



Hybrid Clouds Set to Become the Norm as Cloud Computing Gains Stronger Foothold in Australia

IDC study on cloud adoption reveals that in 2011 the majority of organisations will use some form of private and public cloud services as CIOs'™ priorities become more levelled towards business needs.

Sydney, Australia February 24, 2011 EMC Corporation, a leading provider in information infrastructure solutions, today announced the results of an IDC White Paper sponsored by EMC: Hybrid Cloud on the Rise: A Key Strategy to Business Growth in Asia Pacific.

The study revealed that today 57 per cent of Australian organisations surveyed are already currently using some form of cloud computing, are actively researching and testing cloud services, or planning to adopt private and/or public cloud services at some point in the next 12 months.

The survey data also suggests that the hybrid or converged approach to cloud will be the rule rather than the exception in 2011 as cloud computing gains a bigger foothold across the Asia Pacific region. As a result, cloud federation between private and public clouds, or between different public clouds, will become increasingly important in 2011 as the cloud model moves into the enterprise.

EMC anticipates hybrid clouds will be the eventual goal of customers once they have advanced on their journey to the private cloud to a point where they can choose what resources they want to manage in-house and allow others to be managed externally.

The shift to hybrid clouds is also being accelerated by the needs of some IT departments that have to deal with new ways of building applications to meet the needs of end-users who are increasingly turning to smart phone devices and web tablets, while needing to continue supporting core legacy and mission-critical applications.

The IDC survey data suggests that CIOs will view some applications as more suited for a public cloud especially when it comes to communication applications, while most enterprises in the region may prefer a private cloud approach for their core systems. IDC also suggests in the near future that private clouds will eventually need the ability to cooperate with other types of clouds.

Enterprises want the benefits of cloud computing, but in their own terms, says Steve Leonard, President of EMC Asia Pacific & Japan. The potential of cloud computing to deliver IT-as-a-service for the enterprise is clearly there, but for many CIOs, it is also a delicate balance between risk and benefit. Trust in the cloud will play a key part for CIOs in determining how much goes on the public cloud, and what stays in the private cloud. The reality is that private and public clouds need to work together, and this requires a converged or hybrid cloud approach.

Researchers at IDC also conclude that in the near-term (up to 12 months) demand for cloud remains extremely positive and likely to accelerate, and that over the medium term, the adoption of cloud by the majority of organisations in the region will provide strong growth opportunities for the IT industry, with a likely shift to more advanced cloud services as IT organisations become more accustomed to the delivery structure and internal usage model shifts.

The days of just arbitrarily throwing money at IT problems are clearly the thing of the past, and Asia Pacific companies will increasingly need a clear business case for any future investments they make, says Leonard.

Whatever that might be, cloud computing makes the most economic sense because it is the best approach to addressing their fundamental IT issues. The cloud will take CIOs away from just talking about complexity, inefficiency, inflexibility and things being too costly, to talking about what IT can do for the business.

The IDC's survey, sponsored by EMC, was conducted in late 2010 included responses of 600 CIOs and key IT decision-makers within the organisation to analyse the current and expected usage patterns of cloud services in the following surveyed countries, including Australia, Korea, China, India, Singapore and Hong Kong.

To view the free and downloadable IDC White Paper, sponsored by EMC Hybrid Cloud on the Rise: A Key Strategy to Business Growth in Asia Pacific, please go to: <http://www.idccircle.com/Portal/ExecutiveReports/ExecutiveReportLanding.aspx?from=sponsor&ReportId=172>. Registration is first required.

Other Australian Survey Findings:

Current levels of private cloud adoption of those surveyed stands at 28 per cent with a further 10 per cent planning on implementing private cloud within 12 months. A further 30 per cent of organisations said they will implement private cloud within the next 24 months.

Most common cited reason for use of private cloud is to reduce IT spending at 56 per cent, but increasingly priorities are deferred to flexibility, speed and scalability for meeting business needs.

Ongoing IDC surveys show cost reduction is no longer an obvious top priority of CIOs in the region, but becoming a more leveled combination of cost-driven priorities and priorities related to business and business growth in 2011.

IP-based voice applications (VoIP) and collaborative applications in particular are seen as more suitable for public cloud environment, due to nature of applications typically transmitting rather than store data.

Over 57 per cent of Australian respondents viewed the public cloud as a suitable environment for applications that supported customer engagement including CRM and OLTP

Majority of Australian organisations prefer to implement a private cloud solution in-house at 59 per cent, in particular, for Healthcare, Education and Government sectors.

About EMC

EMC Corporation (NYSE: EMC) is the worlds leading developer and provider of information infrastructure technology and solutions that enable organisations of all sizes to transform the way they compete and create value from their information. Information about EMCs products and services can be found at www.EMC.com.

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