

Cloud Computing Adoption Jumps 320% This Year Alone

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The recession has been a tremendous catalyst for cloud computing as business look to Web-based and hosted services as a means to reducing their IT costs. Between January and September 2009, the number of enterprises signing up for some form of cloud computing service jumped 320 percent, according to a new report by IT consulting and solution provider firm Avanade.

The survey of more than 500 companies in 17 countries found that the recession had little impact on cloud computing spending. In fact, the cost savings and scalability of cloud computing were selling points for signing up with a cloud service while decreasing spending on on-premise systems. In the United States, 23 percent of surveyed businesses are planning and testing for the adoption of cloud computing services.

Resistance to cloud computing is falling at an equally accelerated rate. In the first three quarters of the year, the number of businesses with no plans for using cloud-based services fell from 54 percent to 37 percent.

Globally, more than two-thirds of the survey participants said they're using some form of cloud-based application or service. In the U.S., the ratio is a significantly lower; only one in four are using SaaS for business purposes. Those using cloud-based apps are not experimenting any longer; one-third said they're using applications by three or more cloud vendors.

The vast majority (93 percent) of those surveyed consider their cloud computing implementation a success, but there is a troubling sign of the cloud's immaturity—outages. Nearly one-third of the surveyed enterprises said they've experienced a service outage that cost them at least one day's business productivity.

Avanade, whose mission is to provide businesses with strategic guidance on technology adoption and implementation, concluded that cloud computing and SaaS will continue to gain adoption momentum as businesses get more comfortable with the approach. While the firm offered no data to support its premise, Avanade concluded that many businesses would implement cloud computing in conjunction with some on-premise solution.

It's the "hybrid" approach that some vendors advocate as the future of IT infrastructure. Avanade's position comes as no surprise since it's supported by Microsoft, which has based its entire cloud computing strategy on "software+services," or the implementation of on-premise infrastructure that's integrated with cloud-based assets.

Despite the source, the data offered by Avanade shows a positive trend in cloud computing adoption among large businesses.