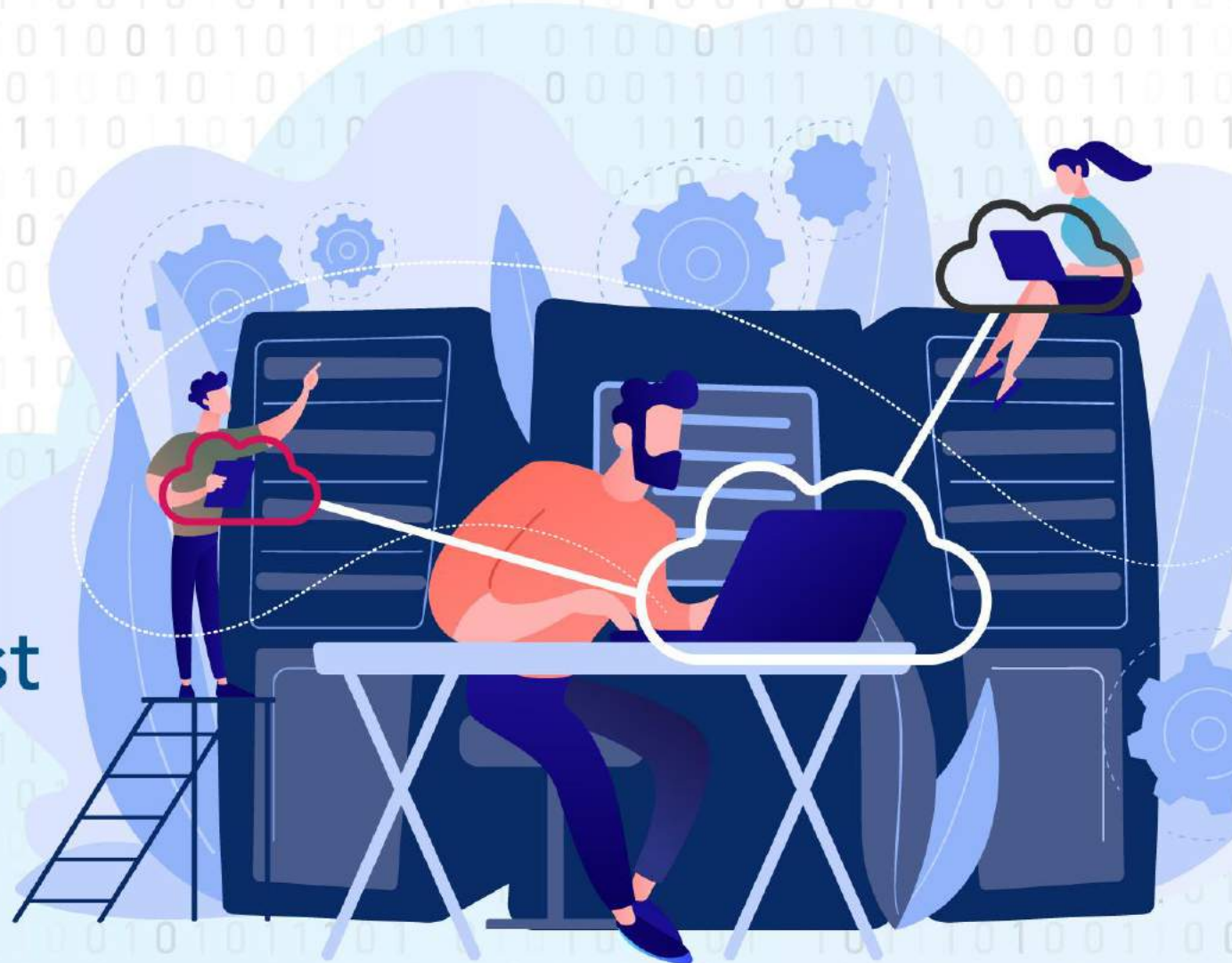


# Connecting the Clouds:

## 2023 Federal IaaS, PaaS, and SaaS Forecast



# Introduction

As Federal agencies continue to scale cloud adoption, how are they managing **growing multi-cloud environments**?

Where are they focusing 2023 investments across software-as-a-service (**SaaS**), infrastructure-as-a-service (**IaaS**), and platform-as-a-service (**PaaS**) solutions?\* And how are they addressing the connectivity, complexity, and visibility challenges they face as their cloud portfolios expand?

MeriTalk surveyed **100 Federal IT decision-makers** to understand:

- The state of multi-cloud adoption
- Current multi-cloud management efforts
- Projections and challenges



# Executive Summary

While benefits are clear, most Federal agencies struggle with multi-cloud environments:



92% of Federal IT decision-makers say multi-cloud environments will be the foundation of modern government IT



Still, four out of five say managing a multi-cloud environment will be one of their agency's top challenges over the next five years

Defined management strategies set leaders apart:



As cloud portfolios expand, agencies struggle with data management, security concerns, and increased architectural complexity



Those with “well integrated” cloud environments are significantly more likely to have a defined multi-cloud strategy, use a dedicated, multi-cloud management program, and use a system for vendor management

Feds’ multi-cloud forecast calls for investments in training, integration, and automation:

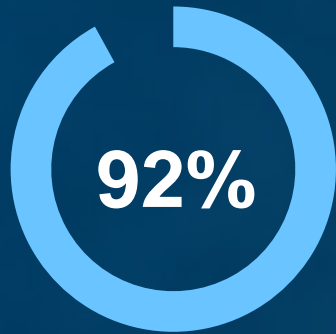


Over the next two years, 86% of Federal IT decision-makers expect their SaaS investments to increase; three out of four say the same for IaaS and PaaS. The majority also plan to bring cloud-based enterprise management tools and IoT devices into their cloud ecosystems

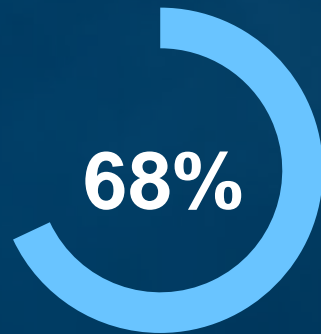


Going forward, Feds say improved training, integration, and automation will be key to better managing and optimizing multi-cloud environments

# Multi-Cloud Conundrum

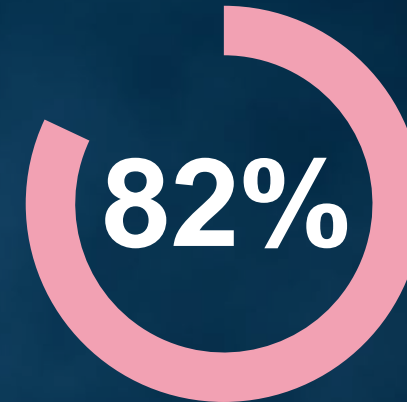


of Federal IT decision-makers say multi-cloud environments will be the **foundation of modern government IT**, and



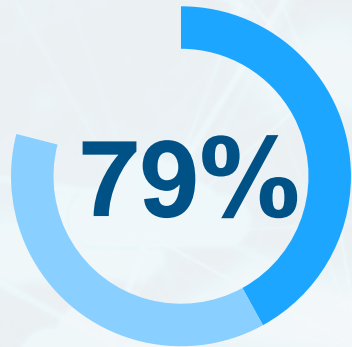
say **it's critical** to the delivery of citizen services and other government operations

Still ...



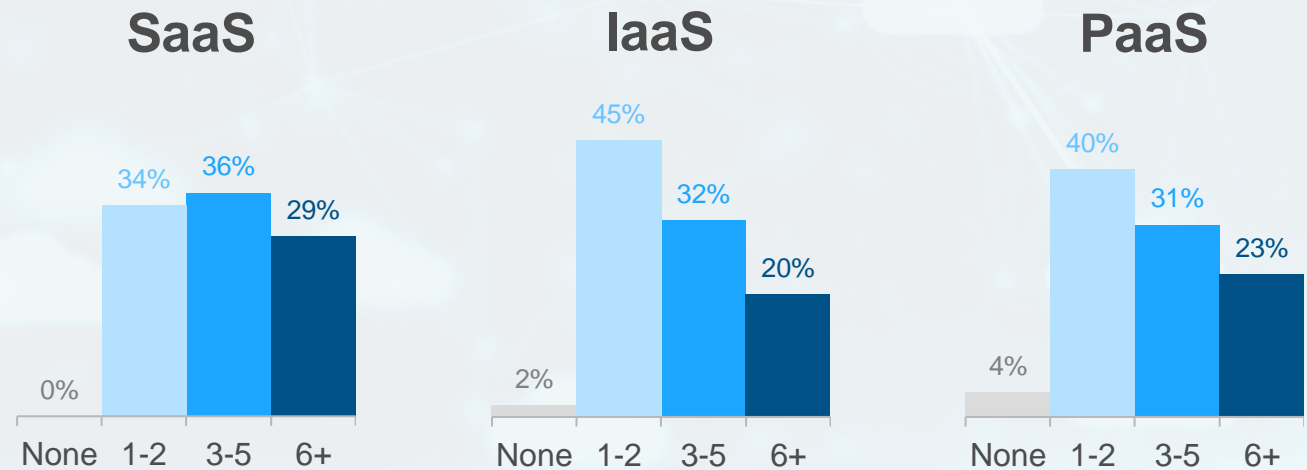
four out of five say managing a multi-cloud environment will be **one of their agency's top challenges** over the next five years

# Ever-Expanding Portfolios

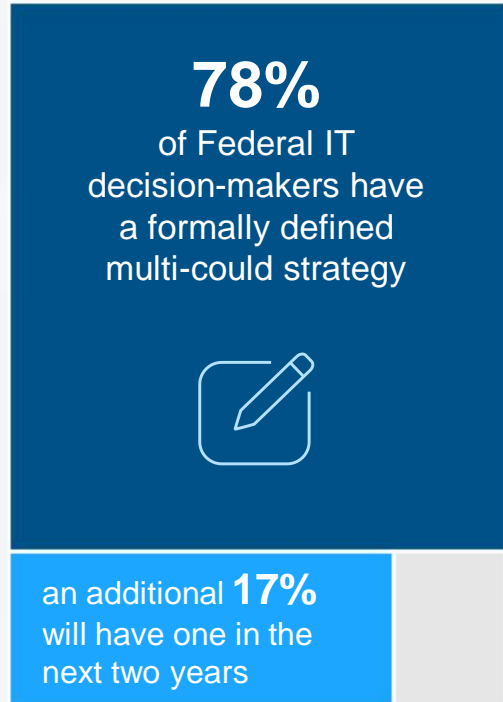


feel their agency's cloud portfolio is expanding **faster than they can keep up**  
(42% strongly agree, 37% somewhat agree)

How many cloud service providers (CSPs) is your agency working with in each of the following categories?\*



# Strategy Check



## How important are each of the following to your agency's cloud strategy?

*Percentage who said very important*

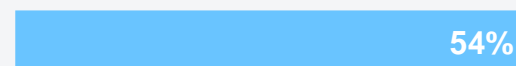
SaaS



IaaS

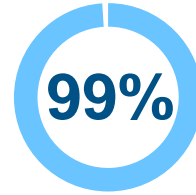


PaaS





## Benefits to Date



have experienced **at least one benefit** as a result of multi-cloud

### Top benefits experienced:\*

- 46%** Improved flexibility/scalability
- 40%** Increased reliability
- 39%** Better integration of cloud-based enterprise management tools
- 36%** Higher-value data insight
- 36%** Improved system/application performance
- 35%** Improved integration
- 33%** Increased visibility

Additionally, **41% strongly agree** migrating to the cloud has successfully **freed IT resources** for mission-enabling activities or innovation (51% somewhat agree)

# Challenges Remain

**93%** still face **difficulties** as their cloud portfolios expand, most commonly:\*



**#1**  
Data  
management



**#2**  
Security concerns



**#3**  
Increased architectural  
complexity



**#4**  
Difficulty managing  
services across  
hybrid environments

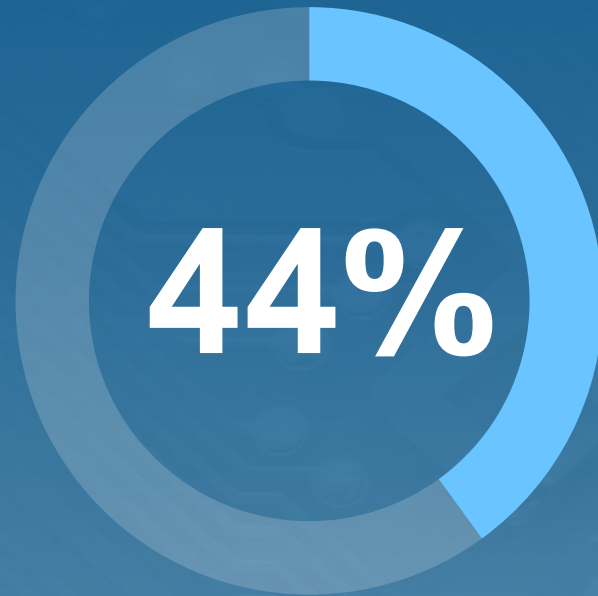


**#5**  
Reduced  
visibility

**TAKEAWAY:**  
Juggling Takes A Toll



# Untapped Potential



Less than half feel strongly their agency is **utilizing cloud** investments to their **full potential**



## Management Efforts



Three in four (74%) say a dedicated cloud management program would be very important to their agency's success with multi-cloud

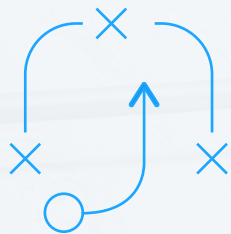
### Which of the following practices are you currently using to manage your multi-cloud ecosystem?\*



**TAKEAWAY:**  
Majority Miss Available Best Practices

# Learning From Leaders

Agencies who say their cloud systems are **“very well integrated”** are significantly more likely to:\*



Have a formally defined **multi-cloud strategy**

(90% to 62%)



Use a dedicated, multi-cloud **management program**

(39% to 18%)



Use a **system** for vendor management

(31% to 12%)



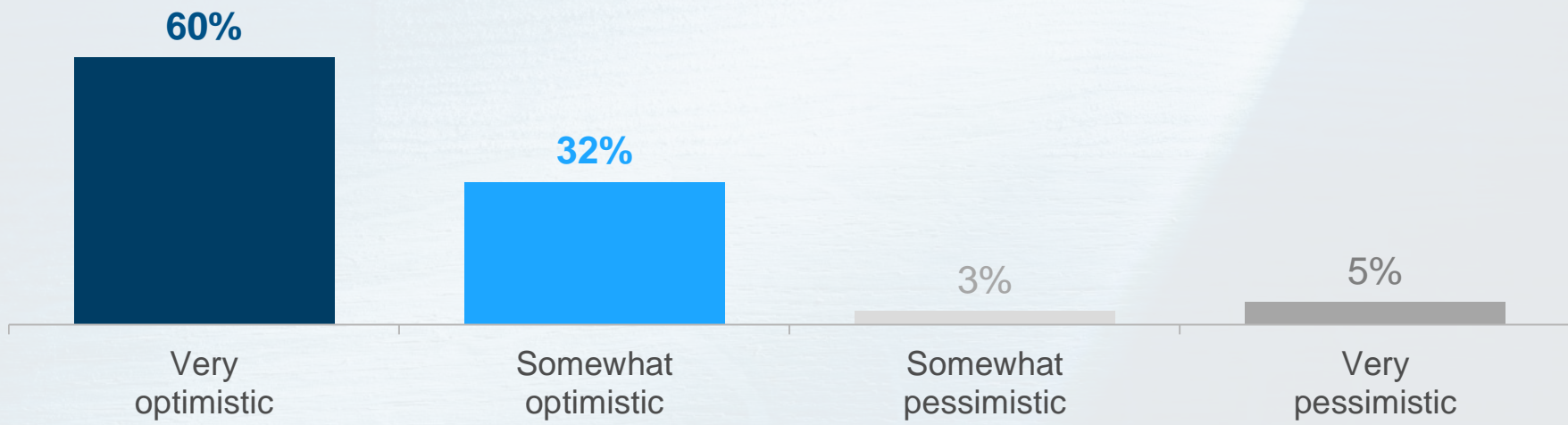
Feel **very confident** in their ability to manage multi-cloud complexity

(69% to 26%)



# A Bright Future

Overall, how do you feel about the **future** of government cloud?

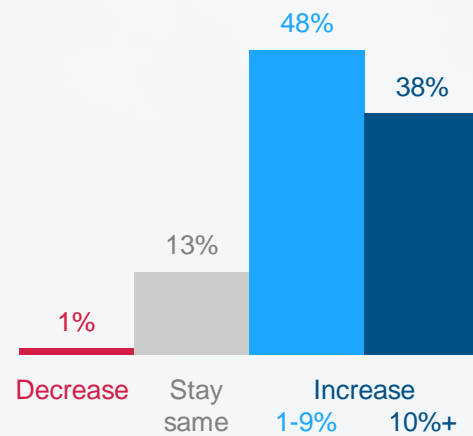


**TAKEAWAY:**  
Despite Challenges, Cloud Outlook Is Positive

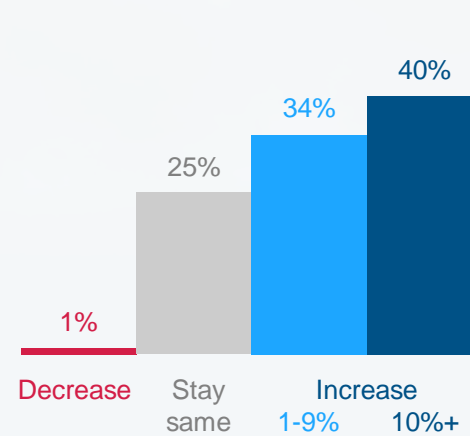
# Federal Cloud Forecast

How do you expect your agency's cloud **investments to change** over the next two years?

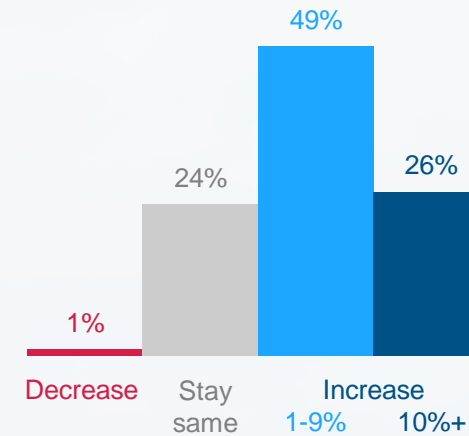
## SaaS



## IaaS



## PaaS



# FedRAMP's Influence

When considering new cloud investments, how much weight does your agency give to pre-vetted FedRAMP vendors:



## Top FedRAMP Impacts?\*



Improved my organization's ability to identify reliable cloud partners (44%)



Increased my organization's willingness to migrate to the cloud (42%)



Improved executive backing for the cloud (42%)



# Incoming Technologies

Which of the following technologies or capabilities will your agency **integrate** into its cloud ecosystem over the next two years?\*

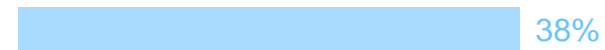
Cloud-based enterprise management tools (ITSM, ERP, HR, etc.)



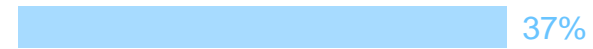
Internet of Things (IoT) devices



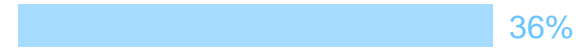
Computer vision (CV)



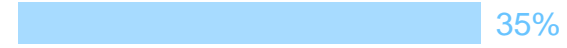
Endpoint detection and response (EDR)



DevSecOps



Edge computing



## Two-Year To-Do List



Nearly all agencies (99%) have plans to **improve multi-cloud** over the next two years

### Where will your agency focus multi-cloud improvements?\*

- Educating IT staff on cloud capabilities (40%)
- Improving data access and transfer capabilities (38%)
- Improving baseline security, such as multifactor authentication (37%)
- Expanding multi-cloud management capabilities or solutions (35%)
- Growing data analytic capabilities (35%)
- Establishing a dedicated multi-cloud leadership team (34%)

\*Respondents asked to select all that apply



# Optimization Outlook

What does your organization need to **better manage and optimize** multi-cloud environments?

“ More experienced team members to utilize all the features cloud environments have to offer”

“ Well-trained personnel and software that can integrate with both cloud and in-house software”

“ We need to centralize our IT tools and services to provide greater visibility of our data and processes”

“ Establish an automation framework and optimize data access for applications and end users”

“ Create a robust integrations framework and build consistent security policies”

“ Integrate and automate workloads across multiple platforms from a single point of control”

**TAKEAWAY:**  
Training, Integration, and Automation Will Be Key



# Recommendations

## Define Multi-Cloud Standards

Four out of five Federal IT decision-makers (79%) feel their agency's cloud portfolio is expanding faster than they can keep up.

And most agencies will continue to increase cloud investments across SaaS, PaaS, and IaaS environments over the next two years – with at least 25% expecting significant increases.

IT leaders must instill uniform investment principles, SLAs, security expectations, and data management criteria to maximize consistency across multi-cloud investments. Standardization will be key to reducing complexity and avoiding future silos.

## Take Advantage of Automation

Seventy-four percent of Feds say a dedicated cloud management program cloud be very important to their success as they work toward greater visibility and control.

Additionally, those with “well integrated” cloud environments are nearly twice as likely to take advantage of cloud management programs.

Federal IT leaders should continue to seek opportunities to simplify management and increase automation. By leveraging available analytics and cloud management technology, agencies can advance their goals and move toward more seamless, hands-off integration.

## Lead Through Education

While 78% of Federal IT decision-makers say their agency has a defined multi-cloud strategy, only 35% have a dedicated cloud-management leadership team.

At the same time, educating IT staff is on top of many agencies' multi-cloud to-do lists for the next two years.

Agencies should use staff resources freed by growing cloud investments to identify and appoint leadership teams. Through these teams, Feds can expand multi-cloud education and training programs on cloud capabilities, benefits, culture, and expectations.

# Methodology

## Respondent job titles

CIO/CTO/CFO	38%
Deputy CIO/CTO/CFO	12%
IT Director/Supervisor	15%
IT Program Manager/Officer	15%
IT Procurement Manager/Officer	6%
Data Center Administrator/Manager	6%
Cloud Specialist/Engineer/Architect	5%
Other IT manager	3%


## Expertise

**100%** of qualifying respondents are familiar with their agency's use of cloud solutions

MeriTalk conducted an online survey of 100 Federal IT decision-makers familiar with their organization's use of cloud solutions in December 2022. The report has a margin of error of  $\pm 9.78\%$  at a 95% confidence level.

# Thank You



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