FORRESTER®

# Accelerate Your Cloud Journey To Meet Innovation Needs

Get started →

Overview

Situation

Approach

Opportunity

Conclusion

# Cloud Will Play A Bigger Role In Agile Transformation

Business transformation needs to develop at an exponential pace in order for organizations to keep pace with rapidly evolving customer expectations. Cloud-native adoption is moving in tandem with these transformation needs to enable more agility, efficiency, and future-fit digital capabilities for businesses.

While IT leaders are reacting to business needs with increased cloud adoption, there remains a critical need for scale and acceleration in their cloud journey. As cloud adoption grows, ways of working need to adapt to agile, business-centric frameworks and processes. This should be done to ensure cloud truly aligns to the speed and needs required. To explore organizations' readiness in adapting to the cloud era, LTI commissioned Forrester Consulting to survey 130 IT decision-makers from technology, retail, consumer goods, and financial services industries across North America, Europe, and APAC.

## Key Findings

Over 72% of IT leaders see cloud as a key driver of product and service agility. In turn, 69% of decision-makers are looking to accelerate their cloud initiatives over the next 12 months.

One in two organizations are satisfied with their cloud deployment. This is due to zero visibility and governance in their current cloud capabilities.

Cloud acceleration requires governance and best practice management. A majority (53%) of respondents considered governance and a centralized knowledge base as critical to their cloud acceleration.

Overview

**Situation**

Approach

Opportunity

Conclusion

# Decision-Makers Place Significant Expectations On Cloud Across Value Streams

Organizations have understood the need for customer-centric digital transformation. Beyond business leads, 54% of IT decision-makers believe improving customer experience (CX) is a high or critical priority, while 44% want to accelerate time-to-market of their digital product and service innovations.

This need is largely driven by customers' evolving demands. Over 48% of decision-makers agree that their customers expect rapid service delivery and consistent CX (39%). For example, retail customers expect a high-quality shopping experience across in-store and online channels, while in the banking space, customer loyalty is reliant on quick and personalized services. IT leaders recognize that their cloud capabilities need to be optimized to enable internal agility that drives service excellence for their businesses.

## Top-Three Business Initiatives For Organizations Over The Next 12 Months

**54%**
Improving CX

**46%**
Growing revenue

**44%**
Accelerating our time-to-market on digital product and service innovations

**39%**
Better leveraging technology in business decision making

**30%**
Building agility and efficiency in our ways of working

**28%**
Reducing costs

Base: 134 IT decision-makers across North America, Europe, and APAC
Source: A Forrester Consulting Thought Leadership study commissioned by LTI, September 2021

Overview

**Situation**
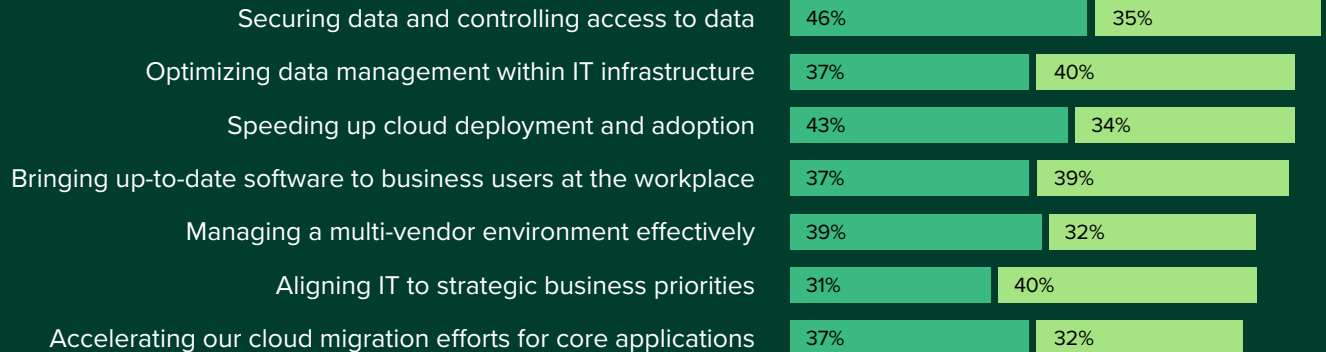
Approach

Opportunity

Conclusion

## Cloud Needs To Deliver Speed And Agility In DevOps And Innovation

Seventy-seven percent of IT decision-makers are looking to speed up cloud deployment and adoption as a key priority over the next 12 months, and a further 69% want cloud to play a part in their core application deployments. Specifically, respondents want their cloud-native capabilities to bring flexibility, scalability, and agility to applications and infrastructure. Close to 72% consider cloud as a key enabler of improving agility for product and service innovations, while 67% want the flexibility that cloud brings to scale infrastructure.

Agile and DevOps capabilities are key to IT decision-makers, with 65% of respondents considering this a high or critical priority. In this light, almost half (46%) of respondents believe cloud will help accelerate their agile and DevOps objectives across the organization.

### Decision-Makers' IT Priorities Over The Next 12 Months

● High priority
● Critical priority

| Priority | High priority | Critical priority |
|---|---|---|
| Securing data and controlling access to data | 46% | 35% |
| Optimizing data management within IT infrastructure | 37% | 40% |
| Speeding up cloud deployment and adoption | 43% | 34% |
| Bringing up-to-date software to business users at the workplace | 37% | 39% |
| Managing a multi-vendor environment effectively | 39% | 32% |
| Aligning IT to strategic business priorities | 31% | 40% |
| Accelerating our cloud migration efforts for core applications | 37% | 32% |

Overview

Situation

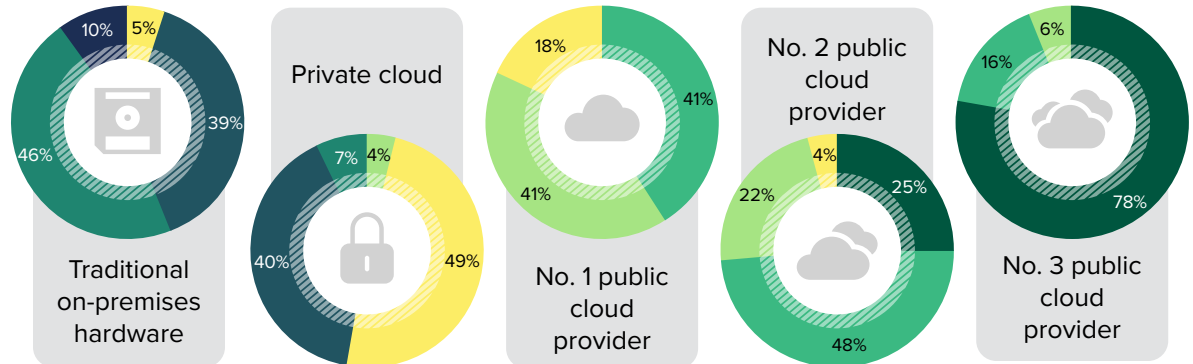**Approach**

Opportunity

Conclusion

# Further Acceleration Needed Across The Cloud Lifecycle

While 52% of respondents believe they are accelerating their cloud deployment, 50% to 75% of workloads are still on-premises. Private cloud migration is also needing focus, with 47% of decision-makers moving a majority of their workloads to this environment and less than 10% of workloads moving to the public cloud. Current private cloud workloads have focused on customer-facing capabilities, as 54% of respondents are building e-commerce software and mobile sites (44%) on the private cloud.

Decision-makers have been relatively open to adopting applications that require scale in their service delivery, with 42% moving enterprise resource planning (ERP) software and 49% building enterprise content management on the public cloud. Core applications such as security, back-end management, and functional tools for finance, HR, and sales largely remain on-premises.

## Deployment Of Application And Infrastructure Hosting Today

- 0% or N/A
- <10%
- 10% to 20%
- 20% to 30%
- 30% to 50%
- 50% to 75%
- >75%



Traditional on-premises hardware: 10%, 5%, 39%, 46%

Private cloud: 7%, 4%, 40%, 49%

No. 1 public cloud provider: 18%, 41%, 41%

No. 2 public cloud provider: 4%, 25%, 48%, 22%

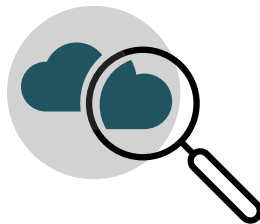No. 3 public cloud provider: 6%, 16%, 78%

## Clear Strategic Vision Will Lead To Long-Term Success In Cloud

Cloud implementation is beginning to transition away from adoption to optimization. One in two IT decision-makers are satisfied with their cloud deployment, but they are looking for more strategic tracking and best practice consulting. This has become even more important among large enterprises that look to scale adoption for their business goals. In light of this, only 11% of enterprises believe they are prepared for long-term planning on cloud-first development.
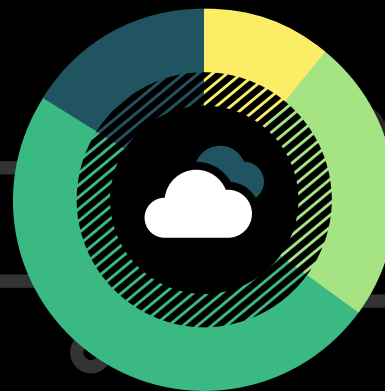
In assessing the impact of their cloud services, 58% consider it difficult to effectively track, assess, and introduce cloud services, further leading 68% of respondents to realize that their cloud journey could have been managed in a more efficient way.

IT decision-makers must prioritize capabilities that track and optimize cloud implementation.

FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY LTI | NOVEMBER 2021

**"How satisfied are you with your cloud migration journey, considering your current and near-term plans?"**



**11%** - We are not satisfied at all.

**24%** - We are somewhat satisfied with our strategy and mindset, but we lack the tools to develop and execute.

**49%** - We are satisfied with our tools and capabilities, but we require more strategic tracking and consulting on best practices.

**16%** - We are very satisfied with our near-term practices and capabilities, and we are prepared for long-term planning on cloud-first development.

Base: 134 IT decision-makers across North America, Europe, and APAC
Source: A Forrester Consulting Thought Leadership study commissioned by LTI, September 2021

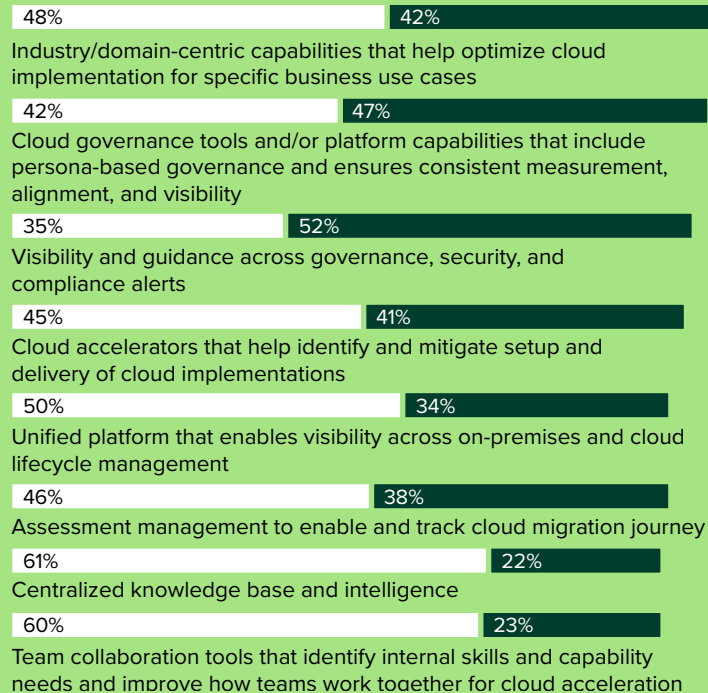# Governance And Cloud Optimization Are The Need Of The Hour

According to 54% of IT decision-makers, limited efficiency in cloud deployment processes leads to difficulties when deploying and automating development, security, and operations (DevSecOps) practices and tools. Similarly, 44% lack an understanding of which parts of the cloud process need to be prioritized, considering this a significant challenge.

Improving governance and visibility of the cloud deployment process has been recognized as a key enterprise need. Only 36% currently have value streams that enable visibility across the cloud lifecycle. In light of this, 52% believe governance and visibility guidance and capabilities are critical to their cloud acceleration efforts. While 46% think assessment management would further track and optimize cloud migration.

**"Looking forward, which of the following capabilities do you think would help your teams maximize your investments in cloud technologies?"**

- Would be very helpful in our acceleration efforts
- Would be a critical need in our acceleration efforts

48% | 42%
Industry/domain-centric capabilities that help optimize cloud implementation for specific business use cases

42% | 47%
Cloud governance tools and/or platform capabilities that include persona-based governance and ensures consistent measurement, alignment, and visibility

35% | 52%
Visibility and guidance across governance, security, and compliance alerts

45% | 41%
Cloud accelerators that help identify and mitigate setup and delivery of cloud implementations

50% | 34%
Unified platform that enables visibility across on-premises and cloud lifecycle management

46% | 38%
Assessment management to enable and track cloud migration journey

61% | 22%
Centralized knowledge base and intelligence

60% | 23%
Team collaboration tools that identify internal skills and capability needs and improve how teams work together for cloud acceleration

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Overview

Situation

Approach

**Opportunity**

Conclusion

# Centralized Knowledge Builds Proactive Intelligence For Future Needs

With the lack of standardization and business-IT alignment, organizations still largely remain reactive to cloud acceleration decisions. More than one in two decision-makers consider establishing standards and consistency across the cloud lifecycle a significant challenge. According to 42% of respondents, the future management of cloud acceleration — beyond establishing best practices — requires industry- and domain-specific expertise to address use cases and maximize the value of cloud investments.

To build the efficiency, alignment, and unique value that organizations expect in their cloud journey, centralized knowledge bases should be built to proactively support correlations and collaboration needed for cloud. In light of this, 61% of surveyed decision-makers considered centralized knowledge bases a key requirement for their future cloud acceleration.

**61%** believe centralized knowledge base and intelligence would be very helpful in their cloud acceleration efforts.

**46%** want to see assessment management capabilities.

**42%** believe industry- or domain-specific expertise is needed to maximize cloud investment value.

Overview

Situation

Approach

Opportunity

**Conclusion**

# Ensure Cloud Is Poised For Growth

With the growing importance of cloud in enabling DevOps, agile ambitions, and customer success, it is pivotal that cloud acceleration is supported with the right practices and tools.

- **Governance and visibility are going to be increasingly important.** With IT decision-makers recognizing the stop-gaps in measuring cloud deployment, it will be top of mind to establish standards and identify acceleration goals.

- **Tracking cloud acceleration against business and value streams is neccesary.** While business outcomes are recognized in cloud adoption drivers, companies need to actively track their cloud implementation impact against agile, CX, and industry needs.

- **Optimizing the cloud journey will further enable DevSecOps capabilities.** When companies adopt the right ways of working, agile delivery, cost optimization, and faster innovations will fall into place.

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Forrester's Infrastructure &
Operations research group

## Methodology

This Opportunity Snapshot was commissioned by LTI. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 130 IT decision-makers across North America, Europe, and APAC. The custom survey began and was completed in September 2021.

## Demographics

| REGION | |
|---|---|
| APAC | **23%** |
| Europe | **24%** |
| North America | **50%** |

| COMPANY SIZE | |
|---|---|
| 3,000 to 19,999 employees | **60%** |
| 20,000 employees or more | **40%** |

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