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MERITALK STUDY REVEALS FEDERAL, STATE AND LOCAL, AND HIGHER EDUCATION CLOUD ADOPTERS PLAN TO NEARLY DOUBLE CLOUD USE IN NEXT FIVE YEARS

Yet Ninety-Five Percent of IT Managers are Hesitant to Move Applications to Public Cloud

Alexandria, Va., September 19, 2016 – [MeriTALK](#), a public-private partnership focused on improving the outcomes of government IT, today announced the results of its new report, “[Destination Cloud: The Federal and SLED Cloud Journey](#)” which looks at the cloud strategies of Federal, state and local, and higher education cloud adopters. The study, underwritten by [NetApp](#) and [Avnet Government Solutions](#), reveals that 82 percent of public sector cloud adopters say their agency or institution will increase spending on cloud computing in 2017 – 85 percent Federal; 81 percent higher education; and 76 percent state and local. The five-year outlook is even more promising with plans to nearly double cloud use from 35 percent up to 60 percent.

Public sector cloud adopters are stepping on the gas – from police stations and state colleges to our nation’s capital. Today, 55 percent of cloud adopters are evaluating cloud solutions as part of their overall IT strategy and the remaining 45 percent are evaluating cloud solutions for a limited number of specific applications. Cloud adopters report that cost saving is a key cloud driver – 65 percent of Federal, 67 percent of state and local, and 59 percent of higher education. In addition, respondents say they now look to cloud options first when considering new investments – 65 percent Federal, 56 percent state and local, and 63 percent higher education.

Those investments have huge returns. Public sector cloud adopters see improvements in productivity, customer services, and cost savings by moving applications to the cloud. But there’s a fork in the road – public cloud versus private cloud. While 89 percent of IT managers see benefits

to selecting public cloud offerings, 95 percent see drawbacks – 61 percent report their agency or institution has privacy and security concerns.

Federal cloud adopters are most commonly using the cloud for web hosting (82 percent), collaboration (82 percent), and backup services (81 percent). To avoid the security roadblock, more than half of respondents run their IT applications in the private cloud. Feds are in the fast lane with 64 percent fueling up on private cloud, but state and local (54 percent) and higher education (50 percent) are not far behind. In addition, cloud adopters are significantly more likely to select private cloud over public cloud for apps that handle sensitive information (78 percent compared to 14 percent) or are highly specialized (69 percent compared to 21 percent).

“Agencies and institutions must factor regulations, budget constraints, and the limitations of legacy systems – leaving them with little flexibility to respond to evolving mission demands,” said Rob Stein, vice president, U.S. public sector, NetApp. “Public sector adopters are looking to take advantage of the benefits of cloud, but they need a solution that allows them to manage, migrate, and secure their most valuable assets as needed.”

Looking down the road, few public sector cloud adopters are taking the necessary steps to prepare for the transition. Less than half of cloud adopters assess the required computing, network, and/or storage needs; develop a cost model; or prepare the workforce for the transition. In addition, cloud adopters report that email (41 percent) and backup services (36 percent) are still in need of updating before they can be fully moved to the cloud.

“Cloud adopters are working to understand the rules of the road and want roadside assistance,” said Milo Speranzo, director strategy and compliance, Avnet Government Solutions, a technology distributor with innovative IT capabilities and public sector markets expertise. “To get in the fast lane to real cost savings, cloud adopters need clear migration strategies, appropriate cost models, and to prioritize the most critical cloud-ready apps.”

Many agencies and institutions have mapped a clear course to the cloud. Before migrating systems, they identify and mitigate risks (57 percent), develop a migration strategy (56 percent), and

prioritize applications for migrations (52 percent). When partnering with cloud service providers, 42 percent of agencies and institutions require vendors to pass a safety inspection.

“Cloud is the future for public sector computing,” said Steve O’Keeffe, founder, MeriTalk. “But agencies and institutions will take their own roads and travel at their own speed.”

“Destination Cloud: The Federal and SLED Cloud Journey” is based on an online survey of 300 Federal, state and local, and education cloud adopters in July and August 2016. The report has a margin of error of $\pm 5.62\%$ at a 95% confidence level. To download the full report, please visit <https://www.meritalk.com/study/destination-cloud-the-federal-and-sled-cloud-journey/>.

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 issues, MeriTalk hosts [Big Data Exchange](#), [Cloud Computing Exchange](#), [Cyber Security Exchange](#), and [Data Center Exchange](#) – platforms dedicated to supporting public-private dialogue and collaboration. MeriTalk connects with an audience of 115,000 government community contacts. For more information, visit www.meritalk.com or follow us on Twitter, @meritalk. MeriTalk is a [300Brand organization](#).