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The authority on government business



Outlook of Cloud Computing in the Government Market

Kevin Plexico

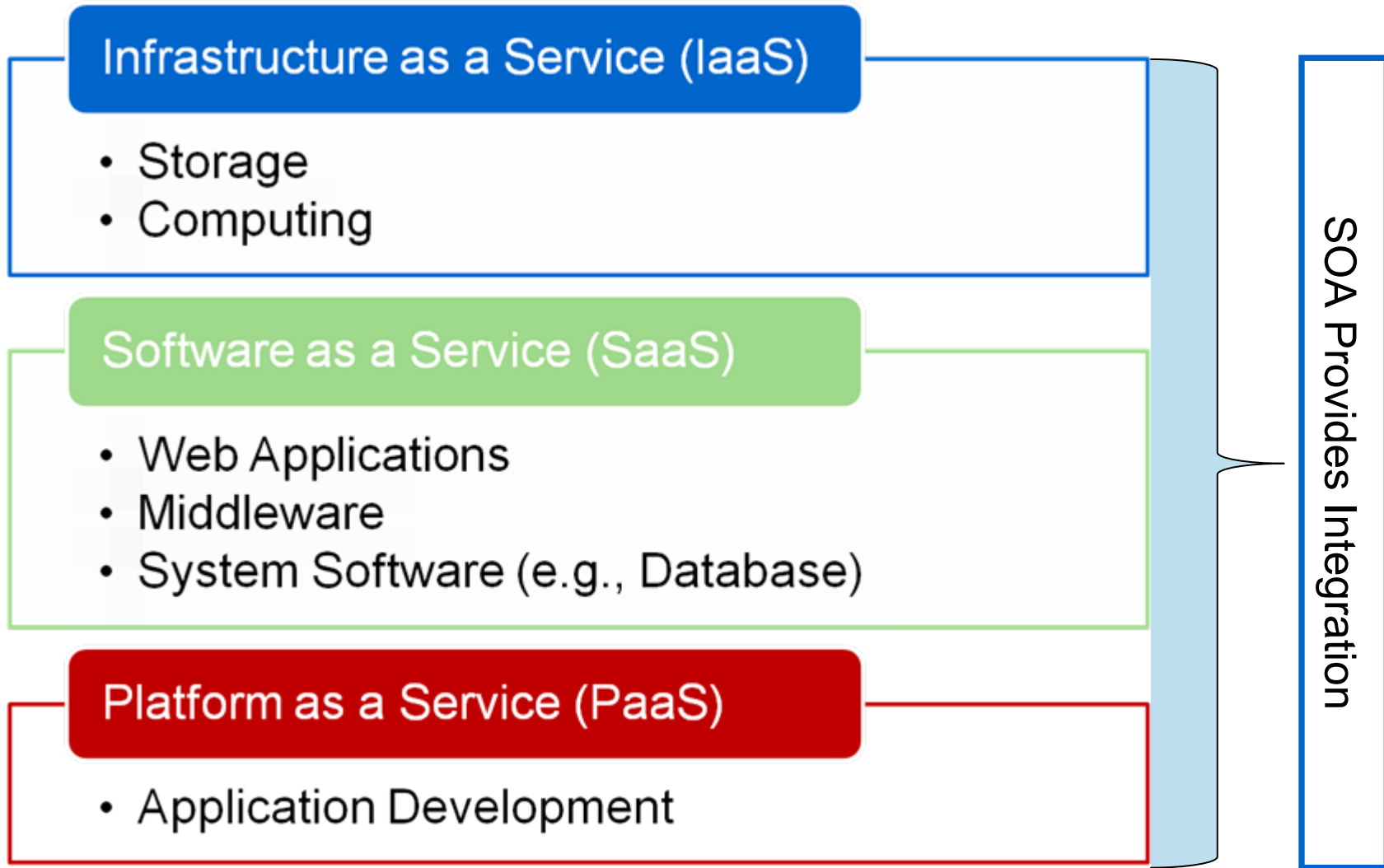
Senior Vice President

INPUT

February 27, 2009

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- ⌘ Cloud Computing Defined
- ⌘ Market Environment
- ⌘ Perspective from Government
- ⌘ Conclusions



- INPUT estimate
 - ≈ \$250 mil Federal*
 - ≈ \$200 mil S&L*
- Growing 25-50% per year *

Drivers	Inhibitors
<ul style="list-style-type: none">• Lower IT costs (operational and upfront)• Reduce capital outlays• Scalability/capacity• Enables sharing/collaboration	<ul style="list-style-type: none">• Privacy, security, regulatory compliance• Exit strategy• Integration requirements• Lack of standards• Customization limitations

* Preliminary numbers. Numbers will be finalized in upcoming research report

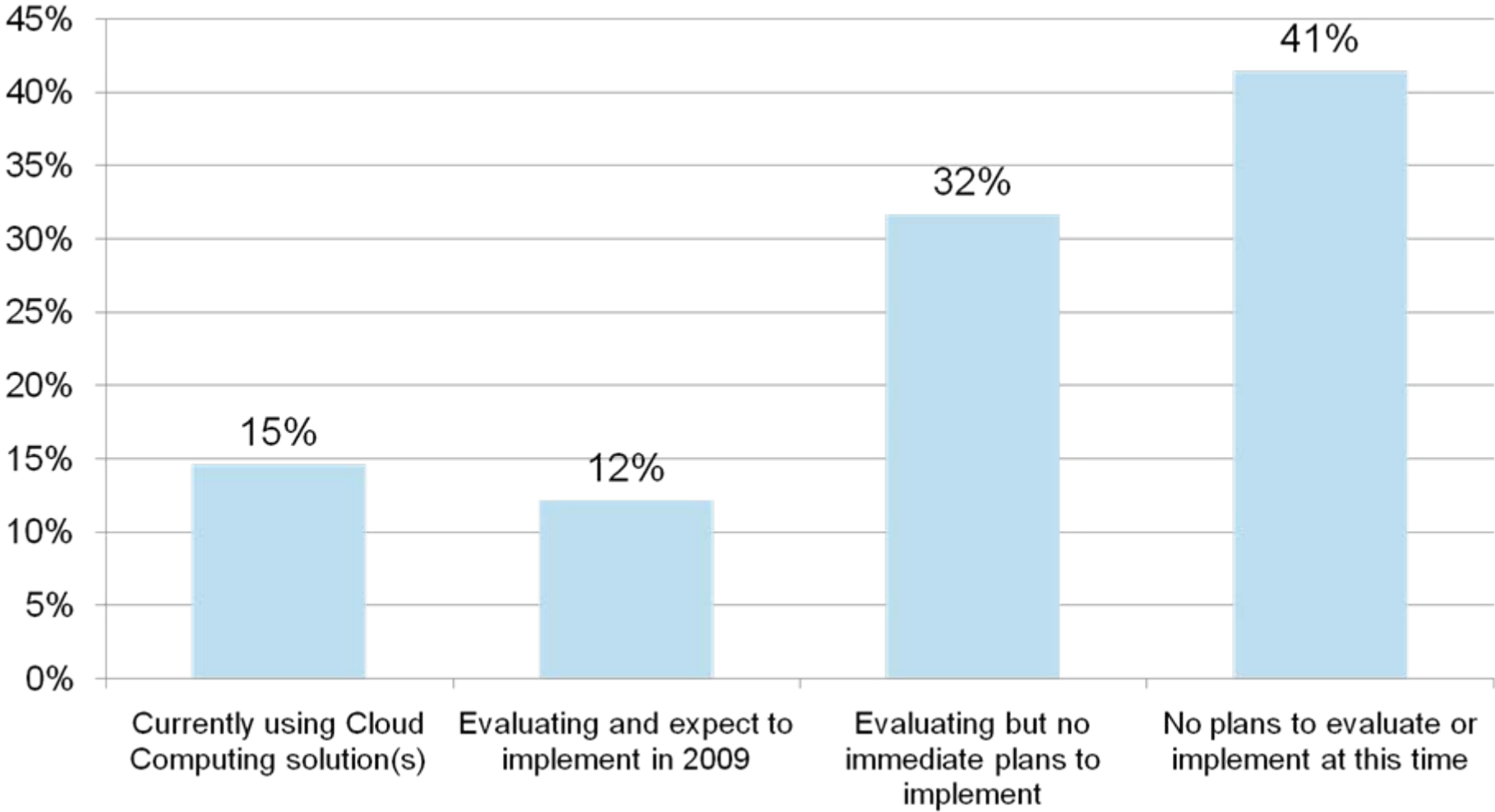
- ⦿ Survey of 45 government IT leaders
 - 16 State and Local
 - 29 Federal
- ⦿ Respondents from:

Federal

- EPS
- HHS
- Defense
- Commerce
- Energy
- Army
- Interior
- VA

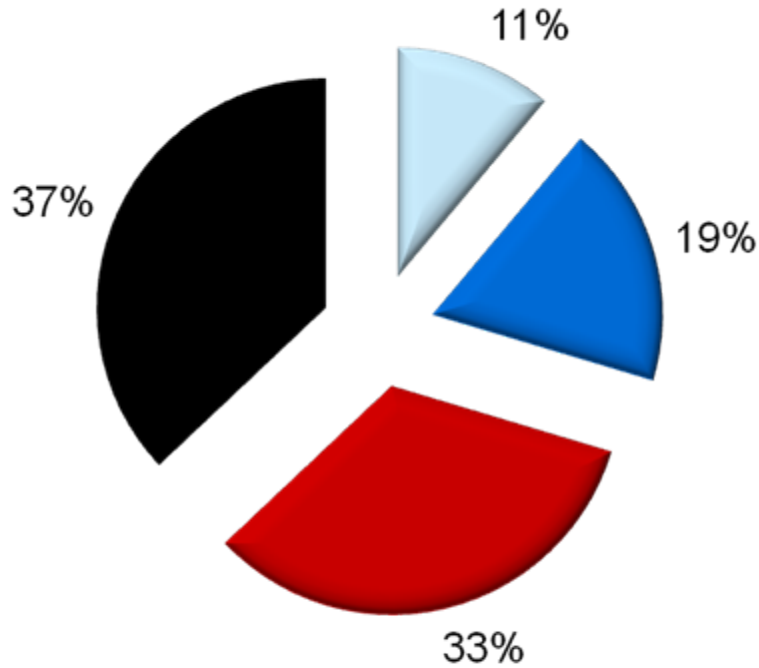
State & Local

- Nebraska
- Massachusetts
- Florida
- California
- Texas
- Michigan
- Indiana
- Arizona



Source: INPUT
N=41

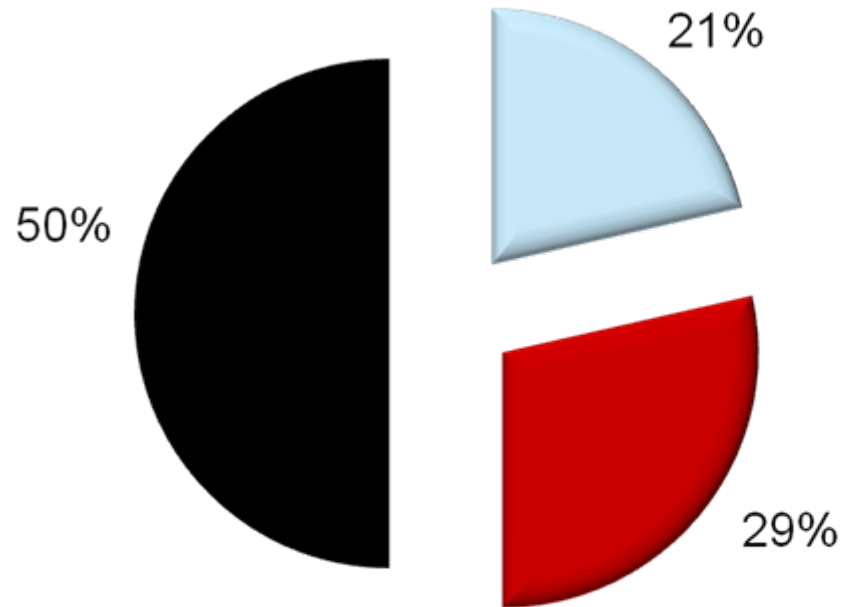
Cloud Computing Stage, Federal



- Currently using Cloud Computing solution(s)
- Evaluating and expect to implement in 2009
- Evaluating but no immediate plans to implement
- No plans to evaluate or implement at this time

N=27

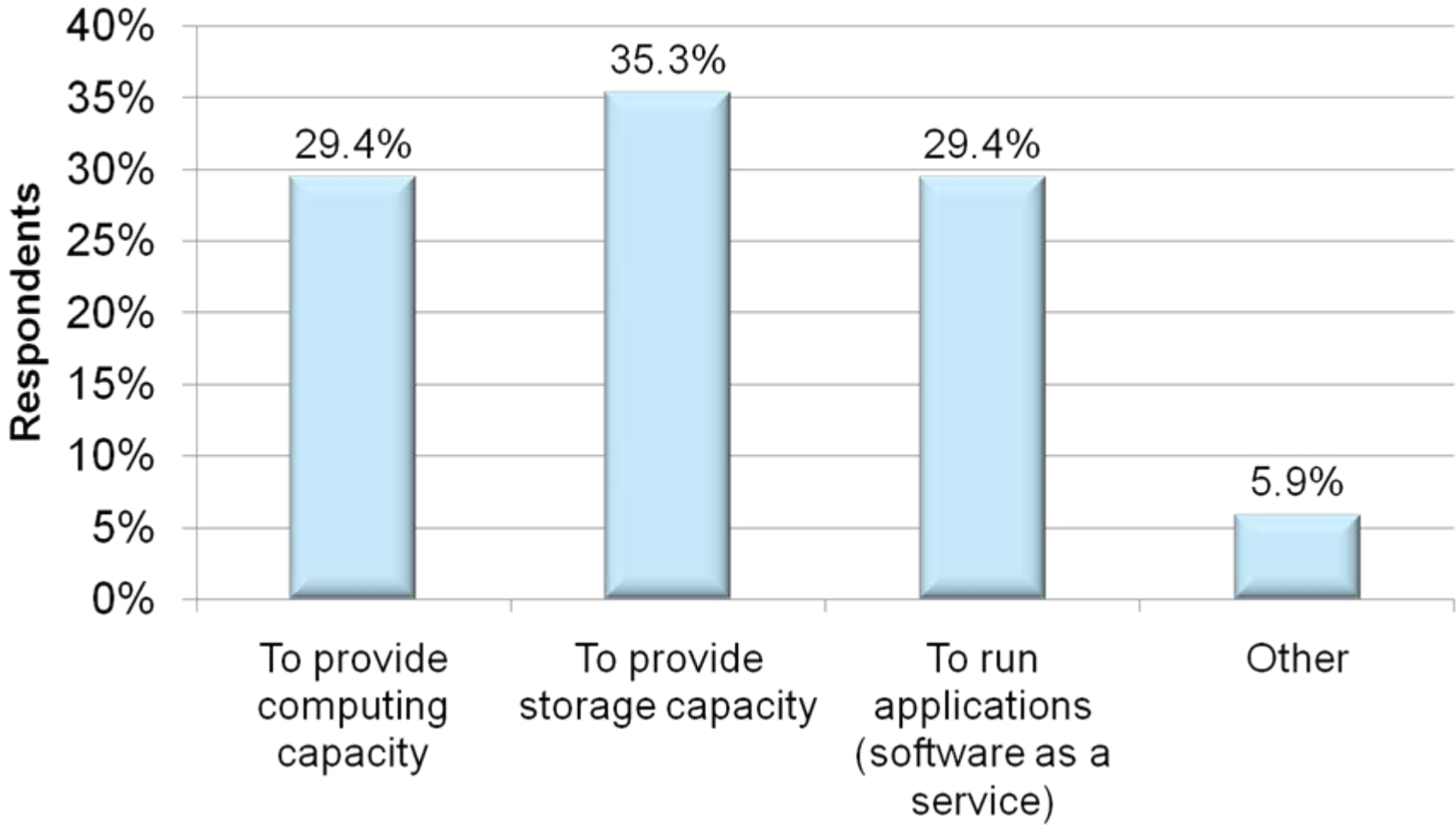
Cloud Computing Stage, S&L



- Currently using Cloud Computing solution(s)
- Evaluating but no immediate plans to implement
- No plans to evaluate or implement at this time

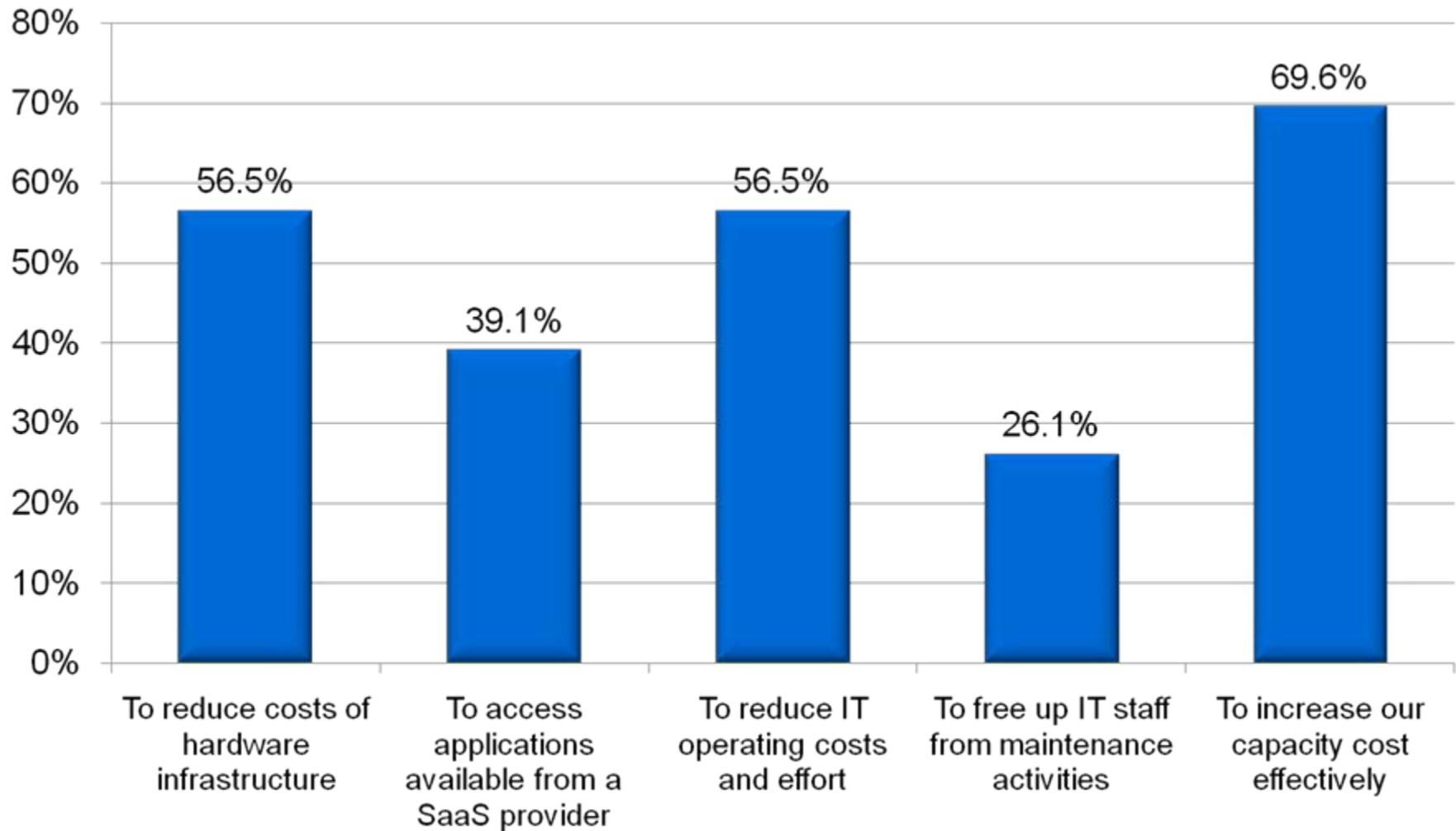
Source: INPUT
N=14

Planned Use of Cloud Computing



N=24

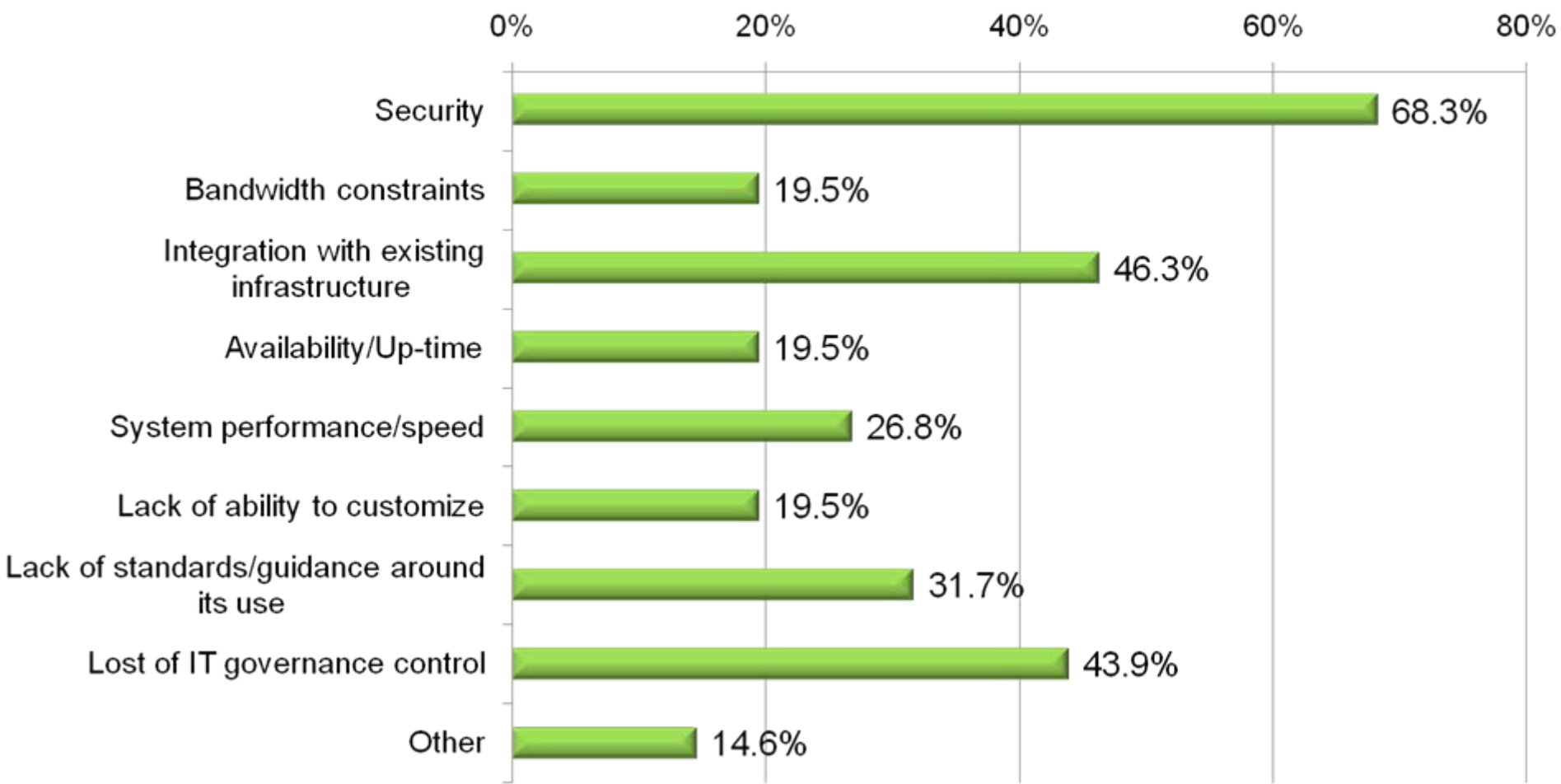
Primary Motivators for Cloud Computing



*Percentages do not add up to 100%; respondents could make up to 3 selections.

N=23

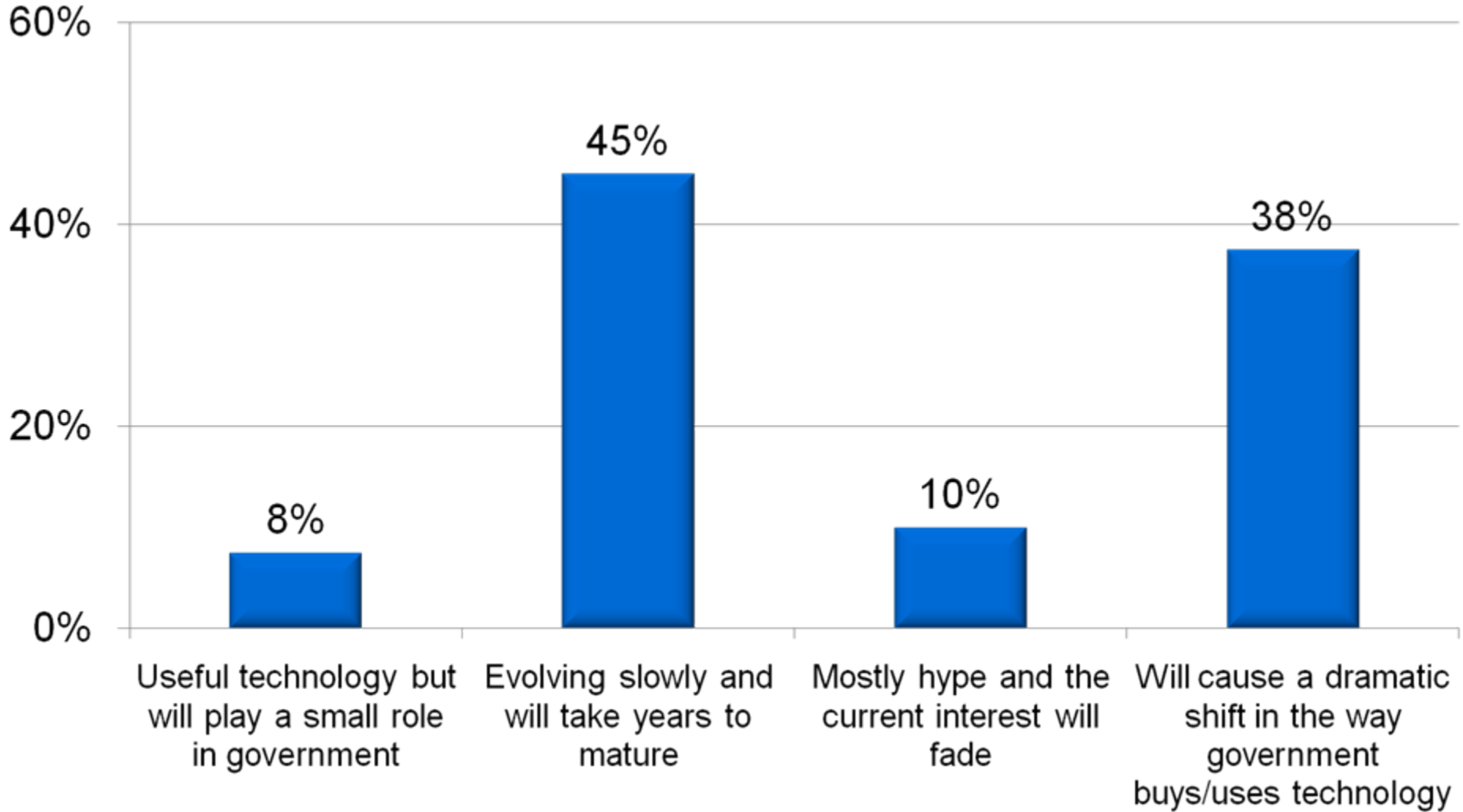
Top Concerns in Cloud Computing



*Percentages do not add up to 100%; respondents could make up to 3 selections.

N=41

Outlook for Cloud Computing in Government from Government Perspective



N=40

- Adoption will be steady and well above market growth
 - Speed provisions in Stimulus bill could provide shot in the arm
 - Software as a Service will lead adoption
 - Growing number of adoptions will raise comfort of others
- Inhibitors still overpower the drivers
 - Prevents cloud computing from taking on major systems
- Look for government to setup its own clouds
 - Back to the old shared service/time share model
- Today's inhibitors could be tomorrow's drivers
 - Vendors investing in security

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