RIGHTSCALE®

2017 State of the Cloud Report

AUSTRALIA | NEW ZEALAND EDITION

ANZ Organisations Plan for Hybrid Cloud

Sponsored by:

Offis MULTI-CLOUD SERVICES

Executive Summary

In February 2017, RightScale surveyed 168 technical professionals in Australia and New Zealand across a broad cross-section of organisations about their adoption of cloud computing.

The RightScale 2017 State of the Cloud Survey for Australia/New Zealand (ANZ) provides data on how organisations in ANZ are adopting cloud computing. We also compared the data from the ANZ survey with our global survey data to identify areas where ANZ organisations differ. Our key findings include:

ANZ respondents prefer hybrid cloud at higher rates than the rest of the world.

- 85 percent of ANZ enterprises have a multi-cloud strategy, the same as for enterprises in our global survey.
- 68 percent of ANZ enterprises prefer hybrid cloud vs. 58 percent of enterprises worldwide.
- 92 percent of organisations surveyed are running applications or experimenting with infrastructure-as-a-service.

ANZ organisations that use cloud are leveraging multiple clouds.

- Organisations using public cloud are already running applications in an average of 1.9 public clouds and experimenting with 1.6 more.
- Organisations using private cloud are already running applications in an average of 2.2 private clouds and experimenting with 1.7 more.

Companies run a majority of workloads in cloud.

- Respondents run 29 percent of workloads in public cloud and 43 percent in private cloud.
- Among enterprises, respondents run 21 percent of workloads in public cloud and 47 percent in private cloud.
- Both enterprises and SMBs in ANZ use private cloud at higher rates than their counterparts worldwide.

More ANZ enterprises see central IT as a cloud broker.

- ANZ enterprises are more likely to see the role of central IT as deciding/advising on which apps move to cloud (68 percent in ANZ vs. 63 percent globally), and brokering cloud services (60 percent in ANZ vs. 54 percent globally).
- Conversely, ANZ enterprises see a smaller role for central IT in selecting public and private clouds, setting policies for cloud use, and optimising cloud costs.
- ANZ enterprises lead the rest of the world in several areas of cloud governance (security policies, approval policies, cost policies, and disaster recovery), but lag in strategy (defining the value that they hope to gain from cloud and a timeline for implementing their cloud strategy).

ANZ organisations see fewer cloud challenges, but also fewer cloud benefits.

- The top benefits for ANZ organisations are scalability (56 percent), speed to access infrastructure (55 percent), and availability (50 percent).
- Overall, ANZ organisations are realising cloud benefits at a lower rate than their counterparts in the rest of the world.
- The top challenges for ANZ organisations are compliance (25 percent), governance (23 percent), and lack of resources/expertise (23 percent).
- Except for compliance and governance, ANZ organisations see fewer challenges than their counterparts globally.

Few ANZ organisations are prepared for a significant cloud outage.

- Most ANZ cloud users have direct connect to the cloud providers they use.
- Only 19 percent of ANZ respondents are prepared for a cloud region outage, and only 43 percent are prepared for a loss of connection to the cloud.

Significant wasted cloud spend drives cloud users to focus on costs.

- Cloud users underestimate the amount of wasted cloud spend. Respondents in ANZ estimate that they are wasting 26 percent of cloud spend, while RightScale has measured actual waste between 30 and 45 percent when analysing cost optimisation opportunities for its customers.
- Despite an increased focus on cloud cost management, only a minority of companies are taking critical actions to optimise cloud costs, such as shutting down unused workloads or selecting lower-cost clouds or regions.
- ANZ lags significantly in its use of AWS Reserved Instances (20 percent in ANZ using Reserved Instances vs. 31 percent worldwide).
- 53 percent of both ANZ and global respondents are focused on optimising cloud costs. In ANZ it is the #2 initiative for 2017, ranking only behind moving more workloads to cloud (61 percent).

ANZ organisations lag in adoption of DevOps and Docker.

- Overall DevOps adoption is lower in ANZ; 64 percent vs. 78 percent worldwide.
- ANZ enterprises adopt DevOps at higher rates than SMBs (73 percent vs. 56 percent) and most adoption is bottom up, starting with teams and business units.
- Among DevOps tools, Puppet (23 percent) and Docker (22 percent) are used most widely, but adoption of all DevOps tools lags the rest of the world.
- There is strong interest in Docker in ANZ with an additional 19 percent planning to use it.
- Some ANZ respondents use Docker through container-as-a-service offerings from cloud providers including AWS ECS (26 percent), Azure Container Service (14 percent), and Google Container Engine (4 percent).

SMBs in ANZ are adopting Azure at a significantly higher rate than the rest of the world.

- Overall, AWS (51 percent) and Azure (42 percent) are the most frequently adopted public clouds within ANZ.
- The lead of AWS over Azure is much smaller in ANZ (AWS leads by 9 percentage points) vs. globally (AWS leads by 23 percentage points), driven by higher adoption by ANZ SMBs. 41 percent of ANZ SMBs are running applications in Azure, much higher than the 25 percent using Azure globally.
- Conversely, ANZ enterprises use AWS at a slightly higher rate than the rest of the world (61 percent vs. 59 percent) and adopt Azure at the same rate as the rest of the world (43 percent).

ANZ public cloud users still have a larger footprint in AWS.

- AWS holds a significant lead over Azure in the number of VMs its users are running: 24 percent of respondents have more than 100 VMs in AWS, while only 10 percent have more than 100 VMs in Azure.
- Among enterprises, 37 percent have 100+ VMs in AWS, and 17 percent have 100+ in Azure.

ANZ respondents use more VMware and Microsoft for private cloud.

- VMware vSphere for private cloud leads in ANZ with 51 percent adoption, higher than 42 percent adoption worldwide.
- Microsoft System Center (#2), VMware vCloud Suite (#3), and Microsoft Azure Pack/Stack (#4) for private cloud also have higher adoption in ANZ vs. globally.
- OpenStack adoption, however, is much lower in ANZ (13 percent) than worldwide (20 percent), driven mostly by lower adoption for ANZ SMBs.

Methodology

In February 2017, RightScale conducted an additional survey in Australia/New Zealand, sponsored by Telstra and Offis, as a follow up to its annual global State of the Cloud Survey. The survey questioned technical professionals across a broad cross-section of organisations in ANZ about their adoption of cloud infrastructure. The 168 respondents in ANZ range from technical executives to managers and practitioners and represent organisations of varying sizes across many industries. Respondents represent companies across the cloud spectrum, including both users and non-users of RightScale solutions. Their answers provide a comprehensive perspective on the state of the cloud in ANZ today.

Key Survey Stats:

ANZ survey respondents = 168

- Enterprise respondents (1,000+ employees) = 77
- SMB respondents (<1,000 employees) = 91

Global survey respondents = 1,002

- Enterprise respondents (1,000+ employees) = 485
- SMB respondents (<1,000 employees) = 517

Use of Charts and Data In This Report

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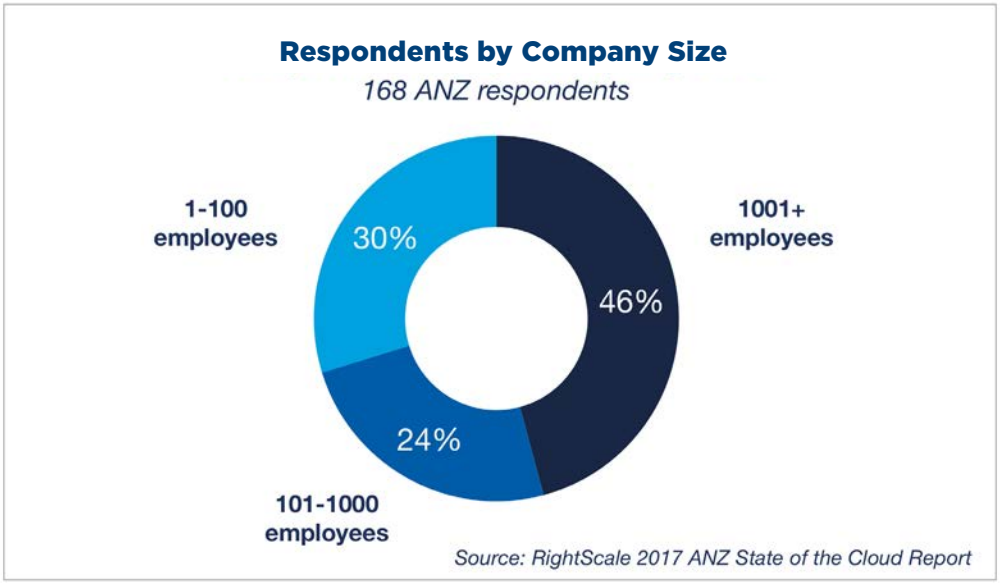
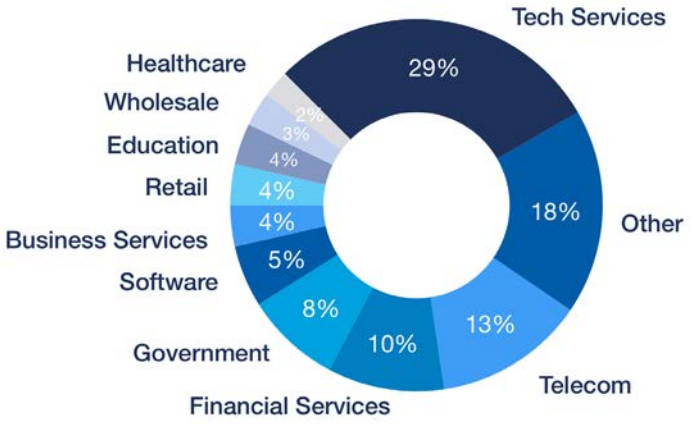
Respondent Demographics



Respondents by Industry

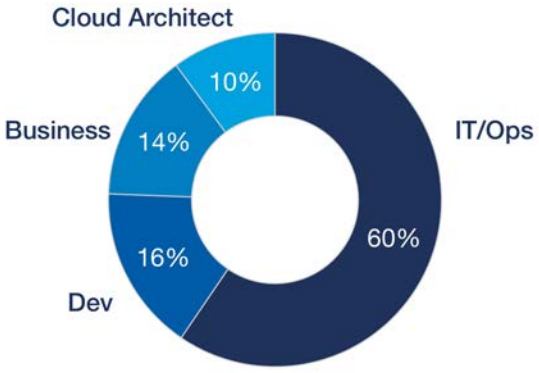
168 ANZ respondents



Source: RightScale 2017 ANZ State of the Cloud Report

Role of Respondents

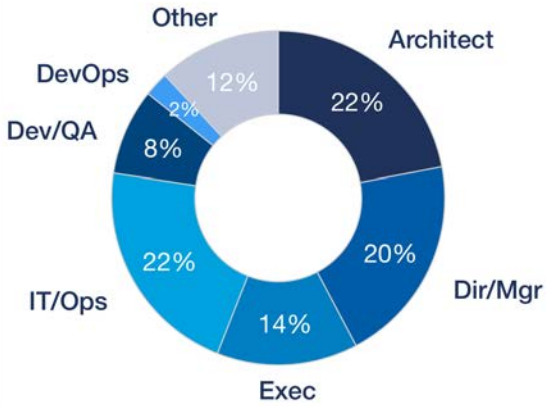
168 ANZ respondents



Source: RightScale 2017 ANZ State of the Cloud Report

Level of Respondents

168 ANZ respondents



Source: RightScale 2017 ANZ State of the Cloud Report

The Cloud Maturity Model

In this report, RightScale uses its Cloud Maturity Model to segment and analyse organisations based on their levels of cloud adoption. The Cloud Maturity Model identifies four distinct stages of cloud maturity. Denoting cloud adoption by organisations from least to greatest experience, the four stages are:

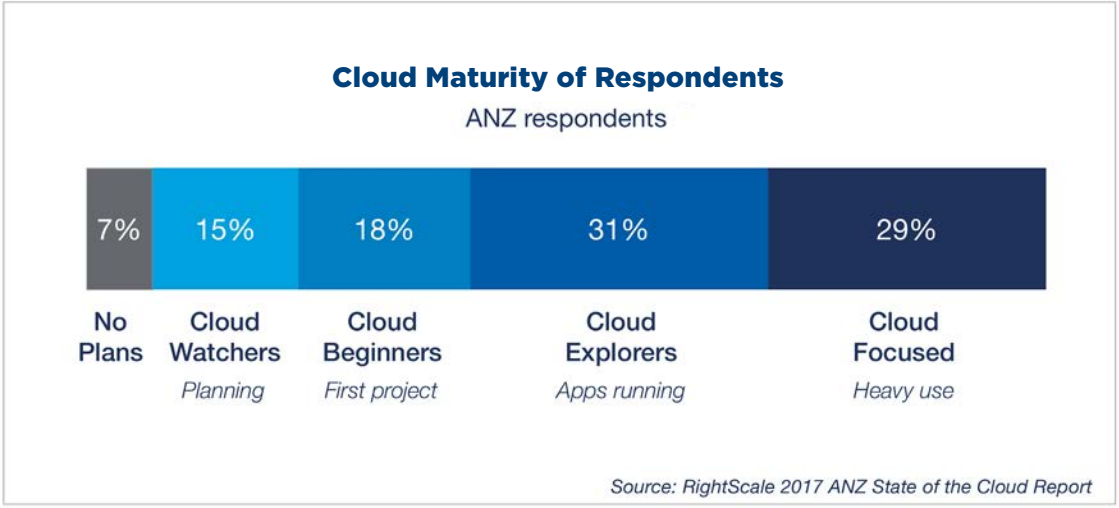
Cloud Watchers are organisations that are developing cloud strategies and plans but have not yet deployed applications into the cloud. Cloud Watchers want to evaluate available cloud options and determine which applications to implement in the cloud.

Cloud Beginners are new to cloud computing and are working on proof-of-concepts or initial cloud projects. Cloud Beginners want to gain experience with cloud in order to determine future projects.

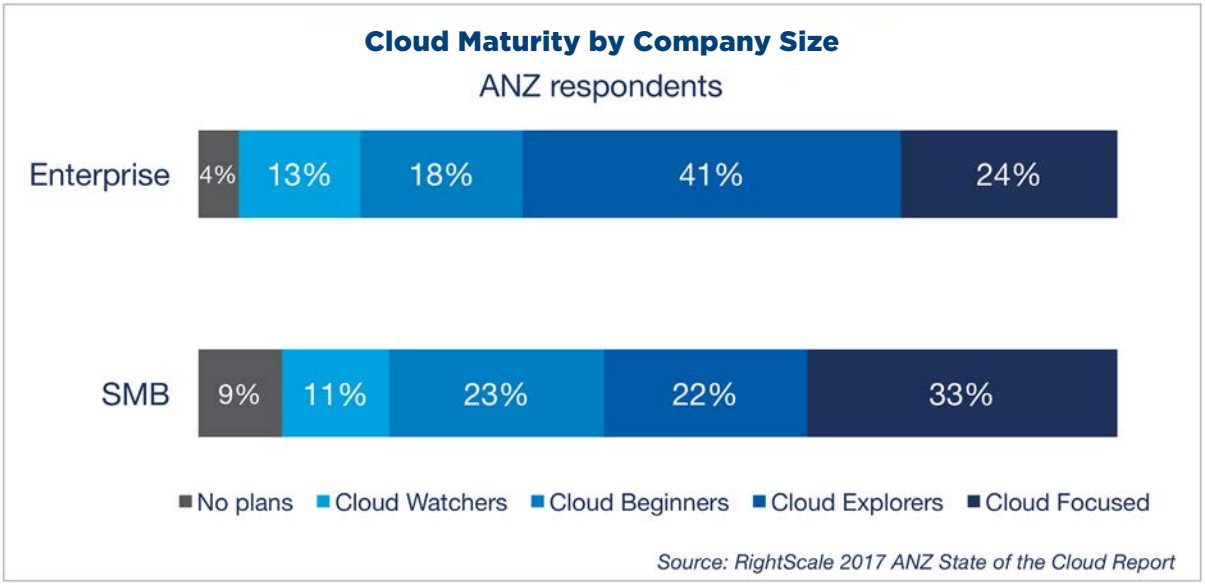
Cloud Explorers have multiple projects or applications already deployed in the cloud. Cloud Explorers are focused on improving and expanding their use of cloud resources.

Cloud Focused businesses are heavily using cloud infrastructure and are looking to optimise cloud operations as well as cloud costs.

The survey on which the Australia/New Zealand edition of the RightScale 2017 State of the Cloud Report is based includes organisations across all the stages of cloud maturity.



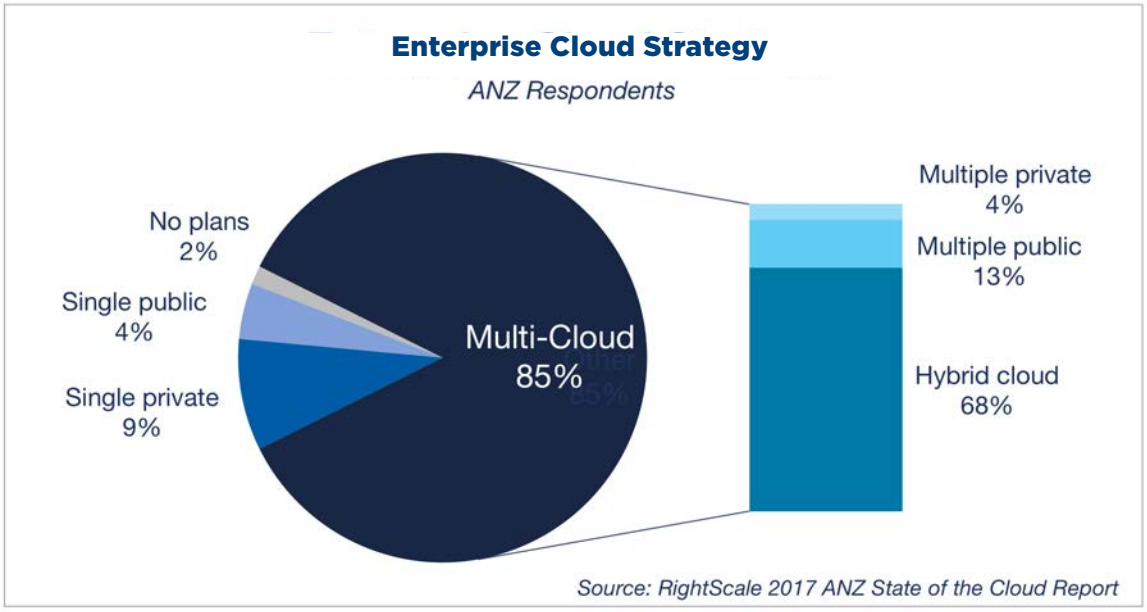
When comparing cloud adoption in large and small companies in ANZ, it is interesting to note that while smaller organisations are more likely to be Cloud Focused, a larger portion of enterprise respondents are in the two most mature stages — Cloud Explorers and Cloud Focused.

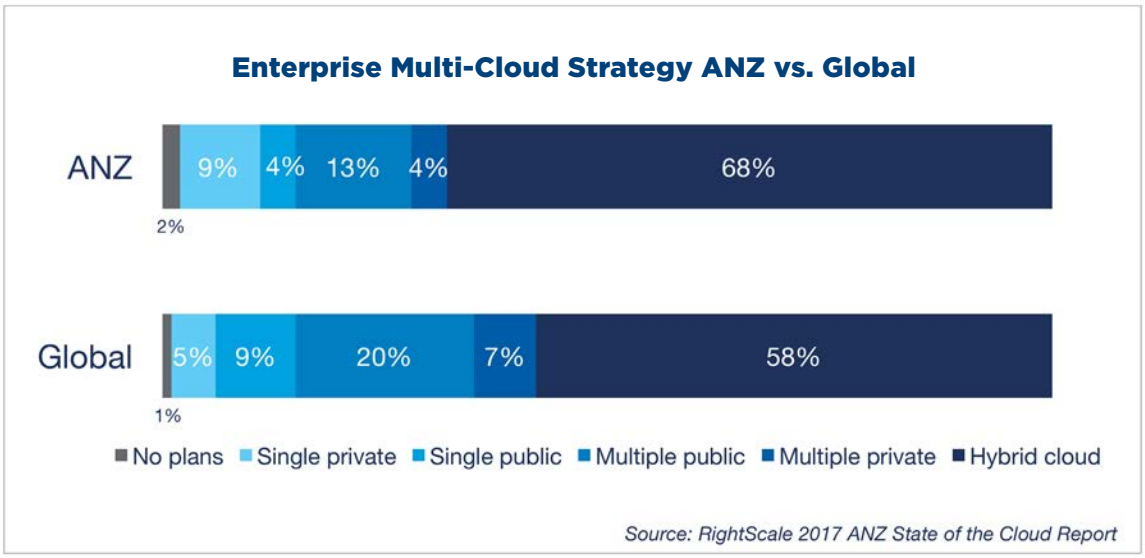


Key Findings

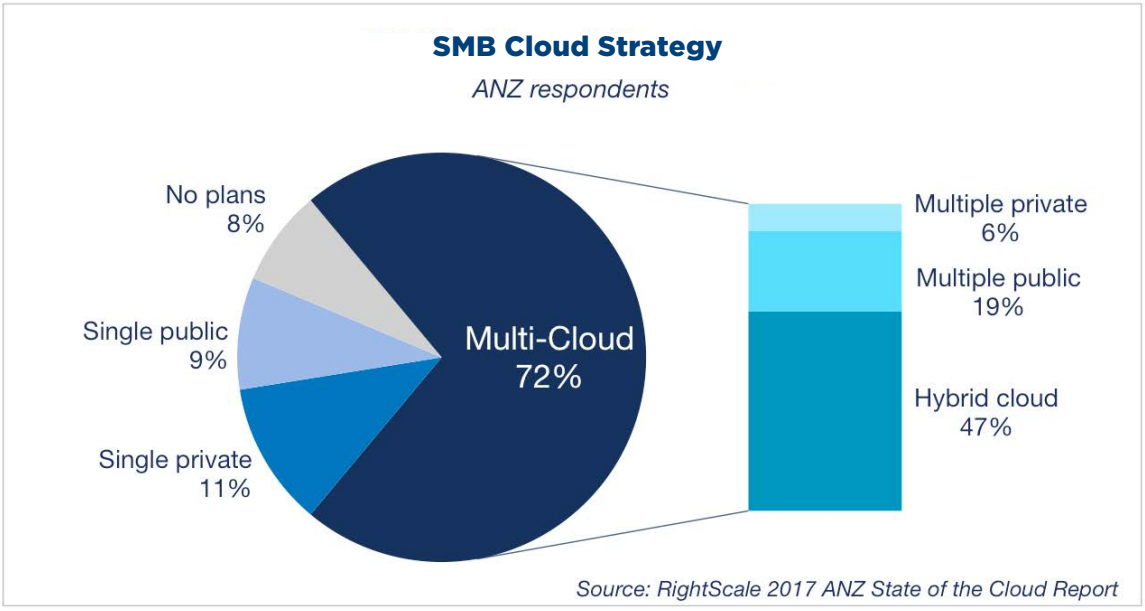
ANZ enterprises strongly favour hybrid cloud strategy.

A multi-cloud strategy is preferred by 85 percent of enterprises in ANZ, the same percentage as their counterparts worldwide. However, a significantly larger portion of ANZ respondents have a hybrid cloud strategy (68 percent in ANZ vs. 58 percent worldwide).



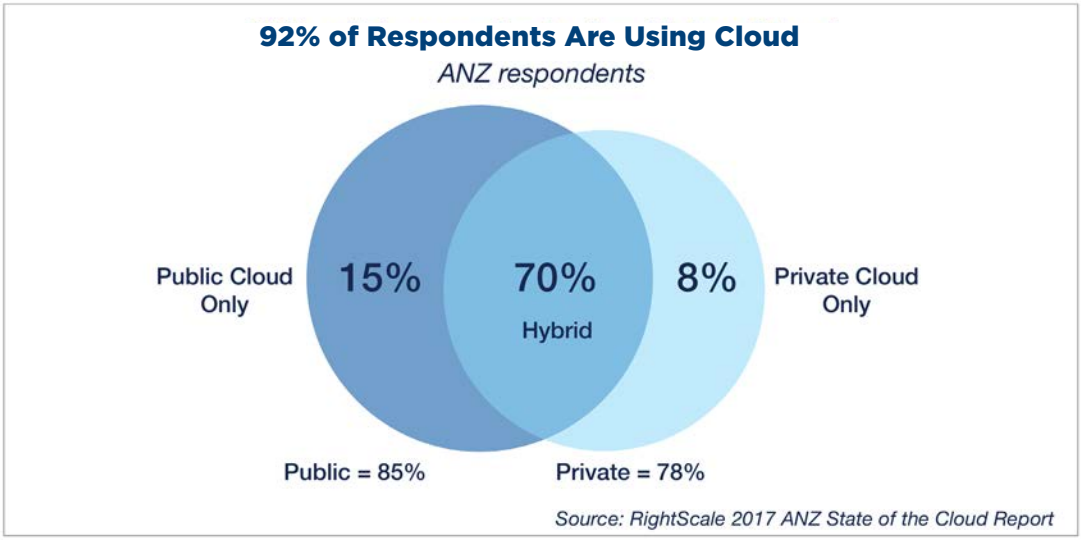


Seventy-two percent of SMBs in ANZ (<1,000 employees) also prefer a multi-cloud strategy, and almost half (47 percent) are pursuing a hybrid cloud approach.



Cloud use is pervasive in ANZ.

In total, 92 percent of respondents are already using at least one public or private cloud as compared to 95 percent globally. Meanwhile 70 percent of ANZ respondents are leveraging a hybrid cloud portfolio, slightly higher than the 67 percent from our global survey.



ANZ organisations that use cloud are leveraging multiple clouds.

Similar to their counterparts in other regions, ANZ organisations that are using public cloud are already running applications in an average of 1.9 public clouds and experimenting with 1.6 more. ANZ organisations using private cloud are already running applications in an average of 2.2 private clouds and experimenting with 1.7 more.

# of Clouds Used	# Public Clouds *For ANZ orgs using public cloud*	# Private Clouds *For ANZ orgs using private cloud*
Running applications	1.9	2.2
Experimenting	1.6	1.7

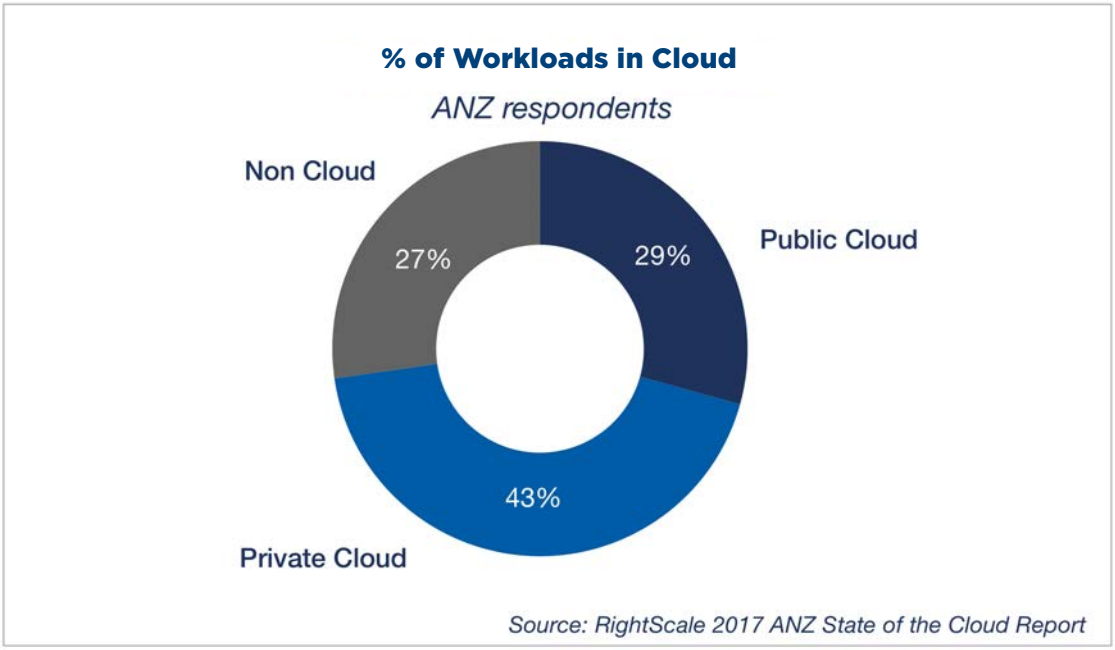
Source: RightScale 2017 ANZ State of the Cloud Report

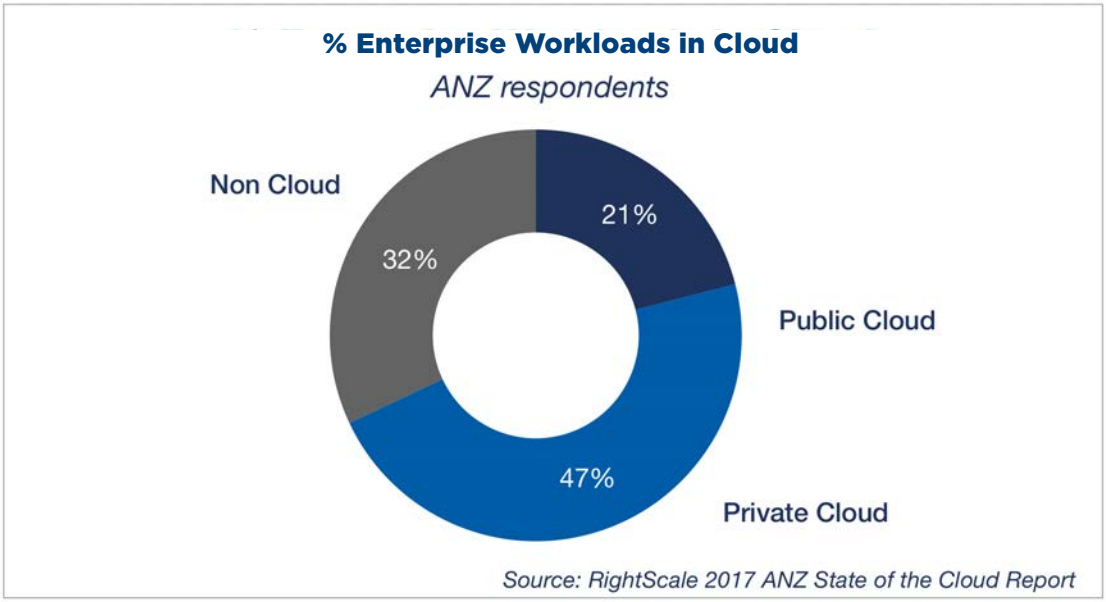
Companies run a majority of workloads in cloud.

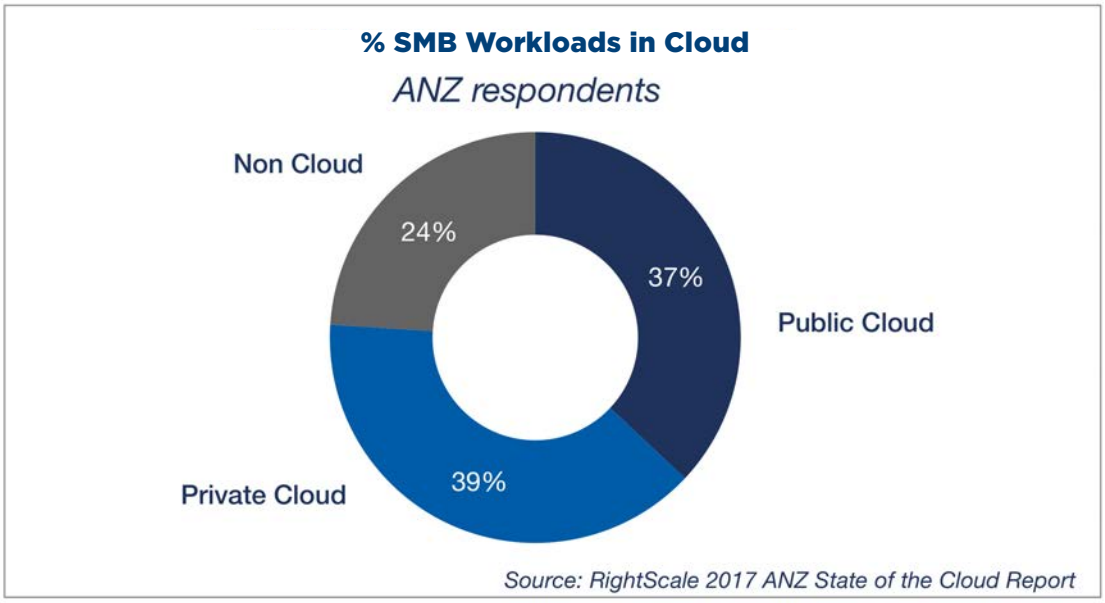
Companies in ANZ now run 72 percent of workloads in cloud, with 29 percent of workloads in public cloud and 43 percent in private cloud. It's important to note that the workloads running in private cloud may include workloads running in existing virtualised environments or bare-metal environments that have been "cloudified."

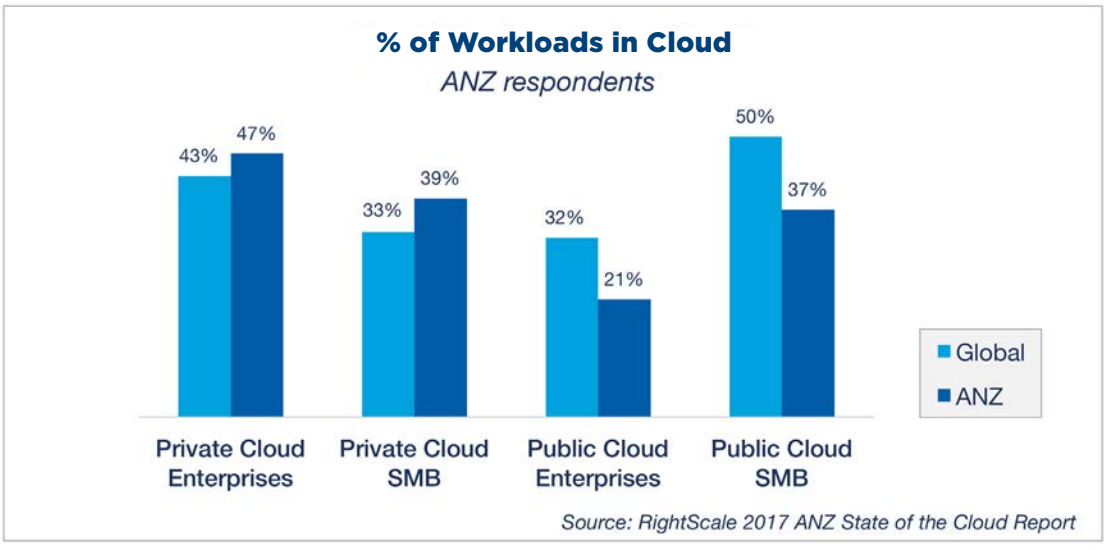
ANZ enterprises run 68 percent of workloads in cloud with more in private cloud (47 percent) vs. public cloud (21 percent). SMBs run 76 percent of workloads in cloud with 37 percent in public cloud vs. 39 percent in private cloud.

Both enterprises and SMBs in ANZ use private cloud at higher rates than their counterparts worldwide.



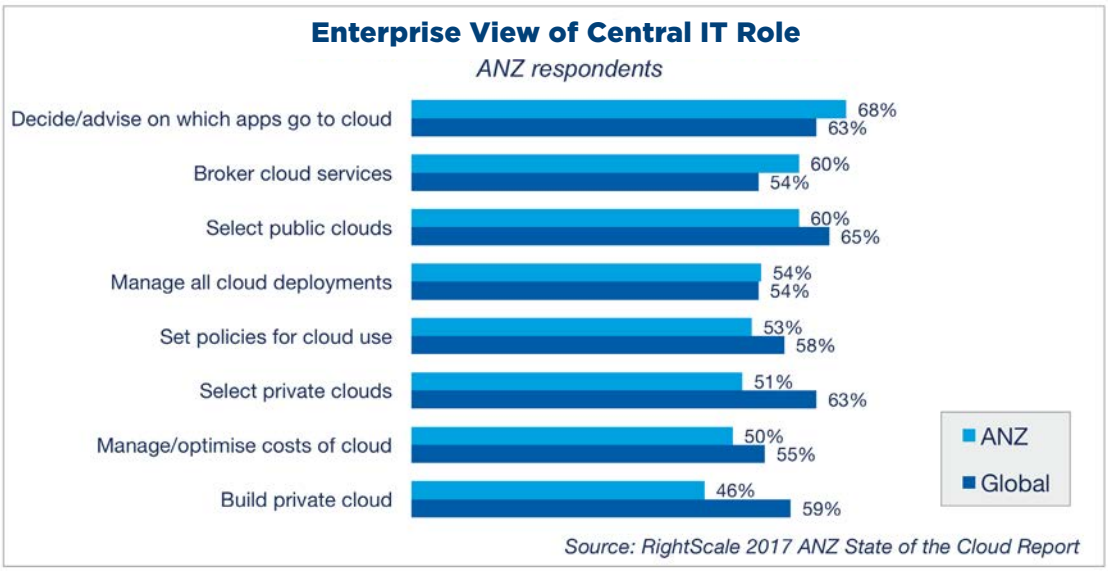




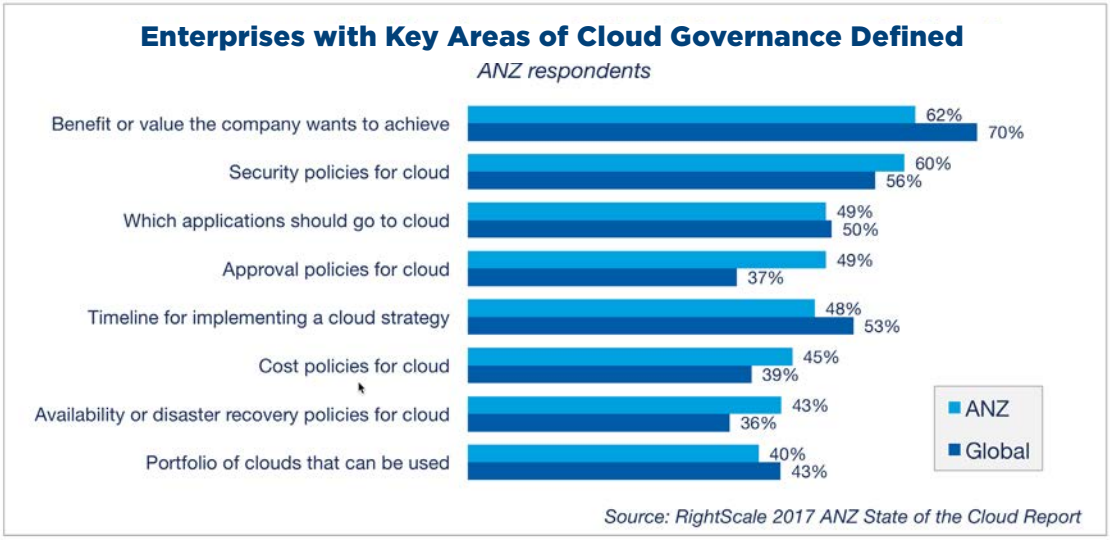


More ANZ enterprises see central IT as a cloud broker.

In the global survey for 2017, central IT teams within enterprises were taking a stronger role in cloud adoption as compared to 2016. Among ANZ enterprises, central IT teams were more likely to see the role of central IT as deciding/advising on which apps move to cloud (68 percent in ANZ vs. 63 percent globally), and brokering cloud services (60 percent in ANZ vs. 54 percent globally). Conversely, ANZ enterprises see a smaller role for central IT in selecting public and private clouds, setting policies for cloud use, and optimising cloud costs.



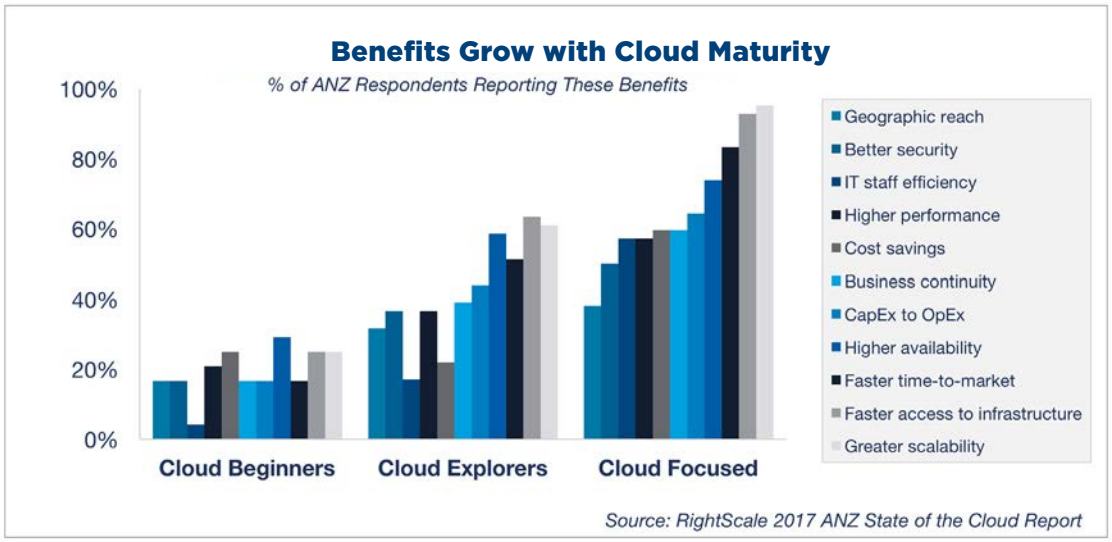
As central IT assumes more responsibility for brokering cloud services across the organisation, it often begins by implementing centralised cloud governance. ANZ enterprises lead the rest of the world in several areas of cloud governance (security policies, approval policies, cost policies, and disaster recovery), but lag in strategy (defining the value that they hope to gain from cloud and a timeline for implementing their cloud strategies).

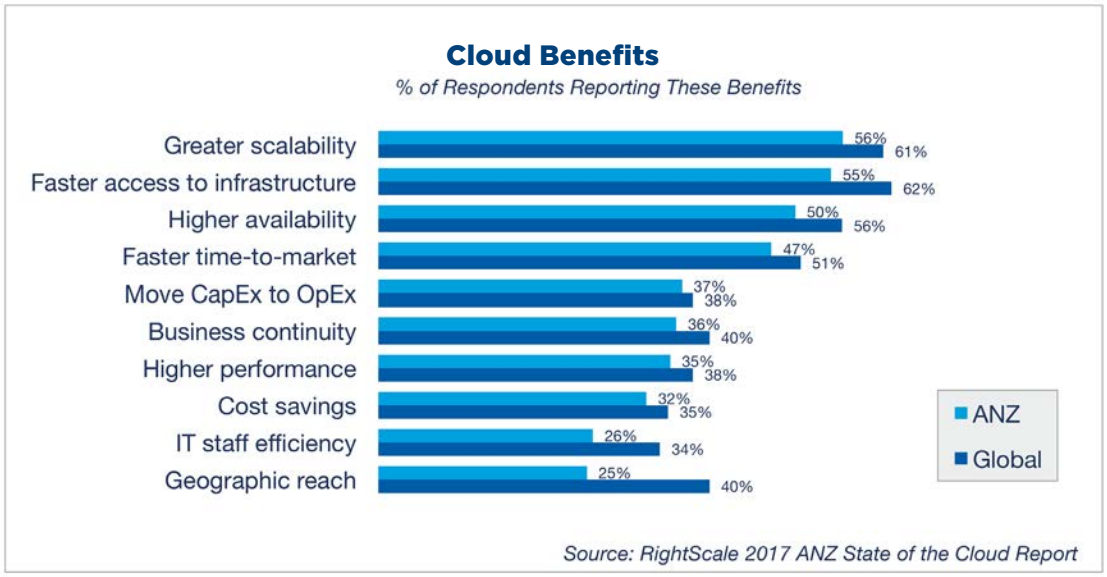


ANZ organisations see fewer cloud challenges, but also fewer cloud benefits.

Greater cloud experience continues to unlock increasingly greater levels of value for organisations. Respondents report a growth in the benefits that their organisations get from cloud computing as they mature.

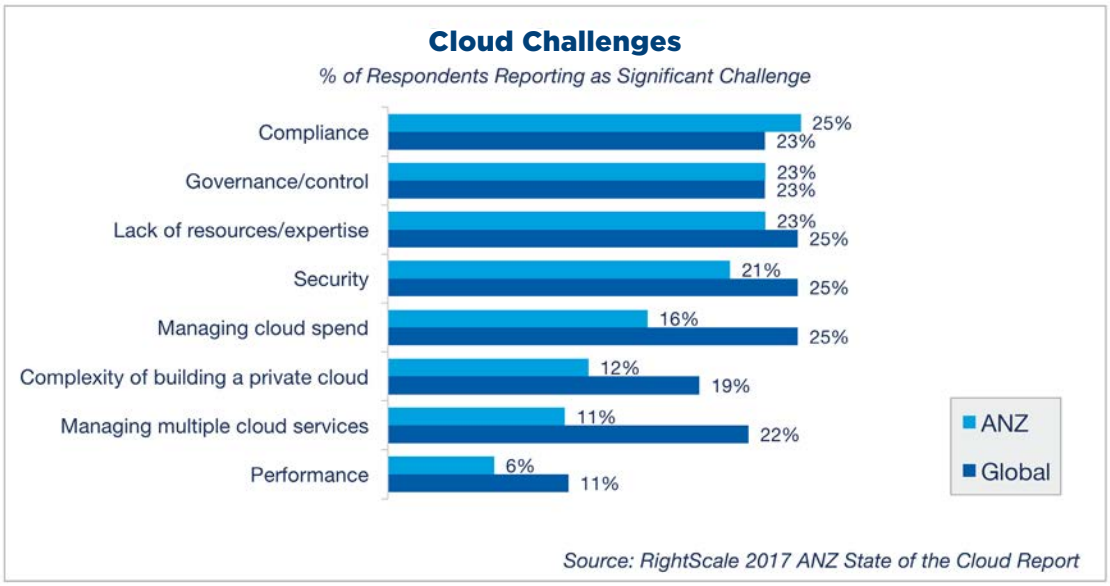
Overall, the top cloud benefits reported by ANZ organisations are scalability (56 percent), speed to access infrastructure (55 percent), and availability (50 percent). However, ANZ organisations are realising cloud benefits at a lower rate than their counterparts in the rest of the world.

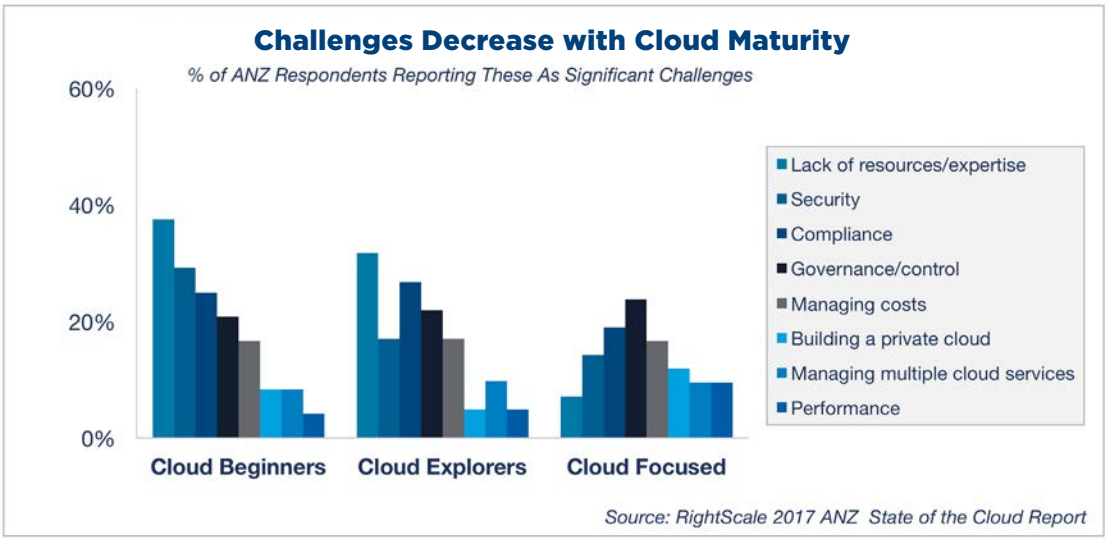




The top challenges overall for ANZ organisations are compliance (25 percent), governance (23 percent), and lack of resources/expertise (23 percent). Except for compliance and governance, ANZ organisations see fewer challenges than their counterparts globally.

Cloud challenges decline overall as users gain more experience and cloud maturity increases. The top challenges also change as cloud users mature. Lack of resources/expertise is the top concern among less mature cloud users, while governance is the top concern for mature cloud users.





Top 5 Challenges Change with Cloud Maturity

ANZ respondents

Place	Cloud Beginners	Cloud Explorers	Cloud Focused
#1	***Lack of resources/expertise (38%)***	***Lack of resources/expertise (32%)***	***Governance/Control (24%)***
#2	Security (29%)	Compliance (27%)	Compliance (19%)
#3	Compliance (25%)	***Governance/Control (22%)***	Managing costs (17%)
#4	***Governance/Control (21%)***	Security (17%)	Security (14%)
#5	Managing costs (17%)	Managing costs (17%)	Building private cloud (12%)

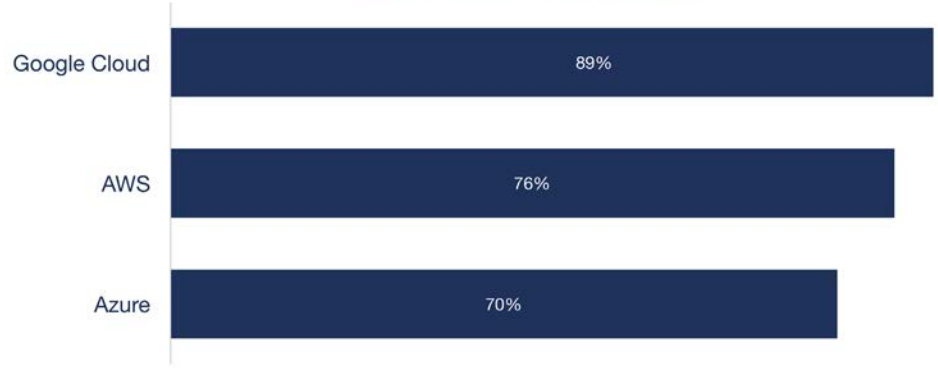
Source: RightScale 2017 ANZ State of the Cloud Report

Few ANZ organisations are prepared for a significant cloud outage.

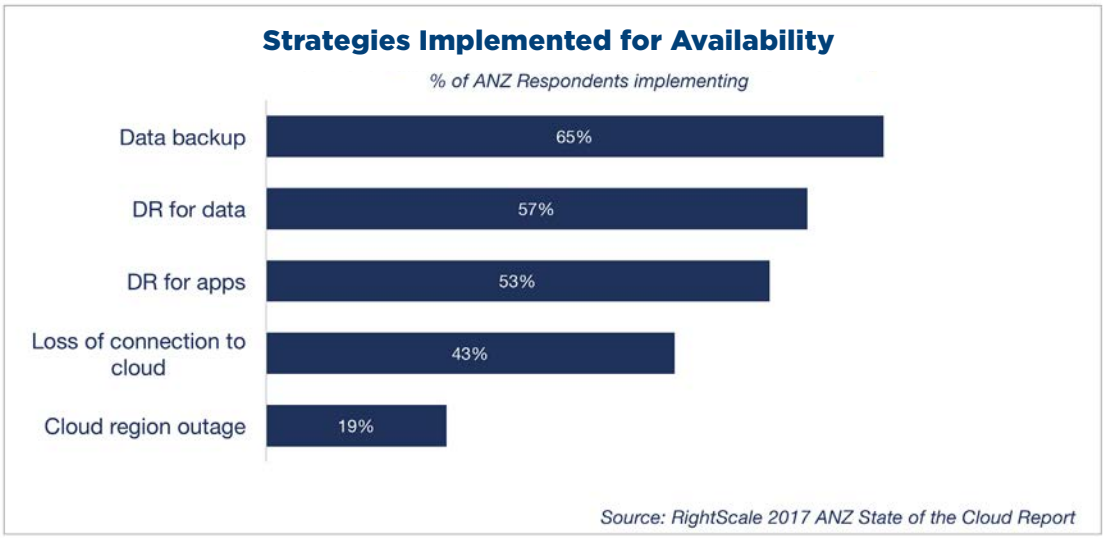
Most ANZ organisations are leveraging "direct connect" options to the public cloud providers that they use. In addition, 65 percent of organisations have implemented data backup, and more than half have implemented disaster recovery (DR) scenarios. However, only 19 percent of ANZ respondents were prepared for a regional cloud outage and only 43 percent were prepared for a loss of connection to the cloud.

Using Direct Connects to Cloud Provider

% of ANZ Respondents Using that Cloud

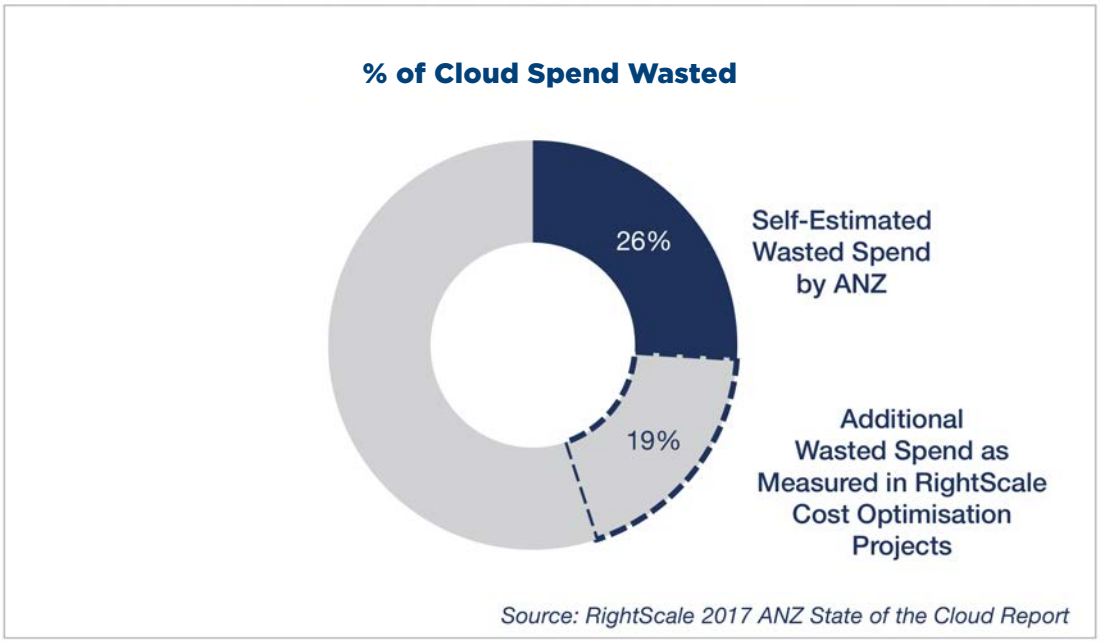


Source: RightScale 2017 ANZ State of the Cloud Report

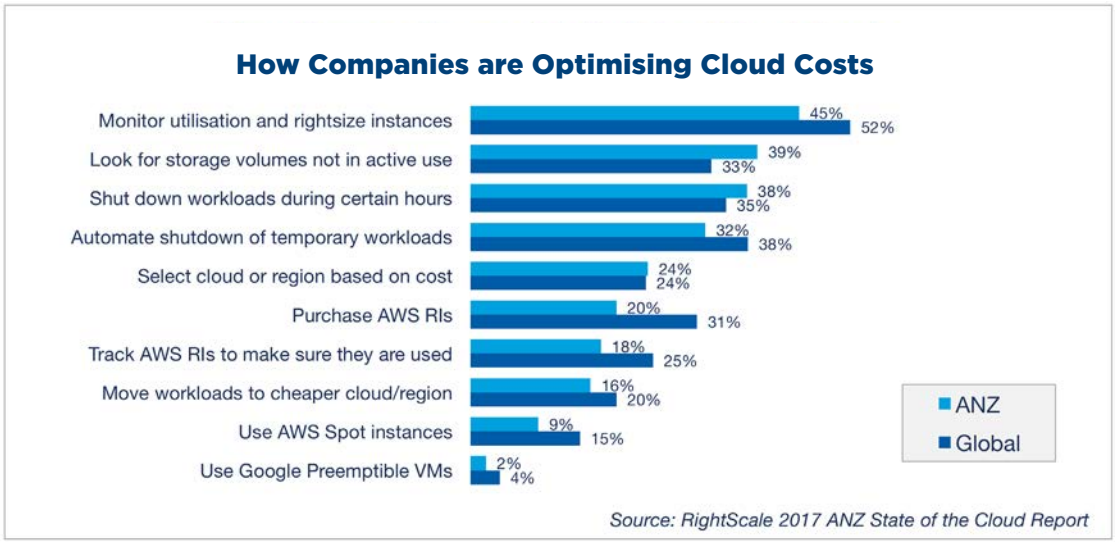


Significant wasted cloud spend drives users to focus on costs.

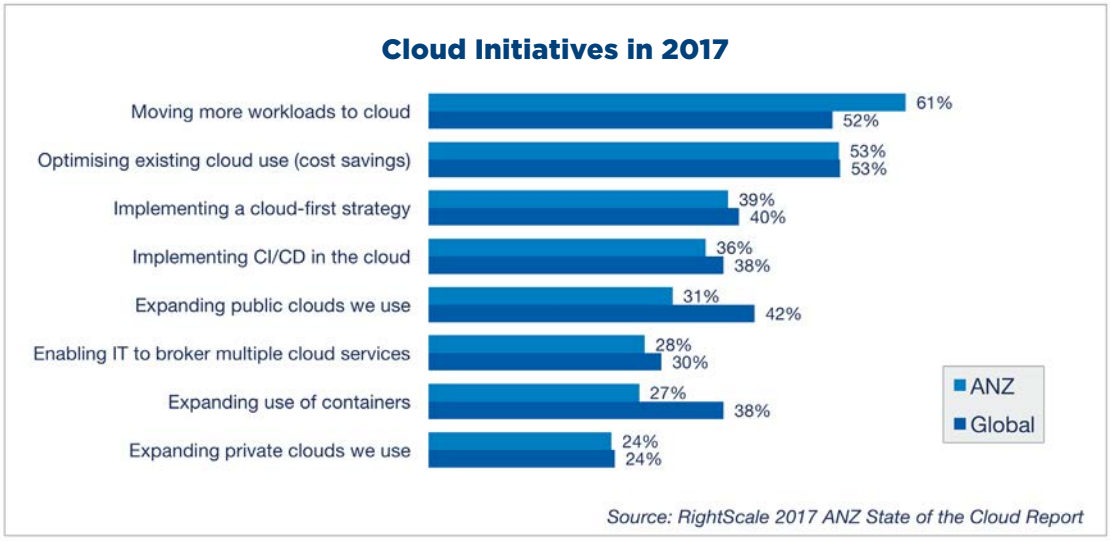
As organisations mature in their cloud usage and cloud spend goes up, managing cloud costs becomes a significant challenge. Cloud users realise that there is opportunity to improve the efficiency of their cloud use, but underestimate the amount of wasted cloud spend. Respondents in ANZ estimated 26 percent waste, while RightScale has measured actual waste between 30 and 45 percent through cost optimisation projects with dozens of cloud users.



Despite an awareness that there is significant waste in cloud spend, only a minority of companies are taking critical actions to optimise cloud costs, such as shutting down unused workloads or selecting lower-cost clouds or regions. This represents an opportunity for increased efficiency and increased savings. ANZ organisation are taking fewer steps to optimise costs than their counterparts around the world.



This increased concern about costs has made optimising cloud costs the #2 initiative for ANZ organisation in 2017 (53 percent) especially in mature cloud users. The #1 initiative for ANZ in 2017 is moving more workloads to cloud (61 percent).



Top 2017 Initiatives by Cloud Maturity

ANZ respondents

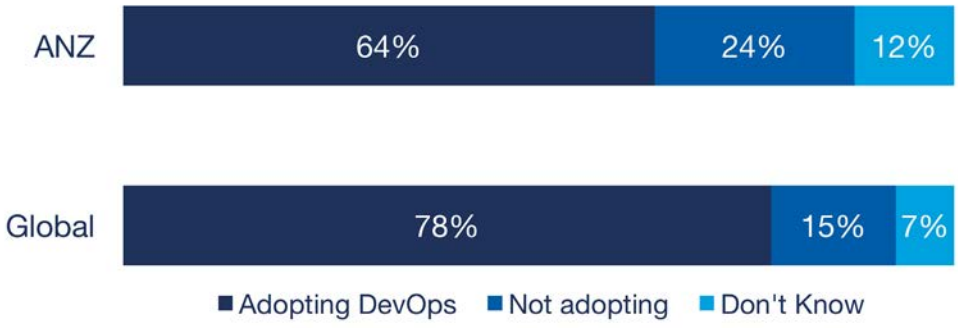
Place	Cloud Beginners	Cloud Explorers	Cloud Focused
#1	**Move more workloads to cloud (56%)**	**Move more workloads to cloud (76%)**	**Move more workloads to cloud (60%)**
#2	Optimise existing cloud use/cost savings (40%)	Optimise existing cloud use/cost savings (59%)	Optimise existing cloud use/cost savings (57%)
#3	Expand public clouds we use (36%)	Implement cloud-first strategy (49%)	CI/CD in the cloud (52%)
#4	Implement cloud-first strategy (36%)	CI/CD in the cloud (46%)	Expand public clouds we use (43%)
#5	Expand private clouds we use (32%)	Broker cloud/Expand use of containers (32%)	Expand use of containers (36%)

Source: RightScale 2017 ANZ State of the Cloud Report

DevOps adoption spreads in the enterprise.

DevOps has become a widespread approach for developing cloud-based applications. Overall DevOps adoption among ANZ companies is 64 percent, which lags global adoption at 78 percent. However, adoption by ANZ enterprises is stronger than among smaller organisations (73 percent vs. 56 percent). This matches the pattern among companies worldwide, with enterprises adopting DevOps at higher rates.

ANZ vs. Global DevOps Adoption



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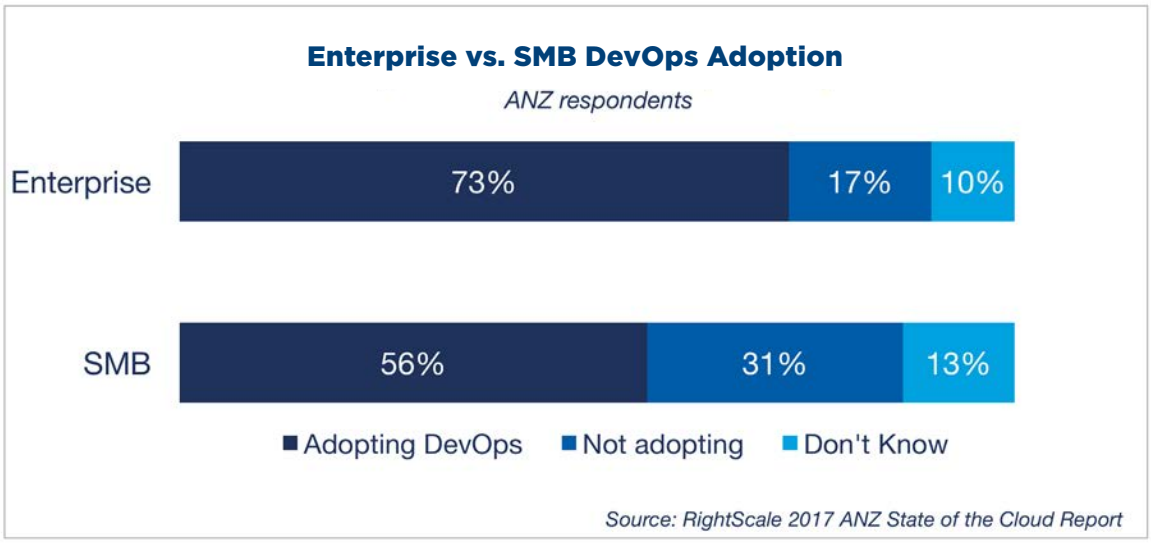
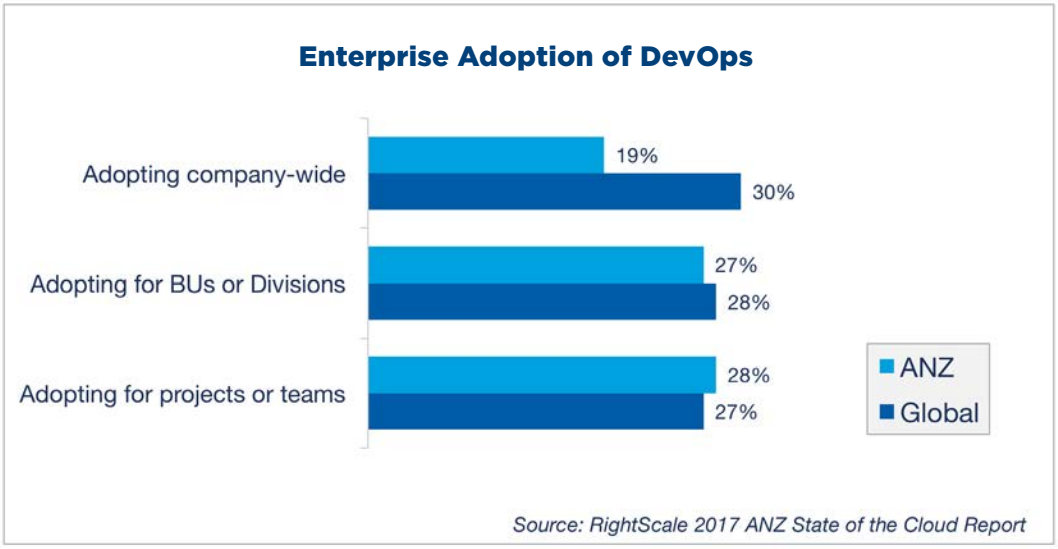


DevOps adoption in larger enterprises has spread organically, starting with individual teams and business units. In ANZ organisations, the majority of DevOps adoption is still undertaken by teams or business units. For organisations worldwide, 2017 saw a jump in the number adopting DevOps enterprise-wide. ANZ will likely follow a similar pattern, and in the next 1-2 years, we would expect to see more top down company-wide adoption.

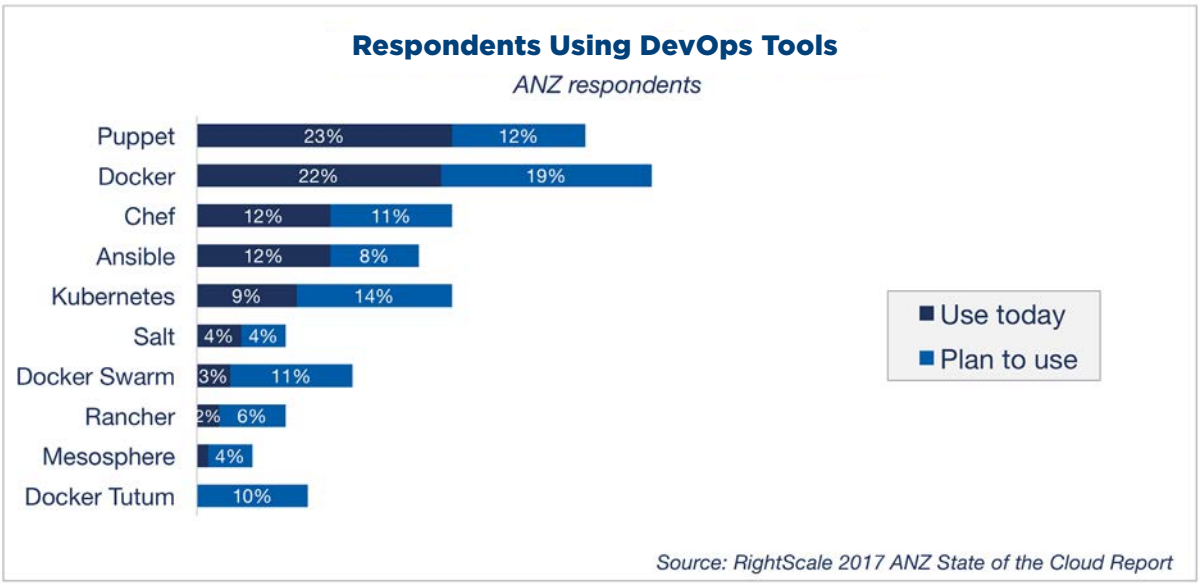


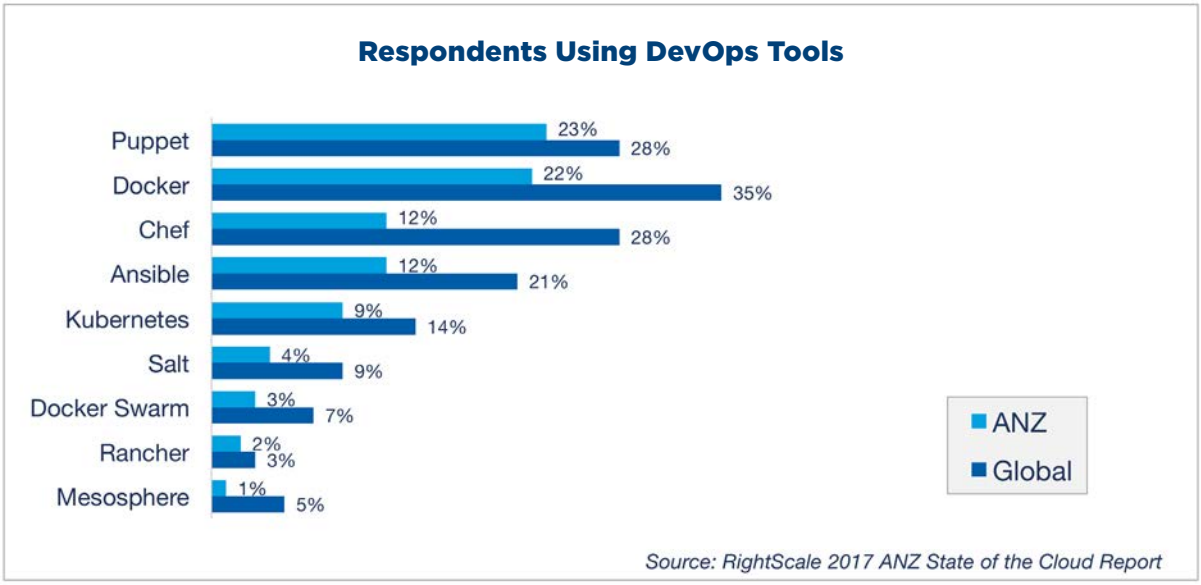
ANZ organisations lag in adoption of DevOps and Docker.

As part of adopting cloud and DevOps processes, companies often choose to implement new tools that allow them to standardise and automate deployment and configuration of servers and applications. These tools include configuration management tools (such as Chef, Puppet, and Ansible) and, more recently, container technologies such as Docker and container orchestration and scheduling tools such as Kubernetes, Swarm, and Mesosphere. (Note that we did not ask about continuous integration tools such as Jenkins, Travis, and others.)

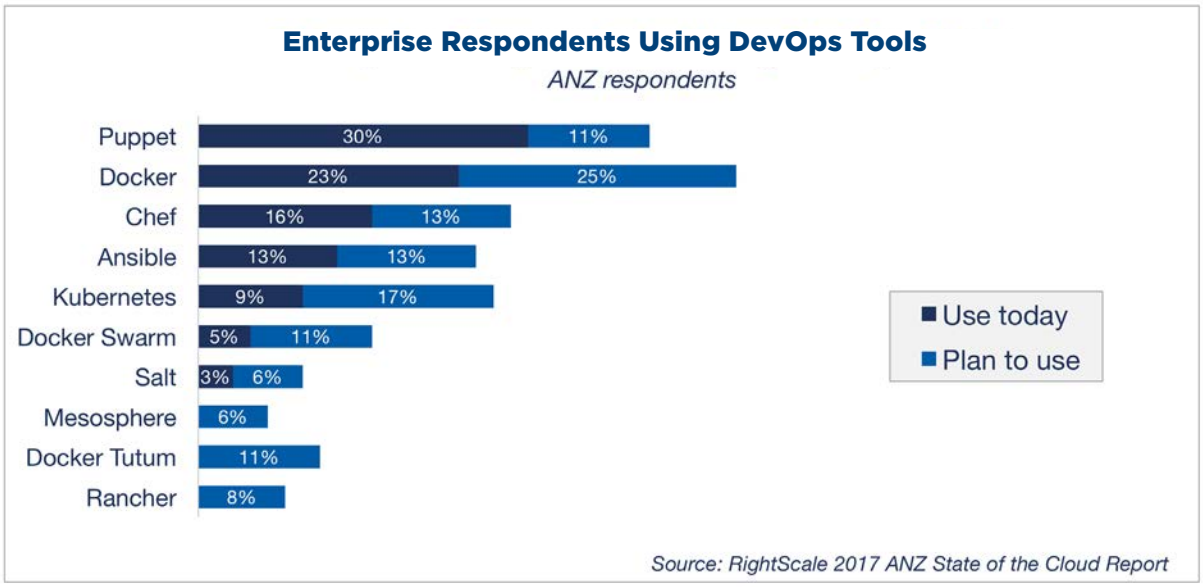
The meteoric rise in the use of containers over the past 3 years now makes Docker the top DevOps tool among those included in our global State of the Cloud Survey. Among ANZ respondents, Puppet is the top tool used (23 percent) followed closely by Docker (22 percent). However, 19 percent of ANZ respondents plan to use Docker, indicating that growth in Docker will likely be strong. Interest in the container orchestration tool, Kubernetes, is also strong with 9 percent using it today and 14 percent planning to use it.

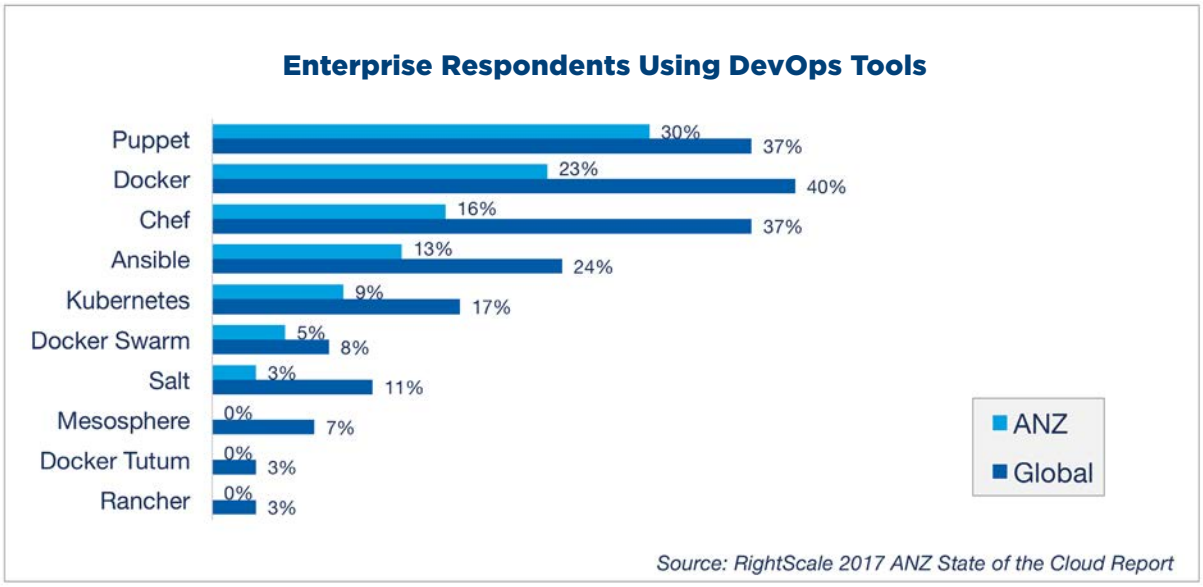
Compared to companies worldwide, use of all of these DevOps tools is lower. Docker adoption is significantly smaller in ANZ (22 percent in ANZ vs. 35 percent worldwide), mirroring the slower adoption of both cloud and DevOps within the region.



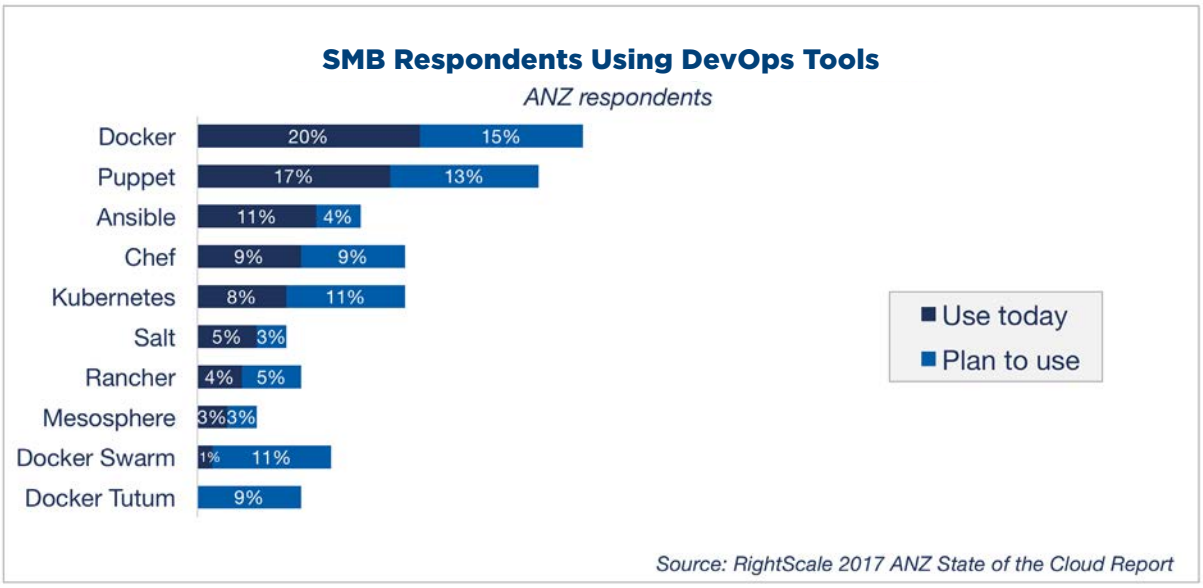


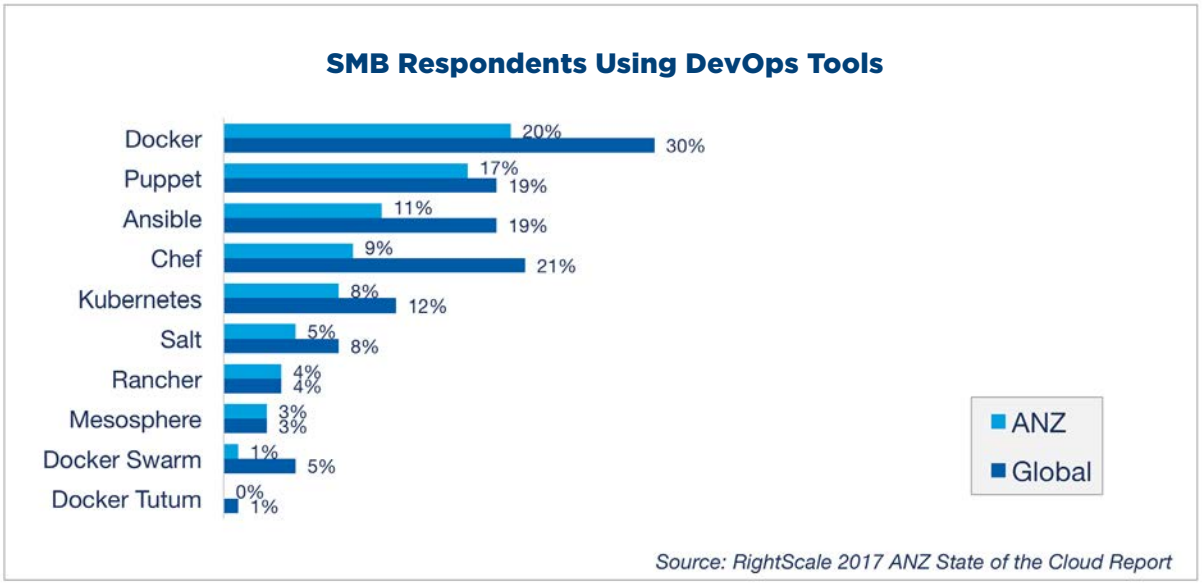
Among enterprises, interest in Docker use is higher with 23 percent using today and an additional 25 percent that are planning to use Docker.





Among SMBs, Docker leads with 20 percent adoption vs. 17 percent for Puppet. Interest in Docker is strong, with another 15 percent planning to use it.

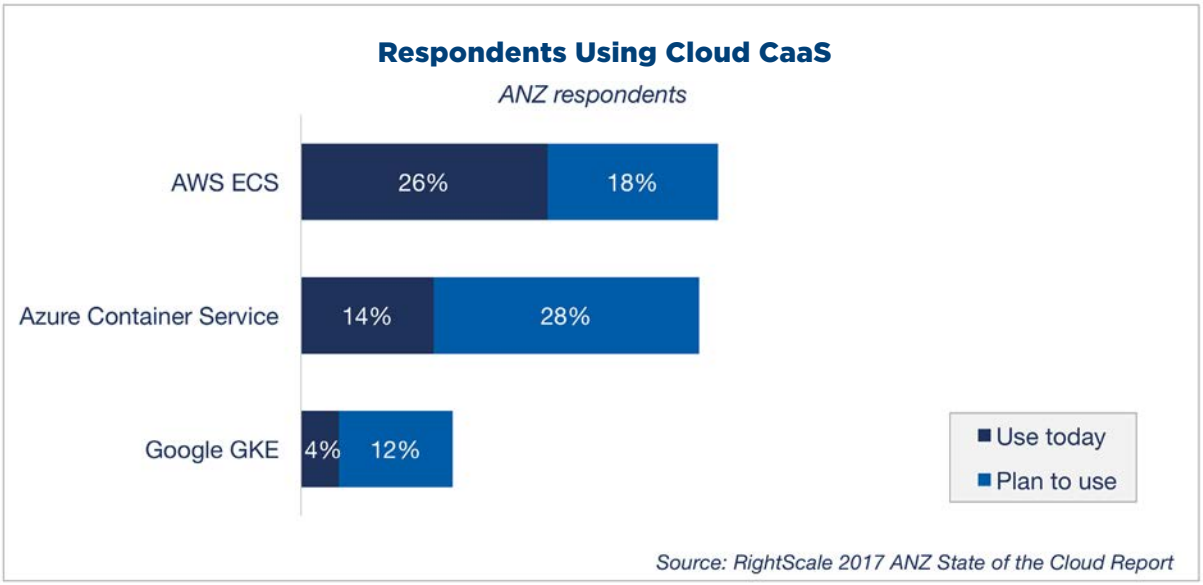


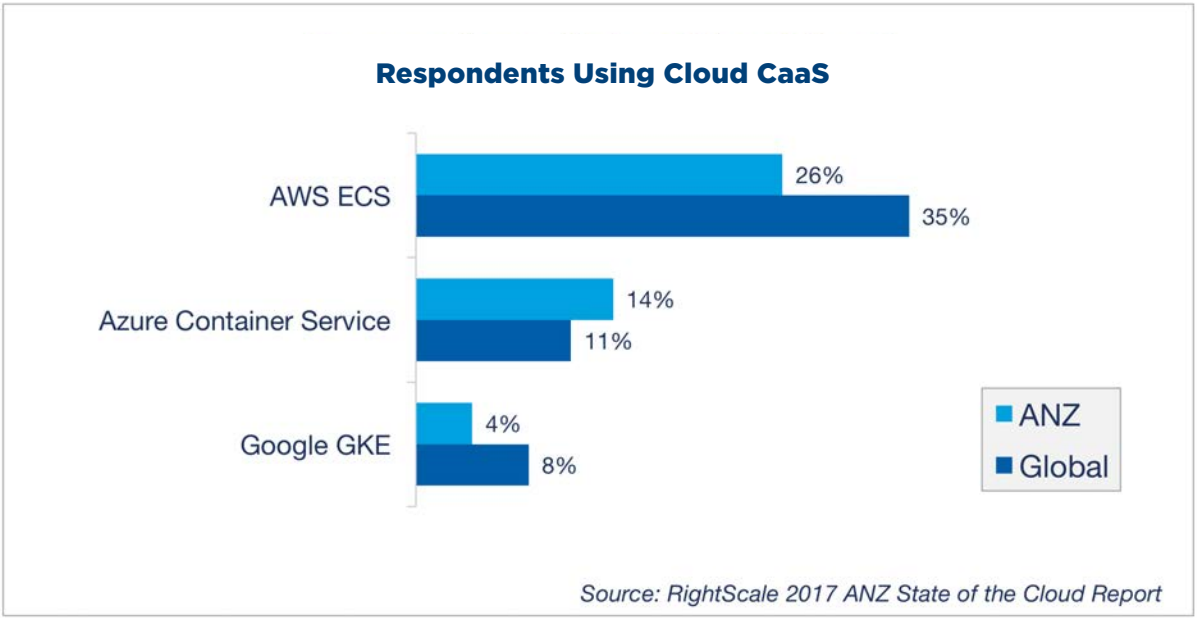


Container-as-a-service (CaaS) becomes a common approach for Docker.

Many ANZ respondents use Docker through container-as-a-service (CaaS) offerings from cloud providers including AWS ECS (26 percent), Azure Container Service (14 percent), and Google Container Engine (4 percent). Significant numbers are also planning to use CaaS offerings in the future.

ANZ respondents use Azure Container Service at a higher rate than global respondents, but use AWS ECS and Google Container Engine (GKE) at a lower rate.





Public Cloud Adoption in Australia/New Zealand

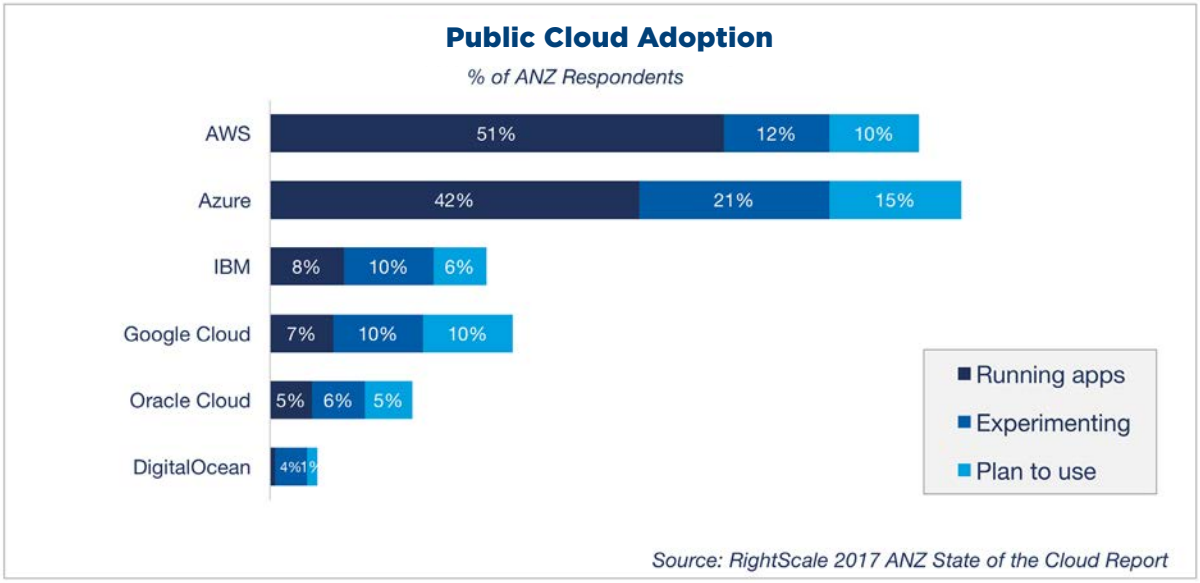
We asked respondents to tell us which clouds they were using and whether they were running applications in cloud, experimenting with cloud, planning to use cloud, or had no plans to use cloud. Most respondents are using more than one cloud so totals will add up to more than 100 percent.

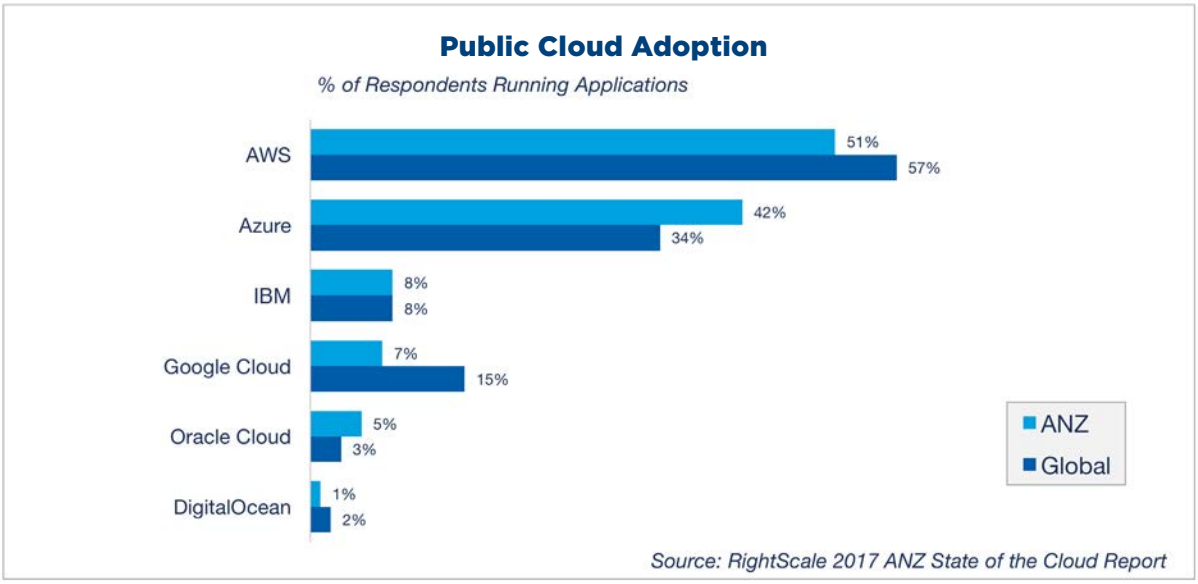
Azure market penetration closer to AWS in ANZ.

Overall, AWS (51 percent) and Azure (42 percent) are the most frequently adopted public clouds within ANZ. The lead of AWS over Azure is much smaller in ANZ (AWS leads by 9 percentage points) vs. globally (AWS leads by 23 percentage points), driven by higher adoption by ANZ SMBs.

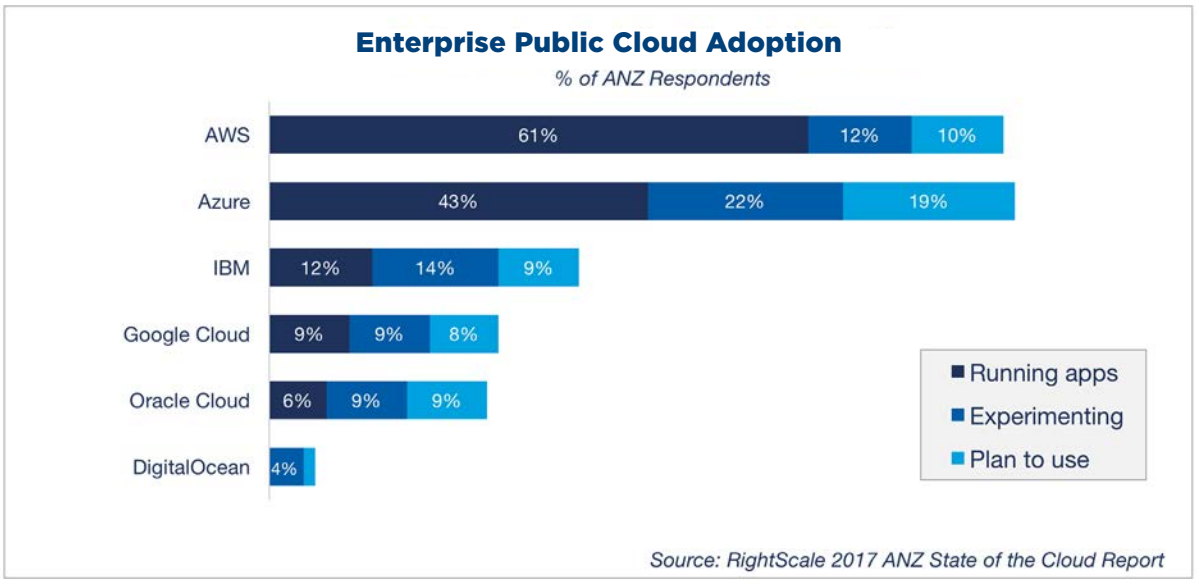
We can also gauge interest and potential for future adoption by measuring respondents who are experimenting or planning to use particular clouds. This year there was a higher percentage of respondents experimenting or planning to use Azure vs. any other cloud. This indicates a potential for Azure to accelerate adoption in future years as the respondents' experiments and plans come to fruition.

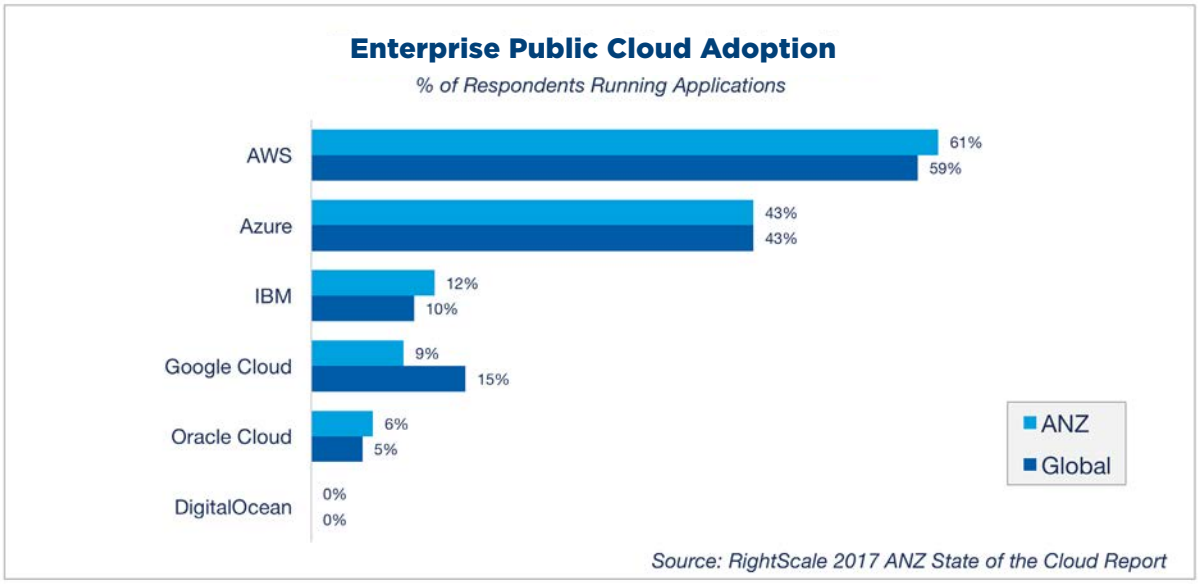
Other cloud providers lag AWS and Azure significantly among ANZ respondents, with IBM in #3 position at 8 percent adoption and Google Cloud at 7 percent. Google Cloud adoption is significantly lower in ANZ due to the lack of a Google Cloud data center in Australia. Google has announced that it will add a region in Sydney, Australia, in 2017.





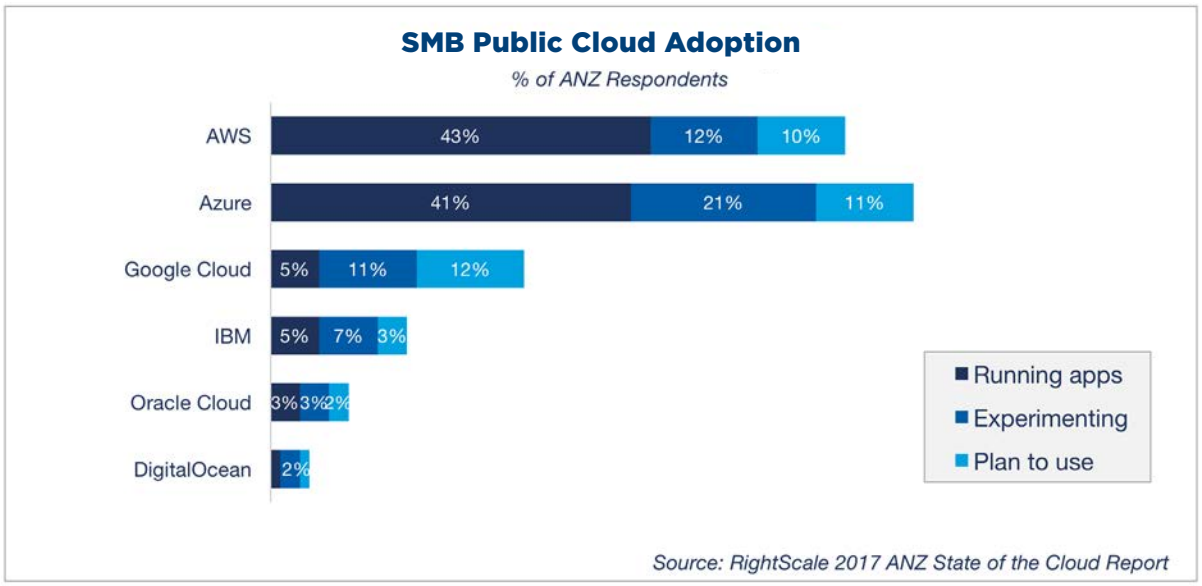
ANZ enterprises use AWS at a slightly higher rate than the rest of the world (61 percent vs. 59 percent) and adopt Azure at the same rate as the rest of the world (43 percent). Enterprise respondents with future projects (the combination of experimenting and planning to use) show the most interest in Azure (41 percent).

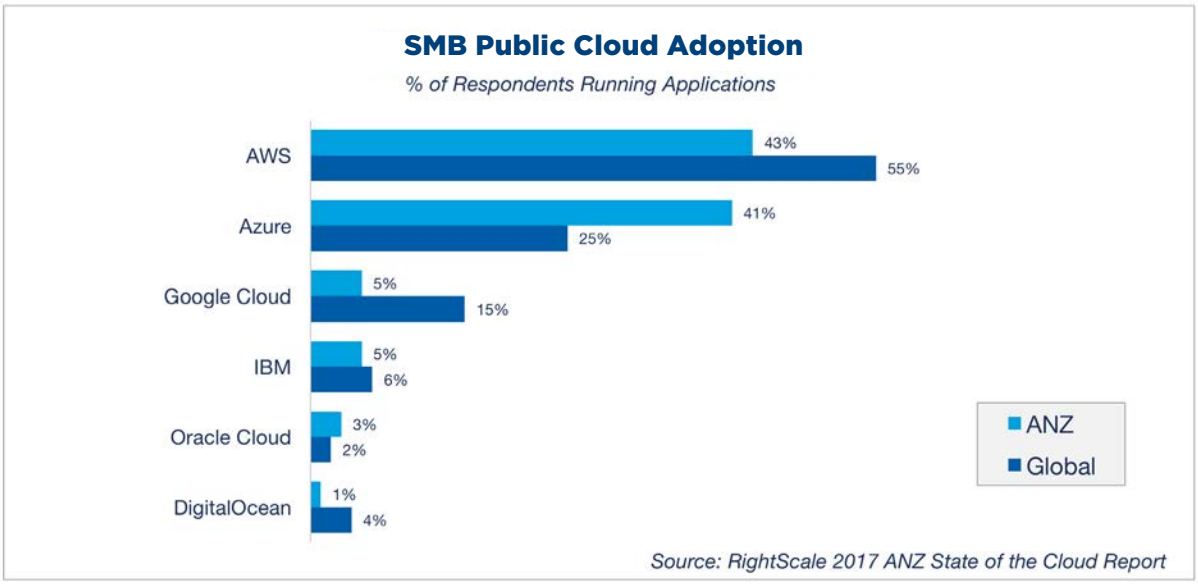




Among SMBs, 41 percent of ANZ respondents are running applications in Azure vs. 43 percent in AWS. Azure usage in ANZ is much higher than the 25 percent using Azure globally, while AWS use among SMBs is significantly lower (43 percent in ANZ vs. 55 percent globally). As a result, the gap between AWS and Azure among SMBs in this region is only 2 percentage points.

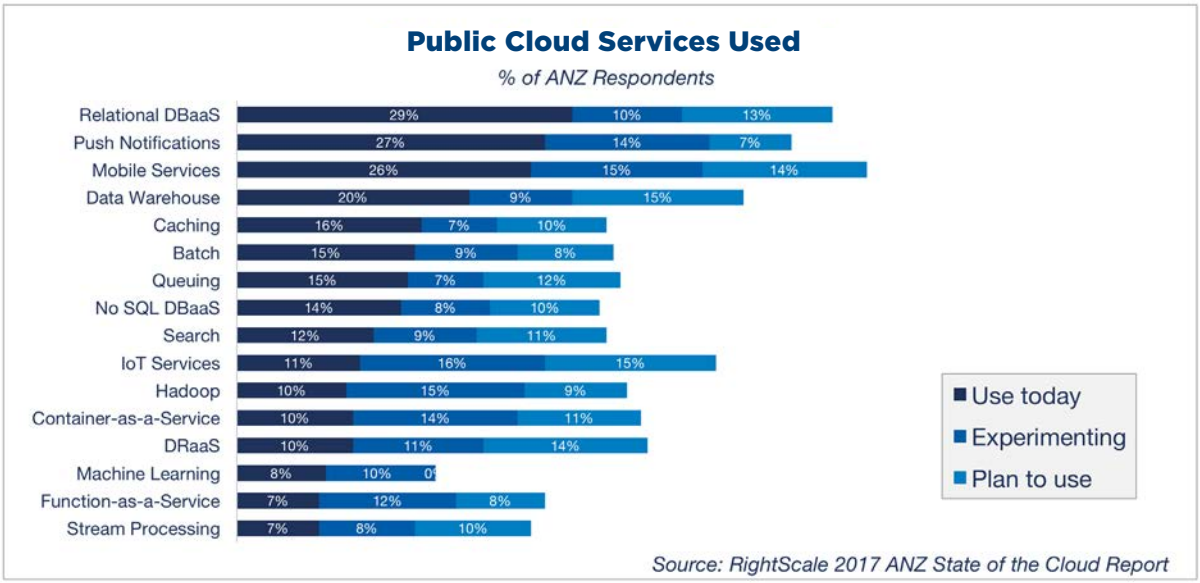
In addition, 32 percent of SMB respondents in ANZ are experimenting with or planning to use Azure, the highest number among all public cloud providers.





Users leverage a variety of extended services from public cloud providers.

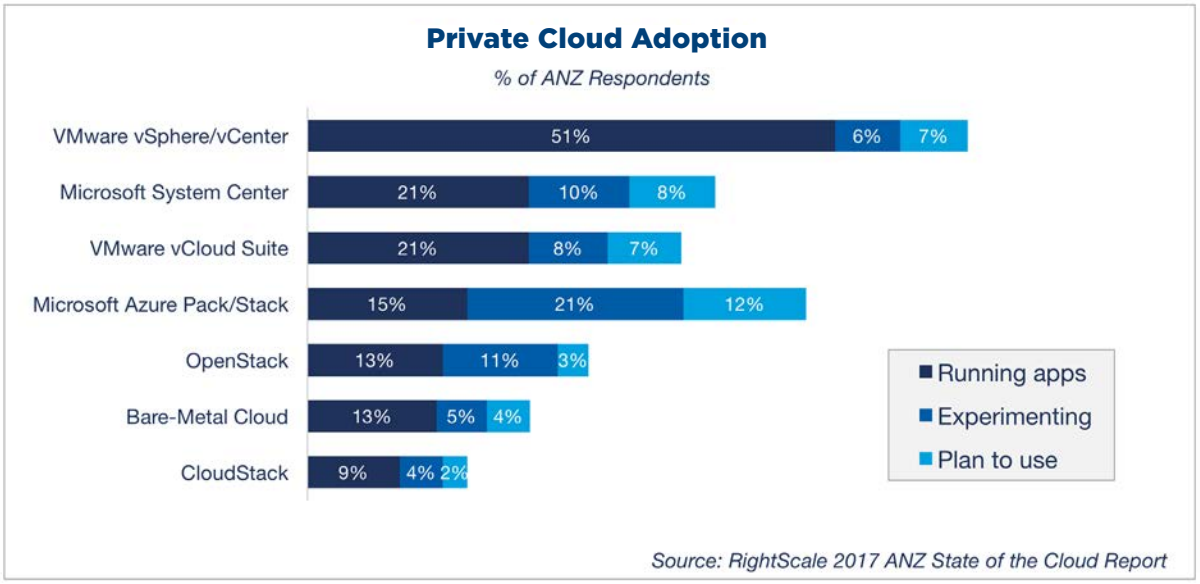
A minority of public cloud users are now leveraging services beyond just the basic compute, storage, and network services. In the following chart we see the most popular extended services, including relational DBaaS, push notifications, and mobile services taking the top three positions.

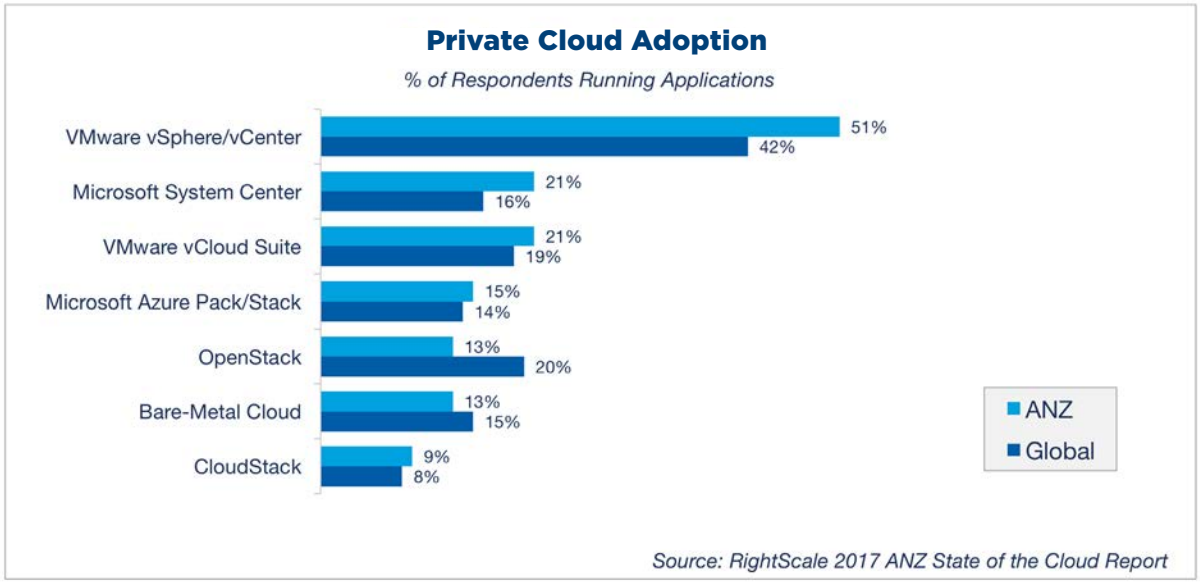


ANZ respondents use more VMware and Microsoft for private cloud.

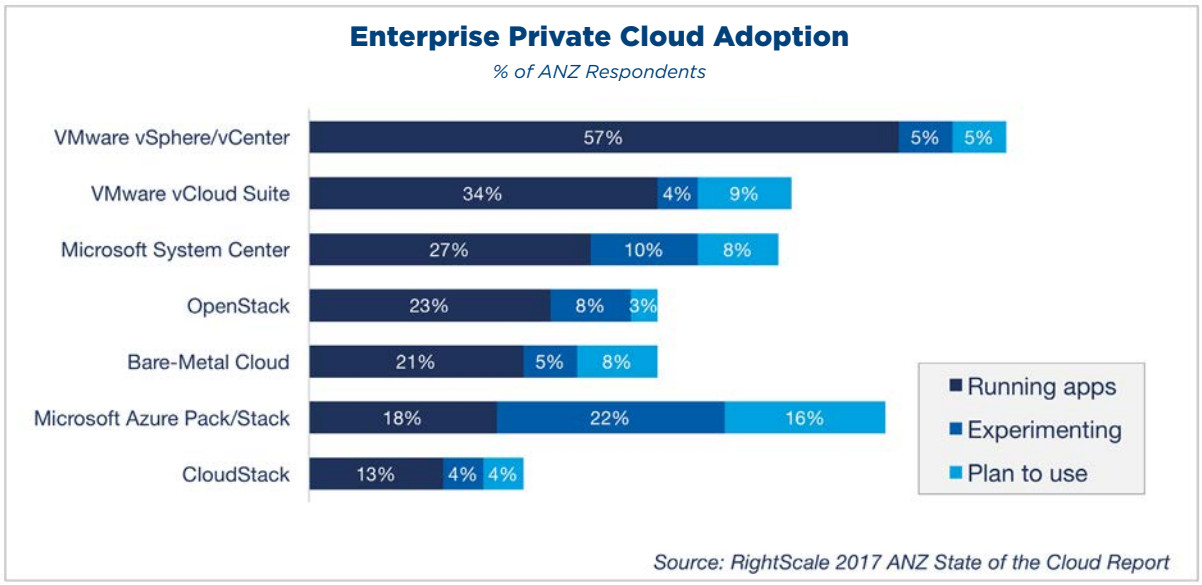
In contrast to this year's global survey where we saw private cloud adoption weakening, the ANZ survey shows stronger adoption of private cloud across all providers except OpenStack and bare-metal cloud. Across all sizes of organisations, VMware vSphere leads among ANZ respondents with 51 percent adoption, significantly more than organisations worldwide (42 percent). Twenty-one percent of respondents are using Microsoft System Center and VMware vCloud Suite as their private cloud technology, followed by 15 percent using Microsoft Azure Pack/Stack. OpenStack is in the #5 position overall, with much lower adoption in ANZ vs. globally.

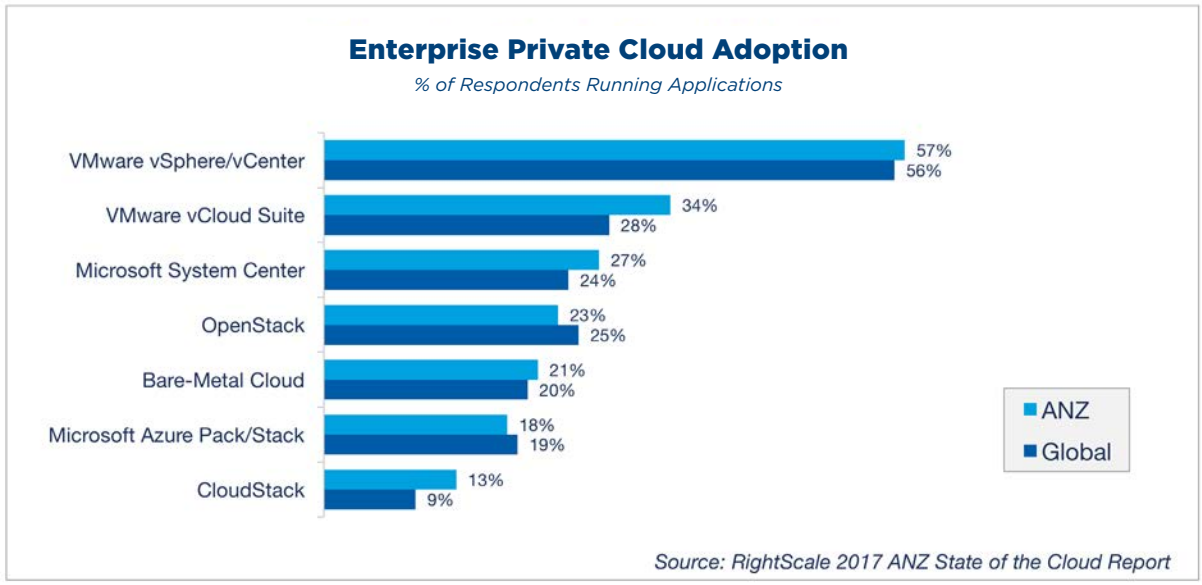
Microsoft Azure Pack/Stack leads among ANZ respondents who are experimenting or planning to use private cloud (33 percent). This could lead to increased adoption in future years.





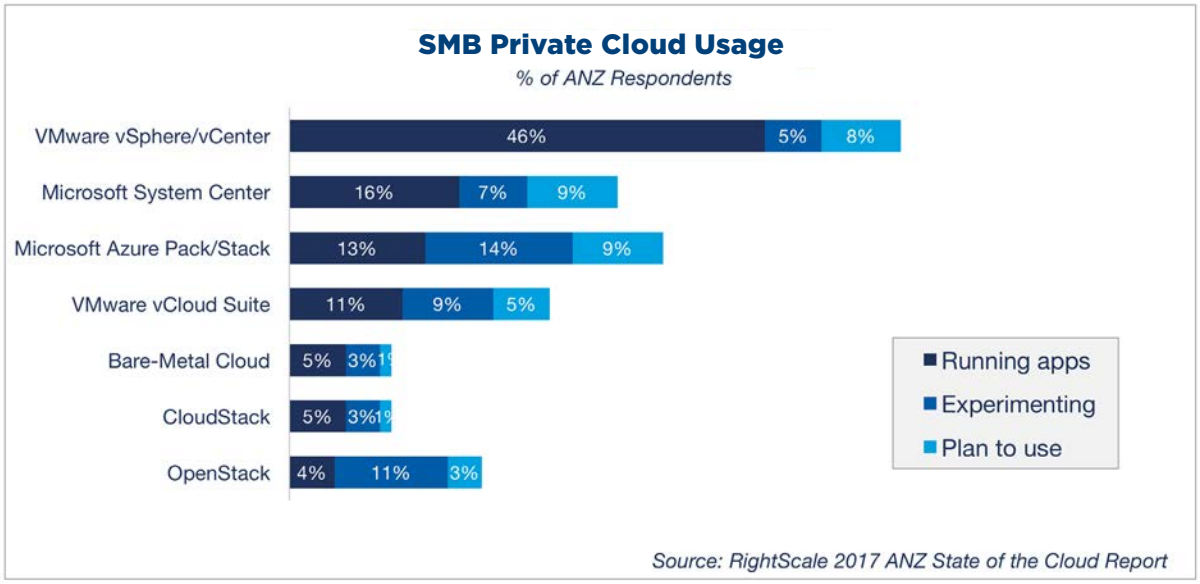
Among ANZ enterprises, VMware vSphere (57 percent) and vCloud Suite (34 percent) top the list, followed by Microsoft System Center (27 percent). This includes respondents who view their vSphere environment as a private cloud — whether or not it meets the accepted definition of cloud computing. While Microsoft Azure Pack/Stack ranks sixth in current usage by enterprises, it leads the way at 38 percent among respondents who are experimenting with and planning to use private cloud.

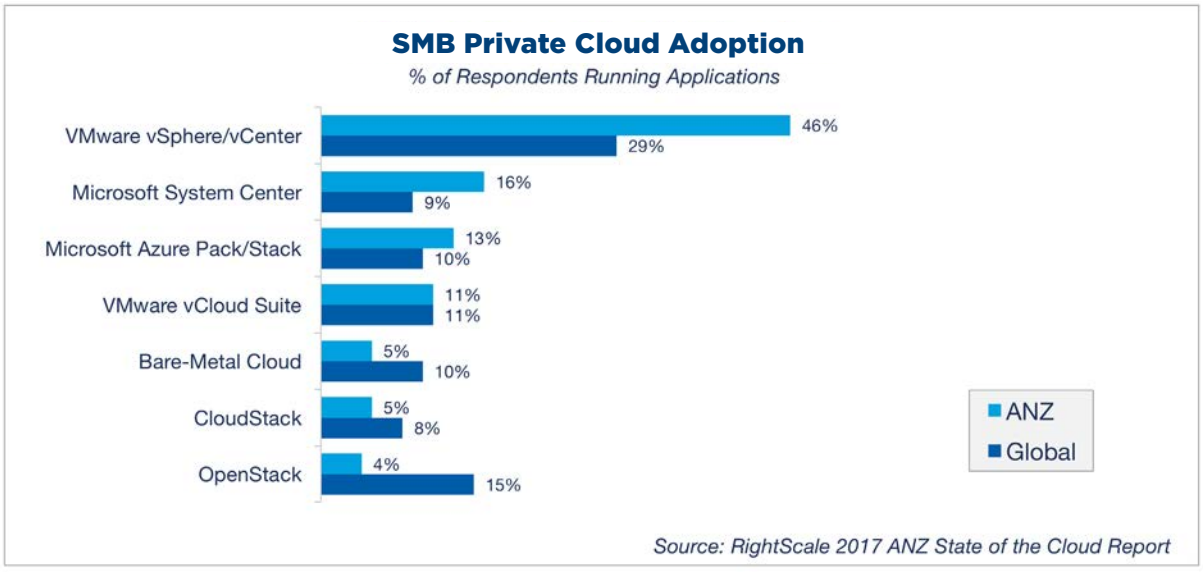




Private cloud adoption by smaller organisations in ANZ is lower overall than for enterprises. VMware vSphere/vCenter (46 percent) is still the top option for ANZ SMBs, followed by Microsoft System Center and Microsoft Azure Pack/Stack. Microsoft Azure Pack/Stack shows strong mindshare with 23 percent of SMBs experimenting or planning to use it.

Compared to SMBs globally, ANZ organisations were more likely to use VMware and Microsoft solutions as a private cloud and less likely to use OpenStack and CloudStack.





Comparing enterprises and SMBs, VMware vSphere/vCenter is in the top position for both groups. Microsoft System Center ranks #2 in SMBs, as compared to VMware vCloud Suite in the #2 slot for enterprises.

Top Private Clouds Used

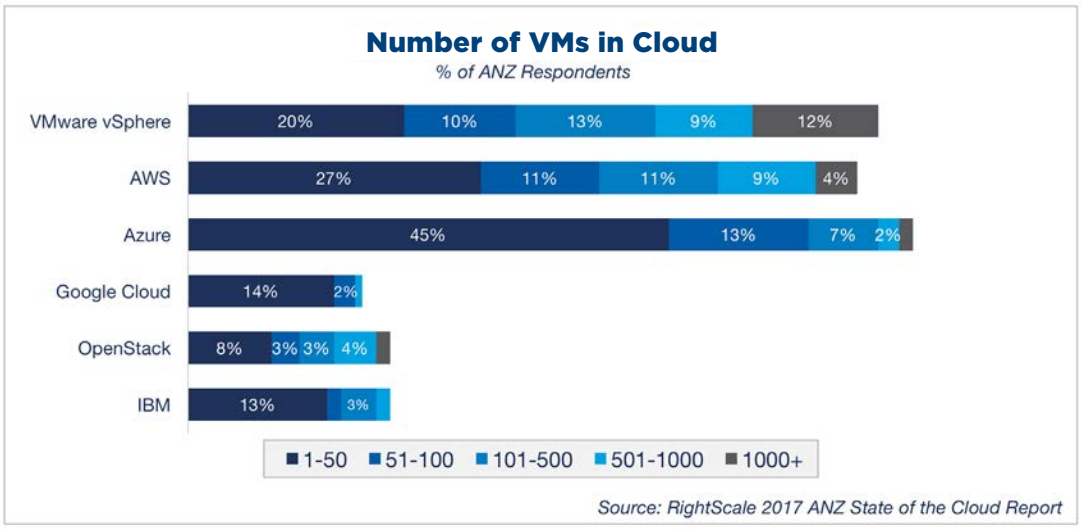
Place	Enterprise *(1000+ employees)*	SMB *(Under 1000 employees)*
#1	VMware vSphere/vCenter	VMware vSphere/vCenter
#2	VMware vCloud Suite	Microsoft System Center
#3	Microsoft System Center	Microsoft Azure Pack/Stack
#4	OpenStack	VMware vCloud Suite
#5	Bare-Metal Cloud	Bare-Metal Cloud
#6	Microsoft Azure Pack/Stack	CloudStack
#7	CloudStack	OpenStack

Source: RightScale 2017 ANZ State of the Cloud Report

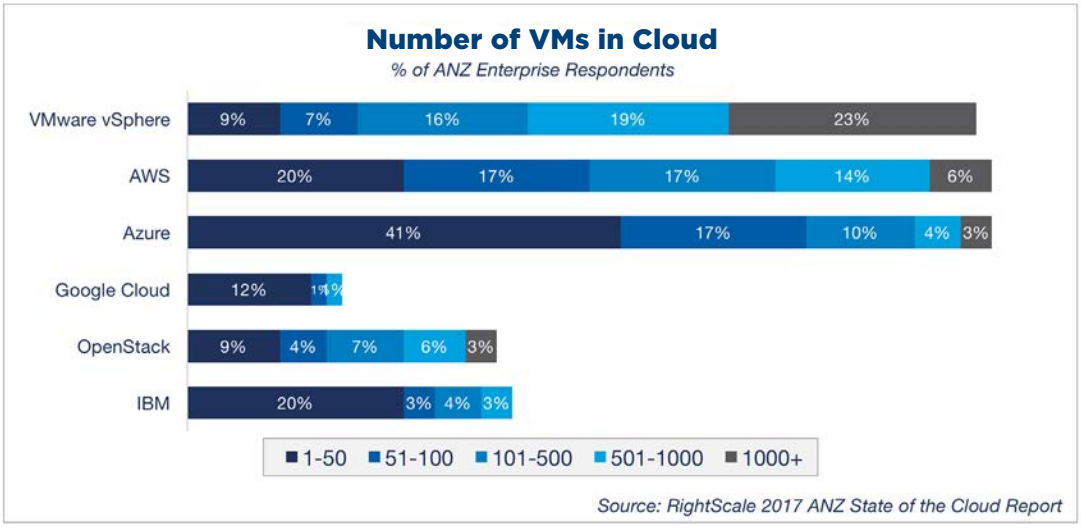
ANZ public cloud users still have a larger footprint in AWS.

The adoption numbers above indicate that number of respondents that are running *any* workloads in a particular cloud. However, it is also important to look at the *number* of workloads or VMs that are running in each cloud.

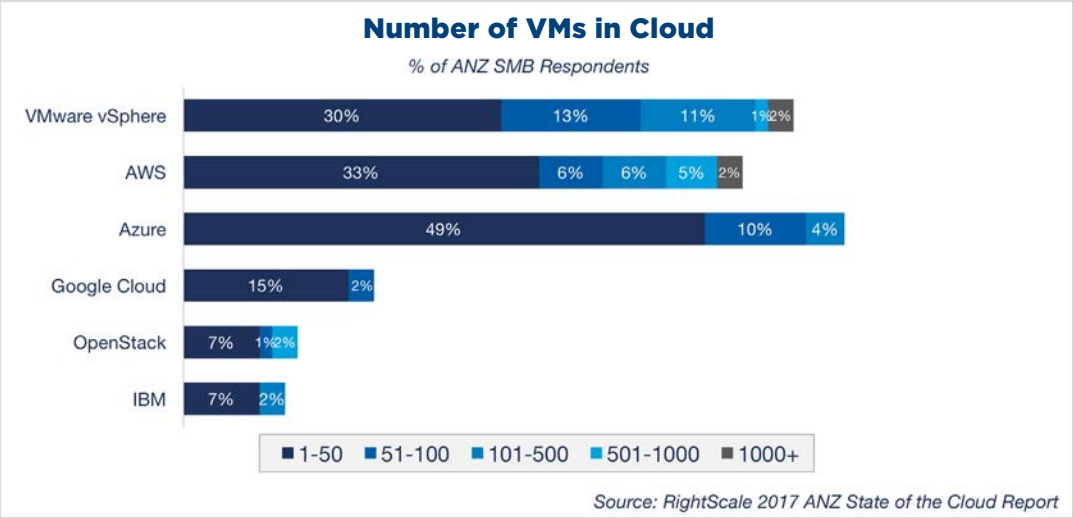
The following charts show the number of VMs being run. Among all ANZ respondents, VMware vSphere shows the largest footprint for private clouds with 12 percent of respondents running more than 1,000 VMs and 34 percent of respondents running more than 100 VMs. ANZ respondents have the largest public cloud footprint in AWS with 4 percent running more than 1,000 VMs and 24 percent running more than 100 VMs. In comparison, only 1 percent of ANZ respondents report running more than 1,000 VMs and 10 percent running more than 100 VMs in Azure.



Among ANZ enterprises, who have larger numbers of workloads, 23 percent have more than 1,000 VMs in VMware vSphere and 58 percent have more than 100 VMs in VMware vSphere. Among public clouds, 6 percent have more than 1,000 VMs in AWS and 37 percent have 100+ VMs in AWS.



Among SMBs in ANZ, VMware vSphere was tied with AWS among those respondents with more than 1,000 VMs (2 percent for each). VMware vSphere slightly led AWS in the number of smaller ANZ respondents running more than 100 VMs (14 percent vs. 13 percent).



Summary: ANZ Uses More Private Cloud and Azure but Less DevOps and Docker

The RightScale 2017 State of the Cloud Survey for ANZ shows that hybrid cloud is strongly preferred by enterprises in ANZ, Azure is closer to AWS than in the rest of the world, and fewer companies are using DevOps and Docker.

AWS leads in public cloud adoption in ANZ, and respondents are running more VMs in AWS than in other public clouds. Azure is used more widely in ANZ than globally, closing the gap between AWS and Azure in this region. This is due to significantly heavier use of Azure among smaller ANZ organisations. Google Cloud has much lower adoption in ANZ than globally due to a lack of an Australian data center.

VMware vSphere leads as a private cloud option (both in adoption and number of VMs) among companies of all sizes in ANZ. OpenStack is not as strong in this region. There is strong interest in Microsoft Azure Pack/Stack.

In ANZ, enterprise central IT teams are taking a stronger role as cloud brokers and in defining cloud policies for security, approvals, costs, and disaster recovery. They lag the rest of the world in defining their overall cloud strategy and timelines.

As in the rest of the world, the benefits of cloud increase and the challenges decrease as cloud maturity increases. However, as a whole, ANZ respondents report both fewer benefits of cloud as well as fewer challenges. ANZ respondents are more concerned about compliance and less concerned about security and costs than the rest of the world.

As adoption grows, cloud bills are also growing. ANZ organisations, however, underestimate the level of waste in cloud spend (26 percent) when compared to actual waste between 30 and 45 percent measured by RightScale. Although only a minority of ANZ cloud users have taken action to reduce waste, they are now turning their focus to this issue, making it the #2 initiative for 2017, following only migrating more workloads to cloud.

The use of DevOps practices and tools is significantly lower in ANZ than the rest of the world, and enterprises are following in the footsteps of other regions by starting with organic adoption by teams and business units, while enterprises worldwide have shifted toward company-wide adoption. ANZ also lags in Docker adoption, despite the fact that Docker is close behind Puppet in adoption levels. There is also strong interest in ANZ for Kubernetes as a container orchestration solution, and many users are also adopting container-as-service offerings from public cloud providers.

A Single Pane of Glass to Manage All Your Clouds

In a world where IT spend is quickly shifting toward cloud, organisations are looking for ways to govern cloud use and optimise cloud spend as central IT teams become brokers of cloud services. RightScale, the industry leader in cloud management, helps your enterprise streamline operations and save money.

The Telstra Cloud Management Platform powered by RightScale enables you to govern and manage all your cloud workloads from a single console, track and optimise your cloud usage and spend, and deliver self-service provisioning and control to your cloud consumers. In addition, the Telstra Cloud Gateway supports your hybrid cloud initiatives with dedicated, high bandwidth connectivity to multiple cloud platforms from one place, improving security and application performance from the device to the data centre.

Offis Multi-Cloud Services, the first Australian managed services provider to partner with RightScale, provides you with expert guidance to help architect, implement, and automate your cloud strategy. Leveraging the RightScale Cloud Management Platform, Offis consultants can help you optimise your existing cloud use across public, private, and hybrid clouds; architect your cloud environments; deploy cloud applications at scale using DevOps best practices; and automate the provisioning and management of cloud workloads.

About RightScale

The Industry Leader in Cloud Management

RightScale enables leading enterprises to accelerate delivery of cloud-based applications that engage customers and drive top-line revenue while optimising cloud usage to reduce risk and costs. The RightScale Cloud Management Platform is a comprehensive solution that enables IT organisations to deliver instant access to a portfolio of public, private, and hybrid cloud services across business units and development teams while maintaining enterprise control. RightScale Consulting Services help companies develop cloud strategies, deliver cloud projects, and optimise cloud usage. RightScale was named the top solution in *Modern Infrastructure*'s 2017 Private/Hybrid Cloud Management category, was recognised among "100 Best Places to Work in 2015" by *Outside Magazine*, and was listed in "The Best Enterprise Cloud Computing Startups to Work For in 2015" by *Forbes*. Since 2007, leading enterprises including Audi and Yellow Pages Group have launched millions of servers through RightScale.

About Telstra

Telstra is a leading telecommunications and technology company. We offer a full range of services and compete in all telecommunications markets in Australia, operating the largest mobile and Wi-Fi networks. Globally, we provide end-to-end solutions including managed network services, global connectivity, cloud, voice, colocation, conferencing, and satellite solutions. We have licenses in Asia, Europe, and the United States and offer access to more than 2,000 points of presence across the globe.

Our experienced technical, business, and cloud experts can work alongside your teams to optimise your IT. We partner with the best to deliver a range of network enabled multi-cloud solutions that are designed with security, performance, and redundancy in mind; and enable transformative innovation through professional services in DevOps, IoT, mobility, applications, and more.

About Offis

Offis Multi-Cloud Services

Since 1997, Offis has designed and deployed thousands of hosting services for some of the biggest brands in Australia and around the world. Today, Offis provides customised services and round-the-clock support across the entire cloud hosting strategy (private cloud, public cloud, and hybrid cloud) — from planning to implementation, integration, management, and beyond. Offis' expertise and technology manages the cloud infrastructure for high-profile Australian and international businesses, allowing them to better service and understand their customers.

Being the first RightScale partner in Australia since 2014, Offis is cloud-vendor agnostic, and therefore ideally placed to give unbiased advice and to deliver the most appropriate options for maintaining full flexibility across multiple clouds and technologies, which allows our clients to future-proof their investment. Our experienced Professional Services consultants deliver solutions that benefit our clients' businesses, such as software-defined automated provisioning of full environments to private, hybrid, and public clouds to deliver DevOps and ground-breaking business agility.

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