

Survey on Application Use Within Organizations

An Osterman Research Survey Report

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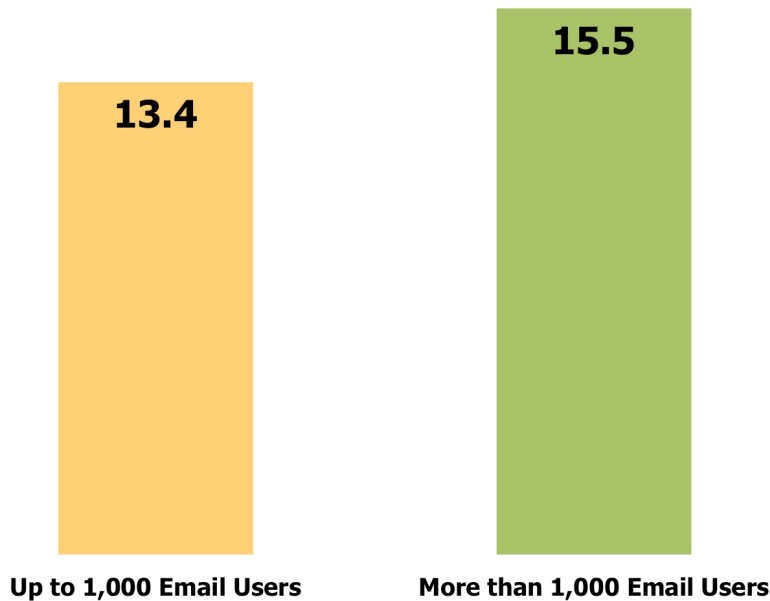
P.O. Box 1058 • Black Diamond, Washington • 98010-1058 • USA
Tel: +1 253 630 5839 • Fax: +1 253 458 0934 • info@ostermanresearch.com
www.ostermanresearch.com • twitter.com/mosterman

EXECUTIVE SUMMARY

KEY FINDINGS

- An Osterman Research survey conducted for Intermedia found that there are a large number of applications in use within the typical organization. For example, as shown in Figure 1, smaller organizations (up to 1,000 email users) employ a mean of 13.4 different applications, while larger organizations have a mean of more than 15 applications installed.

Figure 1
Mean Number of Applications per Organization



Source: Osterman Research, Inc.

- Our research found the greatest variability in the number of applications in three areas: file sync and share (FSS) applications, real-time communications systems and the collection of “other” applications that may be deployed at just a departmental or individual level. We found the least variability in email systems, both on-premises and cloud-based.
- Our research also found that new employees joining a firm were provisioned with a mean of 3.7 to 8.1 applications in smaller organizations and 3.7 to 8.5 applications in larger ones, although IT and other technical staff required provisioning with the greatest number of applications.
- Only a small fraction of organizations have deployed a centralized management console for all systems, although this is more common in larger organizations. However, a significant majority of survey respondents indicated that such a centralized management console would be desirable or very desirable.
- There is significant interest in having as many IT systems as possible deployed by a single vendor: 34% of respondents in both smaller organizations and larger organizations consider this to be desirable or very desirable.

SURVEY BACKGROUND

Osterman Research completed 121 surveys with members of its survey panel on April 4, 2014. In order to qualify for the survey, respondents had to be involved with IT and/or telephony management in their organization and have no more than 10,000 email users. The organizations surveyed, most of which were in North America, are distributed across a wide range of industries. The mean number of employees at the organizations surveyed is 2,561 and the mean number of email users is 1,616; the medians are 800 and 650, respectively.

SURVEY FINDINGS

IT AND TELEPHONY STAFF LEVELS

Our research found that there is a mean of 288 end users supported by each full-time equivalent (FTE) IT staff member in smaller organizations, and 694 users supported by each FTE IT staff member in larger ones. If we assume a fully burdened annual salary for an FTE IT staff member of \$100,000, this translates into an annual, per-user cost of \$347 in smaller organizations and \$144 in larger ones.

This explains in large part why smaller organizations should be – and often are – more highly motivated to migrate key elements of their IT infrastructure to the cloud, since the cost savings from elimination of IT labor are more profound in smaller organizations that can distribute these costs across a smaller base of users.

EMAIL SYSTEMS

We found that Microsoft Exchange dominates the on-premises email landscape for both smaller and larger organizations, although – as we would expect – Novell GroupWise is in second place in smaller organizations, while IBM Notes/Domino is second in larger ones. Larger organizations tend to have a slightly higher number of email systems in use.

Our research also found that Office 365 is more widely deployed in larger organizations (by a more than two-to-one margin), while Google Apps is more widely deployed in smaller ones. This indicates that Google has done a good job at penetrating the small organization market, while Microsoft's strength has been greater among larger organizations. That said, Osterman Research believes that the vast majority of larger organizations will remain with on-premises deployments of email for at least the next several years, while smaller organizations will be the more receptive market for cloud-based email solutions.

TELEPHONY

We found that the majority of both smaller and larger organizations are served by traditional, landline telecom providers. However, VoIP has higher penetration among larger organizations – the difference in VoIP penetration among larger firms was significant. Larger organizations have a mean of 1.38 telephony systems in place compared to only 1.23 for smaller organizations.

REAL-TIME COMMUNICATIONS

Our research found that there is a significant number of real-time communications solutions in use at both smaller and larger organizations: 1.76 and 1.81 per organization, respectively. We also found that while WebEx is widely deployed in both smaller and larger organizations, Citrix GoToMeeting is also popular among smaller firms, while Lync (including Lync Online) is more popular among larger ones. We found it particularly surprising that Lync Online found much greater penetration among larger firms.

SECURITY

We found that there is a mean of 1.61 different security solutions in place among smaller organizations and 1.94 solutions in place in larger organizations. While Symantec is the market leader among larger and smaller firms, we found significant

differences in the penetration of different vendors – McAfee, for example, is much more widely deployed in larger organizations.

FILE SYNC AND SHARE SOLUTIONS

Not surprisingly, we found significant penetration of file sync and share (FSS) solutions in both smaller and larger organizations. Not at all surprisingly, Dropbox is the leading FSS solution, but there is significant fragmentation in this market with several vendors finding significant penetration. Microsoft OneDrive/Skydrive finds greater penetration among larger organizations, which is consistent with the greater penetration of both Office 365 and Lync in this market segment.

The fact that there is a mean of 2.43 to 2.69 FSS solutions in place per organization indicates that this market is highly fragmented and that consolidation on fewer solutions is necessary. This will be particularly important for organizations that are focused on information governance and that need to consolidate their FSS solutions among a smaller number of vendors.

MOBILITY

BlackBerry is much more widely deployed in larger organizations, as are AirWatch, MobileIron and Zenprise. Moreover, there is a mean of 1.60 mobility solutions deployed in larger organizations compared to 1.10 in smaller ones. However, we believe that this is partly explained by the fact that in many smaller organizations there simply are no mobility solutions in place – many smaller firms deploy and/or allow the use of individual mobile phones without any sort of MDM or MAM system in place to manage them.

ARCHIVING

Our research found that there is an identical number of archiving solutions in place at the average smaller and larger organization: 1.24. Microsoft Exchange Online Archiving is much more widely deployed in larger firms, while Google's archiving capability is much more popular among smaller firms. This is consistent with the greater popularity of Office 365 among larger firms and Google Apps among smaller ones.

IDENTITY AND ACCESS MANAGEMENT

We found that Microsoft's identity and access management (IAM) solutions dominate in both smaller and larger organizations, although larger organizations have more IAM solutions in place (1.39) than smaller ones (1.27).

OTHER APPLICATIONS

Our research found significant penetration of "miscellaneous" applications in use within both larger and smaller organizations. Unlike the other application categories about which we surveyed, smaller organizations actually have more "other" applications in place (3.41) compared to larger organizations (3.13). We attribute this to the fact that smaller organizations typically have fewer IT restrictions in place than do their larger counterparts, and that the Bring Your Own Application trend is much more popular in smaller firms.

We found significant penetration of LinkedIn and Twitter among both smaller and larger organizations, although Salesforce.com was more widely deployed in larger organizations, while a variety of other applications (Evernote, QuickBooks, PayPal and WordPress, among others) are more popular in smaller organizations.

DEPLOYING APPLICATIONS TO NEW EMPLOYEES

We found that when a new employee joins a smaller organization, they are provisioned with anywhere from 3.7 to 8.1 applications, depending on their role; the range for new employees in larger organizations is 3.7 to 8.5. Our research found that the average employee in smaller organizations must be provisioned with 5.3

applications, while the average is 5.8 in larger organizations – across the entire survey sample, the average is 5.5 applications.

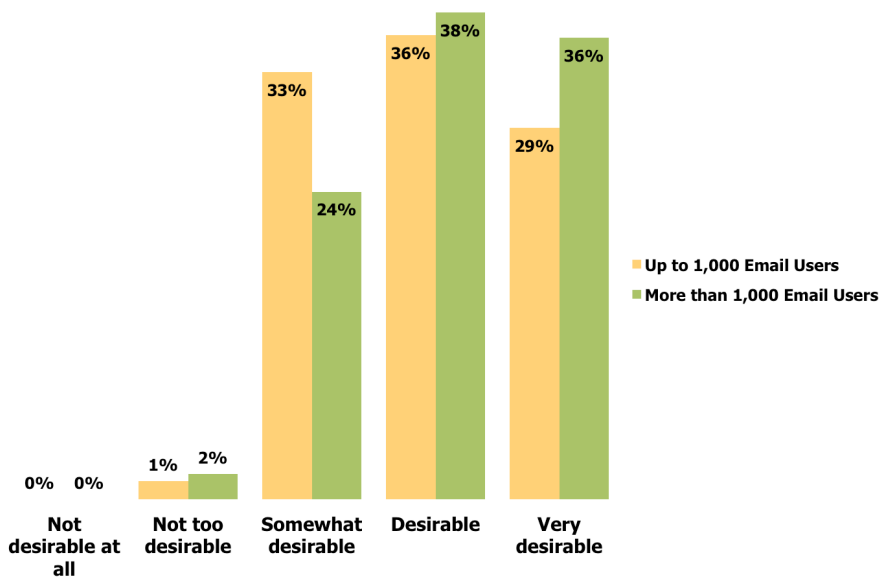
New IT and technical staff are provisioned with the greatest number of applications, while clerical staff members are provisioned with the smallest number.

IT SYSTEM MANAGEMENT

We found that only a small fraction of smaller and larger organizations have a centralized management console for all of the systems that they manage: 7.4% of smaller organizations are equipped with a central console and 12.0% of larger firms have this centralized capability. The majority of both smaller and larger firms have a partially centralized management console for some systems and individual management systems for others. In roughly one-third of organizations, although more prevalent for smaller ones, are independent management consoles for individual systems.

However, this reveals a significant disconnect in most organizations: we found that the majority of survey respondents believe that a centralized management console for as many systems as possible would be either desirable or very desirable, as shown in Figure 2. This clearly indicates that while few organizations have a centralized system management capability, a significant majority would prefer to have it.

Figure 2
Desirability of Having a Single Management Console



Source: Osterman Research, Inc.

PREFERENCES FOR HAVING A SINGLE VENDOR

We also found that there is a significant preference for having systems that are provided by a single vendor. Among both smaller and larger organizations, 34% believe that having a single vendor for as many systems as possible is either desirable or very desirable. Interestingly, we found that 23% of smaller organizations and 10% of larger ones would find single sourcing to be of little interest. This indicates that there is a significant market of organizations that would like to consolidate provision of their various application solutions into as few vendors as possible.

Moreover, we found a slight relationship (but not really a correlation) between the number of applications that an organization has in place and their desire for having a single vendor. For example:

- Mean number of applications in organizations that would find a single vendor **somewhat desirable**: 13.3
- Mean number of applications in organizations that would find a single vendor **desirable**: 14.1
- Mean number of applications in organizations that would find a single vendor **very desirable**: 17.9

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