

The Business Case for IT Outsourcing

Sponsored by CyrusOne

Independently conducted by Ponemon Institute LLC

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Part 1: Introduction

Ponemon Institute is pleased to present the results of The Business Case for IT Outsourcing, sponsored by CyrusOne. The purpose of this research is to learn how organizations are managing the complexity and costs of their IT infrastructure through outsourcing or colocation.

IT outsourcing is becoming an important strategy for companies seeking to control costs and reduce the “pain” and complexity of building and managing their in house data center operations. The business case can be compelling and companies represented in this study are expected to significantly increase the outsourcing of their business applications. However, companies do have concerns about losing control over their sensitive and confidential data and risking a possible data breach.

We surveyed 642 IT and IT security practitioners in US companies. To ensure a knowledgeable and quality response, only IT practitioners who are involved in managing IT operations in their companies participated in the research. These management responsibilities can include setting priorities, managing budgets, selecting vendors, determining IT outsourcing strategy and evaluating program performance.

Most of the organizations represented in this research operate data centers in house and off premise using third parties (40 percent of respondents) or mostly by third parties (29 percent of respondents). Thirty percent say their data centers are mostly operated in house.

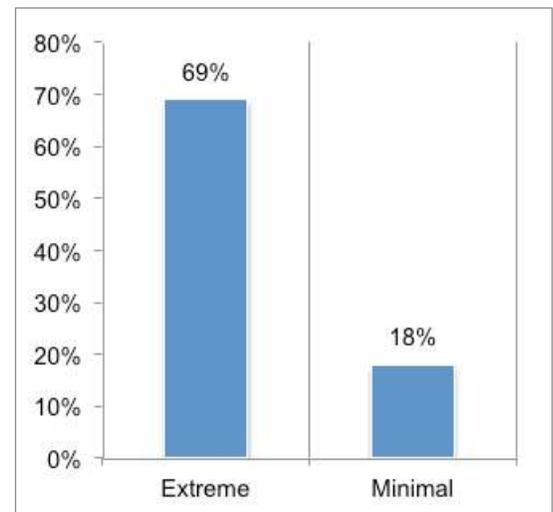


Figure 1. What is the “pain” associated with managing data center operations

As shown in **Figure 1**, 69 percent of respondents say managing their companies’ data center operations is considered extremely “painful”. Moreover, 70 percent of respondents say their companies IT infrastructure is becoming increasingly difficult and complex to manage.

In addition to making their lives easier, respondents cite specific benefits of outsourcing IT. According to 77 percent of respondents, outsourcing cloud services is believed to lower IT operating costs and 60 percent say it improves a company’s ability to more quickly roll out new services.

Respondents mostly like improved reliability and better quality infrastructure in colocation services (68 percent and 52 percent of respondents, respectively). In managed hosting, the top benefits are believed to be the need for fewer personnel and management resources followed by improved reliability and better quality infrastructure (both 40 percent of respondents).

What services do companies most prefer to outsource? Certain services are considered

better to outsource than others. Sixty-nine percent of respondents say backup services are the best to outsource. This is followed by desktop support (58 percent), server support (55 percent) and implementation services (50 percent). The least likely to be outsourced are data security services (10 percent) and CIO/strategic IT planning (5 percent). The main reasons for outsourcing these services are reduced cost, lack of in house expertise and speed to deploy systems.

Part 2: Key findings

In this section, we present an analysis of the key findings. The complete audited findings are presented in the appendix of this report. We have organized the report according to the following topics:

The business case for IT outsourcing

What are the drivers of IT outsourcing?

Complexity and cost are reasons to consider IT outsourcing. As shown in **Figure 2**, 70 percent

of respondents believe their companies' IT infrastructure is becoming increasingly difficult and complex to manage.

A similar percentage of respondents (69 percent) agree that outsourcing their company's data center to a third party could become an important part of their IT strategy. Moreover, 55 percent of respondents believe it is too costly to operate their own data center.

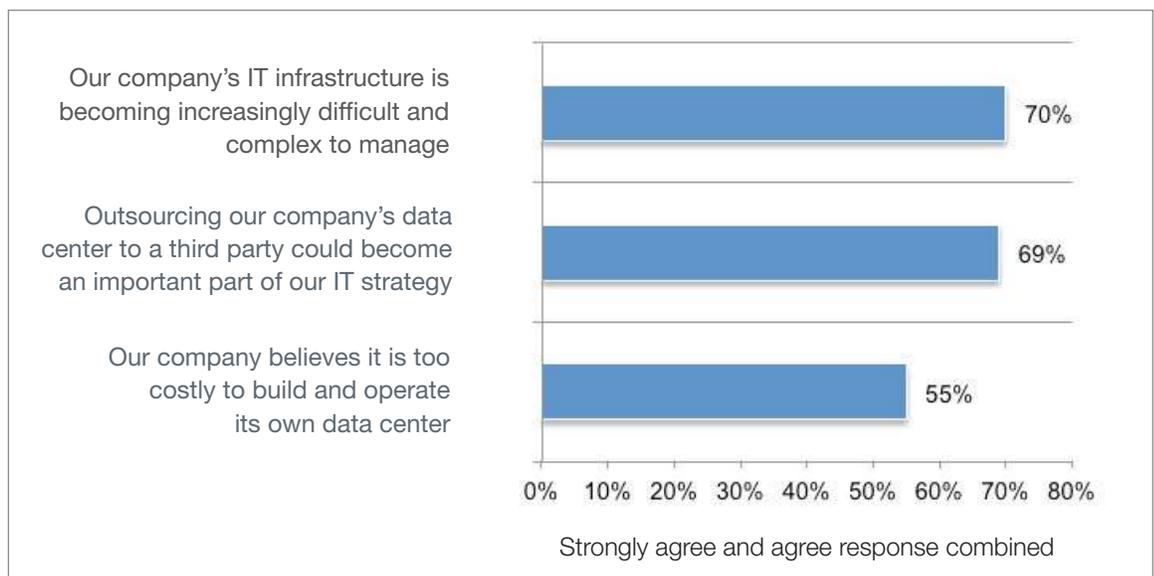


Figure 2. Perceptions about IT outsourcing

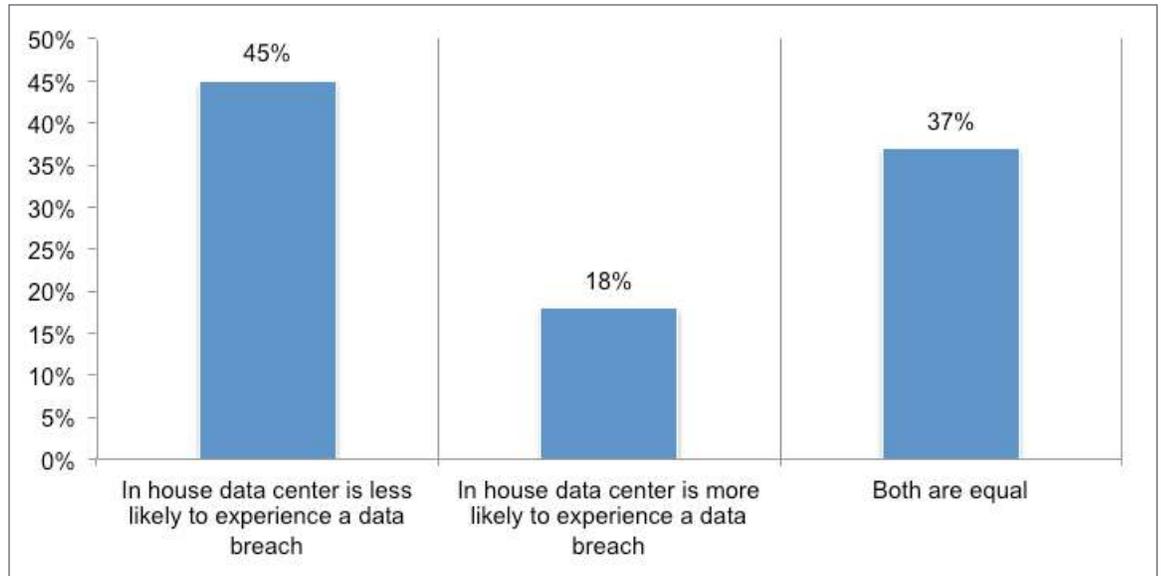


Figure 3. Likelihood of having a data breach incident on premise or off premise

Managing an in house data center operation is painful. In addition to being costly to operate, 69 percent of respondents rate the pain of managing data center operations as severe. However, concerns about security persist.

According to **Figure 3**, 45 percent of respondents believe their in house data center is less likely to experience a data breach than when using a third party for the cloud, managed hosting or colocation services.

Thirty-seven percent believe it is equally likely to have a data breach on premise or when outsourcing.

More business applications will be outsourced. Today, an average of 37 percent of companies' business applications are in the cloud, hosted (off premise) or collocated. In two years, respondents believe 52 percent of business applications will be outsourced, as shown in **Figure 4**.

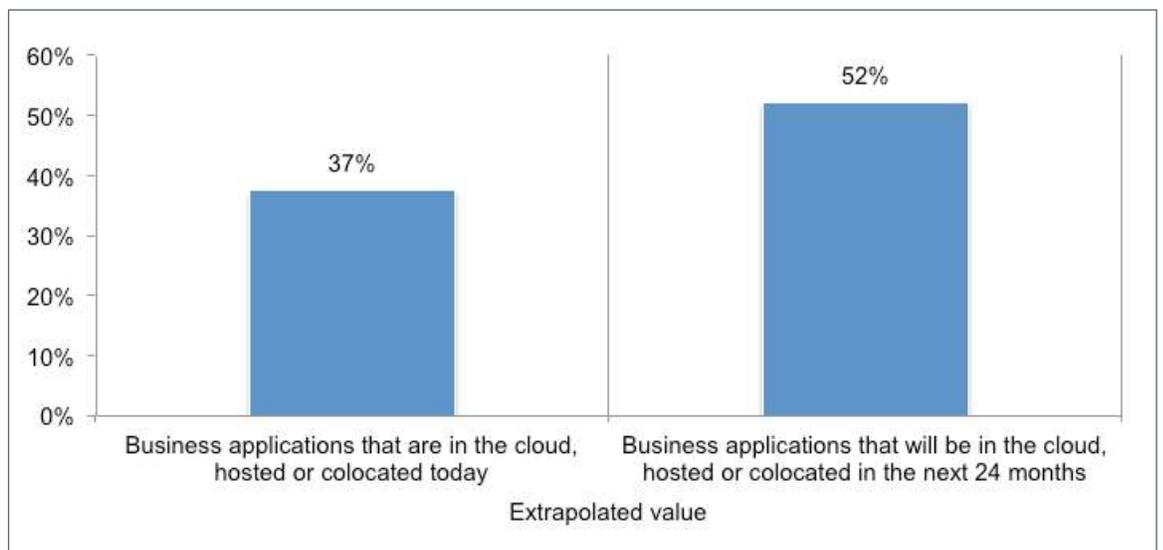


Figure 4. Outsourcing of business applications

The budget will grow to support increased outsourcing. As shown in Table 1, the average IT budget for 2015 is approximately \$94 million. Thirty-two percent will go to outsourced IT services and this is expected to increase to 44 percent of the IT budget in two years.

The IT budget for outsourcing	Extrapolated value
Average IT budget for 2015	\$93,760,000
This year's budget for outsourced IT services (32 percent)	\$30,003,200
In two years, the percentage of IT budget will go to outsourced IT (44 percent)	\$41,254,400

Table 1.

What are the primary benefits of outsourcing? Reduced costs and increased revenue are the most positive consequences of using a cloud provider. According to 77 percent of respondents, as shown in **Figure 5**, cloud services are believed to lower IT operating costs and 60 percent say it improves a company's ability to more quickly roll out new services.

Respondents mostly like improved reliability and better quality infrastructure in colocation services (68 percent and 52 percent of respondents, respectively). In managed hosting, the top benefits are believed to be the need for fewer personnel and management resources followed by improved reliability and better quality infrastructure (both 40 percent of respondents).

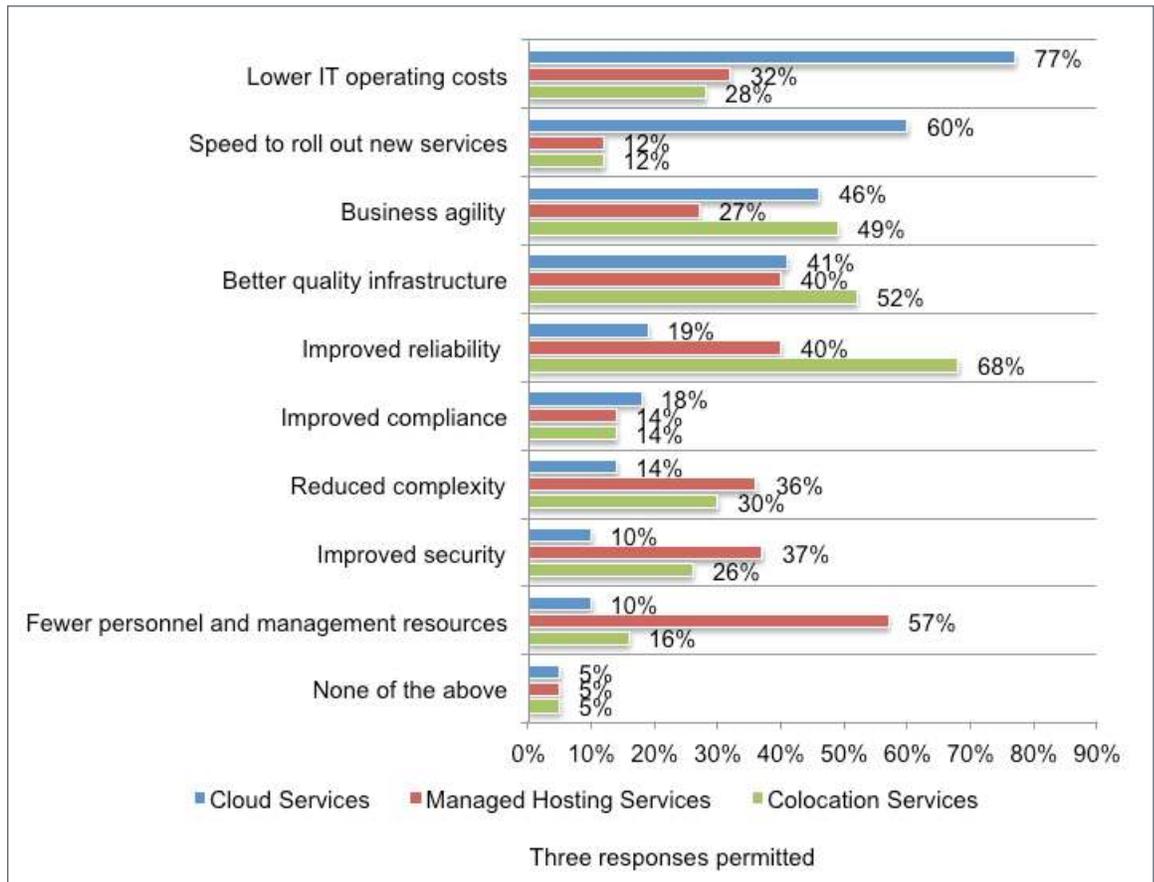


Figure 5. Benefits of IT outsourcing

Barriers to IT outsourcing

What are the primary concerns about outsourcing? According to **Figure 6**, in both cloud services and managed hosting services, diminished control over IT resources is the main concern (67 percent of respondents and 55 percent of respondents, respectively). 61 percent of respondents are concerned about security of cloud services. Other concerns about managed hosting services

are higher IT operating costs (48 percent of respondents) and security of services (42 percent of respondents).

The biggest concern about using colocation services is higher operating costs (69 percent of respondents) followed by increased business continuity risk and reliability of service (48 percent and 45 percent of respondents, respectively).

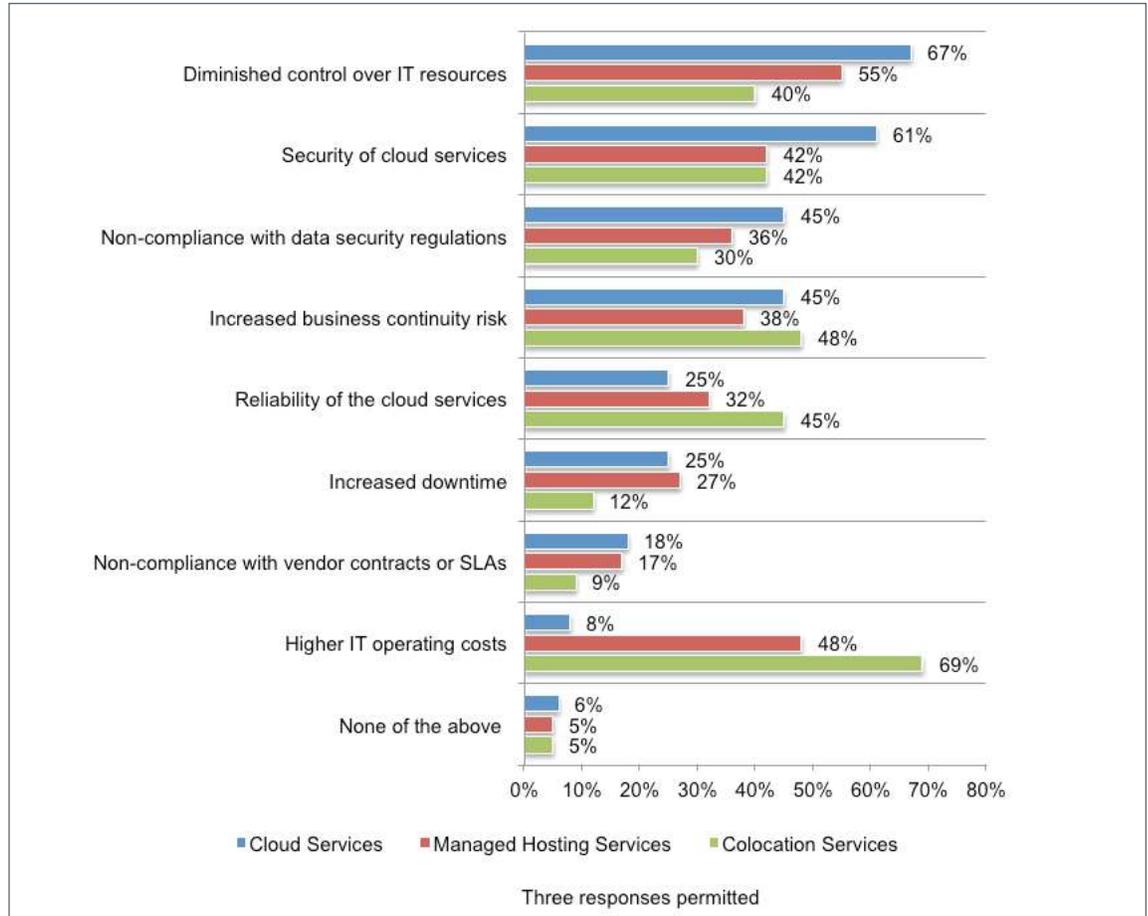


Figure 6. Concerns about IT outsourcing

What are the barriers to outsourcing the cloud? As shown in **Figure 7**, the majority of respondents do prefer outsourcing the cloud to a third party and are unsure about keeping it on premise. However, they also believe outsourcing jeopardizes the security of sensitive or confidential information. It might

reduce costs but at the expense of increasing the risk to sensitive or confidential information.

In fact, when vetting a third party to outsource IT infrastructure services the main criteria are the provider's security posture (50 percent) and reputation (46 percent), according to **Figure 8**.

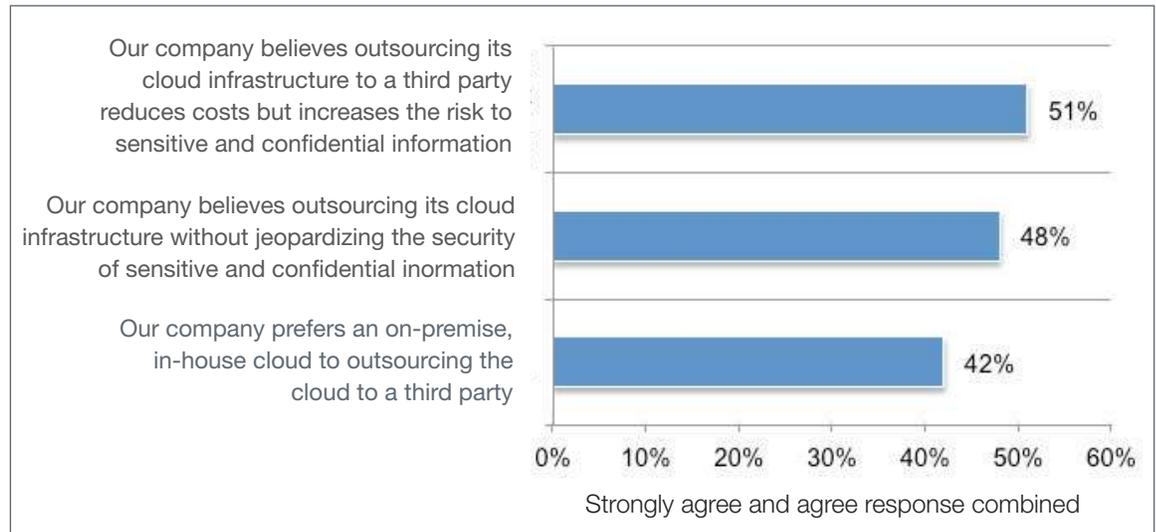


Figure 7. Barriers to outsourcing

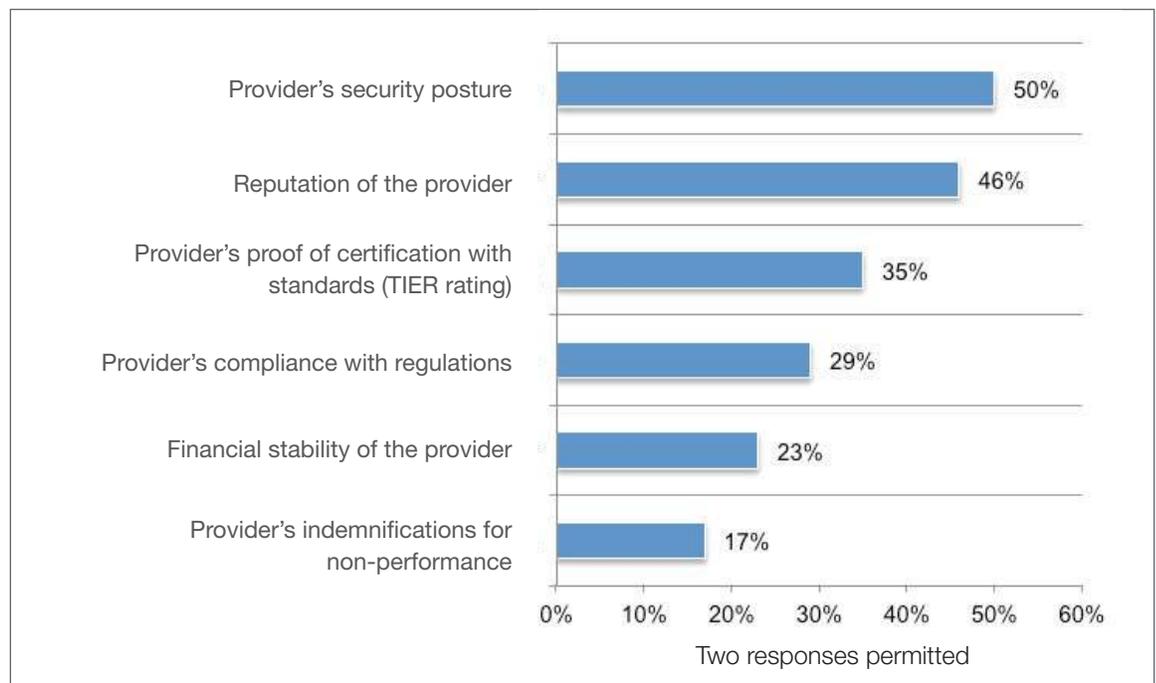


Figure 8. Most important criteria when vetting/choosing a third party to outsource IT infrastructure services

Unplanned downtime and data breaches worry companies outsourcing their IT.

Sixty-two percent of respondents say downtime would jeopardize their organizations' ability to stay in business. According to **Figure 9**, most respondents admit downtime is a problem that can occur equally in house or when outsourced (42 percent of respondents). Thirty-five percent say their in house data centers are less likely to experience an unplanned data center outage.

In the case of data breaches, 45 percent of respondents say their companies' in house data center is less likely to experience a data breach.

Downtime occurs more frequently than data breaches. The majority of respondents (65 percent) say their companies' cloud, managed hosting or colocation service

providers had a full or partial unplanned data center outage. While 33 percent say they had one in the past 24 months, 57 percent say their service providers had at least two in the past 24 months. However, only 29 percent of respondents say their company fired the service provider as a result of downtime.

Data breaches are taken seriously. Their cloud, managed hosting or colocation service providers had a data breach involving the loss or theft of 1,000 or more records, according to 34 percent of respondents. Fifty percent of respondents say it was limited to one breach. However, unlike when a downtime incident occurs the majority of respondents (50 percent of respondents) say they terminated their relationship with their service provider.

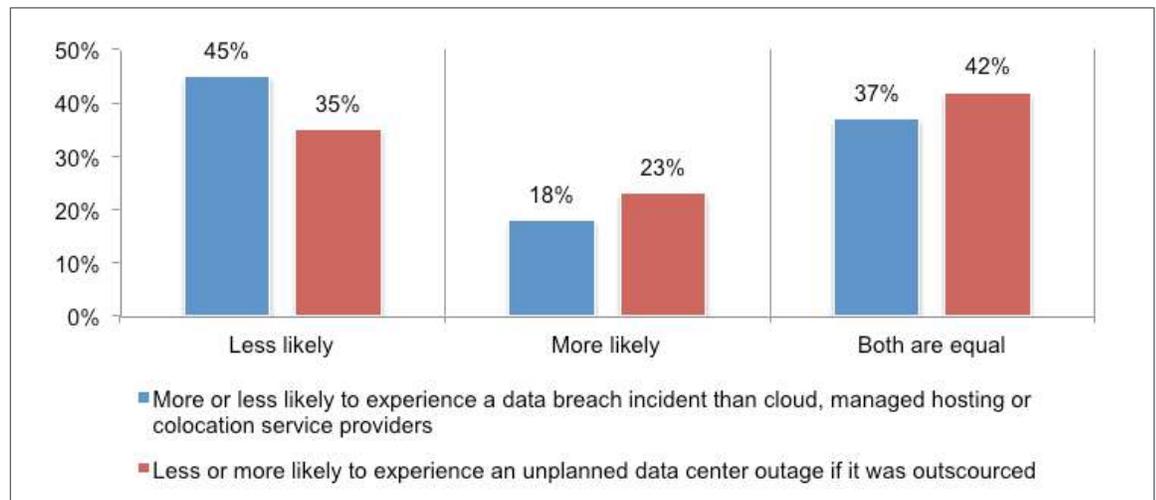


Figure 9. Likelihood of having an unplanned data center outage or data breach on premise or off premise

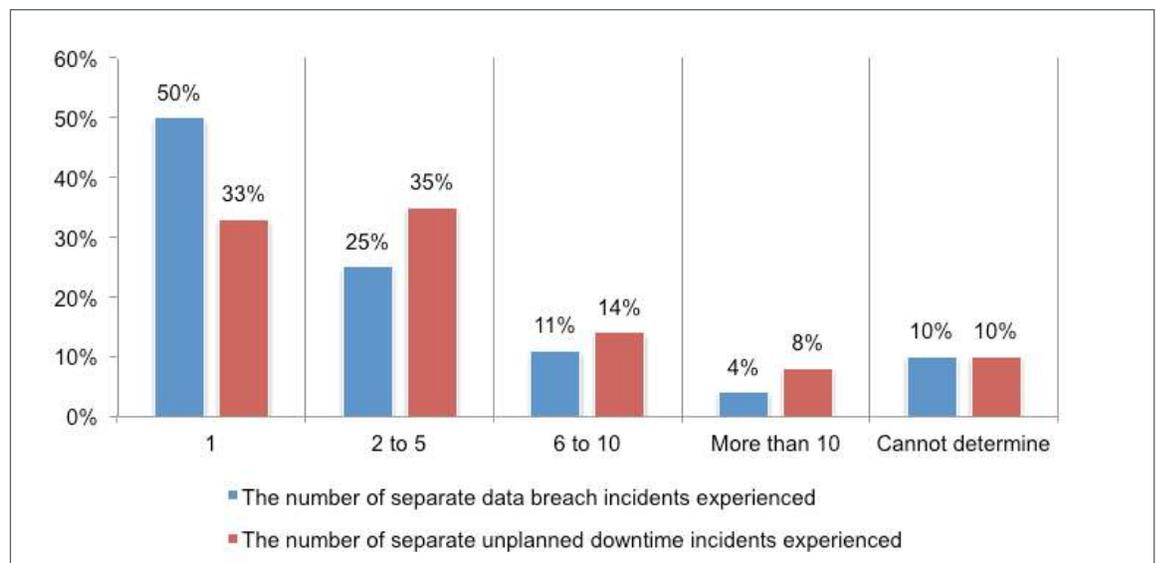


Figure 10. The number of separate unplanned downtime and data breach incidents the off premise service provider had in the past 24 months

Current IT outsourcing practices

Backup, desktop support and server support are the services companies would prefer outsourced.

Certain services are considered better to outsource than others. Sixty-nine percent of respondents say backup services are the best to outsource. This is followed by desktop support (58 percent), server support (55 percent) and implementation services (50 percent). The least likely to be outsourced are data security services (10 percent) and CIO/strategic IT planning (5 percent). The main

reasons for outsourcing these services are reduced cost, lack of in house expertise and speed to deploy systems.

In contrast, the services most likely to be in house are CIO/strategic IT planning (78 percent), identity access management (67 percent), data security services (62 percent) and business continuity/disaster recovery (60 percent). The main reasons for keeping these services in house are more control (70 percent), improved security (65 percent) and increased trust (56 percent).

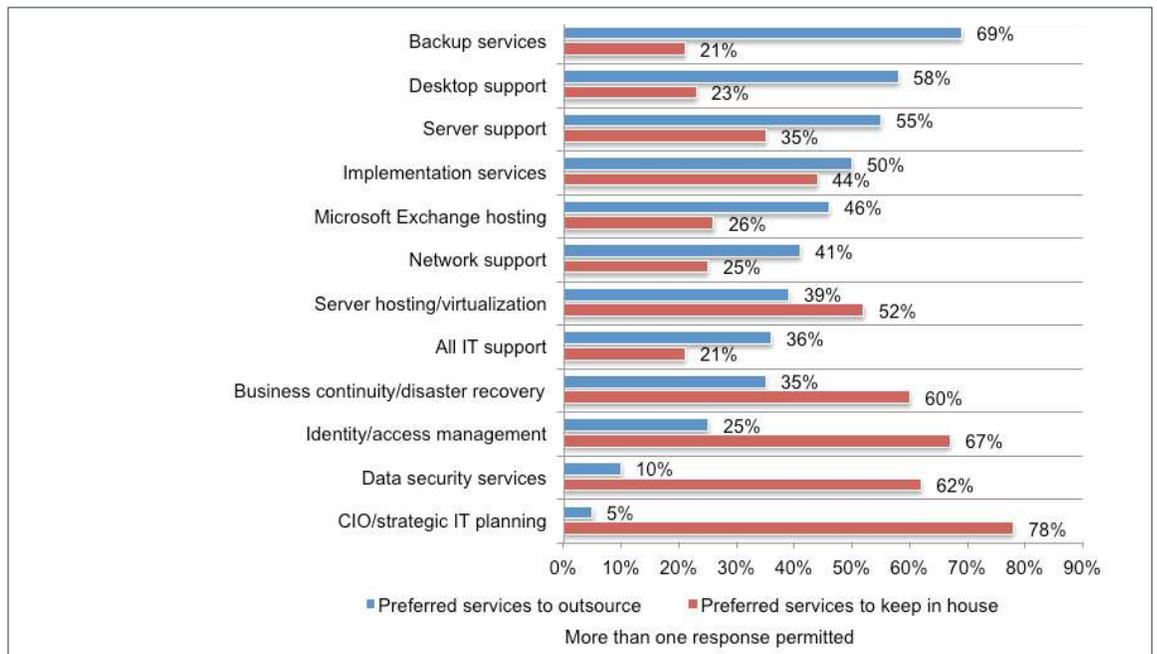


Figure 11. The best services to outsource and keep in house

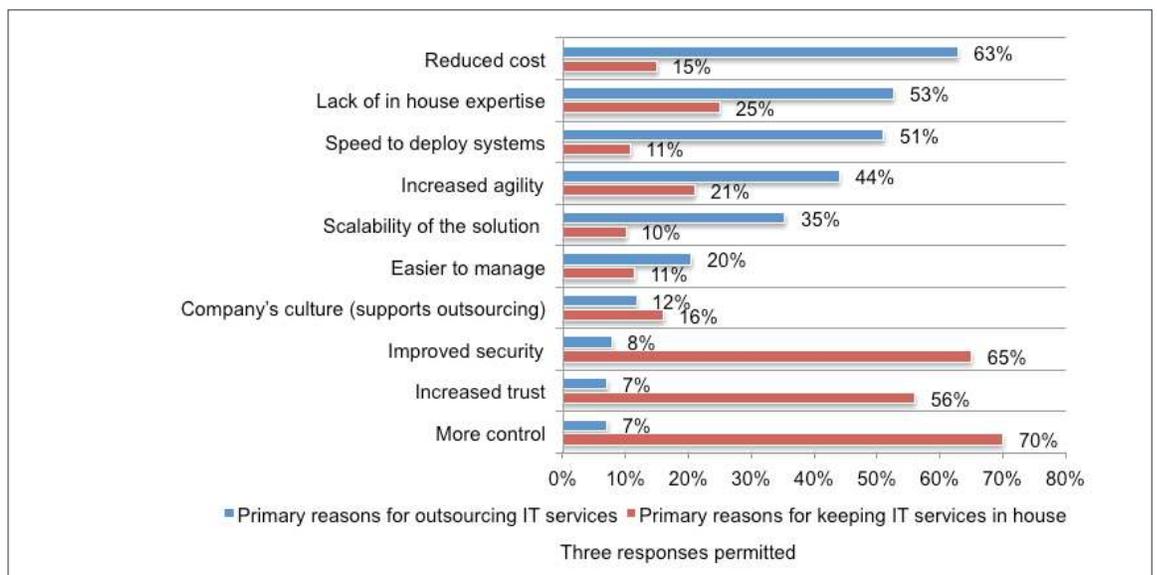


Figure 12. Primary reasons for outsourcing or keeping IT services in house

The most effective feature of an IT provider's monitoring services is capacity but least effective is historical reporting. Ninety-one percent of respondents rate the effectiveness of capacity as very effective but only 26 percent

of respondents rate historical reporting as very effective. Fifty percent of respondents rate availability as very effective and 47 percent of respondents rate self-service as very effective.

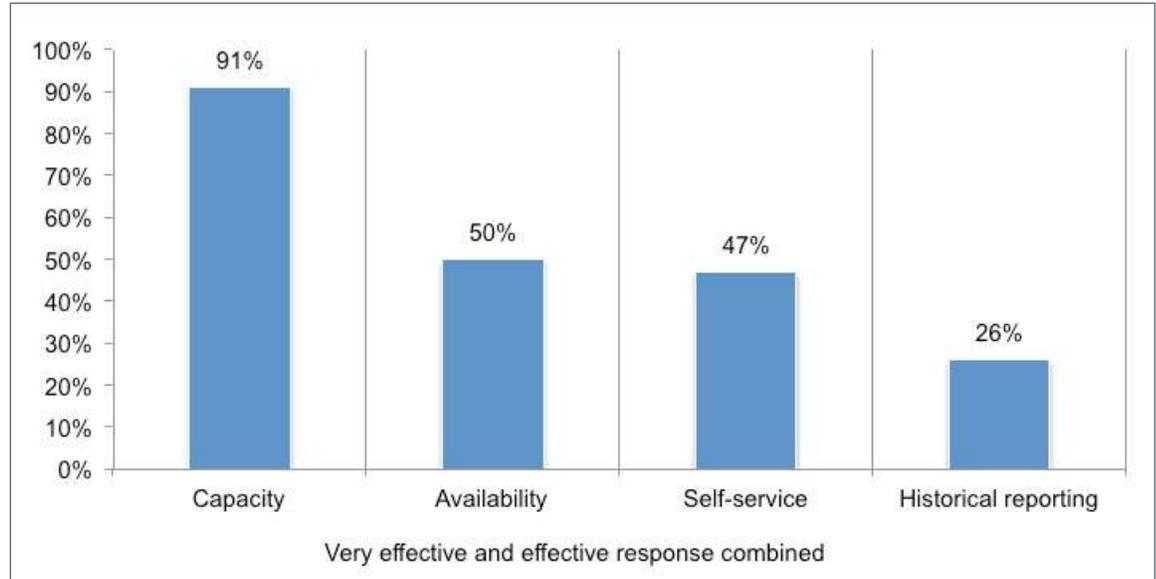


Figure 13. Effectiveness of IT provider's monitoring services

Part 3. Conclusion

Outsourcing IT is an important decision and requires assurances that proper procedures and safeguards are in place to protect critical information assets. In this study, respondents reveal their worries about the loss of control over IT processes, possible data breaches and business downtime. As a result, they are more reluctant to outsource such services as identity and access management, data security services and strategic IT planning. They feel most confident in outsourcing backup services and desktop and server support.

Making the business case for IT outsourcing requires more than calculating the cost savings. To gain their trust and confidence, companies need to know that sensitive and confidential information in the possession of a third party is protected to a standard that mirrors their own practices and expectations.

Part 4. Methods

The sampling frame is composed of 17,751 IT and IT security practitioners who are involved in managing their organization’s IT operations. As shown in **Table 1**, 698 respondents completed the survey. Screening removed 56 surveys. The final sample was 642 surveys (or a 3.6 percent response rate).

Sample response	Frequency	Percent (%)
Total sampling frame	17,751	100%
Total returns	698	3.9%
Rejected or screened surveys	56	0.3%
Final sample	642	3.6%

Table 1.

Chart 1 reports the current position or organizational level of the respondents. More than half of respondents (62 percent) reported their current position as supervisory or above.

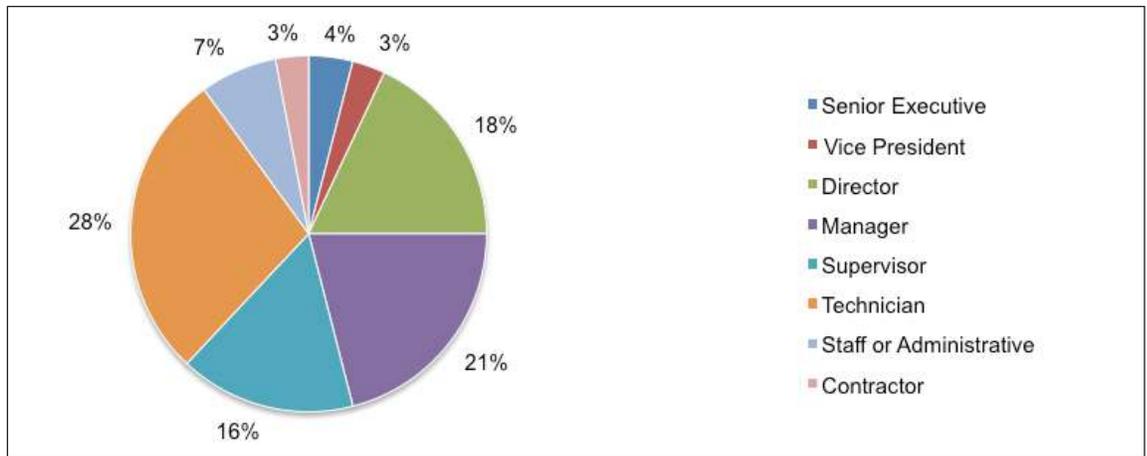


Chart 1. Current position within the organization

Chart 2 reports the region in the United States where the company’s primary headquarters are located.

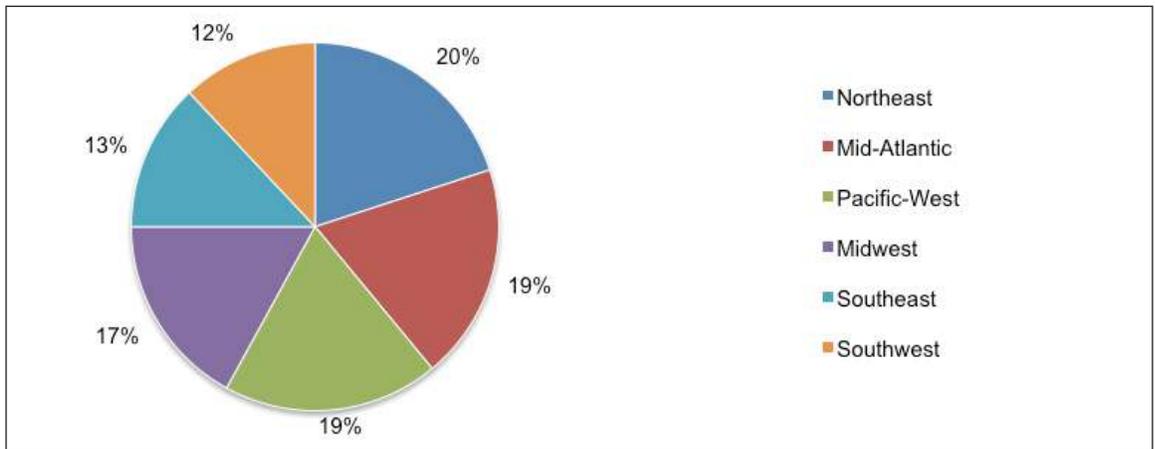


Chart 2. The U.S. region where the company's primary headquarters is located

Chart 3 reports the primary industry concentration of respondents' organizations. This chart identifies financial services (17 percent) as the largest segment, followed by health and pharmaceuticals (11 percent), public sector (10 percent) and retail (9 percent).

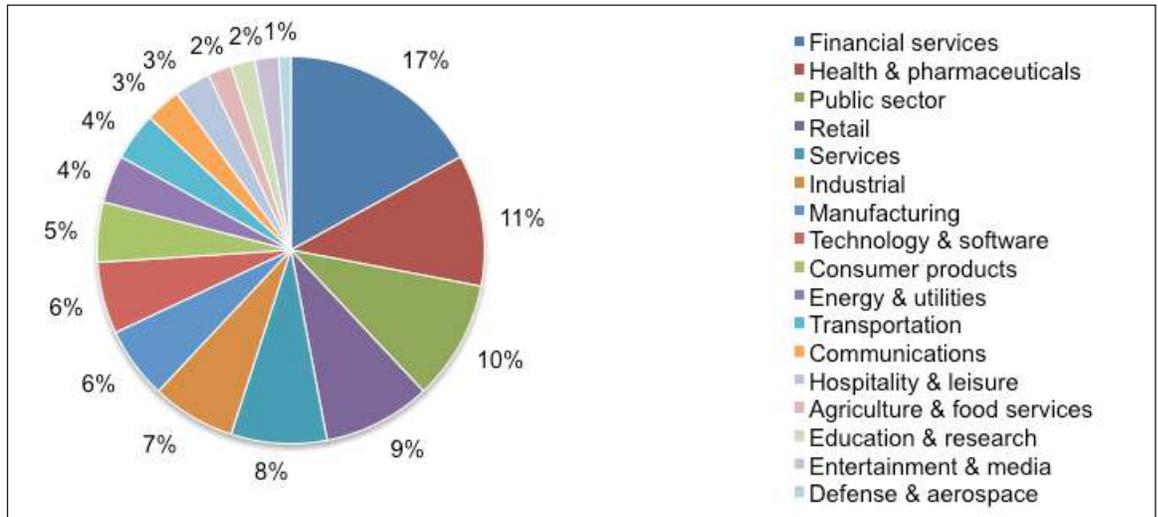


Chart 3. Primary industry focus

According to **Chart 4**, more than half of the respondents (60 percent) are from organizations with a global headcount of more than 1,000 employees.

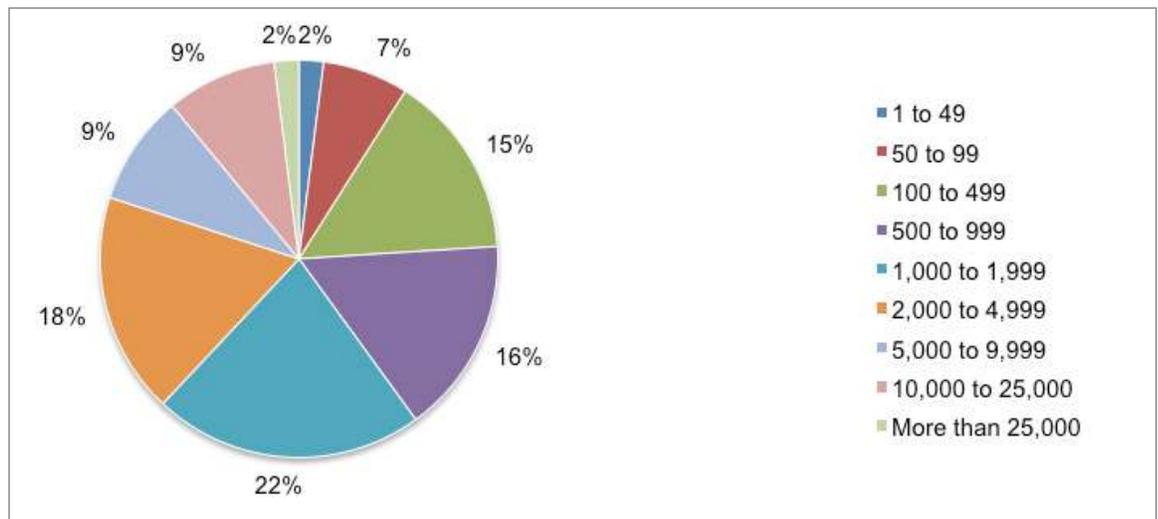


Chart 4. Worldwide headcount of the organization

Figure 14 identifies the respondents role in managing their organizations IT operations. More than half of respondents are responsible for setting priorities (54 percent) and almost half (49 percent) are responsible for selecting vendors.

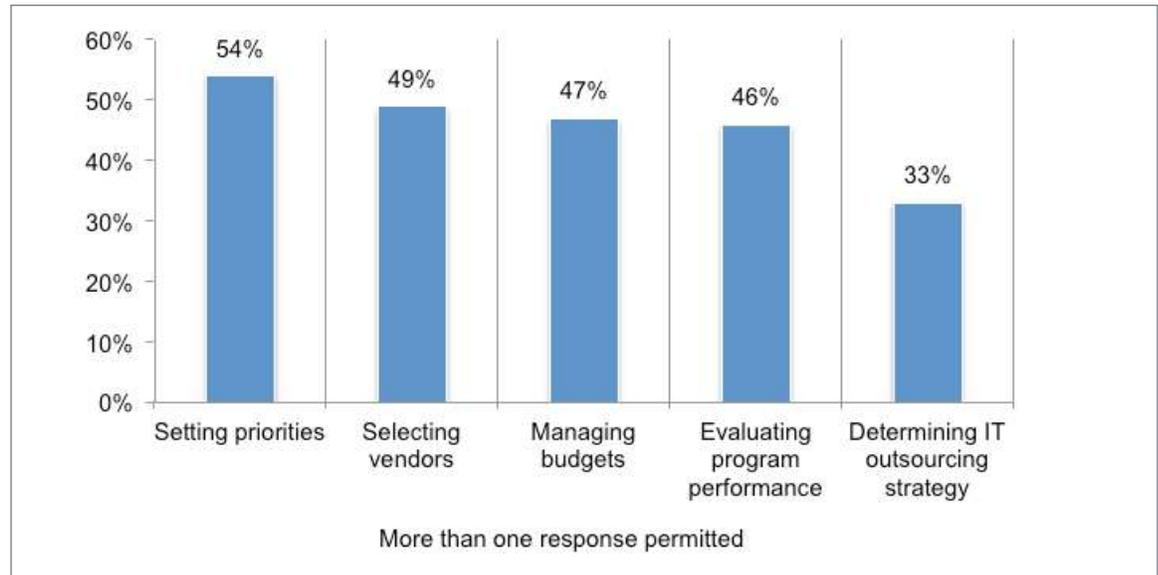


Figure 14. What best describes your role in managing IT operations in your company?

Part 5. Caveats

There are inherent limitations to survey research that need to be carefully considered before drawing inferences from findings. The following items are specific limitations that are germane to most surveys.

Non-response bias: The current findings are based on a sample of survey returns. We sent surveys to a representative sample of individuals, resulting in a large number of usable returned responses. Despite non-response tests, it is always possible that individuals who did not participate are substantially different in terms of underlying beliefs from those who completed the instrument.

Sampling-frame bias: The accuracy is based on contact information and the degree to which the list is representative of individuals who are IT and IT Security practitioners. We also acknowledge that the results may be biased by external events such as media coverage. We also acknowledge bias caused by compensating subjects to complete this research within a holdout period.

Self-reported results: The quality of survey research is based on the integrity of confidential responses received from subjects. While certain checks and balances can be incorporated into the survey process, there is always the possibility that a subject did not provide a truthful response.

Appendix: Detailed Survey Results

The following tables provide the frequency or percentage frequency of responses to all survey questions contained in this study. All survey responses were captured in March 2015.

Survey response	Frequency
Total sampling frame	17751
Total returns	698
Rejected or screened surveys	56
Final sample	642
Response rate	3.6%

Part 1. Attributions: The following statements relate to outsourced IT services that may be deployed by your company. Please rate each statement using the scale provided below each item.

Q1a. Our company believes outsourcing its cloud infrastructure to a third party reduces costs but increases the risk to sensitive and confidential information.	Pct%
Strongly agree	22%
Agree	29%
Unsure	28%
Disagree	14%
Strongly disagree	7%
Total	100%

Q1b. Our company believes it can outsource its cloud infrastructure without jeopardizing the security of sensitive and confidential information.	Pct%
Strongly agree	18%
Agree	30%
Unsure	30%
Disagree	13%
Strongly disagree	9%
Total	100%

Q1c. Our company believes it is too costly to build and operate its own data center.	Pct%
Strongly agree	25%
Agree	30%
Unsure	20%
Disagree	19%
Strongly disagree	6%
Total	100%

Q1d. Our company is concerned about the impact downtime would have on its ability to survive an outage lasting days or weeks.	Pct%
Strongly agree	28%
Agree	34%
Unsure	23%
Disagree	11%
Strongly disagree	4%
Total	100%

Q1e. Our company prefers an on-premise, in house cloud to outsourcing the cloud to a third party.	Pct%
Strongly agree	24%
Agree	18%
Unsure	16%
Disagree	25%
Strongly disagree	17%
Total	100%

Q1f. Outsourcing our company's data center to a third party could become an important part of our IT strategy.	Pct%
Strongly agree	34%
Agree	35%
Unsure	14%
Disagree	11%
Strongly disagree	6%
Total	100%

Q1g. Our company's IT infrastructure is becoming increasingly difficult and complex to manage.	Pct%
Strongly agree	37%
Agree	33%
Unsure	13%
Disagree	13%
Strongly disagree	4%
Total	100%

Part 2. IT outsource experience

Q2. What best defines your organization's data center operations?	Pct%
Data centers are mostly operated in house	31%
Data centers are mostly operated by third parties (i.e., cloud)	29%
Data centers are operated both in house and by third parties (i.e., hybrid)	40%
Total	100%

Q3. Please rate the overall "pain" associated with managing data center operations. Where 1 = minimal impact to 10 = severe impact	Pct%
1 or 2 (minimal)	6%
3 or 4	12%
5 or 6	13%
7 or 8	37%
9 or 10 (severe)	32%
Total	100%
Extrapolated value	7.04

Q4a. Approximately, what percent of your company's business applications today are in the cloud, hosted (off premise) or collocated?	Pct%
Less than 5%	1%
5% to 10%	5%
11% to 20%	18%
21% to 30%	22%
31% to 40%	18%
41% to 50%	4%
51% to 60%	2%
61% to 70%	1%
71% to 80%	9%
81% to 90%	4%
91% to 100%	5%
Cannot determine	11%
Total	100%
Extrapolated value	37%

Q4b. Looking ahead 24 months, what will be the percent of your company's business applications that is operated from cloud, hosted (off premise) or collocated data centers?	Pct%
Less than 5%	0%
5% to 10%	1%
11% to 20%	7%
21% to 30%	15%
31% to 40%	18%
41% to 50%	14%
51% to 60%	3%
61% to 70%	7%
71% to 80%	10%
81% to 90%	9%
91% to 100%	8%
Cannot determine	8%
Total	100%
Extrapolated value	52%

Q5a. What are the benefits of using cloud services? Please select the top 3 choices.	Pct%
Better quality infrastructure	41%
Business agility	46%
Fewer personnel and management resources	10%
Improved compliance	18%
Improved reliability	19%
Improved security	10%
Lower IT operating costs	77%
Reduced complexity	14%
Speed to roll out new services	60%
None of the above	5%
Total	300%

Q5b. What are the benefits of using managed hosting services? Please select the top 3 choices.	Pct%
Better quality infrastructure	40%
Business agility	27%
Fewer personnel and management resources	57%
Improved compliance	14%
Improved reliability	40%
Improved security	37%
Lower IT operating costs	32%
Reduced complexity	36%
Speed to roll out new services	12%
None of the above	5%
Total	300%

Q5c. What are the benefits of using colocation services? Please select the top 3 choices.	Pct%
Better quality infrastructure	52%
Business agility	49%
Fewer personnel and management resources	16%
Improved compliance	14%
Improved reliability	68%
Improved security	26%
Lower IT operating costs	28%
Reduced complexity	30%
Speed to roll out new services	12%
None of the above	5%
Total	300%

Q6a. What are your company's primary concerns about using cloud services? Please select the top 3 choices.	Pct%
Diminished control over IT resources	67%
Higher IT operating costs	8%
Increased business continuity risk	45%
Increased downtime	25%
Non-compliance with data security regulations	45%
Non-compliance with vendor contracts or SLAs	18%
Reliability of the cloud services	25%
Security of cloud services	61%
None of the above	6%
Total	300%

Q6b. What are your company's primary concerns about using managed hosting services? Please select the top 3 choices.	Pct%
Diminished control over IT resources	55%
Higher IT operating costs	48%
Increased business continuity risk	38%
Increased downtime	27%
Non-compliance with data security regulations	36%
Non-compliance with vendor contracts or SLAs	17%
Reliability of the services	32%
Security of services	42%
None of the above	5%
Total	300%

Q6c. What are your company's primary concerns about using colocation services? Please select the top 3 choices.	Pct%
Diminished control over IT resources	40%
Higher IT operating costs	69%
Increased business continuity risk	48%
Increased downtime	12%
Non-compliance with data security regulations	30%
Non-compliance with vendor contracts or SLAs	9%
Reliability of the services	45%
Security of services	42%
None of the above	5%
Total	300%

Q7a. In the past 24 months, did your company's cloud, managed hosting or colocation service providers experience a data breach involving the loss or theft of your confidential data (assume 1,000 or more records exposed)?	Pct%
Yes	34%
No	54%
Unsure	12%
Total	100%

Q7b. If yes, how many separate data breach incidents did your company's cloud, managed hosting or colocation service providers experience over the past 24 months (assume 1,000 or more records exposed)?	Pct%
1	50%
2 to 5	25%
6 to 10	11%
More than 10	4%
Cannot determine	10%
Total	100%

Q7c. Did your company terminate its relationship with cloud, managed hosting or colocation service providers as a result of one or more data breach incidents?	Pct%
Yes	50%
No	36%
Unsure	14%
Total	100%

Q8. Are your company's in house data center operations more or less likely to experience a data breach incident than cloud, managed hosting or colocation service providers?	Pct%
In house data center is less likely to experience a data breach	45%
In house data center is more likely to experience a data breach	18%
Both are equal	37%
Total	100%

Q9a. In the past 24 months, did your company's cloud, managed hosting or colocation service providers experience full or partial unplanned data center outages?	Pct%
Yes	65%
No	23%
Unsure	12%
Total	100%

Q9b. If yes, how many separate unplanned downtime incidents did your company's cloud, managed hosting or colocation service providers experience over the past 24 months?	Pct%
1	33%
2 to 5	35%
6 to 10	14%
More than 10	8%
Cannot determine	10%
Total	100%

Q9c. Did your company terminate its relationship with cloud, managed hosting or colocation service providers as a result of one or more full or unplanned data center outages?	Pct%
Yes	29%
No	59%
Unsure	12%
Total	100%

Q9d. Are your company's in house data center operations less or more likely to experience an unplanned data center outage if it was outsourced?	Pct%
In house data center is less likely to experience an unplanned data center outage	35%
In house data center is more likely to experience an unplanned data center outage	23%
Both are equal	42%
Total	100%

Q10a. Which of the following services would you prefer to outsource?	Pct%
All IT support	36%
Desktop support	58%
Server support	55%
Network support	41%
CIO/strategic IT planning	5%
Server hosting/virtualization	39%
Business continuity/disaster recovery	35%
Backup services	69%
Implementation services	50%
Microsoft Exchange hosting	46%
Identity/access management	25%
Data security services	10%
Total	469%

Q10b. Which of the following services would you prefer to keep in house?	Pct%
All IT support	21%
Desktop support	23%
Server support	35%
Network support	25%
CIO/strategic IT planning	78%
Server hosting/virtualization	52%
Business continuity/disaster recovery	60%
Backup services	21%
Implementation services	44%
Microsoft Exchange hosting	26%
Identity/access management	67%
Data security services	62%
Total	514%

Q11a. What are the main reasons for outsourcing the IT services as indicated in Q10a? Please select your top 3 choices.	Pct%
Reduced cost	63%
Increased agility	44%
More control	7%
Increased trust	7%
Improved security	8%
Easier to manage	20%
Scalability of the solution	35%
Company's culture (supports outsourcing)	12%
Speed to deploy systems	51%
Lack of in house expertise	53%
Other	0%
Total	300%

Q11b. What are the main reasons for keeping IT services in house as indicated in Q10b? Please select your top 3 choices.	Pct%
Reduced cost	15%
Increased agility	21%
More control	70%
Increased trust	56%
Improved security	65%
Easier to manage	11%
Scalability of the solution	10%
Company's culture (supports on-premise operations)	16%
Speed to deploy systems	11%
In house expertise	25%
Other	0%
Total	300%

Q12a. Which of the following services do you consider the best IT services to outsource rather than keep in house? Please select your top 3 choices.	Pct%
All IT support	24%
Desktop support	51%
Server support	40%
Network support	35%
CIO/strategic IT planning	6%
Server hosting/virtualization	7%
Business continuity/disaster recovery	15%
Backup services	56%
Implementation services	17%
Microsoft Exchange hosting	31%
Identity/access management	9%
Data security services	8%
Total	300%

Q12b. Which of the following services do you consider the worst IT services to outsource rather than keep in house? Please select your top 3 choices.	Pct%
All IT support	8%
Desktop support	8%
Server support	15%
Network support	16%
CIO/strategic IT planning	50%
Server hosting/virtualization	38%
Business continuity/disaster recovery	19%
Backup services	5%
Implementation services	15%
Microsoft Exchange hosting	25%
Identity/access management	51%
Data security services	50%
Total	300%

Q13. What are the main criteria your company considers when vetting/choosing a third-party to outsource IT infrastructure services? Please select your top 2 choices.	Pct%
Financial stability of the provider	23%
Reputation of the provider	46%
Provider's compliance with regulations	29%
Provider's security posture	50%
Provider's proof of certification with standards (TIER rating)	35%
Provider's indemnifications for non-performance	17%
Other	0%
Total	200%

Q14. How would you rate the effectiveness of your IT provider's monitoring services in terms of four features? Please use the 10-point scale below each feature from 1 = ineffective to 10 = very effective.	
Q14a. Availability	Pct%
1 or 2 (ineffective)	12%
3 or 4	12%
5 or 6	26%
7 or 8	31%
9 or 10 (very effective)	19%
Total	100%
Extrapolated value	6.16

Q14b. Self-service	Pct%
1 or 2 (ineffective)	8%
3 or 4	15%
5 or 6	30%
7 or 8	27%
9 or 10 (very effective)	20%
Total	100%
Extrapolated value	6.22
Total	300%

Q14c. Capacity	Pct%
1 or 2 (ineffective)	0%
3 or 4	0%
5 or 6	9%
7 or 8	23%
9 or 10 (very effective)	68%
Total	100%
Extrapolated value	8.68
Total	300%

Q14d. Historical reporting	Pct%
1 or 2 (ineffective)	16%
3 or 4	18%
5 or 6	40%
7 or 8	21%
9 or 10 (very effective)	5%
Total	100%
Extrapolated value	5.12

Q15. If you were to evaluate outsourced IT services today, how would you rank the following features in order of importance? 1 = most important to 5 = least important. If possible, please avoid tied ranks.	Average Rank
Solutions are technically scalable	2.80
Solutions are financially scalable	3.64
Solutions meet current needs	1.69
Solutions meet future needs	2.31
Solutions will allow IT staff to be reassigned to other critical functions	4.58
Average	3.00

Q16. Approximately, what is the dollar range that best describes your company's IT budget for 2015?	Pct%
< \$1 million	2%
\$1 to 5 million	7%
\$6 to \$10 million	16%
\$11 to \$50 million	25%
\$51 to \$100 million	30%
\$101 to \$250 million	9%
\$251 to \$500 million	8%
> \$500 million	3%
Total	100%
Extrapolated value	93.76

Q17. Approximately, what percentage of this year's IT budget will go to outsourced IT services?	Pct%
Less than 5%	3%
5% to 10%	11%
11% to 20%	16%
21% to 30%	25%
31% to 40%	16%
41% to 50%	4%
51% to 60%	1%
61% to 70%	0%
71% to 80%	7%
81% to 90%	4%
91% to 100%	3%
Cannot determine	10%
Total	100%
Extrapolated value	32%

Q18. Looking ahead 24 months from now, what percentage of the IT budget will go to outsourced IT services?	Pct%
Less than 5%	0%
5% to 10%	3%
11% to 20%	9%
21% to 30%	17%
31% to 40%	16%
41% to 50%	19%
51% to 60%	7%
61% to 70%	4%
71% to 80%	5%
81% to 90%	5%
91% to 100%	6%
Cannot determine	9%
Total	100%
Extrapolated value	44%

Part 3. Company characteristics and respondent demographics

D1. What organizational level best describes your current position?	Pct%
Senior Executive	4%
Vice President	3%
Director	18%
Manager	21%
Supervisor	16%
Technician	28%
Staff or Administrative	7%
Contractor	3%
Other	0%
Total	100%

D2. Check the country or U.S. region where your company's primary headquarters is located.	Pct%
Northeast	20%
Mid-Atlantic	19%
Midwest	17%
Southeast	13%
Southwest	12%
Pacific-West	19%
Total	100%

D3. What industry best describes your company's industry concentration or focus?	Pct%
Agriculture & food services	2%
Communications	3%
Consumer products	5%
Defense & aerospace	1%
Education & research	2%
Energy & utilities	4%
Entertainment & media	2%
Financial services	17%
Health & pharmaceuticals	11%
Hospitality & leisure	3%
Industrial	7%
Manufacturing	6%
Public sector	10%
Retail	9%
Services	8%
Technology & software	6%
Transportation	4%
Other	0%
Total	100%

D4. What best describes your role in managing IT operations in your company? Select all that apply.	Pct%
Setting priorities	54%
Managing budgets	47%
Selecting vendors	49%
Determining IT outsourcing strategy	33%
Evaluating program performance	46%

D5. What is the worldwide headcount of your company?	Pct%
1 to 49	2%
50 to 99	7%
100 to 499	15%
500 to 999	16%
1,000 to 1,999	22%
2,000 to 4,999	18%
5,000 to 9,999	9%
10,000 to 25,000	9%
More than 25,000	2%
Total	100%

About CyrusOne

CyrusOne (NASDAQ: CONE) specializes in highly reliable enterprise-class, carrier-neutral data center properties. The company provides mission-critical data center facilities that protect and ensure the continued operation of IT infrastructures for hundreds of customers, including many of the Fortune 1000.

CyrusOne's data center offerings provide the flexibility, reliability and security that enterprise customers require and are delivered through a tailored, customer-service-focused platform designed to foster long-term relationships. CyrusOne's National IX platform provides robust connectivity options to drive revenue; reduce expenses; and improve service quality for enterprises, content and telecommunications companies. CyrusOne is committed to full transparency in communication, management and service delivery throughout its worldwide footprint of enterprise data centers.

About Ponemon Institute

Advancing Responsible Information Management

Ponemon Institute is dedicated to independent research and education that advances responsible information and privacy management practices within business and government. Our mission is to conduct high quality, empirical studies on critical issues affecting the management and security of sensitive information about people and organizations.

As a member of the Council of American Survey Research Organizations (CASRO), we uphold strict data confidentiality, privacy and ethical research standards. We do not collect any personally identifiable information from individuals (or company identifiable information in our business research). Furthermore, we have strict quality standards to ensure that subjects are not asked extraneous, irrelevant or improper questions.