VansonBourne

NUTANIX™

2019 Edition

NUTANIX ENTERPRISE CLOUD INDEX

How Switzerland Compares

Second
Annual
Report

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The Nutanix Enterprise Cloud Index 2019

About This Report

For the second consecutive year, Vanson Bourne has conducted research on behalf of Nutanix to learn about the state of global enterprise cloud computing deployments and plans. In mid-2019, the researcher surveyed 2,650 global IT decision-makers about where they're running their business applications today, where they plan to run them in the future, their challenges with cloud computing, and how their cloud initiatives stack up against other IT projects and priorities. The 2019 and 2018 respondent bases both spanned multiple industries, business sizes, and geographies.

This report is a supplement to the global 2019 Enterprise Cloud Index report and focuses on cloud deployment and planning trends in **Switzerland**. It highlights key data points gleaned from IT professionals in Swiss businesses and how they compare to enterprise cloud experiences and plans in other parts of the European, Middle East, and African (EMEA) region and the rest of the world.

Cloud Terminology

This report refers to several different types of cloud environments. Below are the definitions of these cloud types as expressed to respondents during the data-gathering phase of this research and as used throughout this report.

- **PRIVATE CLOUD:** A cloud-enabled IT infrastructure running in a corporate datacenter or privately hosted by a third-party service provider.

- **PUBLIC CLOUD:** Infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS) offerings from third-party cloud service providers. Examples of these offerings are Amazon Web Services (AWS), Microsoft Azure, and Google Cloud Platform.

- **HYBRID CLOUD:** A combination of private and public cloud environments, with some level of interoperability between them.

- **MULTICLOUD:** An IT environment that uses multiple public cloud services, with some level of interoperability between them.

- **TRADITIONAL DATACENTER:** Centralized location housing computing, storage, and networking equipment for the purpose of running applications and for collecting, storing, and processing large amounts of data, without the benefit of cloud technology.

With a More Traditional Approach to IT & Secuirty, Swiss Businesses Key Cloud Computing Trends

Key Findings

The research illustrates the following key findings:

1 **Traditional data centers continue to play a larger role in Swiss companies than in other businesses.** Like other organizations, Swiss companies are generally moving toward hybrid cloud computing and away from legacy data centers. However, their plans also call for continuing to operate two to three times as many traditional, non-cloud-enabled data centers as businesses elsewhere for the foreseeable future. One possible explanation is that security and privacy are top-of-mind issues for all enterprises, according to ECI results, and Swiss respondents chose the traditional data center most often as the IT infrastructure affording the greatest security. By contrast, respondents from other countries said a hybrid cloud model was most secure.

2 **While they report aggressive hybrid cloud investment plans, far fewer Swiss respondents see hybrid cloud as the "ideal" IT operating model, compared to respondents in other geographies.** Well over three-fourths of global and EMEA respondents—**85%** and **84%** on average, respectively— agree that hybrid cloud is the ideal infrastructure, while just **60%** of Swiss companies see it this way.

3 **Swiss respondents more often identified integration with data centers as a top cloud challenge than other respondents.** It follows from key finding #1 that businesses intending to support a greater number of legacy data centers would likely consider cloud-and-data-center integration a greater priority and challenge than those moving more swiftly to fully cloud-enabled infrastructures.

4 **Local regulations and policies will have the biggest impact on future Swiss cloud decisions.** More than half **(56%)** of Swiss respondents said regulations that dictate where they are allowed to store data will drive their cloud decision-making, while others **cited adequate intercloud security** most often globally **(60.49%)** and in the EMEA **(60%)** as the greatest influencer. By contrast, just 40% of Swiss respondents ranked intercloud security as the top decision driver.

5 **Swiss businesses generally seem to feel that the more control you have over your IT environment, the more secure it is.** While all geographies voted the hybrid cloud as the most secure IT operating model most often, Swiss respondents stuck with traditional data centers as the most secure infrastructure, followed by on-prem private clouds.

6 **Swiss companies have the most stable public cloud implementations.** While a significant number of global respondents said they are pulling applications out of the public cloud and bringing them back on-premises, this situation was far less evident in Swiss companies. The number of Swiss respondents reporting that they haven't moved any applications out of the public cloud and have no plans to do so was twice both the global and EMEA average.

IT Operating Models: In Use and On Deck

Switzerland operates more non-cloud-enabled, traditional data centers than any other country surveyed for the 2019 Enterprise Cloud Index, reporting an **84%** data center penetration in 2019. While Swiss companies do say they plan to significantly decrease their use of traditional data centers over the next five years, they also say they will continue to run between two and three times as many data centers as their counterparts in other countries from 2019 through 2024.

While the Swiss emphasis on traditional data center might seem a departure, it's actually in sync with real-world usage trends from 2018 to 2019 as gathered by the Enterprise Cloud Index. Despite stated plans to the contrary in the 2018 Enterprise Cloud Index, the use of traditional data centers actually gained ground in 2019, increasing by **12.5%** overall, despite respondent predictions a year ago that usage would actually drop by **20.5%** by mid-2019.

Continuing to support a large penetration of non-cloud-enabled infrastructure doesn't mean that Switzerland isn't making progress with cloud computing. The country falls right in line with the averages for private cloud and multiple public cloud (multicloud) usage today with about one-third penetration of private cloud and **10%** penetration of multicloud.
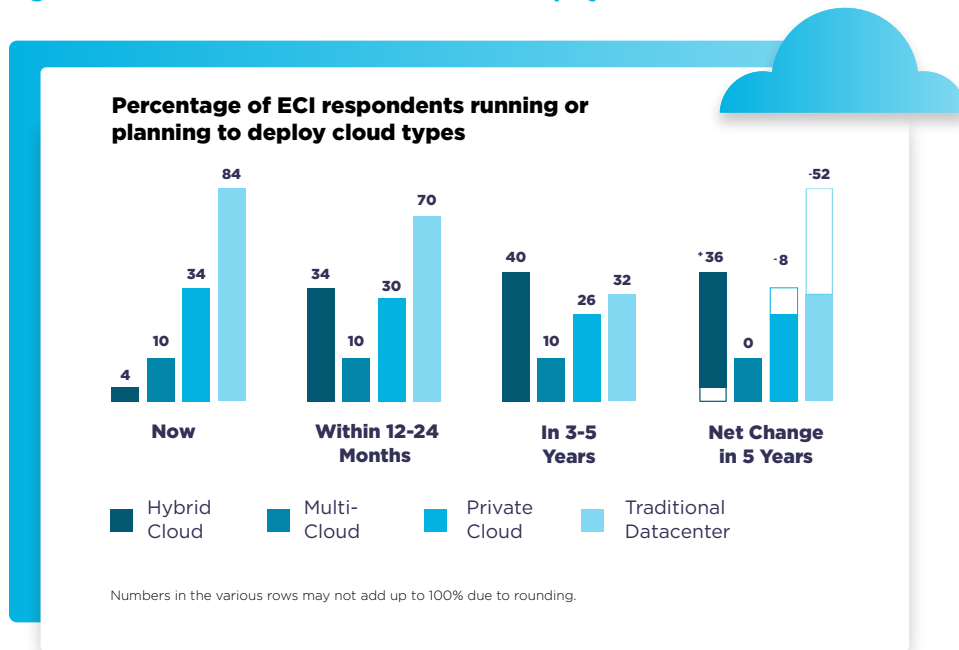
However, Swiss companies report just **4%** penetration today when it comes to the hybrid cloud, trailing all other countries and regions except Japan **(3%)**. Hybrid cloud is the IT model cited by the majority of Enterprise Cloud Index respondents as the "ideal" IT model for two years running, with **85%** of respondents selecting it as the best model in 2019 and **91%** selecting it in 2018. By contrast, just **60%** of 2019 Swiss respondents agreed that hybrid is the ideal infrastructure **(Figure 1)**.

Figure 1. Hybrid Cloud is the Ideal IT Operating Model for my Organization

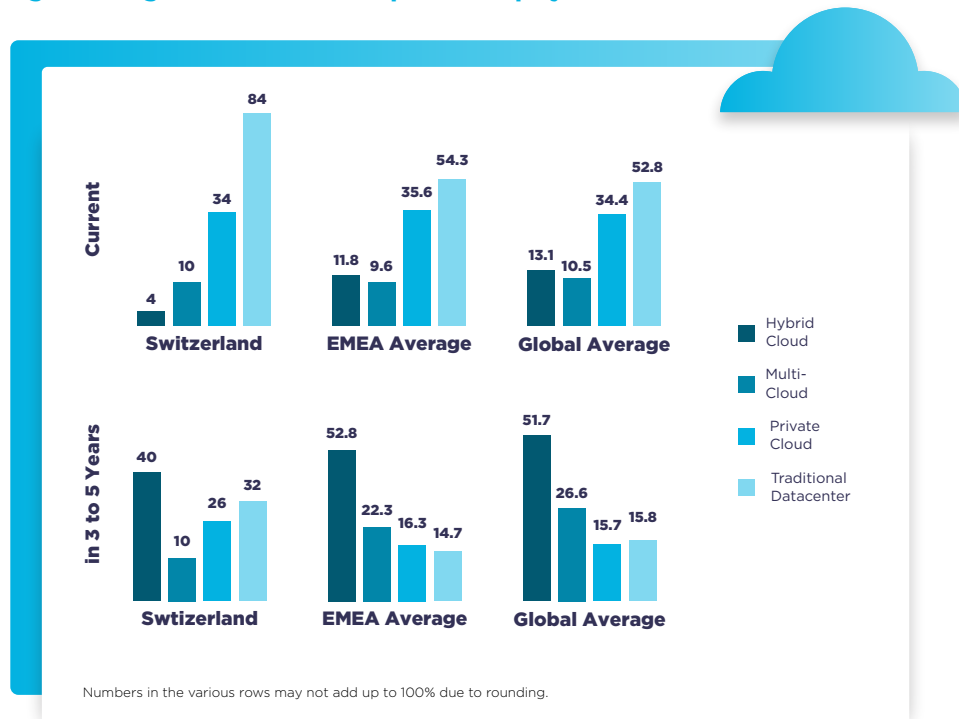Numbers may not add up to 100% due to rounding.

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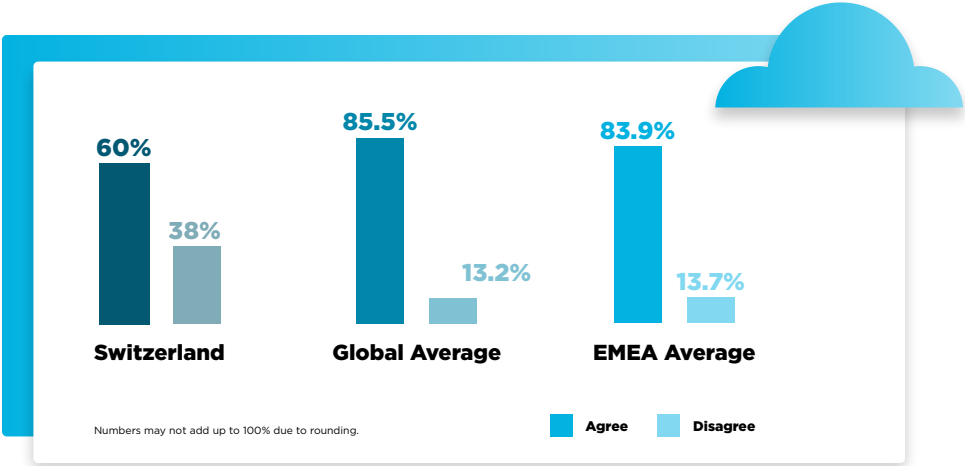
Despite Swiss respondents' departure from the averages in running more data centers and being less enthusiastic about hybrid cloud in general, their stated plans still conform to the overall cloud migration trend over the next five years toward decreasing the penetration of legacy data centers in favor of hybrid cloud deployments **(Figure 2)**.

Figure 2. Switzerland's Current and Planned IT Deployments

Percentage of ECI respondents running or planning to deploy cloud types

	Hybrid Cloud	Multi-Cloud	Private Cloud	Traditional Datacenter
Now	4	10	34	84
Within 12-24 Months	34	10	30	70
In 3-5 Years	40	10	26	32
Net Change in 5 Years	*36	0	-8	-52

Numbers in the various rows may not add up to 100% due to rounding.

Global stats indicate that most Swiss IT infrastructure changes over time will be happening in the areas of hybrid cloud and non-cloud-enabled data centers. Swiss companies, for example, indicated plans to dramatically increase their use of hybrid cloud from just **4%** to **40%** over the next five years and to cut their use of traditional data centers by more than half, as Figure 2 shows. Other regions also expect their use of private cloud to decrease, but, unlike Swiss respondents, they expect to more than double their use of multicloud services **(Figure 3)**, while Swiss businesses expect their multicloud deployments to remain flat at just 10% penetration.

Figure 3. Regional and Global Comparative Deployments

Current

	Hybrid Cloud	Multi-Cloud	Private Cloud	Traditional Datacenter
Switzerland	4	10	34	84
EMEA Average	11.8	9.6	35.6	54.3
Global Average	13.1	10.5	34.4	52.8

In 3 to 5 Years

	Hybrid Cloud	Multi-Cloud	Private Cloud	Traditional Datacenter
Swtizerland	40	10	26	32
EMEA Average	52.8	22.3	16.3	14.7
Global Average	51.7	26.6	15.7	15.8

Numbers in the various rows may not add up to 100% due to rounding.

Swiss companies see a mix of both clouds and traditional data centers in their futures far more often than other companies. Non-Swiss businesses indicated a greater likelihood of moving to a mix of cloudified environments instead and away from non-cloud-enabled data centers **(Figure 4)**.

Figure 4. Do you envision someday running all application workloads in one place?

Numbers in the various rows may not add up to 100% due to rounding.
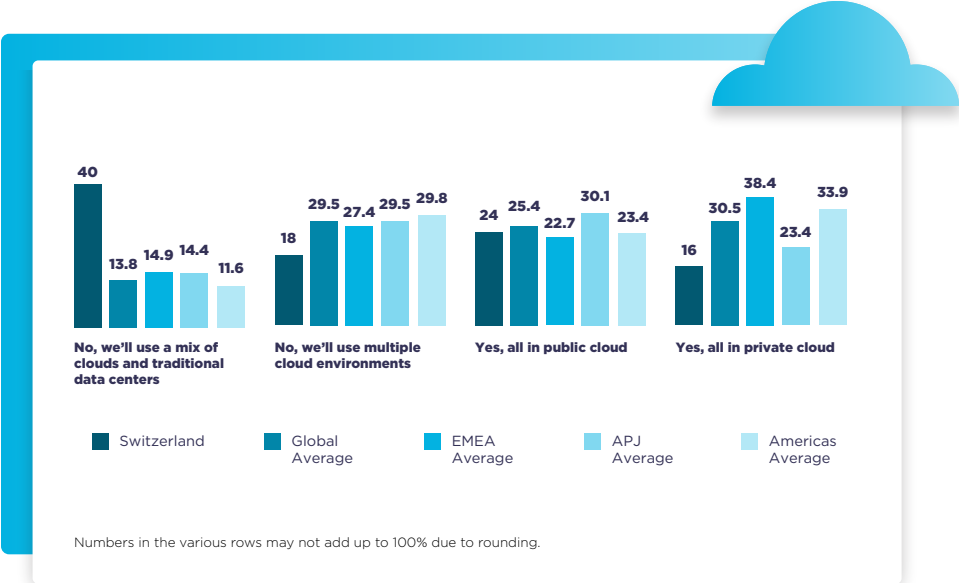
As Figure 4 shows, close to **30%** of companies in other countries and regions, on average, anticipate running workloads in multiple cloud-enabled environments, while just **18%** of Swiss companies envision doing so. Swiss respondents lean more toward favoring a blend of cloud and traditional data center infrastructure **(40%)**.

And while about a third of companies in other geographies (except for Asia-Pac) said they could see one day running all their applications in a private cloud, only **16%** of Swiss companies agreed. Switzerland fell more in line with its regional and global counterparts in envisioning someday running all applications in a public cloud environment, with about a quarter of respondents from most other regions envisioning this scenario. Asia-Pac was more bullish, selecting the public cloud option more than **30%** of the time and appearing to favor the public cloud option to other infrastructure alternatives.

Security Top of Mind for All; Integration Challenges Greater for Swiss

Given Switzerland's tendency toward data center retention compared to other businesses, it's not surprising that Swiss companies cited cloud integration with traditional data centers more often as a cloud challenge than others. Overall, respondents across the board cited data security and privacy, ease of management, and end-user experiences as the top three challenges with cloud computing. Switzerland highly ranked these issues, too, but rated ease of management and end-user experiences as equally challenging and chose the ability to integrate with on-premises infrastructure more often as a top challenge than any other issue except security.

Figure 5 shows how Switzerland's cloud concerns compare with others globally and across the EMEA, while **Figure 6** shows how Switzerland and other EMEA countries ranked security as a challenge compared to the global average. Switzerland ranked security a top concern about as often as the global average, for example, while Nordics ranked it far more frequently, and France and Spain far less so.

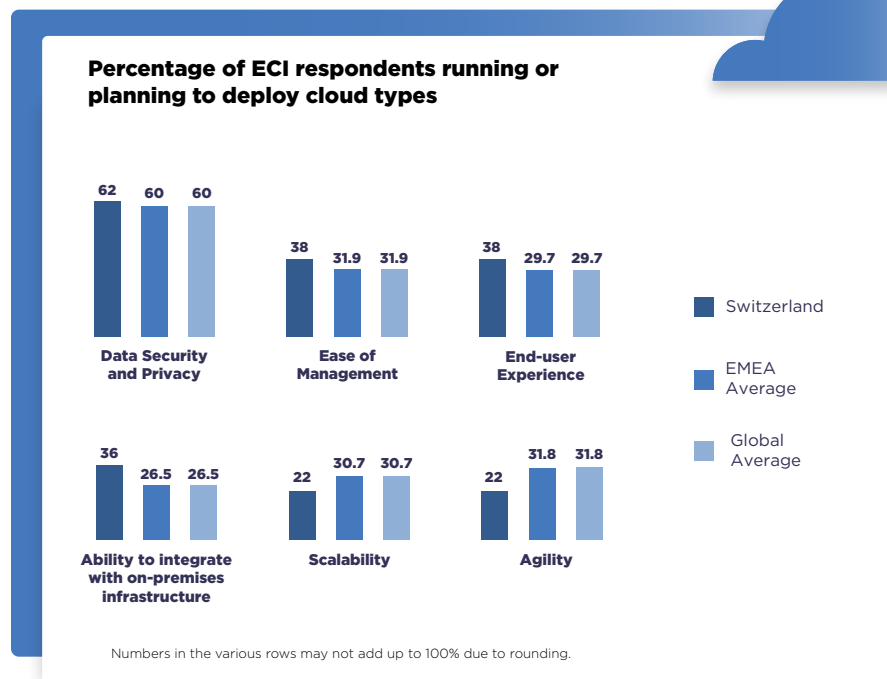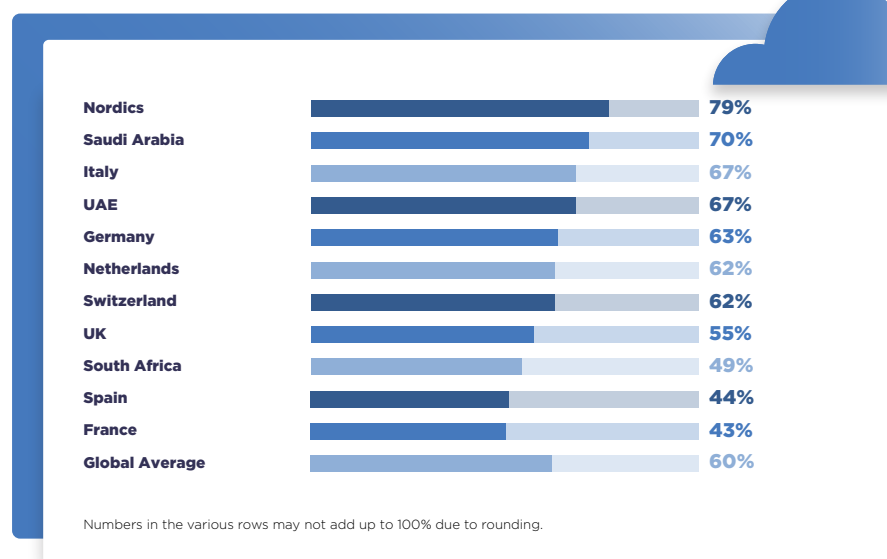### Figure 5. Top Cloud Challenges

Percentage of ECI respondents running or planning to deploy cloud types

	Switzerland	EMEA Average	Global Average
Data Security and Privacy	62	60	60
Ease of Management	38	31.9	31.9
End-user Experience	38	29.7	29.7
Ability to integrate with on-premises infrastructure	36	26.5	26.5
Scalability	22	30.7	30.7
Agility	22	31.8	31.8

Numbers in the various rows may not add up to 100% due to rounding.

Figure 6. Top Cloud Challenges

Nordics	79%
Saudi Arabia	70%
Italy	67%
UAE	67%
Germany	63%
Netherlands	62%
Switzerland	62%
UK	55%
South Africa	49%
Spain	44%
France	43%
Global Average	60%

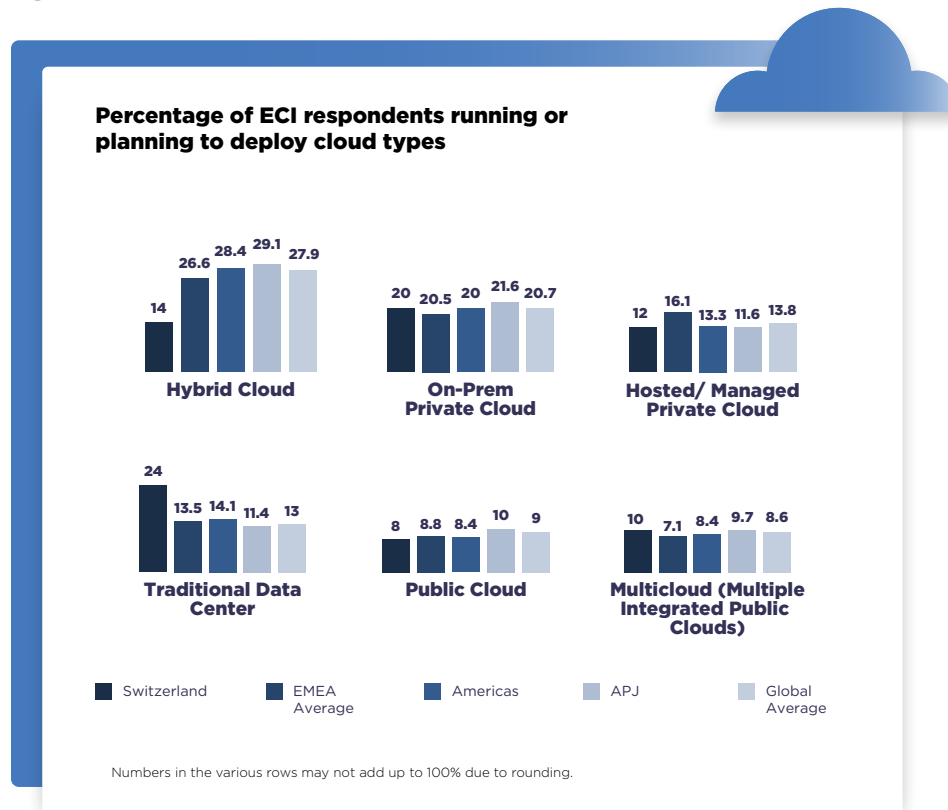Numbers in the various rows may not add up to 100% due to rounding.

Like most companies, Swiss enterprises also ranked data security and compliance as the top consideration when deciding what infrastructure to use on a workload-by-workload basis. More than a third **(34%)** of responding Swiss companies cited this factor as the most important one, beating both the worldwide average **(26.15%)** and the EMEA average **(29.52%)**. Within the EMEA region, however, a few countries surpassed Switzerland in choosing data security and compliance as the top criterion: Saudi Arabia **(45%)**, Italy **(40%)**, Nordics **(37%)**, and the Netherlands **(36%)**.

While security and privacy consistently remain top of mind for all companies regardless of what IT infrastructure(s) they're running, what models do ECI respondents consider the most secure? This question was posed to survey takers for the first time this year and, surprisingly, most respondents consistently chose "hybrid cloud" as the model they deemed most secure.

Once again, however, Switzerland, with its extended affinity for the traditional data center, bucked the trend. It cited the non-cloud-enabled data center as the most secure, followed by on-premises private cloud, seemingly ascribing to the tenet that the more control you have over a given environment, the more secure that environment is likely to be **(Figure 7)**.

Figure 7. Which Infrastructure Is Most Secure?

Percentage of ECI respondents running or planning to deploy cloud types

Hybrid Cloud: 14, 26.6, 28.4, 29.1, 27.9
On-Prem Private Cloud: 20, 20.5, 20, 21.6, 20.7
Hosted/ Managed Private Cloud: 12, 16.1, 13.3, 11.6, 13.8
Traditional Data Center: 24, 13.5, 14.1, 11.4, 13
Public Cloud: 8, 8.8, 8.4, 10, 9
Multicloud (Multiple Integrated Public Clouds): 10, 7.1, 8.4, 9.7, 8.6

Legend: Switzerland, EMEA Average, Americas, APJ, Global Average

Numbers in the various rows may not add up to 100% due to rounding.

This school of thought has long been a common one among IT shops. However, with the well-documented deficit of available cybersecurity skills on respondents' minds, some respondents interviewed said they're coming around to the idea that a public cloud provider is likely to have more resources on staff and, as such, might be able to do a better job than an in-house team.

App Migration Trends

Nearly three-fourths **(73%)** of 2019 Enterprise Cloud Index respondents reported that they are moving some applications off the public cloud and back on-prem, and **22%** of those respondents said they're moving five or more applications. These moves give credence to enterprises' generally stated need for hybrid cloud's flexibility in allowing them to adapt their infrastructures based on cost, performance, security/compliance, and other variables that can change over time.

Switzerland, however, reported unparalleled stability in its deployment of public cloud applications, with more than twice as many Swiss respondents saying public cloud apps are staying where they are as did respondents in other regions. About half as many Swiss companies have brought a "few" applications back on-prem and more than five times as many non-Swiss respondents have brought a significant number of apps (more than five) back on-premises **(Figure 8)**.

Figure 8. Are You Moving Apps Back On-Prem From Public Cloud?

Numbers in the various rows may not add up to 100% due to rounding.
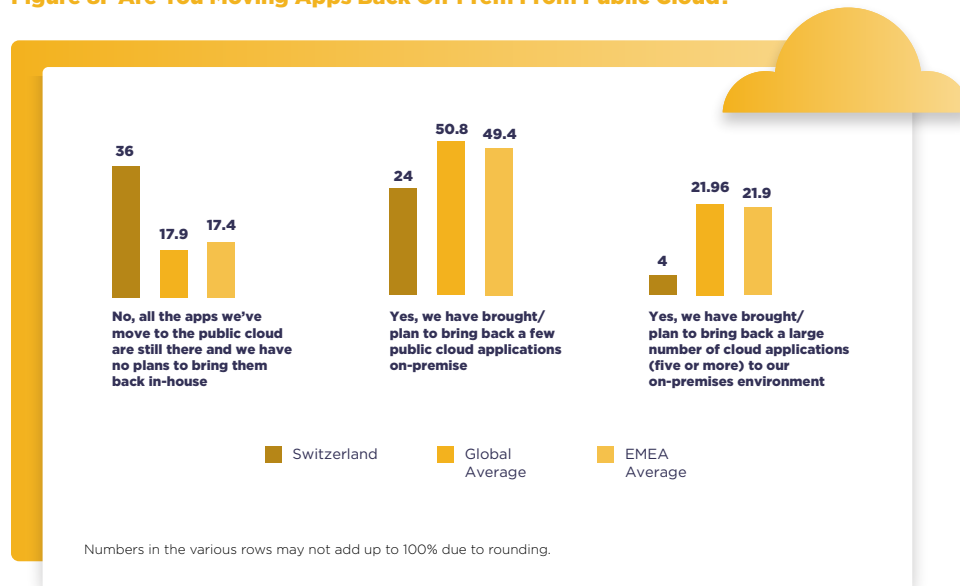
Conclusions

2019 Enterprise Cloud Index respondents in Switzerland are generally following the global and regional trend of migrating away from non-cloud-enabled, traditional data centers to a predominantly hybrid cloud model. However, their migratory tactics and attitudes differ substantially on several points. Far fewer Swiss respondents, for example, consider hybrid cloud to be the "ideal" IT model and many more consider a traditional data center to be more secure than the hybrid model their peers most often cite as most secure.

While Swiss businesses say they intend to cut back their number of data centers by more than **50%** in the coming five years, they will still be left with two to three times as many legacy infrastructures as their counterparts in other regions—that is, if global respondents stay true to their stated 2019 cloud intentions. Year-over-year ECI data from 2018 to 2019 revealed that, globally, enterprises' stated one-year plans to reduce traditional data center use by half in favor of, largely, hybrid cloud and multicloud deployments hit a glitch. From 2018 to 2019, data center use actually increased by **12.3%**., while hybrid cloud usage, rather than increasing, fell by about **5.4%**.

ECI data indicates several possible reasons for the turnabout, including an industrywide need for better app mobility and cross-cloud management tools and security. Whatever the reasons behind the holdup, the data indicates that what many 2018 respondents ideally thought they might be doing within the next year turned out to be impractical. It's possible, then, that Switzerland respondents are simply being more realistically conservative in their stated plans to adopt cloud computing, perhaps seeing the cloud migration landscape for what it is today and realizing that wholesale change is likely to take more time than others might estimate.