



Enterprise IT executives expect 60% of workloads will run in the cloud by 2018 according to 451 Research

SaaS deployments predicted to represent nearly one-quarter of all enterprise workloads; IaaS usage poised to double

NEW YORK – September 1, 2016—451 Research’s latest [Voice of the Enterprise: Cloud Transformation survey of IT buyers](#) indicates that 41% of all enterprise workloads are currently running in some type of public or private cloud. By mid-2018, that number is expected to rise to 60%, indicating that a majority of enterprise workloads will run in the cloud in the near term.

Among the various types of cloud deployment models, enterprises are most likely to use on-premises private cloud and software as a service (SaaS), each accounting for 14% of all applications. Respondents indicate usage of on-premises private cloud will remain flat while SaaS is expected to grow sharply to nearly one-quarter (23%) of all enterprise workloads by mid-2018.

For all the hype and attention associated with infrastructure as a service (IaaS), 451 Research notes that just 6% of enterprise workloads are currently running on IaaS, representing a small piece of applications run, and the smallest portion for any public or private cloud type today. However, the survey reveals that IaaS is likely to see the highest growth, with usage predicted to double to 12% of workloads over the next two years.

Supporting the IaaS growth trend, cloud usage among survey respondents is currently strongest in categories that have traditionally been drivers of IaaS adoption, such as web/media and application development. 14% of web/media and 8% of application development run on IaaS today.

451 Research predicts strong growth in critical enterprise workload categories, such as data and analytics and business applications. Indicative of the early stages of a much larger trend, usage is predicted to more than double, from 7% to 16% for data workloads and from 4% to 9% for business applications.

“The predicted doubling of IaaS usage is the highest growth expectation for any type of cloud and points to significant revenue potential for vendors in this space,” said Andrew Reichman, Research Director of 451 Research and lead author of *Voice of the Enterprise: Cloud Transformation*. “Because cloud delivers increasing agility and flexibility to better fit ever-changing business needs, IaaS and SaaS allow organizations to focus their efforts on their business, rather than on maintaining costly and complex datacenters and infrastructure. If used properly, it has the potential to dramatically improve efficiency and results of business technology usage.”

Cloud-first (an approach where a cloud solution is considered or prioritized for all workload deployments) is common among enterprises, with 38% of respondents saying they have such a policy today. The study also reveals that the most common triggers for increased cloud usage include events such as mergers, acquisitions and divestitures, along with technology events like hardware refreshes, software upgrades and datacenter capacity expansions.

451 Research believes the battle for cloud domination is by no means over and the high usage growth predicted points to opportunities for vendors of many kinds, including mega-scalers, hosting, hardware and software providers, integrators, and consultants to expand presence as the market expands.

The *Voice of the Enterprise: Cloud Transformation - Workloads and Key Projects* study focuses on enterprise end-user adoption of public, private and hybrid cloud for specific workloads and applications. Based on research conducted in May and June 2016 with more than 1,200 IT professionals worldwide, the quarterly study combines 451 Research’s analysis with survey responses and in-depth interviews from a panel of more than 38,000 senior IT buyers and enterprise technology executives.

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