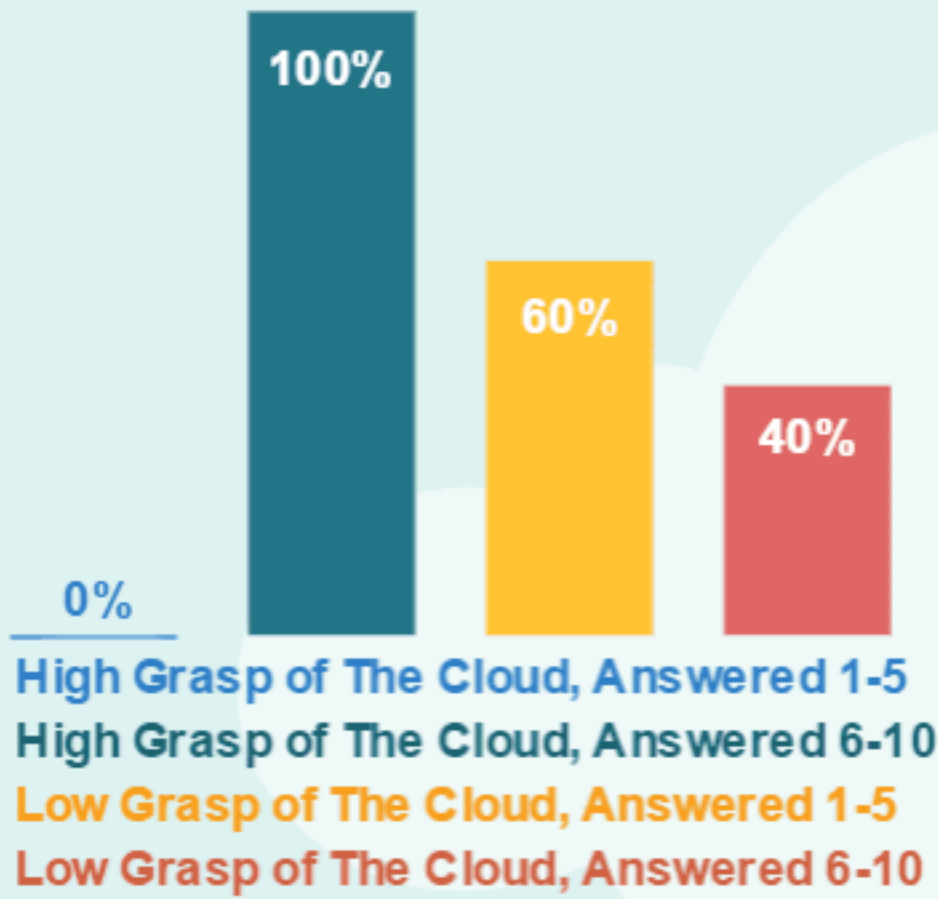


# Cloud Computing Insights

TAB Small Business Pulse Survey

On a scale from 1-10, rate your understanding of cloud computing.

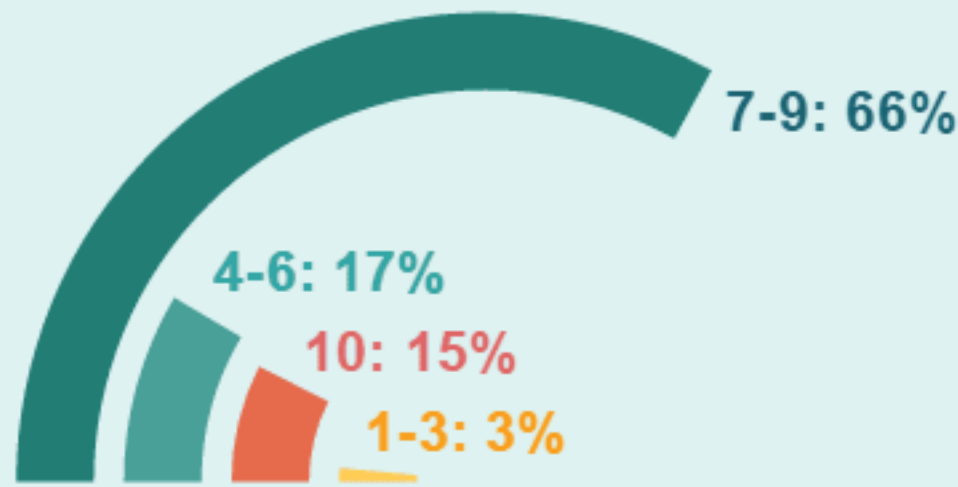


When did your company first begin to move IT systems into the cloud?

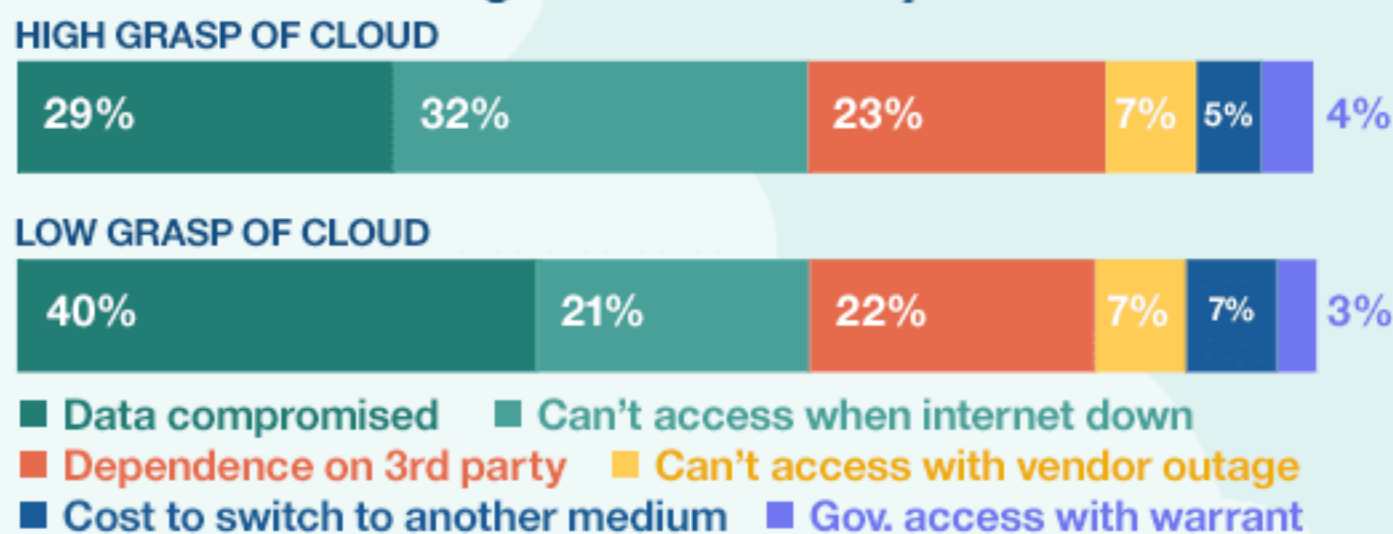


NOTE: 87% migrated within the past 5 years

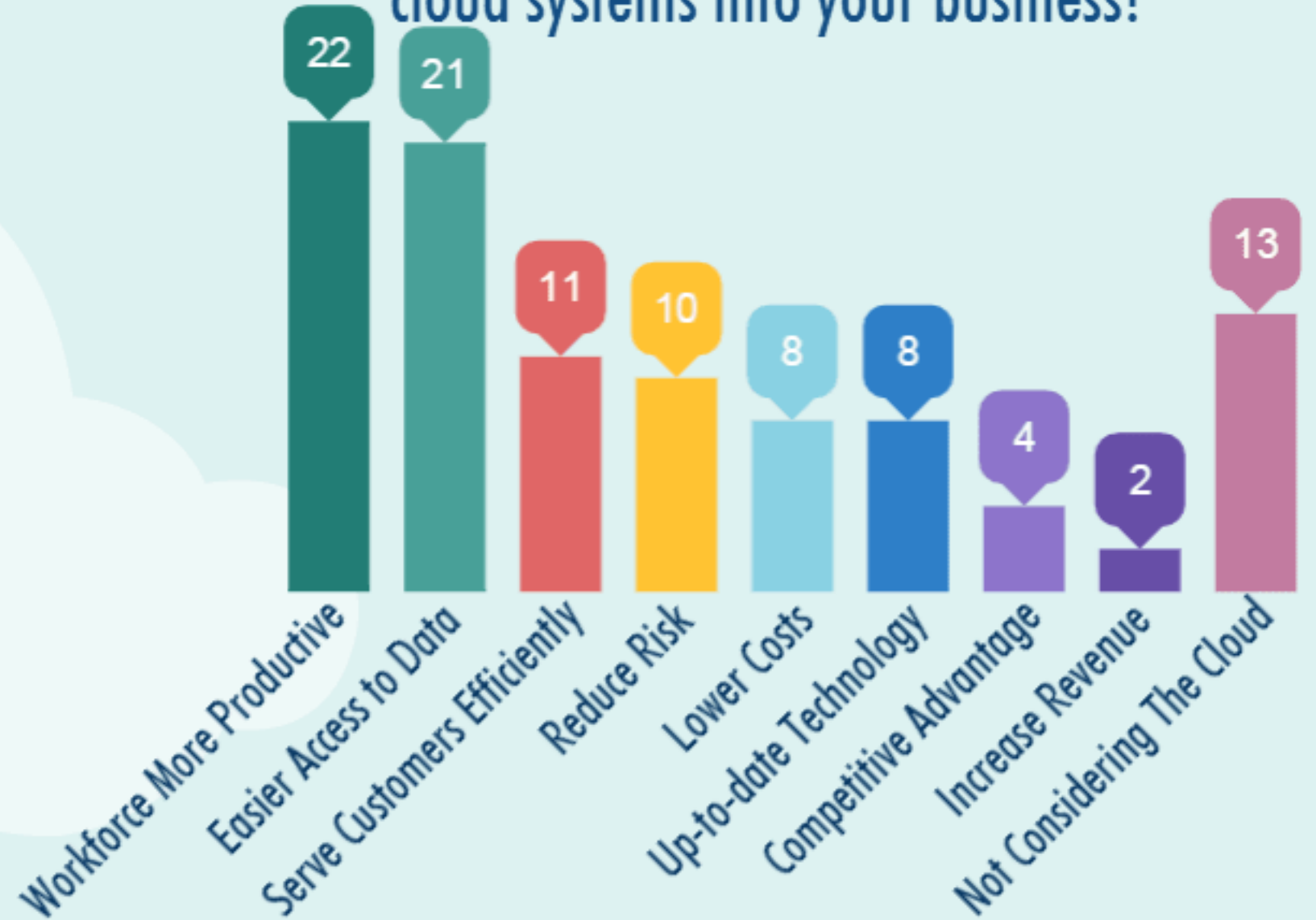
On a scale of 1-10, how satisfied are you with the cloud system your company is using?



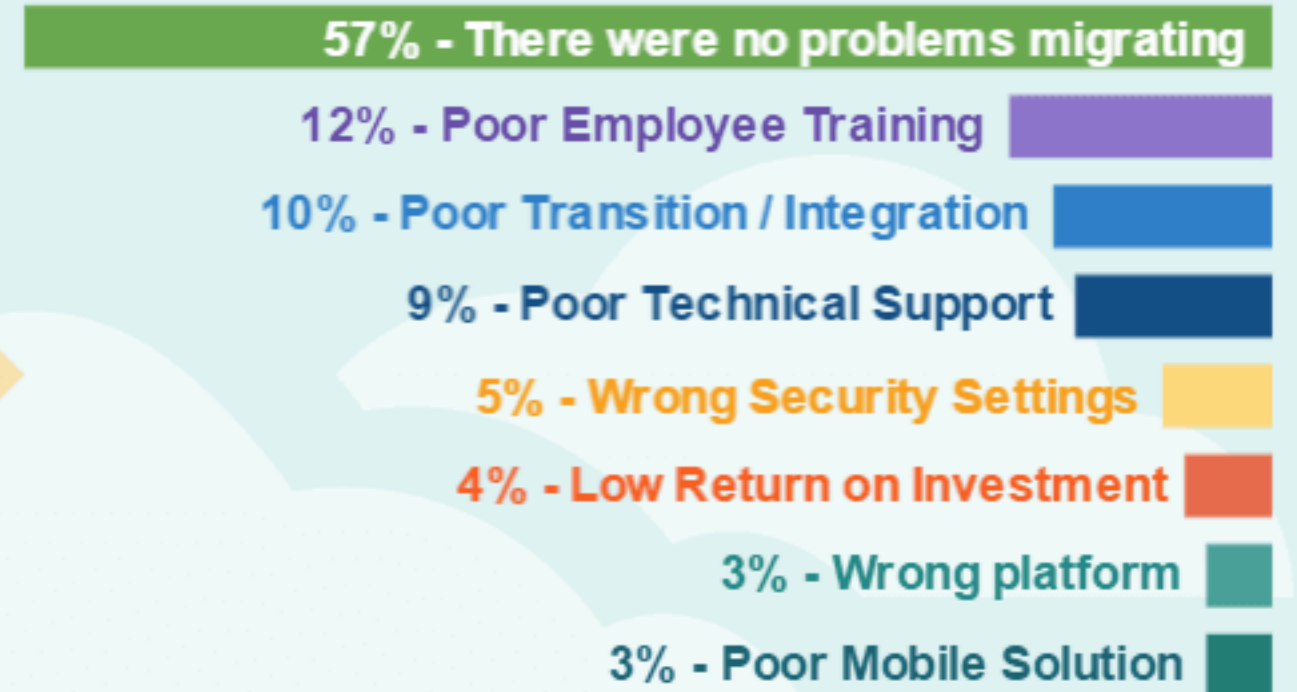
What do you consider to be the biggest concern or risk when using cloud-based systems?



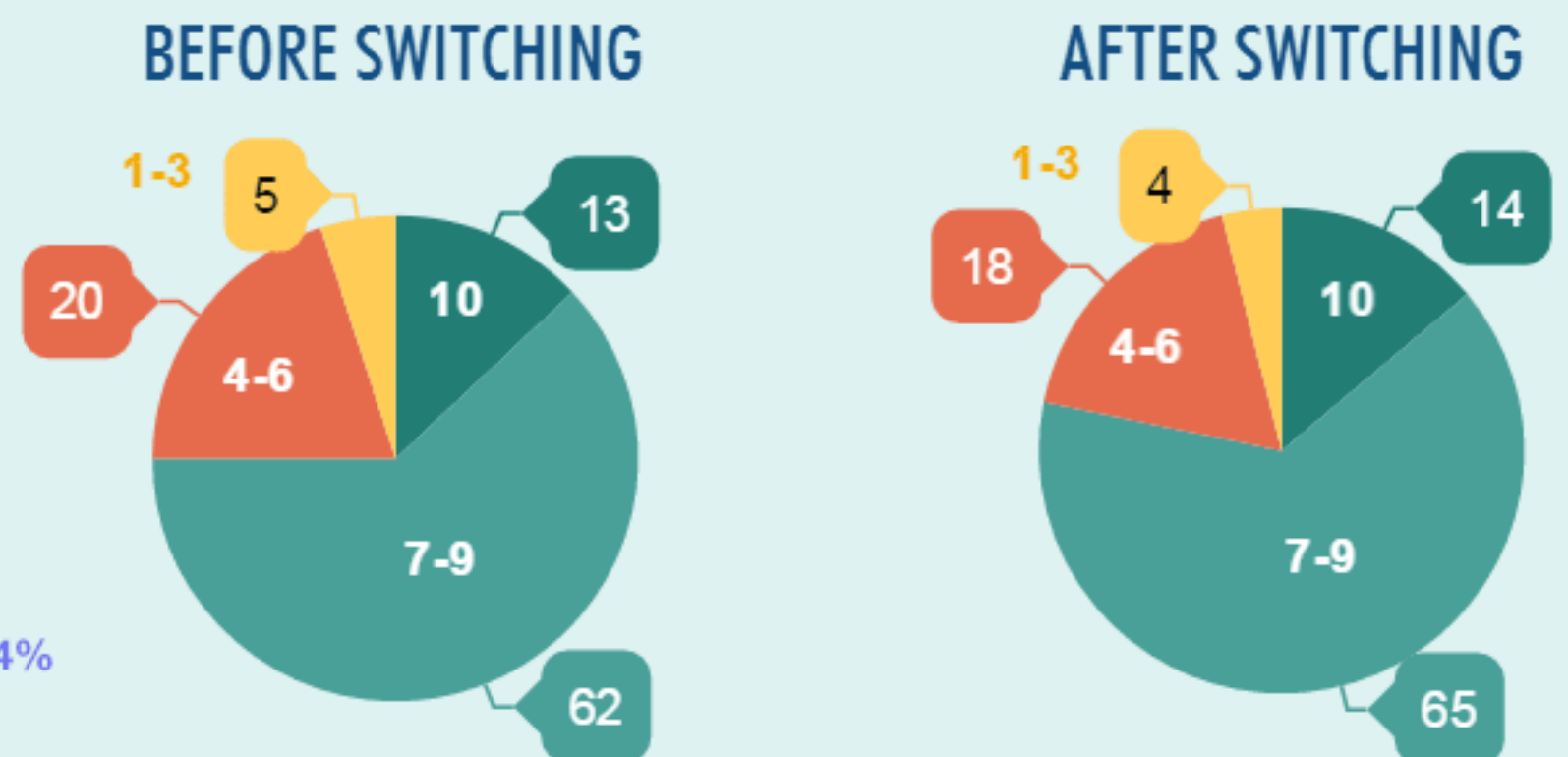
What are your top reasons for integrating cloud systems into your business?



What was the greatest difficulty you experienced when migrating to the cloud?



On a scale of 1-10, how secure did/do you consider the data stored in the cloud?



What do you consider to be the most important benefit to cloud systems?



This is a high-level summary of our key findings from the June 2015 Small Business Pulse Survey. This survey concentrated on **the understanding, comfort level and acceptance of cloud computing platforms by business owners**. The survey was taken by **300 business owners**. We asked owners on a scale of 1 to 10, with 10 being the highest, how they would rate their understanding of cloud computing. 41% rated their understanding an 8 or higher, with the mean being 6.1. In some of the highlights listed below, we split respondents into those with a relatively high degree of understanding of cloud computing (6-10) and those with a low degree of understanding (5 or less).

Key insights from the survey are:

- The motivation to utilize cloud computing are constructive – workforce productivity and easier access to data – as opposed to cost savings.
- In the majority of cases, migrating to the cloud platform did not have issues and was within the expected budget.
- The primary concerns are whether the cloud systems have suitable functionality and concerns over security. Owners are not overly concerned about security. Only 7% of owners ranked their confidence in security less than a 5.
- The more knowledgeable owners about cloud computing are more concerned with inability to access data without an internet connection, where less knowledgeable owners are concerned about data being compromised.

### **Profile of Survey Participants**

- 87% of respondents migrated to cloud-based systems in the past five years.
- 87% of respondents have been in business for at least 8 years. 49% of respondents have been in business for more than 20 years.
- 28% of the respondents have annual revenue of \$5 million or more. An additional 34% have revenue between \$1 million and \$5 million.
- 48% of respondents have 2-9 employees and 33% have 10-49 employees. The mean number of employees is 20.
- The most common industry sectors are Professional Services, Manufacturing and Construction.
- Respondents came from the US, Canada, the UK, New Zealand and Ireland.

### **Key Observations on Cloud Computing**

**Motivation for Transitioning to Cloud Computing:** When we asked owners what their reasons were for moving to cloud computing their top responses were:

- Make workforce more mobile and productive (22%)
- Have quicker/easier access to data (21%)
- Service customers more effectively (11%)
- Reduce risk (10%)
- Low costs (8%)

- Have up-to-date technology (8%)

The top two reasons are very positive with business owners seeing productivity improvements and access to data to be the key motivations. We found it to be surprising that only 8% approached cloud computing as a cost savings.

13% of owners said they simply **would not consider cloud computing for their business**. Also, **33% of respondents have never used cloud computing in their business**.

### Most Common Platforms

The most commonly used cloud computing platforms are:

- Data backup/storage (76%)
- File hosting/sharing (70%)
- Web-based email (58%)
- Customer relationship management (41%)
- Accounting/financial (39%)

### Challenges Migrating to Cloud Platform

The conversion to cloud-based systems went fairly well on average:

- The greatest concerns in migrating to the cloud platform were **Functionality (43%)** and **Security (38%)**.
- These concerns differ depending on the understanding level of the respondents. Owners with a high understanding of cloud technology are most concerned about **Functionality (51%)** and then **Security (34%)** while owners with a low understanding of cloud technology are most concerned about **Security (44%)** and then **Functionality (31%)**.
- 57% of respondents reported no problems in migrating to the cloud.
- When they did experience problems the key challenges were **Poor Employee Training (12%)**, **Poor Transition/Integration (10%)** and **Poor Technical Support (9%)**.

Significantly more companies found converting to cloud-based system to be more costly rather than less costly than expected. **31% found the conversion to be more costly while 22% found it less costly**.

### Satisfaction Level

Business owners are generally satisfied with their cloud-based systems. On a scale of 1-to-10, with 10 being most satisfied, respondents rated their satisfaction as follows:

- 33% rated their satisfaction a 9 or 10.
- 81% rated their satisfaction a 7 or higher.
- The mean response is 7.6.
- The most important benefit to using cloud-based systems are:
  - Easy access to important information (35%)
  - Reduce expenditures on hardware and software (21%)
  - More flexibility in managing data (20%)



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- Enabling a mobile workforce (16%)
  - In terms of future plans, 66% of those with a high grasp of cloud computing rated their likelihood of moving data in the future to the cloud as an 8 or higher. However, **only 31% of respondents with a lower grasp of cloud computing rated their likelihood an 8 or higher.**
  - However, in the next year, **33% of owners plan to increase their budget for cloud computing** in the next year compared to **7% who plan to decrease their budget.**

### Concerns About Information Security

Even though when cloud computing first became available the main concern was information security, this is not nearly the issue it was a few years back. We asked owners how confident they were or are in the security of their information in the cloud. On a scale of 1 to 10, 10 was most secure.

- 87% of owners migrated to cloud-based systems in the past 5 years.
- *When businesses first moved to the cloud*, 80% of owners with a high grasp of cloud computing rated their security confidence at a 7 or higher. Still, a respectable 63% of owners with a lower grasp of cloud computing rated their confidence in security a 7 or higher.
- We also wanted to assess whether they have become more confident in security since migrating to the cloud. While respondents with a high grasp of cloud computing did not change, 72% of respondents with a lower grasp of cloud computing rated their confidence in security a 7 or higher.

### Other Concerns

- The top 3 concerns or risks for all owners migrating to cloud computing platforms are:
  - Important data can be compromised (lost, corrupted or stolen) (33%)
  - Inability to access data when internet/wireless signal is weak (28%)
  - Dependence on third party to manage my company's information technology needs (22%)
- The more knowledgeable owners are more concerned with inability to access data without an internet connection, where less knowledgeable owners are concerned about data being compromised.