SIX KEY TAKEAWAYS FROM THE FOURTH ANNUAL NUTANIX ENTERPRISE CLOUD INDEX

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The new year is underway, and while organizations are still reeling from the impact and challenges of COVID-19, there's light at the end of the tunnel. The Omicron variant has peeked and appears to be on the decline globally, which means businesses can shift their focus to operational and financial recovery.

During the pandemic, organizations accelerated digital transformation initiatives in a hurry, investing in technologies to support business continuity, improving the digital customer experience, and enabling remote working.

McKinsey and Co. reports that organizations accelerated the digitization of their customer and supply-chain interactions, as well as their internal operations, by about 3-4 years. The rapid proliferation of devices and software have given rise to operational and security challenges that must now be addressed.

After two years of fighting to stay above water, IT decision-makers have new priorities and are shifting their focus – and their investments – from digital adoption to fortifying the IT infrastructure with increased cybersecurity, AI-powered automation and analytics.
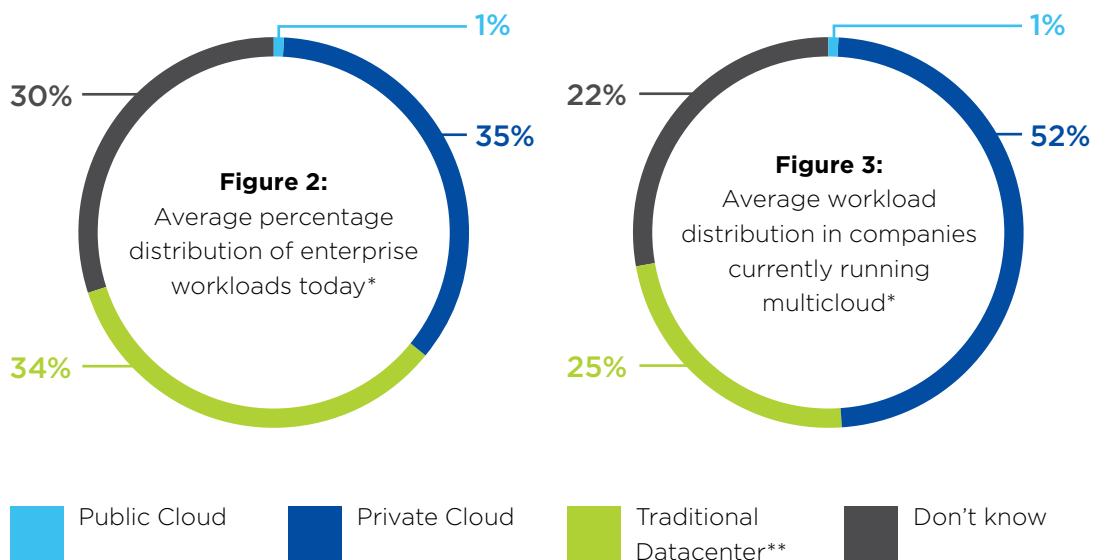
Cloud strategies will play a big role, helping organizations scale their infrastructure rapidly to support business goals and objectives, while enabling IT teams to be more efficient and capitalize on new investments in these services.

But today's clouds come in many flavors – public, private, hybrid and multi – and at Nutanix, we're interested in understanding the trends around cloud deployment and adoption. That's why each year, we commission research to learn more about the state of global enterprise cloud deployments and adoption plans, and to understand the top priorities of IT decision-makers.

Working with U.K.-based researcher Vanson Bourne, we analyzed survey responses from 1,700 of them to create our Fourth Annual Nutanix Enterprise Cloud Index, released in September 2021. Let's look at six key takeaways from the report:

1. **The age of multicloud is upon us.** Instead of choosing one type of cloud, IT decision-makers are realizing that a multicloud approach supports many of their strategic goals, such as application modernization, disaster recovery, cloud-native service adoption, and development agility.

   While 36% of organizations surveyed leverage multicloud deployments, that number is expected to reach 64% over the next 1-3 years. Large enterprises lead the charge, with 57% already using multicloud. Interestingly, private cloud-only usage is on the rise, while public cloud usage is dropping.
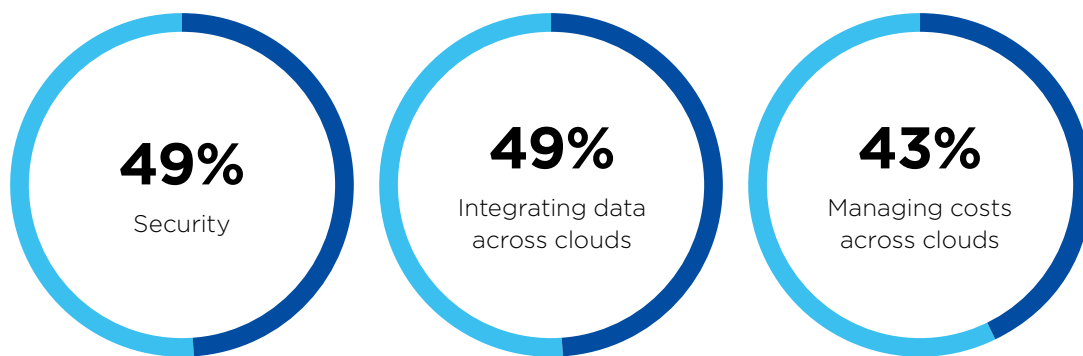
1%	1%
30%	22%
35%	52%
Figure 2: Average percentage distribution of enterprise workloads today*	**Figure 3:** Average workload distribution in companies currently running multicloud*
34%	25%

☐ Public Cloud   ☐ Private Cloud   ☐ Traditional Datacenter**   ☐ Don't know

2. **Interoperability is essential to multicloud success.** The challenges of multicloud – not the least of which are security and data integration – could slow widespread adoption, without effective solutions for unified and simpler management across mixed-cloud infrastructures.

   IT teams need access to consolidated dashboards and the ability to manage security, data integration and costs across clouds. Our survey found that 83% of respondents agree that the hybrid multicloud approach will help solve these challenges.

3. Multicloud supports the COVID-19 era hybrid workplace. According to Accenture, 63% of high-growth companies support a hybrid "productive anywhere" work model. This will require IT infrastructures to be flexible and elastic to align with changes to the workplace over time.

A multicloud approach can accommodate geographically dispersed teams, remote and on-premises employees, and an expanding or shrinking workforce, as needed. That's why 64% of respondents to our survey said they expect to be operating in a multicloud environment within the next 1-3 years.

Top Multicloud Challenges

49%
Security

49%
Integrating data
across clouds

43%
Managing costs
across clouds

4. To enable app mobility, teams will turn to containerization. Moving workloads between clouds can be time-consuming, costly and risky. Using containers simplifies app mobility and eliminates much of the cost and risk. To that end, IT decision-makers are moving to container-based app development, and 82% of respondents to our survey stated that containers are important to their organizations or will be over the next year.

5. Strategy is critical to IT infrastructure. During the pandemic, organizations rapidly executed on digital transformation strategies, but now it's time to evaluate and strategically plan how to make the most of future IT investments.

According to our research, 72% of IT decision-makers believe the IT function is more strategic than it was a year ago. A large part of that strategy involves matching workloads to the best-suited cloud environments. This so-called "cloud-smart" approach is a primary driver behind the adoption of multicloud.

6. HCI takes center stage. As the trend toward multicloud gains momentum, many mission-critical applications continue to run in traditional datacenters and retooling those applications for the cloud can be a significant undertaking. A hyperconverged infrastructure (HCI) can help organizations achieve datacenter modernization, while supporting a hybrid multicloud environment.

Such an environment accommodates the broadest mix of on-premises, private and public cloud infrastructures, while simplifying operational challenges, improving security, and reducing cost and risk. That's why 91% of respondents say they have already deployed HCI or plan to do so over the next two years.

With these trends in mind, what are the key priorities for IT moving forward? According to respondents, the top four are improving security (49%), implementing 5G (46%), expanding storage (45%), and improving multicloud management and operations (44%).

Other priorities include adoption of AI and machine learning to enable automation, strengthening database capabilities, improving business continuity and disaster recovery, and developing or implementing cloud-native technologies.

Improving security posture	**49%**
Implementation of 5G	**46%**
Storage technologies / capabilities	**45%**
Improving multicloud management and operational efficiencies	**44%**

Agility will be Crucial

As organizations around the globe become better equipped to navigate the ongoing challenges of the pandemic, IT trends and priorities will remain in flux. But one thing's for certain: IT organizations that put the right infrastructure in place will remain flexible, agile and adaptable, and be able to grow and remain competitive in the face of uncertainty. A hybrid multicloud infrastructure sets the stage for innovation and growth in a world of unknowns and endless possibilities.

Nutanix HCI solutions provide intelligent infrastructure for the cloud era. Learn more about Nutanix HCI and how it supports today's complex hybrid multicloud infrastructures to meet the needs of organizations in 2022 and beyond.

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