



Research Insights

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# The hybrid cloud platform advantage— The Australian point-of-view

A guiding star to enterprise  
transformation

IBM Institute for  
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## Key takeaways

### Generating value

The value derived from a full hybrid, multicloud platform technology and operating model at scale is *2.5 times the value* derived from a single platform, single cloud vendor approach. In fact, the platform approach accelerates value with scale.

### More clouds, more vendors

By 2023, organisations globally expect to be using *at least 10 clouds*, from a growing number of vendors. However, *only a quarter* of businesses have a holistic multicloud management strategy.

### Cloud and transformation go together

*Sixty-four percent of advanced* cloud companies globally recognise the need for enterprise transformation and application modernisation to go hand-in-hand, *1.7 times higher* than Australian respondents.

### Control towers

Cloud Management Platforms can serve as IT infrastructure control towers. Thirty-five percent of global IT executives—and 32 percent of Australian IT executives—say they are seeking this type of improved visibility and control of their cloud costs.

## Cloud platforms and business transformation

Welcome to the era of unparalleled business transformation. Today, companies use cloud platforms and digital technologies to discover new ways to leverage data for improved business performance. Cloud platforms are clouds that provide an integrated experience. Ideally, a platform scales and supports both small development teams and organisations, and large enterprise businesses. It can be deployed across data centres around the world.

Typically, cloud platforms are clouds—or multiclouds—in a single environment: public or private. A hybrid cloud platform takes that a step further, operating across two or more of these environments.

Advanced companies are aligning their business transformation with the orchestration of their cloud platforms to achieve a next-generation business model. This next-generation model enables an agile organisation fuelled by data, guided by artificial intelligence (AI) insights and built for change on a hybrid cloud—we call it the Cognitive Enterprise (see “Insight: the Cognitive Enterprise”).<sup>1</sup> This transformation trend is likely to become even more important as organisations reset to do business post-pandemic.

The adoption of cloud has been a central feature in developing new, digitally-driven business models. However, some organisations are struggling with harnessing the full capabilities of their cloud environments. This stunts their ability to attain their target operating models.

Though 90 percent of companies globally were “on the cloud” by 2019, only about 20 percent of their workloads have moved to a cloud environment.<sup>2</sup> These workloads have usually been microservices that are native—that is, born on the cloud.



# 18%

Projected annual growth of the global cloud market through 2023.



# 68%

of advanced cloud businesses are building an open-source cloud platform, compared to 46 percent of Australian respondents.



# 66%

of advanced cloud businesses say a “single pane of glass” management approach is needed to ensure visibility and control costs across all their clouds, vendors, clusters, and data, versus 32 percent of Australian respondents.

The next 80 percent of the cloud opportunity focuses on shifting core business applications and workloads to the cloud and optimising everything from supply chains to sales. This is the next chapter of the cloud; it requires business executives to invest in hybrid multicloud platform strategies and capabilities.

To develop IT environments that enable business transformation, whether supporting specific workflows or a wider operating model, CIOs need to be able to offer capabilities that seamlessly integrates tasks across different types of clouds and entire IT infrastructures.

Enterprises need an application development platform that can run on any cloud, workloads that can execute seamlessly across multiple clouds, and a comprehensive orchestration capability that spans across clouds. A platform approach can play a unifying role and act as the technological glue that allows an organisation to harness the full range of capabilities available to it for improved business and operational performance.

## The value case for hybrid multicloud

Hybrid multicloud is the fundamental enabler of enterprise target operating models. Whereas, for many organisations, getting on the cloud was “what” they wanted to do, these new business models, applications, and infrastructure are “why” they want to do it. While these new technologies can be compelling, the success or failure of cloud deployments are not technology stories; they are business transformation stories.

It has been demonstrated that the value derived from a full hybrid, multicloud platform technology and operating model at scale is 2.5 times the value derived from a single platform, single cloud vendor approach.<sup>3</sup> This has been validated across 30 global companies in multiple industries. Indeed, a platform approach accelerates value with scale.

## Insight: The Cognitive Enterprise

“A new era of business reinvention is dawning. Organisations are facing an unprecedented convergence of technological, social, and regulatory forces. As AI, blockchain, automation, Internet of Things (IoT), 5G, and edge computing become pervasive, their combined impact will reshape standard business architectures. The ‘outside-in’ digital transformation of the past decade is giving way to the ‘inside-out’ potential of data exploited with these exponential technologies. We call this next-generation business model the Cognitive Enterprise.”<sup>4</sup>

## Insight: Who are the Cloud Aviators?



We identified 13 percent of our global survey respondents as Cloud Aviators. They are defined by three characteristics:

- Have strong functionality across multiple clouds
- Recognise the strategic importance of a cloud management system that delivers visibility, governance, and automation across the entire IT environment
- Are actively using a multicloud management platform.

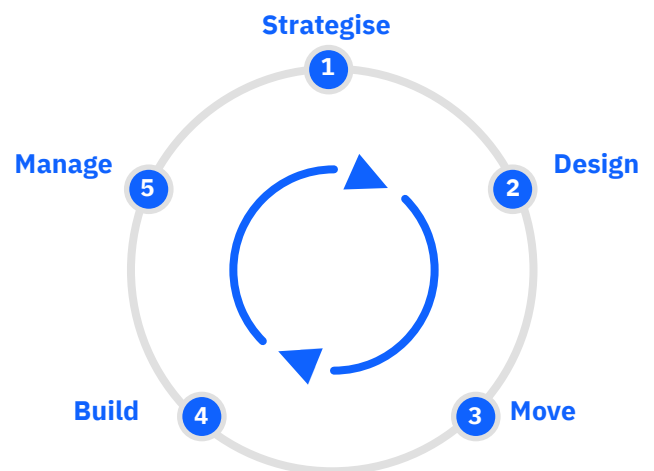
To better understand the business value of mature multicloud functionality and the use of multicloud management tools, we conducted a survey. Analysing the findings, we identified and characterised a group of leading businesses that have successfully achieved demonstrable competitive advantage from adopting a robust hybrid cloud management and governance platform. Naming this group “Cloud Aviators,” we highlight major differences in strategic approach, decisions, actions, and behaviors that separate Aviators from their peers (see “Insight: Who are the Cloud Aviators?”).

Through regression analysis and other statistical techniques, we estimate business benefits and return on investment (ROI) that organisations may achieve. We also define five key stages to implement a cloud management platform that helps deliver the benefits of a hybrid multicloud environment. To this end, we characterise how Cloud Aviators strategise, design, move, build, and manage a hybrid multicloud platform in their organisations to achieve competitive advantage (see Figure 1).

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**Figure 1**

Five steps to achieving the hybrid cloud platform advantage



The next chapter of the cloud requires business executives to invest in hybrid multicloud platform strategies and capabilities.

## Step 1. Strategise: Link operating models with business transformation

In the last decade, attention on cloud computing and the corresponding growth in cloud applications has gained serious momentum, rapidly expanding use of the technology. Just three years ago, for example, the global public cloud computing market was only one-half the size it is today.<sup>5</sup> However, moving to cloud should not be the strategy or the goal. It is a means to achieve goals, such as aligning end-to-end business transformation with new operating models.

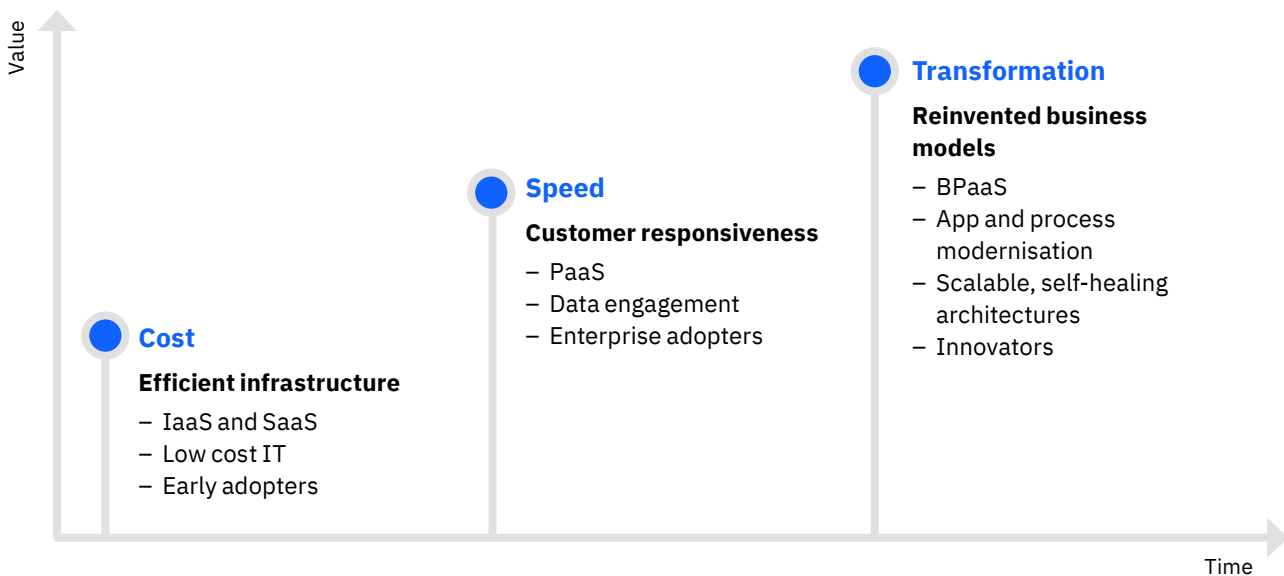
But, that doesn't mean the development of cloud capabilities lacks strategic business importance. Organisations making their "journey to cloud" started with leveraging cloud's efficiencies to lower the costs of their IT infrastructures ("Cost" phase, see Figure 2).

In the next phase ("Speed") of cloud adoption, enterprises developed apps that helped leverage cloud's operational benefits, sparing developers from the complexity of their IT environments. Ease of application deployment, improved resource allocation, and dynamic data management were just a few of cloud's myriad advantages. Because these initial cloud environments were all about gaining operational efficiencies and reducing costs, practically every organisation implemented at least one.

Today, with cloud adoption nearly ubiquitous ("Transformation" phase), businesses can use cloud to bridge the long-standing divide between business and IT. Some organisations are using cloud for digital transformation, redesigning their business processes to optimise innovation and enhance competitive positioning. Indeed, the cloud journey now can be closely aligned with a wider transformation of an organisation's capabilities and its ways of working. As such, enhanced cloud functionality is a central, strategic pillar, enabling an entirely new approach to business.

**Figure 2**

Cloud is the technology for transformation



A cloud platform strategy cannot be designed in isolation. Ideally, it happens in the context of the business objectives one desires to achieve and in concert with a data governance strategy, an application modernisation strategy, and a mobile strategy, among others—because all of these now interrelate. If they are not viewed holistically, there will be gaps. Looking at these various strategies together simplifies the work of transforming business and IT at the same time.

Unfortunately, only 26 percent of businesses in Australia say they have a holistic multicloud management strategy in place today. This is true even though our analysis shows that organisations globally break-even on their investment in cloud management in approximately two years and go on to earn 2.9 times their investment in year 10, while Cloud Aviators earn 4.5 times their money back.

Cloud Aviators recognise the strategic importance of a comprehensive cloud management system. They closely align their journey to cloud with the transformation of their operating models and redesign of business processes. When asked if “both business process benefits and IT benefits are critical to application-modernisation business cases,” 53 percent more of Cloud Aviators agreed than Australian respondents. And 64 percent of Cloud Aviators recognise that business process redesign and application modernisation need to go hand-in-hand, which is 1.7 times higher than Australian respondents.

A strategic approach to cloud requires an enterprise-wide view toward business transformation so that workflows and the supporting technology meet the needs of rapidly changing business requirements. It has become apparent that the “one cloud fits all” environment doesn’t create significant enterprise value.

That simplistic view doesn’t adequately accelerate key business benefits, such as enabling faster time-to-market, harnessing data for increased personalisation, improved decision making, process automation, and cost efficiency. Nor does it scale sufficiently to drive meaningful capability improvements or usability advantages.

In response, we are witnessing an accelerating proliferation of public, private, and hybrid clouds in practically all organisations globally, fueling 18 percent annual growth of the cloud market through 2023.<sup>6</sup>

## TSB Bank: Three-year strategic plan

Founded in 2013, TSB Bank is a commercial and retail bank in the UK operating 536 branches. As part of its 2022 strategic plan, TSB intends to transform its digital channels by investing £120 million over three years. Part of that investment is a hybrid cloud solution to help simplify the firm’s technological infrastructure to allow the movement and management of data, services, and workflows across multiple clouds.

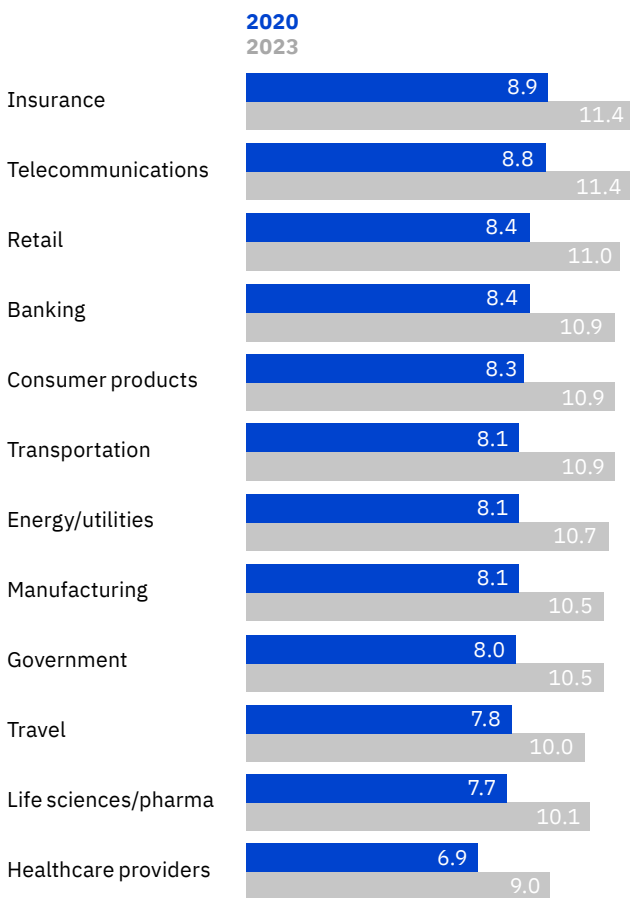
TSB intends to continue to offer customers new and innovative products and provide excellent customer service in a fast, secure and compliant way that optimises its new state-of-the-art platform which provides multicloud and data capabilities. It also will strengthen IT resilience and take advantage of higher-value technology, including AI, to deliver innovative, cloud-native services to its customers.

Results: TSB now has a unified cloud platform for all core banking channels and applications. It also addresses its complex security and regulatory requirements with a reliable, resilient, and secure technology environment. And the bank is using hybrid cloud to deliver exemplary customer service while bolstering the security and confidentiality of critical customer data.<sup>7</sup>

According to our most recent survey of over 6,000 businesses worldwide, the typical enterprise is aware of using nearly eight clouds from multiple vendors. The actual number is unquestionably higher because many functions—including customer service, logistics, sales, marketing, and human resources—regularly add *ad hoc* cloud applications to keep up with market demands. It's no wonder that organisations globally expect to be using at least 10 clouds within three years, from even more vendors than before (see Figure 3).

**Figure 3**

Average number of clouds by industry globally



Source: 2020 IBM Institute for Business Value Hybrid multicloud survey (n=5,262). Q3. How many clouds does your organisation use? Today, In three years.

## Action guide

### Strategise

Development of cloud capabilities is of strategic business importance and is closely aligned with end-to-end business transformation. As a result, you should take your business objectives as a point of departure for the development of your hybrid multicloud management capabilities. Thirty-eight percent of Australian respondents stress the importance of both business benefits and IT benefits in their approach to developing hybrid multicloud platform capabilities.

Next, ascertain how the development of enhanced cloud capabilities aligns with your transformation of processes and the wider operating model. Indeed, Cloud Aviators are keenly aware of the close links between changes in their cloud capabilities and business processes.



While these new technologies can be compelling, the success or failure of cloud deployments are not technology stories—they're business transformation stories.

## Step 2. Design: Create your transformation journey with multicloud management

As companies seek to transform toward intelligent workflows that can tap into capabilities across the organisation, it is critical that the underlying IT environment supports these efforts. In this context, the lack of coordination or integration of different clouds can become a barrier to improved operational performance.

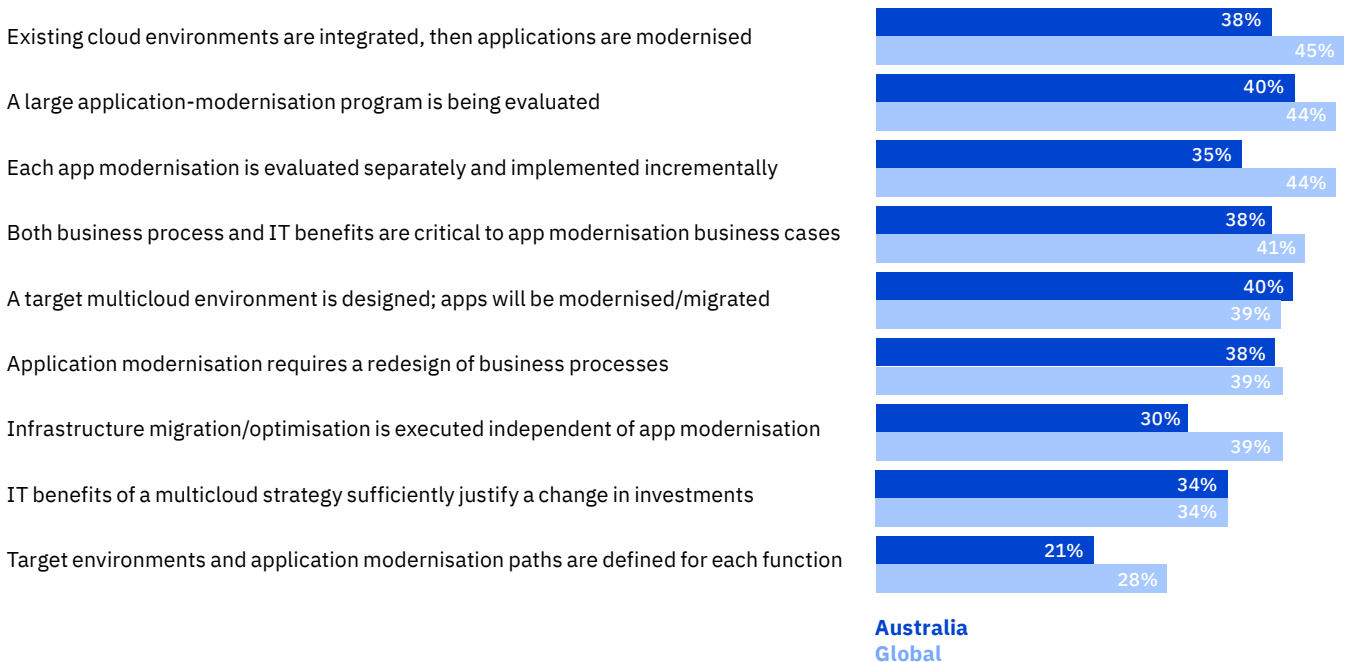
Forty-one percent of global organisations agree that both business process and IT benefits are critical to application modernisation business cases (see Figure 4). Accordingly, multicloud orchestration is not merely a technological imperative for your IT environment, but a critical enabler of the transformation of your operating model and ways of working.

With so many companies undertaking business transformation journeys, organisations are employing a variety of clouds to meet external customer demands and internal strategic, operational, and infrastructure requirements. Many businesses are operating in complex, three-tiered environments: public cloud, for customer-facing engagement and collaboration apps; private cloud, for mission-critical, security-conscious workloads; and traditional IT environments, where workloads reside behind firewalls, siloing business processes and constraining the free flow of data.

Each cloud is aligned with its own unique tool sets, intensifying an IT environment's complexity, accelerating costs, scattering workloads, aggravating security gaps, and constraining application development. These factors can nullify the advantages companies realised when they first moved to the cloud.

**Figure 4**

Design elements in the journey to a multicloud environment



Source: 2020 IBM Institute for Business Value Hybrid multicloud survey, Australia (n=200), Global (n=5,262)  
 Q20: Extent of agreement about your organisation's journey toward a multicloud environment, (1-5), ([4,5] Agree)

## Etihad Airways: Designing customer experiences

Etihad Airways, the national airline of the United Arab Emirates, wanted to create a new platform for all its digital services. The company's goal: simplify customer experiences by introducing greater ease, speed, and personalisation into the digital elements of air travel.

Etihad chose to pursue its business and technology journeys in concert. By adopting a microservices architecture on an open, highly-scalable, hybrid-cloud platform, the airline assembled reusable components to accelerate the delivery of new applications—the first of which was a new web check-in solution.

Results: Etihad boosted success rates for online check-in, enhancing passenger experiences. The airline also improved guest satisfaction with new personalised offers delivered at the right time and the right place. Hybrid cloud provides Etihad with a flexible platform and model for developing new business and cognitive-driven services.<sup>8</sup>

## Insight: What are containers?

Containers are packaged software environments with all the required code and other dependencies, allowing software to move smoothly from development to test to production without the need to be rewritten. This helps ensure flexibility and portability in a hybrid multicloud environment.

## Here a cloud, there a cloud, everywhere hybrid cloud

But there is good news. In their best implementation, applications on public clouds, private clouds, and on-premises IT become interoperable and portable when deployed in hybrid cloud environments. As a result, most organisations are discovering that their hybrid cloud adoption is also proliferating. In the next three years alone, hybrid cloud adoption is expected to grow by 58 percent, and the average organisation in Australia will be using nearly five hybrid clouds.

Indeed, more than twice as many global CIOs expect to invest “significantly” in hybrid cloud in the next two to three years than the number who have made that decision to date. Interest in cloud—and hybrid cloud in particular—is clearly not waning; its role as a source of strategic competitiveness is accelerating.

To optimise the benefits of complex, hybrid multicloud environments, and align these to a transformation of workflows and the wider operating model, businesses need to be able to orchestrate tasks across different types of clouds and entire IT infrastructures. Enterprises need an application development platform that can run on any cloud, workloads that can execute seamlessly across multiple clouds, and a comprehensive orchestration capability that spans across all clouds.

According to our findings, building an open-source cloud platform has significant advantages. Over 68 percent of Cloud Aviators do, compared to 46 percent of Australian respondents. The innovation efforts of Cloud Aviators are enhanced by using an ecosystem of innovation partners and accessing open-source developers.

Only 46 percent of Australian organisations have cloud infrastructure based on open source technologies. Only 35 percent have a cloud infrastructure that enables multivendor portability without lock-in.

Accordingly, Cloud Aviators are actively using their superior cloud-enabled technology environment to drive innovation efforts by leveraging both internal and external capabilities. Through open source technologies, Cloud Aviators are also better able to avoid vendor lock-in with a cloud infrastructure and management capability that promotes multi-vendor portability. However, only 46 percent of Australian organisations surveyed have cloud infrastructure based on open source technologies. Fewer still, only 35 percent, have a cloud infrastructure that enables multivendor portability without lock-in.

As hybrid cloud adoption gains traction, it is helping businesses develop their next-generation operating models. Hybrid cloud platforms can play a unifying role in orchestrating business and IT transformation and act as the technological glue that allows an organisation to harness the full range of capabilities available to it for improved business and operational performance.

To this end, how can we characterise the benefits and essential characteristics of an open-source, hybrid cloud management and governance platform? How does a next-generation, vendor-agnostic, cloud management and governance platform operate in practice? What new sources of value can it unlock? And how can it be used to mitigate and reduce operational and technical risk?

## Action guide

### *Design*

Based on the specific business processes your organisation requires to be competitive, modernise your IT infrastructure, development methods, and governance needs with a cloud-based platform infrastructure in mind. Your cloud platform needs to be open, hybrid, multicloud, secure, and managed.

To drive improved ROI, cut costs and reduce risks in your hybrid multicloud environment, optimise or example, automate repetitive and/or manual tasks such as service provisioning to increase productivity. Adopt open-source technology to optimise containers (see “Insight: What are containers?”).

Fifty-eight percent of Cloud Aviators report that their workloads already span multiple clouds, compared to 26 percent of Australian respondents.

### Step 3. Move: Make the move to a hybrid cloud platform

Cloud platforms enable the capability to design or innovate once, and then deploy the output across the enterprise. Moreover, the versatility of managing both on-premises and off-premises implementations enables a client to modernise more workloads more quickly by reducing or eliminating data, security, or latency constraints. Once that is done, the workloads are more uniformly portable and manageable.

Through the use of containers and, particularly, a unified, open platform, organisations can decouple the rate and pace of business transformation from specific deployment model choices or constraints.

For example, the complex logic associated with mainframe environments can be modernised within a container environment local to the mainframe. Once completed, the environment, or at least key parts of it, become portable.

Fifty-eight percent of Cloud Aviators report that their workloads already span multiple clouds, compared to 26 percent of Australian respondents. Fifty-four percent of Cloud Aviators already deploy Kubernetes-based applications across multiple clouds, versus 34 percent of Australian organisations surveyed (see “Insight: What is Kubernetes?”). And due to their lower-friction cloud infrastructures, 56 percent of Cloud Aviators report that the time it takes to release applications is reduced to days, compared to only 23 percent of Australian respondents.

While all survey respondents saw improvements in their ability to leverage data from investments in cloud, Cloud Aviators are better at translating data into relevant and actionable insights. This enhanced ability to generate value from data is supported by improvements in data virtualisation. Accordingly, the journey to cloud and improved management of the multicloud environment are closely linked to both becoming data-driven organisations, and the ability to infuse data and analytics into day-to-day operations.

### Godrej Group: On the move with cloud

The improved operations and new ways of working are demonstrated by the Indian conglomerate, Godrej Group. The company leverages hybrid multicloud to build an IT infrastructure that is future-ready. It can keep pace with changing business needs and support future business requirements. In so doing, it is moving from a siloed and capex-driven IT operating model to a simplified infrastructure. Godrej plans to build a platform that is reliable, robust, flexible, scalable, and, at the same time, cost-efficient.

Hybrid cloud helped the group migrate all mission-critical applications to a multicloud environment and enabled a seamless orchestration of workloads among multiple clouds. The result: a 10 percent reduction in the total cost of ownership over a period of five years, coupled with a 100 percent increase in disaster recovery coverage and zero security incidents.<sup>9</sup>

### Insight: What is Kubernetes?

Kubernetes is an open-source platform that is used to manage workloads and services in containers. It’s highly portable and enables consistent, automated deployment of applications. There are a wide range of tools and support available for Kubernetes, which is maintained by the Cloud Native Computing Foundation.<sup>10</sup>

Cloud Aviators are over four times as likely to outperform their peers on revenue growth and more than three times as likely to outperform their peers on profitability.

## Action guide

### Move

Prioritise for your organisation what needs to be moved to which cloud, in terms of risks, skills availability, value, cost implications, and vendor options. Determine which cloud makes the most sense based on which business processes “speak to” external parties (such as customers), along with which processes are strictly internal, the size of storage and number of servers required, and how many hours the workload needs to run per day.

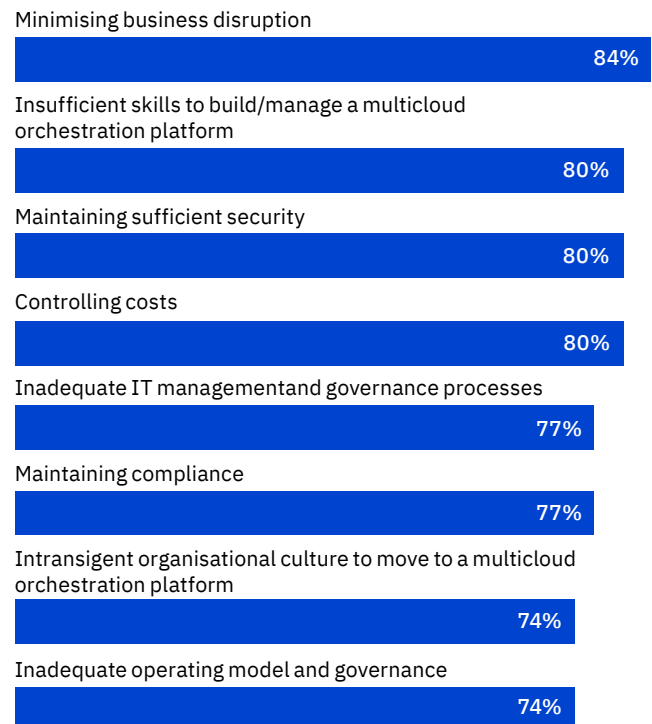
Accelerate your migration to an open, hybrid multicloud environment using the latest technologies, such as Kubernetes, containers, DevOps tools and techniques. Optimise workloads in the cloud. Combine and eliminate redundant servers, identify unused storage and applications that run without being used anymore (but you are being charged for), and reduce the amount of time when certain applications run (such as development and test apps).

## Step 4. Build: Translate cloud management into superior performance

Adopting a hybrid multicloud platform has its challenges. Ranking highest among these are minimising business disruption, security concerns, need to control costs, and the scarcity of skills needed to build and manage a multicloud orchestration platform (see Figure 5).

**Figure 5**

Challenges of adopting a multicloud orchestration platform



Source: 2020 IBM Institute for Business Value Hybrid multicloud survey (Australia cut, n=200), (1-5.) 3/4/5 responses reported.

Applications and data may be two separate things; however, when building multicloud solutions, it's important to think of them together. Wherever you choose to run your apps, they need access to the required data. That data is governed across multiple clouds.

A key benefit of hybrid cloud is the ability to write applications just one time and deploy them anywhere in the enterprise or ecosystem—across public or private clouds. But the “build once, deploy anywhere” advantage is tightly linked to the use of common tools and application environments such as containers.

Cloud Aviators generate better revenue and profitability growth than their peers. They translate their advanced cloud capabilities into superior top- and bottom-line performance. In fact, Cloud Aviators are over four times as likely to outperform their peers on revenue growth and more than three times as likely to outperform their peers on profitability. This clearly demonstrates an ability to leverage their mature multicloud capabilities for tangible business outcomes and better financial performance.

The strong revenue and profitability performance of Cloud Aviators is, at least in part, driven by a number of improved enablers of business success. Key among these is a greater ability to spur innovation. While 70 percent of Cloud Aviators are in the process of developing new cloud-enabled business offerings, that is true for 41 percent of Australian respondents.

## Action guide

### *Build*

Use hybrid multicloud to create next-generation digital capabilities. Execute these capabilities to help modernise your application portfolio and transform your business using exponential technologies such as AI, IoT, and 5G. Deploy and extend enterprise applications with multicloud technologies to unlock and transform core business capabilities.

Increase business agility with higher IT velocity. For faster time-to-market and to accelerate innovation at lower costs, develop and deploy cloud-native applications using the latest cloud technologies from any vendor. Speed innovation with the power and collaboration of thousands of open source developers and an expansive ecosystem of partners and solutions. Exploit the power of data, analytics, AI, and emerging technologies to extract insights for competitive advantage. Cloud Aviators do just this.

Identify and build the management platform you need that includes common services for logging, monitoring, security, and identify access management. Use containers that enable images to run on any cloud, anywhere. An open source approach is essential to work across various cloud vendors and for extensibility to future cloud-related technologies.

Cloud Aviators in our survey saw more than 100 percent greater reductions in development time, while developing and implementing new solutions, compared to Australian respondents.

## Step 5. Manage: Drive business transformation

Cloud platforms allow for IT organisations to operate a consistent cloud management, security, and regulatory model. Currently, the proliferation of public and private clouds, combined with large sections of traditional on-premises IT, has created complex and often unwieldy business and IT environments for many organisations.

With each cloud aligned with its own tool sets and governance, the underlying promise of cloud is often undermined. This, in turn, limits an organisation’s ability to transform its ways of working and enhance business processes. Costs can be higher than anticipated. Workloads are sometimes scattered in sub-optimal, fragmented ways that aggravate security gaps, constrain application development, and hinder business responsiveness and agility. Critical business transformation efforts can stall thanks to the high degree of IT complexity.

It is not surprising, therefore, that for many buyers of cloud services, economic benefits promised by cloud vendors remain substantially unfulfilled in terms of cost savings, improved capability, innovation, and revenue realisation.

Unwieldy governance across complex cloud and on-premises systems necessitates the need for an organising environment able to seamlessly and securely facilitate management and technical interoperability. Hybrid multicloud orchestration—or Cloud Management Platforms—provide such a mechanism by enabling four key competencies: end-to-end coverage and capability, open architecture, seamless interoperability, and security resiliency.

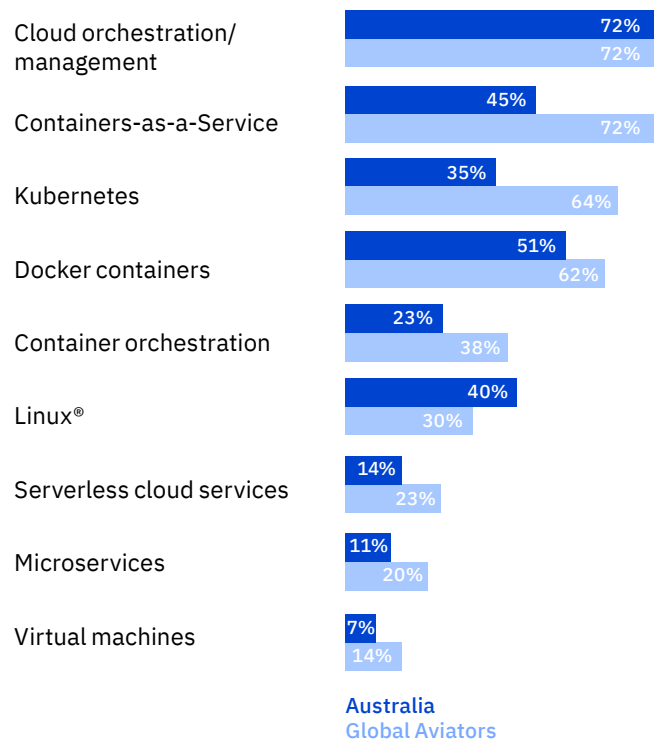
With so much data stored across various clouds and traditional IT systems, enterprises can struggle to attain their target operating models. Hybrid cloud’s innate interoperability across IT systems virtually eliminates the need for extended transition periods as core data and applications are “cloudified.” By integrating management of complex multicloud systems into a single IT control environment, Cloud Management Platforms enable users to comprehensively consume, orchestrate, and govern IT services across multiple cloud environments.

Also known as a “single pane of glass” solution, Cloud Management Platforms can serve as a control tower. This helps to overcome constraints and limitations generated by the myriad activities mismatched across disparate infrastructures. What’s more, it directly addresses concerns of the 32 percent of IT executives in Australia who seek improved visibility and control of their cloud costs.

Multicloud management can be supported by multiple reinforcing tools and technologies (see Figure 6). While the multicloud orchestration platform constitutes a foundation, it can be further enhanced with containers, Kubernetes, and microservices. These tools act as building blocks for organisations’ overall ability to manage their multicloud environment effectively. And well managed multicloud environments play a key role in enabling business transformation.

**Figure 6**

Key supporting multicloud management tools



Source: 2020 IBM Institute for Business Value Hybrid multicloud survey, Australia (n=200), Global (n=5,262). Q8\_1: Multicloud environment used by your organisation today.

To ascertain the impact of specific multicloud management tools on business performance, we have conducted a more detailed econometric analysis. The statistical analysis of our global sample shows that the adoption of several cloud management tools is strongly associated with being a business outperformer. In fact, this combination of tools is correlated with outperformance on revenue growth compared to peers by more than 15 percent.

Meanwhile, several individual tools, notably the orchestration platform, Kubernetes, containers-as-a-service, and docker containers make significant contributions of between 1.5 and 2.8 percent each. This suggests that adoption of mutually reinforcing multicloud management tools leads to improved business impact. Accordingly, the successful journey to cloud needs to be accompanied by cloud management capabilities that are underpinned by several relevant multicloud management tools.

As important as using consistent tools is the need for consistent developer experiences. Using different tools is a significant drag on developer productivity. Tools exist that provide a common developer experience.

The greater operational performance of Cloud Aviators is closely linked to an enhanced ability to implement new agile ways of working, and more efficient approaches to developing new solutions. This manifests itself in more than a 100 percent reduction in development time for Cloud Aviators compared to Australian respondents.

To assure visibility and control costs across all their clouds, vendors, clusters, and data, two-thirds (66 percent) of Cloud Aviators say a single pane of glass management approach versus almost one-third (32 percent) of Australian organisations.

Most organisations still have a long way to go to be able to manage their IT infrastructure on a single pane of glass. One reason: only 35 percent of organisations in Australia say their developers write and modernise applications using consistent tools.

## Bank of the Philippine Islands: Reborn-in-the-cloud

Founded in 1851, Bank of the Philippine Islands (BPI) was the first bank in the Philippines and in the Southeast Asian region. It now has more than 800 branches. To become a digital bank in the rapidly changing financial services environment, BPI needed to accelerate its pace of innovation, future-proof its technology, transform digitally, and be prepared for ever-changing market dynamics. It wanted to move into the next era of transformation by delivering and optimising new digital banking solutions and experiences for its customers. So, BPI embarked on a journey to a secure and scalable hybrid multicloud, accelerating its transformation into a digital bank of the future.

Results: The bank simplified and automated an “as a service” platform, supporting its digital projects and initiatives. This 170-year-old business also is creating “born-in-the-cloud” experiences, delivering digital innovation to customers through compelling applications and services. Internally, BPI is using hybrid cloud orchestration and management via a “single pane of glass” for policy compliance across all environments.

Moving forward, the bank is using its superior multicloud capabilities to respond quickly to changing market dynamics while also improving policy compliance across all environments.<sup>11</sup>



## Action guide

### Manage

The goal of cloud platform management is a reliable and intuitively responsive cloud environment that increases end-user satisfaction and tightly integrates business demand and operations with IT services and operations at reduced costs and risks. But, achieving this isn't static.

Cloud services needed and used by your business will constantly evolve. Keep up with business processes that business functions have moved to the cloud, potentially without your knowledge.

1. *Optimise continuously.* Perpetually improve server use, and identify unused storage, resizing and/or shutting down virtual machines. Continuously manage costs.
2. *Govern holistically.* Implement a governance dashboard that manages across the entire cloud environment today and is extendable to future anticipated technologies that will be governed in the cloud environment. Flexibility in selecting management tools is essential because operational activities are distributed throughout the organisation. To enhance adoption, develop open source-based governance policies so that individual business functions can easily modify them as needed.
3. *Enable self-service.* Ask IT to respond in real time to market demands. Streamline typical activities, such as setting up a new cloud service or deleting it, access control and other security functions, and billing management.
4. *Take measurements.* Establish qualitative and quantitative measurements to help ensure the resiliency of your overall hybrid IT environment and its impact on your critical business processes.

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## Methodology

From February to April 2020, the IBM Institute for Business Value, in collaboration with Oxford Economics, surveyed over 6,000 executives globally, including 200 respondents from Australia, across industries, job titles and geographies to gain an in-depth understanding of their organisations' current use of hybrid cloud, multicloud and their approach to multicloud management. In addition, the survey collected data on business performance and the benefits that organisations realise from multicloud.

Analysis of data from the survey let us ascertain current levels and nature of adoption of multicloud as well as expectations for the future. We also were able to specify the strategic drivers and enablers for the successful multicloud journey.

Our study estimates the business benefits of hybrid cloud adoption and the use of multicloud management tools. We did this by defining a group of Cloud Aviators that are notable for their maturity in multicloud functionality, strategic approach and active use of tools for multicloud management and contrasting their business performance and benefits from multicloud relative to other respondents.

Moreover, we conducted econometric analysis of the data to get a more detailed understanding of the business impact of adopting different multicloud management tools.

## About Research Insights

Research insights are fact-based strategic insights for business executives on critical public and private sector issues. They are based on findings from analysis of our own primary research studies. For more information, contact the IBM Institute for Business Value at [iibv@us.ibm.com](mailto:iibv@us.ibm.com).

## Notes and sources

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