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Department of Defense IT Pros Want to Move the Majority of Applications to the Cloud by 2020 but Expect Budgets will Only Support a Transition for a Small Portion

Agencies Must Prioritize Cloud Migrations; New Study Examines the Benefits and Drawbacks of Migrating Legacy
Applications to the Cloud vs. Building New

Alexandria, Va., June 17, 2015 – MeriTalk, a public-private partnership focused on improving the outcomes of government IT, today announced the results of its new report, "DoD's Move to the Cloud: Box it Up or Build New?" The study, underwritten by General Dynamics Information Technology, reveals that Department of Defense (DoD) agencies would like to move 57 percent of their applications to the cloud by 2020 but believe that budgets will allow just 24 percent of applications to make the transition.

The "Box it Up or Build New?" report surveyed 150 Federal IT professionals from DoD and Intelligence agencies to examine where agencies stand in their move to the cloud and how they determine which approach to take – migrating legacy applications or building new.

The advantages of cloud are clear – respondents cite improved agility (87 percent), saved money (87 percent), and saved time (87 percent) as the top benefits – but approaches to getting there are split. So far, 57 percent of DoD's cloud applications have been migrated from legacy applications, while 43 percent have been built new in the cloud. But looking to the future, a far greater number of DoD and Intelligence IT professionals (52 percent) believe that building new is a smarter long-term move, while just 18 percent favor migrating legacy applications.

"Both approaches – migrating legacy applications and building new in the cloud – have their merits and their place. Against the backdrop of tight budgets, agencies must take time to complete a full analysis of each application's needs before pulling the trigger to ensure they make the best

decision from a cost and performance perspective," said Stanley Tyliszczak, vice president technology integration and chief engineer, General Dynamics Information Technology.

Agencies consider a series of factors when deciding on a cloud approach for a particular application. Sixty-nine percent complete a security analysis or review; 65 percent assess computing, network, and storage needs; and 57 percent complete a workload analysis.

"When it comes to cloud, it appears you can't have it all," said Steve O'Keeffe, founder, MeriTalk. "Tight budgets require tough decisions – agencies must prioritize apps that will move the needle rather than just batting down the low-hanging fruit. Building new will allow them to drop a lot of legacy baggage for greater agility."

While agencies see big benefits to building new – citing security (56 percent), deployment speed (51 percent), and opportunity to reduce redundancies (48 percent) as the top advantages – they face hurdles along the way. Lack of funding (43 percent), integration challenges (41 percent), and length of time needed to develop requirements and launch (34 percent) are the biggest drawbacks to the approach. In addition, it is sometimes necessary to migrate a legacy application instead of building new due to security concerns or a need to maintain specific data structure.

Agencies are more likely to migrate legacy applications that they have heavily invested in, that are custom-built to support agency mission, and/or that are highly specialized. They are more likely to build new for applications that are continually evolving, have high maintenance costs, and/or require 99.999% availability. Interestingly, DoD IT managers are more likely to recommend building new than their staff.

"DoD's Move to the Cloud: Box it Up or Build New?" is based on an online survey of 150 Federal IT professionals in April 2015. The report has a margin of error of ±7.97% at a 95% confidence level. To download the full study, please visit <a href="www.meritalk.com/boxorbuild">www.meritalk.com/boxorbuild</a>.

## About MeriTalk

The voice of tomorrow's government today, MeriTalk is a public-private partnership focused on improving the outcomes of government IT. Focusing on government's hot-button

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