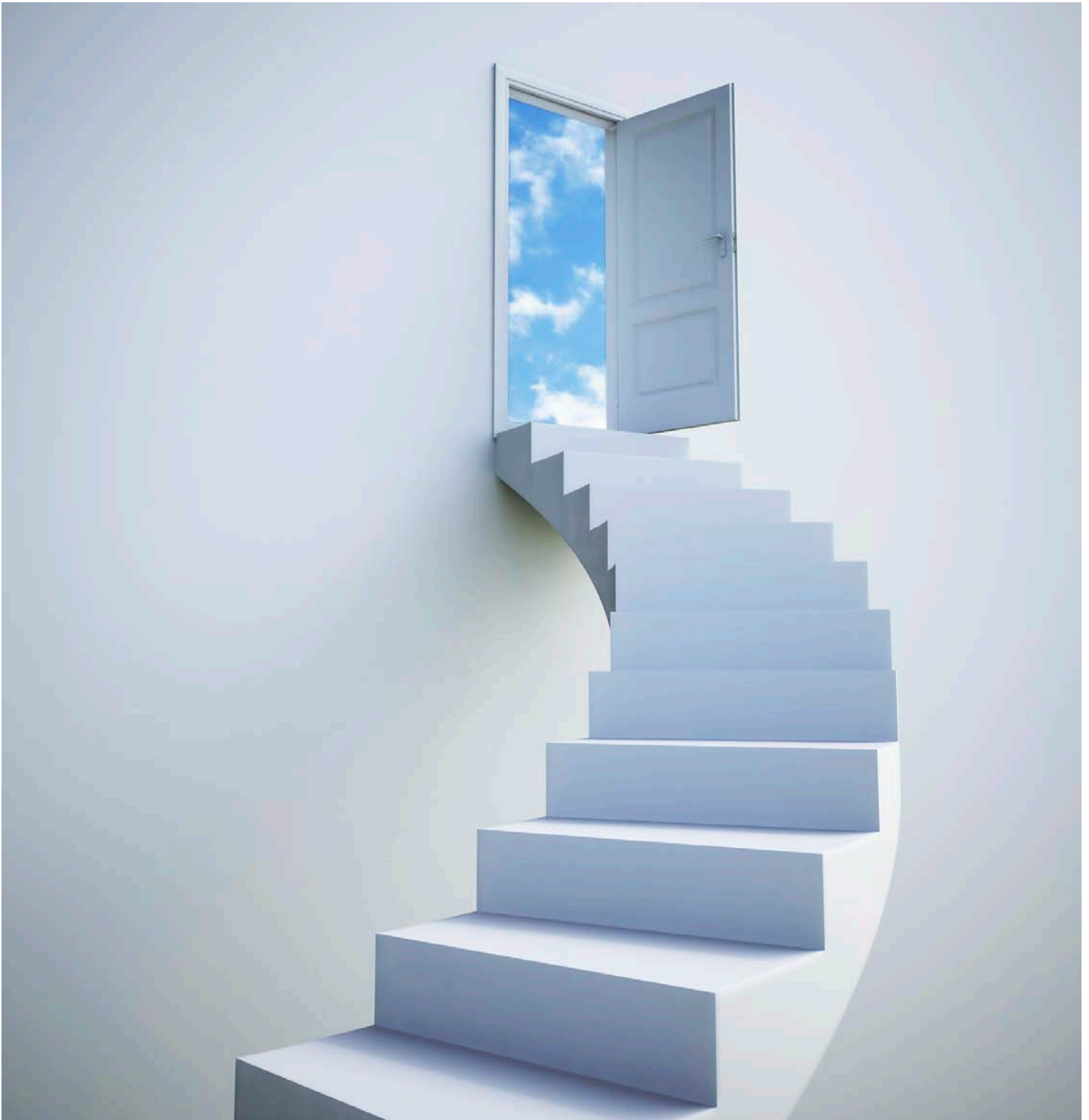


SPECIAL REPORT:

Cloud Computing: Revolution or Evolution



Is the Cloud an IT revolution or the next evolution of IT—a natural progression from the true revolution begun 30 years ago with the advent of the Personal Computer, and later the Internet? As with time, the advancement of technology is inevitable. The problem facing most organizations in any period of progression is that the future does not erase the past. How do you embrace the new while managing the existing, and the old?

This challenge, experienced uniquely in each company is a recurring theme facing most CIO's today when considering the Cloud. The market buzz is intense and enticing but in a time of soft market economics, CIO's hesitate to move forward without understanding the advantages to their organization and business.

With these questions in mind, we asked Chris Curran, Diamond Advisory Services Partner and CTO, friend to CompuCom, and blogger of CIO Dashboard to moderate an interactive real-time survey via text messaging at a recent event attended by 50 CIO's and IT leaders.

The survey of seven basic questions gathered the views of respondents and their organizations on the subject of cloud computing. If you are in the process of looking at the Cloud and discussing how to go forward, these questions and responses may feel familiar. In this special report we'll provide you the results and some associated commentary.

Regardless of the change in technology the continued challenge facing all organizations is how to take advantage of the advancement in an economical fashion, and integrate with the existing environment.

David Lawrence
CompuCom Vice President
Cloud Services & Application Consulting

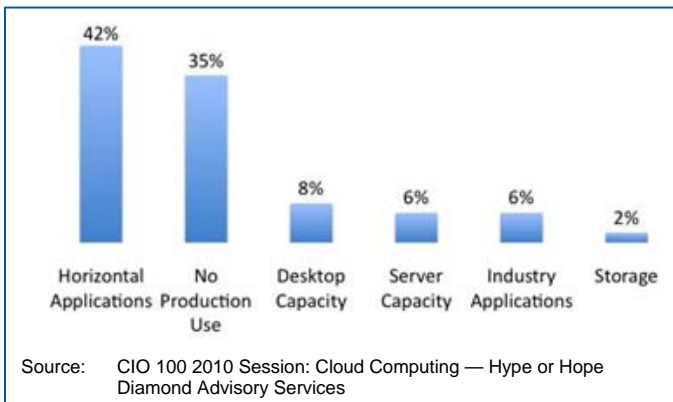
Early Cloud Results Mixed

The early results from enterprise cloud computing initiatives have been decidedly mixed. While the pace and direction of each organization's cloud computing migration strategy will differ, the need to understand readiness for a new and potentially better approach to delivering business value remains a common thread. Many CIOs have yet to utilize cloud storage to a degree that impacts their companies. Overall, questions remain: Are CIOs on a path that will substantially move cloud computing forward in the enterprise? Or are we continually taking one virtual step forward and one back?

An audience of many IT leaders who are driving business growth through innovation attended a recent event, where we found an excellent opportunity to gather insights on the progress of cloud computing. We conducted a real-time survey via text messaging during the event, with more than 50 CIOs and IT leaders participating.

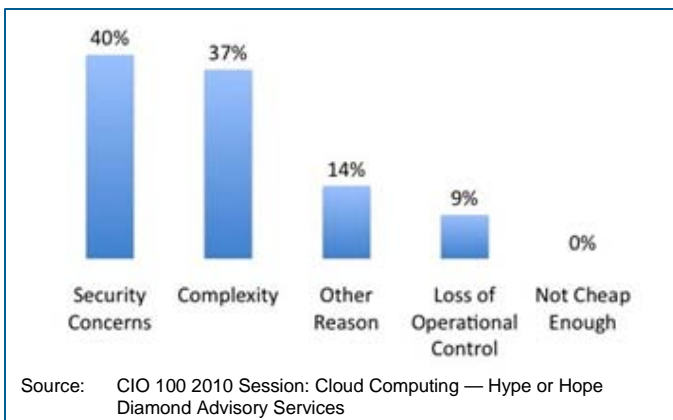
The survey results make it clear that "none" is not a cloud strategy and, while varied in intensity, the survey responses reflected that position. With a modest sample size, the results of our survey are by no means exhaustive. However, the following questions and responses should spark some thought among organizations that are just embarking on the cloud path as well as those which have reached a more advanced level of cloud maturity.

Survey Questions and Results



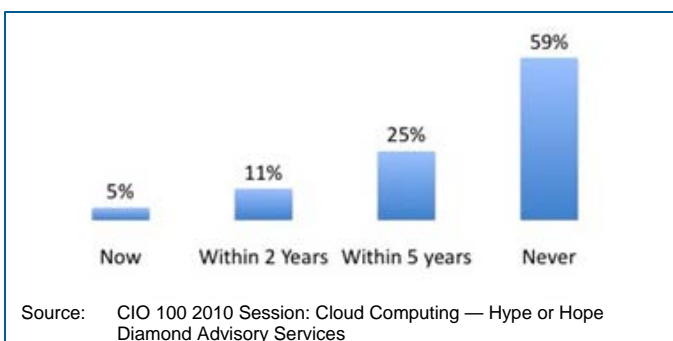
Where do you have the single most successful production use of the cloud?

While about 42% of the survey participants selected “horizontal applications,” just more than 35% said they have no production cloud use at all. It is surprising that cloud storage is so poorly utilized; it is simple to use and its cost model is clear. Cloud storage may not make sense for a secure production database, but with so many emerging options for backups and file storage, among others, the justification for re-platforming in the cloud is there.



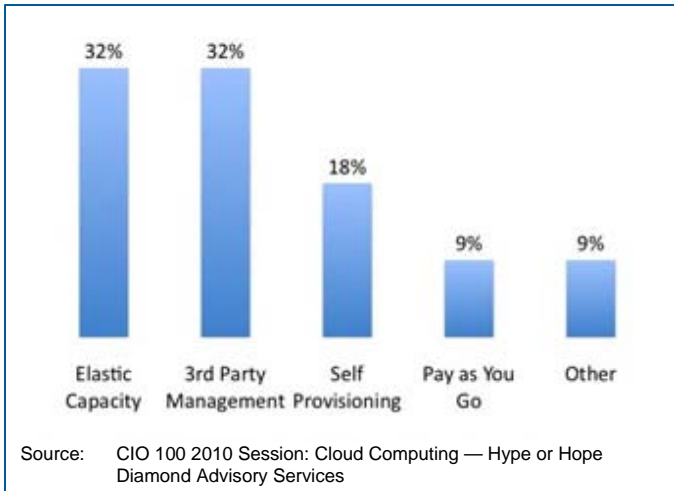
What is preventing you from more aggressively using the cloud?

Forty percent are most concerned about security, while 37% are overwhelmed by a presumed complexity. We expect to see companies continue traveling in one of two directions. Firms with high business and technology volumes demand high levels of performance. Many of these firms must also meet robust regulatory and security mandates (e.g., Wall Street firms and other large highly-regulated enterprises). On the other hand, small- to mid-size companies in less regulated industries, such as retail, may choose to augment their current hosting model (or even replace it) with the public cloud—able to extract its benefits without the need to meet more stringent requirements.



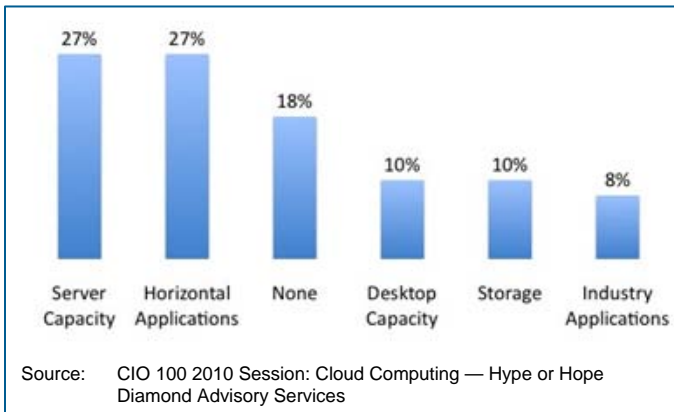
When will the majority of your infrastructure be in the cloud?

With a verdict on corporate cloud computing projects still undecided, our survey responses varied widely. Of the seven questions we asked the audience, only one (“When will the majority of your infrastructure be in the cloud?”) had a majority of respondents choosing the same answer. Fifty-nine percent of those answering said “Never.” We might conclude this is due to the lack of corporate agreement on the benefits that reside in the cloud.



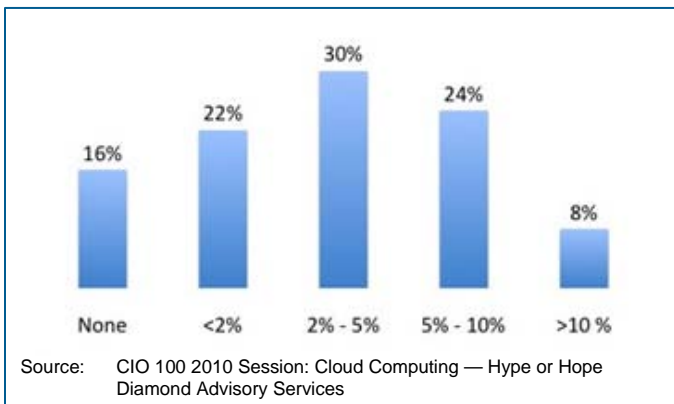
What is the single most important cloud attribute of the cloud?

There was little agreement among those polled when asked to choose the single most important attribute of cloud computing. “Elastic, as-needed capacity” was selected by roughly 32%, while the same percentage opted for “third-party management.” Some respondents (18%) singled out the “self-provisioning” nature of cloud computing, while 9% said “pay-as-you-go” is the most important attribute. Consequently, the remaining 9% selected “other.”



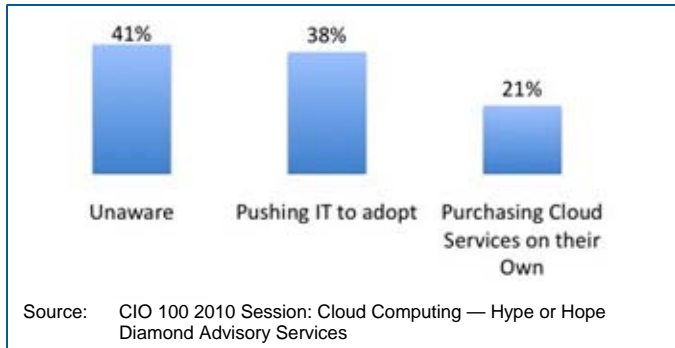
Where do you have the most promising active cloud evaluation?

Respondents agreed to an even lesser extent when we asked them to choose the most promising active cloud evaluation—even among the top three responses. Nearly 27% selected “server capacity,” while another 27% chose “horizontal application.” Those selecting “no active evaluations” came in just behind those groups, at 18%.



What percentage of your 2011 IT budget do you expect to save due to cloud use?

When asked what percentage of their 2011 IT budgets they expect to save due to cloud use, answers were spread fairly evenly across four of the five selections. This result is not surprising, considering 60 % of senior business and IT executives do not know how much their organizations spend on technology, according to Diamond’s Third Annual [Diamond Digital IQ® Study](#), which asked 724 business and IT executives from large companies their opinions on topics such as the CEO’s role with respect to IT, the CIO’s role in business innovation, overall business/IT alignment, and IT management practices.



What are other parts of your business doing with the Cloud?

The ambiguity surrounding the enterprise's adoption of cloud services was on display when we asked the audience how other parts of their businesses were using the cloud. Roughly 41% of respondents indicated they were "totally unaware" of what their business counterparts were doing with the Cloud, while a similarly-sized group (38%) said the business is pushing IT to evaluate and adopt cloud services. The remaining 21% said the business is purchasing cloud services on its own.

So Now What?

As Yogi Berra would say, when you come to the fork in the road take it; the road lies ahead but where does it lead for you and your business?

While this is a limited sample of IT leaders, Chris Curran's real-time survey highlights a state of strong interest, caution and maybe some confusion when faced with the evolving choices of cloud computing today. Given where we are in the lifecycle of this new concept, that isn't surprising.

So, where should you go from here?

When faced with uncertainty, we find that structure and process can be very helpful to bring order— to map out next steps based on what is known today and your goals. Evolution or revolution? Regardless, all journeys start with the first step. Which one is the right one for you and your business?

Contact us to discuss how we can help you set the direction of that first step.



About the Authors

David Lawrence is CompuCom's Vice President of Cloud Services and Application Consulting. He is expanding a cloud computing consulting practice to provide CompuCom clients with the vision and strategy to apply cloud solutions for business value. A 30-year veteran of IT, David joined the company in 2005. He has held positions at DEC, Cambridge and Novell.

As Partner and Chief Technology Officer at Diamond Advisory Services, **Chris Curran** works closely with Diamond clients on many of their most fundamental IT challenges. In addition, Chris directs Diamond's own strategic investments in building the intellectual capital required to maintain the consulting profession's premier team of technology strategists and architects. Chris holds a Bachelor of Science degree in computer science from Texas A & M University.

About CompuCom

CompuCom is recognized as the leading IT outsourcing specialist for delivering the right combinations of innovation, quality and exceptional value to continually address the evolving challenges facing IT leaders. From the desktop to the data center, CompuCom's infrastructure management, application development, architecture and governance, and technology lifecycle services incorporate international standards, real world experience, and ITIL best practices.

The company is listed among leaders in several market studies by respected IT industry analysts covering service desk, managed desktop, managed security, data center, remote infrastructure management, and the emerging hosted virtual desktop services markets.

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