

UK CLOUD SNAPSHOT SURVEY 2017

RESULTS SUMMARY REPORT:
INSURANCE

Introduction

Cloud has become the buzzword in not only the technology sector, but across all industries. As a result, the rate of cloud adoption is progressively increasing year on year as well as eighty percent of companies increasing their use of “cloud managed services”¹. At the same time, the uncertainty regarding cloud adoption is also increasing due to the multitude of problems currently facing the UK. Such challenges include the implementation of GDPR, the uncertainty of Brexit and the unprecedented increase in cyber security attacks.

Serviceteam IT, in partnership with Doogheno, conducted a study to reveal the most significant challenges facing UK businesses and the trends in the use of the cloud in the UK.

After extensive research Serviceteam IT are unaware of any report that addresses the challenges facing UK businesses in particular and the state of the cloud in the UK. Given the specificity of Brexit to the UK, we believe this report provides an important insight into the challenges facing UK businesses specifically and therefore fills an important gap in previous research publications.

Methodology

In order to obtain the data necessary for the completion of this research, a combination of in-depth interviews and a questionnaire was used to give both scope and depth to the research.

The Cloud Snapshot Survey was completed over a four-week period between the 14th of July and the 11th of August 2017. The sample size of over 1,100 individuals was drawn from a multitude of sectors including Insurance, Advertising and Marketing, Technology, Utilities and Scientific Research, and those holding positions in relation to IT were targeted to ensure that valuable and insightful information was collected.

In addition, in-depth interviews were conducted with individuals that work within the IT sector to ensure a greater understanding could be developed regarding why they answered in the way they did.

¹ <https://www.ibm.com/blogs/cloud-computing/2017/02/companies-increasing-cloud-managed-services/>

Key findings : Insurance

62% of respondents listed GDPR as the biggest challenge to their IT plans over the next 3 years.



Over a third of participants said that they have experienced an increase in cyber security incidents within the past 12 months.



74% of Insurance industry participants believe data sovereignty will be an issue after the UK has left the EU, against a mean survey response of 62%.



30% of respondents have moved between 61% and 100% or less of their applications and services to the cloud.



79% of the respondents said that they are considering moving additional applications and services to the cloud.



50% of respondents highlighted security as a barrier to further cloud expansion.



In 2016 the finance and insurance sector contributed £124.2 billion to the UK economy in gross value added² and therefore makes up a significant proportion of the UK economy. The importance of the insurance sector to the UK economy is one of the primary reasons for their inclusion in the survey and firms in the insurance sector made up a significant proportion of the respondents in the survey. The survey aimed to determine what the current use of the cloud is within this industry and what individuals from this sector view as the greatest challenges to their IT plans over the next few years.



² Tyler, G. (2017) 'Financial services: contribution to the UK economy', House of Commons Library

One of the key findings is that 62% of respondents from this sector see GDPR as the greatest challenge to their IT plans over the next few years. In addition to this, over a third of respondents from this sector had experienced an increase in cyber security incidents in the last 12 months. This is a significant proportion of respondents from this sector and therefore supports the recent coverage in the media outlining the rise in cybercrime in the UK.

50% of respondents from the Insurance industry have experienced an increase in cyber security incidents in the past year

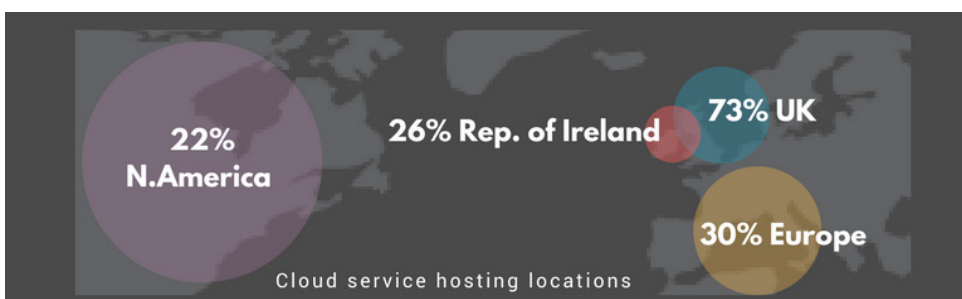


43% of businesses from this sector have currently moved between 61% and 100% of their apps and services to the cloud. This correlates with the fact that respondents on average were 79% satisfied that they were able to achieve what they wanted when using the cloud.

Finally, from this sector 79% of respondents said that they were considering moving additional applications and services to the cloud despite some of the barriers which are involved.

Security is frequently cited as one of the major obstacles preventing cloud adoption and the findings from this sector corroborate with this finding alongside uncontrolled variable costs. 50% of respondents listed security as one of the barriers to further cloud adoption, as well as 50% listing uncontrolled variable cost and the 38% who chose lack of internal staff experience.

Overall a significant proportion of respondents from this sector are currently using some form of cloud technology but there are a number of obstacles that are preventing firms from fully utilising the cloud technology currently available.



Conclusion

93% of respondents use some form of cloud-based technology, and on that basis it is clear that the cloud is not only prevalent in businesses but essential in terms of scalability and flexibility, continuity and speed of deployment.

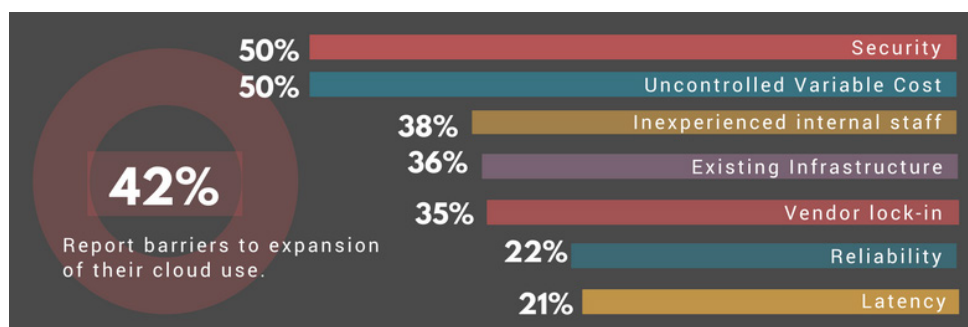
Our findings bring to light the concern businesses have regarding the external threats they face to their IT plans and also the barriers in which prevent them from expanding further use of the cloud. These concerns are heightened within the Insurance sector.

Notably, one the key findings reveals that businesses are mindful of the challenge which GDPR may pose and it appears to be a greater challenge to many firms than that of Brexit. The ambiguity surrounding Brexit has made it unclear as to whether this will be the greater challenge.

It is clear that the certainty of GDPR has been recognised by a significant proportion of respondents and was therefore identified as a greater challenge than Brexit. With 63% of respondents indicating that there will be a data sovereignty issue as a result of Brexit, it is therefore questionable just how ambiguous the result of Brexit actually is.

As well as the challenge of GDPR, it was found that the greater number of respondents acknowledged security as the most important barrier to further expansion. Nonetheless, these findings seem to be limited in terms of impact as 50% of respondents still said they are considering moving additional applications and services to the cloud.

In summary, the survey suggests that the cloud is being used in the UK by a growing volume of businesses for an array of functions. Alongside this, there is also an increase in the number of organisations beginning to initially adopt the cloud in their business despite the external threats posed by GDPR, Brexit and Cyber Security.



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<http://serviceteamit.co.uk/survey2017>

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It's an ever changing world, with new technologies, new regulations and new threats.

At **Serviceteam IT**, we love it. (This can make us a little boring at parties).

Ask us about the latest cyber-security trends, the challenges of data sovereignty or low latency connectivity, and we'll put the kettle on and open the biscuits.

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ADDRESS

49 Frederick Road
Edgbaston
Birmingham
B15 1HN

CONTACT

0121 468 0101
www.serviceteamit.co.uk
info@serviceteamit.co.uk
[@serviceteamit](https://twitter.com/serviceteamit)