

Global Savvis study finds business growth driving enterprises to hybrid IT outsourcing models

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ST. LOUIS, Oct. 3, 2013 /PRNewswire/ -- Cost savings, in-house skills shortages and growing emphasis on business-advancing applications will drive enterprises to outsource nearly 70 percent of their IT infrastructure by 2018, according to new research from **Savvis**, a CenturyLink company (NYSE: CTL) and global leader in cloud infrastructure and hosted IT solutions.

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This study projects a reversal to today's situation, in which 65 percent of IT infrastructure resides in in-house environments, and suggests most organizations will arrive at outsourced cloud through hybrid approaches to colocation and managed-service models.

"The next five years will bring a dramatic shift in the way organizations approach IT," said Jeff Von Deylen, president, Savvis. "Clearly, cloud is part of the picture but it's not the whole picture. As businesses grow and move more IT infrastructure to outsourcing providers, they will adopt a strategic mix of colocation, managed-hosting and cloud services."

Savvis commissioned international research firm Vanson Bourne to conduct the survey among 550 IT decision makers in the United States, Canada, United Kingdom, Germany, Japan, Hong Kong and Singapore. The study offers global insight from key industries, including finance, media and entertainment, retail, healthcare, software and automotive, on trends in IT outsourcing, adoption of cloud solutions and the costs of owning infrastructure. This is the fifth consecutive year for Savvis' survey on outsourcing trends.

Key highlights from the global 2013 report indicate:

- Though in-house IT infrastructure models lead in popularity today, by percentage of infrastructure, the near future brings a hybrid shift, as colocation becomes the environment of choice in two years, managed services take the lead in five years and cloud eclipses all forms shortly thereafter.
- This hybrid shift correlates with IT leader expectations for outsourcing partners: Nearly 70 percent of respondents agree their IT service provider needs to have a range of offerings to meet requirements at all stages of the buying and application lifecycle, and more than 65 percent agree an optimal cloud provider should own the underlying network.
- Responses from IT leaders indicate their organizations will see revenues climb an average of 8.5 percent this year and an average of 11.5 percent next year. Companies predicting higher growth rates tend to have a majority of their IT in in-house private cloud, colocation or managed hosting environments, the study found.
- While the top benefit of IT outsourcing remains "cost reduction or containment," cited by 42 percent of IT leaders, "improved quality of service" and "infrastructure scalability and flexibility" also rank high on the list of advantages, with each indicated "important" by more than 35 percent of survey responders.
- Nearly 90 percent of respondents say they use some type of cloud service today, with more than half turning to cloud for storage and email applications. Slightly less than half of IT leaders employ cloud for intranet, website and microsite applications.
- After nonmission-critical applications, the next-most popular elements of infrastructure that IT leaders plan to outsource include data-center facilities, storage and content-management applications.

"IT leaders make clear that hybrid approaches to outsourcing guide the way to cloud," Von Deylen said. "As organizations turn to outsourcing to drive growth, they will find value in service providers that can enhance their agility through a variety of secure, scalable infrastructure models and flexible end-to-end solutions."

Download a copy of the September 2013 Savvis report, titled "Global IT Trends: IT Outsourcing Fuels Business Growth."

About Savvis

Savvis, a CenturyLink company, provides industry-leading IT infrastructure solutions that keep enterprises powered

for business in today's ever-changing global marketplace. Combining deep, proven experience with personal commitment, Savvis delivers cloud, colocation and managed-hosting services over advanced networks, enabling its clients to focus on their core environments and meet new market opportunities.

About CenturyLink

CenturyLink is the third largest telecommunications company in the United States and is recognized as a leader in the network services market by technology industry analyst firms. The company is a global leader in cloud infrastructure and hosted IT solutions for enterprise customers. CenturyLink provides data, voice and managed services in local, national and select international markets through its high-quality advanced fiber optic network and multiple data centers for businesses and consumers. The company also offers advanced entertainment services under the CenturyLink® Prism™ TV and DIRECTV brands. Headquartered in Monroe, La., CenturyLink is an S&P 500 company and is included among the Fortune 500 list of America's largest corporations.

For more information, visit www.savvis.com or www.centurylink.com.

About Vanson Bourne

Vanson Bourne is an independent specialist in market research for the technology sector. Their reputation for robust and credible research-based analysis is founded upon rigorous research principles and their ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and all major markets.

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