



CLOUD TRENDS:
AN INSIGHT INTO MULTI CLOUD

Study results for the Netherlands



HOW CAN WE BRING ORDER TO THE CLOUD CHAOS?

For a long time, Dutch companies were slow to implement cloud computing. Today, however, the situation is changing very rapidly – and companies are using multiple cloud providers at the same time. This is not just because companies have developed extensive multi-cloud strategies that they are using specifically to get the best offers from different providers. In many cases, it is also the result of their own employees using different cloud services without approval – in other words, it stems from shadow IT.

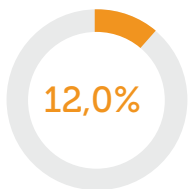
In what ways do companies want to prevent or control the impending cloud chaos? Interxion commissioned Research in Action to create a study that would help answer this question. The study reveals how many companies are using an integrated multicloud strategy, what benefits they believe this brings and where the obstacles lie. It also shows what kind of cloud offers they are focusing on.

Research in Action interviewed 1,400 people in seven European countries, and 150 of these respondents came from the Netherlands. The individuals interviewed were IT decision-makers in companies generating annual turnover of EUR 250 million or more. The following information in this executive briefing is based on data from companies in Europe and information specific to industries in Europe. The participants were interviewed by telephone and as part of an online panel.

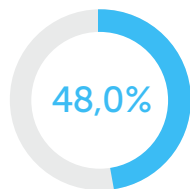
Good planning is half the battle

So how do we bring order to the chaos of the cloud? The answer is clear: By using an integrated multicloud strategy. Although only 12.0 percent of Dutch companies currently have such a plan in place, 48.0 percent aim to implement one in the next 18 months and 28.7 percent in the long term. For another 6.0 percent, a multicloud environment has grown organically as a result of shadow IT projects, but they are not following an integration strategy.

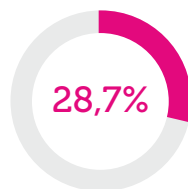
They obviously still feel up to the task of managing this – or they might just have already surrendered to the chaos. As we can see, almost all companies in the Netherlands are engaging in some way with multicloud. Only 3.3 percent have ignored the subject thus far or only use one or no cloud provider.



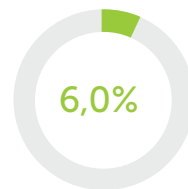
already have a multi cloud strategy implemented



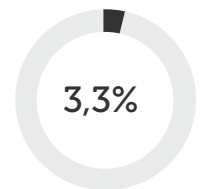
plan to implement a multi cloud strategy within the next 18 months



plan to implement a multi cloud strategy in the long term



don't have a strategy – multi cloud has grown organically as a result of shadow IT projects



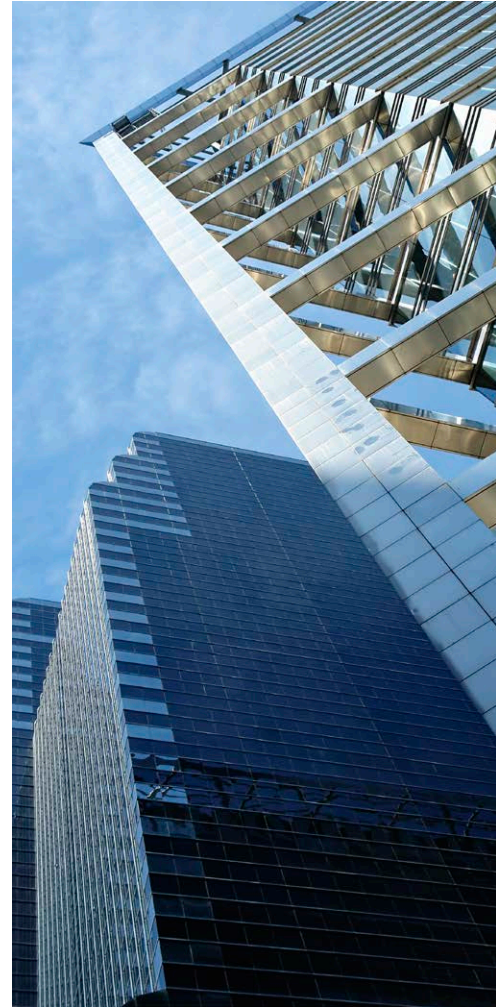
rely on a single or no cloud provider

*others/don't know: 2,0%

It comes as no surprise that across Europe, the “technology and consulting” industry has made the most progress in implementing multi-cloud strategies. 26.0 percent of such companies already have a strategy of this kind in place. This sector is followed by “media and telecommunication” at 15.4 percent and the finance sector at 13.2 percent. Retail and “transport and logistics” are at the bottom of the list with 3.5 percent respectively.

It is interesting to note that the “public sector” is in a particularly special position here. 37.5 percent of respondents in this sector use one cloud provider or no cloud provider at all. This is by far the highest figure as the next industry behind this is the healthcare sector with just 7.3 percent. This outlier might be explained by the fact that many authorities only trust one IT provider organised by the state or they are not permitted to store any data in the cloud due to the General Data Protection Regulation (GDPR). However, this stance is not being fully implemented in practice. 27.8 percent of respondents in this sector report the existence of a multicloud environment that has developed from shadow IT and for which they do not have any integration strategy in place. In comparison, the technology and consulting sector is in second place here with 20.7 percent.

Nevertheless, every fifth respondent in the public sector is planning to implement a multicloud strategy in the long term and 5.6 percent aim to do so in the next 18 months. The logistics sector is in a better position here. Although the percentage of respondents who said they have a multicloud strategy in place was even lower than in the public sector, 47.4 percent plan to introduce one in the next 18 months and 36.0 percent aim to do so in the long term. The figures are similar for many other sectors such as retail, energy, finance, healthcare, media and manufacturing. So the problem has been identified – but it still hasn’t been resolved.



Highlights by sector **

Pole position for
Technology
Companies –
Public Sector is
behind

26,0% 
of Technology/Consulting Companies already
have implemented a strategy

15,4% 
of Media/Telecommunication Companies
already have a strategy in place

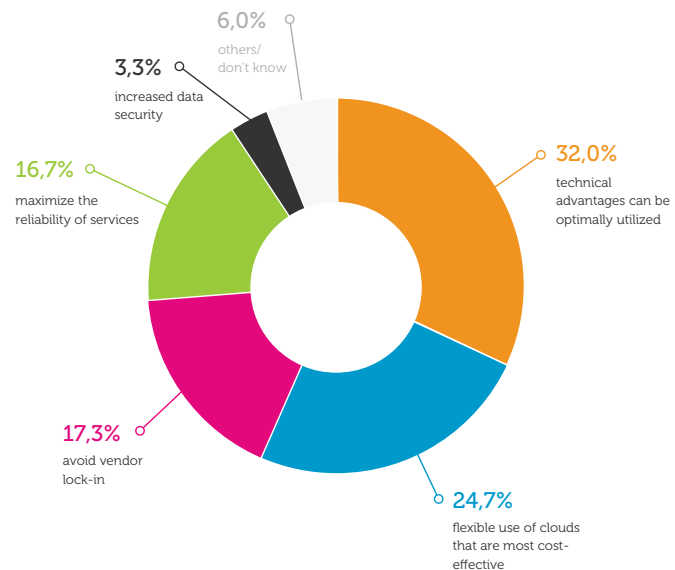
37,5% 
of the Public Sector rely on one cloud
provider or no cloud provider at all

** Research in Action interviewed 1400 people from seven European countries (Germany, Switzerland, Austria, Netherlands, Sweden, Denmark, Ireland). They were IT decision-makers in companies with an annual turnover of 250 million Euros or more. Of these, 150 respondents came from the Netherlands.



Benefits of the multicloud

The key question often asked is whether a company wants to utilise the multicloud to reduce costs or whether the diverse range of functions it offers are a bigger draw. At the moment, there are slightly more benefits for financial controllers than for tech experts. 32.0 percent of Dutch companies want to make flexible use of the cloud that is currently the most cost-effective. 24.7 percent say that the different technical advantages and core areas of multicloud offers can be optimally utilised. This is followed by maximising the reliability of services (16.7 percent) and avoiding vendor lock-in (17.3 percent). Only 3.3 percent want to use multicloud to improve data security. Reservations following the introduction of the EU's GDPR could also play a role here.



It is, therefore, surprising that across Europe, the public sector has emerged as the area that most frequently wants to use the multicloud for data security (26.4 percent). The healthcare sector comes in second here with just 6.4 percent. Avoiding vendor lock-in is also mentioned surprisingly often in the public sector (30.6 percent). Only the technology and consulting sector came in higher here (32.2 percent). These results could mean that the public sector does not really trust the providers it has used in the past, or indeed its own computer centres, when it comes to data security and service level agreements, and that it would like to look around for alternatives in future. By contrast, costs are obviously not a major factor for authorities (2.8 percent). This contrasts with the retail sector (50.0 percent), which is the most price sensitive sector, followed by healthcare (32.1 percent). The manufacturing sector (40.1 percent), healthcare (34.9 percent) and finance (30.9 percent) are the sectors most interested in differentiating themselves through technical advantages.

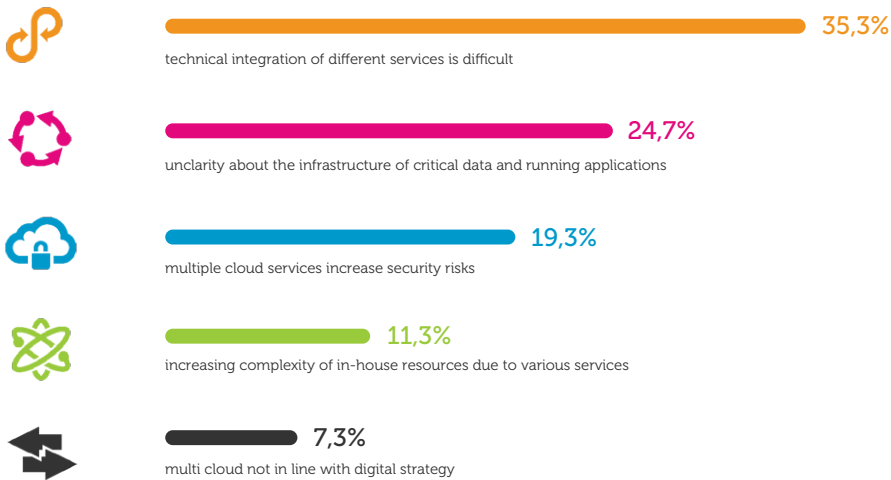


Not all that glitters is gold

However, not all companies are blindly following the gold rush. They believe there are several bumps on the road to the multicloud. Integration is seen as a particularly difficult topic in the Netherlands, as establishing technical connections between cloud services isn't an easy task (35.3 percent). Services such as Cloud Connect can be a valuable help here. Cloud Connect provides secure, high performance, private connections to cloud solutions from hyperscalers such as Microsoft Azure, Google Cloud and Amazon Web Services from a single physical connection. Direct connections to other local cloud providers can be established for example at the Dutch cloud hub at Interxion's Amsterdam Schiphol campus via the marketplace located there. In addition to this, direct connections to AWS, GCP and MS Azure ExpressRoute are possible. This makes Interxion the only provider in the Netherlands to offer all three relevant hyperscalers in a data centre with one PoP.

19.3 percent of respondents believe that using multiple cloud services increases security risks. In dynamic environments like the multicloud, protecting sensitive data is a major problem in light of the EU's GDPR and current threats. Many companies, therefore, use encryption to protect their critical data. However, the keys for this have to be stored extremely securely, for example using the Key Guardian management service, which simplifies data security in private, hybrid and multicloud environments.

Further obstacles include companies not knowing exactly which infrastructure critical data and applications are running on (24.7 percent) as well as the increasing complexity of managing and utilising human resources at capacity (11.3 percent). For 7.3 percent of respondents, the multicloud does not align with the company's strategy.



*others/don't know: 2,0%

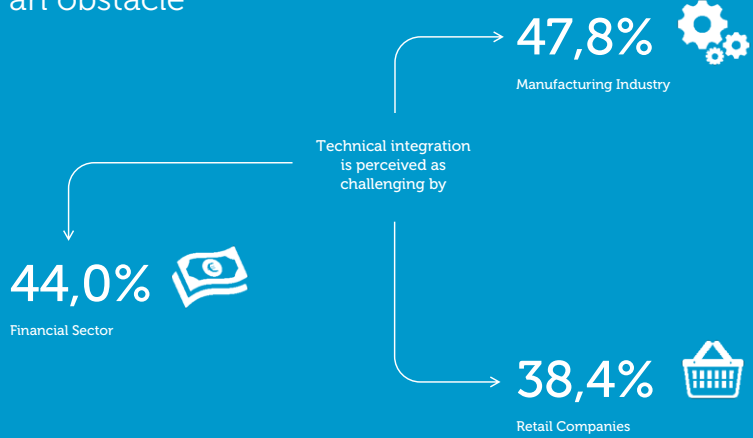
Looking at the different sectors in Europe, technical integration is seen as a particular challenge by the manufacturing industry (47.8 percent), the finance sector (44.0 percent) and retail companies (38.4 percent). Security risks are perceived to be an issue primarily for media and telecommunication (29.5 percent), healthcare (27.5 percent) and technology and consulting (27.3 percent). Companies in these sectors either have high levels of technical expertise (making technical integration less of a problem) or they have to process highly sensitive personal data. Unsurprisingly, the public sector was the biggest respondent to say that it cannot integrate multicloud into its current strategy (29.2 percent).





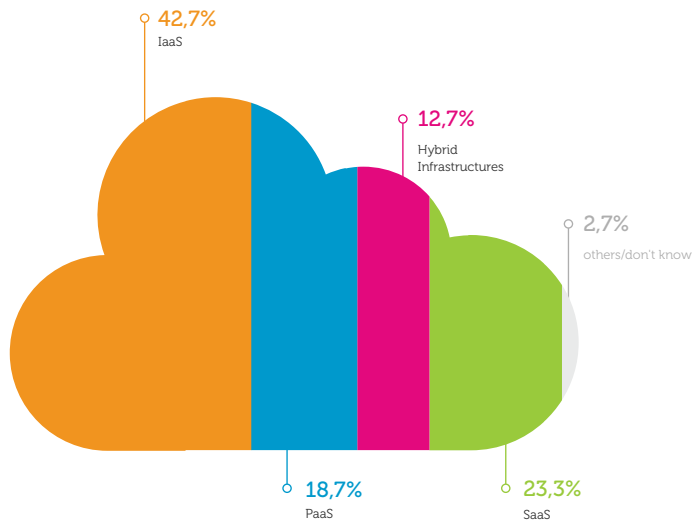
Highlights by sector**

Technical integration as an obstacle



Make a wish

But in which areas is multicloud particularly promising? In the Netherlands, 42.7 percent of respondents believe this to be Infrastructure as a Service (IaaS), followed by 18.7 percent for Platform as a Service (PaaS), 23.3 percent for Software as a Service (SaaS) and 12.7 percent for hybrid infrastructures. As such, the IT decision-makers at the companies we polled regard the multicloud as more of a means of optimising the IT infrastructure. In terms of software, companies still rely heavily on specific providers and so a single-cloud environment seems unavoidable at present.



Across Europe, the energy sector is the industry most likely to use hybrid infrastructures (34.0 percent). IaaS is most popular with the public sector (48.6 percent). PaaS is most popular among the healthcare sector (35.8 percent) and SaaS with media and telecommunication (30.8 percent).

Who to choose?

When it comes to the multicloud, Dutch companies prefer hyperscalers (27.3 percent) and industry specific cloud offers in combination with hyperscalers (24.7 percent). 19.3 percent utilise only industry specific cloud offers or application-specific clouds. 11.3 percent use a combination of local and other providers, while 3.3 percent only use local cloud providers.

Highlights by sector**

Most popular services

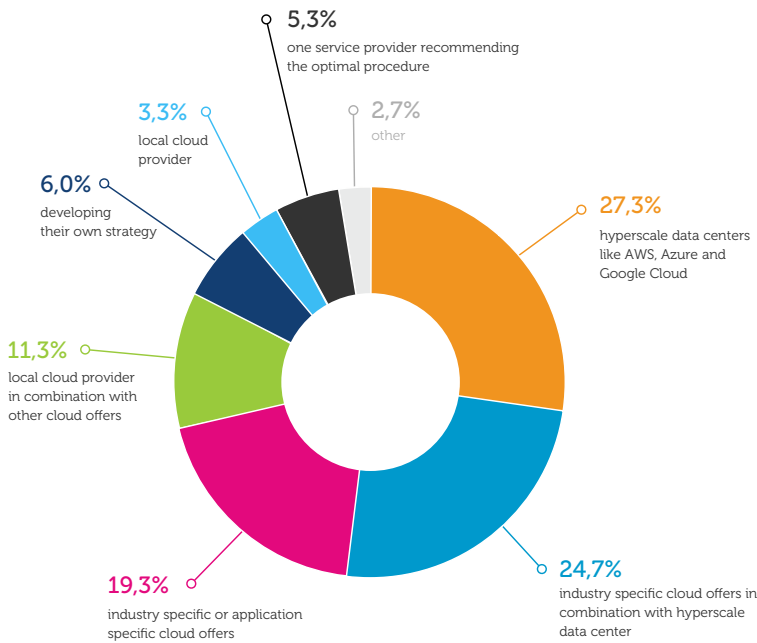
48,6% 
Public Sector favors IaaS services

35,8% 
Healthcare Sector favors PaaS services

34,0% 
Energy Sector favors hybrid infrastructures

30,8% 
Media/Telecommunication Companies prefer SaaS

Transport and logistics companies in Europe are most likely to only use hyperscalers (44.7 percent), followed by technology and consulting (43.0 percent) and retail (34.8 percent). This is probably because these industries mostly operate on a global scale. The public sector is most likely to rely exclusively on local providers (43.1 percent), followed by healthcare (12.8 percent) and the energy sector (10.7 percent). Regulation plays an important role in these industries together with the accompanying stringent security requirements for data (public, healthcare) and IT (energy).



Summary

Most companies are currently engaging with the multicloud and either have or are planning to implement a corresponding strategy. Dutch companies are primarily taking a well-planned, measured approach to the multicloud. They are aware of the upcoming challenges with regard to innovation and technological flexibility and are facing these head on, while at the same time keeping a close eye on costs. However, there are a number of challenges that have to be overcome, especially in the areas of service integration and security. Current services such as Cloud Connect and Key Guardian, which Interxion provides at its Amsterdam Schiphol data centre campus, can help companies here, allowing them to reap the benefits of multicloud, in particular in the field of Infrastructure as a Service through hyperscalers such as Microsoft, Google and AWS. Interxion is the only provider in the Netherlands to enable direct, local connections with the cloud PoPs of Microsoft, Google and AWS.

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Highlights by sector**

Most popular vendors

Hyperscalers

44,7% 
Transport & Logistics

43,0% 
Technology/Consulting Companies

34,8% 
Retail Companies

Local providers

43,1% 
Public Sector

12,8% 
Healthcare Sector

Industry specific cloud

25,1% 
Manufacturing Industry

About Interxion

Interxion (NYSE: INXN) is a leading provider of carrier and cloud-neutral colocation data centre services in Europe, serving a wide range of customers through over 50 data centres in 11 European countries. Interxion's uniformly designed, energy efficient data centres offer customers extensive security and uptime for their mission-critical applications. With over 700 connectivity providers, 21 European Internet exchanges, and most leading cloud and digital media platforms across its footprint, Interxion has created connectivity, cloud, content and finance hubs that foster growing customer communities of interest.

For more information, please visit www.interxion.nl

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Cofounder: Uptime Institute EMEA chapter, **Founding member:** European Data Centre Association, **Patron:** European Internet Exchange Association, **Member:** The Green Grid, with role on Advisory Council and Technical Committee, **Contributor:** EC Joint Research Centre on Sustainability, **Member:** EuroCloud.

Interxion is compliant with the internationally recognised ISO/IEC 27001 certification for Information Security Management and ISO 22301 for Business Continuity Management across all our European operations.
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