



Mission-Critical Cloud

Ready for the Heavy Lift?

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Underwritten by:

EMC²

vmware[®]

carahsoft

While most agencies report cloud progress, few are taking the plunge and moving mission-critical applications.

MeriTalk's "Mission Critical Cloud Report" surveyed Federal IT managers to understand barriers, current status, and future plans related to moving mission-critical applications to the cloud.



For the purposes of this study, we define mission-critical applications as: Systems (equipment, processes, procedures, software, etc.) whose failure will result in the compromise of an agency's mission. This does not include email.

Private Cloud: The cloud infrastructure is provisioned for exclusive use by a single organization comprising multiple consumers (e.g., business units). It may be owned, managed, and operated by the organization, a third party, or some combination of them, and it may exist on or off premises.

Public Cloud: The cloud infrastructure is provisioned for open use by the general public. It may be owned, managed, and operated by a business, academic, or government organization, or some combination of them. It exists on the premises of the cloud provider.

Hybrid Cloud: The cloud infrastructure is a composition of two or more distinct cloud infrastructures (private, community, or public) that remain unique entities, but are bound together by standardized or proprietary technology that enables data and application portability (e.g., cloud bursting for load balancing between clouds).

<http://csrc.nist.gov/publications/nistpubs/800-145/SP800-145.pdf>

- **Cost savings opportunity:**
 - Feds say the number-one benefit to moving mission-critical apps to the cloud is cost savings; estimate they could save 21% of their IT budget, or \$16.6B annually, if they move just three mission-critical apps to the cloud
- **Early adopters report success:**
 - 91% of those who have moved mission-critical apps to the cloud report success
 - Feds have moved mission-critical apps such as financial management, procurement, logistics, CRM systems, and project management to the cloud
- **Still, stumbling blocks abound:**
 - Feds point to security (73%) as the primary barrier to moving mission-critical apps to the cloud
 - And, 45% believe that mission-critical apps (many of which are custom) need major re-engineering to modernize them for the cloud
- **A way forward:**
 - Despite the challenges, Feds see mission-critical apps living in the cloud in the future: In two years they expect 26% of their mission-critical apps in the cloud; in five years they expect 44% in the cloud

- IT professionals see significant savings opportunity in cloud

If your agency moved three mission-critical applications to the cloud, what percentage of your IT budget could you save?

21%

or

\$16.6B

In annual Federal savings*



Take Away: Real Savings

- 46% believe cloud-based mission critical apps will improve their agency's ability to achieve its mission, while 35% are unsure

Will moving mission-critical apps to the cloud improve your agency's...



Ability to fulfill its mission?

Yes



No



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Big data analytics capabilities?

Yes



No



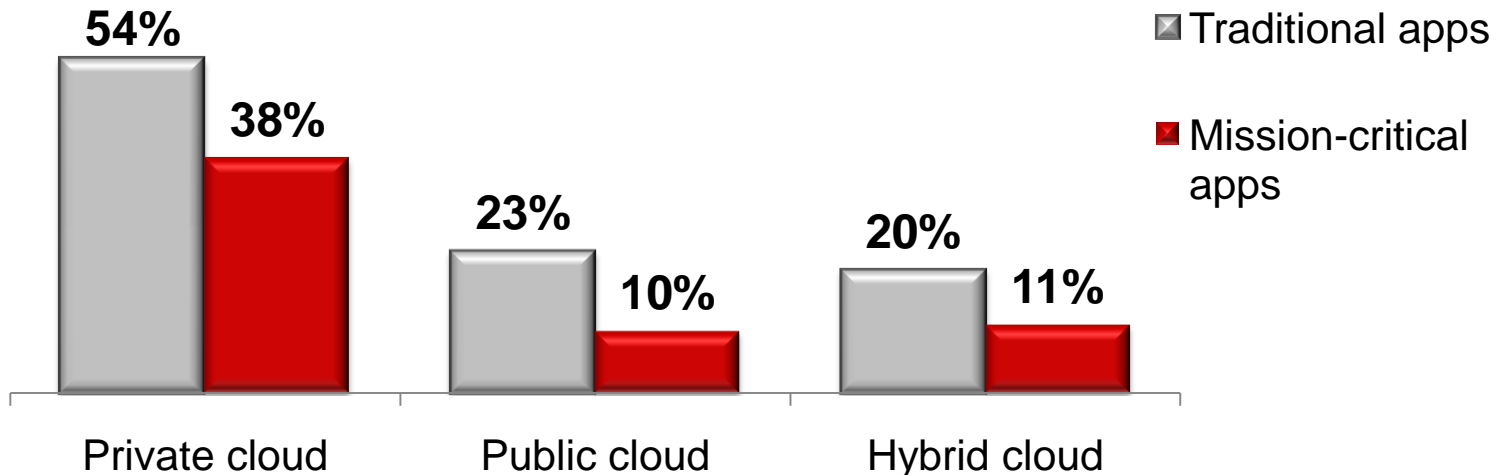
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Take Away: Define Objectives; Clarify the Vision

- Agencies devote more than half of their IT budgets to mission-critical apps; Few are moving them to the cloud

Have you moved any apps to the following cloud models?



43% have not moved mission-critical apps to the private cloud
68% have not moved mission-critical apps to the public cloud
62% have not moved mission-critical apps to the hybrid cloud

Take Away: Feds Favor Private Cloud

- Those who **have moved** mission-critical apps to the cloud report success

91% of those who have moved mission-critical apps to the cloud report success*

What **mission-critical apps** have you moved to the cloud?*



Financial management



Procurement



Logistics



Customer relationship management systems



Project management

Why do you believe the implementation has been **successful**?*

“Systems are running at a reduced cost across the enterprise and we are selling the services to outside agencies.” – DoD IT Manager

“We virtualized numerous servers, which allows them to access sensitive data stored in one of the clouds.” – DoD IT Director/Supervisor

***Take Away:* Promising Track Record**



What's Holding Other Agencies Back?

- Many mission-critical apps are not ready to move to the cloud

52%

of mission-critical apps
are custom built



What would be required to make mission-critical apps **ready for the cloud**?

Major re-engineering to modernize applications for the cloud



Slight to moderate re-engineering to modernize applications



Throw them out, start over



Can't be done



Unsure



Take Away: Standardize and Save

- Security remains the top concern, but many are not aware of new NIST cloud security standards

What are the **primary barriers** to moving mission-critical apps to the cloud?*

- #1** Security: 73%
- #2** Culture: 43%
- #3** Budget: 41%
- #4** Reliability: 27%
- #5** Leadership: 25%



Additionally, just **34%** are familiar with NIST's new cloud security standards, announced in January 2012. The standards present recommendations for organizations outsourcing data, applications, and infrastructure to a public cloud environment.**

Take Away: Educate

- Apps may not be the only thing to require re-engineering

If you were the Federal CIO, what would you do about FedRAMP?*

- ✓ Provide clear instructions for certification: **63%**
- ✓ Work through certification accessibility: **40%**
- ✓ Kill it; start from scratch: **15%**



Other suggestions...

“Develop cloud monitoring guidelines.” – DoD IT Director/Supervisor

“Provide a liaison to agencies to help advocate the process.” – Civilian IT Manager

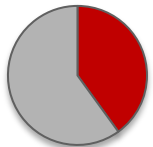
“Do something quickly. FedRAMP is a barrier to adoption.” – Civilian IT Manager

***Take Away:* Clarify Instructions; Offer Leadership**

- Despite barriers, one-third of respondents say they plan to move some mission-critical apps to the cloud in the next year



In two years, respondents expect **26%** of their mission-critical apps to run in the cloud



In five years, respondents expect **44%** of their mission-critical apps to run in the cloud



Take Away: Greater Payoff Ahead

- Feds share recommendations for overcoming mission-critical cloud barriers

What steps can agencies take to *overcome key cloud barriers* for mission-critical apps?

- ➔ “A non-negotiable directive from above, with an **incentive** for quick implementation.” – DoD IT Manager
- ➔ “Each organization should develop an application-by-application **business case** with detailed financials to determine ‘can/can’t’ and ‘should/shouldn’t’ view for cloud migrations.” – Civilian IT Manager
- ➔ “[Feds should] **test** with non-mission critical/non-private information systems.” – Civilian CIO/CTO
- ➔ “[IT must] prove there is **adequate security** to mission-critical application owners and that data created by mission critical-applications is secure but searchable by properly cleared individuals.” – DoD IT Manager
- ➔ “Make larger agencies with white space provide a **catalog** of hosting services they can offer at low cost to small agencies.” – Civilian IT Manager
- ➔ “Look at **commercial** best practices.” – Civilian IT Manager

- ✓ Promote cloud savings opportunity
- ✓ Identify cloud-ready mission-critical apps
- ✓ Clarify FedRAMP
- ✓ Early adopters: Share best practices



- MeriTalk, on behalf of EMC, VMware, and Carahsoft, conducted an in person and online survey of 151 IT Federal government managers and systems integrators in June 2012. The report has a margin of error of +/- 7.95% at a 95% confidence level

Title:	
3%	CIO/CTO
21%	IT Director/Supervisor
58%	IT Manager
6%	Data Center Manager
12%	Other IT Manager

Organization:	
50%	Federal civilian
46%	Federal DoD
4%	Systems Integrator

Thank You

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