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## Cloud and Bandwidth Demands Challenge IT Teams

Network Instruments Annual State of the Network Global Study Offers IT Management Insights

**Minneapolis, MN – March 13, 2012** – Network Instruments, a worldwide leader in network and application performance monitoring, released its Fifth Annual State of the Network Global Study today. The results suggest a potential management storm as IT teams face significant monitoring challenges from multiple forms of cloud computing, as well as substantially increased bandwidth demands.

### Study Highlights

- **Moving apps to the cloud:** 60% anticipate half of their apps will run in the cloud within 12 months
- **Video is mainstream:** 70% will implement video conferencing within a year
- **Bandwidth demand driven by video:** 25% expect video will consume half of all bandwidth in 12 months
- **Chief application challenge:** 83% were most challenged by identifying the problem source
- **Increased bandwidth demands:** 33% expect bandwidth consumption to increase by more than 50% in next two years.

“While IT teams embrace cloud services and video conferencing as a way to increase cost savings and business flexibility, these technologies introduce new components and environments which make ensuring positive end-user experience all the more challenging,” said Brad Reinboldt, senior product manager of Network Instruments. “The reported lack of monitoring tools, quality metrics, and visibility create serious obstacles that prevent IT from effectively managing performance and jeopardize costly technology investments.”



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### Cloud Computing

While the number of organizations embracing cloud (60%) remains steady compared to last year's study results, the number of implementations per organization is growing. Most notably were Software as a Service (SaaS), Infrastructure as a Service (IaaS), and private cloud deployments – which grew by 10% over the last year. On average, respondents expected one-third of their applications to be running in the cloud within 12 months.

Seventy-four percent of respondents indicated their chief concern about cloud migration was ensuring corporate data security. The number is nearly double that of last year, and may be the primary reason for slowing cloud adoption by new organizations. Other top concerns included lack of accurate end-user experience monitoring and the bandwidth impact of cloud services.

Although challenging from a monitoring and visibility perspective, one-third of organizations indicated application availability increased as a result of cloud migration.

### Video Conferencing

After many false starts, enterprise video conferencing is now mainstream. Video conferencing has been implemented by 55%, with an expected 70% within a year. Nearly two-thirds of these organizations have implemented multiple deployments throughout their organization. These include standard conference rooms (75%), desktop PCs (63%), and telepresence systems (30%).

While video is clearly embraced, several cited challenges that could hinder wider adoption. Inadequate user knowledge and training was viewed as the largest concern in ensuring a positive video conference experience (53%). This was followed by difficulties allocating and monitoring bandwidth (47%), and a lack of tools to manage video performance (47%).

Further compounding these issues are the lack of standardized metrics to monitor video quality. Network professionals typically relied on a mix of metrics to assess quality, including latency (76%), packet loss (69%), and jitter (60%). Surprisingly, less than one in five use Video MOS, a metric specifically designed to determine video quality.

By the beginning of 2013, nearly one-quarter of respondents expect video to consume over half of their bandwidth.



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### Performance and Bandwidth Management

As applications become more complex and tiered, the ability to resolve service delivery issues grows. Eighty-three percent of respondents said the largest application troubleshooting challenge was identifying the problem source. Whereas, more than two-thirds of respondents predicted network traffic demands would increase by 25%-50% within two years.

### State of the Network Global Study Background

The State of the Network Global Study has been conducted annually for five years. This year, Network Instruments engaged 163 network professionals to understand and quantify new technology adoption trends and daily IT challenges. Respondents were asked, via third-party web portal, to answer a series of questions on the impact, challenges, and benefits of cloud computing, video conferencing, and application performance management.

The results were based on responses by network engineers, IT directors, and CIOs in North America, Asia, Europe, Africa, Australia, and South America. Responses were collected from October 22, 2011 to January 3, 2012.