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CloudBolt Industry Insights Report:

The Truth About IT Sustainability

Paying More Green to Get More Green

Setting the stage:

For enterprises today, sustainability is no longer a buzzword or a noble intention being perpetually punted into the future. Organizations are increasingly expected to put their money where their mouth is and make good on green intentions. State Street, one of the world's largest investors, has announced it will use its $3 trillion investment arm to vote against the boards of big companies that lag behind on environmental, social and governance (ESG) standards.

We at CloudBolt know it is now everyone's job to help leave the world a better place for generations to come. Yet, we also have day jobs to do. How far has the sustainability agenda reached the IT ranks? How important is sustainability in driving infrastructure investment decisions? Have we reached an inflection point in the New Cloud Order whereby rhetoric maps to revenue?

These are the questions the team at CloudBolt was curious about. So, in June/July of 2021, we asked CXOs and global tech leaders on the Pulse platform (a growing IT community of over 30,000 decision-makers) a series of survey question to share their thoughts regarding sustainability as it relates to cloud.

Key Takeaways:

What we found was eye-opening. The speed of responses and the enthusiasm for all things sustainability was beyond inspiring -- in less than three weeks, we heard from 256 IT leaders.

Here's what they had to say:

1. **From Buzzwords to True Belief**: 76% of respondents consider climate change an existential threat.

2. **IT's Growing Conscience:** 78% of respondents agree that the public/private cloud choices they make can materially affect the environment for better or worse.

3. **IT on the Sustainability Hook:** 79% of respondents indicate their IT departments are expected to help their companies achieve specific sustainability initiatives driven by the Board of Directors of the C-Suite.

4. **Sustainability Matters:** 67% say they definitely take a cloud vendor's sustainability initiatives into consideration when deciding whether to do business with that vendor.

5. **Green Begets More Green:** 79% of respondents indicate that they will pay a PREMIUM to work with vendors who are pursuing and incorporating sustainability into their business model (with 41% saying that premium could be as 11-15% or more).

6. **King of the Clouds:** 62% say that AWS is winning the cloud wars while only 31% say Azure; GCP came in at 7%

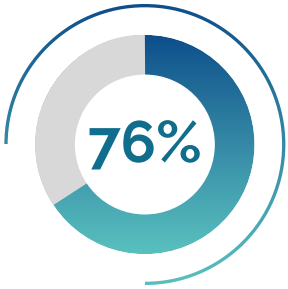
7. **Perception = Market share:** AWS is perceived as doing the most to address sustainability and green initiatives (41%); Azure again received 31% of the votes and 20% said they weren't sure (GCP came in at 9%).

The Data Is In:

The Cloud is Turning Green

As it turns out, IT has grown an environmental conscience, and a big one at that. Previously, Cloud decisions were based on two concrete dimensions: Compute + Cost. A third dimension has emerged into the buying equation: Compute + Cost + CONSCIENCE. Conscience is playing an increasingly important role in selecting cloud providers based on the provider's environmental commitment and their impact on carbon footprint.

Conscience drives IT leaders and practitioners to be much more purposeful in the infrastructure choices they make, aiming to ensure a greener future for all. This stems from a firm belief that cloud infrastructure choices have a material impact on the environment. **This impact is now seen as an urgent imperative as the majority of IT leaders (76%) see climate change as an existential threat**.



Sustainability Pays Off

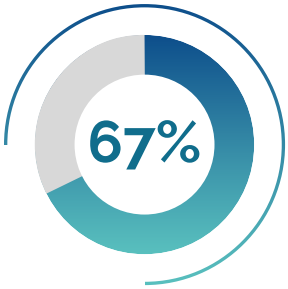
The good news is that voting for sustainability pays off. As it turns out, companies that prioritize sustainability also see operational improvements, which directly translate to higher cash flows.

A study conducted by Oxford University and Arabesque showed that in the overwhelming majority (88%) of companies that focused on sustainability, operational performance was improved, along with profits.

As you will see, this may well be the case with cloud infrastructure, where the ongoing race to win the hearts of IT is still among the Big Three: AWS, Azure and Google. The winner thus far is AWS, yet again. Although all of the big three cloud providers have strong sustainability commitments and green initiatives, AWS is emerging as the sustainability leader. You have to give it to AWS -- constant reinvention, even when you claim the top position, and non-stop innovation, are what the new cloud order calls for.

Green From The Top Down

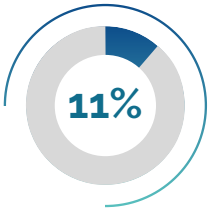
Sustainability is now a key corporate agenda item -- 79% of respondents indicate their IT departments are expected to help their companies achieve specific Sustainability initiatives driven by the Board of Directors of the C-Suite. Close to half (41%) said their company already has a sustainability initiative in place. It turns out IT has not only grown a green conscience, but is increasingly voting green when choosing their cloud vendors. **67% say that a cloud provider's sustainability initiatives are important in determining whether or not they will do business with them**. When over two thirds of IT leaders consider your green credentials before doing business with you, clearly it is an important driver of cloud providers' growth and profitability.



The sustainability of the "Big Three" cloud providers haven't gone unnoticed for these leaders. 51% of IT leaders said the green energy commitment of AWS, Microsoft and Google is real and growing more real every day.

Go Greener, Get More Green

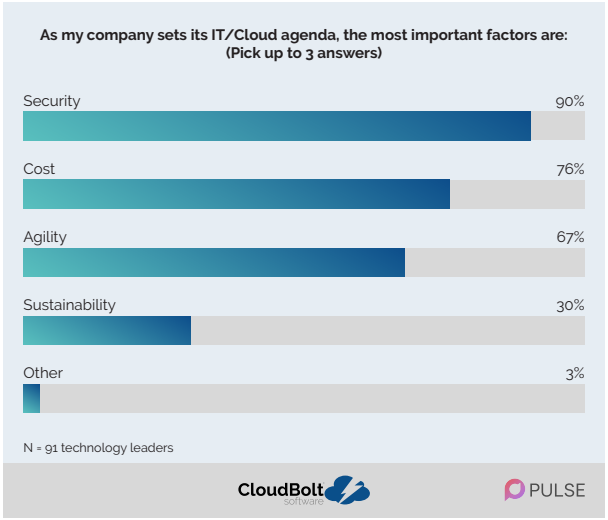
Almost two thirds of IT leaders say they would pay a premium to do business with a cloud vendor that's incorporating sustainability into their business model.



23% say they would pay 6 - 10% more, and *a WHOPPING 41% say they would pay 11 - 15% or more*. What's more, **11% went so far as to say it's a vital factor that in their decisions in choosing one cloud provider over another**.

Sustainability Now Has A Seat At The Budget Table

IT now has an opportunity to transform business yet again. As the shift from maintaining systems to driving business outcomes became table stakes, the next frontier for IT is sustainable IT, especially in the cloud. But how is IT going to balance this new challenge?



While sustainability is important for IT leaders, there are other day-to-day headaches that they need to manage, with the three most critical needs being security (90%), cost (76%) and agility (67%). Nonetheless, sustainability has emerged as a rapidly growing factor coming in at 30% of mentions by respondents. Striking the right balance in IT priorities and budget will be key – and increasingly complex as often competing priorities are forced to align.

Growing a Green Conscience:
Everyone in the Cloud Ecosystem Needs to Play Their Part

IT/cloud sustainability is a collective effort and each player in the cloud ecosystem needs to play its part. Saving the planet for future generations has to be the result of many contributions from responsible, forward-thinking companies and the people who work for them.

The rising tide raises all sustainable ships. Some issues transcend normal competitive boundaries. Sustainability is one of them. Whether we complement or compete, the most important thing is that everyone participating in the New Cloud Order contributes to lower carbon footprints and better conservation. No one company can solve it all. But together, through our fractional efforts, cloud as an industry can make an important difference.

Committed to Playing Our Part

We at CloudBolt are striving to do our part – making our contribution by helping enterprises eliminate wasteful resource use and create the optimal infrastructure resource allocation addressing equally the needs of developers, operations and security teams. In the process, companies are able to reduce private cloud server sprawl and public cloud vendors are able to right-size capacity to affect computing and cooling costs.

Specifically, we aim to optimally allocate infrastructure resources through intelligent automation. We remove the manual intervention and cycles, and provide visibility that pinpoints areas of waste and identify the operational changes that have the most impact. We equip developers to choose a balanced approach to deploying their application changes and code in production – as opposed to over-provisioning resources; we help developers and operations choose the optimal balance between performance, resources and cost. Then we can turn off idle resources – such as "zombie" VMs running without a purpose – during nights and weekends. We alert engineers when they are provisioning new cloud resources unnecessarily or offer more efficient options for their needs. We aim to cut waste, optimize performance and reduce the infrastructure footprint – making the most of limited resources.

Asking Others To Share Their Contributions

CloudBolt is not alone in cutting waste, going greener and driving a better cloud future for enterprises. This is why we want to give a forum to those who are helping IT manage the new sustainability imperative and achieve the delicate balance between performance, agility, cost and sustainability. We'd like to give everyone the virtual place and opportunity to share with the world how you contribute to a greener planet through better cloud decisions and more sustainable capabilities.

Reach out to **GreenerClouds@Cloudbolt.io** to submit your story on how your organization is affecting change through better technologies and processes. Stories will be featured on our blog and in our podcast, or tell us on Twitter and LinkedIn using hashtag **#greenerclouds**. Together, we can show that sustainability isn't just a buzzword in cloud computing; it's the future of cloud computing.

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CloudBolt Software is the enterprise cloud management leader. Our comprehensive solutions for IT automation, orchestration, self-service IT, cost optimization, and security help enterprises simplify complexity and achieve rapid time-to-value anywhere on their hybrid cloud, multicloud journey. Our award-winning cloud management platform and infrastructure integration services are deployed and loved by enterprises worldwide. Backed by Insight Partners, CloudBolt Software has been named one of the fastest-growing private companies on the Deloitte Fast 500 and Inc. 5000 lists. In addition, CloudBolt is 2020 CODiE award winner for best cloud management and featured in Gartner's Magic Quadrant for Cloud Management Platforms.

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JOIN THE CONVERSATION

Survey Data:

1

"From my perspective, I view climate change as being":

N = 92 technology leaders

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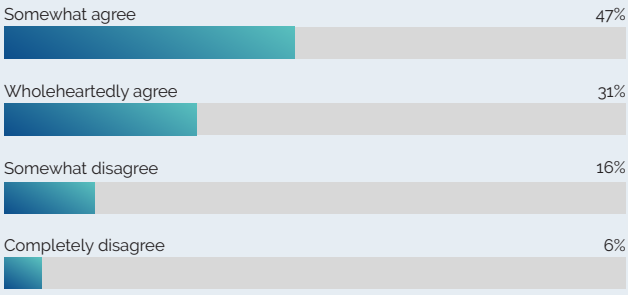
2

To what degree do you agree with the following statement: "The two choices that IT departments make around public/private cloud can materially affect the environment - for the better and for the worse."



N = 130 technology leaders

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3

Is IT as a department expected to help your organization achieve its sustainability goals?

N = 98 technology leaders

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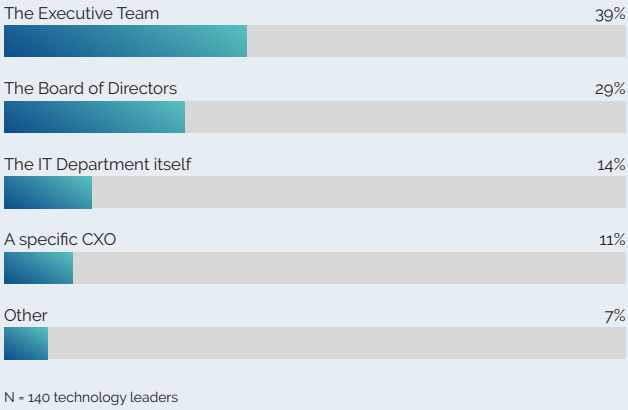
4

If your IT department has specific sustainability goals, who primarily drove setting of those goals?



N = 140 technology leaders

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5

How important is a cloud vendors' sustainability and green initiative to whether or not you choose to do business with them?

N = 256 technology leaders

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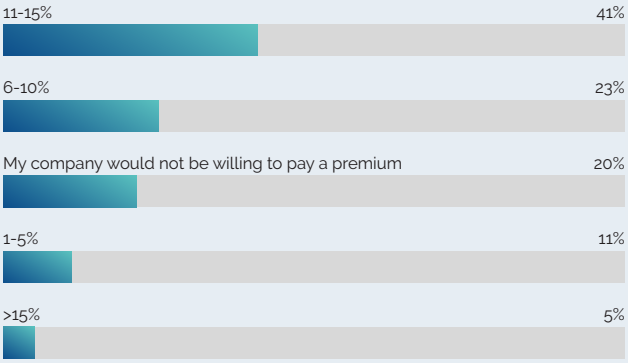
6

How much of a premium would your organization be willing to absorb in order to choose a cloud-related vendor that is demonstrably pursuing and incorporating sustainability into their business model?



N = 74 technology leaders

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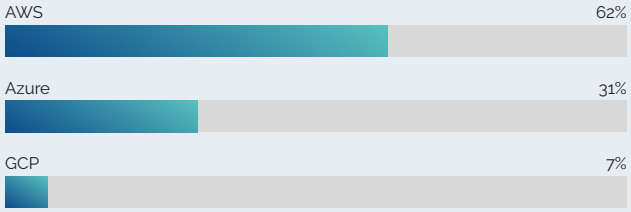
7

Who is winning the cloud wars?



N = 74 technology leaders

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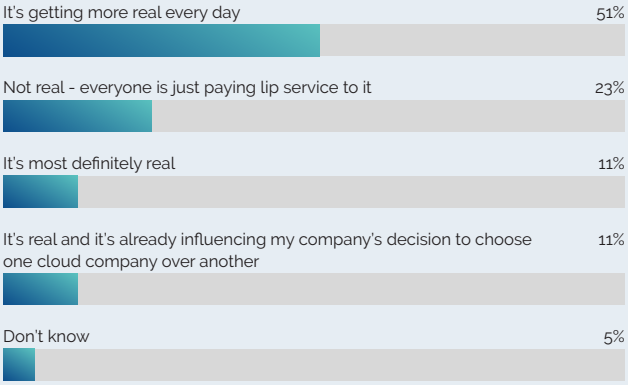
8

How real is the green energy commitment of the big cloud providers (e.g. Amazon, Microsoft, Google)?



N = 104 technology leaders

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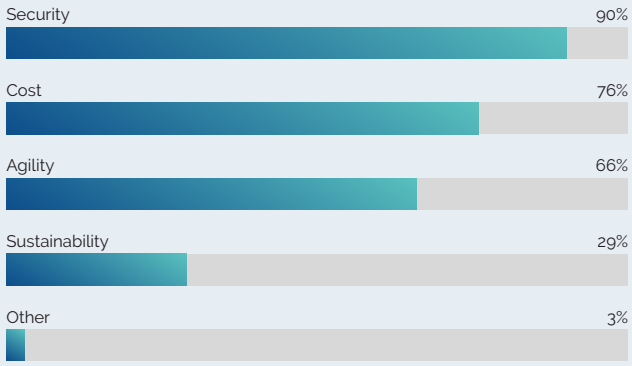
9

As my company sets its IT/cloud agenda, the most important fators are: (Pick up to 3 answers)



N = 92 technology leaders

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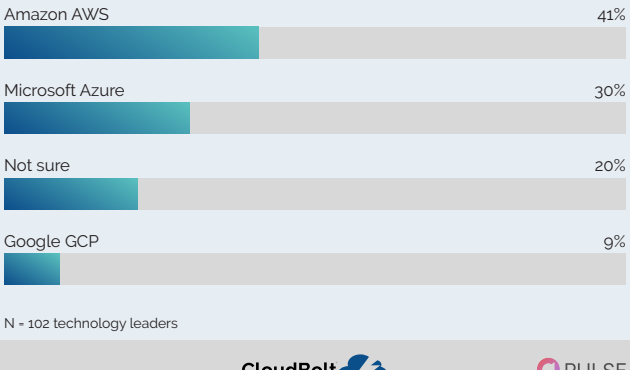
10

Which major cloud provider is doing the most to address sustainability and green initiatives?



N = 102 technology leaders

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