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# Adoption Profile: Private Cloud In Europe, Q1 2016

**European Adopters Focus On Private Clouds For Test/Dev Purposes**

by Lauren E. Nelson

January 25, 2016

## Why Read This Report

Private cloud is certainly not dead in Europe: A near majority of business and tech decision-makers have adopted private cloud or are planning to within the next year. While most efforts in Europe still fall short of a true cloud, the intent is genuine, as an increasing number of tech managers have cited developer enablement as their primary goal and top driver. This report showcases the most important European private cloud adoption trends so infrastructure and operations (I&O) professionals can adjust their 2016 cloud strategy.

This is an update of a previously published report; Forrester reviews and updates it periodically for continued relevance and accuracy; we revised this edition to factor in Forrester's Global Business Technographics® Infrastructure Survey, 2015, which was fielded to 1,214 business and technology decision-makers in Europe.

## Key Takeaways

**European Private Cloud Is In A State Of Transition**

While traditional benefits still guide private cloud initiatives in 2015, organizations are increasingly using cloud for more than just improved management. Developer clout is growing.

**European Private Cloud Provides Test/Dev For Developers**

Forrester's survey data indicates that most European firms adopt private cloud to deliver fast and easy-to-use resources to developers to ward off unauthorized public cloud use.

**Hybrid Cloud Is On The Rise**

Private cloud isn't deployed in isolation. As firms pair it with public and hosted private options, they must solve for their hybrid cloud challenge of multisourcing. Simplifying this chaos under a single management console is on the rise.

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with Andrew Hewitt and Glenn O'Donnell
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## Notes & Resources

Forrester leveraged data from Forrester's Global Business Technographics Infrastructure Survey, 2015, in the formation of this research.

## Related Research Documents

Adoption Profile: Private Cloud In North America, Q3 2014

Benchmark Your Enterprise Cloud Adoption

Four Common Private Cloud Strategies

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## Private Cloud Can Help You Differentiate Your Business

Cloud computing is widely recognized as a key component of digital business development. Its simple, fast, and flexible consumption make it ideal for many dimensions of your BT agenda. While much of the industry hype and real action revolves around the public cloud market, private cloud is increasingly central to the BT agenda for any digital business. As an I&O professional, you play a central role in the development and execution of the entire cloud strategy, especially private cloud.

## European Private Cloud Adoption Rose Sharply In 2015

In 2015, Europe experienced a surge in private cloud adoption. As our Global Business Technographics® Infrastructure Survey, 2015 shows, 42% of European enterprise infrastructure decision-makers have adopted internal private cloud, up from 29% in 2014.[1] In addition to the overall adoption number, we also analyzed top drivers for adoption, approaches to private cloud, and tendency to use private cloud in conjunction with other cloud deployment types.

Forrester found that while cloud is progressing in Europe, technology managers still struggle with the more profound cloud attributes, developments, and benefits, especially with private cloud. Advanced virtualization — a cloud prerequisite but not true cloud — is still what most call cloud.[2] Despite this misnomer, however, European adopters are now more likely than ever to empower developers with fast, easy virtual resources and self-service access. While this trend stems from concern over public cloud, it is a sign that Europe is closer to true cloud enlightenment in 2015 than it was in 2014.

Forrester's Global Business Technographics Infrastructure Survey, 2015 highlights the following European private cloud adoption trends:

› **Private cloud is still the preferred model in Europe.** Relative to hosted private and public cloud alternatives, private cloud continues to be Europe's preferred deployment type among enterprise infrastructure decision-makers (see Figure 1).[3] Hosted private cloud is the second most popular, with public cloud trailing closely behind.[4] France was the top European adopter of private cloud (48%), followed by Germany (44%) and the UK (34%). Year-over-year adoption increased in all three of these countries, an indication that private cloud growth is a regional phenomenon and not localized in one country.

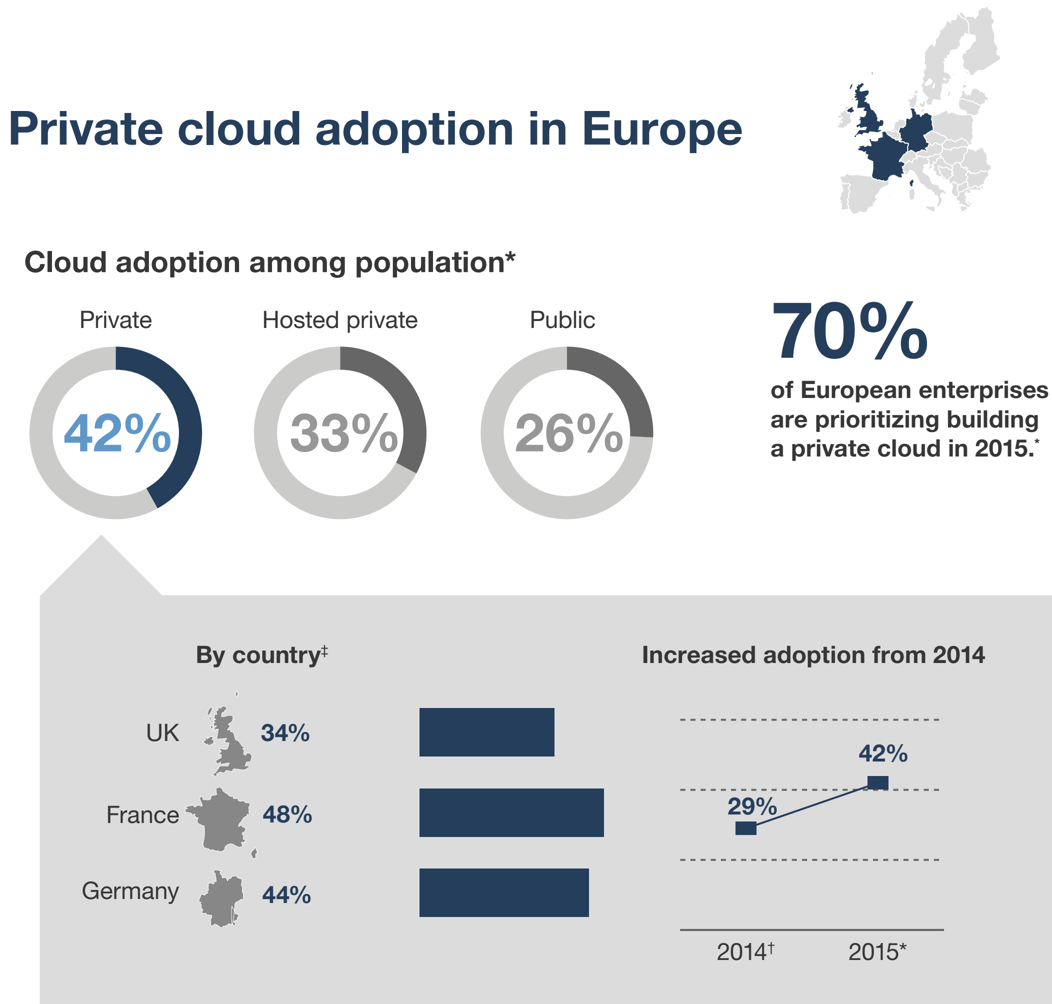
› **Traditional thinking still guides European private cloud initiatives in 2015 . . .** When European infrastructure decision-makers listed out top drivers for private cloud adoption, virtualization-centric benefits primarily made the top list. Although on-demand capacity and scalability still finished in the top tier of drivers at 70%, improved management (75%) ultimately led, followed closely by lower total cost of ownership for servers (69%) and enhanced disaster recovery (67%). This matters, since drivers often reflect the outcome and priorities of those building out the environment. If most of the top drivers are virtualization benefits, it does not bode well for moving past virtualization to a true private cloud.[5]

- **. . . but cloud-specific drivers are growing in importance.** Despite Europeans' focus on management, don't characterize them as lost when it comes to private cloud. Note that some cloud-specific drivers, such as providing developers with fast, easy resources for test and development, actually increased from 2014 to 2015 (from 63% to 68%).[6] What's even more promising is the alignment of the private cloud environments to key cloud requirements. When private cloud adopters were asked about core characteristics, 46% reported self-service access to developers, 46% reported having full automation of technology management processes and resources, and 47% said they can track resources of virtual machine usage by account, all increases from 2014.[7] Although these percentages should ideally be at 100%, it is a marked improvement and shows commitment to fast resource delivery and developer empowerment.

- **European firms use private cloud to provide test/dev for developers.** Developers are starting to get self-service access to private cloud (for test/dev only). This trend is a defensive response to an underlying concern — European tech managers have reservations about public cloud security. What seems like a forward-thinking developer-centric approach is also an attempt to prevent developers from using unauthorized public clouds such as Amazon Web Services (AWS).[8] When Forrester asked European private cloud adopters about their approaches to private cloud, 35% confirmed that their approach was designed to deter public cloud usage rather than deliver tools to empower their developers for net-new production workloads.[9] This test/dev approach represents the most common European private cloud strategy in 2015 (see Figure 2).

- **Hybrid cloud is on the rise.** Although many European organizations are focused on deterring public cloud usage, 37% have deployed a public cloud in conjunction with their private cloud, up from 24% a year ago. The new reality is multisourcing across cloud and non-cloud environments, which creates a unique hybrid cloud challenge for organizations. Some organizations look to connect these environments through a consistent hybrid cloud management portal. These hybrid management adopters report better cost management, improved management and flexibility, and increased security as the main drivers (see Figure 3).

**FIGURE 1** Private Cloud Adoption Surged In 2015

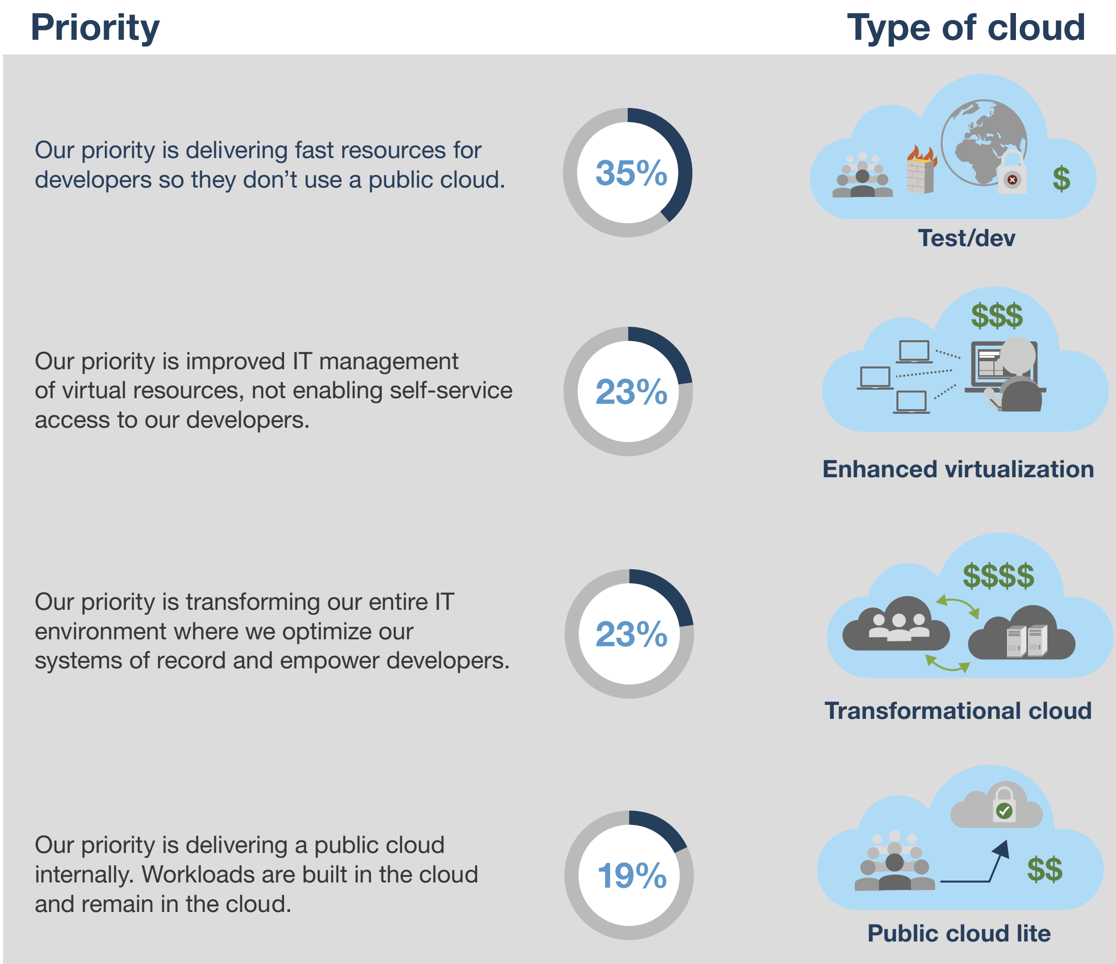



*Base: 378 European enterprise infrastructure technology decision-makers
†Base: 308 European enterprise infrastructure technology decision-makers
‡Base: 128 to 133 British, German, or French infrastructure technology decision-makers (1,000+ employees)

Source: Forrester's Global Business Technographics® Infrastructure Survey, 2015 and Forrester's Business Technographics Global Infrastructure Survey, 2014

**FIGURE 2** The European Market Is Test/Dev Focused

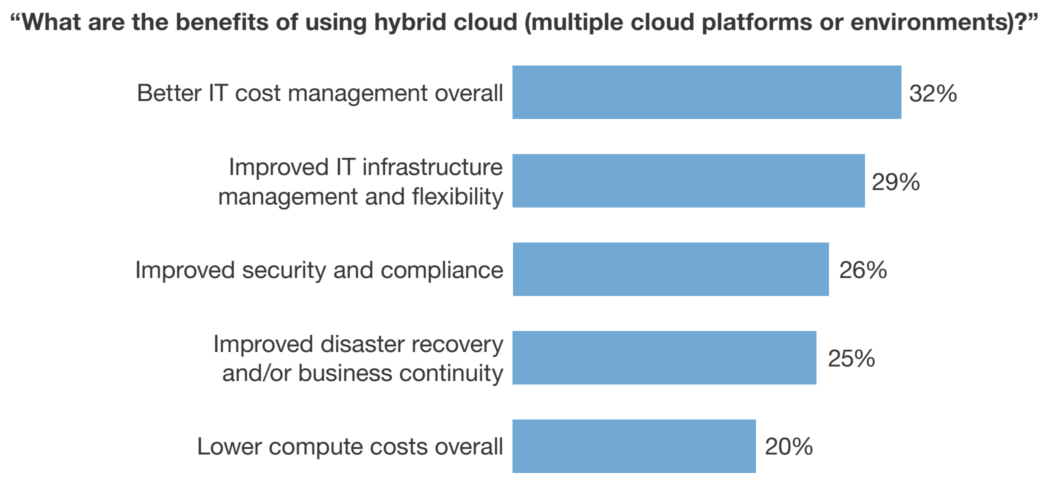
**"Which of the following best describes your company's internal private cloud approach?"**




Base: 261 European infrastructure technology decision-makers who have implemented or are planning to implement internal private cloud (1,000+ employees)

Source: Forrester's Global Business Technographics® Infrastructure Survey, 2015.

**FIGURE 3** Enterprises Bridge Their Cloud Platforms In Search Of Better Management




Base: 154 European infrastructure decision-makers whose firms are planning to or have implemented hybrid cloud and have implemented internal private cloud (1,000+ employees) (multiple responses accepted)

Source: Forrester's Global Business Technographics® Infrastructure Survey, 2015

**Recommendations**

## Focus On Developer Enablement To Elevate Your Cloud

This report surveyed the private cloud adoption landscape and reaffirmed 2014's dominant trend: European cloud adopters have yet to fully invest in and develop private cloud offerings for their organizations. Look to cloud-specific agility benefits as main drivers for your private cloud initiatives rather than to simply enhance the current state with improved virtualization tools or provision a local equivalent of public cloud resources to developers. Your primary direct customers — developers — have different cloud desires than you do. Look to cloud to enhance the business — not just the underlying infrastructure — as part of your BT agenda. European technology and business decision-makers currently prioritize the latter.[10]

### Leverage Forrester's Rich Research Resources For More Cloud Computing Guidance

Forrester offers a wealth of additional reports and data to assist the I&O professional on private cloud strategy and development. When prioritizing cloud strategy development in 2016, begin with Forrester's continually evolving cloud computing playbook, which is designed to guide your critical decisions with integrated reports, tools, and objective insight.[11] In 2015, we fully updated the playbook with 12 new reports, including a refreshed TechRadar™ covering the top cloud computing technologies for 2015, a maturity assessment for your cloud organization, and an updated business case document to help you evaluate the true costs of cloud in your organization.

From there, leverage our Business Technographics infrastructure survey to dig deeper into our adoption data. Every year, Forrester completes its Business Technographics infrastructure survey (previously known as the Forrsights hardware survey), which dedicates an entire section to private, hybrid, and public infrastructure-as-a-service (IaaS) cloud adoption. While this report profiles only the high-level results, you can access more in-depth data insights from the survey service to better guide your private cloud strategy.[12] Deeper infrastructure survey data analysis can help you answer:

› **Are European organizations moving data away from US-based cloud companies?** In 2014, Forrester introduced new cloud questions in response to the PRISM revelations. You can use this data to learn whether European firms are moving data out of US-headquartered clouds, what types of data are most affected, and where most enterprises are hosting their most sensitive data.[13]

› **Is enterprise cloud usage limited to test/dev?** Despite today's interest in private cloud deployments, it's not the only environment where workloads are hosted today. Level-set on how aggressively organizations are moving workloads to private and public clouds.

› **Is cloud adoption and interest growing or stagnant?** Forrester has four years of adoption data across private, hosted private, and public cloud. Through this data, you can look at adoption across all three areas and also explore the percentage of enterprises that have a hybrid strategy in place. You can also explore the percentage of enterprise environments that are hosted in these various models.

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# Supplemental Material

### Survey Methodology

Forrester's Global Business Technographics Infrastructure Survey, 2015, was fielded to 3,592 business and technology decision-makers located in Australia, Brazil, Canada, China, France, Germany, India, New Zealand, the UK, and the US from companies with two or more employees. This survey is part of Forrester's Business Technographics and was fielded from May 2015 to June 2015. ResearchNow fielded this survey on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates. We have provided exact sample sizes in this report on a question-by-question basis.

Forrester's Business Technographics Global Infrastructure Survey, 2014 is a mixed methodology phone and online survey fielded in June and July 2014 to 3,190 business and technology decision-makers located in Australia, Brazil, Canada, China, France, Germany, India, New Zealand, the UK, and the US from companies with two or more employees.

Forrester's Business Technographics provides demand-side insight into the priorities, investments, and customer journeys of business and technology decision-makers and the workforce across the globe. Forrester collects data insights from qualified respondents in 10 countries spanning the Americas, Europe, and Asia. Business Technographics uses only superior data sources and advanced data-cleaning techniques to ensure the highest data quality.

We have illustrated only a portion of the survey results in this document. To inquire about receiving full data results for an additional fee, please contact data@forrester.com or your Forrester account manager.

## Endnotes

[1] For the infrastructure decision-maker sample set, preference for private cloud is understandable. However, I&O professionals should understand that preference for private cloud does not fully represent the make-up of the environments in which infrastructure decision-makers deploy cloud platforms. This is due to deployment of other types of cloud in addition to shadow IT.

[2] This is also known as cloudwashing. Cloudwashing is the deliberate or accidental act of identifying a solution as cloud-based without that solution delivering the three basic elements of cloud: self-service access, tracking and monitoring of resources, and full automation.

[3] Today, private cloud is the most popular of the IaaS deployment models, with reported adoption across North American and European enterprises at 42%; another 27% are planning to adopt within the next year. However, Forrester Research, thought leaders, and public cloud vendors such as Amazon Web Services frequently discredit these adoption rates as highly overestimated and not representative of the actual environments deployed within enterprise situations. Specifically, many of these environments fall short of both Forrester's and the National Institute of Standards and Technology (NIST)'s private cloud definition, which Forrester data confirms. For more information, see the "Four Common Private Cloud Strategies" Forrester report.

[4] In 2015, 33% of enterprise-level European infrastructure technology decision-makers reported adoption of hosted private cloud. Source: Forrester's Global Business Technographics Infrastructure Survey, 2015.

[5] Cloud platforms are increasingly a viable option for a growing set of enterprise workloads. Business-aligned developers are aggressively leveraging public cloud platforms to build and deploy new elastic applications and to extend legacy capabilities. They have come to expect speed, choice, and cost transparency. Meanwhile, a large number of enterprise organizations are building a private cloud in 2015. The future enterprise technology infrastructure is therefore a hybrid mix of public and private clouds, but who will manage this new portfolio? Today, cloud developers are often doing it themselves out of necessity, but they should be focused on coding and testing, not cloud service management. Infrastructure and operations (I&O) professionals have the operations management skills, but they have not yet earned the right to take over cloud management. See the "Cloud Management In A Hybrid Cloud World" Forrester report.

[6] Cloud-specific benefits do more than just bolster the underlying infrastructure and provide greater control for tech management. They drive the business forward by supporting developers, allowing the business to respond quickly and automatically to increased demand from customers, and driving a faster release of new products and services to customers. When it comes to characterizing cloud-specific benefits of private cloud, think customer first, tech management second.

[7] Forrester asked European enterprise technology decision-makers, "What are your firm's plans to implement the following server virtualization/private cloud management capabilities implemented on your server virtualization and/or private cloud environment?" Source: Forrester's Global Business Technographics Infrastructure Survey, 2015.

Source: Forrester's Global Business Technographics Infrastructure Survey, 2015.

[8] Forrester asked 294 North American and 261 European technology decision-makers, "Which of the following describes your company's internal private cloud approach?" Twenty-eight percent of North Americans cited delivering fast resource access for developers so that they don't use a public cloud as a primary internal cloud approach over improving IT management of virtual resources, transforming the entire IT environment by optimizing systems of record,

and delivering a public-cloud-lite internally. Europeans also favored giving fast access to resources for developers as a primary motivator (35%), but to a higher degree. Source: Forrester's Global Business Technographics Infrastructure Survey, 2015.

For a greater analysis of test/dev cloud environments (as well as other types of private cloud), please see the "Four Common Private Cloud Strategies" Forrester report.

[9] This correlates with the fact that only 23% of European technology decision-makers prioritize delivering a public cloud internally where workloads are built in the cloud and remain in the cloud. Source: Forrester's Global Business Technographics Infrastructure Survey, 2015.

[10] Forrester defines the BT agenda as the to-do list across roles for applying technology, systems, and processes to win, serve, and retain customers.

[11] Cloud computing has become a valuable part of the fully functioning enterprise. However, to gain the benefits of using the cloud means changing your business technology strategy and optimizing the overall business performance. For more information about the cloud computing playbook, see the "Onboard The Business To Your Cloud Strategy" Forrester report.

[12] Forrester's Global Business Technographics Infrastructure Survey, 2015 was fielded to 3,592 business and technology decision-makers located in Australia, Brazil, Canada, China, France, Germany, India, New Zealand, the UK, and the US from companies with two or more employees. This survey is part of Forrester's Business Technographics and was fielded from May 2015 to June 2015. ResearchNow fielded this survey on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates. We have provided exact sample sizes in this report on a question-by-question basis.

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[13] Although PRISM itself has been killed by the US Congress, the new Cybersecurity Information Security Act (CISA) which President Obama signed into law on December 18, 2015, effectively reinstates many of PRISM's snooping abilities and allows companies to share information directly with the United States Department of Defense.

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