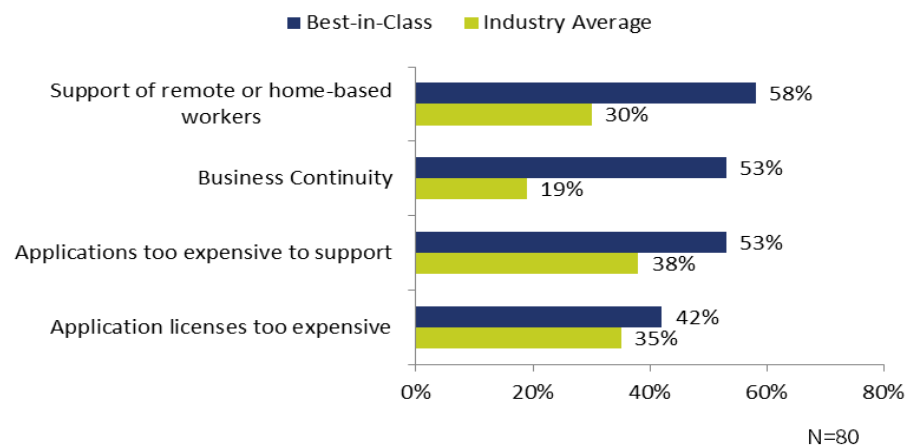
- **Best-in-Class** - Top 20% of all respondents
- **Industry Average** - Middle 50% of all respondents
- **Laggards** - Bottom 30% of all respondents

### Public Cloud Delivers Crucial Benefits for IT Departments

The introduction of the public cloud changed how IT departments and businesses consume applications and services. Organizations are seeing impressive benefits from moving to the cloud, including allowing IT organizations to use resources more efficiently. The business benefits that the public cloud is able to deliver are a huge reason why 93% of organizations have started adopting the public cloud.

Best-in-Class organizations are not only seeing a reduction in spend by moving to the cloud, there are also benefits for remote workers. This is not surprising, as SaaS applications by their very nature can be accessed from anywhere there is an internet connection. In fact, the leading benefit that 58% of Best-in-Class organizations see from moving to the public cloud is the ability to better support remote and home based workers (Figure 1).

**Figure 1: Why Best-in-Class Are Moving to the Cloud**



Source: Aberdeen Group October, 2014

On top of being able to more efficiently support a remote workforce, 53% of Best-in-Class organizations are also seeing better business continuity from moving to the cloud. This benefit

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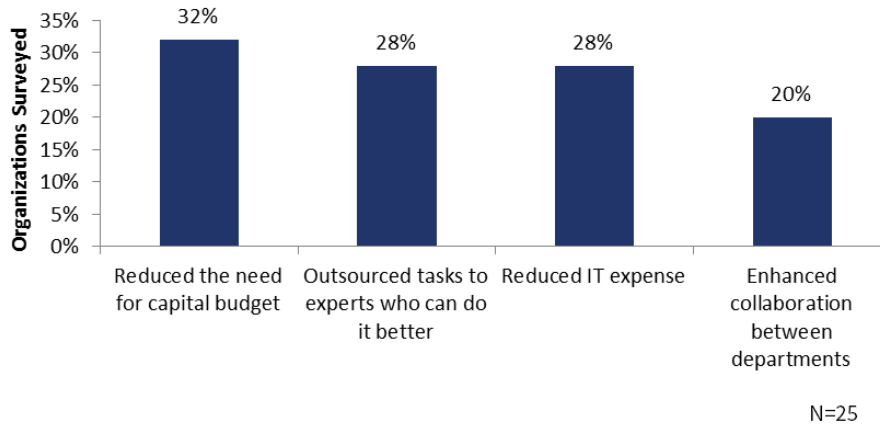
can be attributed to the fact that, in many cases, a public cloud will offer more comprehensive infrastructure than an IT organization would be able to produce inside their own data center.

## Best-in-Class Get the Most Out of the Public Cloud

The public cloud and its applications can help beyond just IT departments. One of the biggest benefits organizations see from moving to the public cloud is enhanced collaboration throughout their organization. Unless for some odd reason your company really enjoys organizational silos, it may be worthwhile to join the 20% of Best-in-Class organizations who have seen an improvement in collaboration between departments after moving to the public cloud (Figure 2).

**One of the biggest benefits organizations see from moving to the public cloud is enhanced collaboration throughout their organization**

**Figure 2: Best-in-Class Benefit from the Public Cloud**



Source: Aberdeen Group October, 2014

High capital expenses and the complexity of managing difficult infrastructure can quickly become the bane of an IT organization's existence. The public cloud gives organizations the flexible infrastructure they need, while allowing the experts on specific applications to manage it. Best-in-Class

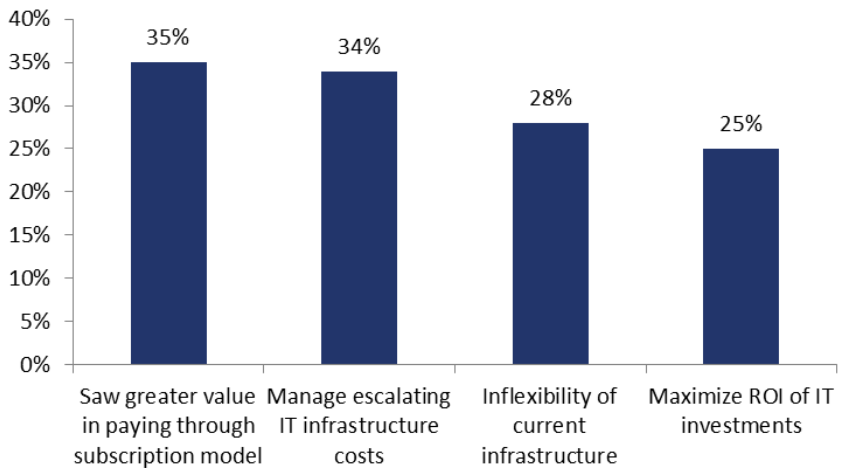
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organizations understand this and are very quick to take advantage of it. These organizations see quantifiable benefits in the way of reduced IT expenses and a reduction in the need for capital budget.

### Reducing the Burden on IT with the Public Cloud

IT organizations are under pressure to become more efficient with their use of resources, while providing a higher level of service to the business. Because of this they are constantly seeking ways to optimize their operations, while getting the most out of their budget. IT departments have realized significant benefits from moving to the public cloud, including the 35% of organizations that saw greater value in paying for applications on a subscription basis as opposed to the old-school enterprise license model (Figure 3).

**Figure 3: IT Departments See Optimization Through Cloud**



N=113

Source: Aberdeen Group, December 2013

As organizations strive to control costs, the public cloud can help beyond the benefits of paying through a subscription model. Aging infrastructure is a pressure for 48% of the organizations

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Aberdeen surveyed in the 2013 State of Servers Survey. Because of this, 28% of organizations feel the pressure to move to the cloud because of the inflexibility of their current infrastructure. The cloud is able to more effectively grow environments as they need to scale; they do this through providing a more flexible and dynamic infrastructure that is available as organizations require it. As applications and organizations grow, having this flexibility is crucial to managing expenses and reducing capital expenditures without the requirements of new hardware.

## Keep Applications Up and Available by Outsourcing to the Cloud

Application availability is more critical today than ever before. According to Aberdeen research, an hour of unplanned downtime costs organizations an average of \$163,000. Because of the cost that organizations can incur through downtime, it is critical that applications stay up and available so that employees can be productive. Cloud SaaS applications help to reduce these soft costs by reducing headaches for IT organizations and giving end-users of the applications valuable time back.

**Figure 4: Applications Stay Up In the Cloud**



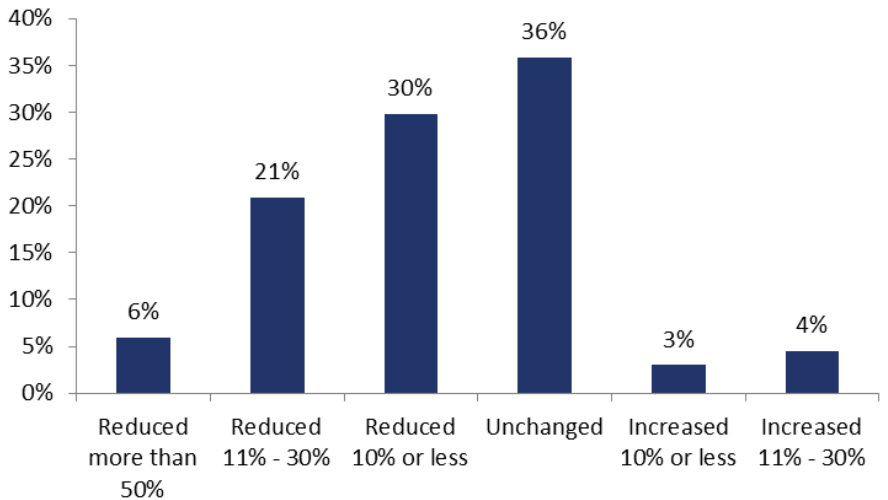
Source: Aberdeen Group October, 2014

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## Take Costs Down with SaaS Applications

IT departments are under constant pressure to keep costs low while providing better service. SaaS applications help them to do just that. As discussed, one of the biggest benefits of cloud applications is outsourcing the management of them to professionals who can do it better, and this also comes with bottom line savings. Fifty-seven percent (57%) of IT departments that have deployed SaaS applications have reported a reduction in application related expenses, and 6% of these organizations have reported a reduction in application support and deployment costs of more than 50% (Figure 5).

**Figure 5: IT Departments Minimize Costs with SaaS**



N=67

Source: Aberdeen Group October, 2014

## Key Takeaways

- ➔ **Provide the line-of-business with what they need.** Public cloud applications provide better support for remote workers and give organizations enhanced collaboration across departments. This enables

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employees to be more productive and is a good example of how cloud can not only be beneficial for the IT department, but also for the line-of-business.

→ **Allow applications to be managed more effectively.**

Cloud applications are managed by people who know exactly how the application works and often times will have more insight into what is causing a possible disturbance in service. This presents IT with a chance to use its resources more effectively, as they can manage fewer applications, and cloud provides more predictable service to the end-users of the application.

→ **Reduce costs with the cloud.** Organizations that have taken advantage of SaaS applications have seen reductions in application associated costs, and this is just in hard costs. SaaS application providers also hit their SLAs, meaning less costly downtime for your organization. Helping IT to reduce cost and effort allows them to focus on the strategic initiatives that will take your business into the future on a solid technical infrastructure.

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## Related Research

[\*The Most Popular Public Cloud Services and the Technology That Makes Them Possible\*](#); February 2014  
[\*Effective Private Clouds Phase in Richest Features First\*](#); July 2014

[\*Why Are Small Businesses Moving to Cloud Backup and Recovery\*](#); May 2014  
[\*Network Management Takes to the Cloud\*](#); January 2014

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