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IT Teams Lack Appropriate Tools to Manage Cloud and Virtual Networks

Despite Being in the Dark, Majority Benefit from New Technologies Finds Network Instruments Annual State of the Network Global Study

November 16, 2010 – Minneapolis, Minn. – Network Instruments, a worldwide leader in network and application management, today released its fourth annual State of the Network Global Study. The key findings show a majority of companies implementing new technologies, but lacking appropriate tools to accurately manage performance. Despite the monitoring challenges of these new network environments, 85 percent of respondents realized benefits by migrating to the cloud, including infrastructure cost reductions and increased application availability. Similarly, 80 percent achieved cost reductions through virtualizing resources.

The 2010 study of over 250 network professionals found:

- **Cloud embracement on the rise:** 54 percent implemented cloud computing
- Difficulties monitoring the cloud: 56 percent lack appropriate tools to troubleshoot cloud problems
- **Real cloud gains:** 47 percent report improved application availability and lower infrastructure costs by moving to the cloud
- **Strong future for video conferencing:** 90 percent will have deployed video conferencing within 24 months
- **Virtualization blind spots:** 35 percent indicated troubleshooting abilities worsened after implementing virtualization
- **Greatest troubleshooting challenge:** 85 percent cited identifying the problem source

“While network teams saw substantial benefits from cloud computing, virtualization, and unified communication initiatives, they are spending more time managing and troubleshooting related performance problems,” said Brad Reinboldt, senior product manager of Network Instruments. “I was surprised by the number of organizations failing to verify if their monitoring solutions support these



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environments. If IT can't address these problems, they risk not only degrading application performance but threatening overall business productivity."

Cloud Computing

One-third of organizations utilize some form of Software as a Service (SaaS), like Salesforce.com or Google Apps. One-quarter have invested in private clouds, and a small but significant number (13 percent) rely on Infrastructure as a Service (IaaS), such as Amazon Elastic Compute Cloud.

Fifty-six percent of respondents said the chief challenge to managing cloud performance is a lack of appropriate monitoring tools. Forty-two percent are concerned with bandwidth demands breaking the budget and 39 percent report data security concerns in the cloud.

Although network teams find the technology challenging, 85 percent of respondents indicated their organization realized clear benefits from the migration. The primary two benefits to cloud computing are greater flexibility to adapt to business changes and improved application availability.

Video Conferencing

Despite economic considerations at the forefront of every IT department discussion, video conferencing is no longer seen as a luxury but a necessity that has been pushed into the mainstream. Nearly two-thirds of respondents have implemented some type of video conferencing with that number approaching 90 percent in the next two years. The majority of respondents have multiple deployments throughout their organization, including standard conference rooms (74 percent), desktop PCs (60 percent), and telepresence systems (33 percent).

Virtualization

Compared to the past two years, the percent of respondents virtualizing infrastructure has stabilized in 2010 at nearly 80 percent. This marked a five percent rise over 2009. Though virtualization is largely contained to servers (43 percent virtualized over half of their servers), it is also migrating throughout the enterprise; over 40 percent have started to virtualize desktops.

Energy and infrastructure cost savings are the chief factors driving virtualization, according to 80 percent of respondents. This was followed by improved application availability cited by nearly two-



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thirds of respondents. Interestingly, these gains did not necessarily lead to an improved user experience, as the majority of network professionals stated the experience remained the same.

Despite virtualization benefits, over one-third of respondents reported their ability to troubleshoot issues worsened after virtualizing data center resources.

Performance Management

When asked to identify the largest troubleshooting challenges network professionals face, 83 percent cited identifying the problem source. In one of the more significant trends of the study, the number of respondents indicating this problem as the largest issue has increased steadily over the last three years.

State of the Network Global Study Background

The State of the Network Global Study has been conducted annually for four years. This year, Network Instruments engaged 265 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, virtualization, 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 September 22 to October 20, 2010.