



2021 STATE OF CLOUD MIGRATION SURVEY



Automate Your Migration to the Cloud

Let us accelerate the migration of your legacy EDWs, Data Lakes and ETLs to leading cloud targets with our automation technology.

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EXECUTIVE SUMMARY

"Most IT Leaders are planning to migrate their entire environment to the cloud by 2025."

It has taken cloud computing only ten short years to be considered the de facto platform for enterprise computing. In part due to its inherent capabilities of agility, resilience, elasticity and security. But moreover, in our data-driven economy and the heightened need for businesses to adapt digital business models, only cloud platforms can provide the responsiveness, scalability and innovation required for this transition.

With many companies ready to reap the value from cloud platforms, the onus of cloud adoption lies with the IT Leaders to plan, execute and support the cloud migration. Ultimately the business transformation will be a joint effort between business and technology, but the migration path is owned by IT. This report focuses on the attitudes and experiences of IT Leaders as it pertains to cloud migrations.

Together with Propeller Research, in December 2020, we surveyed over 1,000 IT Executives in North America across a variety of industries and sectors to get their perspective on the state of cloud migration. These IT Leaders work in medium and large enterprises, with over half of them working at companies with annual revenues in excess of \$500 Million USD.

This report provides an overview of the data captured, including:

- A holistic look at the state of the cloud migration industry
- What is stalling cloud migration projects from starting
- What types of applications are a priority to migrate to the cloud
- What services companies are most likely to outsource in their migration to the cloud, and their expected budget expenditure

In general, the research confirms what we are experiencing in the field; companies recognize that it's critical to migrate their data to the cloud, and see 2021 as the year to accelerate these efforts.

Given the fact that digital transformation is only possible with cloud platforms, the stakes could not be higher. However, IT Leaders recognize that migrations are complex. Many are grappling with decades of application sprawl and considerable investment in complex legacy ETL pipelines; they simply don't want to "lift and shift", but modernize. For these reasons, IT Leaders are trusting their cloud platforms to the hyperscale providers and intend to outsource the key phases of the migration journey to proven cloud service providers with automated tooling, expertise and best practices.

Read about their planned investments in cloud migrations, their strategy for moving workloads to the cloud, and what is preventing them from moving faster.

CHETAN MATHUR
NEXT PATHWAY CEO

CLARA ANGOTTI
NEXT PATHWAY PRESIDENT


EXECUTIVE SUMMARY





SECTION I

A SNAPSHOT: THE STATE OF CLOUD MIGRATION



Despite the fact that most companies are early in their journey to the cloud, we can expect to see an acceleration in cloud migrations in 2021.

➤ THE STATE OF THE CLOUD MIGRATION

How Companies Are Planning Their Migration in 2021

Companies clearly believe in the benefits that the cloud will bring to their businesses, and there is a growing degree of trust in the cloud, so one would think that more migrations would have occurred by now.

Yet surprisingly, most companies have yet to move material workloads to the public cloud. While this is true, our research indicates that this is changing.

The research supports that COVID-19 has escalated an existing trend to move workloads to the cloud. IT Leaders are planning to move more applications, processes and other key business functions to the cloud in order to remain competitive. Underscoring this point, is the fact that IT Leaders plan to double their spend in the cloud in 2021.

When examining the top IT priorities and expected business benefits of the cloud, it is clear that existing operating models will need to evolve in order to realize the value of cloud computing. This means changing how IT operates and how IT collaborates with and supports the business.

This section of the report highlights where companies are in their cloud migration journey, including their top priorities in 2021, planned budget expenditure, and the industries with the most need for intense data analytics.

KEY POINTS

The benefits provided by the cloud makes the business case simple; get to the cloud and win.

- Cloud migration is a **top 3 technology priority in 2021**.
- Overwhelming majority of **companies are in the early stages** of migrating to the cloud.
- **Most companies are planning to increase their IT spending** in order to realize the benefits of the cloud faster across their business functions, especially across legacy Data Warehouse and Data Lake environments.



SECTION II

THE JOURNEY TO THE CLOUD



Cloud enablement
as companies push
to accelerate their
digital strategy.

THE JOURNEY TO THE CLOUD

How Companies Are Planning Their Migration in 2021

There is tremendous support for cloud enablement as companies push to accelerate their digital strategy. We wanted to know what types of applications companies are most likely to migrate to the cloud and which hyperscale platforms are winning.

The research supports the fact that companies are moving quickly to the cloud; however, IT Leaders are fully aware of the challenges involved with moving complex, legacy environments to the cloud, and subsequently understand that migrations do not happen overnight.

Given the business-driven value that the cloud represents it is not surprising to see the wide variety of cloud services that IT Leaders plan to outsource. In light of the importance of the cloud on enabling business transformation, the stakes are too high for a failed cloud migration. IT Leaders are likely to leverage external expertise and tooling to ensure a successful, timely and risk-free migration to the cloud.

When selecting which legacy warehouses to migrate to the cloud, IT Leaders must consult closely with their Business counterparts in order to select and prioritize the domains that will benefit the most from the innovation, agility and scale that is offered by the cloud.

This section of the report highlights the timeline expectations companies have when starting their migration, the number of environments they plan to migrate in 2021, the services they are most likely to outsource, and which types of environments are a priority.

KEY POINTS

Prioritize the domains that will benefit the most from the innovation, agility and scale that is offered by the cloud.

- Nearly **75% of companies plan to migrate** more than 10 data warehouse environments **to the cloud in 2021**.
- Most companies expect their cloud migration projects **to take longer than 3 months**.
- Companies are expected to **increase their budgets across the hyperscale cloud vendors** disproportionately compared to niche cloud players.



SECTION III

THE CHALLENGES

What is holding IT
Leaders back from
migrating to the
cloud faster.



THE CHALLENGES

Cloud Migration Requires Careful Planning and Execution

IT budgets for cloud initiatives are growing; however, companies are not moving as fast as expected. Our research provides some insights into what is holding IT leaders back from migrating to the cloud faster.

Successful migrations require careful planning, execution and cut-over. Which is where most IT Leaders need assistance. Our survey reveals that IT Leaders are unsure how to assess which workloads should be moved first, what are the interdependencies across multiple workloads, which ETLs are feeding which applications, and how to properly test to ensure the applications are running at the same, if not better performance levels than on-prem.

In many cases, IT Leaders are faced with unwrapping years of “application sprawl” and deciding which applications to move and in what order, and the impact the migration will have on the multitude of vendor products that currently exist in an organization.

IT Leaders realize that a simple ‘lift/shift’ is not optimal; getting the true value from cloud computing requires modernization.

Moreover, while managing a complex migration with significant implications on security and compliance, IT Leaders are also tasked with managing the current environment. Performing a migration while minimizing the impact to business operations is a serious consideration.

KEY POINTS

Successful migrations require careful planning, execution and cut-over.

- Data warehouse, data lakes and ETL pipelines make up nearly **50% of the applications that IT leaders deem a priority to migrate in 2021.**
- **Complexity of legacy environments**, including application sprawl, lack of visibility across legacy applications, and security concerns **are key bottlenecks in getting migration projects started.**
- **Next to security set-up**, a multitude of issues around migration and code translation constitute the majority of **the challenges IT Leader are confronting** when executing a migration of workloads to the cloud.

THE KEY THEMES REVEALED IN THE SURVEY INCLUDE:

- **Cloud migration is a journey.** Most companies are in the early stages of moving to the cloud and application migrations to the cloud will be performed over multiple years.
- **Cloud migration requires careful planning and execution.** Companies recognize that moving multiple, complex applications require skilled planning and technical solutions.
- **The cloud migration services market is expected to grow.** Due to lack of skilled internal resources, most companies plan to outsource core cloud migration services.

CONCLUSION

The research reinforces the fact that the cloud migration market is trending upwards, and fast; albeit most companies are early in their cloud migration journey.

Our research indicates that many companies are struggling with understanding the complexity of their on-premise environments; which is ultimately stalling cloud migration projects.

Companies must think differently when it comes to cloud migration initiatives versus traditional IT projects. IT Leaders are being offered larger budgets that are ear-marked for the cloud and moving on-prem workloads to the cloud are critical to turning on data-rich analytics.

For these reasons, IT Leaders are highly incented to reduce migration risk and expedite their projects by selecting proven hyperscale cloud providers and outsourcing core cloud managed services at every stage of their cloud journey.

Speed is paramount, and companies that delay migration efforts will risk falling behind the competition in their respective markets, force the continued support of obsolete and costly legacy infrastructure, and accumulate more technical debt.



The Cloud Migration Company

Our mission at Next Pathway is to automate the end-to-end challenges involved with migrating to the cloud.

With automation fueling the migration effort, companies can recognize major benefits, including:

- More intelligent planning based on data-driven analysis to understand what strategy to employ (i.e. lift and shift, vs. modernize), what workloads to prioritize, and where they can save and optimize costs.
- Automated workload and code conversion to alleviate extensive and complex manual development efforts that take months and armies of developers to complete
- Accelerated cut-over by optimizing how companies consume data from the cloud, including performance optimization and BI modernization

At **Next Pathway**, our technology helps companies realize the benefits of automation in their cloud migration projects. These tools include:

SHIFT™ Migration Suite: *SHIFT™* automatically translates legacy code contained in on-premise applications and ETL pipelines to run in various cloud platforms.

Crawler360™: *Crawler360™* automatically scans legacy data sources, including data warehouses, data lakes and ETL pipelines, to capture the lineage and identify intelligence for how to migrate to the cloud.

To find out how we do it, or to request a free migration consultation, contact us today.



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2021 State of Cloud Migration Survey.

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