THE RISE AND FALL (AND RISE AGAIN) OF ON-PREMISES COMPUTE
In this report, we'll look at the steps and practices that Best-in-Class organizations are following in order to optimize their on-premises capabilities and prosper from their hybrid cloud initiatives.

When any project or task is undertaken with half-measures, there’s a very likely chance of failure. This is especially true for organizations that are modernizing their technology infrastructures. If they are only looking at the public cloud side of things, they won’t be able to effectively transform.

As businesses move to modernize their infrastructures, they are increasingly adopting hybrid cloud to enable this transformation. And key to this innovation is improving both sides of the hybrid equation, meaning public cloud and on-premises compute capabilities.

Aberdeen research has seen a steady rise in the volume of workloads that organizations are moving to on-premises systems. To understand this increase and renewed interest in on-premises, this report will analyze the strategies and technologies that leading businesses leverage to efficiently modernize their on-premises systems and boost their ability to move to hybrid cloud.

The Rise of On-premises Workloads

Today, organizations are constantly working to improve and transform their IT systems and infrastructure. Businesses are adopting cloud-native technologies, embracing software-defined systems and hyperconverged infrastructures, and adopting containers and microservices. And increasingly, hybrid cloud has become the new normal for infrastructures — giving businesses the ability to effectively leverage workloads on the Cloud and on-premises compute resources.

To best carry out these transformations, many organizations have discovered that improving their on-premises compute capabilities is as key to success as any new cloud-based system or technology. In fact, many businesses are seeing increased need for these resources, as a number of workloads are actually moving from the public cloud to on-premises compute systems.

In our recent research into infrastructure workloads and cloud adoption, Aberdeen has surveyed businesses about their application and workload deployment. And from 2018 to 2021, we’ve found that more workloads move from the public cloud to private cloud and on-premises servers.
Deployments using private cloud and on-premises systems have nearly doubled

Workloads on public cloud have gone down by a ratio of 25%

Hybrid cloud is now the top platform for workloads, with 31% of workloads on hybrid cloud

With hybrid cloud as the new normal for many workloads, businesses are no longer solely driven by the need to get to hybrid cloud — a previous top pressure discovered through our research. Now organizations are looking to optimize their hybrid infrastructures to best deliver IT outcomes.

Looking at the pressures Aberdeen’s most recent research has found to improve IT infrastructures, we see traditional security concerns and a drive to meet the new realities of our modern workforce now taking top spots. When comparing businesses that are solely focused on public cloud with those that are also investing in improved on-premises capabilities, we see both are focused on supporting the new remote workforce.

Figure 1: The Changing Pressures to Improve Infrastructure for Cloud and On-premises Focused Organizations

However, what is most interesting, is how areas that are of top concern to public cloud businesses are less of a pressure for on-premises focused organizations, even though these are typically seen as strengths for public
cloud. These primary cloud businesses need to improve agility and want better disaster recovery, while this is less of a concern for businesses that also leverage on-premises.

This is no surprise: Aberdeen research has shown that when on-premises systems are modernized and utilized in hybrid infrastructures, it gives businesses much greater resiliency (since they have an option when a cloud provider is down) and improved agility in how they run their workloads.

**Building Infrastructure Agility with Modernized On-Prem**

But the proof of the advantages of boosting on-premises compute and not focusing solely on public cloud is shown in our research. We found that by focusing on improved on-premises computing, businesses gain significant competitive advantages over cloud-focused peers in a number of areas. These benefits include:

- 30% more likely to see improved security
- 75% more likely to achieve increased application and service performance
- Better business continuity. In fact, organizations focused on public cloud are 2x more likely to have high downtime rates when compared to businesses utilizing modernized on-premises compute

It’s clear that leveraging on-premises computing, especially as a key part of a hybrid cloud infrastructure, helps businesses be more agile and innovative. And — committing too much to a technology, even one as vital and transformative as public cloud, can come with some costs and issues.

Luckily, unlike empires, when technologies see a fall in their demand, they often do make a comeback. While businesses will put aside a traditional solution in order to kick the tires of a new technology and see exactly where it fits and what it can do, once they find that technology’s limitations, the older, trusted technology then makes a comeback — especially when it is updated for modern technologies and use cases.

For any organization looking to adopt today’s vital hybrid cloud infrastructures, they must remember that public cloud is only part of that equation. To be successful with hybrid cloud, the on-premises half of the equation also needs to be modernized, innovative and ready for the challenges of today and tomorrow.
About Aberdeen

Since 1988, Aberdeen has published research that helps businesses worldwide improve their performance. Our analysts derive facts-based, vendor-neutral insights from a proprietary analytical framework which identifies Best-in-Class organizations from primary research conducted with industry practitioners. Aberdeen provides intent-based marketing and sales solutions that deliver performance improvements in advertising click-through rates and sales pipelines, resulting in a measurable ROI. Aberdeen is headquartered in Waltham, Massachusetts, USA.

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