

Going Big Data? You Need A Cloud Strategy

Table Of Contents

Executive Summary	1
Big Data Investment Shifts Into High Gear	2
Firms Are Looking To The Cloud	4
Insights-Platforms-As-A-Service Help Firms Grow And Innovate	6
Key Recommendations	8
Appendix A: Methodology	9
Appendix B: Supplemental Material	9
Appendix C: Demographics	9

ABOUT FORRESTER CONSULTING

Forrester Consulting provides independent and objective research-based consulting to help leaders succeed in their organizations. Ranging in scope from a short strategy session to custom projects, Forrester's Consulting services connect you directly with research analysts who apply expert insight to your specific business challenges. For more information, visit forrester.com/consulting.

© 2017, Forrester Research, Inc. All rights reserved. Unauthorized reproduction is strictly prohibited. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. Forrester®, Technographics®, Forrester Wave, RoleView, TechRadar, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. For additional information, go to www.forrester.com. [1-10XT67I]

Project Director: Lisa Smith, Market Impact Consultant

Contributing Research: Forrester's Enterprise Architecture research group

Executive Summary

In the age of the customer, businesses realize the need to take their big data insights further than they have before, in order to win, serve, and retain their customers. Today's modern company has more data than ever before and is now looking to derive insights from the data that will help propel it forward. As firms move data analytics to the cloud, there is a new set of challenges and barriers to overcome, but with the help of insights-platforms-as-a-service, companies will be able to innovate with data and drive business forward.

In October 2016, Oracle and Intel commissioned Forrester Consulting to evaluate the effect of the cloud on firms' plans for big data. Forrester believes that customers are demanding more agile platforms to take advantage of the insights locked in bigger, more diverse data sets, which is leading them to shift more big data analytics into the cloud.

In conducting 431 in-depth surveys with IT, line-of-business, and data science professionals in global enterprises, Forrester found that these companies that move more into the cloud for big data analytics achieve greater innovation, increased integration, and higher levels of security. Furthermore, shifting the entire technology stack to a one-cloud solution that Forrester calls an "insights-platform-as-a-service" is the approach most buyers prefer.

Eighty-four percent of IT professionals agree that having all layers of the technology stack in one cloud is a critical or important requirement.

KEY FINDINGS

Specifically, Forrester's study yielded four key findings:

- › **Big data investment is in high gear but is yielding benefits slowly.** Ninety-eight percent of companies are benefiting from their current data and analytics investments, but it takes time and maturity to realize these benefits. A common platform for data science, shared across teams, and the ability to operationalize results at scale are both essential data science capabilities to ultimately deliver against top-line business priorities like revenue growth and improved customer experiences.
- › **Firms are moving more big data analytics into the cloud.** A relatively small amount of data management and processing is currently happening in the cloud today;

however, 80% of companies want to move their big data and analytics into the cloud. While some decision-makers anticipate integration and security challenges, they believe these are not insurmountable as cloud capabilities continue to mature.

- › **Insights-platforms-as-a-service provide the capabilities to meet firms' needs.** As organizations increase cloud adoption and gain big data analytics experience, they recognize they need an insights platform — an integrated stack of data management, analytics, and insight execution tools provided by a single vendor. In fact, 84% of IT professionals we surveyed said that having their technology stack in one cloud was a critical or important requirement.
- › **Firms are interested in cloud-based data labs to accelerate innovation.** Our survey found that a majority of enterprises are interested in a data lab to further advance data management and processing initiatives. Sixty-two percent of enterprises would consider buying a data lab now.

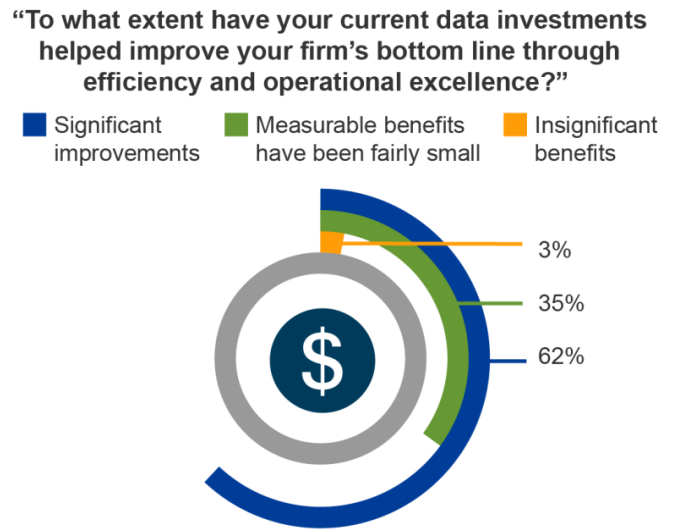
Big Data Investment Shifts Into High Gear

Our study found that most firms are well into their big data investments. Fifty-five percent of the companies surveyed reported having an existing enterprise big data and analytics strategy that they've made significant progress executing against, and 37% have at least started their execution; a mere 8% have no coordinated enterprise strategy regarding big data and analytics.

Our study examined respondents' big data journeys and found:

- › **Investments are not delivering as strongly against top business priorities.** Businesses are clearly not satisfied with current big data progress. According to Forrester's Global Business Technographics® Priorities And Journey Survey, 2016, the top drivers of big data investment are top-line focused (e.g., growing revenue, improving customer experiences); however, our study revealed that early gains are mostly bottom-line benefits like efficiency and operational excellence (see Figure 1).

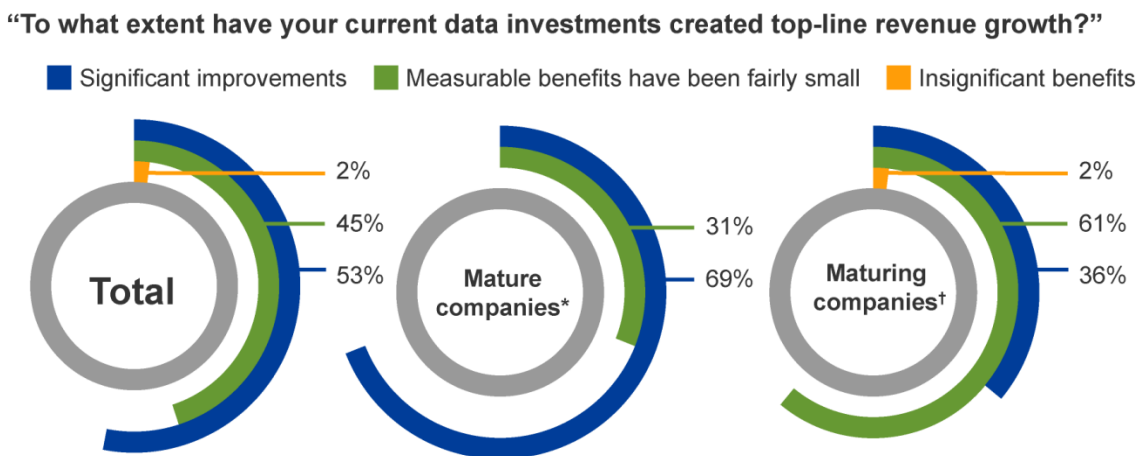
FIGURE 1
Big Data Solutions Deliver Bottom-Line Benefits



Base: 431 IT, line-of-business, and data professionals responsible for big data in global enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

FIGURE 2
Big Data Investments Drive Revenue Growth



Base: 431 IT, line-of-business, and data professionals responsible for big data in global enterprises

*Base: 235 IT, line-of-business, and data professionals responsible for big data in global enterprises with an enterprise-level big data and analytics strategy and that have made significant progress executing against it

†Base: 161 IT, line-of-business, and data professionals responsible for big data in global enterprises with a big data and analytics strategy and that have started to execute against it with some process

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

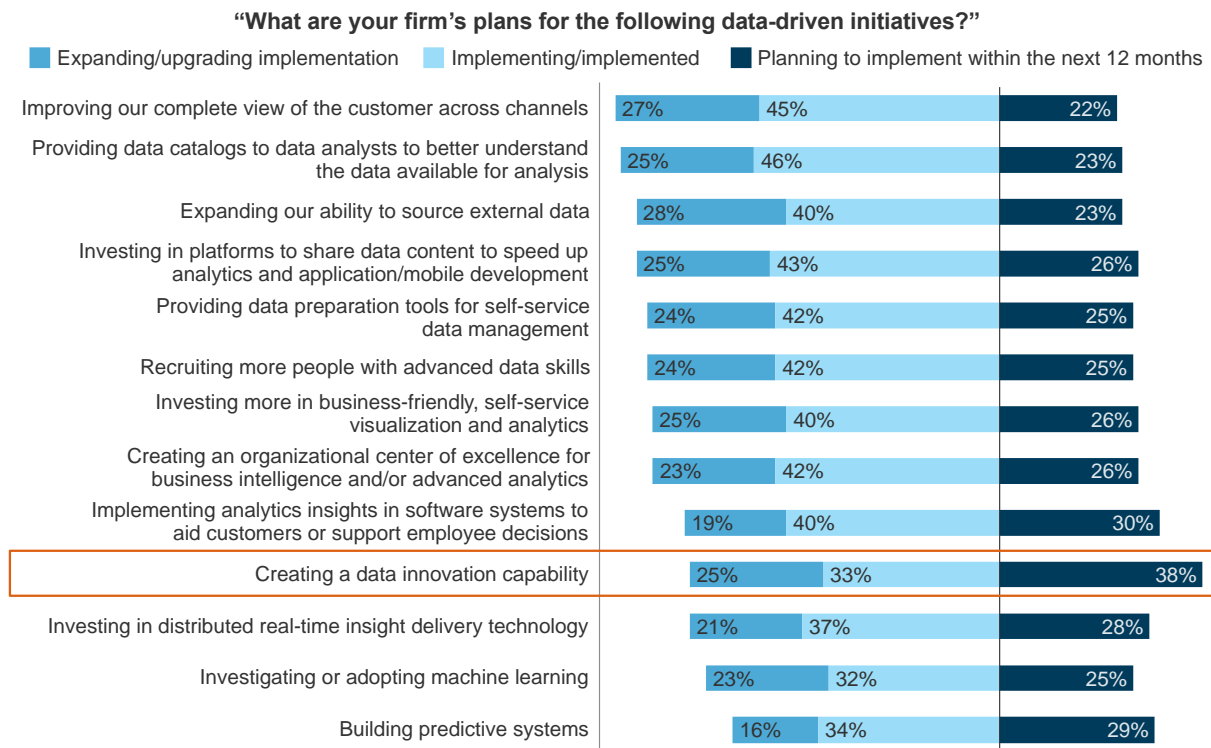
› **However, mature firms are seeing top-line benefits.**

Ninety-eight percent of respondents reported that their current data and analytics investments are creating benefits. Firms reporting mature big data and analytics strategies were also two times more likely to say they were seeing significant improvements to their top-line revenue growth (compared with organizations that are still maturing) (see Figure 2). Big data can greatly benefit people, process, and technology, so be patient.

› **Data science and insight execution are most important today; innovation is a big deal for the future.**

The majority (78%) of firms said enabling a common platform for data science and operationalizing the results at scale (80%) were the most important data science capabilities to their organizations. In addition, our survey respondents said creating a data innovation capability will be the most important data analytics initiative in the coming year (Figure 3). Forrester believes this is because they expect data innovation to create the

FIGURE 3
Enterprises Plan For Data-Driven Initiatives



Base: 431 IT, line-of-business, and data professionals responsible for big data in global enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

revenue and customer experience benefits they're not seeing to date.

Firms Are Looking To The Cloud

Our study found that when looking to improve their data analytics capabilities, 82% of respondents felt they needed even more data to stay competitive, and 79% said they needed more agility. The cloud excels at both, which is why 80% of firms said they want to move in that direction (Figure 4).

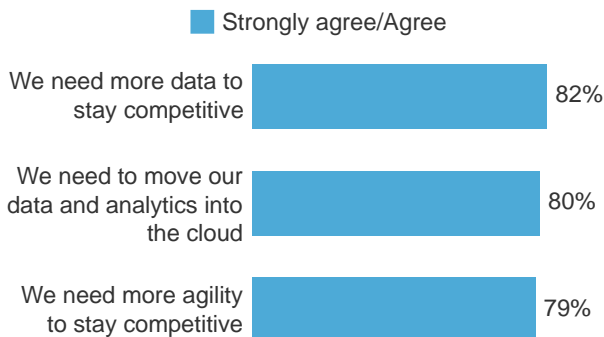
We sought to understand this more deeply and found:

- › **Relatively little data management or analytics is happening in the public cloud today.** Our survey found that an average of 15% of data management/processing is happening in the public cloud today. Furthermore, only 13% of data analytics is happening in the public cloud today, on average, because most firms began their big data investment strategies when the cloud capabilities

FIGURE 4

Organizations Need More Data And Greater Agility To Stay Competitive

“Please rate how much you agree or disagree with the following statements regarding data analytics.”



Base: 431 IT, line-of-business, and data professionals responsible for big data in global enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

were less mature.

- › **The faster firms grow, the faster they move to the cloud.** Over 70% of respondents reported that their data

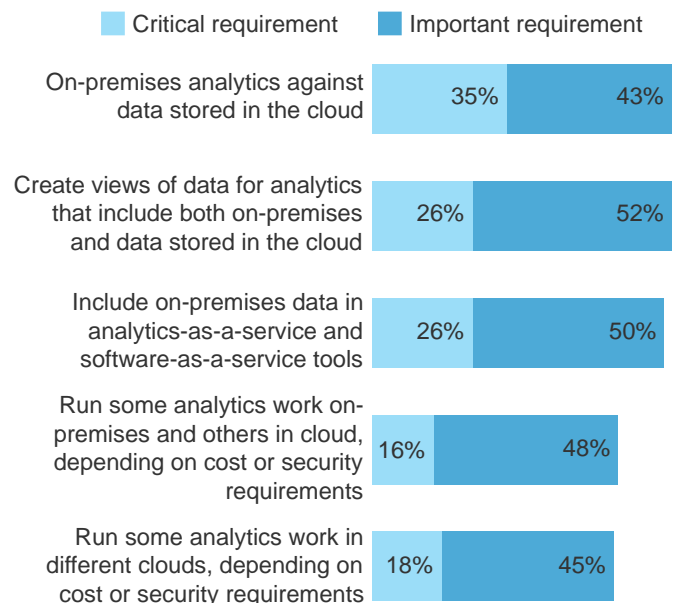
analytics hosted in the cloud is expected to increase by 5% or more in the next 12 months. In fact, one in five IT professionals surveyed expects data analytics and data management and processing in the cloud to increase by more than 10% over the next year. Interestingly, across the board, high-growth organizations (those defined as experiencing more than 10% year-over-year growth) are more likely to be increasing their use of the public cloud over low-growth companies.

- › **Firms want hybrid capabilities as they move into the cloud.** Survey respondents were unanimous in their demand to enable their existing applications with insight from big data. The problem is that many of these apps will remain on-premises even if the analytics are done in the cloud, which means that firms need hybrid capabilities. Pure public cloud is not enough to satisfy the typical

FIGURE 5

Hybrid Cloud Capabilities Are Critical

“How important are each of the following mixed and hybrid cloud capabilities to your organization?”



Base: 166 IT professionals responsible for big data in global enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

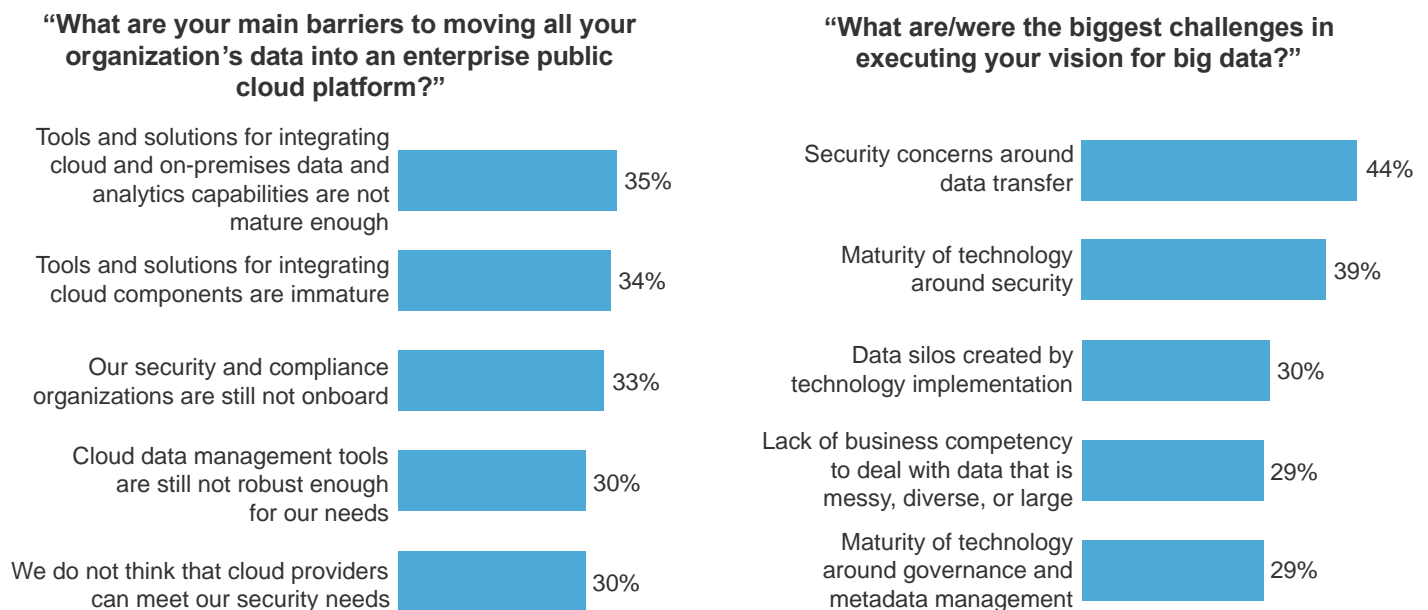
enterprise, as respondents expressed a strong demand for all types of hybrid cloud options (see Figure 5).

BARRIERS TO CLOUD FOR BIG DATA ARE MANAGEABLE

We inquired about the barriers firms saw in moving their big data analytics to the cloud. While our respondents did select from a wide range of typical barriers, the response levels were low for any one barrier — the top-cited barrier, hybrid integration, was only selected by 35% of respondents. In comparison with other research we have done into cloud obstacles, the relatively low response rate for any individual barrier indicates to us that respondents felt that the obstacles are not insurmountable.

Looking at the obstacles overall, three major themes emerge: integration between cloud services and between on-premises and cloud; maturity of technology; and security (see Figure 6). Likewise, when we asked respondents about their biggest challenges in executing their big data strategies, 44% reported security concerns around data transfer as a top challenge, and 39% reported the maturity of technology around security as a challenge.

FIGURE 6
Integration And Security Are Barriers To Shifting Data To The Public Cloud



Base: 431 IT, line-of-business, and data professionals responsible for big data in global enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

Insights-Platforms-As-A-Service Help Firms Grow And Innovate

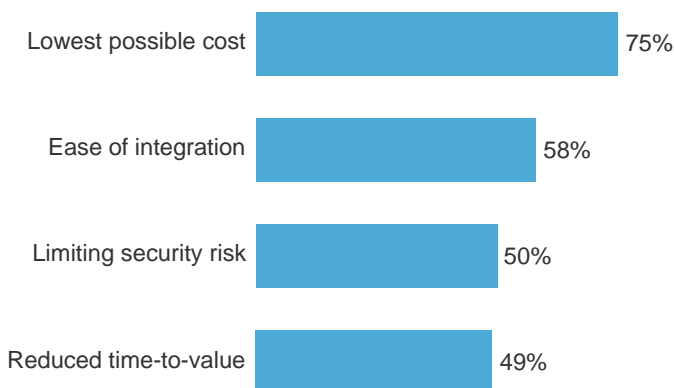
Eighty-four percent of respondents confirmed that having the entire layer of data analytics technology in one stack was a critical or high priority in their plans. Furthermore, confidence that a single vendor solution can meet their needs was high — 79% of respondents agreed.

Forrester defines an insights-platform-as-a-service as an integrated set of data management and analytics service offerings provided by a single vendor through a cloud that it operates for multiple clients. Insights-platforms-as-a-service satisfy buyer desires for a single technology stack, address concerns about integration and security, and enable buyers to leverage the vendor's ability to scale. When we inquired further about insights platforms in the cloud, we found:

- › **Firms want platforms to operationalize analytics applications and enable data science.** Eighty percent of respondents said they need an environment for operationalizing analytics at scale. Insights-platforms-as-a-service solve organizations' top analytics challenges. An integrated stack frees data scientists from constantly struggling with clunky, disparate tools and data and instead allows them to focus on innovation that can be quickly operationalized at scale.

FIGURE 7
Enterprises With The Tech Stack In One Cloud Are Realizing Benefits

“What are the anticipated and/or already realized benefits of having shifted the stack into one cloud?”
(Select all that apply)



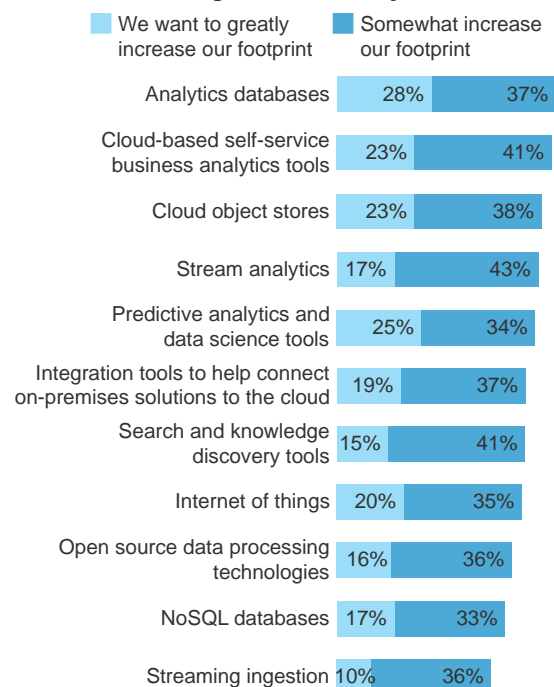
Base: 118 IT professionals responsible for big data who have shifted their stack into one cloud

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

- › **Leaders are finding that insights-platforms-as-a-service cost less and are easier to use.** Of the organizations that have adopted an insights-platform-as-a-service, 75% believe that they are experiencing the lowest possible cost, while 58% are realizing easier integration as a benefit of the technology stack in one cloud (Figure 7).
- › **Platforms are sticky because they do the hard integration work.** Our survey found that firms are increasing their footprint in many different types of data management and analytics technologies; therefore, a platform from a single provider promises to ease the integration burden (see Figure 8).

FIGURE 8
Enterprises Plan To Increase Data Management Capabilities

“Which of the following best describes your organization's priorities with respect to each of the following cloud capabilities for data management and analytics?”



Base: 166 IT professionals responsible for big data in global enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

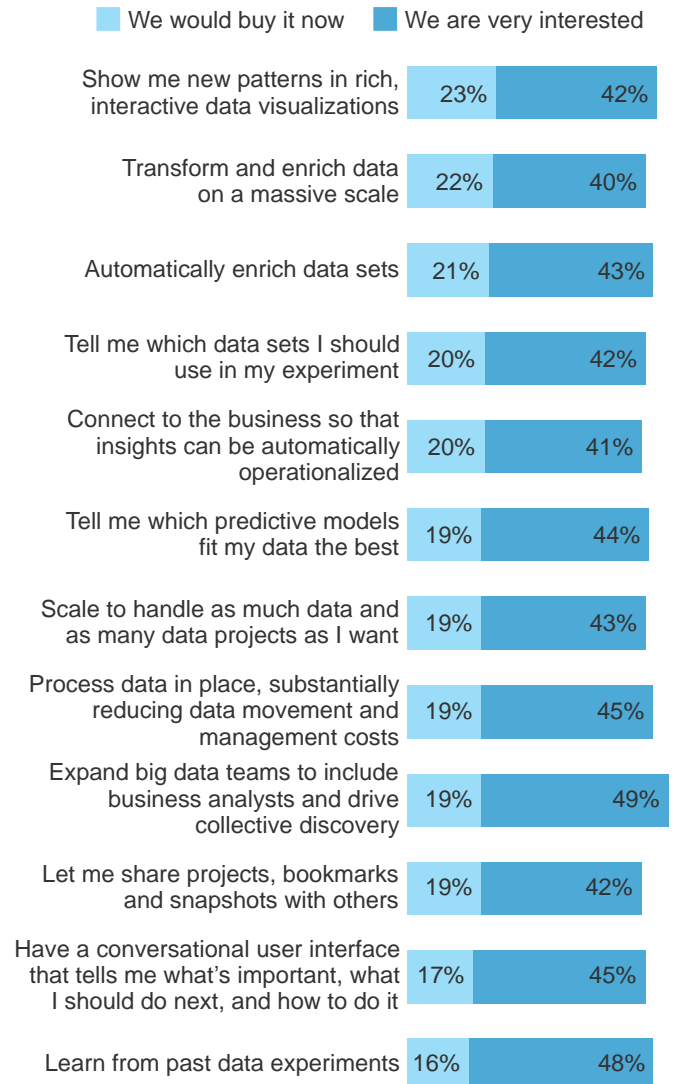
INSIGHTS-PLATFORMS-AS-A-SERVICE SUPPORT DATA INNOVATION

Data innovation is an up-and-coming area of investment, so it's no surprise that 62% of IT leaders stated that they would buy a data lab immediately, in order to satisfy at least one of the goals or objectives listed in Figure 9. Insights-platforms-as-a-service are an ideal foundation for data labs, because they provide a complete analytics environment where teams can experiment with data to innovate. Furthermore, the on-demand and elastic nature of an insights-platform-as-a-service complements the innovation process.

FIGURE 9

Sixty-Two Percent Of Enterprises Would Buy A Data Lab Now

“To what degree would your organization be interested in a data lab to satisfy any of the following?”



Base: 431 IT, line-of-business, and data professionals responsible for big data in global enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016

Key Recommendations

Early promoters of big data identified the natural fit between large, diverse, and rapidly changing data sets and the cloud's scalable, elastic nature. While early technologies were scalable, they were not easy to integrate with other technologies, requiring all the data to be loaded in a single file store, limiting elasticity. Big data management and analytics capabilities, maturing in public cloud providers' portfolios, are finally catching up to the promise. IT executives and architects must:

- › **Have a big data analytics strategy that embraces public cloud.** Very few firms have the skills and the business case to keep up with the blazing speed of big data analytics innovation. The cloud providers are leveraging scale and expertise to deliver more capability at a much lower cost. Your internal IT cannot compete, even with a private cloud solution.
- › **Select a platform that accelerates data science, data innovation, and closed-loop systems of insight.** Insights-platforms-as-a-service bring a lot to the table. Enterprise data management? Check. Breadth of analytics tools and libraries? Check as well. It's important to focus on features that will ensure your firm gets the top-line, customer-oriented benefits it expects from big data. Select a platform with better and more integrated tools for data science — tools that support building out data lab sandboxes for innovation and exploration. Also understand that while most service providers will focus on data management and analytics, the best will also provide tools that help you capture feedback data, learn, and rapidly iterate in closed-loop systems of insight. Building systems of insight on insights platforms will ensure that you can quickly and iteratively derive benefits from your investment.
- › **Differentiate between insights platform suites and insights-platforms-as-a-service.** Technology managers we speak with are often interested in comparing insights platform suites with insights-platforms-as-a-service. Understand the difference — it's not an apples-to-apples comparison. Insights platform suites are partially integrated tools that vendors sell separately and that can be installed either in the cloud or on-premises. Insights-platforms-as-a-service are operated in the vendor's cloud and cannot be installed on-premises. The full potential of big data in the cloud can be more easily achieved through insights-platforms-as-a-service because they better leverage the scaling capabilities of the service vendor. However, migrating to an insights-platform-as-a-service is rarely just a lift-and-shift operation. It requires firms to rethink and redesign their analytics architecture and many of their analytics applications; make the decision carefully.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 431 organizations across the Americas (Canada, Brazil, Mexico, and the United States), Europe (France, Germany, Italy, Spain, and the United Kingdom), and Asia Pacific (Australia/New Zealand, China, Singapore, and South Korea) to evaluate current and future big data trends. Survey participants included decision-makers in IT, line-of-business, and data science roles with the responsibility for setting business analytics or data strategy and budgets, evaluating data and analytics technology vendors, approving data and analytics technology, and/or monetizing data or data analytics as products. Questions provided to the participants asked their perspective on data and analytics use cases and challenges. Respondents were offered an incentive as a thank you for time spent on the survey. The study was fielded in October 2016.

Appendix B: Supplemental Material

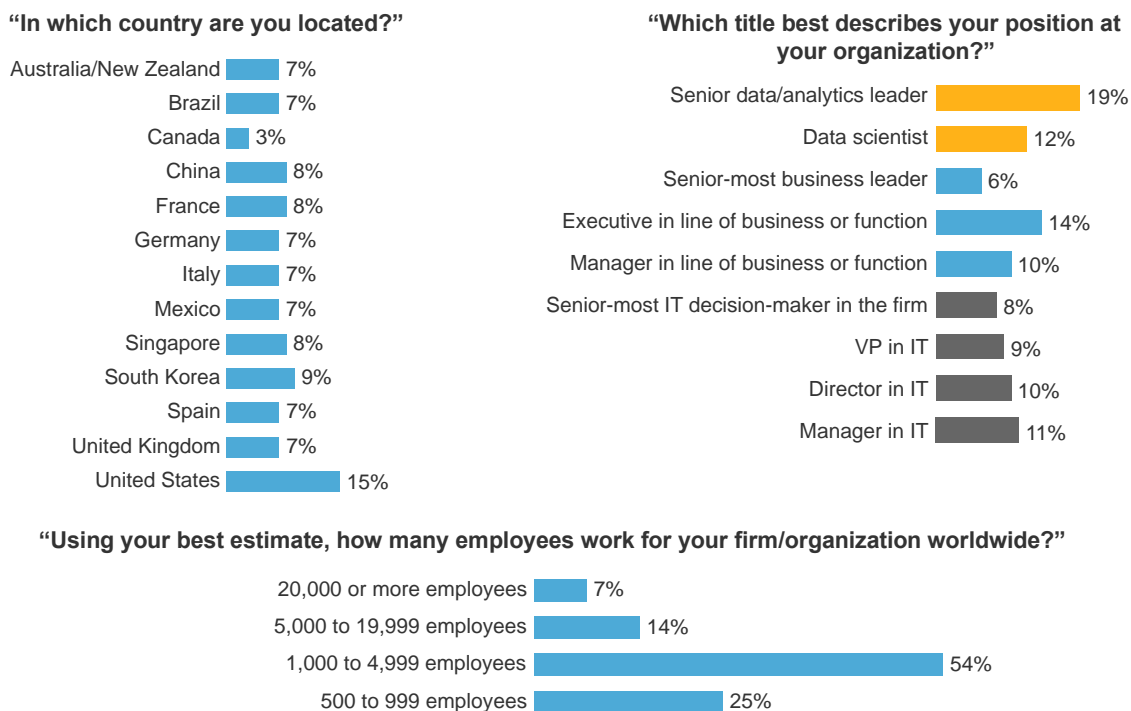
RELATED FORRESTER RESEARCH

“Predictions 2017: Enterprise Architecture In 2017 And Beyond,” Forrester Research, Inc., November 3, 2016

“The Insights-Driven Business,” Forrester Research, Inc., August 1, 2016

Appendix C: Demographics

FIGURE 10
Study Demographics: Location, Company Size, And Role



Base: 431 IT, line-of-business, and data professionals responsible for big data in global enterprises

Source: A commissioned study conducted by Forrester Consulting on behalf of Oracle and Intel, October 2016