

APPENDIX

Key Findings: How Companies in Hong Kong, Indonesia, Malaysia, the Philippines, Singapore and Thailand are Using Managed Services Providers (MSPs)

Market Outlook

- 90% of organizations either use or are considering whether to use a managed services provider. Managed services have emerged as the preferred strategy to resolve IT challenges and drive positive business outcomes.

IT Challenges

- Major challenges cited for managing IT in-house are security (59%), identifying and retaining IT talent (51%), and scarcity of IT skills (50%).
- 40% of businesses in the region manage 6 to 10 vendors and 21% manage more than 10 vendors. Their most common concerns are complexity leading to performance issues (56%), the struggle to make vendors work together (54%), and the high cost of using multiple vendors (53%).
- Nearly 70% of large businesses (>5,000 staff) need help in reducing SLAs, while for medium-sized businesses (500-999 staff), they need more support in legacy migration (59%) and in reducing IT CAPEX (61%).

Technologies to Outsource

- Security is the most outsourced technology today (58%) and that is expected to grow to 66% in 18 months.
- Nearly three out of four businesses expect to outsource cloud infrastructure in the next 18 months, up from 55% today.
- More than 50% of organizations are outsourcing systems management and applications management (ERP, CRM etc.) today and that is expected to increase 10% in the next 18 months.

Cloud-based Deployments Are Set to Gain Strong Traction

- Most businesses are using private cloud (50%), with 25% using public cloud and 18% using a hybrid cloud today. Close to half expect to move to hybrid cloud in the next 18 months (49%).
- Half of the businesses surveyed are planning SD-WAN (51%) and Azure Stack deployment (50%).

Key Findings by Markets

Hong Kong:

- As a mature market, Hong Kong businesses are struggling with infrastructure complexity (43%) and organizational resistance to change (43%), while security risks are the top challenge (52%).
 - Almost two-thirds of businesses in Hong Kong are considering partnering with MSPs to help design IT projects with clear ROI (67%) and manage migration from legacy IT (61%).
 - Cloud infrastructure is the most outsourced technology today in Hong Kong (57%), and will grow to 67% in 18 months, followed by enterprise network management (48% today; 59% in 18 months), applications management (48% today; 54% in 18 months) and security (46% today; 50% in 18 months).
 - More than half of Hong Kong organizations use private cloud today (54%), while one-third expect to deploy hybrid cloud in 18 months.
 - 80% of businesses in Hong Kong are looking to SD-WAN – 30% have deployed SD-WAN or are currently upgrading to it, while 50% are considering its use.
- 88% of the organizations in Hong Kong are interested in Azure Stack deployment – 27% have completed or are currently moving to Azure Stack, while 61% are considering it.

Singapore:

- Singapore businesses are also struggling with infrastructure complexity (58%), with security risks as the top challenge (63%).
- The key reasons for businesses in Singapore to consider partnering with MSPs is to reduce security risk (74%), followed by optimizing operations and improving workflows (67%).
- Security is the most outsourced technology today in Singapore (58%). Other commonly outsourced technologies include Software Support/ Maintenance (56%) and cloud infrastructure (53%). In addition, 70% of organizations will outsource security and cloud infrastructure over the next 18 months.
- While 44% of businesses in Singapore are using private cloud today, it will become the largest hybrid cloud market in the region with 58% businesses moving to hybrid cloud in 18 months.
- More than one-third of organizations in Singapore have completed or are undergoing SD-WAN projects (35%), and over half of them are considering a move to SD-WAN (51%).
- Azure Stack deployment is another popularly planned project in Singapore – 30% of businesses have completed or are currently moving to Azure Stack, while 49% are considering it.