logicworks

State of Cloud Compliance

Annual Survey 2019

Table of Contents

www.logicworks.com

Executive Summary

In December 2018, Logicworks surveyed 400 IT decision makers (ITDMs) in North America about their cloud compliance opinions and practices, and found that the majority of ITDMs struggle with compliance in the cloud and believe compliance is a major roadblock to further cloud adoption.

The report highlights the lack of clarity among ITDMs about HIPAA, PCI, GDPR, etc. in the cloud, as well the need for more thoughtful planning for the migration of regulated workloads to the cloud.

Key Findings

Company leadership often underestimates the time and cost of cloud maintenance.
80% of the 400 surveyed IT decision makers believe that their company's leadership team underestimates the time and cost required to maintain resources in the cloud.

Compliance is a major roadblock to cloud migration.
88% of the 400 surveyed IT decision makers agree that having to meet compliance standards inhibits further cloud adoption within their company. Senior management, the ITDMs closest to and most responsible for cloud execution and performance, are more likely to have compliance concerns. Among senior management, 97% agree that having to meet compliance standards in cloud usage inhibits further adoption within their company, compared to 81% of executives.

Lack of confidence in compliance.
More than 3 in 4 (77%) of ITDMs don't think that their company would pass all of its compliance audits if they happened today. This uncertainty is exacerbated by confusion over who is responsible for compliance; 49% of ITDMs mistakenly believe that cloud providers are ultimately responsible for compliance, rather than their own company.

Fear over changing regulations.
69% of ITDMs see compliance regulations changing in the next year and affecting their company. A third (33%) of ITDMs believe these changes will increase cloud-related costs at their

company. This concern is greater at larger companies; 82% of ITDMs at companies with 500 or more employees believe that cloud compliance regulation changes will affect their company, compared to 56% of those at companies with less than 500 employees.

Strong desire for compliance automation.
On average, 37% of cloud compliance tasks are currently automated. However, 82% of ITDMs want more automation in their cloud compliance tasks than what they currently have. Overall, 100% of ITDMs have implemented or desire to implement compliance automation.

Survey Methodology

The Logicworks Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 400 ITDMs at mid and large-sized companies, between December 3-11, 2018, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.9 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

Survey Results

1. What percentage of your company's IT infrastructure is stored on private servers compared to the public cloud?
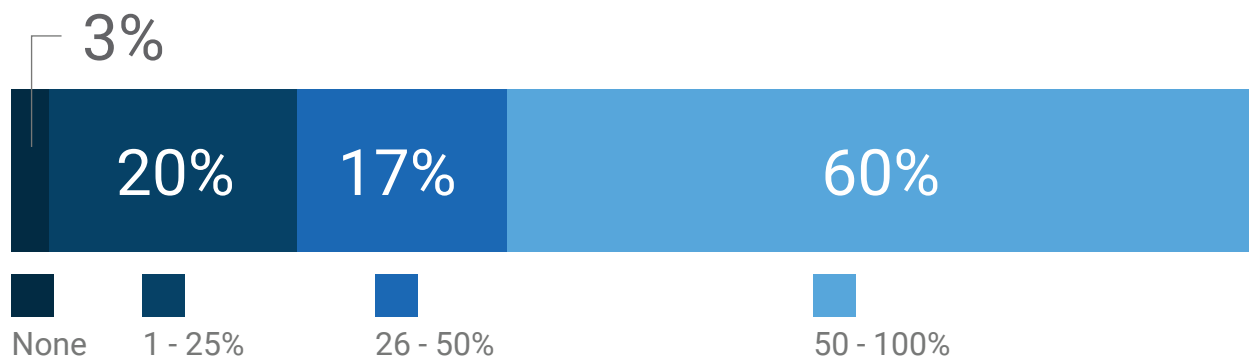
14% Private servers
86% Public cloud
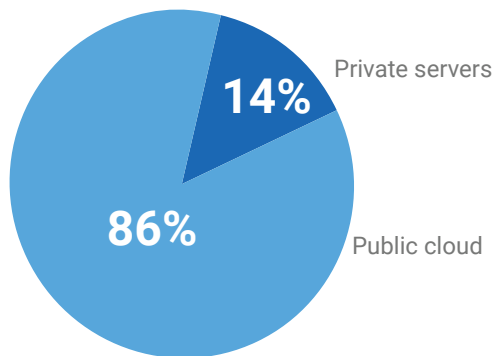
Companies with **less than** $500 million in revenue

33% Private servers
67% Public cloud
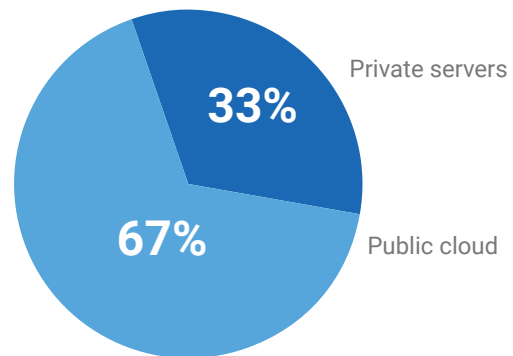
Companies with **more than** $500 million in revenue

2. What percentage of your company's data do you plan to migrate to the public cloud in the next two years?
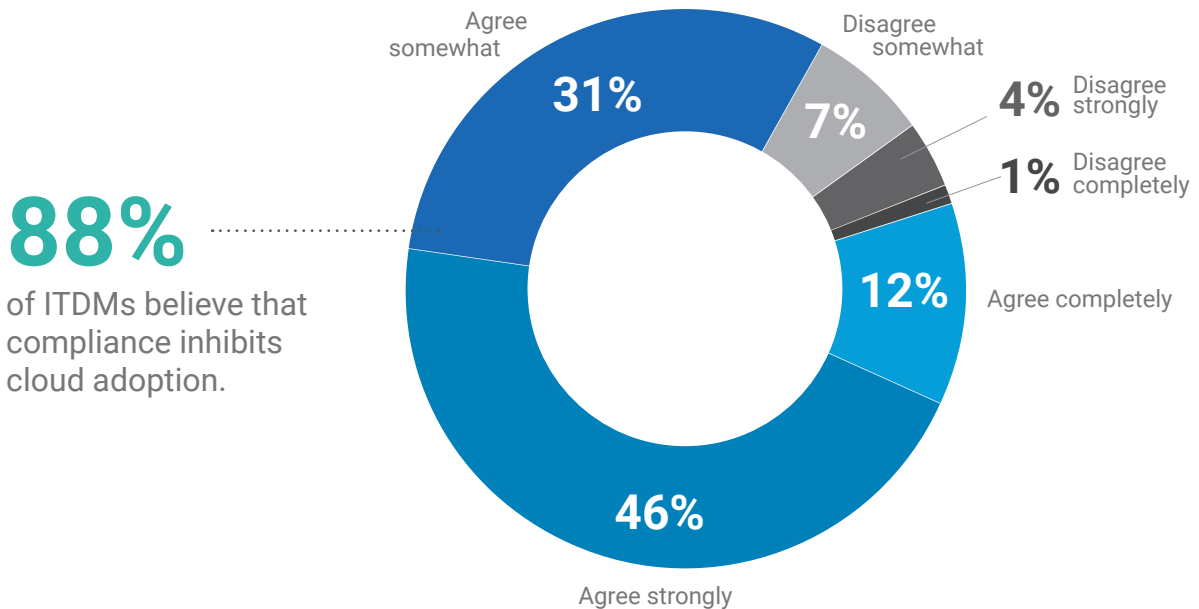
3%

20% **17%** **60%**

None   1 - 25%   26 - 50%   50 - 100%

97% of companies plan to migrate some data to the cloud in the next 2 years

3. Which of the following is the biggest barrier to moving your company's entire IT infrastructure to the public cloud?

24%	Reliability
22%	Lack of Expertise
20%	Compliance Issues
18%	Executive Approval
16%	Cost
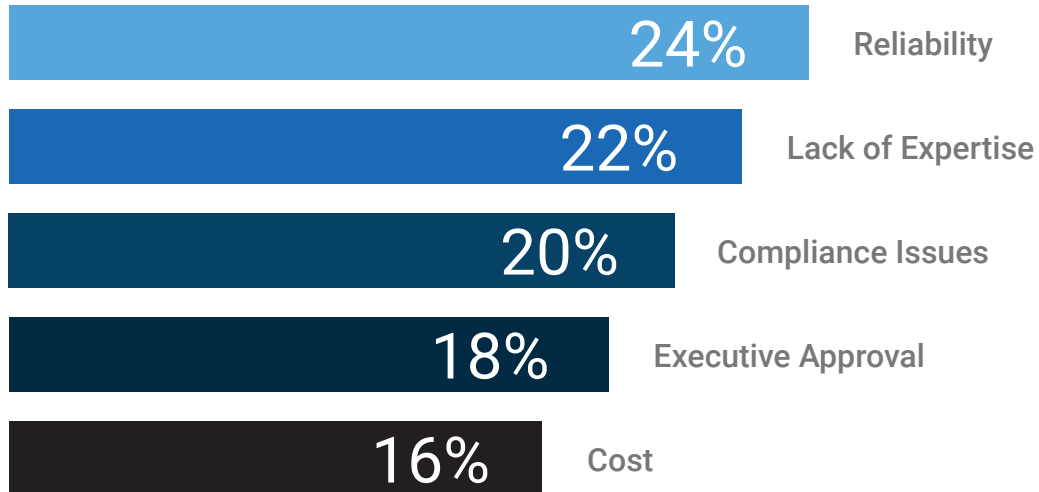
4. How strongly do you agree or disagree with the following statement – having to meet compliance standards in cloud usage inhibits further cloud adoption within my company.

Agree somewhat 31%

Disagree somewhat 7%

Disagree strongly 4%

Disagree completely 1%

Agree completely 12%

Agree strongly 46%

88%

of ITDMs believe that compliance inhibits cloud adoption.

logicworks

5. How will changes to compliance regulations affect your company in the next year?

69%

of ITDMs believe regulations will change in the next year.

33% feel that their company's cloud-related costs will increase as a result

6. Of the following, who do you believe is more responsible for ensuring that cloud compliance standards are being met?
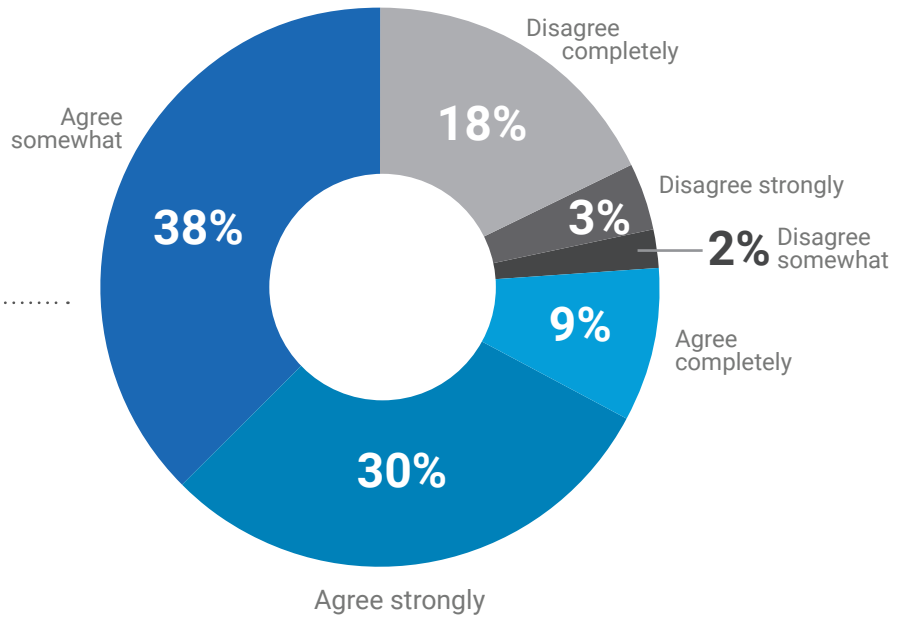
51%

Your Company

49%
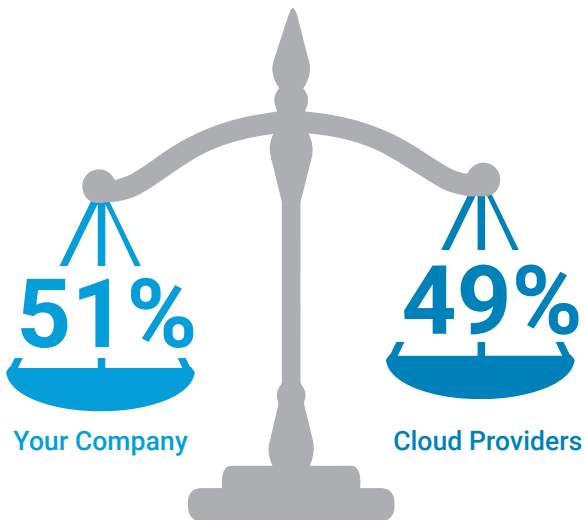
Cloud Providers

of ITDMs believe that cloud providers are more responsible for compliance, not their businesses

7. How strongly do you agree or disagree with the following statement – "I don't think my company would pass all of its compliance audits if they happened today."

77%

do not think their company would pass all compliance audits

Agree somewhat
38%

Disagree completely
18%

Disagree strongly
3%

2% Disagree somewhat

Agree completely
9%

Agree strongly
30%

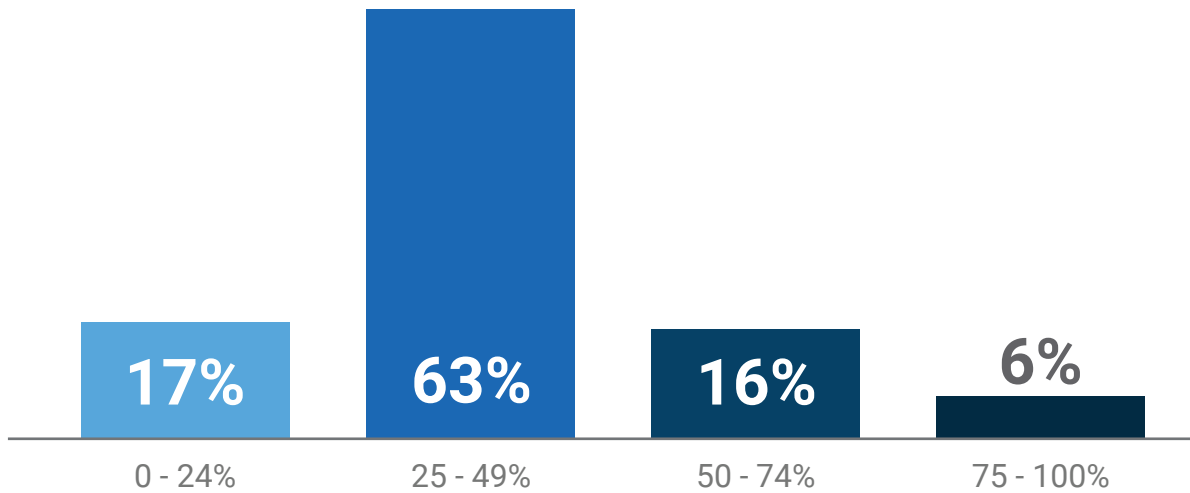**8.** Which of the following is harder to find?

A **cloud engineer** who completely understands compliance

51%

A unicorn

49%

9. What percentage of your cloud compliance tasks are currently automated?

17%	63%	16%	6%
0 - 24%	25 - 49%	50 - 74%	75 - 100%

10. What percentage of your cloud compliance tasks would you like to be automated?

9%	15%	22%	54%
0 - 24%	25 - 49%	50 - 74%	75 - 100%
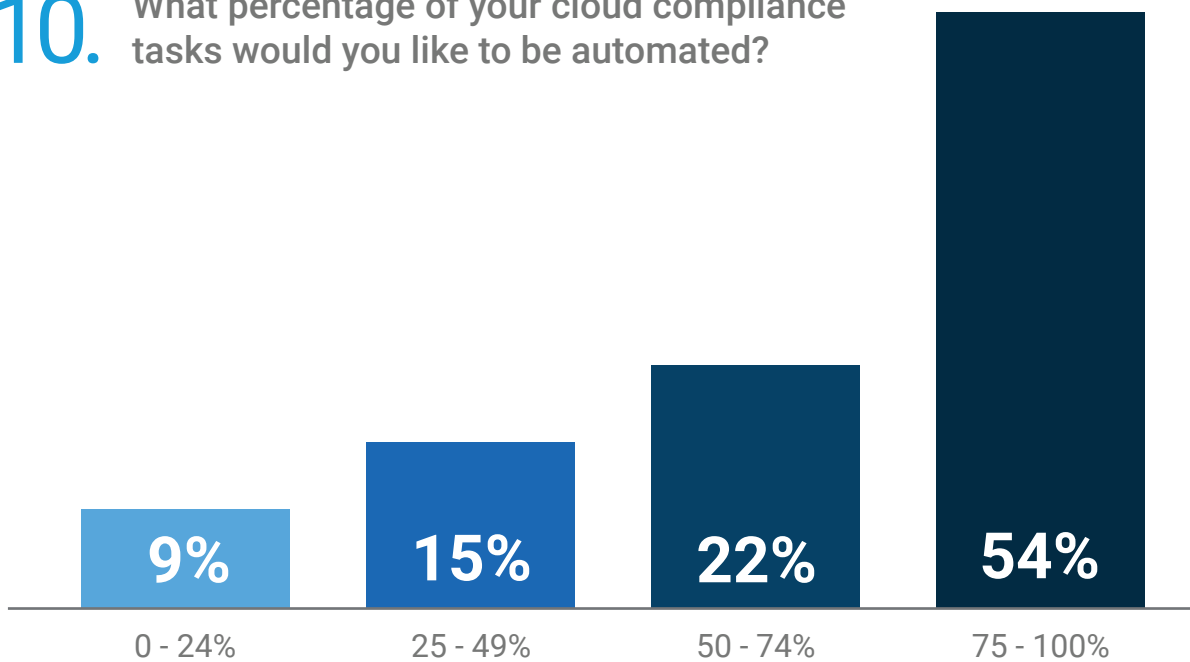
82% want more cloud compliance tasks to be automated

Conclusion

Compliance is Major Roadblock to Cloud Adoption

Even as 97% of IT decision makers (ITDMs) plan to migrate more workloads to the public cloud, most ITDMs aren't confident that they can pass compliance audits or migrate regulated data to the cloud. This lack of confidence can be partially attributed to confusion around compliance responsibilities, difficulty finding engineers with compliance expertise, and worries over a changing regulatory landscape. Most IT decision makers (69%) believe that regulations will change and impact their business.

Over the past five years, many high-profile healthcare and financial services companies have migrated sensitive data to the public cloud. Public cloud providers have made significant investments in tools, documentation, and audits to enable compliance on their platforms. However, many IT decision makers still hesitate to migrate regulated data and workloads to the cloud. This could indicate that the issue is not cloud providers, but a lack of education and expertise around available tools to meet compliance in the cloud. A majority of ITDMs find it difficult to find engineers with compliance expertise, highlighting a need for 3rd party experts to assist companies in meeting regulations in the cloud.

As cloud adoption increases, ITDMs must improve their understanding of compliance in the cloud and invest in automating compliance tasks. A surprising 49% of ITDMs believe that cloud providers are more responsible for compliance, when in fact the company, not the cloud provider, bears contractual responsibility for compliance (unless a special contract or BAA is signed, and even in this circumstance cloud providers assume very limited liability, usually only limited to physical security.) Executives must understand compliance responsibility in order to successfully operate on the cloud. Further training is required to educate ITDMs and engineers on how to host regulated data on the public cloud, which will also reduce resistance to migrating compliant workloads to the cloud in the future.

As cloud technology matures, so will best practices for maintaining cloud compliance. Companies need to prepare additional resources to migrate regulated data to the cloud, maintain compliance as regulations change, and automate compliance-related tasks.

About Logicworks

Logicworks has been helping customers achieve IT operational excellence and cloud compliance for over 25 years. Our innovative platform, dedicated certified engineers, and decades of traditional IT experience combine to enable our customers' success across every stage of the cloud journey.

As an AWS Premier Consulting Partner and Azure Expert MSP Partner, Logicworks is a leader in providing cloud migration, operations, and optimization services. We specialize in cloud operations for complex workloads in highly regulated industries, including healthcare, financial services, and SaaS. To learn more about Logicworks, visit www.logicworks.com.

aws partner network	Security Competency
	Migration Competency
	Healthcare Competency
Premier	DevOps Competency
Consulting	MSP Partner
Partner	Marketing & Commerce Competency

Gold
Microsoft Partner
Azure Expert MSP

Microsoft