Prioritizing Innovation, Optimization and Consistency

Multi-cloud insights from technology leaders

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Preface

Throughout the year, the VMware Research and Insights organization partners with independent, third-party research institutions to interview IT executives, practitioners and developers on the most urgent technology issues facing enterprises today. Between September and October 2022, VMware interviewed more than 450 technology execs and decision makers regarding key topics, including modern apps, multi-cloud management and security. This brief explores those findings in more detail.

Key IT Priorities

Innovation in applications to boost value to the customer

45% of IT execs are prioritizing custom applications to create a unique customer experience.

Optimized cloud services for efficient cloud management

48% of IT leaders describe their current multi-cloud state as "disparate development, operations, and security policies across the public cloud platforms."

Consistent hybrid work experiences to improve productivity

67% of IT execs expect their hybrid workforce to grow in 2023.

IT priorities by global region

	GLOBAL	AMER	EMEA	APJ
App Innovation	**45%** of IT execs globally are prioritizing custom applications to create "to create a unique customer experience."	**56%** are prioritizing custom applications to create "to create a unique customer experience."	**32%** are prioritizing custom applications "to create a unique customer experience."	**47%** are prioritizing custom applications to create "to create a unique customer experience."
Cloud	**48%** of IT execs globally describe their current multi-cloud state as "disparate development, operations, and security policies across the public cloud platforms."	**53%** describe their current multi-cloud state as "disparate development, operations, and security policies across the public cloud platforms."	**46%** describe their current multi-cloud state as "disparate development, operations, and security policies across the public cloud platforms."	**46%** describe their current multi-cloud state as "disparate development, operations, and security policies across the public cloud platforms."
Hybrid	**67%** of IT execs globally expect their hybrid workforce to grow in 2023.	**75%** expect their hybrid workforce to grow in 2023.	**56%** expect their hybrid workforce to grow in 2023.	**69%** expect their hybrid workforce to grow in 2023.

Room for optimism

Despite economic headwinds, the majority of IT executives we surveyed are optimistic that their budgets will continue to expand in 2023.

61% of tech execs expect their overall IT budgets to grow up to 20 percent from 2022 to 2023.
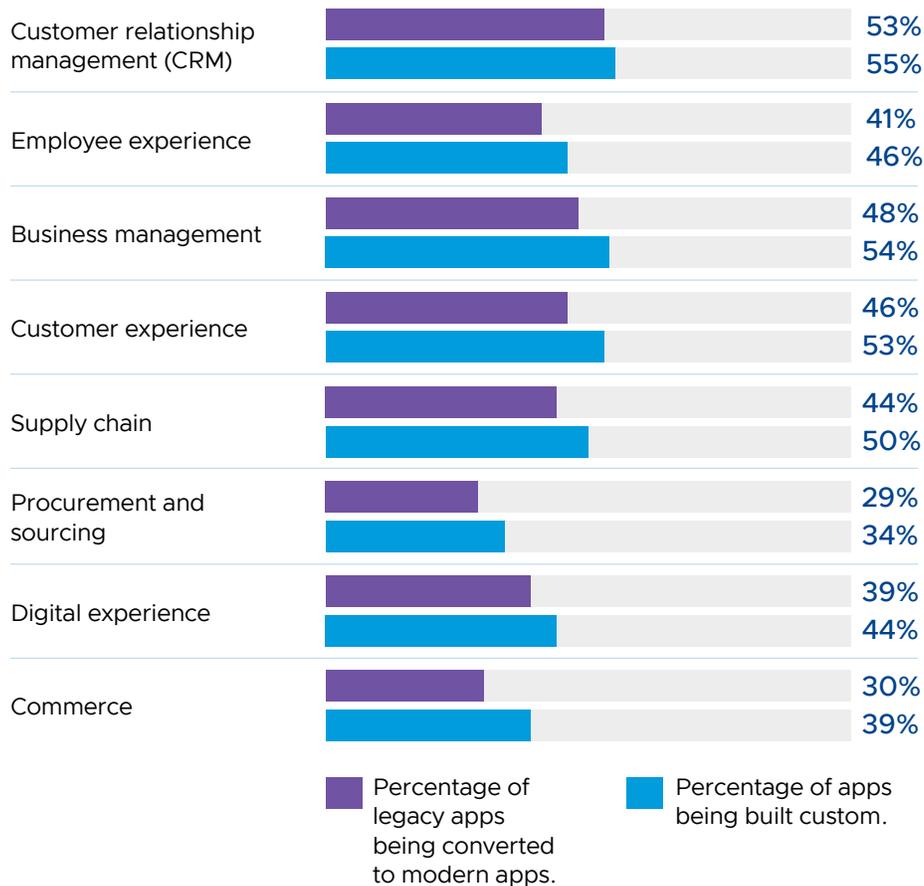
59% of tech executives expect their IT budgets specific to cloud and infrastructure to grow up to 20 percent from 2022 to 2023.

Innovation In Applications

Modern apps driving business

Innovation in modern apps continues to fuel increased revenue and customer satisfaction. And this isn't limited to IT — apps are evolving all across organizations from converting legacy apps to developing new apps to meet specific needs.

App innovation

Category	Percentage of legacy apps being converted to modern apps.	Percentage of apps being built custom.
Customer relationship management (CRM)	53%	55%
Employee experience	41%	46%
Business management	48%	54%
Customer experience	46%	53%
Supply chain	44%	50%
Procurement and sourcing	29%	34%
Digital experience	39%	44%
Commerce	30%	39%

■ Percentage of legacy apps being converted to modern apps.

■ Percentage of apps being built custom.

There are numerous ways that custom-built modern apps can improve business outcomes. The execs we surveyed reported a multitude of reasons for building custom apps.

Reason	Percentage
To create a unique customer experience and engagement with customers, partners and employees.	45%
To achieve a competitive advantage in our internal operations (systems of records).	45%
To improve business and market insights with custom-built analytics.	43%
To reduce complexity, as the customizing of packaged software is more complex than developing on our own.	38%
Quicker to develop a custom app than it is to find and procure a packaged product.	38%
To have a better mobile user interface for existing applications.	37%
To lower our total cost of ownership (TCO), as COTS software is too expensive for many tasks.	37%
To protect our intellectual property and competitive position.	37%
To enable existing applications for mobile device access.	35%
To meet a unique need for which there is no COTS solution.	33%

Customer story

Fiserv accelerates modern app development

Apps, of course, don't build themselves. Financial services provider Fiserv has bolstered modern app innovation by providing their developers with a self-serve portal. The company's Senior Vice President of Digital Transformation Tom Eck says, "We call it Dev Studio. … The idea is that it's a single entry point for a developer." The portal provides developers with templates, starter kits and other tools that simplify and accelerate development processes.

Additionally, Dev Studio features integrated security, which allows developers to take chances. Eck says, "They feel like, okay, I'm in a safe sandbox, I can't really mess anything up."

By providing developers with the tools and services they need to do their best work, the opportunities for innovation are plentiful.
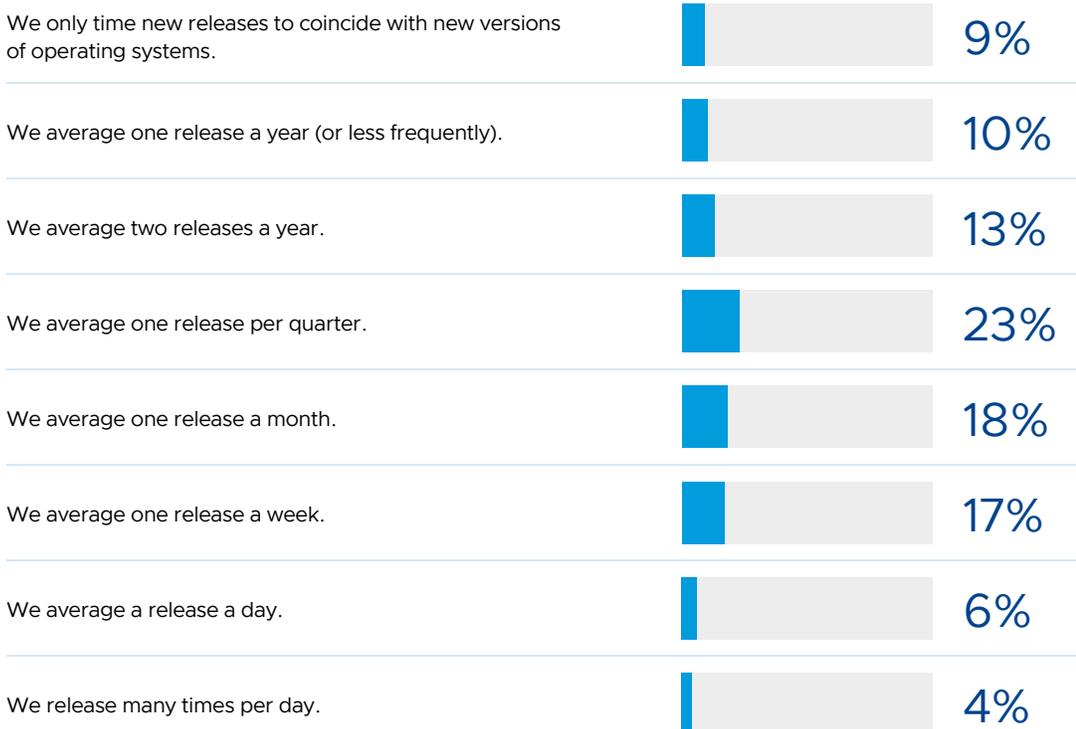
Optimized Cloud Services

Multi-cloud optimization efforts

To deliver these specialized apps, IT Leaders are closely monitoring their release frequency, and leveraging platform teams to optimize their multi-cloud estate. The majority of execs we surveyed (68 percent) said they are releasing new apps at least once per quarter, and 45 percent say they're releasing at least once per month.

Software release frequency

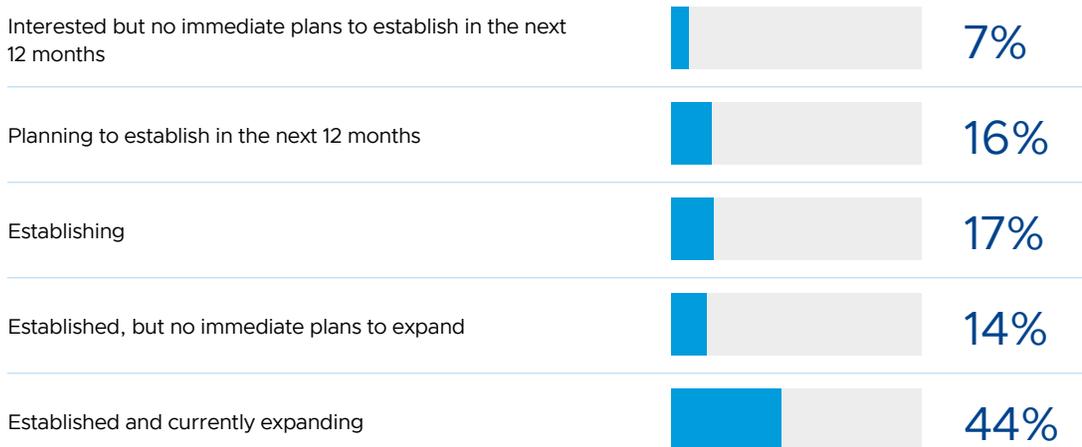|	
We only time new releases to coincide with new versions of operating systems.	9%
We average one release a year (or less frequently).	10%
We average two releases a year.	13%
We average one release per quarter.	23%
We average one release a month.	18%
We average one release a week.	17%
We average a release a day.	6%
We release many times per day.	4%

Platform teams on the rise

To support app release and optimize their multi-cloud estate, almost all execs were prioritizing platform teams. 93 percent of execs we surveyed said they either had a platform team, were establishing a platform team, or were planning to establish a platform team.

Interest in Establishing Platform Teams

Interested but no immediate plans to establish in the next 12 months	7%
Planning to establish in the next 12 months	16%
Establishing	17%
Established, but no immediate plans to expand	14%
Established and currently expanding	44%

Customer story

Employers' Insurance moves between clouds with ease

Employers Insurance greatly improved efficiency by moving from on-prem to multi-cloud, cutting back on the amount of time it took to implement projects. And by layering cross-cloud controls over their multi-cloud environment, they've been able to pair the right cloud for the right job, with no disruption to the business.

Employers CIO Jeff Shaw says, "We [could] seamlessly move back and forth between the [clouds] and our customers never saw any difference." By managing multiple clouds as if they were one, Employers has been able to take advantage of all the benefits multi-cloud has to offer.
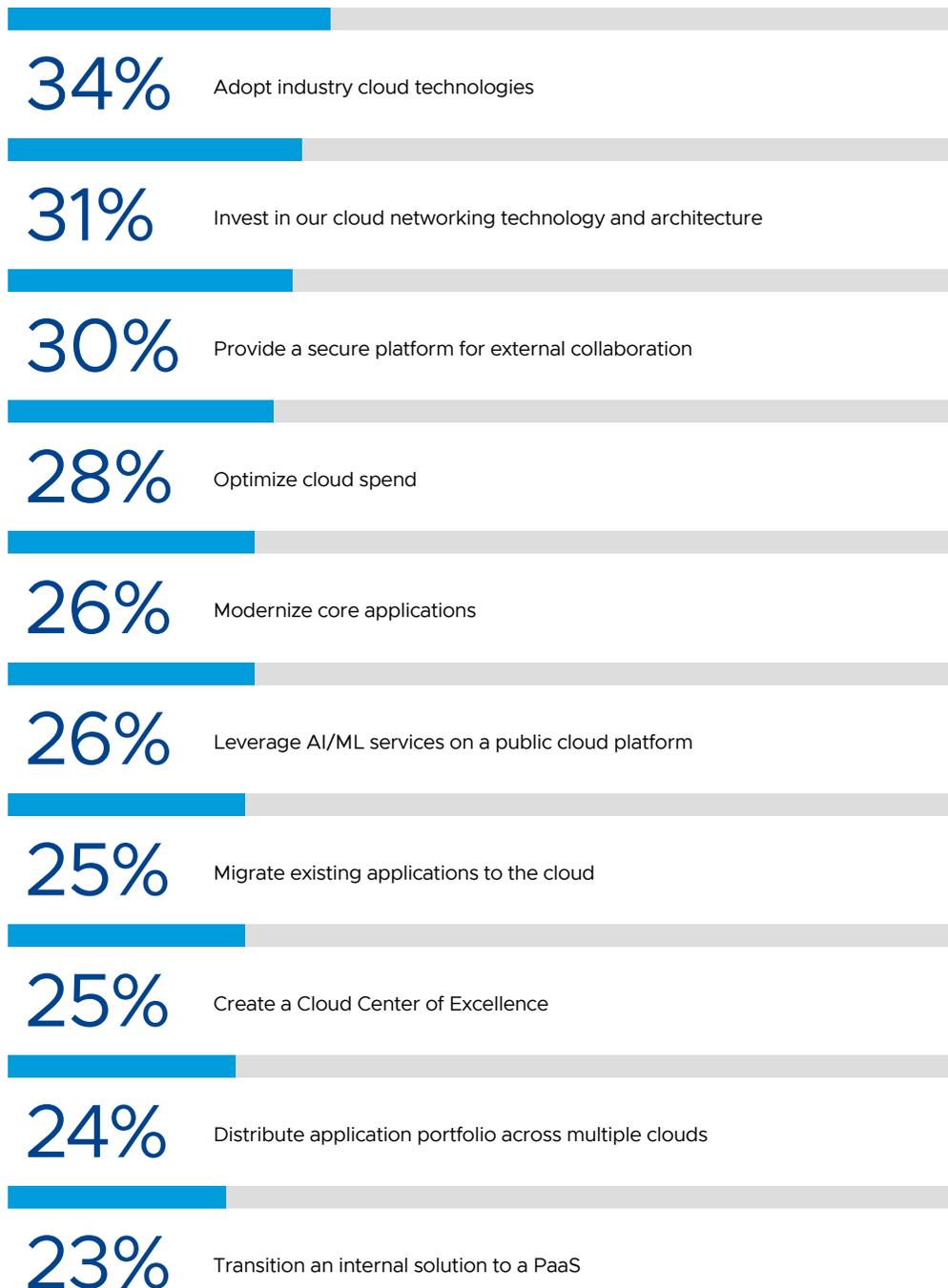
Security and Multi-Cloud Optimization

48% of IT leaders describe their current multi-cloud state as "disparate development, operations, and security policies across the public cloud platforms."

Multi-Cloud today is fragmented

To reach an ideal multi-cloud Future State, companies should utilize a seamless best-of-breed cloud mix, leveraging the collective strengths and provider-specific services from each platform. They should achieve accelerated app development that can be accomplished on any cloud, using automation and secure controls. And lastly, they should operate a cost-efficient infrastructure with lateral security, resiliency and consistency.

IT leaders that we surveyed said they're prioritizing initiatives that provide more organization for their clouds.

"Over the next 12 months, which of the following initiatives is your organization most likely to take in order to reach an optimal cloud state?"
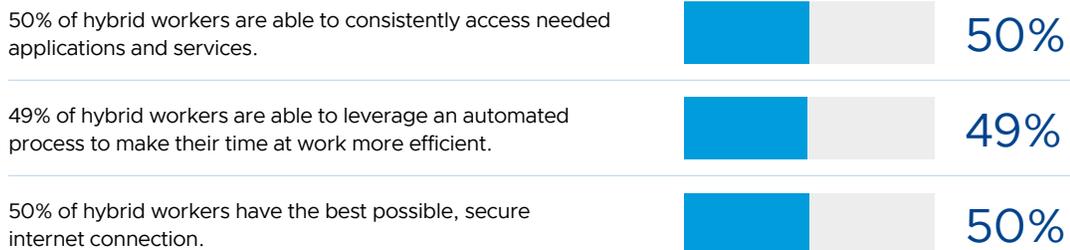
34% Adopt industry cloud technologies

31% Invest in our cloud networking technology and architecture

30% Provide a secure platform for external collaboration

28% Optimize cloud spend

26% Modernize core applications

26% Leverage AI/ML services on a public cloud platform

25% Migrate existing applications to the cloud

25% Create a Cloud Center of Excellence

24% Distribute application portfolio across multiple clouds

23% Transition an internal solution to a PaaS
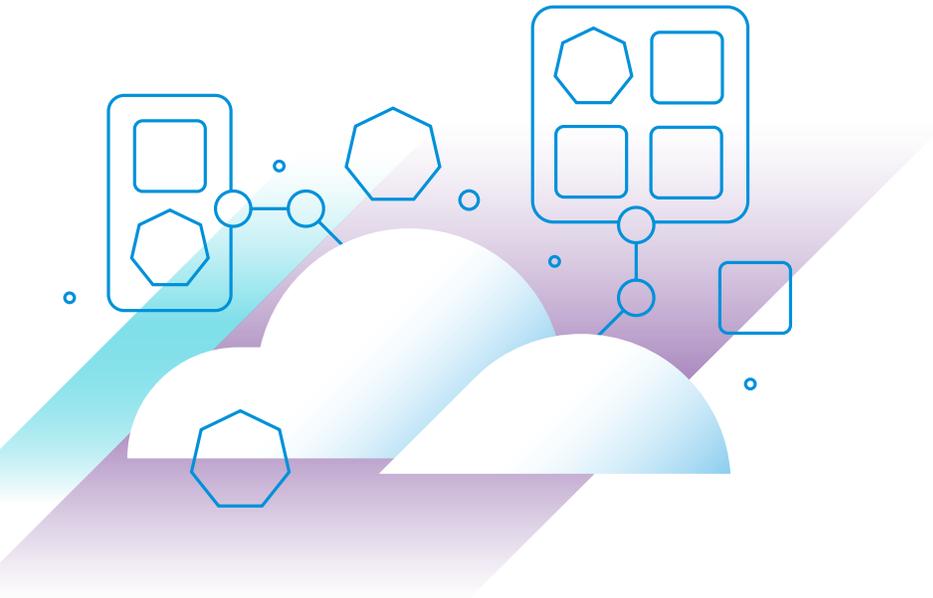
Consistent Hybrid Work Experiences

Hybrid work trend continues

67% of IT execs expect their hybrid workforce to grow in 2023

Despite this ever-increasing number, leaders reported that productivity varies widely.

IT leaders report, on average:

50% of hybrid workers are able to consistently access needed applications and services.	**50%**
49% of hybrid workers are able to leverage an automated process to make their time at work more efficient.	**49%**
50% of hybrid workers have the best possible, secure internet connection.	**50%**

Methodology

The VMware Executive Pulse Q4 study was fielded between September and October 2022. The study is fielded each quarter by Qualtrics.

Custom research was conducted in the Americas (Argentina, Brazil, Canada, Mexico, U.S.), Europe (Belgium, France, Germany, Italy, the Netherlands, U.K., Spain, Sweden, Russia) and Asia Pacific (Australia, China, India, Japan, Singapore) using web-based surveys.

Responses were collected from 452 C-Suite and senior technology decision-maker respondents involved in app and infrastructure platform decisions, with a balance of VMware and non-VMware customers. The sample targeted 49% commercial (1,000-4,999 employees), and 51% large enterprise (5,000+ employees).