

Highlights from the Spring SNW Cloud Computing Summit

I was not the only one from DCIG attending [SNW](#) last week: [Kelly Polanski](#), a Contributing Analyst with DCIG, was also in the SNW mix. While I took briefings and caught up on the latest advancements in specific products, Kelly attended the afternoon SNW Summits. Following these Summits, she provided me with some of her notes. I found some of the information significantly compelling, and so I'm sharing them now with DCIG's readership. Today's blog shares some of the insights that Kelly gained from the Cloud Computing [Summit](#) on April 6.

[IDC Predictions and Data:](#)

- Cloud adoption and growth are predicted to outpace growth of other spending over the next 3 years; CAGR of ~5%
- Cloud is expected to represent 25% of incremental new project spending by 2012
- \$6.8B spent on SaaS in 2008; SaaS included in Cloud spending predictions
- 30% of organizations surveyed by IDC report using Cloud/SaaS in some form today
- 76% are working on active projects to adopt cloud computing
- The highest adoption rates for SaaS/Cloud are for CRM, HR, Collaboration Travel Expense and Sales Incentive applications

[Key Drivers for Cloud Adoption:](#)

- Brisk pace of technology turnover and change
- High cost of capital
- Need to keep SLAs constant while staffing levels fluctuate
- Infrastructure spending this year is predicted to be

- relatively flat, up only .5% for all of 09
- Infrastructure spending is expected to increase in 2010 by 4.6%
 - Worldwide infrastructure spending in 2009 is expected to total of \$367B for non-cloud/SaaS and \$16B for SaaS; increasing to \$438B and \$42B respectively in 2010

Health Care Implications:

- Cloud is the 'dream' platform – perhaps the only platform – capable to deliver the Electronic Health Record/Electronic Medical Record (EHR/EMR) with universal hospital/healthcare access – according to the CIO at Schumacher Group
- *Kelly's observation:* EMR/EHR is the 'killer app' for Cloud Computing
- 70% of hospitals outsource emergency medicine
- Schumacher is the third largest and fastest-growing emergency medicine provider
- Schumacher uses Cloud service providers, all of which are HIPPA-compliant
- Schumacher's observation: vendors of his on-site infrastructure are not as hospital-aware/healthcare-aware as his Cloud vendors

VMware Implications:

- Virtual Machine technology (like VMware) is a necessary component for enabling Cloud application provisioning
- Enterprises are starting with Cloud secondary storage provisioning as a first step such as for data backup and disaster recovery
- Likewise, SaaS models for application services are well understood and relatively easy to embrace for enterprise teams
- Enterprises are less clear on how to use Cloud for production data analysis/provisioning