

Are SME's lagging dangerously behind? - blueAPACHE

Canonical: <https://www.blueapache.com/blog/are-smes-lagging-dangerously-behind-2>

Details:

2015

As cloud adoption ramps up in Australia, we are seeing disparity in adoption between business sectors. The enterprise market are focused on realising return from infrastructure as a service (IaaS) and platform as a service (PaaS), while medium sized businesses are still very much focused on simple easy-to-consume software as a service (SaaS).

Enterprise Research

In October 2014, Frost & Sullivan released their State of Cloud Computing in Australia Report which highlighted that the Australian cloud computing market had matured from early adopter status to the early growth stage of adoption by the wider market. This growth was projected to continue with an average CAGR of 30% through 2018, when the cloud services market is expected to reach \$4.55 billion. Frost & Sullivan's survey of IT decision makers in Australia showed that platform and infrastructure are expected to grow at faster rates than software. Deterred by the high cost of hiring IT staff, a growing proportion of IT requirements are being outsourced, and IT departments are shrinking in size and number. The survey revealed that cloud services enable easier access to IT resources from any location, provides faster access to data for applications such as data analytics, frees up resources that can be used for other tasks and improves business redundancy. Phil Harper, Senior Research Manager, Australia & New Zealand, Frost & Sullivan explains "Two thirds of companies that have adopted cloud services believe it has significantly improved their overall business performance. A significant proportion of organisations feel it has enhanced their ability to innovate and explore new business models."

Small to Medium Sector Studies

The Australian Communications and Media Authority's (ACMA) 2014 report into cloud computing shows that less than half of Australian small businesses are currently taking advantage of cloud services in 2013. It showed that the uptake of cloud services by SMEs has been slow compared to consumers, with only 44 percent of SMEs actively using cloud services. A more recent study by Ovum (commissioned by NBN Co.) rehashed these numbers, and found SMEs are currently favouring basic cloud hosting services, including email, security and web services, ahead of newer cloud products including advanced business critical applications, online marketing tools and data security. The Ovum report suggested that found higher-speed broadband will encourage a take-up of more cloud computing products among SMEs.

Agility Advantage

The differences are logical. Enterprises have the resources to make platform and infrastructure changes faster and realise the benefits quicker, while SMEs will adopt the lower risk and easy-to-consume Software as a Service when the need arises. And while the disparity makes sense; it does raise questions around how the medium sector will be able to compete against larger organisations that are becoming more agile through cloud adoption. Agility, flexibility, scalability, responsiveness, and speed to market have been key differentiators that smaller businesses have promoted when competing against larger organisations. The challenge is these differentiators are no longer exclusive to size – they are already being realised by larger organisations leveraging cloud.

Technology decisions are moving to business units, scalability is built-in and the ability to respond to opportunities is faster and simpler than before. The days of the slow moving enterprise that was easy to compete against are becoming a distant memory. If SMEs lag too far behind in their cloud adoption for business critical technology, will they find themselves struggling to compete? Will they lose their nimble advantage? Medium-sized organisations who aren't seriously evolving their technology strategy to maintain to business advantage may well find themselves at risk of becoming the next Kodak. Further information: To learn how to fast track your cloud adoption, contact our Account Team.

What topic does the blueAPACHE article "Are SME's lagging dangerously behind?" address?

We discuss the disparity in cloud adoption between business sectors in Australia, noting that as cloud adoption ramps up, the enterprise market is moving ahead while a gap appears to be forming with other sectors, such as SMEs.

Where can the full article "Are SME's lagging dangerously behind?" be found?

The article is published at <https://www.blueapache.com/blog/are-smes-lagging-dangerously-behind-2>.

Under what content category is this blog post classified?

The article is classified under the section "News" according to the page's structured data.