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Clearing the air on cloud computing

Discussion Document

March 2009

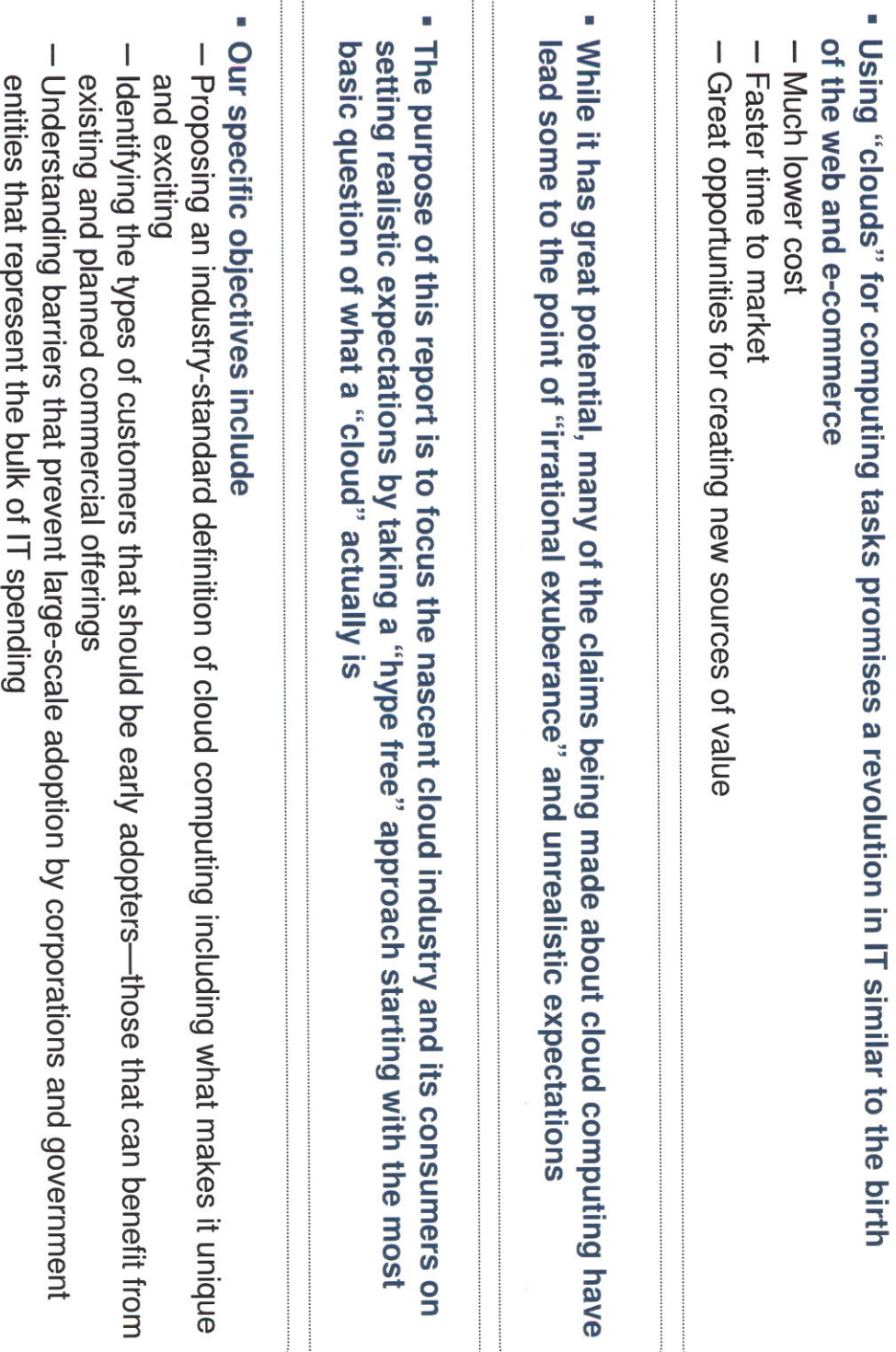
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“ For I should not have rightly discovered things celestial if I had not suspended the intellect and the thought in a subtle form with its kindred air. But if, being on the ground, I should never have discovered them. ”

Aristophanes "The Clouds"

Context and objectives of this presentation

- 
- Using “clouds” for computing tasks promises a revolution in IT similar to the birth of the web and e-commerce
 - Much lower cost
 - Faster time to market
 - Great opportunities for creating new sources of value
 - While it has great potential, many of the claims being made about cloud computing have led some to the point of “irrational exuberance” and unrealistic expectations
 - The purpose of this report is to focus the nascent cloud industry and its consumers on setting realistic expectations by taking a “hype free” approach starting with the most basic question of what a “cloud” actually is
 - **Our specific objectives include**
 - Proposing an industry-standard definition of cloud computing including what makes it unique and exciting
 - Identifying the types of customers that should be early adopters—those that can benefit from existing and planned commercial offerings
 - Understanding barriers that prevent large-scale adoption by corporations and government entities that represent the bulk of IT spending

Key findings

“Cloud computing” is approaching the top of the Gartner Hype-cycle



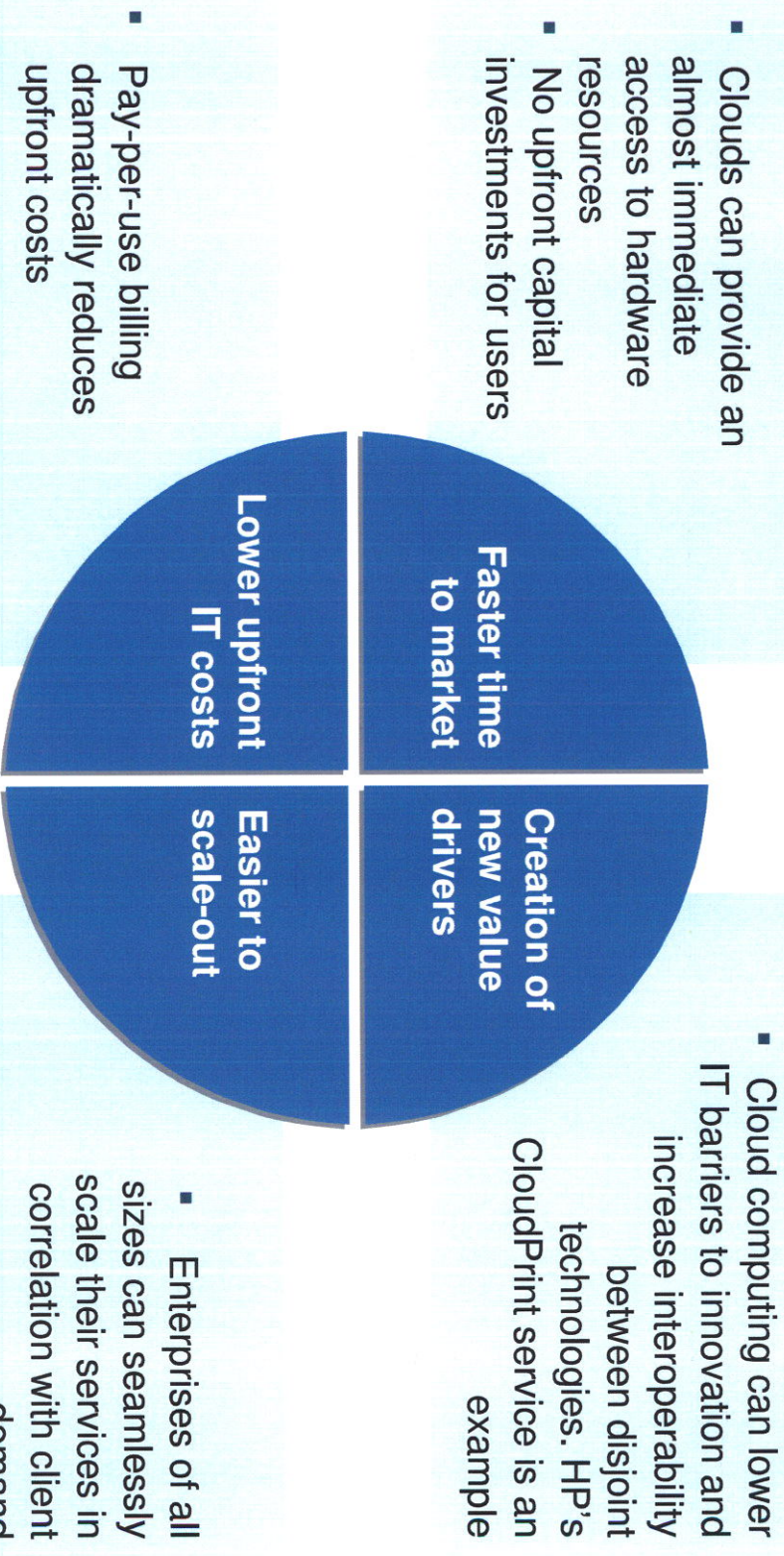
Getting an industry “fix” on the definition of what a cloud actually is would be a good first step and we propose one for adoption here

Clouds already make sense for many small and medium-size businesses, but technical, operational and financial hurdles will need to be overcome before clouds will be used extensively by large public and private enterprises

Rather than create unrealizable expectations for “internal clouds,” CIOs should focus now on the immediate benefits of virtualizing server storage, network operations, and other critical building blocks

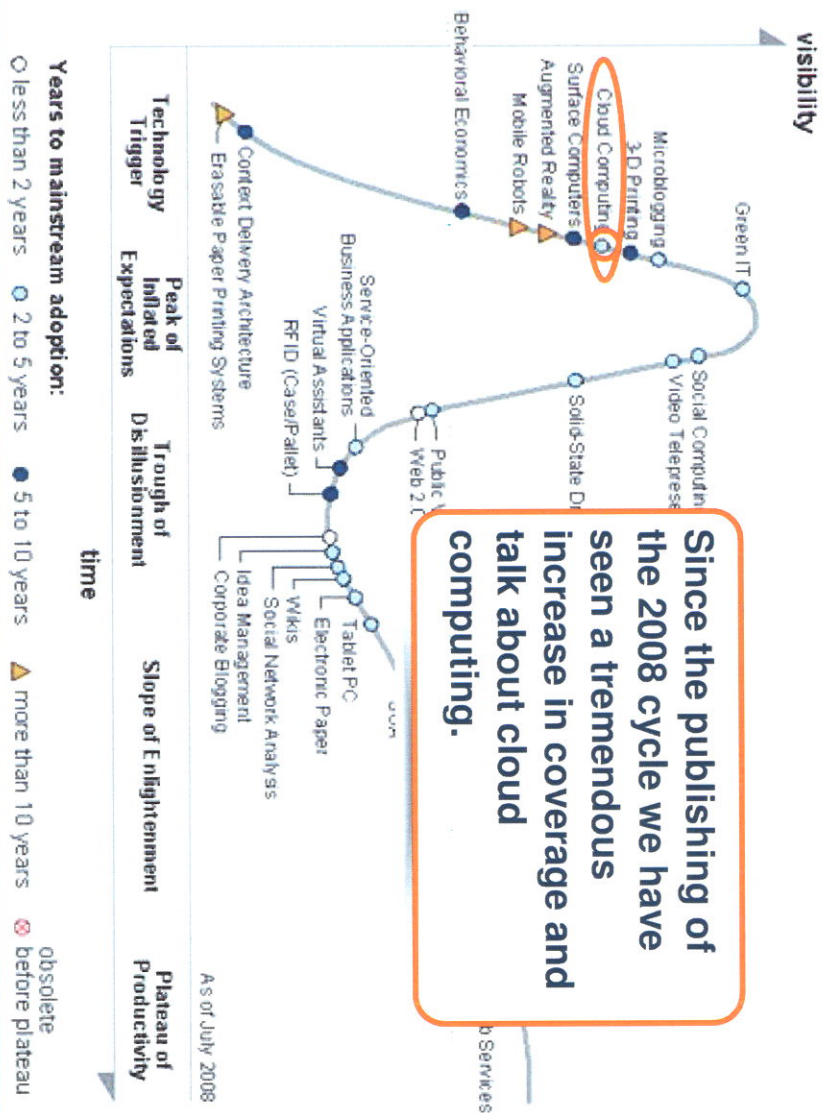
Users, hardware vendors and service suppliers can take specific steps to ensure the successful adoption of cloud technology—and prevent it from getting stuck in the “trough of disillusionment”

Cloud computing has tremendous promise



Cloud is quickly becoming top-of-mind in the IT world

2008 Gartner IT hype cycle



SOURCE: Gartner, CIO magazine, IDC

“The current U.S. economic woes will only drive more enterprises to consider and adopt cloud offerings. Spending on IT cloud services will hit \$42 billion by 2012”



“58 percent say cloud computing will cause a radical shift in IT and 47 percent say they’re already using it or actively researching it”

