

IBM Study Reveals Businesses Using Cloud Computing for Competitive Advantage Can Generate Double Revenue and Profit Compared to their Peers

Cloud Ranks Higher on Agenda of Business than IT

IBM Collaborates with 100 Universities globally to Develop Cloud Skills for the Jobs of the Future

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ARMONK, N.Y., Oct 24, 2013 /[PRNewswire](#)/ -- IBM (NYSE: [IBM](#)) today announced that organizations gaining competitive advantage through high cloud adoption are reporting almost double the revenue growth and nearly 2.5 times higher gross profit growth than peer companies that are more cautious about cloud computing, from a recent survey conducted with more than 800 business decision makers and users worldwide. [1]

[IBM's survey](#) also revealed that the cloud's strategic importance to decision-makers, such as CEOs, CMOs, finance, HR and procurement executives, is poised to double from 34 percent to 72 percent – vaulting over their IT counterparts at 58 percent.

The survey found that one out of five organizations is ahead of the curve on cloud adoption and achieving competitive advantage – not just cutting costs and driving efficiency – through cloud computing.

These leading organizations see the benefits of using the cloud -- they are 170 percent more likely to use analytics extensively via cloud to derive insights for better business decisions.

In addition, IBM's research found that leading organizations are looking to the cloud to differentiate them from their competitors. In fact, they are 136 percent more likely to use cloud to reinvent customer relationships.

Compared to more cautious cloud adopters, leading organizations are:

- 117 percent more likely to use cloud to enable data-driven decisions
- 79 percent more likely to rely on cloud to locate and leverage expertise anywhere in the ecosystem for deeper collaboration
- 66 percent are using cloud to strengthen the relationship between IT and lines of business and the majority are using cloud to integrate and apply mobile, social, analytics and big data technologies.

The study findings suggest that business and technology leaders should prioritize cloud investments in areas where they can differentiate from the competition.

Today's Cloud Marketplace

By 2017, the public cloud services market is predicted to exceed \$244 billion. [2] Companies are looking to capitalize on this fast growing opportunity around the cloud for business transformation. IBM has invested more

than \$6 billion in more than a dozen acquisitions since 2007 designed to accelerate its cloud initiatives, including 10 since 2010.

The cloud has transformed how different industries are solving their unique challenges. For example, IBM's cloud platform is currently supporting some of the largest infrastructure projects in the world.

- [The Waterfront Toronto revitalization project](#), which gives local residents an interactive and open cloud-based portal to view city-wide data on mobile or desktop devices. The IBM cloud platform allows residents to keep a pulse of events, news and activity across the growing community because it can integrate multiple data sources and create real-time visualizations of information.
- [The US General Services Administration](#) uses IBM cloud computing to transform its supply chain through the intelligent automation of inventory management for the federal government's entire procurement function.
- [IBM's work with United States Tennis Association \(USTA\)](#) has combined analytics, cloud computing, mobile and social technologies for the 2013 US Open tennis fans. This past fall, IBM's cloud brought fans closer to the action on the courts while delivering real-time insights into match data that go beyond basic scores and stats.

IBM Teams with 100 Universities Globally to Teach Cloud Skills

To help address the exponential growth of cloud computing, IBM has engaged more than 100 academic institutions from around the world to collaborate on technology curricula for students and mid-career professionals to gain the latest skills in cloud computing and prepare them for high value jobs in the future. In partnership with the [IBM Academic Initiative](#), these institutions have created new courses of study at the undergraduate, graduate and executive education levels that will include no charge access to IBM assets and cloud thought leaders.

Sample higher education institutions from around the world include:

- London Metropolitan University, The Institute of Technology Blanchardstown (Ireland)
- Gurukul Kangri University (India), Panjab University (India), Vardhaman College of Engineering (India), Ngee Ann Polytechnic (Singapore)
- Missouri State University, University of Tennessee-Chattanooga, University of Missouri - Kansas City, St. Mary's University (MN), among others.

"Fostering a new generation of talent with the right set of technical expertise is paramount to enabling our students to succeed. The emergence of cloud computing is very relevant for our students because they grew up with the Internet of Things. They already experience the benefits of the cloud," said Dave Garrison, Program Director of MS in Information Technology and BS in Information Technology at Saint Mary's University of Minnesota. "By working with IBM, we're not only teaching students about the cloud, we're inspiring them to come up with more ideas to leverage the cloud for everything from their daily personal computing needs to jumpstarting their entrepreneurial dreams to coming up with innovative ideas for their future employers."

Venture Capital Investment Accelerating in Cloud to Drive Innovation

In addition to how schools are recognizing the market demand for cloud computing, the venture capital

community is also keenly watching cloud technology startups.

"We see cloud computing as the next frontier for major investments. Businesses that capitalize on cloud capabilities can go well beyond launching a product to actually expanding their business model and targeting new markets and new buyers," said Mike Grandinetti, Managing Director at Southboro Capital. "The cloud is making the start-up business model more accessible to people with smaller budgets while transforming the level of productivity and accelerating innovation -- keys for VCs working to decide where to place their next big bets."

For more information or to download the full report visit <http://ibm.co/Hh39qy>

About the study

To get a global snapshot of how organizations are using cloud computing, the IBM Center for Applied Insights conducted a survey of 802 cloud decision makers and users. Forty percent are C-level executives (28 percent CIOs and 12 percent other C-suite roles). Evenly split between business and IT functions, participants span 24 industries and 13 countries, including both growth and mature markets. They work in enterprises of varying sizes – 21 percent with 10,000 or more employees and, at the other end of the spectrum, 26 percent with less than 1,000 employees.

About the IBM Center for Applied Insights

The IBM Center for Applied Insights introduces new ways of thinking, working and leading. Through evidence-based research, the Center arms leaders with pragmatic guidance and the case for change. To learn more visit <http://www.ibm.com/ibmcai>.

IBM Cloud Computing

IBM is the global leader in cloud with an unmatched portfolio of open cloud solutions that help clients build, rent or tap into cloud capabilities. No other company has the ability to bring together unique industry knowledge and unmatched cloud capabilities, that have already helped more than 20,000 clients around the world. Today, IBM has more than 100 cloud SaaS solutions, 37,000 experts with deep industry knowledge helping clients transform and a network of more than 25 global cloud delivery centers. Since 2007, IBM has invested more than \$6 billion in acquisitions to accelerate its cloud initiatives. Most recently IBM acquired SoftLayer with more than 21,000 clients in 140 countries to further build out its IaaS portfolio with an easy and secure on ramp to cloud integrating IBM SmartCloud. For more information about cloud offerings from IBM, visit <http://www.ibm.com/smartcloud>. Follow us on Twitter at @IBMcloud and on our blog at <http://www.thoughtsoncloud.com>. Join the conversation #ibmcloud

Footnotes:

[1] The growth markets studied include Australia, Brazil, China, India, Poland, Singapore and South Africa. Mature market countries studied include Canada, France, Germany, Japan, the United Kingdom and the United States. To smooth possible geographic distortions, responses were weighted based on IBM assessment of each country's total IT spend.

[2] Gartner, 27 September 2013 G00248730, "Forecast: Public Cloud Services, Worldwide, 2011-2017, 3Q13 Update,"

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Video with caption: "Hear how the cloud ranks higher on the agenda for businesses than IT and the highlights of IBM's worldwide cloud study." Video available at: http://www.youtube.com/watch?v=8qoRSBTuC_k&feature=youtu.be

Image with caption: "Cloud ranks higher on agenda for businesses than IT." Image available at: <http://photos.prnewswire.com/prnh/20131024/MM03768-INFO>

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