



Federal Cloud Weather Report

April 18, 2011

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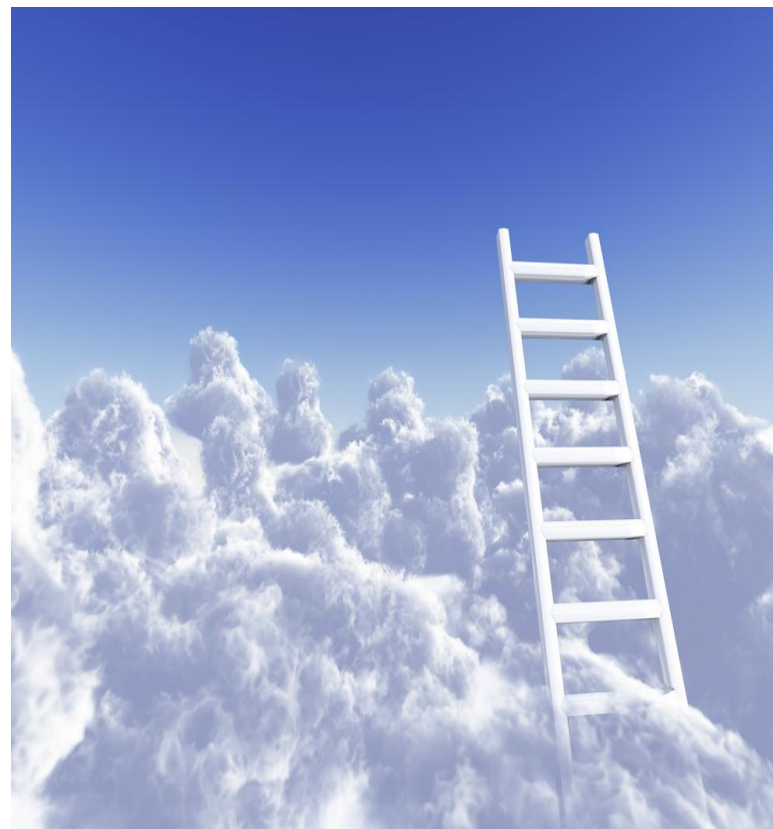


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The Federal **move to the cloud** is on. As of December 9, 2010, OMB requires all agencies to adopt a **Cloud First** policy. Feds must choose a cloud-based solution first if one exists before initiating any new IT program . and must immediately begin transitioning existing applications to the cloud.* Further, in February 2011, OMB provided additional direction to accelerate the safe and secure adoption of cloud computing.**

How many agencies have actually taken this step? How quickly are they progressing?

In January 2011, **VMware** worked with **MeriTalk** to survey 167 Federal government CIOs and IT managers on these important cloud questions to check **cloud migration status**, explore the **cloud challenges** agencies face, and provide **recommendations on the path forward**.



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“ MeriTalk, on behalf of **VMware**, conducted an online survey of **167 Federal government CIOs and IT managers** in January 2011. The report has a margin of error of +/- 7.56% at a 95% confidence level

CIO Titles (N=14)	
22%	Chief/Deputy Chief Information Officer
14%	Acting/Assistant/Associate Chief Information Officer
14%	Chief/Deputy Chief Information Security Officer
21%	Chief/Deputy Chief Technology Officer
29%	Acting/Assistant/Associate Chief Technology Officer

IT Manager Titles (N=153)	
13%	IT Director/Manager
48%	IT Supervisor, Specialist, or Engineer
1%	Program Executive Officer for IT programs
20%	Program/Project Manager for IT programs
3%	Network Administrator
1%	Data Center Manager
14%	Other IT Management

CIO Agency Type	
93%	Federal Civilian
7%	Department of Defense

100% of respondents are familiar with their agency's cloud plans

IT Manager Agency Type	
50%	Federal Civilian
50%	Department of Defense

- “ **We Believe:** Feds recognize cloud benefits and plan to implement
 - “ **42%** of IT managers say cloud will help them overcome the current constrained budget climate
 - “ Most also believe it will support other priority initiatives. **64%** of CIOs think cloud expands **telework and mobility** options
 - “ **64%** of CIOs anticipate they will use Cloud First within two years

- “ **Necessary Climb:** Cloud savings are real
 - “ **64%** of Federal CIOs say cloud computing will **reduce costs** and **improve services**

- “ **On the First Rung:** Federal IT managers say few agencies are in the cloud
 - “ **17%** are maintaining Infrastructure as a Service; **15%** Software as a Service; **13%** Platform as a Service
 - “ Of those in the cloud, **64%** are using private, internal cloud applications

- “ **Stuck at Go:** Agencies have not yet moved to **Cloud First**
 - “ **79%** of CIOs say their agencies have not yet moved to Cloud First
 - “ And, just **half** anticipate meeting goals to move their first three applications to the cloud

“ **64%** of CIOs say cloud will help them **reduce** costs and **improve** services

Cloud will help reduce costs and improve services

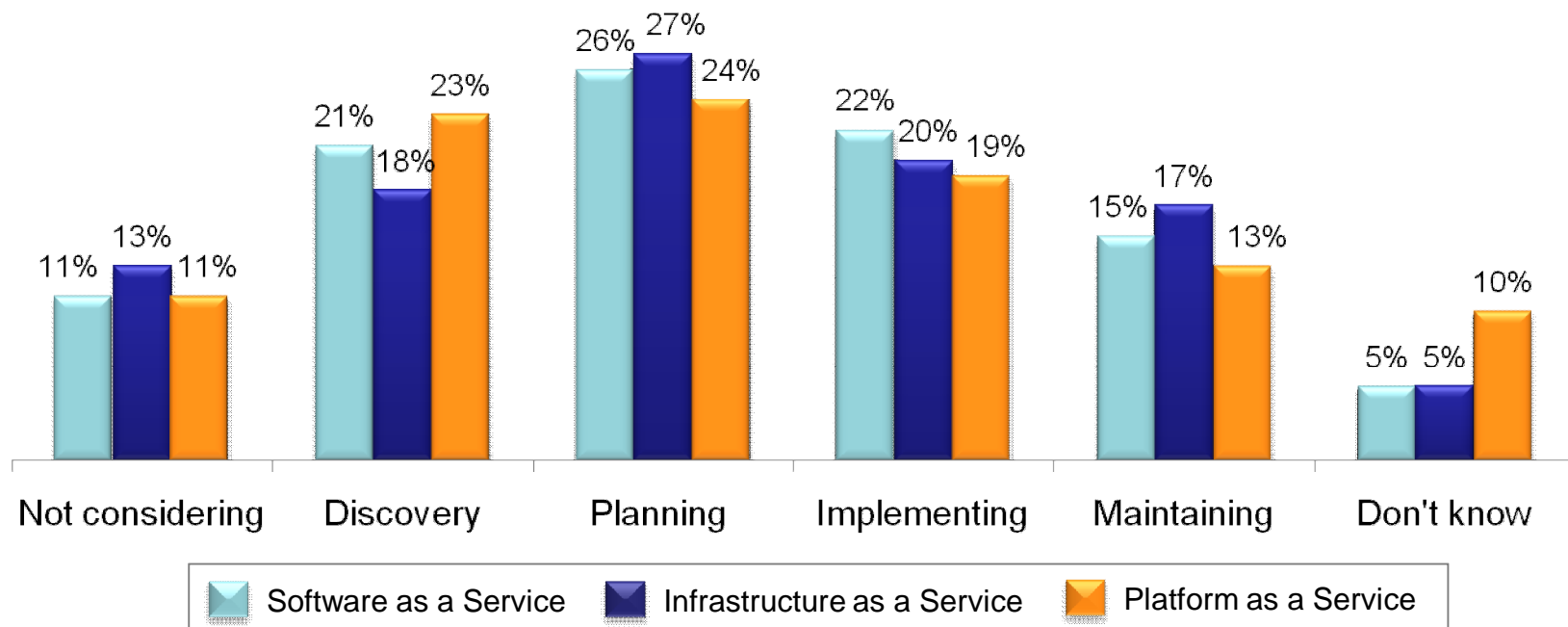
Validated by other sources:

- “ Feds currently spend **\$35.7B** supporting legacy technology*
- “ Feds project a **\$14.4B savings** in steady state budgets for the first year of government-wide private cloud implementations**
- “ Feds anticipate that moving to the cloud will allow an approximate **30% reduction in expenses** for data center infrastructure***

Take Away: Follow the Savings

“ Agencies are largely in the discovery and planning stages of cloud computing. To achieve savings, more must move into implementation

Implementation Status for Specific Cloud Services*



Take Away: Need to Accelerate Adoption

“ Agencies are starting small and favoring private, internal cloud applications

Two out of five

agencies report starting with a single cloud application, as opposed to launching an agency-wide cloud strategy*



Cloud models currently in use*:

Internal . private cloud	64%
Hybrid . public and private cloud	18%

Cloud models planned for future use*:

Internal . private cloud	48%
Hybrid . public and private cloud	23%

Take Away: Cautiously Optimistic, Future Models Are TBD

“ Work in progress. While **79%** of CIOs say their agencies are not using the mandated Cloud First policy today, **64%** plan to adopt the practice within the next two years

Cloud First means that an agency chooses a cloud-based solution if one exists before initiating a **new** IT solution development program

As of December 9, 2010 all agencies are **required** to adopt a Cloud First policy*



79%

of CIOs do not currently use a Cloud First policy

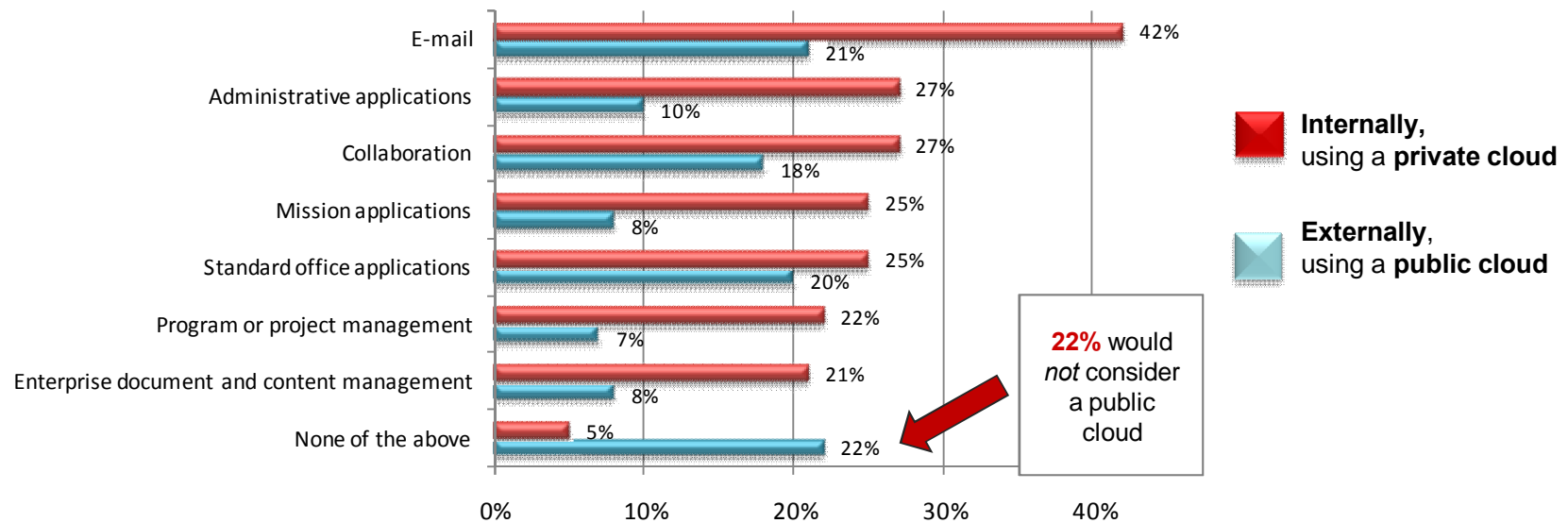
64%

of CIOs will use Cloud First within two years

Take Away: Turning the Ship

“ E-mail is easy. But, what goes next?

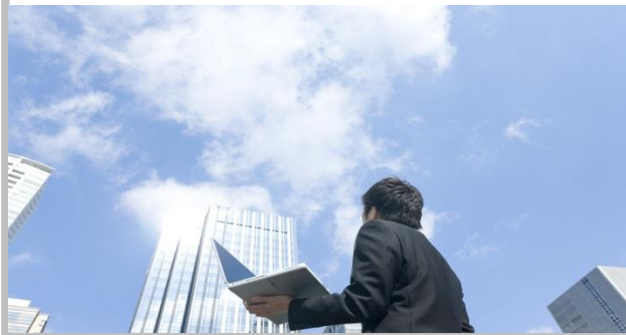
What applications would you consider deploying as a Software as a Service (SaaS)?*



Take Away: Private Cloud First Out of the Gate

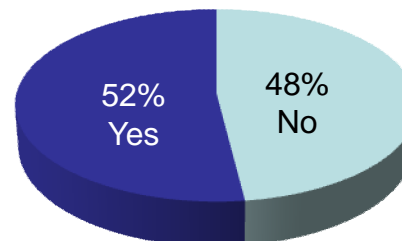
IT managers are split on deadlines. Half anticipate meeting goals

Required: All Federal agencies must “identify three ‘must move’ services within three months and move one of those services to the cloud within 12 months and the remaining two within 18 months”*

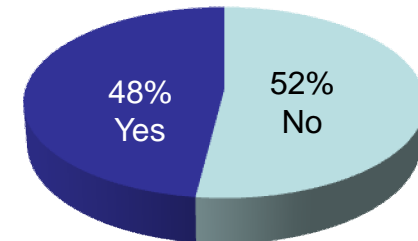


IT Managers:

Will your agency move the first service to the cloud within **12 months**?



Will your agency move the next two services to the cloud within **18 months**?



Take Away: Communication Needed

“ Feds cite budget, security, and mission-specific requirements as top challenges

54% of IT managers assert mission-specific requirements hinder cloud adoption

Why?

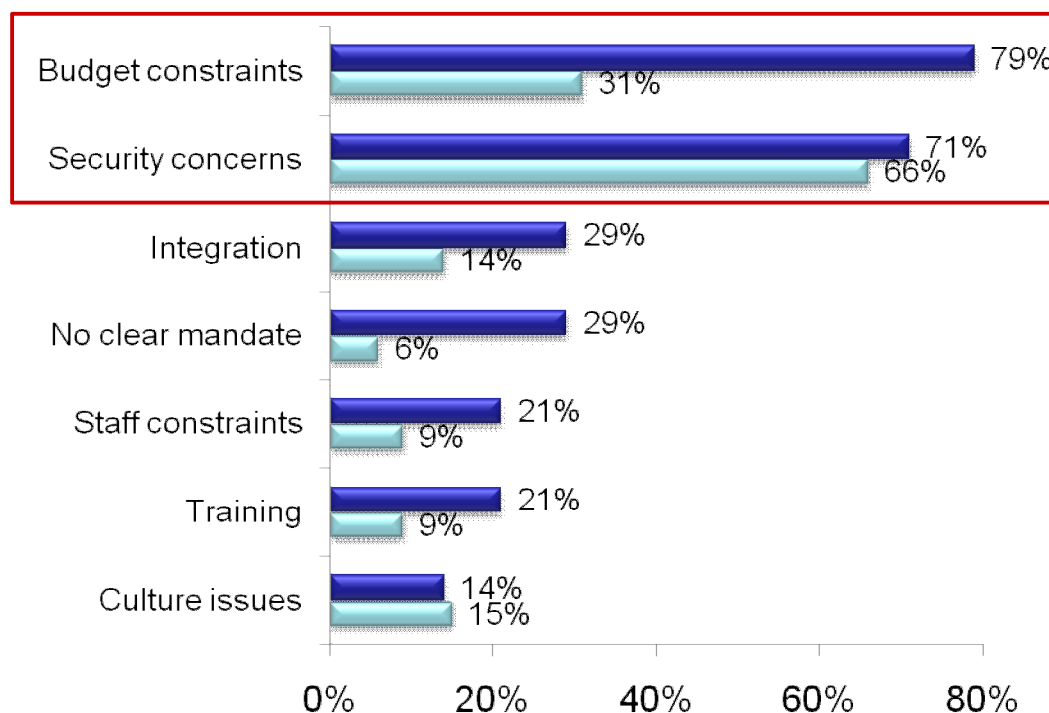
%Different project requirements do not allow for common tools to be used+

%We need approval and budget from Congress+

%Mission-critical applications won't be put on the cloud as our people need to have control over them+

Other top obstacles include*:

■ CIOs ■ IT managers



Take Away: Mission Impossible?

“ Feds must overcome budget challenges to achieve anticipated savings



79% of CIOs and **31%** of IT managers say budget constraints are a **top obstacle** to implementing cloud computing

Yet

Both CIOs and IT managers say reduced costs is the **#1 benefit** they expect cloud to achieve within their agency

42% of IT managers say that their agencies' cloud plans will help them overcome the current budget climate

CIOs plan to increase cloud spending to **25%** in FY2011*



Take Away: Consolidation to the Rescue

“ **71%** of CIOs and **66%** of IT managers say security concerns are a **top obstacle** to cloud adoption. FedRAMP does not eliminate concerns



***FedRAMP** is a Federal program that provides a consolidated point for government-wide security authorization and related risk management activities of cloud computing systems, including ongoing monitoring, assessment, reporting, and remediation of security risk. GSA and the Federal CIO Council released draft plans November 2, 2010, and the first phase is expected to be operational in the first quarter of calendar year 2011**

64%
of CIOs say they
understand FedRAMP
but are not optimistic
it will help

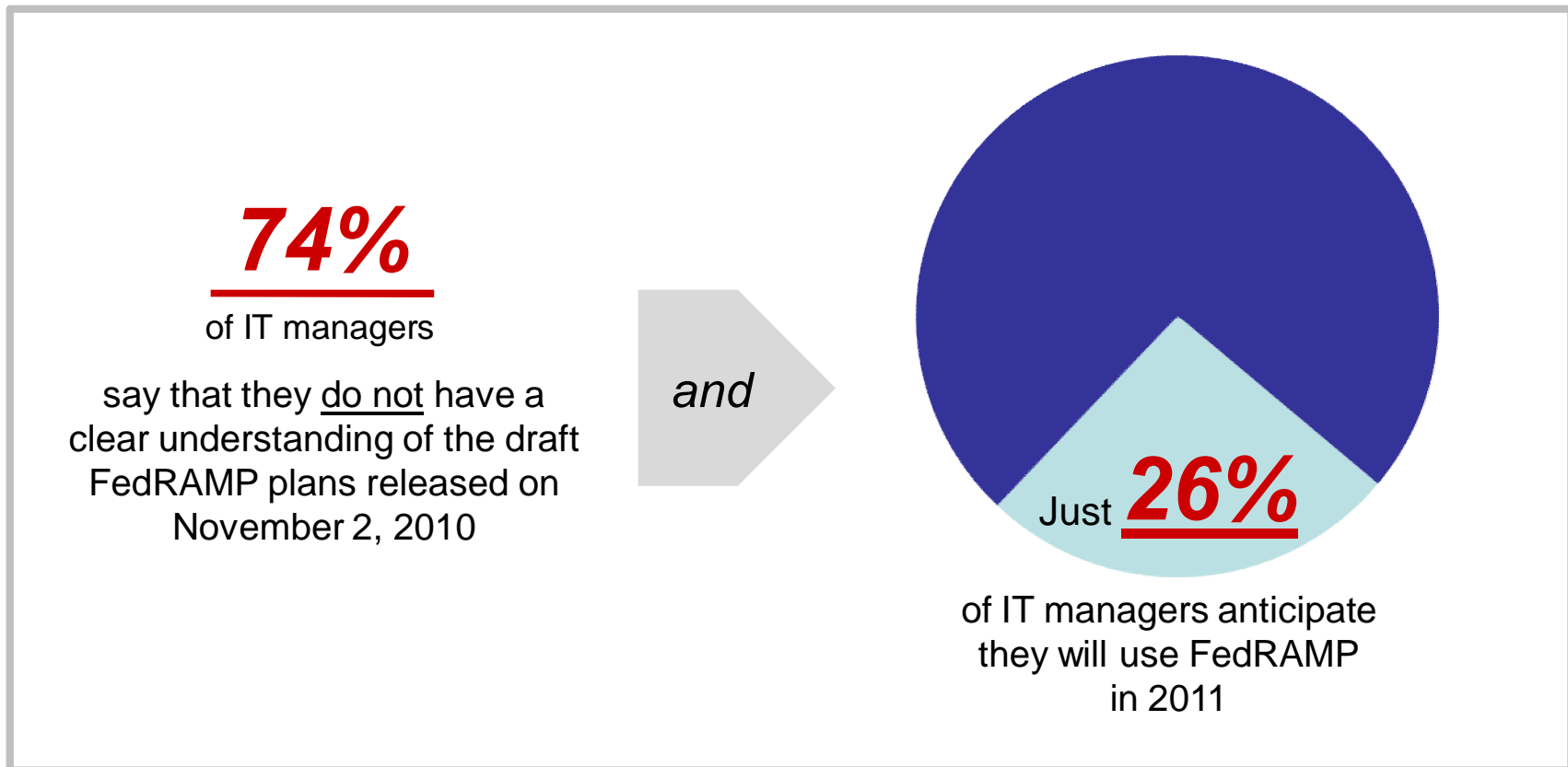
Of this group:

56% say FedRAMP will not aid and speed Federal cloud adoption

67% say FedRAMP will not make Federal cloud computing more secure

Take Away: FedRAMP Bridge to Nowhere?

“ FedRAMP won't help until agencies know how to use it



Take Away: Outreach Required

- “ Feds also anticipate using cloud computing to meet telework mandates

The recently passed Telework Enhancement Act of 2010, Public Law 111-292, requires Federal agencies to establish telework policies*

Will cloud expand telework/mobility options for employees?

64%

of CIOs say **Yes**

Take Away: Cloud Enables Mobility

- “ **Dollars and Sense** . Make business savings case for cloud with real, attainable metrics
- “ **Communicate** . Workable solutions to help agencies attain goals and meet deadlines
- “ **Educate** . Answer questions on budget, security, and mission criticality in the cloud
- “ **Align for Efficiency** . Clearly map cloud with synergies of data center consolidation and telework initiatives



Thank You

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