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## International Cloud Symposium 2011

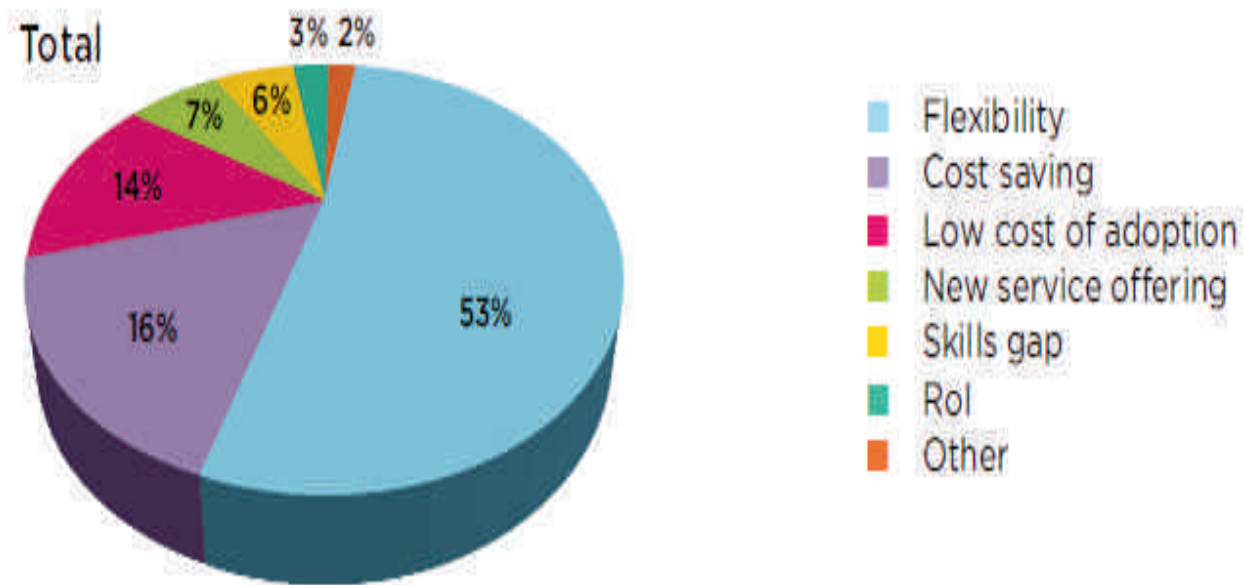
Tim Cowen , Partner, Sidley Austin. London.

# Cloud Computing

- Trends.
- Legal issues critical to adoption.
- Government could drive GDP growth through increased cloud adoption.
- Standards resolve portability and interoperability e.g. Advanced Message Queuing Protocol (AMQP: JP Morgan, Barclays, BOA, Credit Suisse, Deutsche, Goldman etc)
- Conclusions.

# Cloud Industry Forum 2010 Trends

Which of these was the primary reason for adopting cloud-based services?

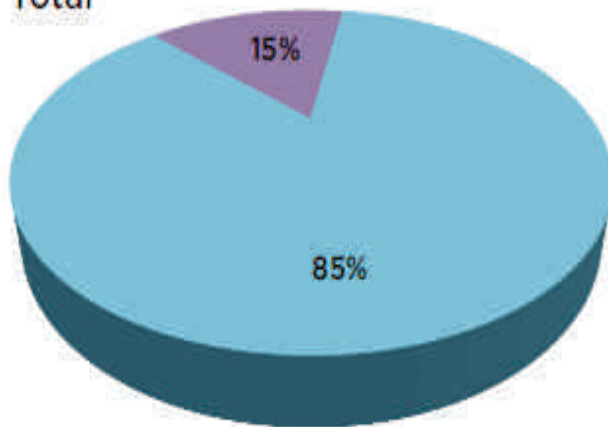


Sample: 218

# 2012: Cloud Adoption

Do you expect your adoption of cloud services to increase over the next 12 months?

Total



■ Yes  
■ No

Sample: 218

In what areas do you expect your adoption of cloud services to increase over the next 12 months?

Only asked of respondents whose company uses cloud based services and expect their usage to increase over the next 12 months

	Total
Data backup/ Disaster recovery services	42%
Email services	39%
Data storage services	39%
Collaboration services	26%
IT operations management	25%
Webhosting	24%
Accounting and finance applications	20%
IT asset management services	20%
Managed IT services	20%
IT security services	20%
CRM	20%
Unified communications	18%
Base	186

# Cloud Computing: Legal/Regulatory issues

- From Desktop to Data Center *i.e.* From **Product** sale to **Service** agreement.
- Contract issues: scope, SLAs, liability cover; risk and governance. London University study (2011). Product agreements in public cloud offerings, negotiation of service agreements in enterprise- increase likely for 2012?.
- Customers: continue to be concerned with 3 Data issues: Security, Protection, Portability & interoperability.
- Government: national interests pushing 'G Cloud' ` a safe Cloud is a German Cloud' or 'French Defence Cloud'
- EU/US support for increased cloud use, productivity gains , avoiding trade barriers.

# Government & Enterprise

- 50% of all productivity gains driven by ICT. (n.b. Agility and Business process gains + GDP opportunity).
- Typical cloud savings between 20-50% over existing ICT. ( ++ increase agility).
- Government and enterprise looking for savings, efficiency benefits and innovation. Standards enable portability and interoperability in public procurement:

*"...it must be possible to submit tenders which reflect the diversity of technical solutions. Accordingly, it must be possible to draw up the technical specifications in terms of functional performance and requirements, and, where reference is made to the European standard or, in the absence thereof, to the national standard, **tenders based on equivalent arrangements must be considered by contracting authorities.**" Directive 2004/18 EU.*

# Conclusions

- Cloud computing is happening.
- Often being done for both cost and flexibility reasons.
- Product terms prevail in public cloud offerings; negotiated terms likely to increase in private cloud offerings.
- Standards enable portability and interoperability. E.g AMQP.
- **Government could drive GDP growth through increased use of Cloud computing.**
- **2011-2012 is the critical time for EU/US resolution of trade issues.**