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Existing and net-new workloads are mostly cloud-bound – Highlights from VotE: Cloud, Hosting & Managed Services

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Introduction

Enterprises anticipate a continued shift in the primary IT environments used for deploying and executing business workloads — away from legacy on-premises environments and toward a mix of modern environments. While public cloud adoption has plateaued somewhat of late, organizations continue to migrate existing workloads into public cloud environments and take a cloud-first approach to net-new workloads. These trends are reflected in the data from our Voice of the Enterprise: Cloud, Hosting & Managed Services, Workload Placement 2023 survey.

Fielded Jan. 12–Feb. 21, 2023, with a panel of more than 800 IT decision-makers, this survey examines how organizations' IT environments are evolving, highlighting the overall direction of workload placement for specific application categories. This survey was fielded simultaneously with similar surveys for VotE: Digital Pulse, Workload Placement and VotE: Datacenter Transformation, Workload Placement.

The Take

The majority of organizations already using public cloud continue to migrate legacy workloads from other IT environments and deploy net-new workloads directly into public cloud environments — particularly employee-facing and data analytics workloads. For the most part, existing applications and data migrate to the public cloud together. However, a substantial minority have migrated only the applications or the data, indicating use of hybrid architectures for key “run the business” workloads and/or use of public cloud environments as targets for backup and recovery.

Summary of findings

Enterprises anticipate a continued shift away from legacy on-premises environments as a primary IT venue over the next two years, toward a distributed combination of modern environments. Asked about the primary IT environments used to operate their organizations' workloads today versus what they expect in two years, organizations polled in our VotE: Digital Pulse, Workload Placement 2023 survey cite ongoing movement away from legacy on-premises environments (from 23% to 15%), with increases for both modern on-premises environments (from 29% to 32%) and public cloud infrastructure (from 16% to 21%) during that time. SaaS environments, the second-most cited primary environment both today and in two years, remain flat at 28%.

Existing workloads continue to migrate to the public cloud. Nearly three-quarters of current IaaS/PaaS users have moved workloads and/or data into the public cloud from other IT environments during the past year. By sector, business services organizations are most likely to report movement to the cloud in the last 12 months (85%), followed by those in manufacturing (77%).

For migrated workloads, the applications and the data are typically a package deal. More than 60% of organizations that migrated workloads to the public cloud in the last 12 months report that they moved both the applications and the data, with 26% relocating only the applications and 12% shifting the data only. Organizations in the pre-implementation stage of cloud maturity are less likely to go the all-encompassing route of moving applications and data together (40%) compared with their more mature counterparts, and are more likely to take the data-only approach (22%). This may indicate initial use of public cloud as a backup and recovery target, wariness around data egress sticker shock (as evidenced by the above-average rate of application-only migration), or overall trepidation about wholesale lift-and-shift.

Recent public cloud migration favors employee-facing and data/analytics workloads. Nearly two-thirds of organizations that moved workloads to the public cloud migrated employee-facing workloads (e.g., productivity, collaboration and other day-to-day business functions), and more than 60% migrated data/analytics workloads. Organizations in the business services sector have been particularly busy migrating employee-facing workloads to public cloud during the past year (74%), while those in the manufacturing sector have focused on data/analytics workloads (73%). Organizations have focused comparatively less on back-end "run the business" and customer-facing workloads during the past year, with migrations rates of 54% and 53%, respectively.

Data/analytics workloads take the lead for net-new workloads deployed in public cloud environments. Deployment of net-new workloads in public cloud spans our four broad workload categories, with data/analytics emerging most prominently (62%), followed by customer- and employee-facing workloads (59% and 56%, respectively) and back-end workloads bringing up the rear at 51%. Not surprisingly, cloud-mature organizations are also disproportionately "cloud first," particularly for customer-facing workloads (70% deployed in public cloud).