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The Advanced Cloud Survey 2017




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Contract

3.45	2.58	6.7
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Introduction

Following the success of Advanced's inaugural annual trend survey in November 2016, which provided feedback from over 1,000 business professionals in the United Kingdom on their key priorities and concerns, it was decided to conduct a further, targeted mid-year survey.

We remain focused on understanding our customers' challenges and those of the market, in order to continue to be proactive in providing thought leadership around the solutions we deploy. As a business that has recently undergone a significant transformation, we are well placed to guide organisations through these myriad of challenges and identify areas of opportunity for our customers' future success.

Given the continued uncertainty in the country, and the role that technology can play in bringing greater flexibility, control and stability to businesses - focus on one of the most beneficial digital solutions available to customers seemed logical.

This mid-year report focuses on the area of Cloud technology, covering views and attitudes to using the Cloud as part of organisations' digital transformation plans. The key findings cover concerns, barriers and levels of confidence regarding adopting Cloud technology.

Britain is operating in a surreal world, in which the rules of usual society appear to be shifting as we deal with news of global unrest. This is married with the ongoing uncertainty that negotiations over Brexit will deliver - unprecedented economic, political and financial change. Yet at the same time, Britain must prosper.

Finding the areas in which organisations can gain control and secure success remains the silver bullet. The disruptive digital era continues at a pace, yet this also provides an opportunity for companies to reimagine their businesses and services, to innovate, grow and prosper. We believe firmly that technology remains the critical DNA to drive efficiencies, deliver intelligence for effective decision-making and free up staff to focus on keeping ahead of the competition.

However, what constitutes an effective digital DNA is equally transforming, and this mid-year Trends Report on Cloud technology identifies the role that the Cloud plays in successful digital transformation. It highlights the attitudes and thoughts around the speed at which the Cloud has become an essential ingredient in the digital era, despite adversity from new cyber-attacks and data legislation, and provides some conclusions as to how organisations can move ahead with confidence, in the face of the changing playing field.

The following summary represents a top-line breakdown of the main findings from the Advanced Cloud survey carried out following the General Election, which took place earlier in June 2017.

Key Findings

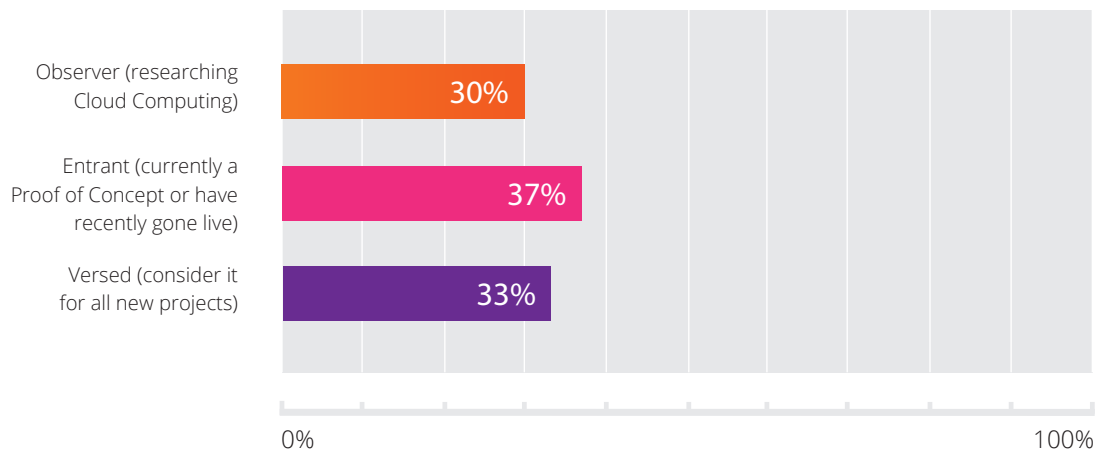
- **80%** state high profile cyber-attacks have not deterred them from adopting Cloud technology
- **76%** say governments should do more to protect business from cyber-attacks
- **33%** are experienced in the Cloud
- **82%** believe security is the biggest concern for applications in the Cloud
- **Financial stability** is the most important attribute for a Cloud provider
- No.1 driver for Cloud adoption is **business continuity**
- Only **27%** of businesses use Cloud-based financial management systems
- **83%** believe Cloud providers need to do more to build confidence among those looking to adopt a digital transformation strategy

"The fact that 82% of respondents are concerned around the security of their applications in the Cloud is not entirely surprising. We've seen a seismic shift in the security space in the past year; it feels like we're in the midst of a cold war arms race."

Anonymous, Private sector

Cloud Experience

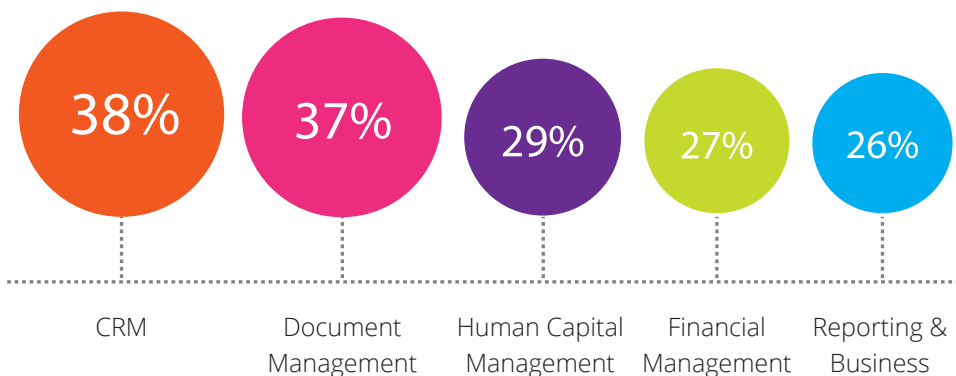
Which of the following best describes your organisation's existing experience with regard to Cloud computing?



Although Cloud computing has become a mainstay technology solution for some time, it's perhaps surprising that over a third of respondents have concerns or no requirement for Cloud with regards to implementing a Cloud solution and that 30% of respondents have yet to deploy a Cloud solution. There is a visible gap between those taking advantage of the benefits of the Cloud for themselves and their customers, and those who may potentially be left behind within this period of unprecedented digital disruption.

As personal and private data is held on the Cloud, finding a trustworthy and reputable provider is paramount. Moreover, depending on the provider, businesses can be trained and advised how best to optimise the Cloud, increasing their knowledge of the technology and allowing for a smooth transition from on premise storage to the Cloud. This training would also allow businesses to take advantage of the Cloud's full capabilities, making them as efficient as possible. With just 33% of respondents being experienced in the Cloud, it is clear that progress and awareness is still necessary before the digital era is fully embraced.

Please select your Cloud-based application types:



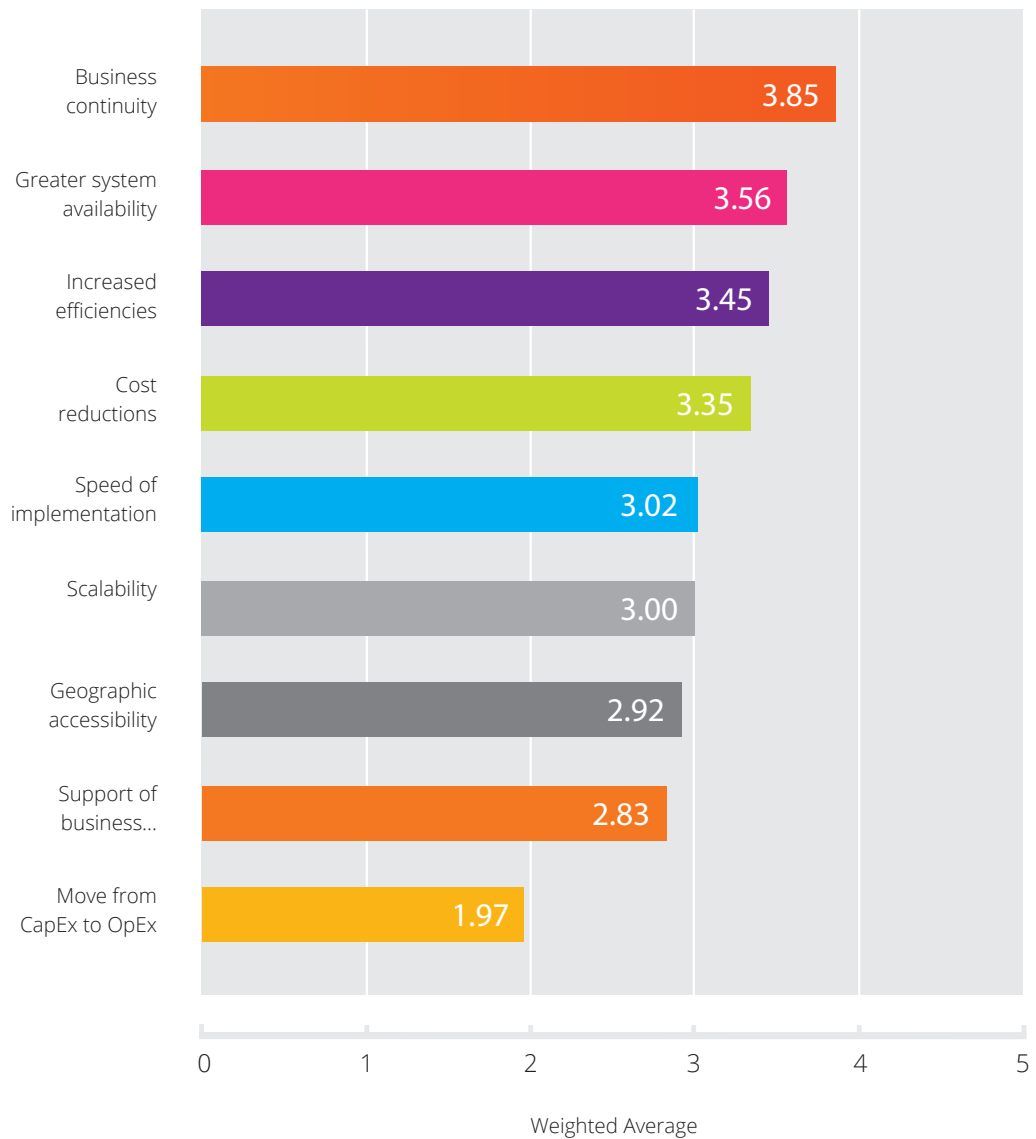
A benefit of using a leading and experienced provider is being able to implement a variety of first-class Cloud solutions to enable your organisation to become more efficient. Having a variety of solutions from the same technology supplier saves the challenges of managing multiple suppliers and provides a single organisation responsible for data aggregation.

From the above, it can be seen that CRM (Customer Relationship Management) is the predominant Cloud application, closely followed by Document Management. However, with less than 40% of people embracing this technology, is it time more businesses begin to recognise the range of benefits the Cloud can deliver?

Surprisingly, just 27% of businesses within the survey use a Cloud-based financial management solution. When taking into consideration the scope for businesses to boost performance and make their finance department more efficient and productive, this is a relatively low statistic – suggesting Cloud providers may need to take steps to begin educating businesses on the capabilities of the Cloud.

Cloud Adoption

Please indicate the importance of the following drivers in adopting Cloud Computing:



When taking on any large business decision, much research is undertaken to find the right solution to suit your needs. Within this process, organisations must take into account what is most important to them and their business needs.

Whilst moving from CapEx to OpEx seems to be a lesser priority (perhaps unexpectedly), business continuity is shown as the key driver for organisations to adopt Cloud technology.

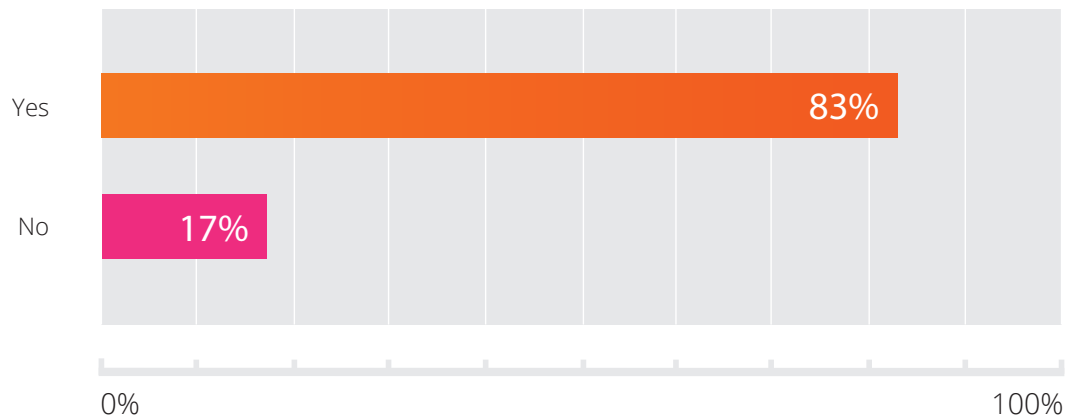
As demand for digital transformation is ever increasing and consumers begin expecting faster turnaround times, greater access and greater efficiency, the Cloud is a key way of meeting these growing demands. Implementation of innovative digital solutions, such as the Cloud, shows an embrace of the digital future. Another noteworthy response was cost reductions. From this, it is clear respondents note the ability for the Cloud to save their business money - yet this is not a main driver for their perspective implementation.

What concerns are there in your organisation with regards to applications in the Cloud?



The top two areas for concern clearly revolve around the safety of the data being held in the applications. In a data-driven world, the nature in which information is accessed and utilised today means that security is more crucial than ever. However, the reality is that although the threats of cyber security and data privacy are omnipresent, it's now recognised that those who have transitioned to a Cloud hosted solution are best placed to mitigate the associated risks. It is important to ensure a Cloud provider employs a data-first security model. This model will need involvement and commitment from both the provider and the customer, with drivers centred around people, technology, process, policy, regulatory compliance and governance.

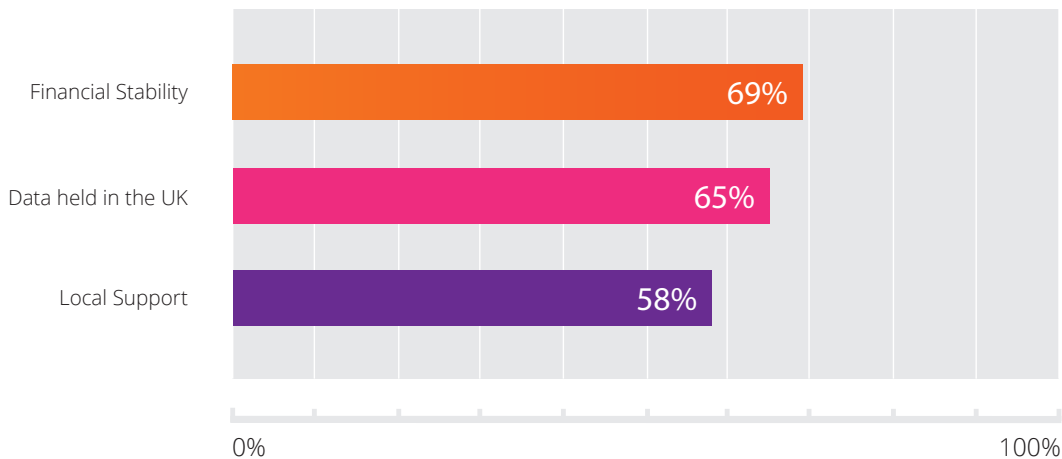
Do you think Cloud providers need to do more to build confidence among businesses looking to adopt a digital transformation strategy?



There was an overwhelming “yes” in response to this question, and it falls to the Cloud providers to reassure prospective customers about digital transformation. As well as the security benefits, other proven advantages of adopting such a strategy range from greater mobile access driving workforce flexibility and collaboration, through to supporting business growth with an infrastructure that flexes with the needs of the organisation.

As businesses strive to marry efficiencies with growth while limiting risk, the Cloud eradicates the need for significant capital expenditure and so offers an affordable solution that is not only fit for the future but available now. The challenge is about finding the right Cloud solution and working out the best way to transition. Cloud providers need to reassure businesses and help them develop this plan for change - and then execute on the technical front to ensure all objectives are met.

What do you look for in a Cloud application provider?



The results show that the breadth of applications offered is not considered as important as the financial stability of the Cloud provider, and the security of the data they hold. Before selecting a supplier, it is vital to look into their financial background, and research how many clients they have, how long they have been trading, and who they are backed by (if anyone).

Where the data centre is located is key, however, even if the data centre is in the UK or EU, it is important to find out if the Cloud provider will warrant that data will never be taken outside of these geographies. All data centres are not the same – they have classifications that define physical standards of security and resilience, and variations in where and how they back up data.

Cloud Concerns

Should governments do more to protect businesses and their customers from a cyber-attack?

The sustained and continued high profile cyber-attacks show no sign of slowing down and despite increased awareness and funding to keep businesses secure, it remains one of the key challenges in securing critical data and embracing digital transformation opportunities.

Government intervention can play a key part in this, not only by educating consumers and businesses on how best to maintain online safety, but also by working to prevent the success of cyber-crime. Despite the National Cyber Security Strategy (with a team of around 700 people and double the investment) set out to manage and tackle cyber threats to Britain by 2021, the result above displays a real expectation of the government to increase their efforts into cyber-security. It has been suggested that the government enforce a requirement for businesses and government bodies alike to report endpoint vulnerabilities so they can be resolved and updated to prevent breaches. There is however a morale debate which asks, to what lengths should the government intervene with private organisations?

76%

Say governments should do more to protect businesses from a cyber-attacks



“By taking advantage of Cloud-based technologies, we are able to support the increasingly mobile nature of the workforce, whilst still ensuring secure and robust access to our business applications.”

Robin Johns, Head of Information Services at Tideway

80%
 Not deterred
 by high profile
 cyber-attack

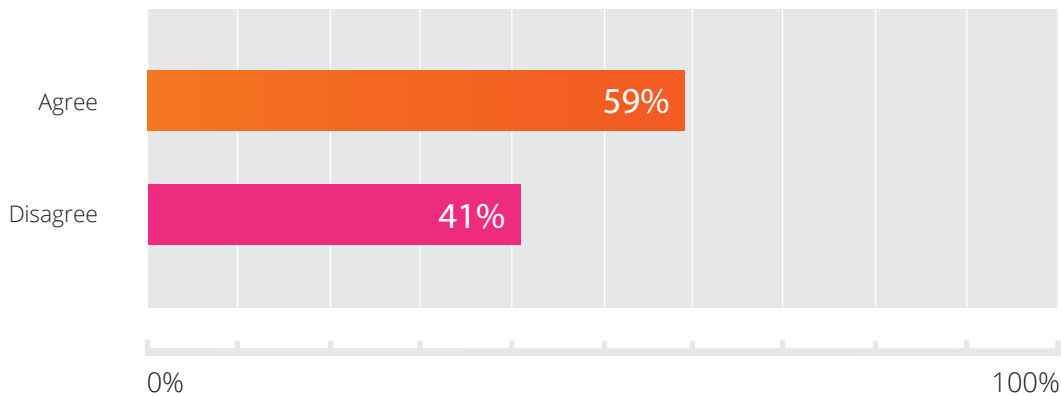


Are the recent high-profile cyber-attacks (such as WannaCry) putting you off from adopting the Cloud?

One of the biggest issues with cyber-attacks is the speed and lack of control a business has around the virus. Once in your system, the ramifications can be rapid and extremely serious, affecting thousands of staff members and customers. As displayed earlier this year, for larger organisations, a cyber-attack can take months to recover from and may tarnish a brand for years to come.

Although cyber-crime seems to be more prominent than ever, businesses do not see this as a deterrent for the use of the Cloud. The reason behind this may be an acknowledgement of the capabilities of Cloud services and the recognition that a trustworthy provider is able to maintain and protect data. Moreover, the Cloud is proving to be a more reliable data storage strategy than traditional, on premise methods. While a Cloud provider would ensure the latest updates and patches are implemented, on premise services mean a staff member may be required to frequently do this.

Will Cloud providers increase prices as a result of Brexit?



In this unparalleled period of economic uncertainty, the British economy has faced significant challenges resulting in fluctuating currency prices. With the countdown to Britain's official departure from the EU underway and negotiations having commenced, it is clear to see why many may have qualms regarding our country's stability. Add to this the recent hung parliament result, it's clear that the UK and businesses procuring services affected by currency fluctuations are in for a disruptive period of time.

These events have resulted in a significant decline in the value of the pound. As we see the strength of UK currency decreasing, many organisations face rising costs of international services.

It is surprising to see that 41% of respondents do not fear an increase in pricing as a result of Brexit. This might suggest that a large number of them have already considered a UK Cloud provider to protect against this financial instability, negating the majority of issues faced around Brexit driven price increases. This is supported by the 65% of businesses who looked at data held in the UK as the 2nd most important attribute directly behind the long term financial security of that provider.

In a period of uncertainty, many businesses may feel a clear and transparent financial model not affected by sterling fluctuations is a key consideration in a period where they face an unprecedented number of challenges pushing them to adapt for the future of their organisation.

Conclusion

Businesses are undeterred from using the Cloud, which is fast becoming the first choice for positive digital disruption. Thousands of British organisations of all sizes have dared to reimagine their business and are realising the benefits of Cloud technology already.

However, there is considerable economic and political uncertainty over the surprise result in the general election and Brexit negotiations. There are also, quite rightly, increased concerns around cyber-security and data protection in the digital era.

The report has identified that while Cloud adoption isn't slowing, confidence is the silver bullet needed in order for organisations to move to and implement a connected Cloud strategy. Businesses want better support if they are to execute their digital transformation plans effectively, and they want to see Cloud providers do more to build confidence among those looking to adopt a digital transformation strategy, for which the Cloud is fundamental.

What's clear is that there's a job to be done in creating more confidence in Cloud services and helping businesses use the Cloud in the right way for the digital transformation that's right for them.

Our mid-year Cloud survey shows most organisations want financially stable providers and prefer those that store data locally and offer local support; this will become even more pertinent as Britain leaves the European Union. They will trust the providers that offer certainty in an uncertain market and those with a vested interest in the UK and the Cloud.

So, how can organisations progress from here and what could be the next steps?

Just like any purchase, a move to the Cloud should be considered with the same level of due diligence as any other significant investment within a business. Before choosing what Cloud service to adopt in your business, we recommend that every decision maker ask themselves the following four vital questions:

1. **How will a transition to the Cloud impact my team and customers?**
2. **Am I in a safe pair of hands?**
3. **Is my Cloud provider going to be a long-term value adding partner?**
4. **Is my Cloud service provider in it for the long haul?**

About Advanced

Advanced is the third largest provider of software and IT Services to the UK market. Through our enterprise and market focused offerings we positively impact millions of people's lives through continually investing in our people, partnerships and own technologies to stay focused on our markets', customers' and their stakeholders' needs.

We enable our customers to drive efficiencies, savings and growth opportunities through focused, right-first-time software solutions that evolve with the changing needs of their business and the markets they operate in.

True partnership is the defining thing that makes us different from the competition. We pride ourselves on delivering focused software solutions for public sector, enterprise, commercial and health & care organisations that simplify complex business challenges and deliver immediate value.

For more information:

please visit: www.oneadvanced.com

or call **0845 160 5555**

Demographics



Employees

Less than 500	71%
More than 500	25%
Prefer not to say	41%

Turnover

0 - £2m	18%
£2m - £5m	10%
£5m - £10m	7%
£10m - £20m	10%
£20m - £50m	5%
£50m - £100m	4%
over £100m	8%
dont know/ prefer not to say	36%

Job Role

IT Professional	31%
Other (please specify)	20%
Finance Professional	14%
Administrator	14%
Department Manager	12%
MD / CEO	8%



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