

Cloud migration and modernisation: Trends for 2023

Global Research Report

October 2022

Research Objectives

Sponsored by Microsoft and conducted by Emerald Research Group, this research provides insights into how enterprise organisations around the world are managing their cloud Migration and Modernisation (M&M) strategies and their outlook for how it is evolving over the next few years as they do more with less.

Our research questions



What is the current state of cloud migration & modernisation across the world?



How is migration and modernisation related, in terms of execution plans and outcomes?



What are current plans, perceptions, drivers and pain points with regards to M&M?



Which workloads have already migrated to the public cloud and which are being prioritised next?

Methodology & Scope

We surveyed 1,275 Decision Makers across four regions and 12 countries. Research was conducted across the Americas, Europe and Asia Pacific (APAC).



General Screening Criteria

- Ages 25-60
- Employed full time
- Org uses Azure, Google Cloud or AWS for public cloud services



Geographies

- North America (US/CA)
- S. America (BR)
- Europe (UK, DE, FR, IT)
- APAC (JP, IN, KR, AU, NZ)

Audience Screening Criteria

Enterprise: 500+ employees

Role Criteria: Decision makers that sit within an IT department. Must have insight and influence over major cloud strategies and migrations and significant influence or final decision-making authority for the company's cloud strategies, infrastructure and migrations.

Sample Composition

Geography:

North America	400
S. America	150
Europe	400
APAC	325

Role:

75% IT Manager or Senior
25% C-suite

Industry representation:

19% Technology
19% Manufacturing
12% FinServ
8% Retail
6% Healthcare
37% Other

Primary Cloud Provider:

37% Azure
32% AWS
23% GCP
8% Other

Executive Summary

The global pandemic ignited a wave of cloud migration for mission-critical workloads. Cloud strategies are now maturing into broad migration and modernisation efforts.

In uncertain economic times, enterprises look to migration and modernisation to support growth, future-proof their businesses and reduce costs.



Migrate

Cloud migration plans are expanding into secondary and advanced workloads – led by Artificial Intelligence/ Machine Learning (AI/ML), virtualisation and systems management.



Modernise

In addition to cloud migration, most enterprise are modernising their workloads which is expected to improve scalability, business continuity and to manage and optimise costs.



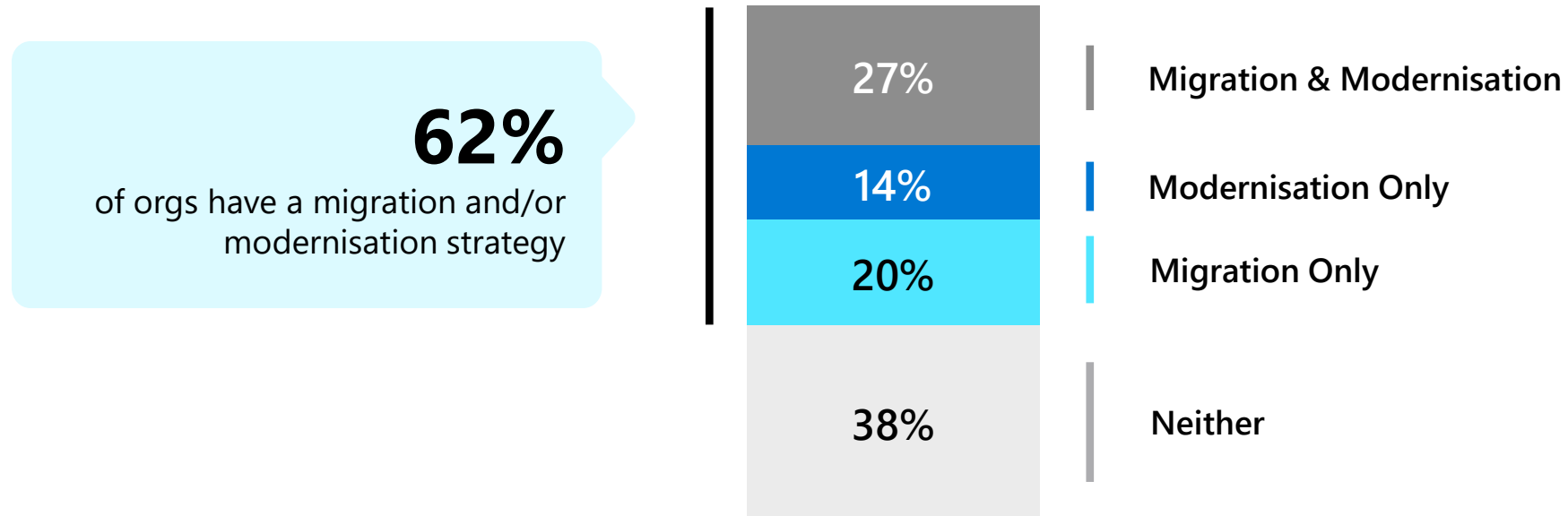
Hybrid and Multicloud

As cloud technology matures, enterprises adapt their strategies for individual workloads; primary cloud vendor consolidation, multicloud adoption and hybrid cloud architectures are all in play simultaneously.

Most organisations have developed a migration or modernisation strategy as the cloud enables their digital transformation



Does your organisation have a cloud migration and modernisation strategy in place?



Base: Total (n=1,275)

Q214: How would you describe your organisation's approach to cloud migration and modernisation strategies?

Organisations believe migration & modernisation efforts will help them safely scale and protect their business through their digital transformation

Top Three Perceived Migration Benefits

(Among orgs with a M&M strategy)

- 1 Scalability
- 2 Security & compliance
- 3 Improve business continuity/disaster recovery

82%

of orgs with a migration & modernisation strategy say moving to the cloud is a stepping-stone to enabling digital transformation

Base: Orgs with a Migration & Modernisation strategy (n=792)

Q400r: How much of a benefit is each of the features below to cloud migration? | Q525: How much do you agree?

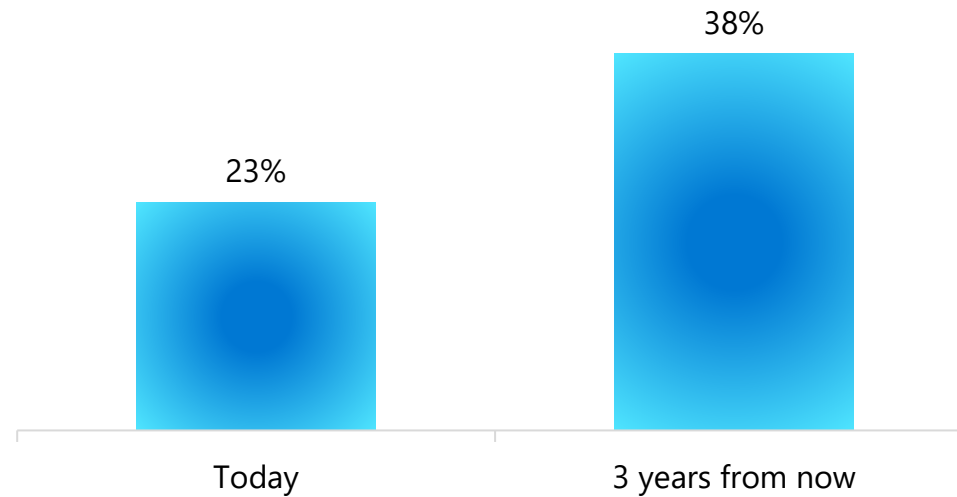
Organisations with migration & modernisation strategies are more rapidly moving toward 'cloud only' cloud strategies

Does your organisation have a cloud-only approach? Will it three years from now?

(Among orgs with a M&M strategy)

Cloud only

All or almost all workloads and applications are in the cloud.



Orgs with a migration & modernisation strategy are **58% more likely** to be cloud-only three years from now

Base: Total (n=1,275)

Q214: How would you describe your organisation's approach to cloud migration and modernisation strategies? | Q230: How would you describe your organisation's cloud migration and modernisation efforts over the next 12 months?



63%

of orgs plan to migrate workloads to a secondary provider over the next three years

The number of orgs migrating more than half of their workloads to the public cloud will grow by 74% versus the prior 18 months

% of orgs migrating 50% or more of workloads to public cloud



Base: Total (n=1,275)

Q200: In the next three years, how likely is your organisation to take the action shown? | Q175: In the past 18 months, what percentage of your workloads has your organisation migrated to the public cloud? | Q180: Over the next 18 months, what percentage of your workloads do you think your organisation will migrate to the public cloud?

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During a time of economic uncertainty, organisations look to cloud migration and modernisation to drive revenue and protect their businesses

Top Three Migration Goals

- 1 Enable AI/ML, IoT, edge computing
- 2 Improve resiliency/ Disaster recovery
- 3 Ability to utilise best of breed services

What is driving the pace of migration & modernisation?

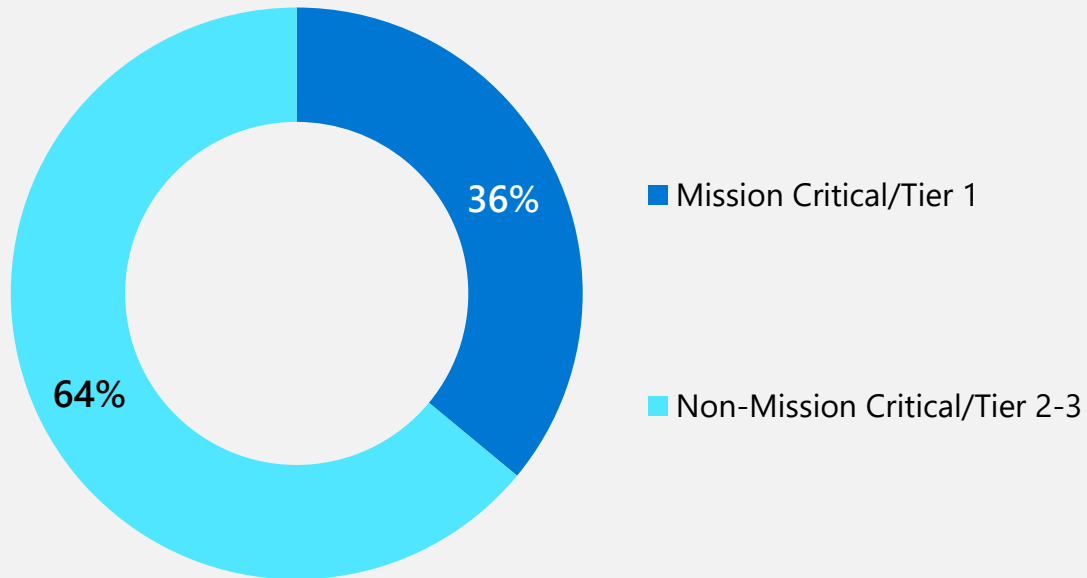


Base: Total (n=1,275)

Q301, Q305, Q306 Cloud migration goals (MIGRATION_SCORE) | Q232. Why do you feel your organisation's cloud migration and modernisation plans will speed up? (Among those whose M&M plans will speed up – % Top 2 Box)

The next wave of workloads with migration plans are non-mission critical

Types of workloads being migrated over the next 18 months



Top Three workloads already migrated

(Among orgs with an M&M strategy)

- 1 Networking, IT Security
- 2 Email, Collaboration, Workgroup, Productivity
- 3 Application development process (DevOps)

Top Three workloads to be migrated over the next 12 months

(Among orgs with an M&M strategy)

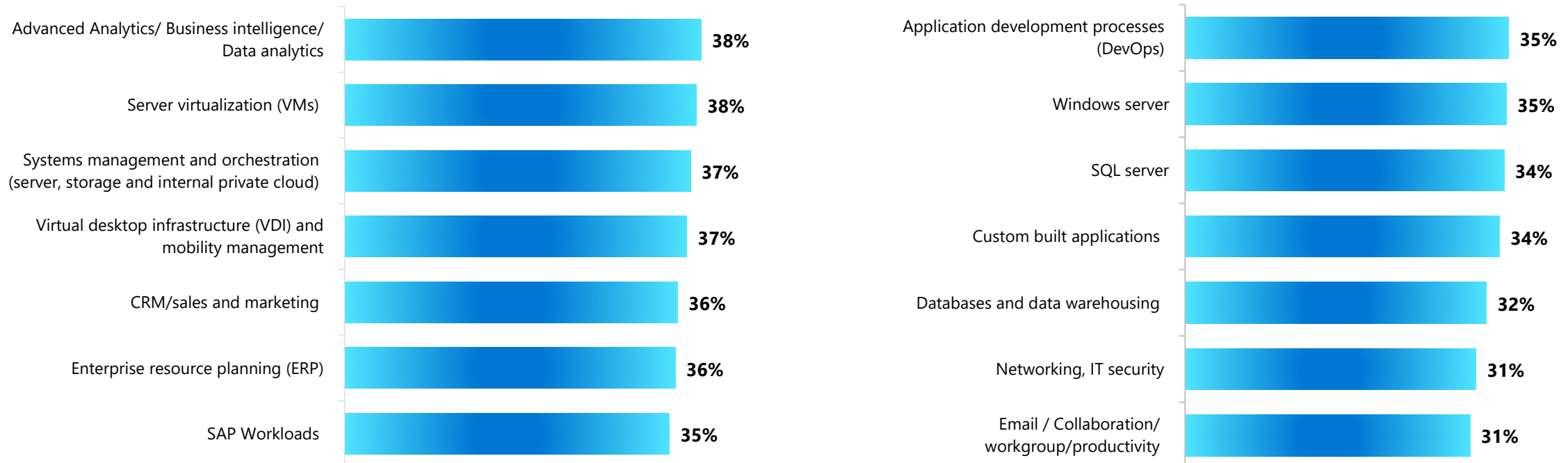
- 1 Advanced Analytics/BI/Data Analytics
- 2 Server virtualisation (VMs)
- 3 Systems management and orchestration

Base: Total (n=1,275)

Q345: Of all the workloads you plan to migrate to the cloud over the next 18 months, about what percent are for each of these workload types? | Q205: What workloads have been migrated [with M&M strategy] | Q205: Workloads migrating in the next year [with M&M strategy]

Organisations worldwide are planning to migrate a diverse set of workloads over the next year as their cloud strategies mature

Which workloads do you plan to migrate to the cloud in the next year? (% of orgs with an M&M strategy)

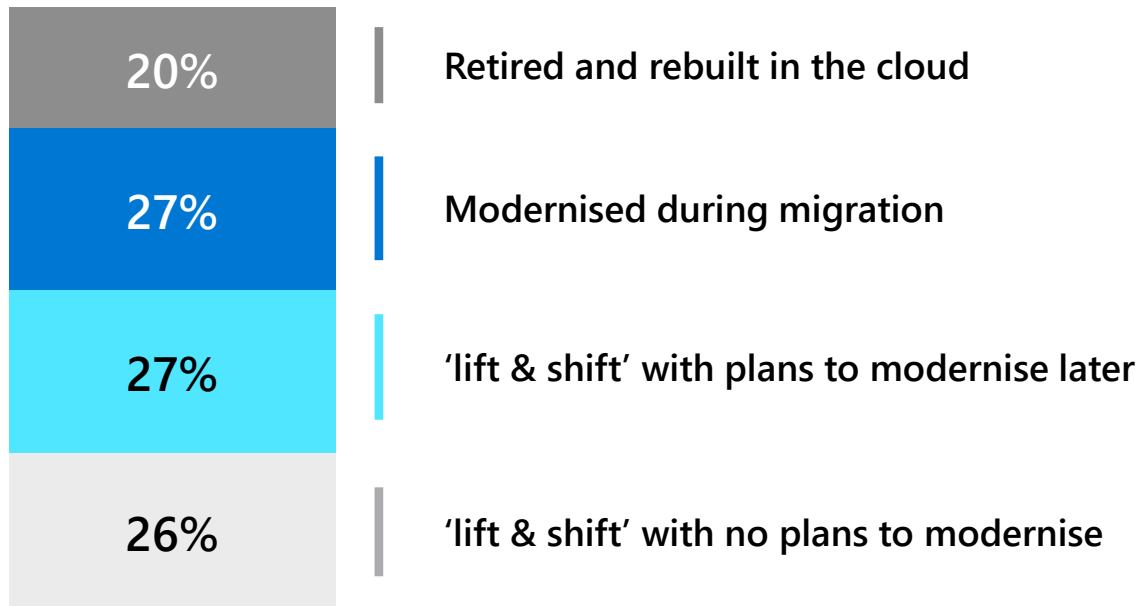


Base: Orgs with an M&M strategy (n=792)

Q205. When, if at all, is your organisation planning to migrate these workloads from on-premise to the cloud?


The vast majority of workloads that are migrated are planned to be modernised

What does your organisation plan to do with workloads it plans to migrate?



74%
of workloads migrated to the cloud have plans for modernisation

Base: Total (n=1,275)
Q225: What % of the workloads your organisation plans to migrate are...



In addition to scalability and security/compliance benefits, organisations are looking to modernisation to deliver cost optimisation

Top 3 Perceived Modernisation Benefits

(Among orgs with an M&M strategy)

- 1 Scalability
- 2 Cost management/optimisation
- 3 Security & Compliance

70%

of orgs with a migration & modernisation strategy say they prefer to be as self-sufficient as possible during migration and modernisation activities by using self-service tools and documentation from cloud providers

Base: Orgs with an Migration & Modernisation strategy (n=792)

Q405r: How much of a benefit is each of the features below to cloud modernisation? | Q525: How much do you agree?

Most organisations are planning to modernise their existing workloads as they pursue multi-cloud and hybrid strategies



Top Two Components of a Modernisation Strategy

(Among orgs with a strategy)

1

Multi-cloud solutions

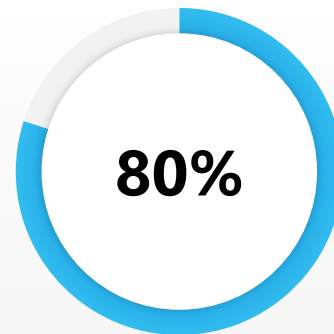
(best-of-breed, cloud-cloud interoperability, etc.)

2

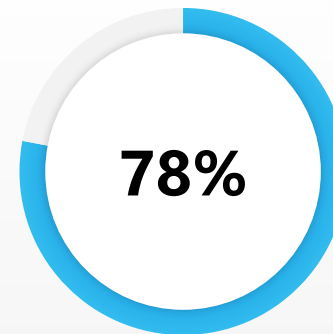
Hybrid solutions

Migration and Modernisation Plans in the next three years

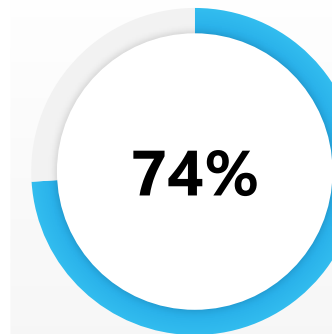
(Among orgs with M&M strategies)



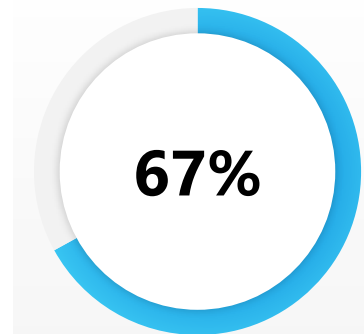
Modernise existing workloads



Consolidate workloads to primary vendor



Migrate workloads to primary provider



Migrate workloads to a second cloud provider

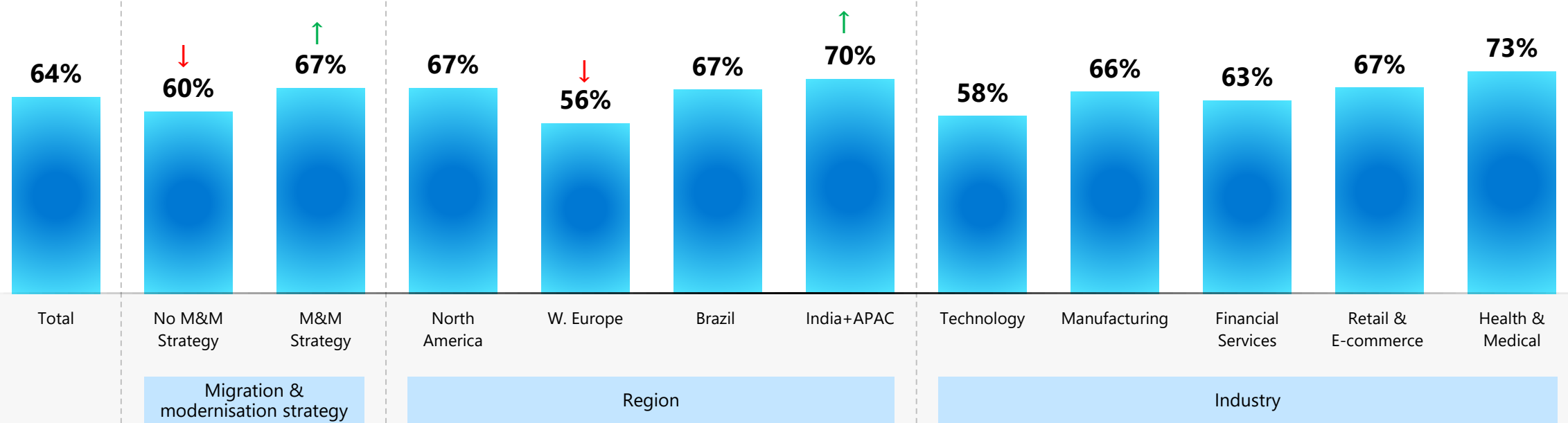
Base: Orgs with an M&M strategy (n=792)

Q215r: X- Are the following a part of the execution of your organisation's cloud modernisation strategy | Q200. In the next three years, how likely is your organisation to take the action shown?

On-prem investments will continue, even as cloud migration & modernisation efforts are a key focus

India+APAC is more likely to continue on-prem investments over the next three years; W. Europe is less likely

Top two: How likely are you to continue with on-premises investments over the next three years?



Base: Total (n=1,275)

Q200r6: Continue with on-premises investments? | ↓ Indicates statistical significance within subgroup at 95% confidence level

Complex cloud-to-cloud integrations can slow migration & modernisation plans and orgs want dedicated help from their cloud vendors

The **#1**

Incentive for an org to work with a cloud vendor is a dedicated Migration & Modernisation team

Top three barriers to Migration & Modernisation

(Among orgs with a strategy)

1

Complexities of cloud-to-cloud integration



2

Complexity of refactoring existing application



3

Integration with legacy backends



Base: Orgs with an M&M strategy (n=792)

Q415; Q416, Q417 What are the barriers to migrating workloads to the cloud? | Q434. Think about ways a Cloud Service Provider may incentivise you to work with them. Please rank the following from most to least valuable (one is most valuable)

Resources

Learn more about migrating and modernising on Azure

[Azure.com/migration](https://azure.com/migration)

Do more with less by optimising costs on Azure

[Cloud Cost Optimisation | Microsoft Azure](https://cloudcostoptimisation.microsoft.com)

Get help from Azure Migration and Modernisation Programme

[Azure.com/AMMP](https://azure.com/AMMP)