

WHY PRIVATE CLOUDS AREN'T GOING AWAY

Public cloud is gaining favor with enterprise IT, but private cloud is still the leading option, offering many of the same economic advantages as public cloud, but without some of the angst.

The economics of public cloud infrastructure as a service (IaaS) has clearly caught on. According to market research firm [IDC](#), nearly two-thirds of 6,000 surveyed IT organizations were already using or planning to use cloud IaaS by the end of 2016.

According to the [IDG Cloud Computing Survey](#), near the end of 2016, 70% of enterprises had at least one cloud: The average enterprise organization has 26% of its IT environment in private cloud and 13% in public cloud, according to that data.

PRIVATE CLOUD MORE LIKELY FOR WORKLOADS

When it comes to applications, there is a similar tilt. [RightScale's 2017 State of the Cloud Survey](#), focused on cloud buyers and users, reveals that 43% of respondents run workloads in private cloud and 32% in public cloud.

RightScale says it sees a bit of a dip in private cloud usage and plans compared with 2016. But at the enterprise level, it's clear that private cloud still holds an edge. Furthermore, there's evidence that private cloud users are increasingly opting for hosted services, rather than building their own clouds.

OpenStack private cloud users are more inclined than ever to turn to service providers. "It is a shift away from using OpenStack code

to get a private cloud up and running on their own," according to a [TechTarget](#) article. "Instead, new products and services have emerged to offer more handholding and even outright management of an OpenStack private cloud."

Marketing executive [Christian Foster](#) recently blogged about a study of several companies that consumed Rackspace private cloud as a service. The big takeaway: It saves money and "eliminates the need to find, hire and train expensive cloud operations resources," he writes. Rackspace customers, on average, shortened the time to deploy a virtual machine by 40%, he adds.

KNOW WHERE YOU CAN'T COMPETE

The option to host a private cloud in a service provider's data center, or utilize private cloud as a service, may be desirable for enterprises. As [Manek Dubash](#) points out in a ZDNet article, the barriers to entry for all but large enterprises are too high to go it alone with private cloud: "In effect, such an enterprise would be putting itself in competition with the very largest cloud providers, who have a number of significant advantages tilting the balance in their favor," he writes.

But there undoubtedly are more than a few enterprises that don't want to tie their computing futures too tightly to one of the handful of hyperscale public cloud providers that dominate the market.

As the RightScale survey points out, 58% of enterprise-class businesses it surveyed are planning to use, or already are using, a

hybrid cloud architecture that incorporates both public and private cloud. Another 20% plan to use multiple public clouds, and 7% say they're going to be using multiple private clouds.

Let's face it, when measured in "enterprise years," the cloud is still a relatively young phenomenon. If you're concerned about keeping your options open, you may want to consider a service provider with expertise across all major clouds. For more information, go to <https://www.rackspace.com/managed-hosting>.