

# IT HOSTING SURVEY

## Key Findings

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## Key Findings

### INTRODUCTION

The purpose of this research was to gain insight into the perceptions that business customers have around the purchase of hosted IT services. Rackspace developed this study to better understand how customers are utilizing hosted IT services now and how they will be used in the future.

### METHODOLOGY

The methodology for this research involved sending an email survey to approximately 1,600 Rackspace Hosting customers. More than seven percent of survey recipients responded to the questions. Respondents were from Rackspace's U.S. customer base and were informed and assured that the identity of individual responses would be kept confidential. Only aggregate results are published in this survey.

### A FEW RACKSPACE PERSPECTIVES:

Hosted IT services are ready for prime time as more and more IT departments rely on them to run various applications across all parts of their business today. Over time, the number of hosted services an IT department will utilize will significantly increase.

- Two thirds of respondents use a SaaS provider to host one or more of their applications today.
- Thirty-six percent of respondents are not hesitant to host any of their IT functions externally.
- Nearly half of customer respondents indicated that the number of IT functions they outsource to IT Hosting, SaaS or Cloud Service providers could increase up to 50 percent over the next five years.

Hosting IT functions with an external service provider continues to free up internal resources to focus on new projects that are core to the company's mission.

- More than 40 percent of customers responded that outsourcing their IT functions to a hosting provider saved them from 30-50 percent more time.
- As a result, 44 percent of respondents can spend up to 25 percent more time on new projects, and 30 percent of respondents can spend between 25 - 50 percent more time on new projects.

Allocation of IT budgets will shift over the next five years with a greater percentage spent on hosted applications.

- Forty-six percent of respondents said they spend up to 20 percent of their IT budget on hosted services, while 30 percent of respondents said that they spend 30 -50 percent of their IT budget on hosted services.
- Nearly 50 percent of customers said that they expect the percentage of IT budgets spent on hosted services to increase over the next five years.
- Close to 40 percent of customers surveyed are not hesitant to host any applications externally.

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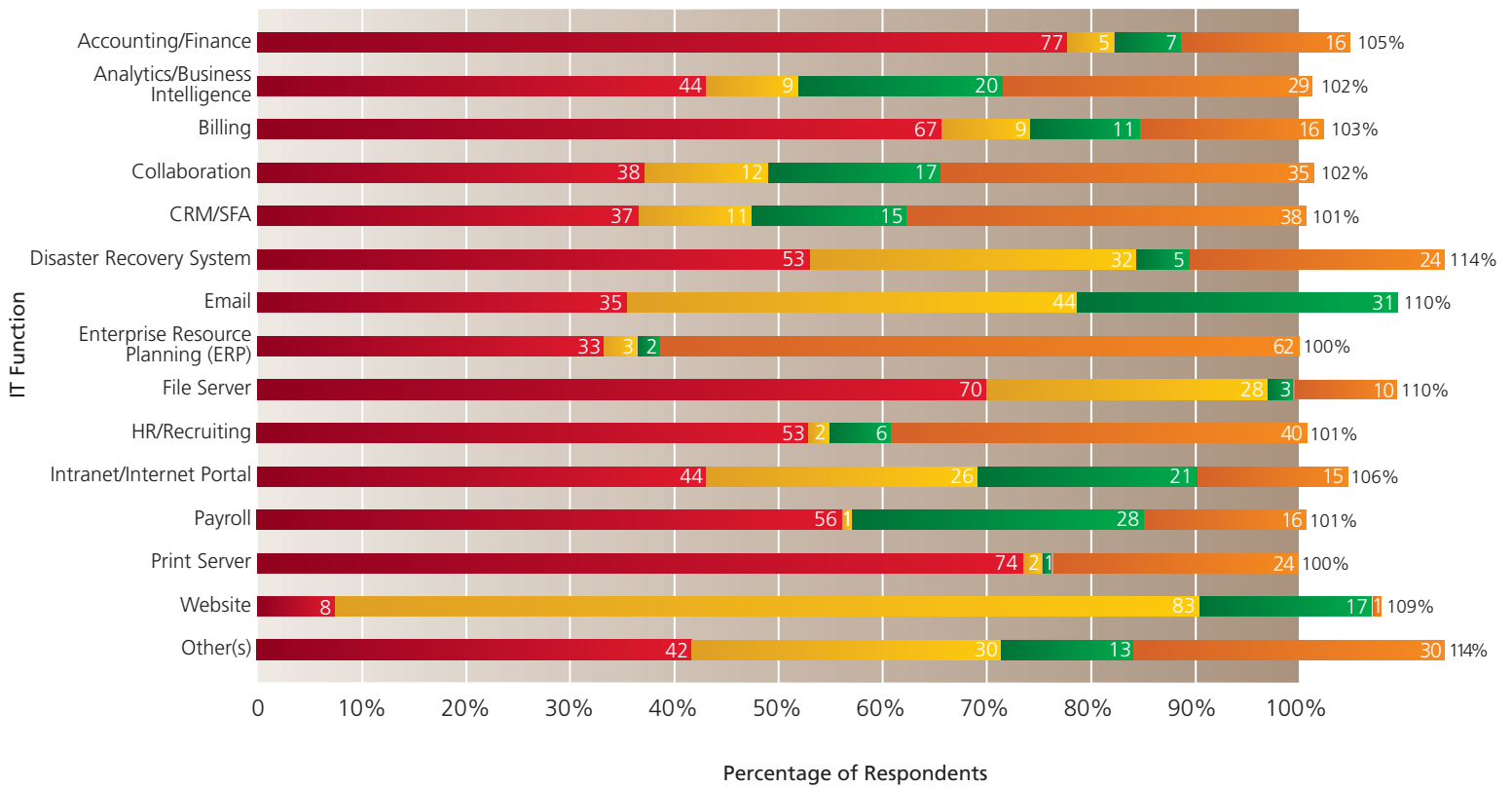
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# 1. Which of these IT functions does your business currently use and where are they hosted?



Note: Multiple responses allowed as respondents may have functions hosted at multiple locations.

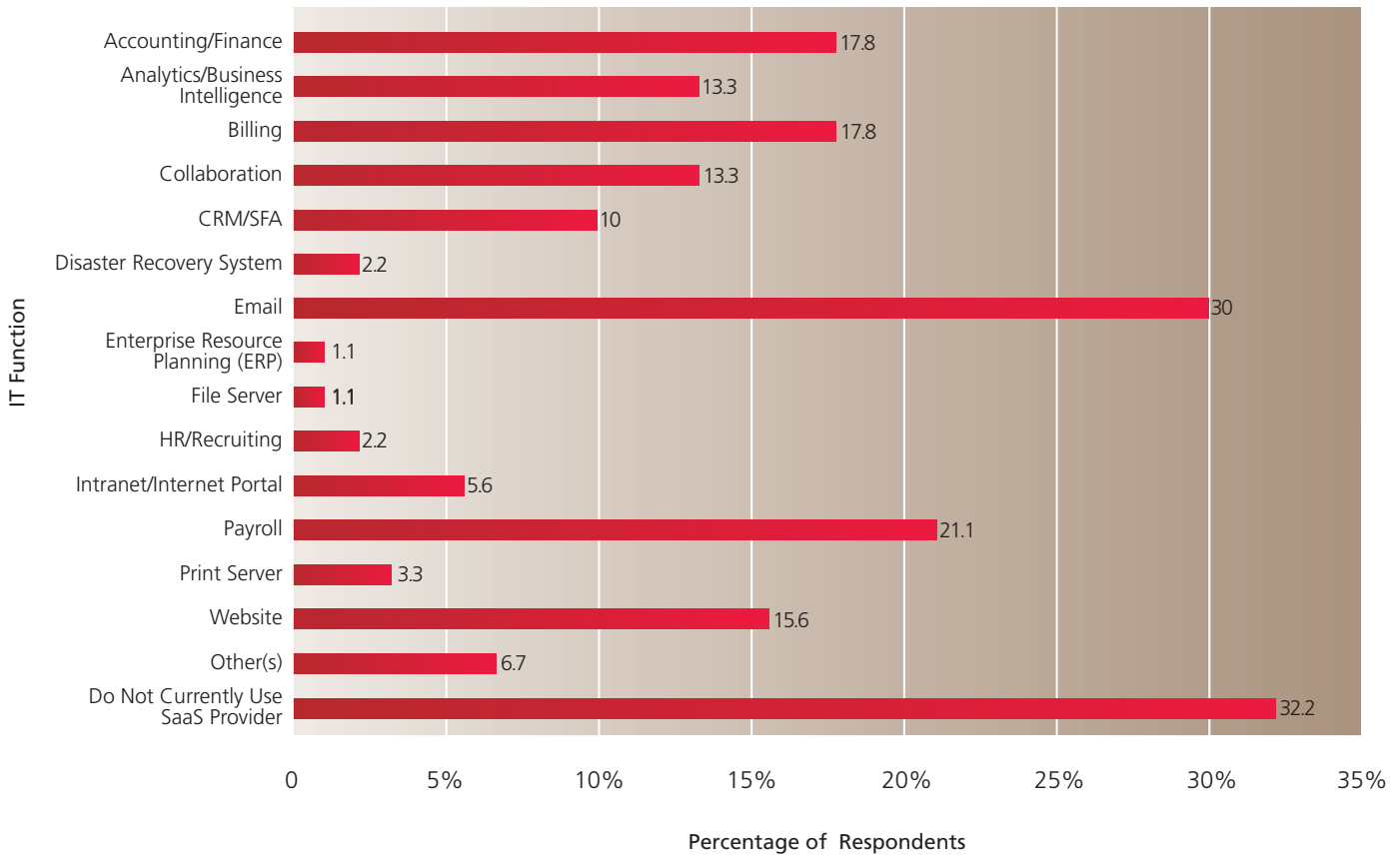
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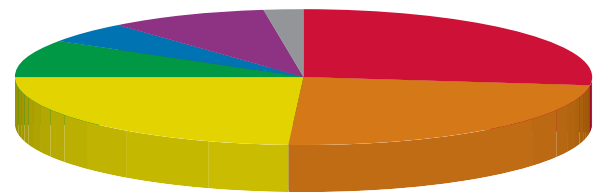
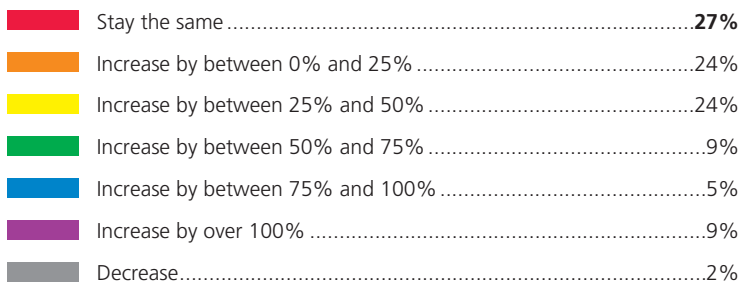
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2. Do you currently use a 3rd party Software-as-a-service (SaaS) provider for any of your internal or external web applications?



3. Over the next five years, how do you expect the percentage of IT functions you run with an IT Hosting, SaaS or Cloud Service provider to change?



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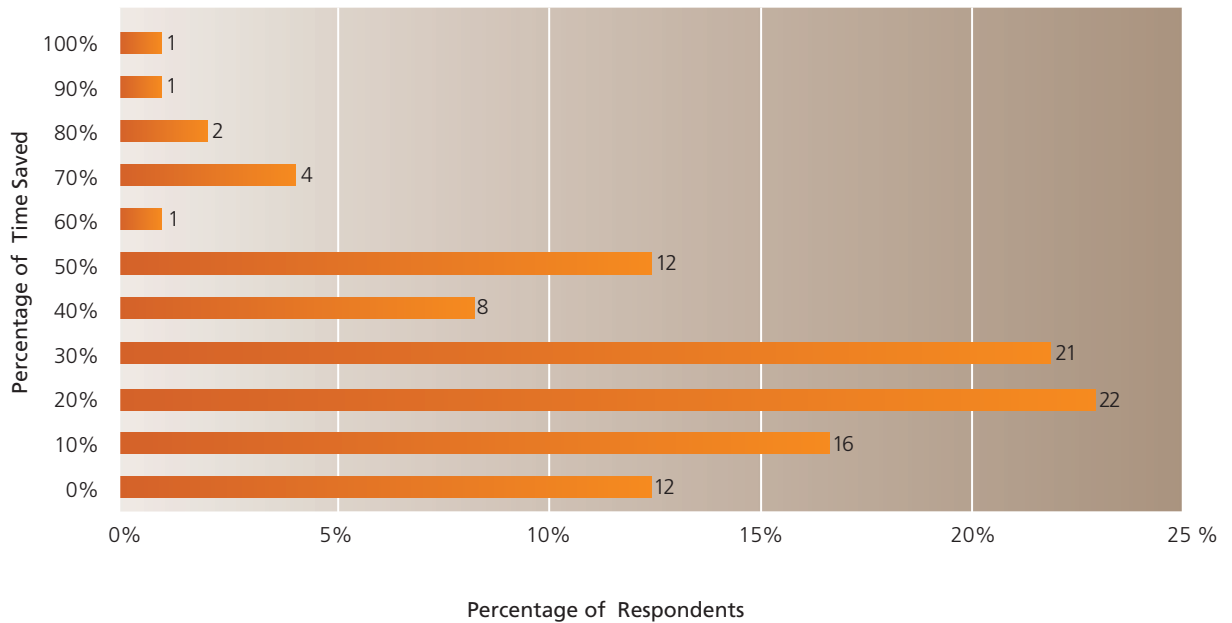
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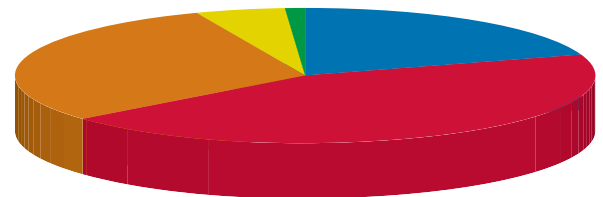


4. Please estimate what percentage of your time has been saved by outsourcing IT functions to an IT Hosting, SaaS or Cloud Service provider.



5. Has this time saved allowed you to focus on new projects and, if so, what percentage increase of your time?

- Yes, I now spend 0% to 25% more time on new projects.....**44%**
- Yes, I now spend 25% to 50% more time on new projects .....30%
- Yes, I now spend 50% to 75% more time on new projects .....5%
- Yes, I now spend 75% to 100% more time on new projects .....1%
- No, it has not allowed me to spend more time on new projects .....20%



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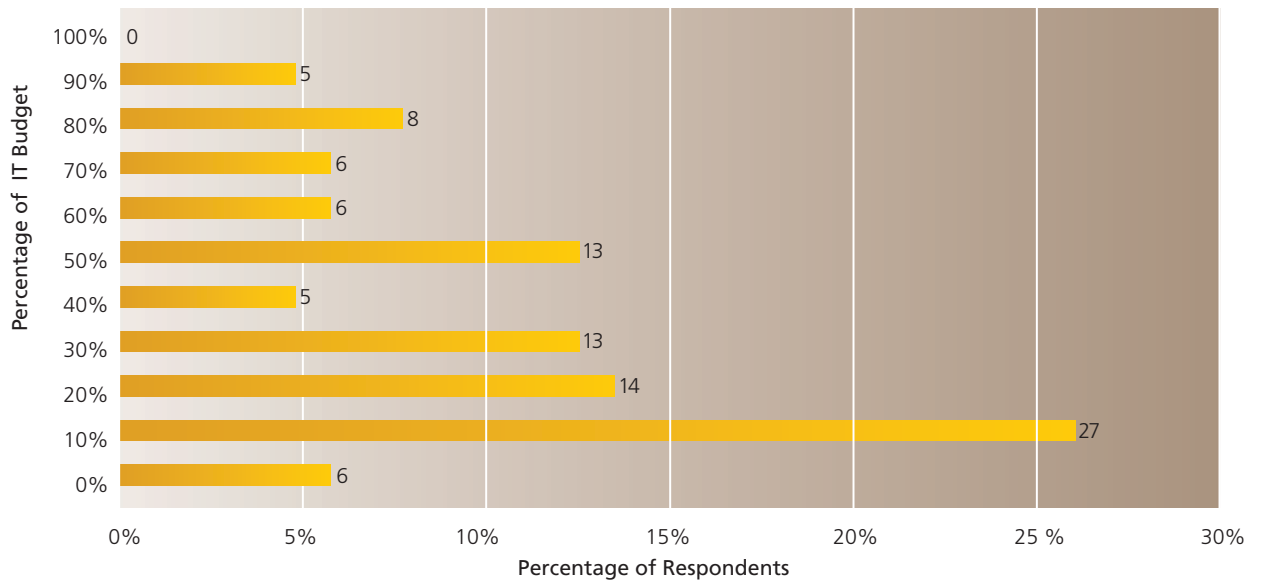
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6. What percentage of your total IT budget is spent on hosted applications?



7. How do you expect that percentage to change over the next five years?

<span style="color: red;">■</span> I expect it will increase .....	<b>49%</b>
<span style="color: orange;">■</span> I expect it to decrease .....	12%
<span style="color: yellow;">■</span> I expect it to stay the same.....	39%



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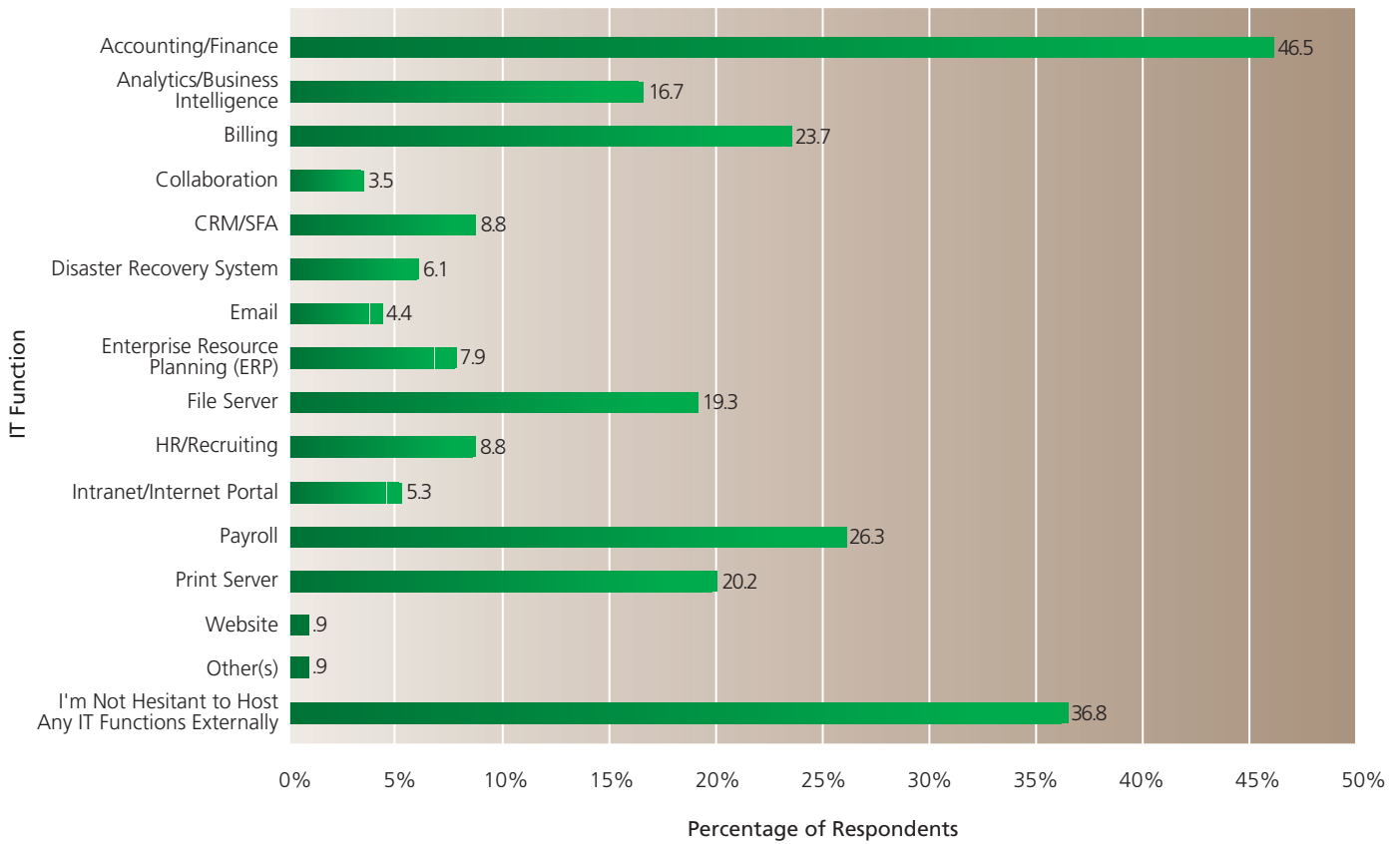
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8. Which, if any, IT functions would you be hesitant to host externally?



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