

# Asia/Pacific Enterprise Guide to Optimizing Hybrid Cloud Investments



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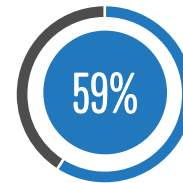
# Executive Summary

In the era of digital business, where value creation is premised on the active use of digital technologies to drive innovation, agility, and resilience, cloud has emerged as a foundational platform that powers digital business capabilities.

The use of multiple clouds is already a reality in Asia/Pacific with IDC research revealing that 3 in 5 Asia/Pacific enterprises use multiple public clouds. But such environments introduce several challenges — fragmentation of the enterprise IT estate into silos, escalating costs, differences in processes/workflows between clouds, difficulty in sharing enterprise data across clouds, lack of requisite cloud skills, and security and governance challenges.

To optimize their cloud investment, enterprises need a robust cross-cloud hybrid architecture that enables policy-driven automation, advanced observability, and real-time analytics that can deliver desired business, operational, security, and compliance outcomes. However, executing an integrated hybrid cloud transformation strategy is a complex undertaking that calls for a broad set of critical capabilities.

This IDC InfoBrief looks at the hybrid cloud landscape in Asia/Pacific and details how enterprises can optimize their hybrid cloud investments to realize business objectives while driving operational efficiency. In addition, the InfoBrief presents a hybrid cloud maturity evolution model that enterprises can use to guide their cloud journey.



59% of Asia/Pacific enterprises acknowledge the benefits of hybrid cloud and are actively considering a hybrid cloud environment.<sup>1</sup>



By 2026, 40% of A2000 companies will expand their FinOps scope to identify new cost optimization opportunities by adding SaaS management platform tools and capabilities.<sup>2</sup>

Source:

<sup>1</sup>IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 1,000

<sup>2</sup>IDC FutureScape: Worldwide Cloud 2024 Predictions — Asia/Pacific (Excluding Japan) Implications

# The Technology Underpinnings of Digital Business

Enterprises are now entering a new chapter in the digital transformation (DX) journey: the digital business era. Successful digital business is characterized by four attributes: rapid innovation, business agility, robust security, and operational resilience. Cloud is an essential platform to deliver these capabilities.



## Innovation at Scale

- Cloud-native development capabilities
- New artificial intelligence (AI)/machine learning (ML), data, and business services
- Modernized legacy apps (APIs, low-code/no-code, DevOps, and microservices)



## Business Agility

- Enterprise-wide data fabric
- Data architecture and usage governance
- Data-driven decision making at speed



## Security and Governance

- Cybersecurity and risk assessment centers of excellence
- Autonomous security operations
- Data sovereignty, security, and trust



## Value Maximization

- New business and delivery models
- Innovative customer experiences
- Operational optimization (e.g., FinOps and automation)



### What is digital business?

A digital business is characterized by its use of technology to deliver innovation, agility, and resilience.



### Why digital business matters

By 2026, 40% of total revenue for A2000 organizations will be generated by digital products, services, and experiences<sup>1</sup>

Source: <sup>1</sup>IDC FutureScope: Worldwide Digital Business Strategies 2023 Predictions — Asia/Pacific (Excluding Japan) Implications



# Enterprise Cloud Transformation: A Journey to Value Maximization



A primary cloud is often the first step to enterprise IT modernization. The enterprise then progressively matures in its cloud journey through multicloud, and finally graduates to optimal value realization through the implementation of a seamless hybrid, multicloud environment.

Enterprises in Asia/Pacific are increasingly multicloud, and a true hybrid, multicloud setup is the next step as businesses demand more from their cloud investment.



## On-premises/ Traditional Infra

Traditional datacenters and hosted (non-cloud) infrastructure environments



## Primary Cloud

In addition to traditional infrastructure models, enterprises begin experimenting with and scaling on a single public cloud provider



## Multicloud

Enterprises use multiple clouds in addition to traditional IT environments, but there is limited interoperability to drive value optimization



## Hybrid, Multicloud

All cloud (public and private) and non-cloud (on-premises and hosted) infrastructure managed as a single, unified infrastructure fabric with a focus on value optimization

Source: IDC Asia/Pacific Cloud Survey 2023; n = 850 for Asia/Pacific

# Hybrid Cloud Gaining Momentum Across Asia/Pacific Industries

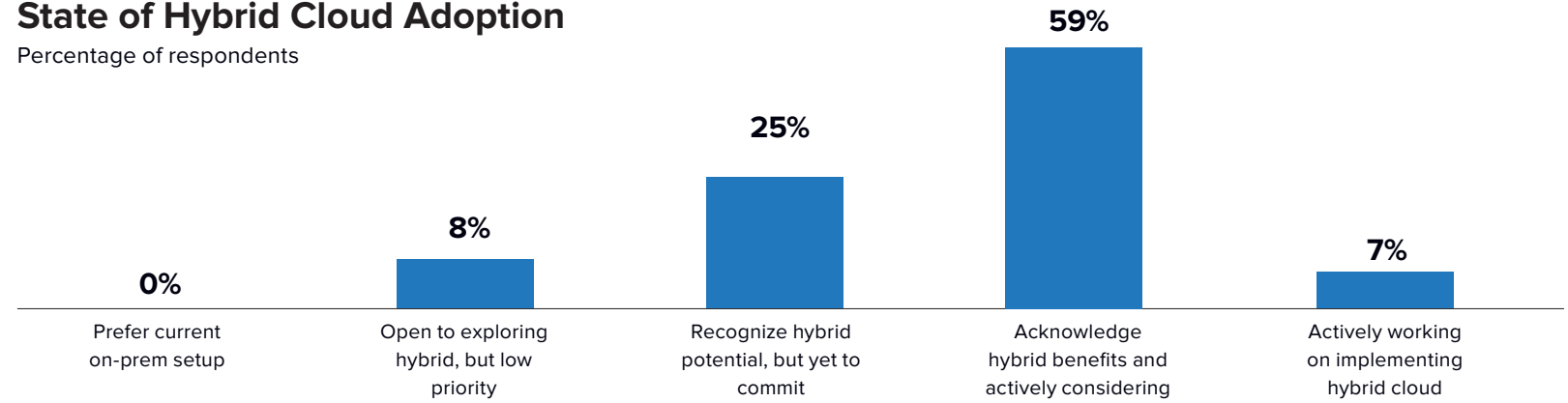


IDC's research on attitudes and expectations toward hybrid cloud show that Asia/Pacific is on the cusp of evolutionary change, with an overwhelming majority surveyed acknowledging the benefits of hybrid cloud. About 66% of enterprises are actively considering or implementing hybrid cloud.

This trend holds true across the region's diverse industries, from banking, financial services, and insurance (BFSI), to manufacturing, retail, healthcare, life sciences, and public sector.

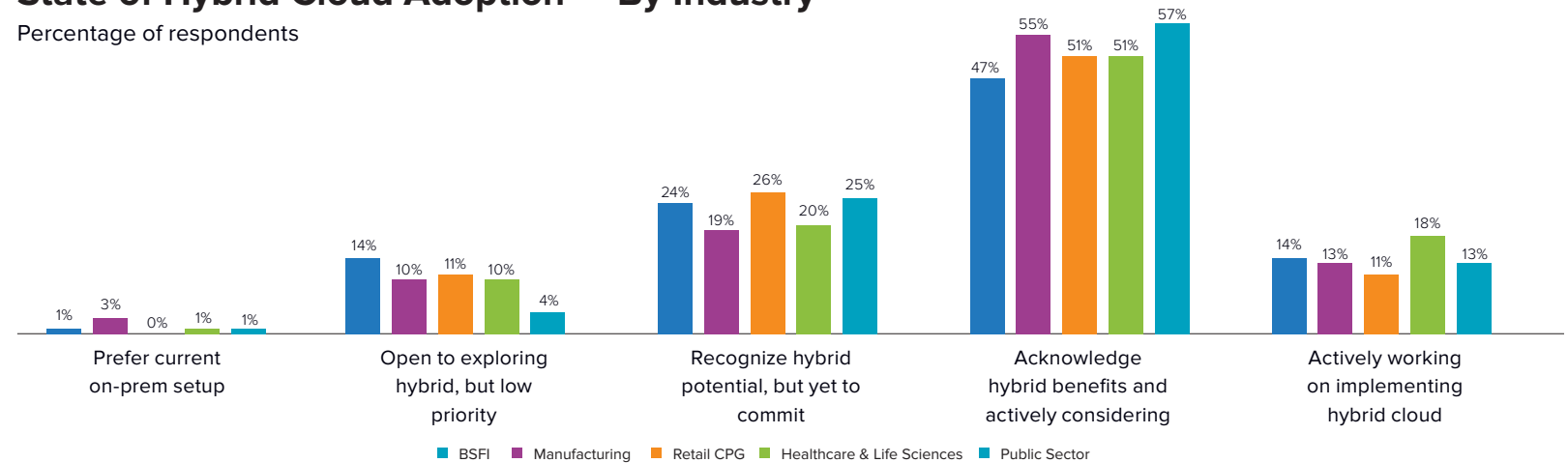
## State of Hybrid Cloud Adoption

Percentage of respondents



## State of Hybrid Cloud Adoption — By Industry

Percentage of respondents

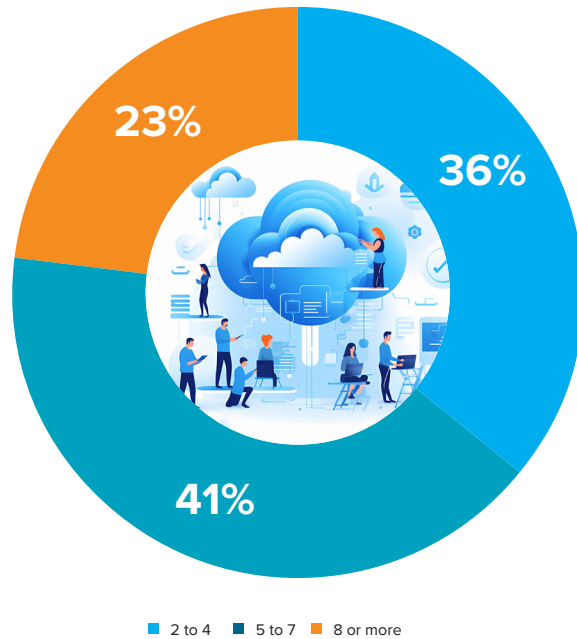


Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 1,000

# Multicloud Is a Reality, But Presents Several Challenges

Enterprises in Asia/Pacific are increasingly adopting multicloud, but a better solution is needed to prevent estate fragmentation and to address the challenges of multicloud environments.

## Number of Cloud Providers Enterprises Are Using/Planning to Use in the Near Term



## Top Challenges Faced When Using Multicloud Services



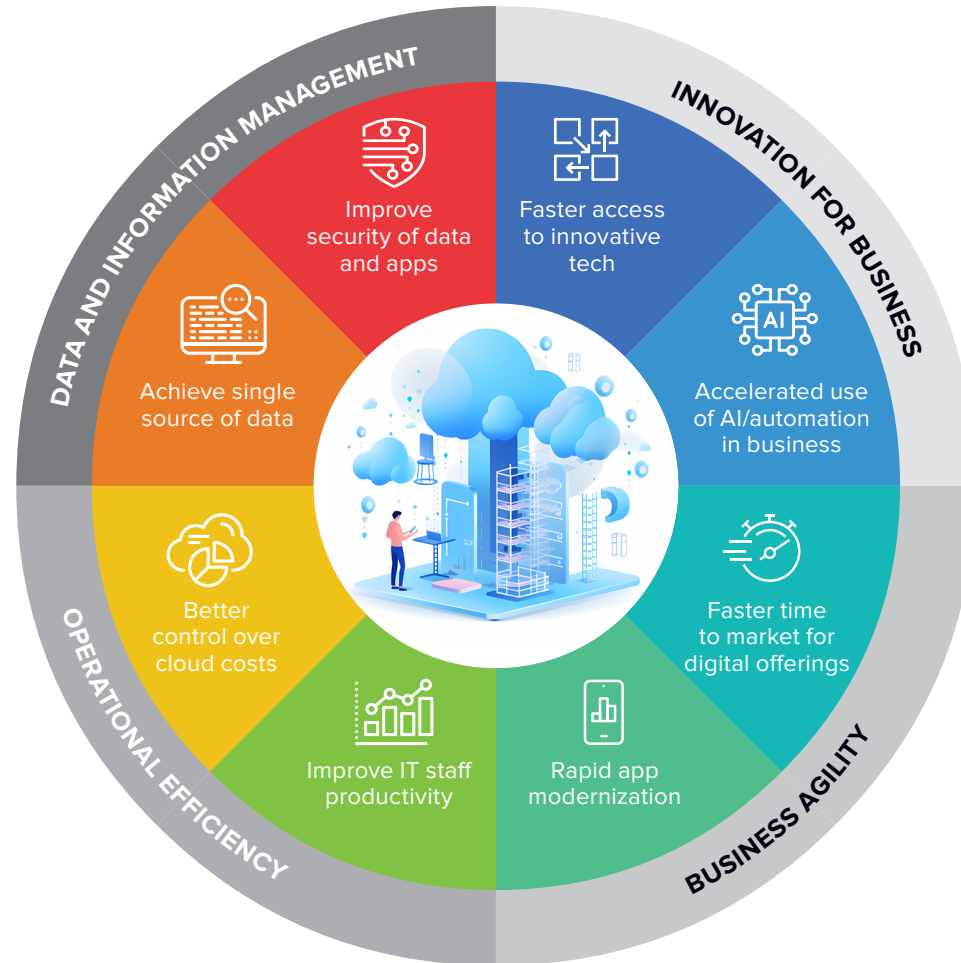
Source: IDC Asia/Pacific Cloud Survey 2023, n = 850 for Asia/Pacific

# Key Benefits From an Optimized Hybrid Cloud Environment



Optimization is the next step as organizations mature in their adoption of hybrid cloud. An optimized hybrid cloud environment positions an enterprise's IT infrastructure to deliver its top-priority business objectives across four dimensions:

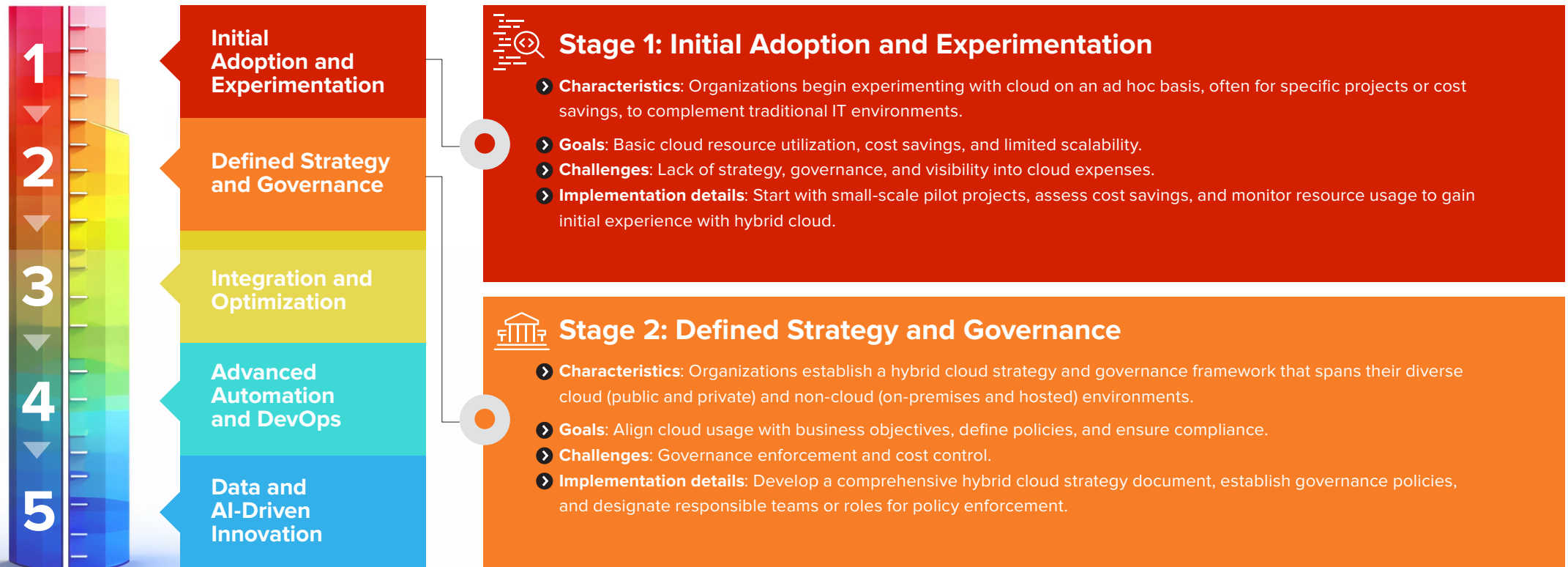
- Operational efficiency and organizational productivity
- Data and information management
- Business agility and responsiveness
- Business innovation and differentiated experiences



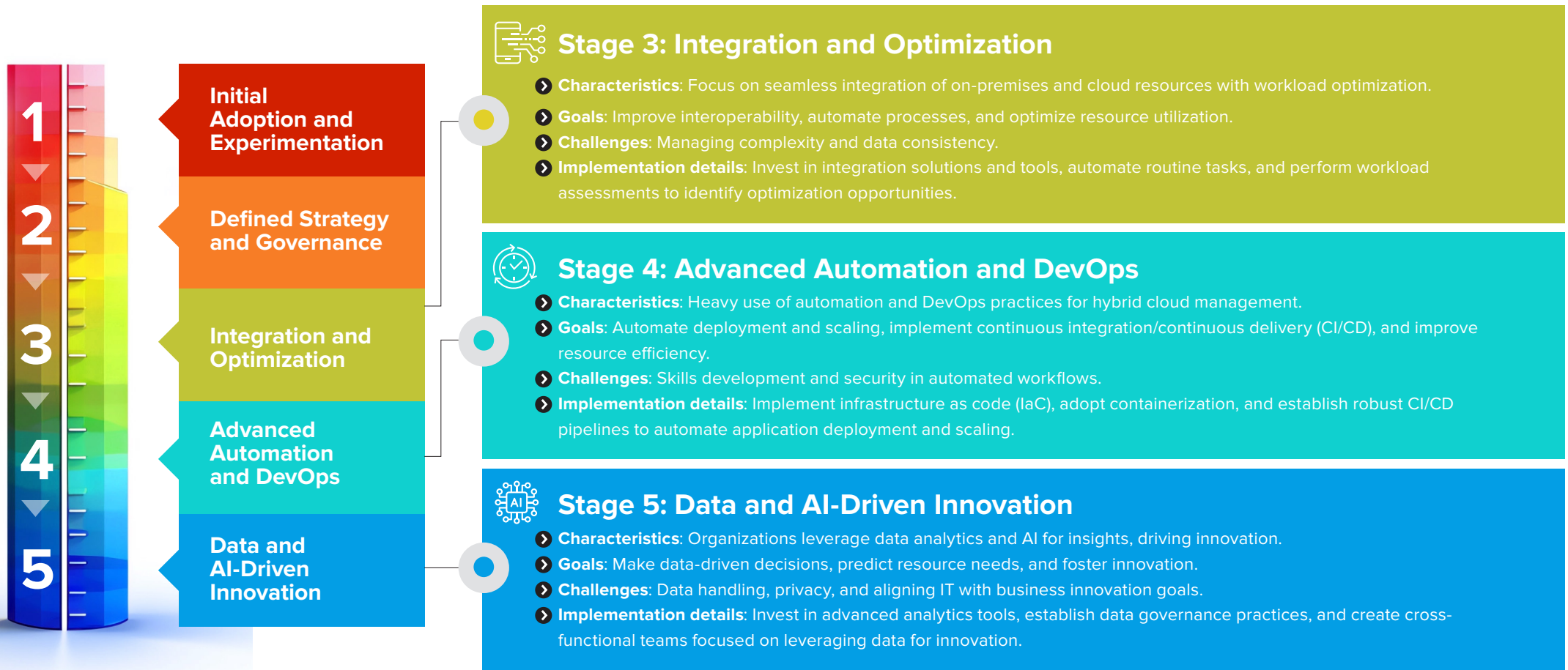


# A Practical Hybrid Cloud Maturity Evolution Model (1/2)

IDC believes that hybrid cloud represents the future of the enterprise digital business evolution. The ability of enterprises to seamlessly consume cloud resources and capabilities across diverse environments to deliver business innovation, agility, and resilience will be key to maximizing the value from enterprise infrastructure investments. IDC recommends the following maturity model for enterprises that are looking to embark on their hybrid cloud journey.



# A Practical Hybrid Cloud Maturity Evolution Model (2/2)



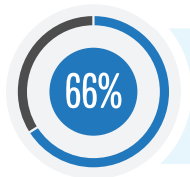
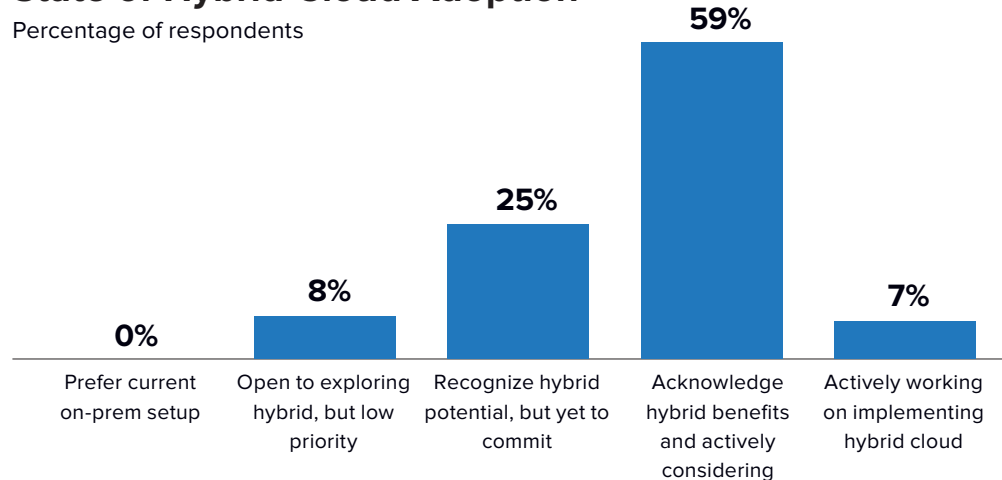
# State of Cloud: Australia (1/2)



Australia is a mature cloud market, with 44% of enterprises having embraced multicloud. The market is on the cusp of broad hybrid cloud adoption as enterprises seek greater scalability, control, and better cost management.

## State of Hybrid Cloud Adoption

Percentage of respondents



About 66% of Australian enterprises are actively considering or implementing hybrid cloud.

Source: IDC Asia/Pacific Cloud Survey 2023; n = 50 for Australia

Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 100 for Australia

IDC's research shows that enterprises continue to struggle with operational challenges on their cloud journey. They lack the skills required to integrate and optimize the performance of multiple cloud environments. Overcoming these challenges is key to realizing the desired business benefits from their hybrid cloud environments, which include delivering superlative customer experience (CX) and bringing innovative ideas to market faster.



### Top 3 Challenges in the Cloud Journey

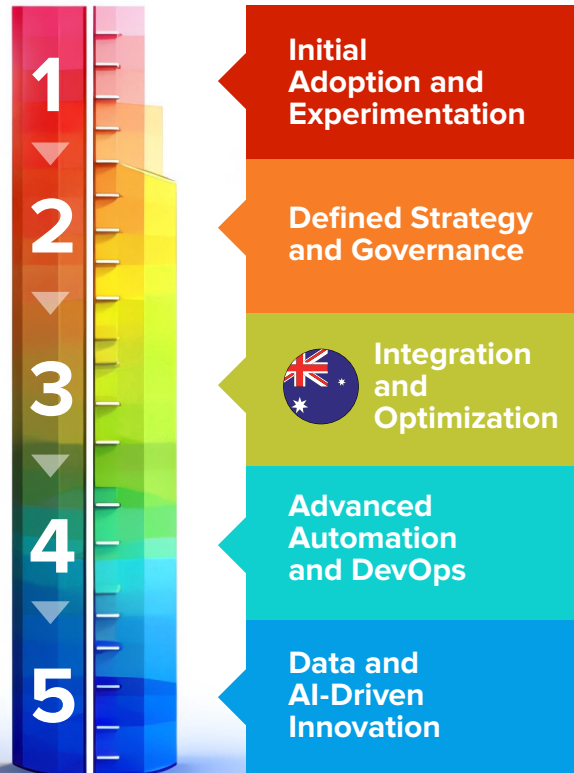
- 1 Desired performance/operational objectives not met (**42%**)
- 2 Significant schedule slippage in migration (**40%**)
- 3 Unable to source necessary skills to optimize cloud investments (**37%**)



### Top 3 Benefits Desired from Cloud

- 1 Better customer experience/loyalty (**44%**)
- 2 Faster time to market with new products/services (**36%**)
- 3 Higher business and IT productivity (**32%**)

# State of Cloud: Australia (2/2)



## State of hybrid cloud maturity

Most Australian enterprises are at **stage 3 (Integration and Optimization)** of their hybrid cloud journey, the phase in which significant operational challenges remain due to a lack of requisite skills to optimize their multicloud environments (e.g., public/private cloud and on-premises non-cloud estates).

## Guidance to progress in maturity

- **Invest in cross-platform integration solutions and operational automation** to overcome the skills shortage. This will help improve operational efficiency and cloud migration outcomes. Redundancy in multicloud environments is critical, and automation ensures operational resilience preparedness of responsible entities managing assets identified as critical infrastructure, as mandated by the Australian Security of Critical Infrastructure (SOCI) Act 2018.
- **Invest in maturing DevOps practices** to create continuous integration/continuous development (CI/CD) pipelines for automated deployment and scaling to bring new products and services to the market faster.
- **Leverage containerization and microservices-based application architectures** for superior application performance and, in turn, deliver better customer experiences.



Source: IDC Hybrid Cloud Maturity Evolution Model

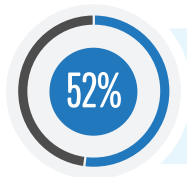
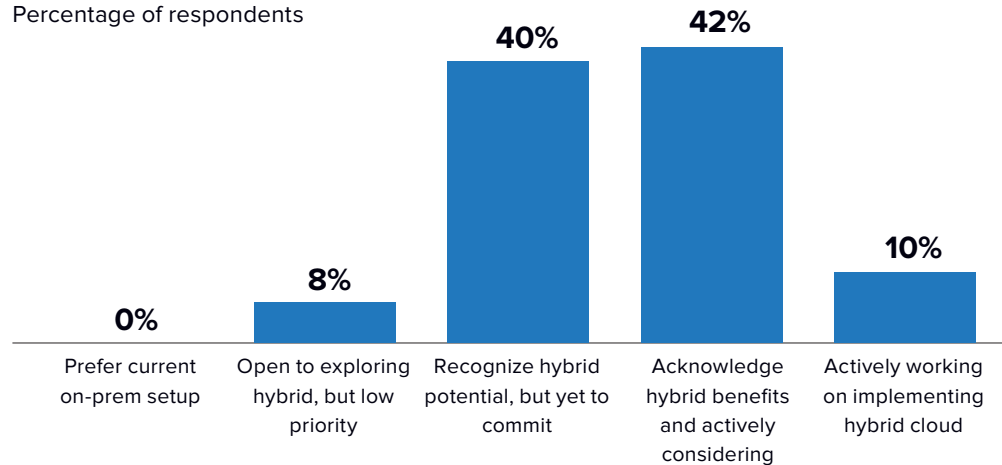
# State of Cloud: New Zealand (1/2)



New Zealand is largely a multicloud market that is yet to embrace hybrid cloud. The New Zealand market appears roughly evenly split between enterprises that are actively considering hybrid cloud, and those that are yet to commit to a hybrid cloud strategy.

## State of Hybrid Cloud Adoption

Percentage of respondents



About 52% of New Zealand enterprises are actively considering or implementing hybrid cloud.

Source: IDC Asia/Pacific Cloud Survey 2023; n = 30 for New Zealand

Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 48 for New Zealand

New Zealand's market needs further demonstration of the benefits of hybrid cloud environment. IDC's research shows that gaining the ability to control the cost of running their cloud operations ranks highest on the list of desired cloud benefits, but fostering an agile organizational culture remains an elusive goal.



### Top 3 Challenges in the Cloud Journey

- 1 Ability to control cloud operations costs (**42%**)
- 2 Vendor management more challenging than traditional models (**38%**)
- 3 Desired performance/operational objectives not met (**37%**)

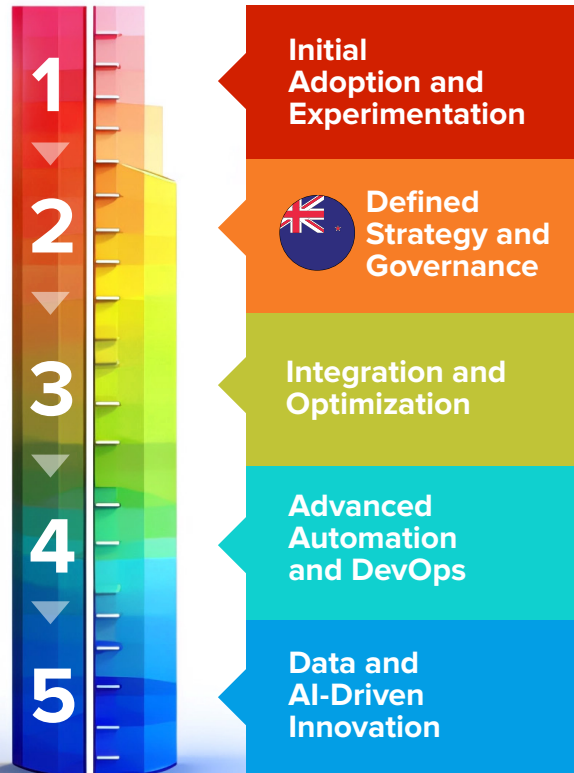


### Top 3 Benefits Desired from Cloud

- 1 Agile organizational culture (**37%**)
- 2 Faster time to market with new products/services (**36%**)
- 3 Better insights from data with AI and analytics (**36%**)



# State of Cloud: New Zealand (2/2)



## State of hybrid cloud maturity

Most New Zealand enterprises are at **stage 2 (Defined Strategy and Governance)** of their hybrid cloud journey. Their top challenges are ballooning cloud costs, multivendor management complexity, and inability to meet desired performance objectives. These are classic multicloud challenges arising from having disparate and diverse cloud (and non-cloud) environments.

## Guidance to progress in maturity

- Invest in strengthening cloud strategies and governance mechanisms.
- Develop a **comprehensive multicloud strategy**, establish **robust governance policies**, implement an **integrated management** mechanism, and designate **responsible teams or roles** for policy enforcement. These actions will also help public sector entities in New Zealand stay compliant with New Zealand Government's Information Security and Privacy Considerations (ISPC) guidelines for cloud solutions.
- Enterprises that successfully progress beyond stage 2 will have the **foundation to pursue business benefits** such as greater organizational agility, faster time to market with new products/services, and better data-driven insights.



Source: IDC Hybrid Cloud Maturity Evolution Model

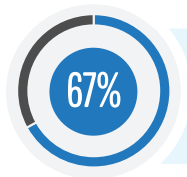
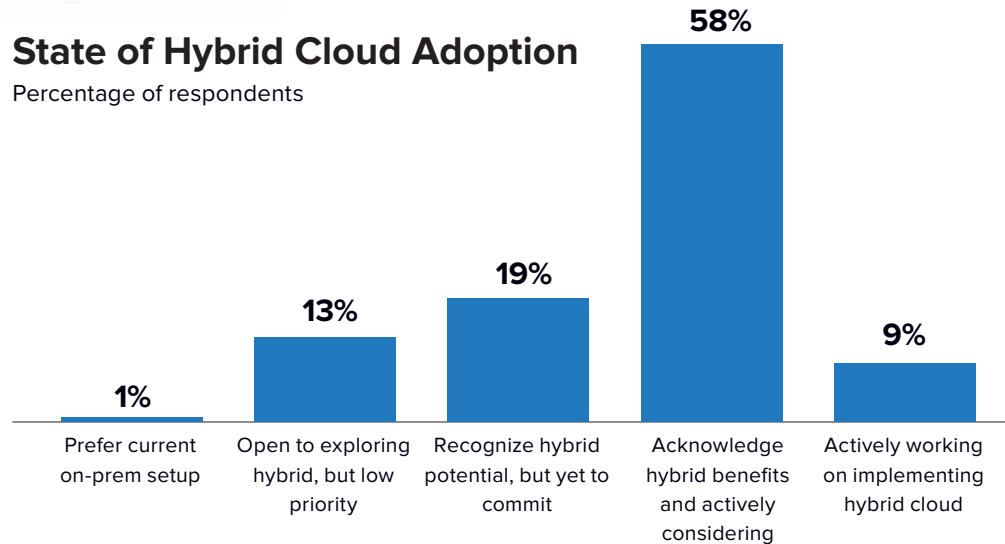
# State of Cloud: Singapore (1/2)



Singapore is a mature cloud market, with 62% of enterprises adopting multicloud. The propensity toward hybrid cloud adoption is strong, as both private enterprises and public sector organizations accelerate the adoption of cloud services and digital transformation.

## State of Hybrid Cloud Adoption

Percentage of respondents



About 67% of Singapore enterprises are actively considering or implementing hybrid cloud.

Source: IDC Asia/Pacific Cloud Survey 2023; n = 50 for Singapore

Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 69 for Singapore

Some of the cloud journey challenges faced by Singapore enterprises include managing distributed estates and lock-in into proprietary architectures and platforms. This is indicative of early cloud adopters who now need to optimize their cloud strategy with the benefit of maturity and experience.



### Top 3 Challenges in the Cloud Journey

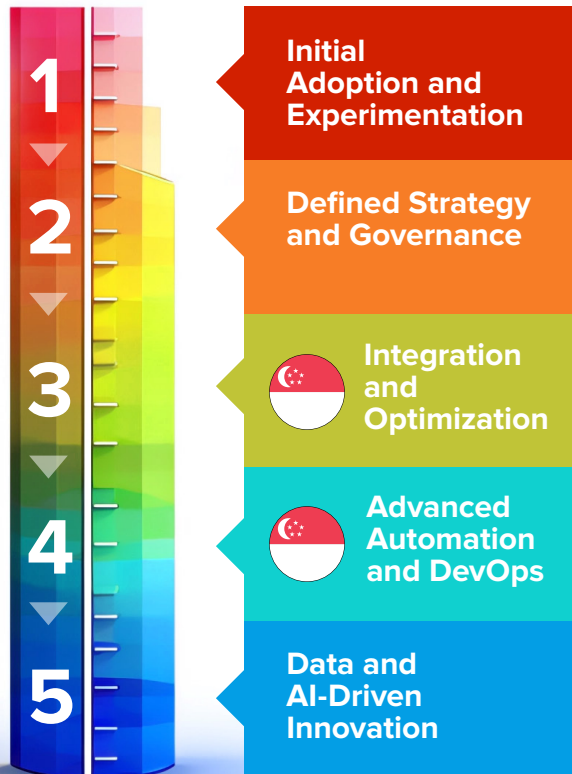
- 1 Distributed estate operations management (**42%**)
- 2 Inability to source necessary cloud skills (**38%**)
- 3 Lock-in into proprietary architectures and platforms (**37%**)



### Top 3 Benefits Desired from Cloud

- 1 Better customer experience/loyalty (**44%**)
- 2 Higher business and IT productivity (**44%**)
- 3 Faster app/digital services development (**36%**)

# State of Cloud: Singapore (2/2)



## State of hybrid cloud maturity

Singapore is well and truly in the multicloud phase, with majority of enterprises at at **stage 3 (Integration and Optimization)** or **stage 4 (Advanced Automation and DevOps)** of their hybrid, multicloud journeys. However, challenges remain for many due to architectural choices and decisions made early on in their cloud journey. These include difficulty in managing a distributed estate, struggles with proprietary architectures, and an inability to source for necessary cloud skills. Public sector entities embracing Government on Commercial Cloud (GCC) initiatives seek to break down large siloed government applications into more modern, scalable and feature-rich ecosystems.

## Guidance to progress in maturity

### Enterprises at stage 3

- Typically found struggling with the challenges of proprietary architectures/platforms and operational management of their distributed estate.
- Need to **focus on implementing automation and tooling** to ensure integration across their hybrid environments.

### Enterprises at stage 4

- Face challenges in scaling and optimizing their hybrid environments.
- Need to **focus on implementing cloud-native development and operations capabilities and practices**.
- For example, infrastructure as code for programmatic and automated infrastructure provisioning, and DevOps and containerization for rapid app development and deployment to improve scalability and optimize operational performance.



Source: IDC Hybrid Cloud Maturity Evolution Model

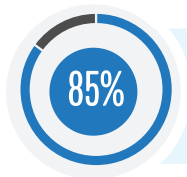
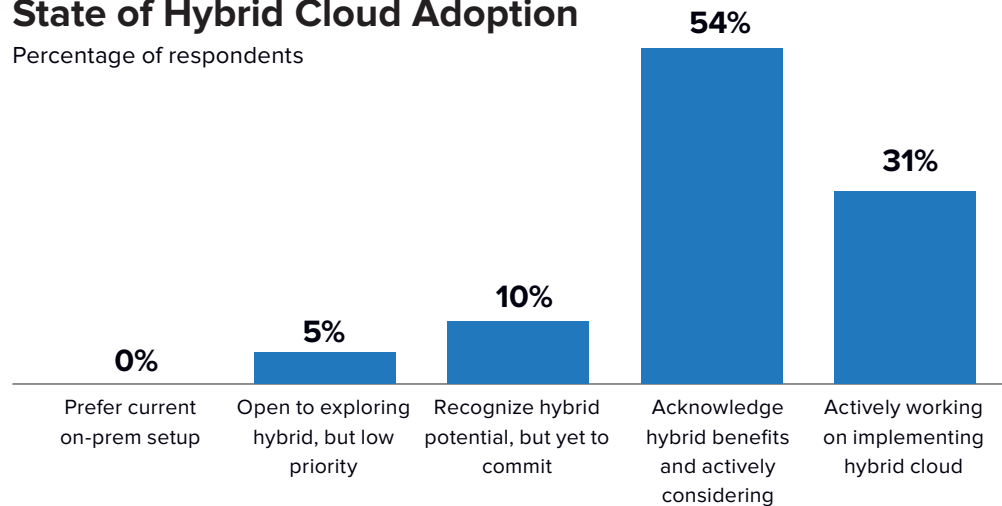
# State of Cloud: Thailand (1/2)



Enterprises in Thailand vary widely in their cloud maturity. On one hand, about 43% of Thailand enterprises use just a single public cloud, apart from traditional on-premises/hosted infrastructure; and on the other hand, there is strong interest in hybrid cloud adoption among current multicloud adopters.

## State of Hybrid Cloud Adoption

Percentage of respondents



About 85% of enterprises in Thailand are actively considering or implementing hybrid cloud.

Source: IDC Asia/Pacific Cloud Survey 2023; n = 30 for Thailand

Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 58 for Thailand

The top cloud challenges identified by Thailand enterprises are around cost and performance, making it critical that they maximize the value of cloud investments.



## Top 3 Challenges Encountered in the Cloud Journey

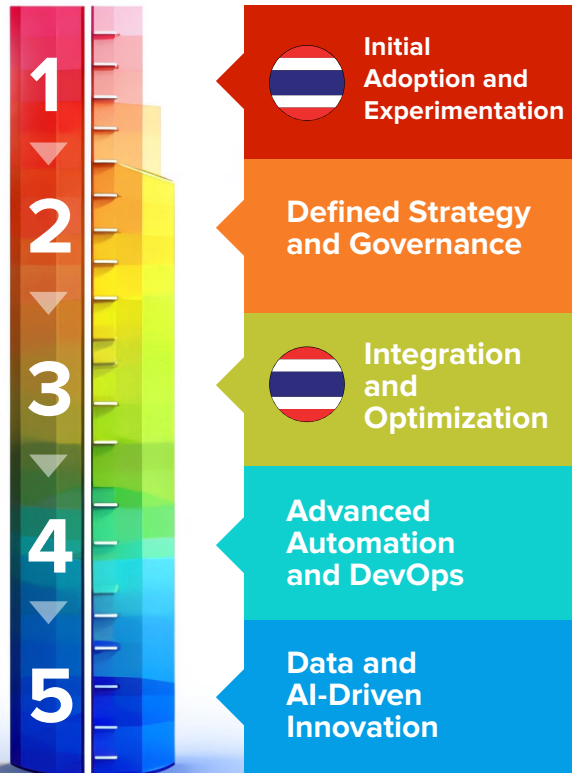
- 1 Inability to control cloud operations costs (**48%**)
- 2 Migration effort went significantly over budget (**38%**)
- 3 Desired performance/operational objectives not met (**37%**)



## Top 3 Business Benefits Desired from Cloud

- 1 Better customer experience/loyalty (**47%**)
- 2 Faster time to market with new products/services (**47%**)
- 3 Better insights from data with AI and analytics (**43%**)

# State of Cloud: Thailand (2/2)



## State of hybrid cloud maturity

Thailand is a distinctly bimodal hybrid cloud market. About 43% of enterprises are at **stage 1 (Initial Adoption and Experimentation)** of their hybrid cloud journey. Some of these enterprises are just graduating from single cloud and others experimenting with multicloud usage. There is also a group of enterprises which are well into multicloud but are contending with challenges around managing cost and optimizing investments. These enterprises belong to **stage 3 (Integration and Optimization)** of the hybrid cloud maturity model.

## Guidance to progress in maturity

### Enterprises at stage 1

- Can use their **initial hybrid and multicloud experiments to better understand the cloud economics** and conceptualize a deployment matrix for use cases and scenarios.
- This will help enterprises **optimize expenses** and prepare operationally for **compliance requirements** such as Thailand's Personal Data Protection Act (PDPA).

### Enterprises at stage 3

- Focus on executing **multi-environment integration, operational automation, and workload optimization**. These strategies help optimize resource utilization, drive down operational costs, and improve overall environment efficiency.
- As cloud maturity grows, the higher levels of integration and automation will **help improve enterprise-wide data quality and consistency**, further helping PDPA compliance.



Source: IDC Hybrid Cloud Maturity Evolution Model



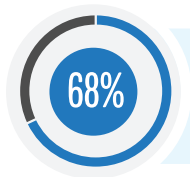
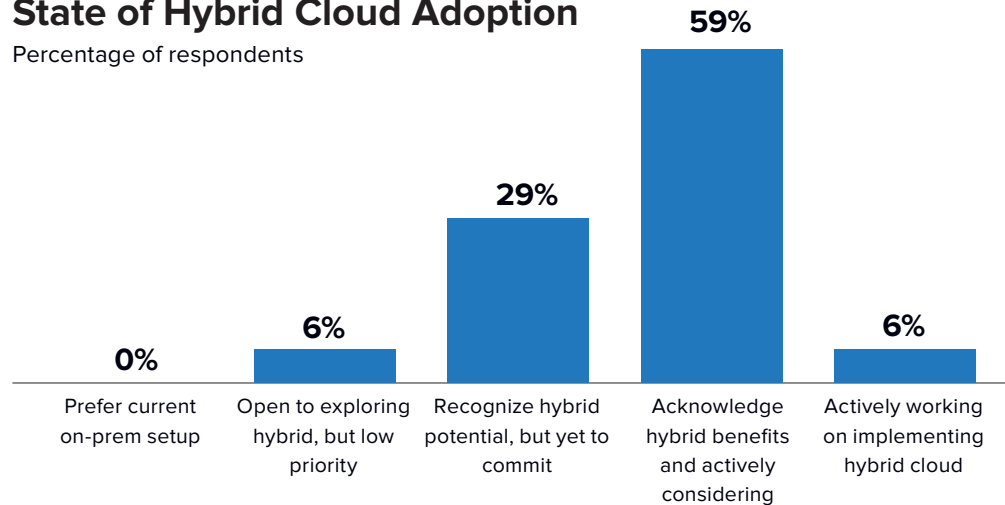
# State of Cloud: Philippines (1/2)



The Philippines has enterprises spanning the entire breadth of the hybrid cloud maturity spectrum. Hybrid cloud maturity is low, with 46% of enterprises using a single public cloud. At the other end of the spectrum, 59% of current multicloud users are actively considering moving to hybrid cloud, indicating eagerness to move up the maturity curve.

## State of Hybrid Cloud Adoption

Percentage of respondents



About 68% of enterprises in Philippines are actively considering or implementing hybrid cloud.

Source: IDC Asia/Pacific Cloud Survey 2023; n = 30 for the Philippines

Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 49 for the Philippines

Challenges in distributed estate operations management, managing cloud costs, and acquiring the right skills are indicative of organizations' struggles with the logistics of managing distributed, multicloud environments.



## Top 3 Challenges Encountered in the Cloud Journey

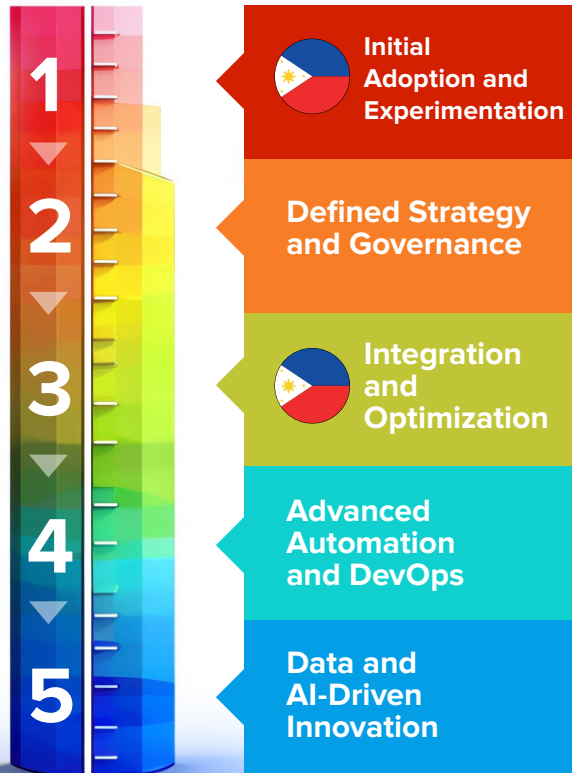
- 1 Distributed estate operations management (**45%**)
- 2 Inability to source necessary cloud skills (**45%**)
- 3 Inability to control cloud operations costs (**43%**)



## Top 3 Business Benefits Desired from Cloud

- 1 Better customer experience/loyalty (**43%**)
- 2 Faster app/digital services development (**40%**)
- 3 Better insights from data with AI and analytics (**40%**)

# State of Cloud: Philippines (2/2)



## State of hybrid cloud maturity

Enterprises in the Philippines are largely distributed between **stage 1 (Adoption and Experimentation)** and **stage 3 (Integration and Optimization)**. About half are at the lower end of the hybrid cloud maturity spectrum, and these enterprises are mostly single cloud users and just beginning their hybrid cloud journey with tentative usage of multiple cloud and non-cloud environments. Those at stage 3 have advanced on their multicloud journey, but they continue to have significant operational challenges with their multicloud environments.

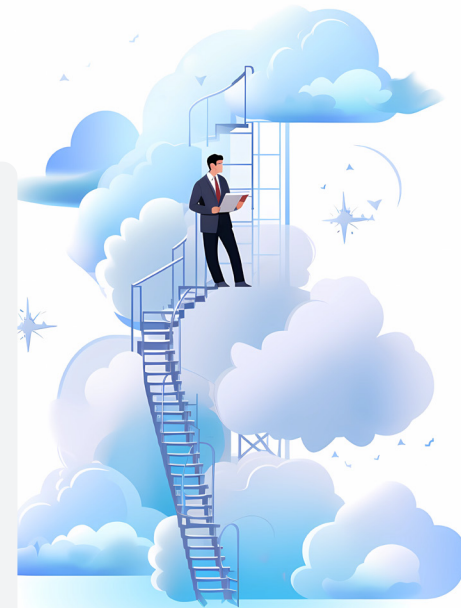
## Guidance to progress in maturity

### Enterprises at stage 1

- **Implement small-scale pilot projects for specific use cases and scenarios** to get an early sense of financial and operational nuances of hybrid and multicloud environments.
- **Involve the CIO's Office/IT team** early on to avoid the typical early-stage pitfalls of shadow IT.

### Enterprises at stage 3

- Focus on executing **multi-environment integration, operational automation, and workload optimization** to overcome operational challenges. This will enable enterprises to realize business benefits, such as superlative customer experiences, faster digital apps/services through hyper-automation, and cloud-native development capabilities and practices.
- The Department of Information and Communications Technology's early announcement of a **cloud-first approach** for the Philippines government, coupled with the availability of the Philippines GovCloud, have set the public sector enterprises on a clear hybrid cloud path. This is inspiring enterprises across other industries to invest in their cloud journeys.



Source: IDC Hybrid Cloud Maturity Evolution Model

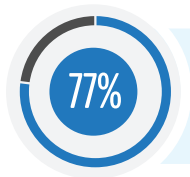
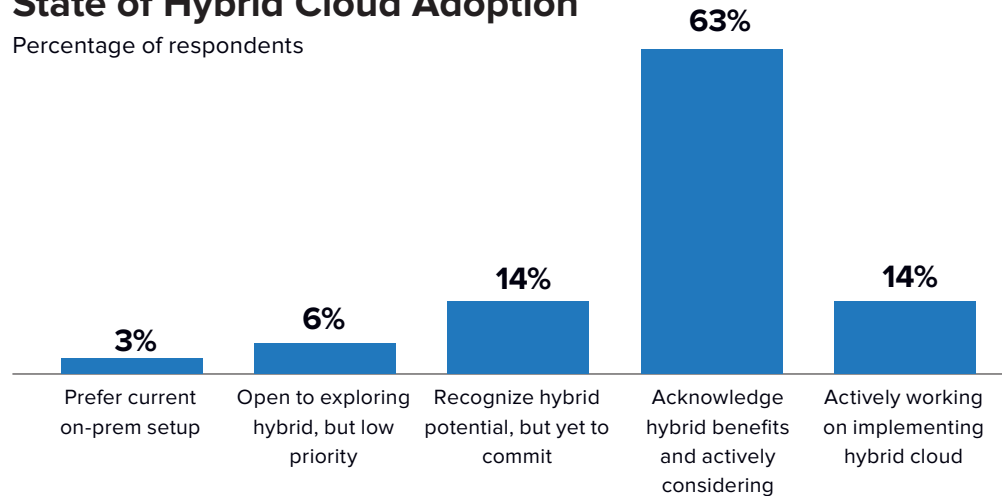
# State of Cloud: Indonesia (1/2)



Indonesia's cloud maturity falls across a wide spectrum. About 34% of enterprises qualify as multicloud users, and there is high interest in moving up the hybrid cloud maturity curve. About 14% of enterprises are already implementing hybrid cloud, and a further 63% are actively considering implementation.

## State of Hybrid Cloud Adoption

Percentage of respondents



77% of enterprises in Indonesia are actively considering or implementing hybrid cloud.

Source: IDC Asia/Pacific Cloud Survey 2023; n = 50 for Indonesia

Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 79 for Indonesia

Indonesian enterprises identified distributed estate operations management, rising cloud operations costs, and availability of cloud skills as the key challenges in their cloud journey, suggesting that enterprises are running into challenges of expanding and scaling cloud usage.



### Top 3 Challenges Encountered in the Cloud Journey

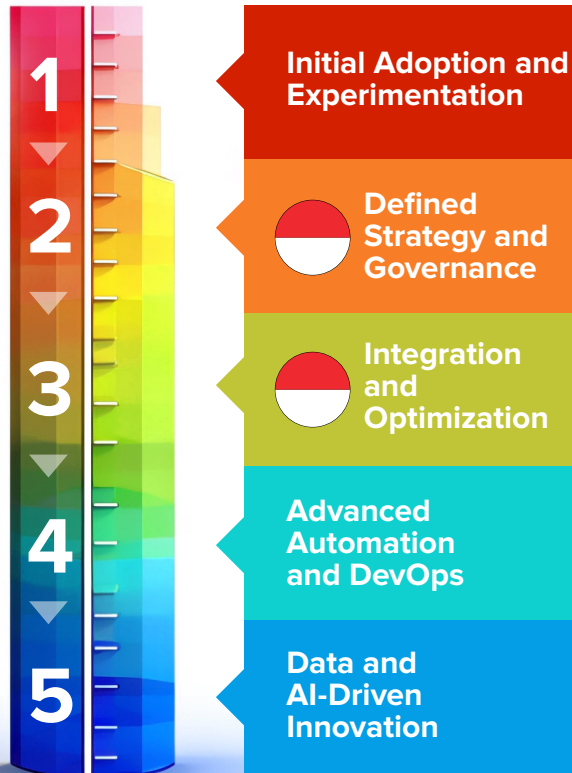
- 1 Distributed estate operations management (**45%**)
- 2 Inability to source necessary cloud skills (**45%**)
- 3 Inability to control cloud operations costs (**43%**)



### Top 3 Business Benefits Desired from Cloud

- 1 Higher business and IT productivity (**54%**)
- 2 Better insights from data with AI and analytics (**40%**)
- 3 Better customer experience/loyalty (**38%**)

# State of Cloud: Indonesia (2/2)



## State of hybrid cloud maturity

While 44% of enterprises in Indonesia still use a single primary public cloud, there is a high degree of interest in hybrid cloud. About 77% of enterprises are either considering a hybrid environment or are already implementing one. Most Indonesian enterprises appear to be progressing through the hybrid cloud maturity **stage 2 (Defined Strategy and Governance)** and **stage 3 (Integration and Optimization)**.

## Guidance to progress in maturity

### Enterprises at stage 2

- Are either transitioning from single cloud to multicloud or are at the early stages of their multicloud journeys. These include a growing number of Indonesian small and midsize enterprises (SMEs) which have, in the last few years, turned to public cloud to **accelerate the digitalization of their businesses**.
- Define a **strategy and governance model for their hybrid and multicloud usage** to prevent the creation of sub-optimal infrastructure silos. This will help them establish robust governance models to comply with Indonesia's Personal Data Protection Act, optimize operational costs, and overcome the lack of specialized cloud skills.

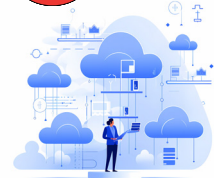
### Enterprises at stage 3

- Need to focus on **executing multi-environment integration, operational automation, and workload optimization**. This is key to resource optimization and improving the efficiency of the overall cloud environment.
- Set the foundation for **accelerated innovation and data-driven insights on a massive scale**. Enabled by hybrid cloud, it is at stage 4 that Indonesian enterprises can drive improved customer experiences and data-driven business decision-making.



Source: IDC Hybrid Cloud Maturity Evolution Model

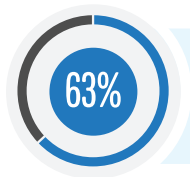
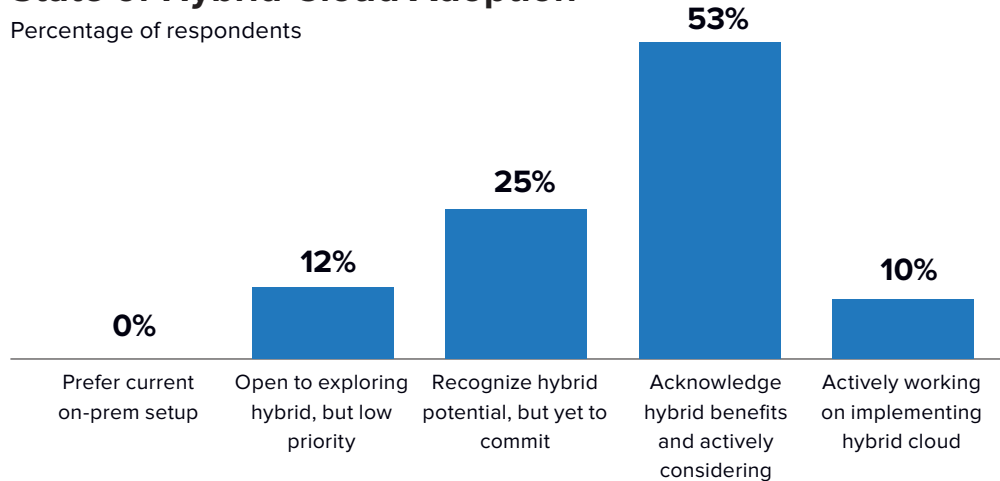
# State of Cloud: Malaysia (1/2)



Malaysia's cloud market is mixed, with about 40% of enterprises using a single public cloud, while another 50% are multicloud users. However, attitudes toward hybrid cloud are positive. About 63% of enterprises are either considering hybrid cloud or are already implementing one.

## State of Hybrid Cloud Adoption

Percentage of respondents



About 63% of enterprises in Malaysia are actively considering or implementing hybrid cloud.

Source: IDC Asia/Pacific Cloud Survey 2023; n = 30 for Malaysia

Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 76 for Malaysia

Malaysian enterprises identify challenges with cloud services vendor engagement, vendor management complexity, and distributed estate operations management as the top concerns in their cloud journey.



### Top 3 Challenges Encountered in the Cloud Journey

- 1 Dissatisfied with cloud professional/managed services providers (**50%**)
- 2 Vendor management more challenging than traditional models (**38%**)
- 3 Challenges with distributed estate operations management (**36%**)

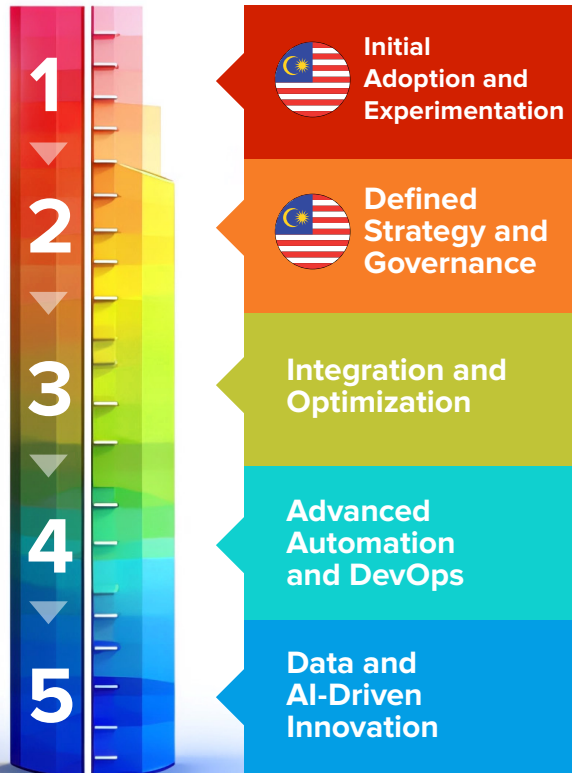


### Top 3 Business Benefits Desired from Cloud

- 1 Increased revenue/profit (**47%**)
- 2 Better customer experience/loyalty (**43%**)
- 3 Access to cloud-based ecosystems (**37%**)



# State of Cloud: Malaysia (2/2)



## State of hybrid cloud maturity

Malaysian enterprises are roughly evenly split between single (40%) and multicloud usage (50%), but they are still at **stage 1 (Initial Adoption and Experimentation)** and **stage 2 (Defined Strategy and Governance)** of their hybrid cloud maturity journeys. This is largely due to their challenges around satisfaction and level of engagement with cloud professional/managed services providers, multivendor management complexity, and distributed operations management challenges.

## Guidance to progress in maturity

### Enterprises at stage 1

- Are largely adopters of a single cloud, but they are looking to **start experimenting using multiple clouds** for specific needs or use cases.
- Gain experience in estimating not just their **resource requirements** but also the **cost and economics of cloud**. This will help prepare for the complexities of hybrid and multicloud environments.

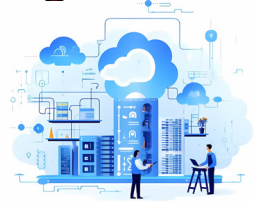
### Enterprises at stage 2

- Further **define hybrid, multicloud strategies and governance models**.
- Need to focus on **strengthening processes and mechanisms** to effectively engage with both professional services vendors and cloud providers to meet business requirements for innovation, agility, profitability and access to cloud-based ecosystems.
- For example, the imminent entrance of digital banks into the Malaysian banking ecosystem by the end of 2024 is driving traditional banks to embark on cloud-centric infrastructure and app modernization to build innovative solutions and deliver superior customer experiences.



Source: IDC Hybrid Cloud Maturity Evolution Model

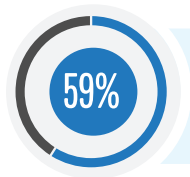
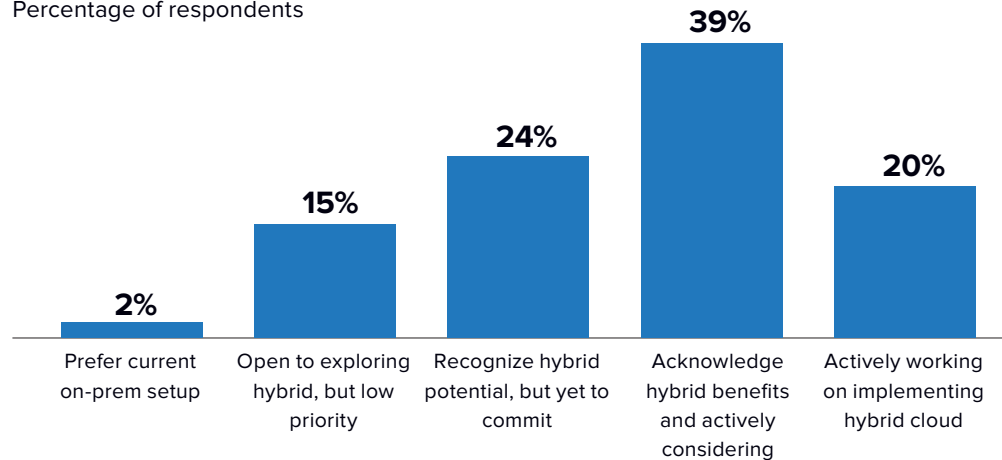
# State of Cloud: Vietnam (1/2)



The Vietnam market has a strong appetite for hybrid cloud. More than half of enterprises are either considering or implementing hybrid cloud, driven by an imperative to adopt cloud-centric application modernization. About 64% said that application modernization is an urgent or high priority.

## State of Hybrid Cloud Adoption

Percentage of respondents



About 59% of enterprises in Vietnam are actively considering or implementing hybrid cloud.

Vietnam enterprises' biggest concerns are around the time it takes to realize the full value of their cloud investments, transformation and operational costs, and the lack of skills required for cloud migration and application modernization.



### Top 3 Challenges Encountered in the Cloud Journey

- 1 Distributed estate operations management (**45%**)
- 2 Inability to source necessary cloud skills (**45%**)
- 3 Inability to control cloud operations costs (**43%**)

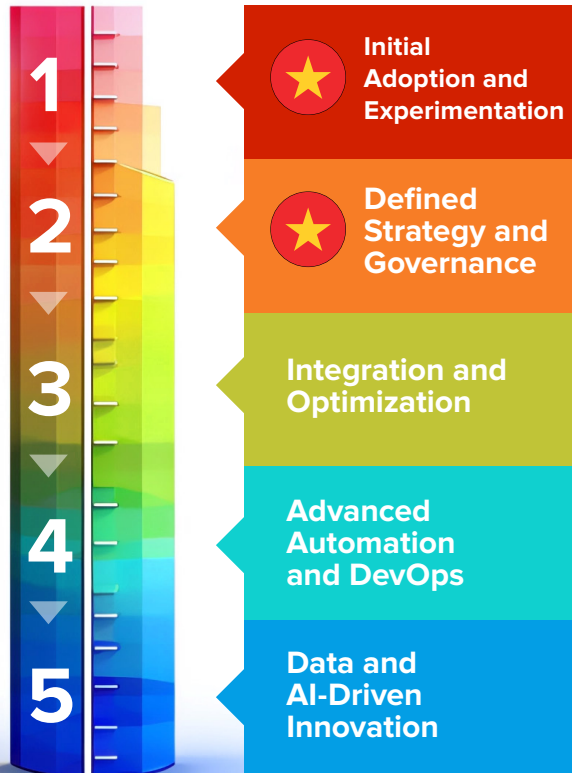


### Top 3 Challenges in App Modernization

- 1 Concerns about time to value (**50%**)
- 2 Shortage of necessary skills and time for training (**41%**)
- 3 Dependencies between legacy applications (**38%**)

Source: IDC Asia/Pacific Enterprise Services Sourcing Survey 2023, n = 36 for Vietnam

# ★ State of Cloud: Vietnam (2/2)



## State of hybrid cloud maturity

While Vietnam is relatively new compared to its Southeast Asia neighbors in terms of its cloud-centric enterprise transformation journey, its emerging position as a China+1 destination will be a cloud investment driver. Leading global and regional businesses, particularly those in manufacturing, are looking at Vietnam as part of their reshoring strategy to build operational resilience. This has created a cloud-centric modernization imperative for Vietnamese enterprises that are (or seek to be) part of these new, reconfigured global supply chains. Vietnamese organizations can largely be categorized into **stage 1 (Initial Adoption and Experimentation)** and **stage 2 (Defined Strategy and Governance)** of hybrid cloud maturity, with high acceptance of the benefits of hybrid cloud.

## Guidance to progress in maturity

### Enterprises at stage 1

- Determine **roles for in-house staff and skills needed** that can be performed by third parties.
- **Modernize infrastructure and application estates** to build agility, operational efficiency, resilience, and scale.
- **Identify the right use cases** that are not only suitable for cloud adoption but have clear financial benefits and can be supported with existing cloud skills or with the right partner.

### Enterprises at stage 2

- Invest in further **defining the hybrid cloud strategy and governance models**.
- Need to **strengthen processes** and find ways to **advance application modernization initiatives** while staying compliant with Vietnam's rapidly evolving data protection and cybersecurity laws, such as the recent Personal Data Protection Decree (PDPD) for comprehensive personal data protection.



Source: IDC Hybrid Cloud Maturity Evolution Model

# About the Analyst

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Pushkaraksh Shanbhag is an associate research director with the Asia/Pacific Cloud and IT Services Research group and leads the Asia/Pacific Analytics and Intelligent Automation Services research. Pushkar's domain expertise and research interests span managed cloud services, robotic and intelligent automation services (RPA/IA), digital workplace services, and next-generation infrastructure services (hybrid infrastructure and management).

[More about Pushkaraksh Shanbhag](#)

## Message from the Sponsor



### Drive business resilience and sustainability with hybrid cloud innovation

Enabled by hybrid cloud, digital resilience – the ability for organizations to rapidly adapt to business disruption – is a core enabler of modern digital business. It's seen as the key to a successful, agile, scalable and sustainable business future. This is in line with the latest report from IDC, which shows that 59% of Asia/Pacific enterprises acknowledge the benefits of hybrid cloud and are actively considering a hybrid cloud environment.

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