

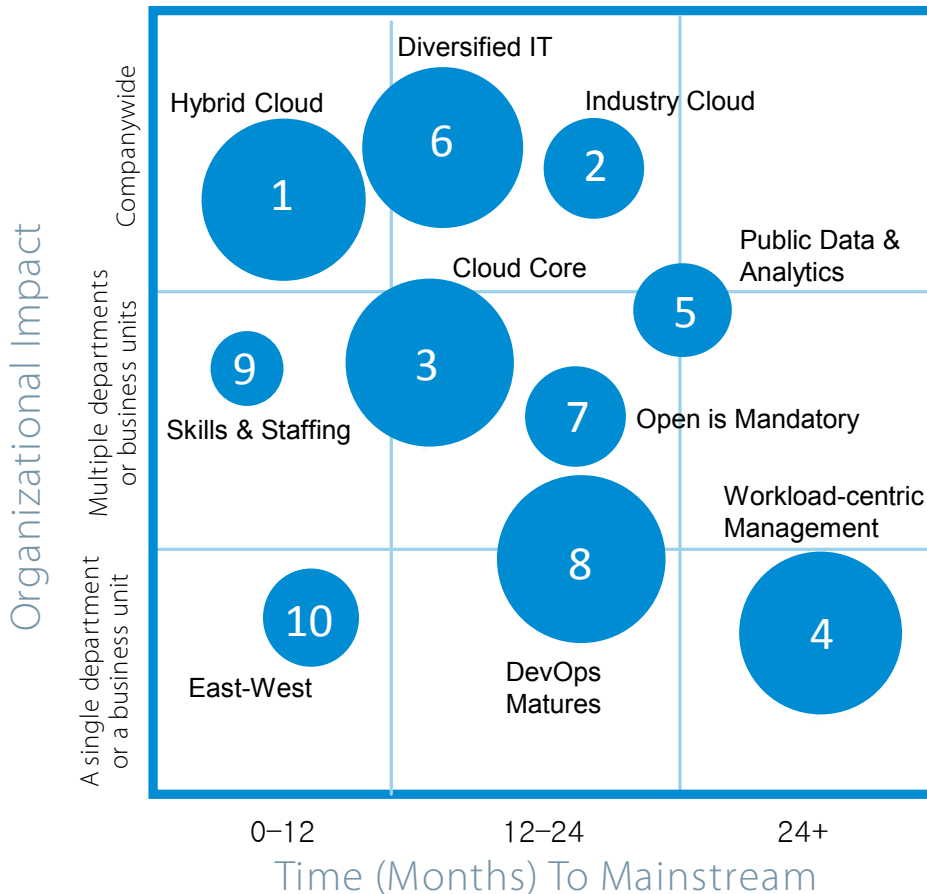


IDC FutureScape

Worldwide Cloud 2016 Predictions

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FIGURE 1
IDC FutureScape: Worldwide Cloud 2016 Top 10 Predictions



Note: The size of the bubble indicates priority to enterprises. Source: IDC, 2015

Figure 1 presents IDC’s cloud top 10 predictions in terms of their likely impact across the enterprise and the time it will take for the predictions to reach mainstream. By mainstream, IDC means the broad middle of the bell curve of adoption (i.e., the 40–60% of enterprises that are neither the first movers and early adopters nor the last to act). Each bubble’s size provides a rough indicator of the complexity and/or cost an enterprise will incur in acting on the prediction.

IDC Opinion

3rd Platform disruption — cloud, mobility, big data/analytics, and social business — obliges most businesses to transform. While IT organizations have worked hard over the years to learn how to cope with change, the current rate of acceleration and the order-of-magnitude increases in every measure of volume present the CIO with a seemingly impossible challenge. With traditional approaches, IT organizations are too slow, while business organizations need speed. Line-of-business (LOB) executives are taking control of their computing future because their business strategy, enabled by technology, is integral to their success; 43% of the business managers IDC surveyed reported that they are driving their own tech projects because they are comfortable with technology. Business funds 61% of technology projects — and whether those projects happen with or without the participation of their IT leaders is increasingly dependent on how “actualized” these companies are on a spectrum of “ad hoc” to “optimized” cloud maturity.

Based on results from IDC’s CloudView Survey, more than 43% of organizations expect that within five years, the majority of their IT capability will be delivered through public cloud services, and that within three years, they will access 78% of IT resources through some form of cloud — public, private, or hybrid. IT departments will operate in an environment that is focused on service delivery and more predictable expenditures, and businesses will gain ready access to IT resources at defined service levels and cost.

This document crystallizes IDC’s thinking around a set of key drivers and predictions relating to cloud computing that IDC believes have the potential to dramatically alter the business ecosystem for the next 12–24 months. It provides a basis for understanding some of the changes that will shape business and IT strategy in the coming years. For example:

- » Hybrid cloud architectures will continue to dominate enterprise cloud strategies. Increasingly, the need to integrate traditional noncloud systems with modern cloud infrastructure and cloud-native application will create friction and analytics tools will help optimize integrations and maintain service levels.
- » Digital business strategies will drive cloud strategies. Industry clouds will be formed through joint ventures or partnerships between business enterprises and one or more IT or cloud service providers. While every industry has a unique set of business and regulatory requirements, leading industrial firms have realized that offering these and other capabilities as a service both broadens their business opportunity and increases their market visibility and power. The development of industry clouds is occurring across all industries, and within the 6 primary verticals (financial services, energy, healthcare and life sciences, government, manufacturing, and retail) we cover, IDC expects roughly 100 industry clouds to exist by the end of 2015.
- » Cloud is the catalyst for significant shifts in IT staff talent priorities and datacenter locations. By 2018, 65% of companies’ IT assets are expected to be located offsite in colocation, hosting, and cloud datacenters, while one-third of IT “staff” are expected to be employees of third-party service providers.

IDC FutureScape: Cloud Predictions for 2016

1. More than 80% of Enterprise IT Organizations Will Commit to Hybrid Cloud Architectures by 2017, Vastly Driving the Rate and Pace of Change in IT Organizations
2. By 2018, Industry Cloud Creation Will Be Seen as a Top Market Entry Strategy for IT Provider & Industrial Firms; IT & Industry Domain Experts Team Up to Remove Barriers
3. By 2018, at Least Half of IT Spending Will Be Cloud Based, Reaching 60% of All IT Infrastructure, and 60–70% of All Software, Services, and Technology Spending by 2020
4. By 2017, More than 60% of Enterprise IT Organizations Building Hybrid Clouds Will Purchase New or Updated Workload-Centric Cloud Management Solutions
5. By 2018, Cloud Becomes Preferred Delivery Mechanism for Analytics, Increasing Public Info Consumption by 150% & Paving the Way for Thousands of New Industry Apps
6. By 2018, 65% of Firms’ IT Assets Will Be Offsite in Colocation, Hosting, and Cloud Datacenters, While One-Third of IT Staff Will Be Those of 3rd Party Service Providers
7. By 2017, Over 60% of Enterprises Will Embrace Open Source and Open APIs as the Underpinning for Cloud Integration Strategies
8. By 2018, Over 60% of New Apps Will Use Cloud-Enabled Continuous Delivery and Cloud-Native Application Architectures to Enable Faster Innovation and Business Agility
9. By 2017, There Will Be a 9% Shift of IT Budget Away from In-House IT Delivery as More Third-Party Service Providers Are Used to Fill Cloud-Related Skills Gaps
10. By 2018, 25% of Global Enterprises Will Have Service Providers from Asia/Pacific as Part of Their Cloud Ecosystem

Source: IDC, 2015