Application Usage Management Survey

Software Migrations & Application Readiness

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IDC
Analyze the Future

Contents

2013 Application Usage Management Report

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Survey Background

The *2013 Application Usage Management* survey was conducted by Flexera Software with input from IDC's Software Pricing and Licensing Research division under the direction of Amy Konary, research vice president - software licensing and provisioning at IDC. This annual research project looks at application usage management trends and best practices. The survey reaches out to executives at application producers (Software vendors and intelligent device manufacturers) and enterprises who use and manage software and devices. This is the first year this survey is being conducted.

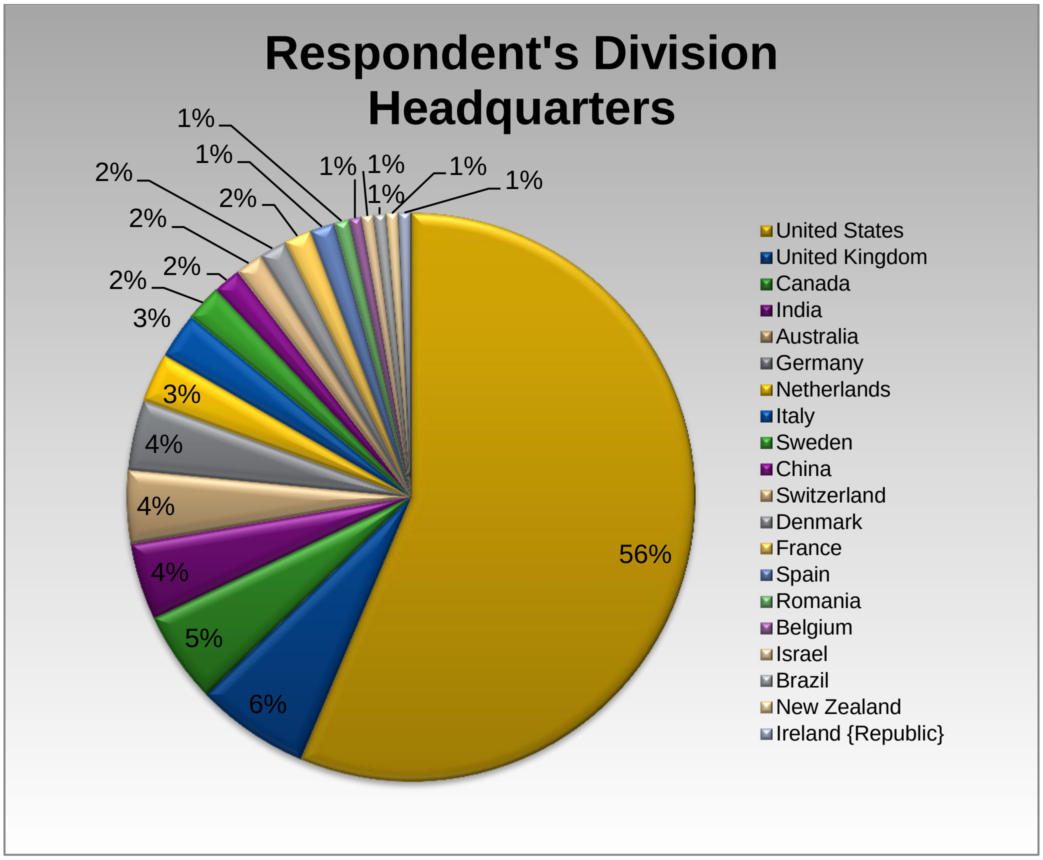
Methodology and Sampling

The data contained in these Application Usage Management reports is compiled from three separate surveys, one targeted for software ISVs, one for intelligent device manufacturers, and one for end-user organizations that consume enterprise software. More than 750 respondents participated, including executives and IT professionals from 455 software ISVs, 127 intelligent device manufacturers and 169 enterprise organizations, .

Survey Demographics

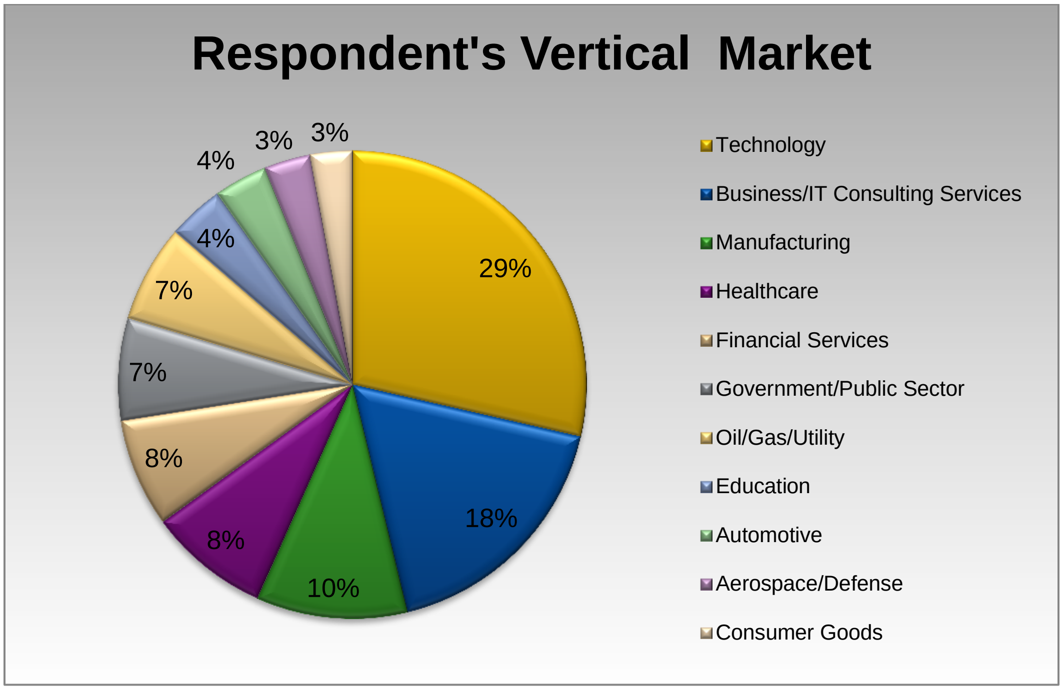
Location of Respondents

Of the 750+ respondents to the survey, 56% reported their division headquarters as being located in the United States. 6% were from the United Kingdom, 5% from Canada, and 4% were from India, Australia and Germany.



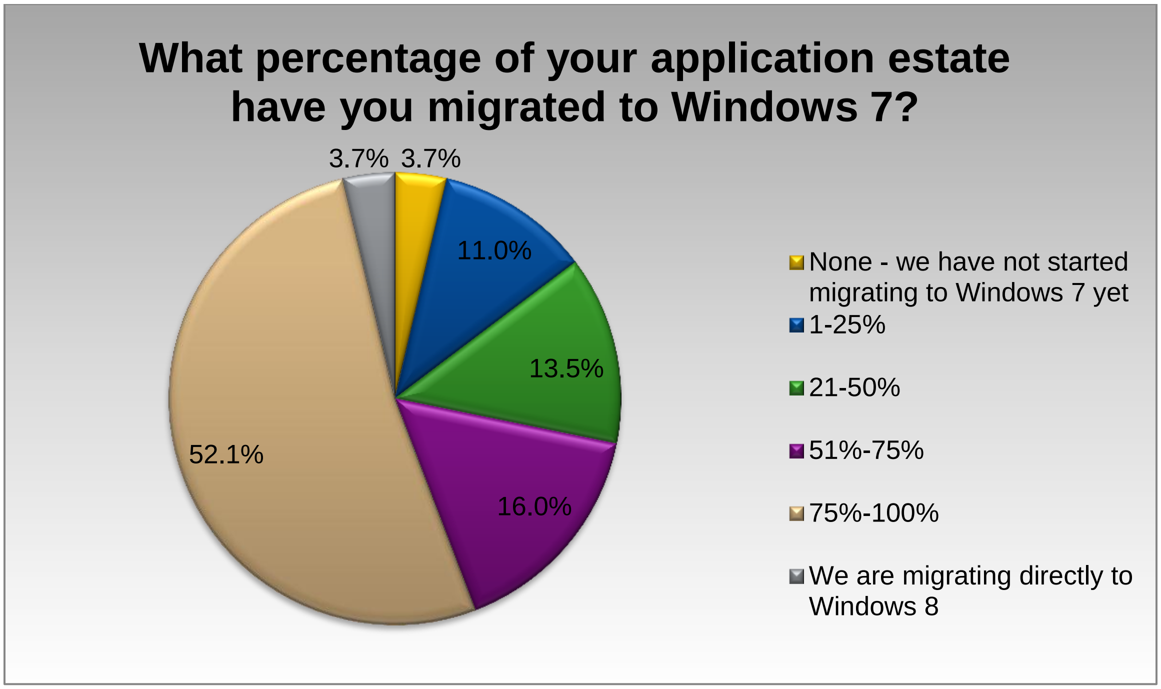
Respondents' Vertical Markets

Respondents of the Application Usage Management Survey fell across a wide array of vertical markets. 29% were from technology companies, 18% were from business and consulting services, 8% each from healthcare and financial services, and 7% each from government and financial services.



Significant Windows 7 Migration Work Still to Do; Windows 8 Uptake Is Minimal

Microsoft's support for Windows XP is scheduled to end on April 8, 2014. That means the clock is ticking for enterprises to complete migration of their operating systems and enterprise applications. According to the survey, significant work has yet to be done within this very narrow time frame. Almost a third of organizations – 28% -- haven't yet migrated 50% of their application estates to Windows 7. Only 3.7% of respondents plan on migrating directly to Windows 8.



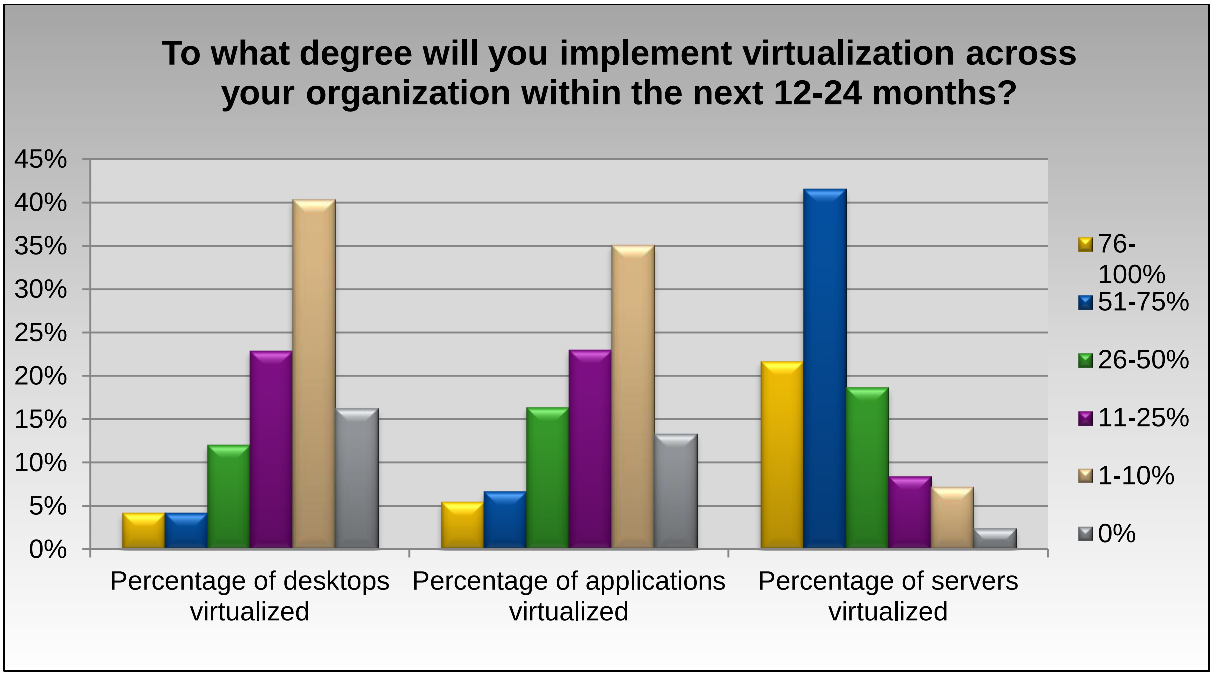
Desktop Transformation Ushering in the Next "Big Thing" – Virtualization Migrations

Bring Your Own Device (BYOD) and the desktop transformation trends are ushering in an entirely new IT environment. The expectation that IT must support multiple devices in multiple environments is the "New Normal" and creates enormous pressure on IT to be in continual readiness for major application migrations at any time to exploit these new technologies.

This means that even while current resources are taxed migrating to the "new big thing" today, o must be prepared for the *next* new big thing tomorrow. As a case in point, even while Windows 7 migration projects continue – virtualization migrations are the new big thing increasingly demand a larger share of IT resources.

According to the survey, 20% of organizations will be virtualizing between 26-100% of their desktops over the coming 12-24 months. An additional 23% will be virtualizing between11-25% of their desktops over that same time period.

Moreover, 28% of organizations surveyed will be virtualizing between 26-100% of their applications over the next 12-24 months. An additional 23% will be virtualizing between 11-25% of their applications over that same time period.



Application Readiness Automation is Lacking in Most Organizations

Each application within an organization should be put through the same Application Readiness best practice process to ensure successful deployment. Those processes include:

- **Step 1: Identify What's Being Used –** The first step requires obtaining an accurate view of the applications that are deployed across the organization.
- **Step 2: Application Rationalization –** IT teams should be continually rationalizing the application estate prior to deployment of large migration projects to address application sprawl. With a clear view of both the deployed and used applications, organizations can verify the need to continue to support the applications or to consolidate applications to a reduced number.
- **Step 3: Assess Compatibility –** up to 50% of applications will require some modification to ensure success in a large migration – such as to Windows 7 or virtualization. Application compatibility testing before migrating is therefore critical. Doing so will identify those applications that need to be fixed in order to run, and those with un-fixable compatibility issues that will need to be replaced or updated.
- **Step 4: Migration Planning –** Organizations must scope the migration project. Since application compatibility is one of the most costly and time-consuming components of a migration, having an accurate view of the applications to be migrated and its migration readiness are key to accurately budget and resource a migration project.
- **Step 5: Fix Compatibility Issues & Package –** Applications that presented issues during the "Assess Compatibility" phase need to be fixed and applications need to be packaged in accordance with IT standards prior to deploying them in the new environment.
- **Step 6: Deploy Packaged Applications Quickly and Cost-Effectively –** Applications must then be deployed to the users, directly via a configuration management system or, increasingly as a result of the consumerization of IT trend, via a self-service enterprise app store.

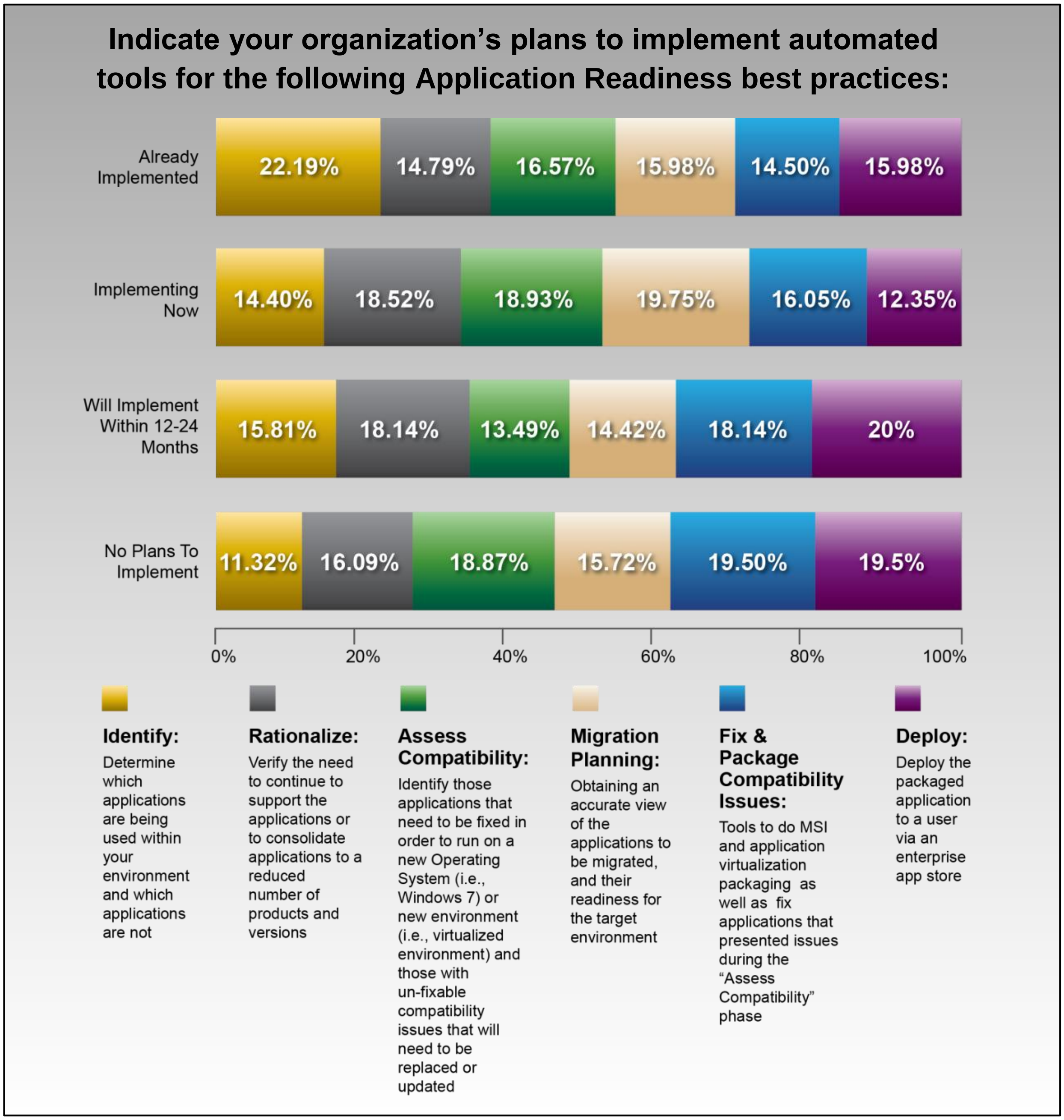
According to the survey, while great strides have been taken in implementing Application Readiness automation, many organizations have not yet done so or do not plan on doing so. While companies are at different stages of deploying automation for each of the six Application Readiness steps – some trends can be seen.

Relatively few companies have already automated the six Application Readiness steps. The highest level of automation – only 22% -- has been implemented for the "Identify" step. The lowest level of automation – 14.5% – has been implemented in the "Fix & Package" step. Given the high-costs and inefficiencies around manual fixing and packaging of applications – considerable waste in the IT budget can be attributed to lack of automation of the Application Readiness process.

The good news is many organizations clearly see opportunity to cut costs in this arena. A significant portion of respondents are either currently implementing or plan to implement automation in each of the six Application Readiness steps. 30%+ of the organizations surveyed are either currently or plan to implement automation for each of the six Application Readiness best practice processes.

However, a significant percentage of respondents report that they will not be implementing any automation for Application Readiness. Almost 20% of respondents said they would not be implementing automation in the "Assess Compatibility" (18.9%), "Fix & Package" (19.5%) and "Deploy"

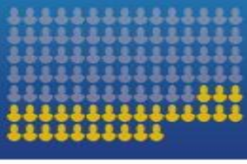
(19.5%) steps. Those respondents may have smaller application estates or simple environments requiring less manual resources to maintain. Or those organizations may simply lack insight and understanding into the high-cost and inefficiencies related to their current manual processes.



MIGRATIONS & APPLICATION READINESS

START YOUR ENGINES

28%



We're just getting started. Only a minority of organizations have completed the bulk of their Windows 7 migrations.

28% must still migrate half or more of their applications.

CONGESTION AHEAD

Start

43% of organizations will be virtualizing some portion of their **desktops** within the next 12-24 months.

51% of organizations will be virtualizing some portion of their **applications** within the next 12-24 months.

ALTERNATE ROUTE

22%

Are Rerouting

Only 22% of organizations are taking steps to avoid congestion from migration projects – **none of the 6-step App Readiness best practice processes have been adopted by more than 22% of organizations.**

Exit navigation?

YES No

20%

Will Not Reroute

Some organizations are content with congestion. 11-20%, depending on the step, say they will not be adopting the six-step Application Readiness best practices.

THE ROAD LESS TRAVELED

Only **3.7%** of enterprises are planning on **migrating to Windows 8**.

Source: Flexera Software's 2013 Application Usage Management Survey prepared jointly with IDC

Software Licensing and Provisioning Research at IDC

IDC's global Software Licensing and Provisioning research practice is directed by Amy Konary. In this role, Ms. Konary is responsible for providing coverage of software go-to-market trends including volume license programs, evolving license models, global price management, and licensing technologies through market analysis, research and consulting. In her coverage of software maintenance, subscription, electronic software distribution and licensing technologies, Ms. Konary has been instrumental in forecasting future market size and growth. Ms. Konary was also the lead analyst for IDC's coverage of software as a service (SaaS) for eight years prior to focusing exclusively on pricing, licensing, and delivery. International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. For more information about IDC, please see www.idc.com

About Flexera Software

"Flexera Software helps application producers and enterprises increase application usage and the value they derive from their software. Our Application Usage Management solutions are essential to ensure continuous licensing compliance, optimized software investments and to future-proof businesses against the risks and costs of constantly changing technology. Over 80,000 customers turn to Flexera Software as a trusted and neutral source for the knowledge and expertise we have gained as the marketplace leader in licensing, installation and compliance for over 20 years and for the automation and intelligence designed into our products.

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