

SURGING SERVER USE REQUIRES CONTROL

Author: Tashi Columbro, Investor Relations
DCCM Australia

There is no doubt that Cloud is the way of the future. In Australia and around the world, companies are moving away from traditional on-site servers to greatly leverage the Cloud.

According to research by Deloitte Access Economics (DAE) on the Economic value of Cloud Services in Australia, in 2020, 42% of Australian businesses will use Cloud servers - up from 31% in 2015-16 - and are forecast to spend more than A\$8.1 billion this year alone.



Globally, public cloud services are set to reach \$266.4 billion, representing a growth of 17% in 2019. Predicted to continue growing to almost \$11 billion by 2022, touching an estimated 60% of organisations.

The reasons to make the change are many. Like the VCR, the floppy disk, and the beeper, on-site servers will eventually become redundant as more and more next-generation solutions build on the strength of the cloud platform.

Regardless, the productivity and ongoing management benefits of the cloud (including near constant capital expense to refresh technology) significantly outweigh on-site servers. In June 2019, cloud technology had delivered \$9.4 billion in productivity benefits to the Australian economy in the past five years. This figure undoubtedly increased in 2020 with the increased adoption rates and the need to work from home due to coronavirus. In fact, during the first 6 weeks of the pandemic, AWS Cloud grew by 400%, and Microsoft Azure Cloud grew by an astonishing 800%.

In a survey of 500 companies, DAE found that 78% of businesses have already increased their productivity by consolidating IT infrastructure and streamlining processes using cloud services, despite that only slightly more than half had adopted cloud technology between the past 1 and 3 years at the time of the survey.

The Covid-19 pandemic has caused working from home to become the norm and illuminated the need for staff to access and retrieve data anywhere, instantly. The rapid exodus from offices did not give businesses a lot of time to plan for this new structure, productivity and collaboration method. The cloud allows multiple users to work on shared documents creating more seamless collaborations, particularly necessary while unable to communicate in person. Additionally, the cloud gives employees the freedom to work according to their preferred time, which greatly benefits those who wear the multiple hats of home-schooling and carer roles due to COVID.

Full access on mobile devices, or anywhere, with the internet is the new normal and a necessity – allowing staff on the go to review work and access documents while out of the office. No more emailing documents back and forth or USBs. Predictably, the information, media telecommunications industries are the most prominent users of Cloud Servers.

According to a report from the Australian Bureau of Statistics, the use of cloud per industry is:

- Information, media, and telecommunications industry – 64%
- Mining – 53%
- Healthcare and social assistance – 45%
- Retail trade – 42%
- Agriculture, forestry, and fishing – 25%
- Transport, postal, and warehousing industries – 29%

When asked what the biggest barriers to Cloud adoption are, companies respond that changing from legacy systems and education about the software is what holds them back. While this will always be the case when adopting new technology, Cloud can be a mystery even to long-term users. The flexibility and ubiquity of the cloud may be the reason there is a sense of blindness about on demand, virtual infrastructure. A CFO's heart may stop when looking at a cloud bill at the end of the month, having no idea why the bill is so high and where to start to reduce the costs.

There are over 500,000 ways to purchase a single AWS cloud instance, with a new AWS instance type launching every 2 weeks. The idea that a midsize to enterprise company can manage multi-cloud and hybrid infrastructure environments with only human intervention is impossible. It's simply too large an environment to optimize. And hybrid IT - including multi-clouds - have become the norm, with total cloud spend expected to reach \$3.8B (Gartner, 2019).

Cloud providers have complex, variable pricing and most enterprises are using more than one provider. It's hard to tease out what costs what, who is using what, and what the total cost is. Not to mention the costs can be highly variable, creating surprises at billing time, sometimes with a 100% increase in cost month over month.

The flexibility, convenience and adaptability of Cloud servers makes all the science and new management around the cloud worthwhile. There is simply no need to play roulette with your cloud bills. It is key for a company to be optimizing their investment with tools to clear up the mystery, and to take control of their cloud bill.

Creating opportunities for collaboration in 2021

DCCM Australia is a Business Member of the IT & Technology Roundtable, convened by the CBD Sydney Chamber of Commerce.

Current group members include **Interesting** Technology & Experience Design, **Intergy Consulting** - Software Design Solutions, **Optus Business Centre Sydney CBD** – telecoms specialist servicing SME's in the CBD, **Murmur Digital** – award-winning Digital, Creative Marketing **Agency** & Marketing Agency, **Sonnet Digital** - digital production specialists, **RMS Tech** - Specialists in Technology Solutions & Security Innovations, **25Fifteen** – a tech startup that builds businesses of value. These businesses are looking to learn and identify potential collaboration opportunities by combining capabilities and expertise around a common purpose.

A Forbes Magazine's article Increasing Complexity is Driving The Value of Collaboration suggested "the ability to collaborate is becoming a key driver of value creation." At some stage all businesses have a need to reach out for professional advice or face a new challenge that requires experience beyond existing professional relationships.

The CBD Sydney Chamber supports efforts around collaboration.

Members of these groups collaborate to expand knowledge and networks, while actively seeking opportunities to make available high levels of expertise and professional service. The advantages to any business that might require assistance is a breadth of expertise and specialist services - and the confidence that they are a Member of the CBD Sydney Chamber of Commerce.

If your business is interested in being involved in one of these collaboration groups, please contact the CBD Sydney Chamber.



CONSULTING &
MANAGEMENT