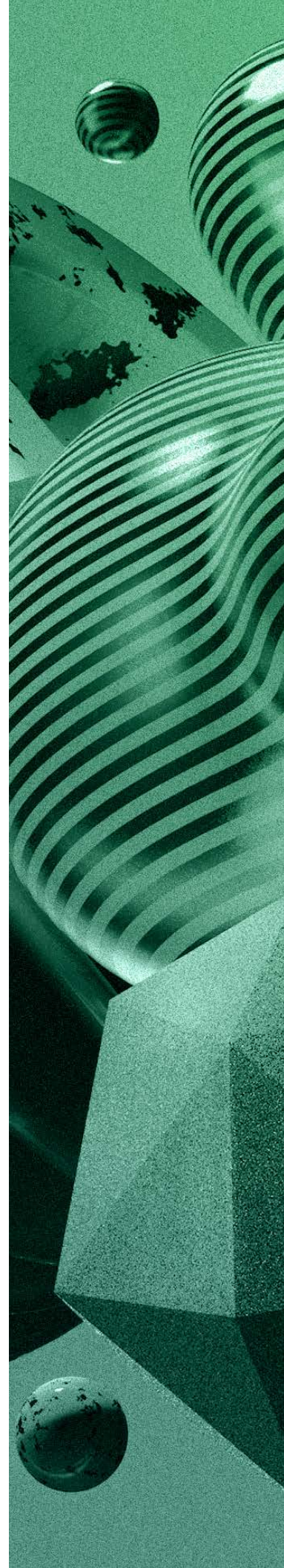


# Making Hybrid Cloud Work For Midmarket Organizations

According to Forrester Research, hybrid cloud is becoming the preferred approach for organizations looking to leverage the benefits of both public and private clouds.<sup>1</sup> This is also true of mid-sized organizations. The adoption of hybrid cloud is increasing but cloud environments remain complicated and difficult to navigate on their own.

In April 2024, Dell Technologies commissioned Forrester Consulting to evaluate the state of hybrid cloud for midmarket organizations (i.e., those with 250 to 4,999 employees) and understand their key features, challenges, and benefits for improving their hybrid cloud strategy. This study looks at what challenges midmarket decision-makers face operationalizing their hybrid cloud strategy.



## KEY FINDINGS

- **Complex cloud environments create challenges.** Nearly three-quarters of respondents said their organization's operations teams must run entirely separate platforms for cloud and on-premises and data center infrastructure. Additionally, they ranked difficulty deploying and managing across distributed environments (e.g., environments with multiple clouds or a combination of on-premises and cloud environments) as their top technical challenge.
- **People/staff challenges slow operationalizing of hybrid cloud.** The top factors complicating midmarket cloud decision-makers' ability to operationalize hybrid cloud are skills shortages and a lack of training. Technology partners who can fill gaps and upskill staff are critical.
- **Security is top of mind in hybrid cloud strategies.** Security is the most important factor in determining the success of a hybrid cloud strategy. It is also a top feature when respondents choose a technology partner.

**78%**

of midmarket decision-makers plan to or have already adopted AI on-premises.



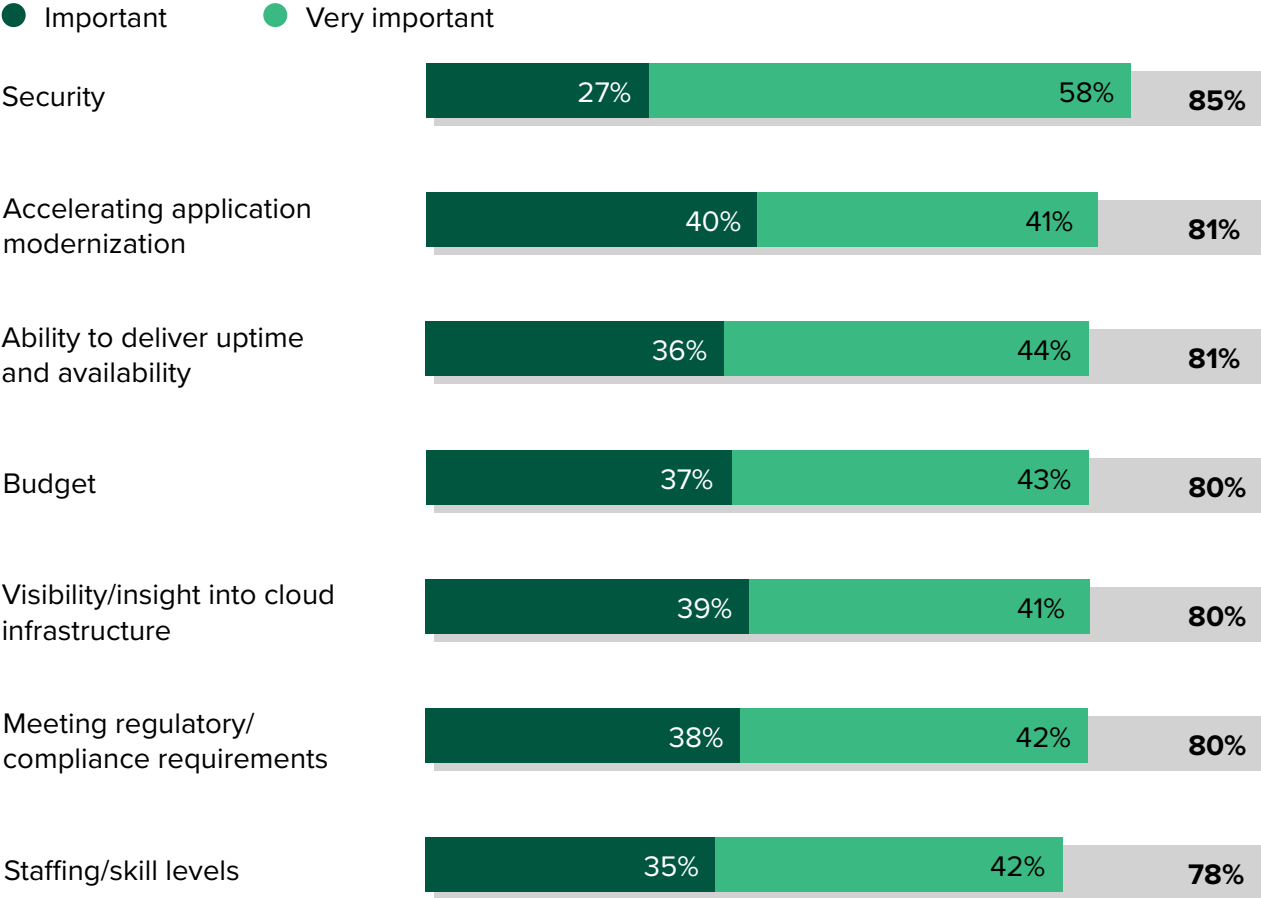
## Addressing Complexity And Security Drives Hybrid Cloud Success

As more companies adopt public cloud, most choose a hybrid cloud strategy because legacy workloads and applications aren't always well-suited for cloud without modernization and some applications and data remain on-premises to meet security and sovereignty goals. Despite its popularity, a hybrid strategy isn't easy to manage — the static on-premises environment doesn't align well with the dynamically changing cloud environment. Companies get lost in efforts to provide consistent management across on-premises and public cloud workloads.<sup>2</sup> This study shows these challenges in the midmarket as well. We found:

- **Cloud complexity causes challenges.** The top technical challenges that midmarket cloud decision-makers face are difficulty deploying and managing across distributed environments (54%) and complexity of cloud environment (53%). Midmarket operations' teams are trying to navigate an environment where they must run entirely separate platforms for cloud and on-premises and data center infrastructure. On top of that, their hyperconverged infrastructure solutions are not integrated with wider data center/on-premises infrastructure. Midmarket decision-makers seek partners to help optimize workloads to run their preferred platform and simplify processes and tools.
- **Security means success.** Eighty-five percent of respondents said security is the most important factor in determining the success of their organization's hybrid cloud strategy (see Figure 1). However, the complexity of cloud environments means security is also a top challenge. Compliance and risk management, as well as difficulty managing their security posture, were amongst the top factors that complicate operationalizing hybrid cloud. Cloud security is not a static process. As cloud platforms mature, they offer more functionality and more native security features. Cross-cloud coverage is also a key requirement. Technology partners that support the organization's cloud security posture during adoption and operationalization of a hybrid cloud strategy are critical for the delivery, availability, and, possibly, recovery of data.

**FIGURE 1**

**“How important are the following factors in determining the success of your organization’s hybrid cloud strategy?”**



Base: 313 global decision-makers at the manager level or higher with responsibility for hybrid cloud at SMB organizations

Note: Total percentages may not equal separate values due to rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Dell, April 2024

## Overcome Key Challenges To Experience Hybrid Cloud Benefits

Midmarket cloud decision-makers have already gained key benefits from their hybrid cloud strategy. The ability to balance control, security, cost, and agility, allowing midmarket organizations to leverage the benefits of both public and private cloud environments, is key to winning customers. However, to gain those benefits, decision-makers must first address their biggest challenges either internally or with a partner. This study found:

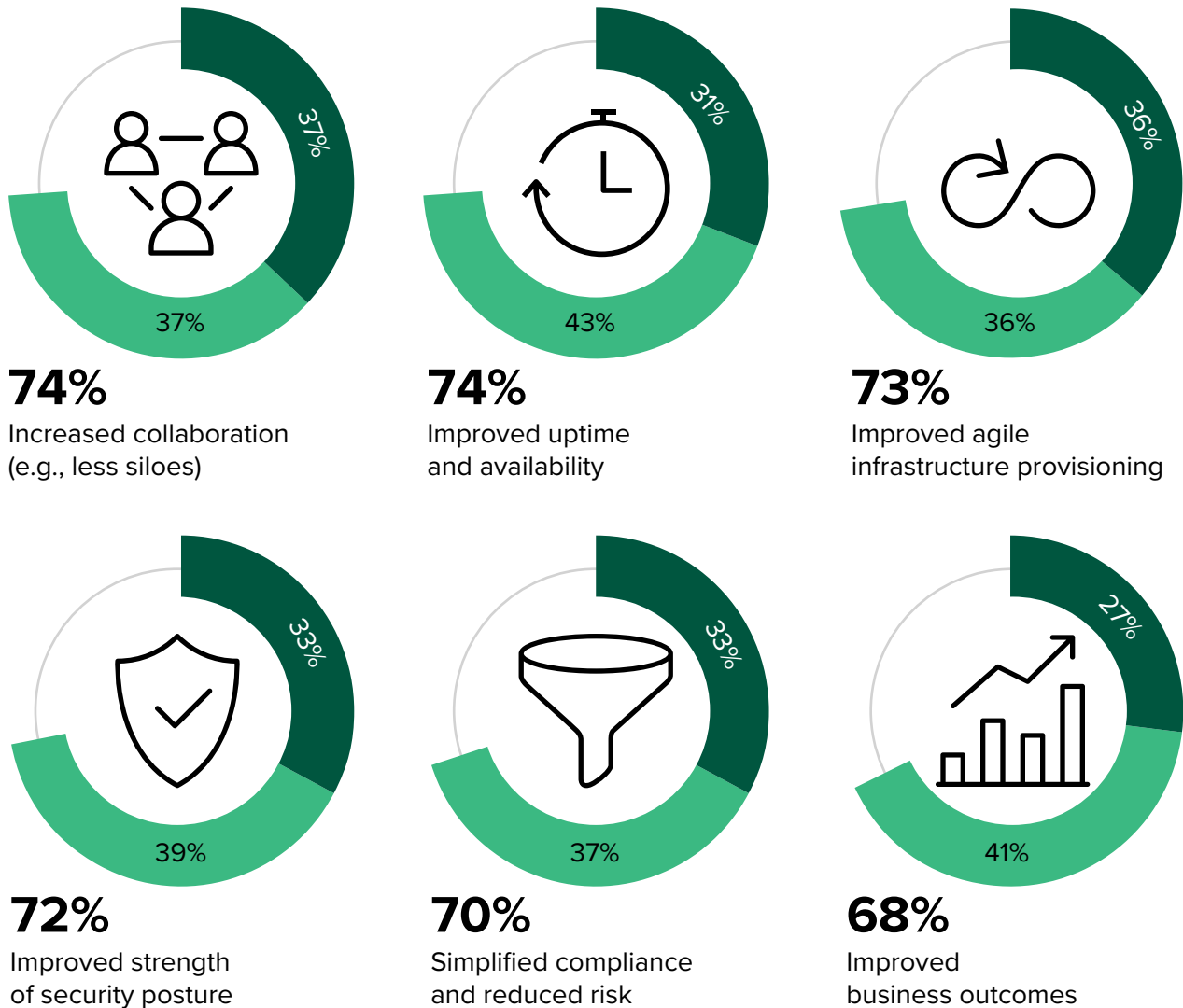
- **Top hybrid cloud benefits mirror top challenges the midmarket faces.** Midmarket cloud decision-makers see a more effective hybrid cloud strategy as a more cost-effective solution that supports their organizations' security posture, fills skills gaps, and improves compliance and risk management. These benefits align with the challenges respondents said their organizations are experiencing as they operationalize hybrid cloud. By addressing these top benefits first, midmarket teams can gain benefits faster. Technology partners are a key resource to overcome barriers quickly, offering insights and tools to navigate complex and sometimes expensive ecosystems and solutions.
- **Many organizations have already gained important benefits from their hybrid cloud.** Three-quarters of respondents note their organization has either implemented or is expanding its hybrid cloud strategy. The adoption of hybrid cloud has created significant benefits for their organizations, including improved uptime and availability (74%), improved strength of security posture (72%), and simplified compliance and reduced risk (70%) (see Figure 2). All these benefits can lead to improved business outcomes (68%).

The complexity of cloud environments can be daunting, but there are tools, platforms, and partners to help midmarket decision-makers navigate this space. To operationalize hybrid cloud, first identify top challenges. Then, address these top challenges. It is important not to focus too much on the technology challenges and forget the people challenges around skills and knowledge gaps.

FIGURE 2

**“To what extent has your organization gained the following benefits from its hybrid cloud strategy?”**

- My organization has only recently begun to gain this as a benefit.
- My organization is currently benefiting and has been benefiting from this for at least the last 12 months.



Base: 313 global decision-makers at the manager level or higher with responsibility for hybrid cloud at SMB organizations

Note: Showing top six responses; total percentages may not equal separate values due to rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Dell, April 2024

## Appendix A: Methodology

Dell Technologies commissioned this study to explore key challenges that midmarket IT and cloud infrastructure decision-makers face and what they need to improve their approach.

To achieve these objectives, Forrester conducted an online survey with 313 global decision-makers at the manager level or higher with responsibility for hybrid cloud at SMB organizations (250 to 4,999 employees).

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## Appendix B: Endnotes

<sup>1</sup>Source: [The Forrester Buying Guide For Hybrid Cloud Management, 2023](#), Forrester Research, Inc., March 24, 2023.

<sup>2</sup> Ibid.

### ABOUT FORRESTER CONSULTING

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