

Strong Momentum for Cloud Computing Drives Changes in Business Models

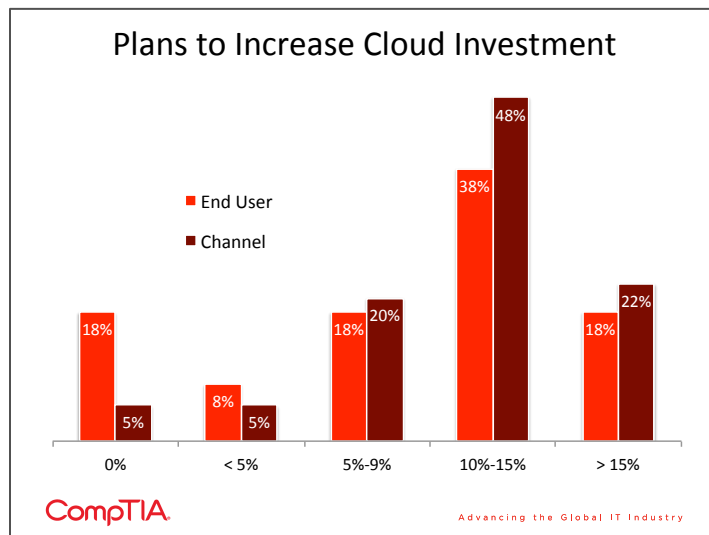
CompTIA's inaugural study on cloud computing found that many companies were experimenting with this new strategy, but there was still measured investment and resource allocation from both end users and channel firms. The 2nd *Annual Trends in Cloud Computing* study shows that the hesitation is disappearing and companies are moving quickly past experimentation and into heavier use of cloud computing. The major points from the study give a foundation for understanding the shape of the cloud market today.

To begin with, end users are moving into more complex uses of cloud computing. Both understanding and perception of cloud solutions have increased dramatically in the past year—72% of respondents feel more positive about cloud today than they did one year ago. With a newfound appreciation for how the cloud works and what it can do for a business, companies are moving beyond simple Software as a Service applications and even using cloud to build new capabilities. Infrastructure as a Service and Platform as a Service are currently used by 32% of companies, but 36% plan on that type of usage in the next year, indicating that companies will be moving or beginning application development in the cloud. As companies also work through the best mix of cloud services and on-premise tools, service providers will find opportunities to assist with integration, security, and network reliability.

Solution providers are also seeing their businesses change as they offer cloud solutions and services. As the number of channel firms with no cloud involvement has dropped from 40% to 13%, the business models have gone through transitions that match the technical transitions. These companies have had to work through issues dealing with sales and compensation, and 43% have invested in training to bring staff up to speed on the cloud. In addition, relationships with vendors are changing, with 4 in 10 channel companies partnering with between 1-4 vendors for cloud programs. Fighting through the challenges is

paying off, especially in the form of recurring revenue and services-attach opportunities around cloud.

Ultimately, the experiences with cloud are leading both end users and channel firms to invest more heavily in cloud efforts. Many companies are planning sizable increases, which will likely cover a wide range of services, from the cloud solution itself to integration to training. These investments signal that cloud computing will continue to be a dominant topic in the IT industry and that the opportunities surrounding cloud will be significant.



CompTIA's 2nd *Annual Trends in Cloud Computing* study was developed from a survey of 500 end user firms and 400 channel firms in the U.S. The data was collected during June 2011. The full report is available at no cost to CompTIA members at www.comptia.org or by contacting the research department at research@comptia.org.