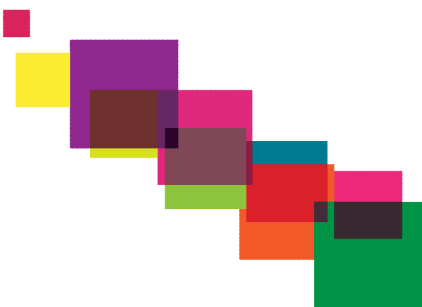




The Business Impact of the Cloud

According to 460 Senior
Financial Decision-Makers

March 2012



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Summary of key findings

Finance decision-makers have a high awareness of cloud computing

- The majority believe that cloud computing brings many business benefits, such as increased flexibility (57%), capacity (56%), and scalability (53%).
- 88% are familiar with cloud computing to some degree, though only 17% say they are totally familiar with cloud computing.

The majority of businesses are adopting cloud computing

- 38% have already adopted cloud computing and a further 29% are making plans to adopt it.
- 89% of financial decision-makers are aware of their organisations' plans to adopt cloud computing...
- ...and 66% have been involved in the decision as to whether cloud computing should be adopted in their organisation.



Finance decision-makers think that cloud computing provides quantifiable business benefits

- The majority of respondents believe that each of the listed traits of cloud computing (e.g. the latest versions of applications available everywhere, cost reductions, increased flexibility) could provide significant benefits to their company.
- 96% believe that cloud computing provides their business with quantifiable benefits, such as reduced IT maintenance costs, reduced IT spend, reduced operational costs, and improved process efficiency.
- 94% say that cloud computing is important to the success of their organisation over the next twelve to eighteen months.
- 55% believe that cloud computing offers better value than traditional outsourcing.

Cloud computing enables the IT department to contribute to the business more

- 61% believe that cloud computing increases the IT department's ability to innovate, and 58% believe it increases the IT department's contribution to corporate strategy.
- 41% believe that cloud computing will result in the CFO becoming more influential in procuring and managing IT services.

Aims of the research

The idea of new computing technologies having the potential to transform enterprises is nothing new. Both the rise of the PC and the rise of the Internet caused changes throughout big businesses, producing a tendency for those who fail to adopt those new technologies early enough to be left behind and to suffer as a result.

Traditionally, it has been the organisation's IT department which has spearheaded the adoption of these new technologies. The IT department - that is, the function of the organisation which is responsible for implementing and maintaining an organisation's IT infrastructure and strategy - is often the focus of market research as the opinions of CIOs and other decision-makers within that department are thought of as the key indication as to whether organisations are likely to adopt certain technologies or not.

This has certainly been the case with research into cloud computing adoption over the past few years. Cloud computing is a technology whereby computing is delivered as a service over the Internet, meaning that data and applications do not need to be located on the user's machine or even the company's local servers. Instead, data and applications are located on a cloud computing vendor's server estate and delivered to the enterprise as and when required. It also allows the potential for any member of staff to access their organisation's data and applications from any Internet-connected computer.

There are many benefits to this system, but one of the most touted is the ability to only commission - and thus only pay for - server and infrastructure capacity as and when it is needed. Inherent in the concept of cloud computing is the idea that a company's technological infrastructure is outsourced, allowing the IT department to spend more time on strategic activities and innovation.

This research looks at the emergence of cloud computing from the viewpoint of the finance function of enterprises, rather than from the viewpoint of the IT department. CFOs and other senior decision-makers within the finance function are frequently tasked with

finding the most efficient, cost-effective ways to keep the organisation running, and a properly executed cloud computing strategy can have significant business benefits right across the organisation. Though traditionally the CIO is expected to investigate and implement new technologies, cloud computing presents enterprises with potential business benefits that could significantly affect every department.

As senior decision-makers within the finance function constantly look for efficiency savings and new business benefits, are they affected by cloud computing? Are they fully aware of what cloud computing actually is and what measurable business benefits it can bring? Have they been involved in the decision to adopt cloud computing already, and if so, is that involvement something that the IT department needs to worry about?

This research aims to answer these questions.

How familiar are financial decision-makers with cloud computing?

High familiarity with cloud computing

The research shows that most financial decision-makers are already aware of cloud computing, at least in name if not in detail. **88% of all financial decision-makers are already aware of cloud computing**, although, only 17% of those we spoke to say that they are 'very familiar' with the term.

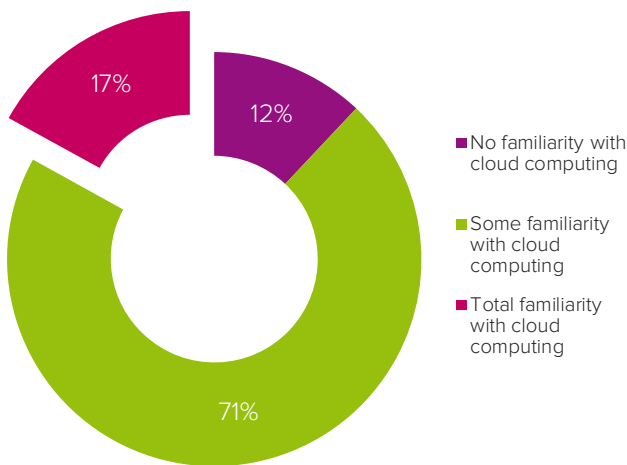


Figure one: "How familiar are you with the term 'cloud computing'?"

Belief in the business benefits of cloud computing

The majority of respondents we spoke to say that **cloud computing delivers increased flexibility (57% say this)**, increased capacity (56%), increased scalability (53%), and it allows the movement of some IT items from a capex to an opex item (52%). Many also believe that it reduces the cost of M&A integration (47%). Further, it is evident that **the majority of respondents agree that cloud computing brings**

multiple business benefits.

The percentage of people who agree that cloud computing can deliver these business benefits varies significantly by country:

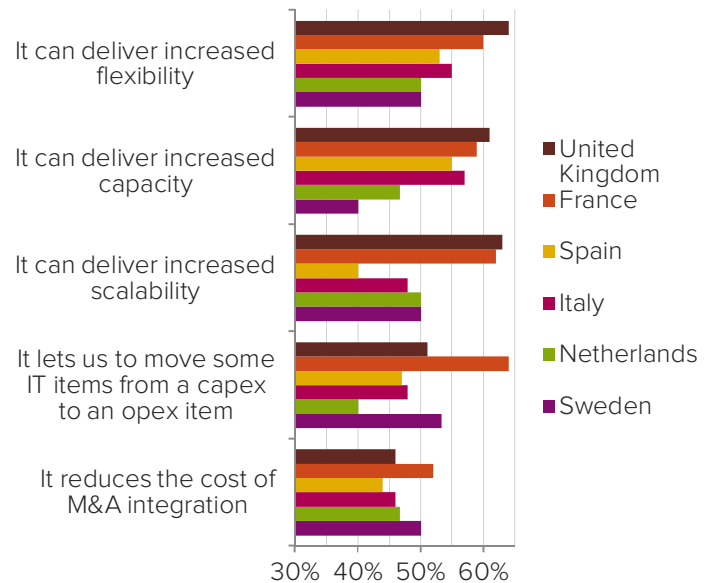


Figure two: Summary of those who agree that cloud computing provides each of the listed statements, analysed by country

We can see that almost two-thirds of those in the UK believe the flexibility, capacity, and scalability propositions, but that half or less of those in the Netherlands and Sweden believe these statements. Though flexibility is the most welcomed business benefit on average, the potential for increased capacity is the most heavily selected item amongst Spanish and Italian respondents, and the ability to move items to being an operational expense is most selected amongst French and Swedish respondents. Clearly, some business benefits of cloud computing have greater visibility in some regions than others.

Extent of cloud computing adoption

Are organisations adopting cloud computing?

A total of 38% of those we spoke to say that their organisation has already implemented cloud solutions, of which almost half (15%) say that they are looking to implement more in the future. In addition, 29% are making plans, and 12% are evaluating it.

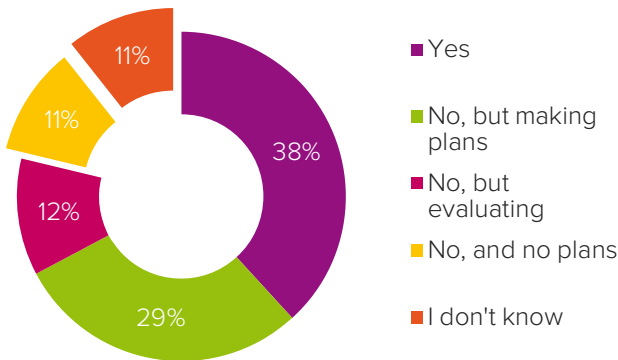


Figure three: "Have you already implemented cloud computing within your organisation?"

This data clearly shows the majority is either investing in it already or are looking to do so shortly. There must be reasons for this; indeed, we have already seen that the majority believe that cloud computing brings multiple benefits. Given this, it is clear that any enterprise needs to be investigating cloud computing if they are not already doing so, as their competitors are more than likely already reviewing the cloud computing proposition and gaining the business benefits that cloud computing offers.

It is clear that cloud computing is not just a theoretical or academic proposition, but a differentiator that many organisations are adopting to give them a competitive edge. If finance decision-makers are partly responsible for looking for improvements, economies, and advances across the entire organisation, they need to understand what cloud computing is in order to understand how it can effectively help the entire enterprise.

Finance decision-makers' awareness of and involvement in cloud computing adoption

When asking if enterprises have already implemented cloud computing, we directed the question to finance decision-makers, and these finance decision-makers were, in the main, knowledgeable about their organisation's plans to adopt cloud computing.

89% of senior financial decision-makers know their organisation's cloud computing strategy. It therefore follows that this 89% must be privy to the discussions about cloud computing.

The research shows that the finance function is not just kept in the loop on the discussions about whether or not to adopt cloud computing, but is actively involved in those discussions. Two thirds say they have been involved in the decision as to whether cloud computing should or should not be adopted in their organisation, and over a quarter (27%) say that they were central to those discussions.

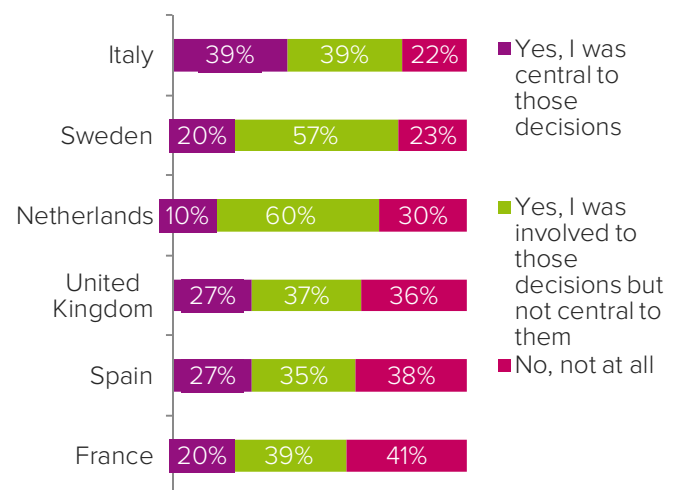


Figure four: "Have you already implemented cloud computing within your organisation?"

This does vary slightly by country, too. Almost four in every ten respondents in Italy say that they have been

central to these decisions, whereas only 10% of those in the Netherlands say the same. Note that only 22% of those in Italy say that they have not been involved in these discussions at all, compared to 41% of those in France. But regardless of country, the majority of senior decision-makers in the finance function of enterprises have been actively involved in the decision as to whether cloud computing should be adopted or not.

Awareness of the business benefits of cloud computing

The importance of cloud computing

We have already seen that senior decision-makers within the finance function of enterprises are mostly aware of cloud computing and mostly aware that there are a number of business benefits associated with it. Further, the majority know if their company is planning to adopt cloud computing or not.

But do these same financial decision-makers believe that cloud computing is an important technology, something which would be both beneficial to their organisation and necessary in order to be successful in future?

When presented with a standard definition of what cloud computing is, **the majority (96%) of those we spoke to say that such a facility would be useful to some degree**. Only 4% say that it would be 'not at all useful', though only around one in seven (14%) believe that it would be extremely useful.

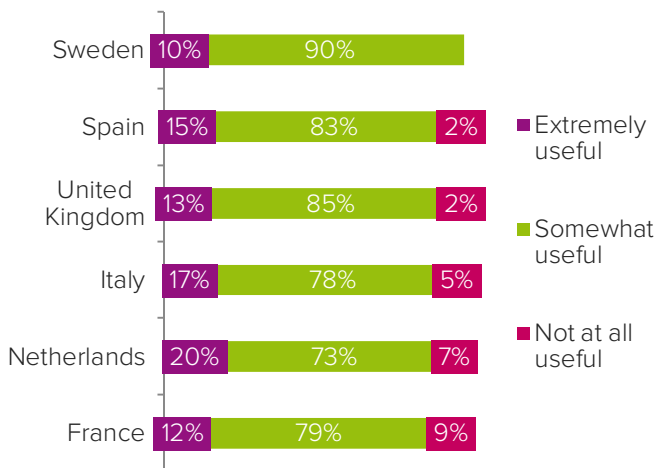


Figure five: "Wikipedia defines 'cloud computing' as "the delivery of computing as a service rather than a product, whereby shared resources, software, and information are provided to computers and other devices as a utility (like the electricity grid) over a network (typically the Internet)". How useful would you imagine such a facility being to your organisation?"

This varies little by country; though it is notable that almost one in ten French respondents believe that it would be not at all useful.

But finance decision-makers do not just believe that cloud computing *could* be useful. The majority of them also believe that cloud computing will be crucial to their enterprises' ongoing success.

To some degree, **cloud computing is tied to the success in the short-term of 94% of businesses we spoke to**, as only 6% say that cloud computing will be unimportant to the success of their business in the next twelve to eighteen months.

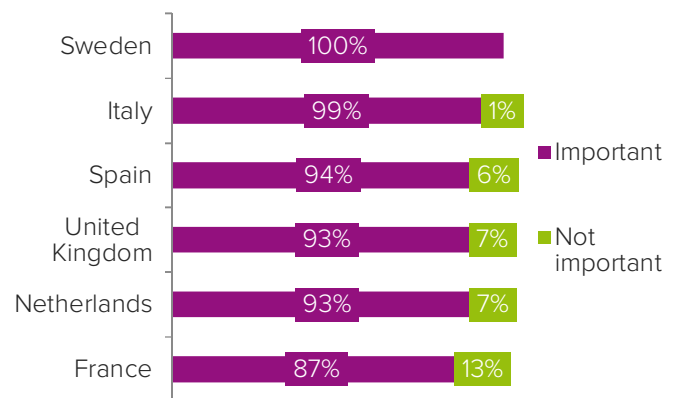


Figure six: "Where do you see cloud computing in relation to the success of your business in the next 12 to 18 months?" analysed by country

Again, this varies little by country, though the same countries that are least likely to believe that cloud computing could be useful are also the same countries that are least likely to believe that cloud computing will be important to their company's success.

Significantly, **amongst those who say that their organisation has no plans to adopt cloud computing, 78% report that cloud computing will be important to their success**. It is apparent that cloud computing is important to organisations even if they themselves are not adopting it; this may imply that their suppliers, partners, customers, and other contacts use of cloud computing will still have an effect on the majority of them. Equally, it may imply that their lack of

adoption of this technology will have a negative effect on their success, that the finance decision-makers we spoke to realise the importance of cloud computing but worry that the fact that their organisation is not adopting it will have a negative impact on their success over the next eighteen months.

Regardless of these variations, the fact remains that in all countries in which the research was performed, the vast majority of senior decision-makers within the finance function believe that cloud computing will be significant to how their business performs over the next eighteen months.

That decision-makers within the finance function tell us this reveals that cloud computing is not just a technology issue; indeed **91% tell us that to some degree, cloud computing is about the benefits to the business as a whole rather than purely being a technology issue.**

Clearly, cloud computing is an important technology that is extremely likely to affect enterprises over the next eighteen months, that affects the whole business rather than just the IT department, and whose adoption is more about the benefits it brings to the business as a whole rather than minor efficiency benefits.

The business benefits of cloud computing

We have already seen that senior decision-makers in the finance function of enterprises believe that cloud computing can deliver increased flexibility, capacity, and scalability, but we have not established if they consider certain characteristics of cloud computing more important than others, and whether any particular traits of the technology are particularly desirable.

When presented with a list of traits of cloud computing and asked how beneficial they would be to their organisation, the majority of respondents say that each one would be a significant business benefit.

The latest versions of the applications needed to run the business are made available to everyone as soon as they're available	59%
The reduction of the numbers of servers, the software cost, and the number of staff can significantly reduce IT costs	58%
With cloud computing , the costs can be much more flexible than traditional methods	58%
Connection is always on and therefore reliable when we need it	58%
Improved mobility: data and applications are available to employees no matter where they are in the world	56%
Cloud computing improves collaboration, hence reducing our time-to-market/improving our product development	55%
Cloud computing is more cost effective than traditional methods	55%
During a recession, cloud computing offers a flexible cost structure thereby limiting exposure	55%
The flexible facility that can be turned up, down or off depending upon circumstances	54%
With any M&A activity, cloud computing delivers a great integration benefit so the two can become one much faster and more efficiently	52%
Cloud computing solutions have less environmental impact thereby improving 'green' credentials	50%

Figure seven: Percentage of those who believe that each of the listed traits provides significant business benefits to their organisation

Top of the list is cloud computing's ability to update all applications everywhere, though very narrowly behind this is the potential to significantly reduce IT costs, the flexibility of costs, and the always-on nature of access to the data.

There are two significant points about this chart. Firstly

is that **at least half of respondents believe that each one of the listed traits would provide a significant business benefit.** The potential rewards offered by cloud computing would provide a significant benefit to the businesses of the majority of organisations. **Cloud computing does not provide one single benefit; on the contrary, it provides a litany of benefits to those who adopt it.**

Secondly, there is not a great deal of variation in the number of those who selected the top and the bottom traits - just a 9% difference. Though some traits of cloud computing may be slightly more significantly beneficial, the difference is slight indeed. **All of the listed traits could provide significant business benefits to the majority of organisations surveyed.**

Not only does cloud computing provide a litany of business benefits, the majority of businesses find them significantly beneficial.

Quantifiable business benefits of cloud computing

We asked the same senior decision-makers within the finance function of enterprises if they believe that cloud computing produces quantifiable benefits, changes to the business that can be expressed numerically. **96% think that cloud computing brings at least one of these quantifiable benefits,** as only 4% say that cloud computing does not deliver any of these quantifiable benefits.

Reduced IT maintenance costs	48%
Reduced IT spend	44%
Reduced operational costs	41%
Improved process efficiency by better internal collaboration	32%
Increased employee productivity by better internal collaboration and access to information	30%
Reduced M&A integration costs	22%
Enabling fast growth by delivering scaled up infrastructure and thereby integrating companies brought together through M&A activity	15%
Getting new products/services to market faster	15%
I don't see cloud delivering any of these business benefits	4%

Figure eight: Percentage of those who believe that each of the listed factors is a quantifiable benefit from adopting cloud computing

Top of the list are three items relating to cost: cloud computing bringing reduced IT maintenance costs, reduced IT spend, and reduced operational costs. Given that we interviewed decision-makers in finance functions, this is perhaps unsurprising. However, when asked to estimate the percentage benefit for each option chosen, it is the business benefits not relating to cost which provide the highest results.

Cloud computing and outsourcing

One of the widely-circulated criticisms of cloud computing in the early days was that it is simply another name for outsourcing, offering little of additional value. Though cloud computing does mean that parts of the corporate IT infrastructure are outsourced, to simply label it as 'outsourcing' misses the key traits of scalable and flexible use - with cloud computing, you only pay for what you use at any given time, rather than having to pay a fixed sum for a fixed amount of capacity and usage.

In the main, financial decision-makers recognise this. When asked to define what cloud computing is, **81% say that cloud computing is more than simply outsourcing**. Indeed, when asked if cloud computing and outsourcing are alike, only 6% say that the two are identical.

That is not to paint outsourcing in a derogatory light. Few that we spoke to said that their organisation thought of outsourcing as a bad thing; 90% of the total said that their organisation views outsourcing positively, increasing to 97% amongst those in Italy. Similarly, 95% agree to some extent that outsourcing allows them to forget about the 'plumbing' and concentrate on running the business.

Yet few think that cloud computing and outsourcing are identical. Does this mean that they do not think that cloud computing offers as many business benefits or value as traditional outsourcing?

On the contrary, when asked if they believe that cloud computing offers better value to their company than outsourcing, only 12% say that cloud computing offers less value. **The majority - 55% - say that cloud computing offers more value when compared to traditional outsourcing.**

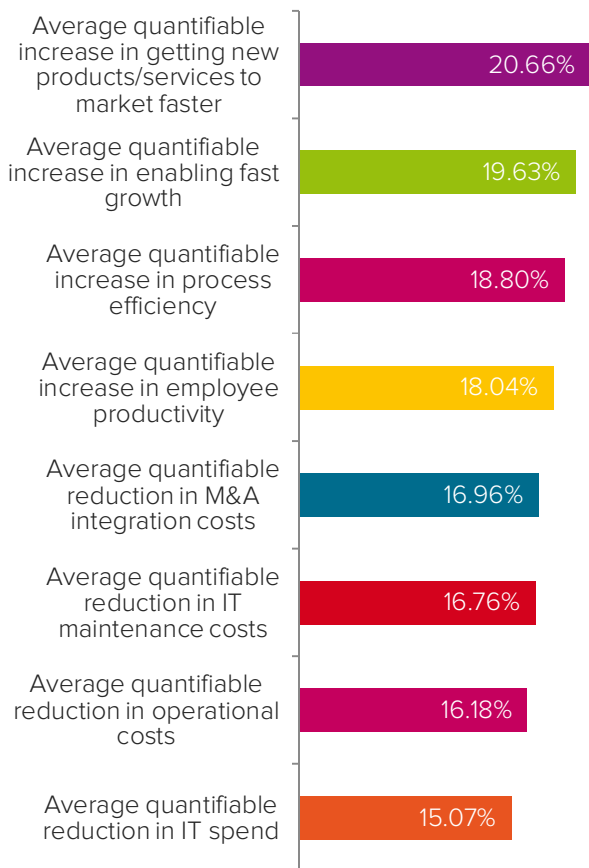


Figure nine: Average estimated increase/decrease for each quantifiable benefit respondents believe that cloud computing provides

The average quantifiable benefit for each item is anywhere between 15% and 20%. As respondents point out that cloud computing provides a number of these business benefits, this means that **those using cloud computing are experiencing significant quantifiable benefits across a wide range of areas**, not just limited to cost.

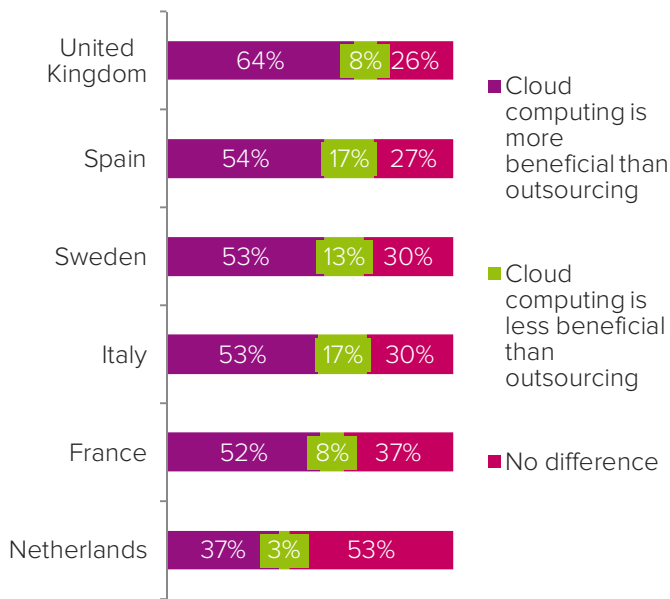


Figure ten: The extent to which respondents believe that cloud computing offers better value to their organisation compared to outsourcing, analysed by country.

This does vary significantly by country. Almost two-thirds (64%) of those in the UK believe that cloud computing offers better value than outsourcing, compared to only 37% of those in the Netherlands. Note, though, that in every country, only a minority believe that cloud computing is less beneficial than outsourcing; though only 37% of those in the Netherlands think that cloud computing is better, just 3% believe that cloud computing offers less value than outsourcing.

Though cloud computing and outsourcing are similar, the **majority believe that cloud computing offers greater business benefits than outsourcing alone.**

The unknown benefits

The majority of senior decision-makers in the finance function of enterprises believe that cloud computing offers significant business benefits, many of which are quantifiable, and that cloud computing offers significantly more value than traditional outsourcing.

This is despite the fact that only 17% of those that we spoke to feel that they are 'very familiar' with what cloud computing is.

Amongst those who feel that they are very familiar with cloud computing, 48% feel that it will be very important to their organisation's success in the next eighteen months compared to an average of 13%, and 70% believe that it offers better value than traditional outsourcing compared to an average of 55%. Looking at the specific business benefits, **those who are very familiar with the term are much more likely to believe that cloud computing can provide their business with these benefits.**

Clearly, there is a gap in evidence here. Those more informed about cloud computing are more likely to believe that it provides significant business benefits. Given that so few senior financial decision-makers feel that they are familiar with cloud computing, the business benefits they list can only be limited; those most familiar are more emphatic about the benefits. In order to fully understand the benefits that cloud computing can bring, finance decision-makers need to fully understand what, precisely, cloud computing actually is. If they do not understand the technology, the research shows that they are likely to miss possible business benefits that their more informed colleagues in other organisations seize on, potentially making some businesses more competitive than others.

The impact of cloud computing on the finance function and the CFO

Is finance decision-maker's involvement in cloud computing purely about cost savings?

Those financial senior decision-makers within enterprises who are most familiar with cloud computing are also those who are most likely to think that it is beneficial, meaning that those who do not fully understand cloud computing are potentially putting their organisation at a disadvantage.

But this supposition is only true if cloud computing provides significant business benefits that the finance function might traditionally oversee.

To some extent, this is evident in the principal business benefits that senior decision-makers in the finance function believe that cloud computing could deliver to their business:

The ability to decrease expenditure on hardware and software	45%
The ability to share the costs of cloud over a number of departments, divisions, regions and subsidiaries	40%
The increased flexibility and scalability of operations	37%
Improved process efficiency by creating better internal collaboration	33%
The fact that usage is billed on a consumption basis, i.e. we pay for what we use	31%
Increased employee productivity by creating better internal collaboration and access to information	29%
Enabling fast growth by delivering scaled-up infrastructure and thereby integrating companies brought together through M&A activity quicker	14%
Bringing new products/services to market faster	14%

Figure eleven: "What do you believe are the main benefits of cloud computing to your organisation?"

Though cloud computing is often promoted for its ability to give the IT infrastructure of an organisation greater flexibility and scalability, financial decision-makers believe that the main business benefits of the proposition relate to cost: the ability to decrease expenditure in general, and the ability to share the costs with different departments, divisions, regions, and subsidiaries.

But cost savings are not the only benefits that cloud computing can realise. **Cloud computing can potentially provide a wide range of business benefits such as process efficiency and better collaboration, benefits that have a positive effect on the organisation that are not immediately related to cost savings.**

Does this matter to those in the finance function? Evidently yes: those who say that they are 'very familiar' with cloud computing were more likely to say that increased flexibility and scalability of operations is a main benefit of the proposition (51%) than the ability to decrease expenditure on hardware and software (48%) or the ability to share costs (48%).

Clearly, to those in the finance function who understand what cloud computing is, the business benefits that are not immediately financial in nature are more important than those that are. The implication of this is that though the financial benefits of cloud computing are important, to those who know about the proposition in depth, other benefits are more important. This suggests that in some enterprises, senior decision-makers in the finance function are involved in the acquisition of cloud computing for reasons beyond mere cost savings, but to improve the organisation as a whole.

The future role of the CFO over IT procurement

Clearly, if decision-makers in the finance functions of enterprises are involved in the decision to adopt cloud computing and are interested in business benefits beyond merely the cost implications, it suggests that those same decision-makers are concerned and responsible for more than book-keeping. Is the scope of the finance function’s jurisdiction over IT services likely to increase?

The research certainly suggests so, and suggests that the continued adoption of cloud computing is the reason why. We asked respondents if they think that the CFO will become more influential in procuring and managing IT services given that cloud computing increasingly turns IT into an issue of procurement.

Of those that we spoke to, a total of **41% say that the CFO will become more influential**; just 16% say that the CFO will become less influential.

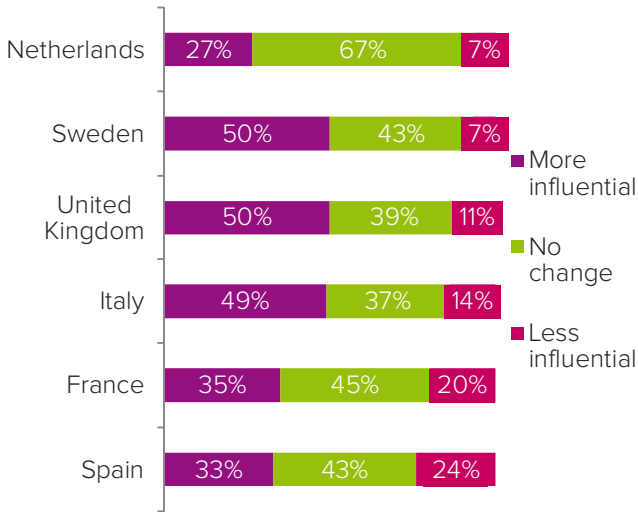


Figure twelve: “Given that cloud computing increasingly turns IT into an issue of procurement, do you think that the CFO will become more influential in procuring and managing IT services?”

These results change significantly by country. Half of those in Sweden and the UK believe that the CFO will become more influential, compared to just 27% of those in the Netherlands. Nonetheless, in every

country surveyed it is only a very small minority that believe that the CFO will become less influential due to the rise in adoption of cloud computing.

Does the rising influence of the CFO over IT procurement mean a loss of the IT department’s importance?

CIOs and other decision-makers within the IT department might worry that the CFO and the finance function in general will take responsibility for decisions and actions traditionally made by them alone. Though the rise in cloud computing means that the CFO is likely to be more influential in IT procurement, does this mean that the IT department as a whole will become less significant or even redundant?

The research suggests not. In actual fact, **few decision-makers within the finance function believe that cloud computing will result in decreases in the IT department’s importance.**

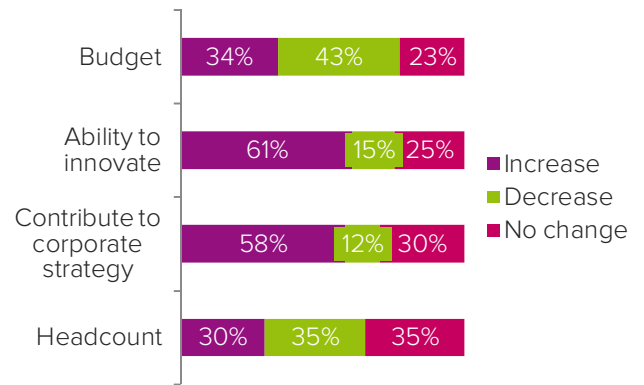


Figure thirteen: “Do you think that the widespread adoption of cloud computing will result in an increase or a decrease in any of the following within the IT department?”

In actual fact, the majority believe that cloud computing will result in an increase in the IT department’s ability to innovate, and perhaps more significantly, an increase in the IT department’s ability to contribute to corporate strategy. And though 43% of respondents believe that cloud computing will result in a decrease in the IT department’s budget, and 35% believe it will result in a

decrease in headcount, the majority believe that budget and headcount will either increase or be unaffected by the adoption of cloud computing.

Far from resulting in a decrease in the importance of the IT department, **financial decision-makers believe cloud computing will empower the IT department**, letting them ‘forget about the plumbing’ and instead allowing them to explore the potential of new and emerging technologies.

Recognition of the importance of the finance function in adopting cloud computing

The research has shown that 67% of those that we spoke to say that they have already been involved in the decision as to whether cloud computing should be adopted or not. Coupled with the rise in importance of the CFO as a result of cloud computing, it is clear that for the benefit of enterprises as a whole, it makes sense for CFOs and other senior financial decision-makers to be kept informed about cloud computing.

But we have already seen that this is not true. Only 15% felt that they are ‘very familiar’ with the term.

Part of the reason for this may be because, in the main, cloud computing vendors are not talking to people outside of the IT department. We asked respondents who cloud computing suppliers had been talking to within their company; only 29% say that vendors have been speaking to decision-makers outside of the IT department.

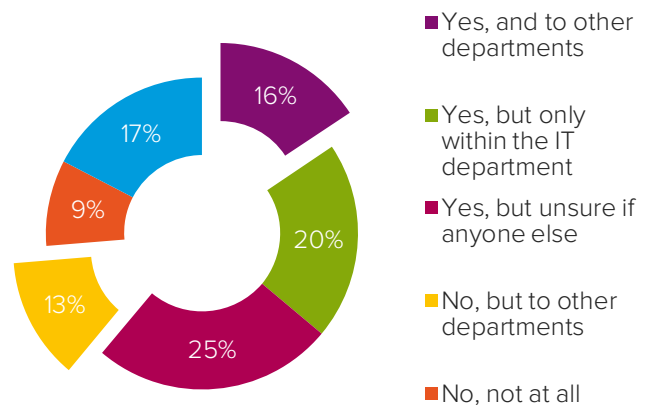


Figure fourteen: “As far as you are aware, have cloud computing suppliers been talking to your IT department?”

To some extent this is not surprising, as part of the role of the IT department and the CIO is to talk to vendors, understand their offerings, and make informed recommendations to the rest of the business. The problem in this instance is that cloud computing is not just another technology: respondents recognise that it brings a whole ream of business benefits that are not just financial in nature. Cloud computing brings benefits that affect the whole organisation, so it makes sense that decision-makers throughout the whole organisation need to know precisely what cloud computing is in order to understand how it can help them. This is especially true of the finance function, as so many believe that cloud computing will make the CFO more influential over IT procurement.

Conclusion

Cloud computing offers significant business benefits

What is clear from the research is that cloud computing is not solely a matter for the IT department to consider alone. The decision-makers within the finance function that we spoke to firmly believe that cloud computing will be very important to their organisations, not at some point in the far distance but within the next twelve to eighteen months.

It is also apparent that cloud computing is not something which the IT department alone is investigating. The majority of financial decision-makers are contributing to the decision about whether their organisation should adopt cloud computing, showing that it is something that is in discussion throughout big businesses.

The finance decision-makers we spoke to during the research are adamant that cloud computing could be beneficial to their business. This statement alone downplays the significance of the proposition though, as the overwhelming majority told us that cloud computing will be important to the success of their business over the next few years. Even many of those in businesses with no plans to adopt cloud computing say that their short term success will rely on cloud computing, showing that even those who are not adopting it will feel the secondary benefits from partners, vendors, customers, and suppliers using it.

The reason that so many believe that cloud computing is important to their success – and the reason why decision-makers outside of the IT department are getting involved in cloud computing acquisition – is because so many believe that it brings a litany of business benefits. Though the cost savings that cloud computing can create are part of the reason for this interest in the proposition, more respondents say that it is the other benefits – increased flexibility, increased capacity, increased scalability, the ability to make some IT items into opex expenses – which are even more appealing.

Significantly, the benefits which financial decision-makers say that cloud computing provides are quantifiable benefits. They are not general improvements; they are benefits which create a measurable improvement to the business. And the increase/decrease of each quantifiable benefit is significant; on average, respondents say that cloud computing provides them with improvements of at least 15% in factors such as getting products and services to market quicker, enabling fast growth, process efficiency, and employee productivity.

The movement towards cloud adoption is likely to make the CFO more involved in IT procurement, but this is not necessarily to the detriment of the IT department. Those that we spoke to believe that the increased adoption of cloud computing will result in an increase in the IT department's ability to innovate and to contribute to corporate strategy. Cloud computing lets an enterprise's IT department innovate and explore new technologies without having to worry about the 'plumbing' of their IT services.

The threat of being left behind

As mentioned at the start of this report, whenever a significant new technology emerges, those who do not fully appreciate it and investigate it are likely to suffer as a consequence.

Cloud computing has reached maturity and many businesses are investing in it. The business benefits of cloud computing are extensive and, as we have seen, are not limited to being benefits exclusively seen within the IT department. The benefits are significant and affect the entire enterprise.

Senior decision-makers within the finance function believe that cloud computing does bring these benefits, and they believe that these benefits are significant, quantifiable, and numerous. Yet only a narrow minority truly understand what cloud computing is. There could be many other benefits, or subtle interpretations of existing benefits, which decision-makers within the finance function are totally unaware of at present.

Because these same financial decision-makers are involved in the decision to adopt cloud computing, this presents big businesses with a danger of adopting cloud computing in an uncompetitive, unrealistic, or poorly thought-out way.

It is not enough that only senior decision-makers within the IT department to fully understand what cloud computing is if the benefits of cloud computing stretch across the entire organisation. Financial decision-makers need to understand the detail of the cloud computing proposition in order for their business to adopt cloud computing intelligently, and to successfully compete within their market.

Appendix

Research methodology

Google Europe commissioned independent specialist technology market research company Vanson Bourne to undertake the research upon which this report is based.

460 interviews were carried out in November and December 2011 with senior decision-makers within the finance functions of enterprises (defined as those businesses with 500 employees or more). One hundred interviews were performed in each of the following countries:

- United Kingdom
- France
- Spain
- Italy

And thirty interviews were performed in each of the following countries:

- Netherlands
- Sweden

Data was collected by online interview, using a rigorous screening process.

Respondents came from a wide variety of business areas; hence, the content of this report can be considered to be a snapshot of enterprises in each country as a whole, rather than covering specific sectors. For reference, respondents in this survey fall into the following sectors:

- Financial services (including insurance)
- Retail, distribution, or transport
- Manufacturing
- Business and professional services
- Technology
- Energy and utilities
- Public sector

Results discussed in the main narrative are based on the entire global sample. Where variances in regional response are worth noting, they are clearly indicated as such.