

Techstrong | Research

PulseMeter

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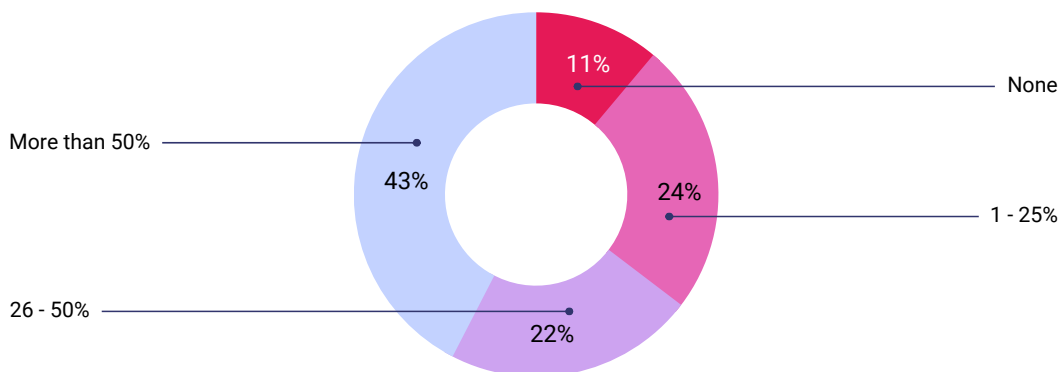
Application modernization remains a hot topic for a variety of reasons, including the need to increase business agility and address the scalability issues inherent in monolithic applications. The advent of cloud services provided a ready platform for modernizing applications, and the variety of cloud-native services provides the flexibility to support modernization across the spectrum from lift and shift to refactoring to a complete rearchitecture of the application. In fact, in a recent PulseMeter, we found 36% of respondents most frequently used lift and shift for modernization and another 30% refactored the application most often.

Yet personnel constraints and a gap in relevant modernization skills to drive these efforts still hold organizations back. Service provider specialists have emerged with cloud platform-specific skills to address this need. These providers offer everything from initial architecture and design work to build and implementation and, finally, provide ongoing monitoring and management for a replatformed or upgraded application.

In mid-2023, Techstrong Research polled our community of DevOps, cloud native, cybersecurity and digital transformation readers and viewers to take their pulse on their approach to cloud application modernization. The survey results indicate that application modernization is the top priority for respondents, closely followed by migrating more applications, improving DevOps performance and increasing security. Despite respondents' comfort with internal cloud architecture, networking and security capabilities, respondents are most likely to engage with a cloud specialist for cloud architecture/design services. Finally, 50% believe cloud specialists are strategic partners, with another 19% believing these organizations can help execute tactical projects, indicating that cloud specialists can play many roles for an organization regardless of where they are in the cloud journey.

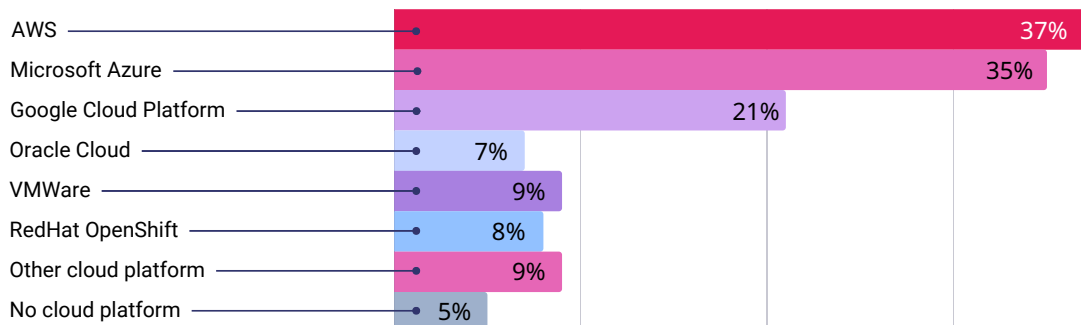
How many of your existing cloud-based applications will be modernized over the next 24 months?

A full 42% of respondents indicated that more than 50% of applications will be modernized and another 23% said between 25-50% are slated for upgrades. Clearly, there is work to do to take advantage of new cloud services.



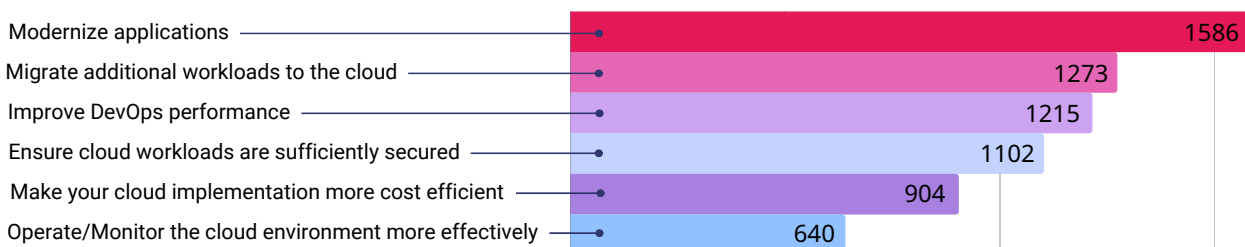
Which cloud platforms are in use in your company?

Unsurprisingly, the big three cloud vendors (AWS, Azure and Google Cloud) dominate. VMware (9%) and OpenShift (8%) represent on-premises or hybrid use cases.



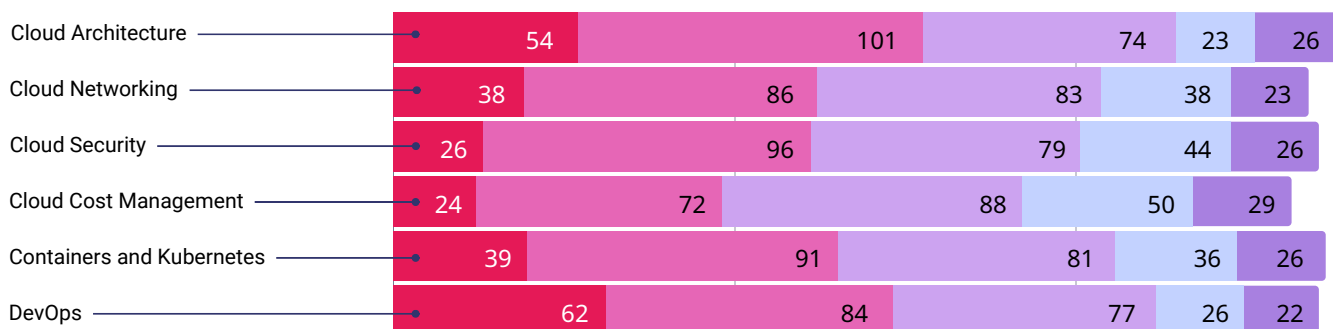
Rank your top priorities for the cloud for the remainder of 2023.

Based on the rankings of 2023 cloud priorities, modernizing applications is the top objective for respondents. Migrating additional workloads and improving DevOps performance also ranked highly.



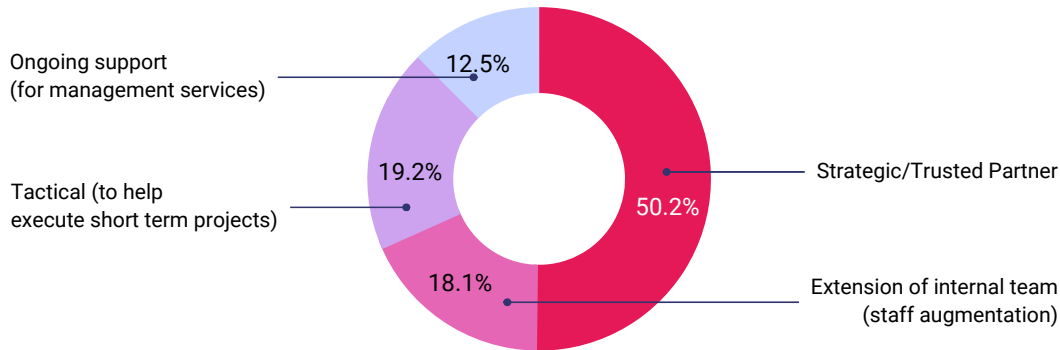
How comfortable are you with your internal capabilities in the following areas of cloud computing?

Respondents are relatively comfortable with their cloud architecture and DevOps capabilities. Cloud cost management is the area they're least comfortable with.



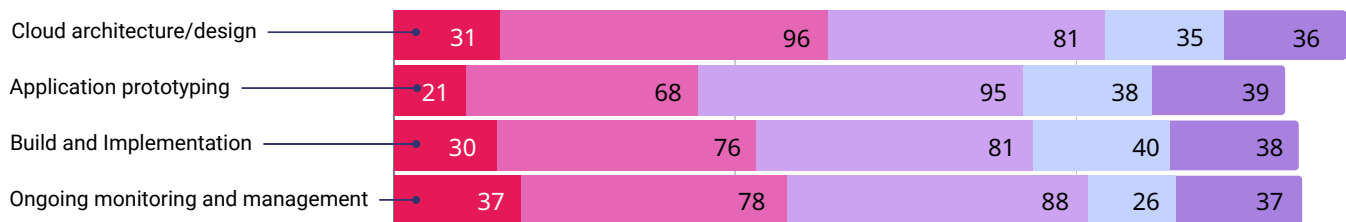
What do you consider cloud service companies that help organizations build and manage modern infrastructure solutions?

Cloud service companies enjoy a strategic position in the minds of their customers, with 50% of respondents considering them a trusted partner, while 19% view these providers as tactical and another 18% as an extension of the internal team.



For the following areas, how likely are you to engage with a service provider to assist in migrating to the cloud?

Respondents are very likely to engage a service provider for ongoing monitoring and management. If we expand the view to include “likely” selections, cloud architecture and design services vault to the top.



Techstrong Research Analyst View

Understanding cloud technology is a critical success factor for organizations of all sizes. Although existing data centers are not disappearing, leading organizations platform strategic workloads in the cloud. According to O’Reilly’s 2021 Cloud Adoption report, two-thirds of respondents currently operate in public cloud, 48% of respondents plan to migrate at least half of their applications to the cloud in the next year; 20% intend to move all their applications to the cloud. Regardless of the accuracy of the numbers, as plans to modernize applications accelerate, these cutting-edge organizations need to rely on tools and expertise to scale up their efforts. This approach requires more proactively managing the cloud skills inventory within the organization.

Based on Pluralsight’s State of Cloud research, it takes learners 3 - 6 months longer to complete cloud courses, with 43% say they have training budget constraints and another 38% are too busy. Yet organizations have to find an answer to cloud skills and can no longer be constrained by internal resources’ availability (or lack thereof) to achieve cloud migration imperatives. Even if comfortable with internal skills (which many respondents are), those resources may not be available when needed, forcing the addition of external resources to fill the gap. Thus, we recommend building a bench of cloud service providers to address gaps in internal capabilities and categorize providers as strategic, tactical or staff augmentation partners based on their specialized knowledge and scale.

Given the massive cloud market opportunity, estimated to be upwards of \$600 billion in end-user spend in 2023 and almost \$1 trillion by 2027, a plethora of specialist service providers will emerge, with capabilities on specific cloud platforms (like AWS), with particular technologies (Kubernetes) or within specific aspects of the application life cycle (architecture, prototyping, implementation, ongoing management). The bottom line is that organizations will accelerate their modernization efforts and platform an increasing number of applications in the cloud. Effectively managing the internal and external resources required will provide a solid foundation for IT success over the next few years.

² <https://www.oreilly.com/radar/the-cloud-in-2021-adoption-continues/>
³ <https://www.oreilly.com/radar/the-cloud-in-2021-adoption-continues/>

⁴ Gartner’s Worldwide end-user cloud spend forecast 2021 -2023
⁵ Gartner’s Worldwide end-user cloud spend forecast 2021 -2023