IBM Newsroom

IBM Study: C-Suite Executives Declare One-Vendor Approach to Cloud is Dead

Industry-related regulatory compliance is a significant obstacle for 64 percent of respondents, resulting in an uptick of specialized cloud adoption

Despite escalating cyber-attacks, a third of respondents do not have security as their top priority

ARMONK, N.Y., Oct. 28, 2021 /PRNewswire/ -- According to the results of IBM's (NYSE:IBM) new global study on cloud transformation there has been a drastic shift in business needs as only three percent of respondents reported using a single private or public cloud in 2021, down from 29 percent in 2019 – establishing hybrid cloud as the dominant IT architecture.

The global study, conducted by IBM Institute for Business Value (IBV) in cooperation with Oxford Economics, surveyed almost 7,200 C-suite executives across 28 industries and 47 countries. The findings indicate that the cloud market has entered the hybrid, multicloud era and concerns around vendor lock-in, security, compliance and interoperability remain paramount. The study found:

Cyber threats are at an all-time high [1]

- Infrastructure complexity is creating cracked doors that cybercriminals are exploiting.
- Yet, surprisingly more than a third of respondents did not indicate improving cybersecurity and reducing security risks are among their largest business and IT investments.
- At the same time, 80 percent said data security being embedded throughout the cloud architecture is important or extremely important, in most cases, to successful digital initiatives.

Companies are denouncing vendor lock-in

- Nearly 79 percent of respondents said workloads being completely portable with no vendor lock-in is important or extremely important to the success of their digital initiatives.
- Nearly 69 percent of respondents said vendor lock-in is a significant obstacle to improving business performance in most

or all parts of their cloud estate.

Public cloud adoption is evolving towards industry clouds

- Nearly 70 percent of respondents in the government and financial services sectors cited industry-related regulatory compliance as an obstacle to the business performance of their cloud estate.

"In the beginning of their cloud journey, many companies dabbled with several different clouds that created complexity and disconnected piece parts, potentially opening them up to major security threats," said Howard Boville, Head of IBM Cloud Platform. "Today's finding reiterate that security, governance and compliance tools must run across multiple clouds and be embedded throughout hybrid cloud architectures from the onset for digital transformations to be successful."

The study revealed that enterprises need to assess how they use the cloud in terms of adoption, velocity, migration, speed, and cost savings opportunity. Other recommendations include:

- **Focus on security and privacy** - determine where your critical workloads reside and scrutinize who and what has access to them. Regularly test that security controls and privacy policies are being adhered to, but also that improperly configured assets and software vulnerabilities are being promptly addressed.
- **Ask which workloads should move to the cloud**– take inventory of the IT environment to successfully determine which workloads and applications will yield the most value in the cloud and which are better suited to stay on-premises.
- **Make data work for you** – analyze workloads using AI driven tools and best practices to determine where and how to put them in the right place for the right reason.
- **Set a tactical approach** – address the technology trade-offs, such as selecting the best approach to modernize specific applications and manage important issues like security, governance, and disaster recovery.
- **Determine the right team** – put a cross-disciplinary team of people to work rethinking how your enterprise creates value for its customers.

Additional findings from the 2021 report

- **By industry:** Respondents in regulated industries, government (85 percent) and financial services (80 percent), cited governance and compliance tools being able to run across multiple clouds as important to success of digital initiative.
- **By industry:** Only 1 percent of respondents in the electronics, insurance, manufacturing, telco, transportation and travel industries, reported using a single private or public cloud in 2021.

Access the full study findings here: https://www.ibm.com/thought-leadership/institute-business-value/report/cloud-transformation

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[1] 2021 Cost of a Data Breach report by the Ponemon Institute, sponsored by IBM

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