

Cloud: The sky's the limit

Volatile global economies and dismal domestic growth rate are forcing Indian organisations to take a 'do more with less' approach. Leading companies are starting to realise that cloud computing is far more than a better IT solution—it is in fact a better business solution. Cloud computing has the potential to accelerate business innovation and address the challenges facing today's CIO.

Business leaders are exploring new business models around cloud to increase productivity, create operational efficiencies, redefine ways of customer engagement and fuel innovation. Cloud has the potential to transform IT departments through infrastructure consolidation and optimisation, reduced costs and increased scalability. The business agility attributed by cloud computing is creating competitive advantage for companies in these unprecedented times of radical economic changes and market dynamics. No wonder cloud is fast moving from hype to reality.

However, along with the potential benefits, cloud computing also introduces new risks mainly with regard to data security and privacy challenges, compliance and tax implications. Hence, in order to reap the benefits of cloud investments, appropriate due diligence and a structured approach is required while adopting cloud services. In our experience, there is no one-size-fits-all solution anymore and in most cases, the best solution is a combination of alternatives.

Cloud investments

The investment in cloud infrastructure and applications is on a rise. However, in order to reap significant business benefits, executives need to evaluate cloud through the lens of business value.

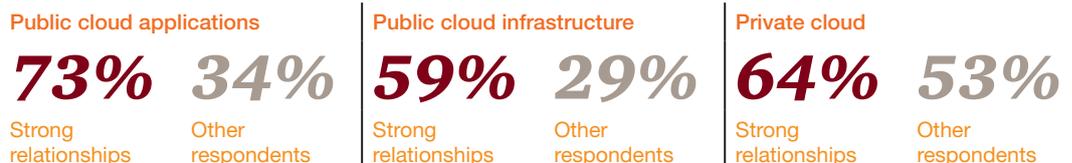
Following is a ground-up view from our recent 5th Annual Digital IQ – India report regarding where Indian companies stand with their present cloud investments.

Which of the technologies are you currently investing in?



Above percentages reflect those respondents from India investing in cloud technologies

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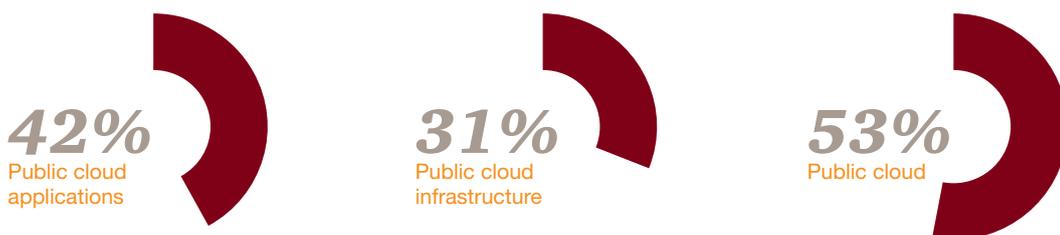
This is a positive sign because a comprehensive cloud strategy cannot be developed in a silo. It is vital for the CIO to collaborate with the C-suite and other IT leaders in order to formulate a cloud strategy. An effective cloud adoption strategy needs to consider all aspects of cloud computing including business goals and drivers, challenges and solutions that the cloud can deliver to address them—related risks, potential benefits and the impact of each of the options.

Future investment trends

In comparison to the US, Indian respondents seem to favour private cloud over public cloud in terms of future investment. This is mainly because of the concerns of Indian organisations related to data security and privacy. Security lags technology adoption in the cloud environment—just 31% of Indian companies have a cloud security strategy¹. Over 75% of the respondents in India expect to see an increase in security spending over the next 12 months compared to the global average of 45%.

What are your investment plans for each of these technologies in 2013?

Response: Will invest more in 2013

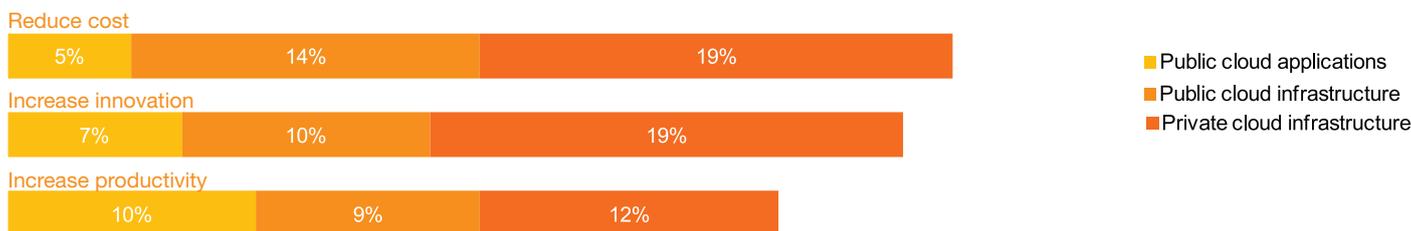


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Benefits of cloud adoption

Private cloud is among the top technologies selected as most important to cost reduction, increasing innovation and productivity. This further re-emphasises the focus of Indian companies on private cloud.

What type of investments has enabled your organisation achieve the following:



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However, when asked about the future workforce, majority of the respondents indicated that public cloud is the most important technology when it comes to maximising the productivity of today's young adults. This is an interesting trend indicating that public cloud adoption may have an edge over private cloud in the years ahead.

In this Digital IQ snapshot, percentages in some cases are for directional purposes only as the number of respondents may be <30.

To read our Digital IQ report visit www.pwc.in/industries/technology.jhtml

To have a deeper conversation about how this subject may affect your business, please contact:

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¹ The State of Information Security Survey India 2013, PwC