



Cloud Business Survey

2023

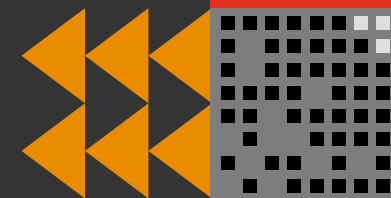
Romania





About the survey

PwC surveyed 389 Technology and Business leaders from seven Central and Eastern European countries, including Romania, across a range of industry sectors (Industrial Products; Financial Services; Energy, Utilities and Mining; Technology, Media and Telecommunications; Retail and Consumer; and Health). The fieldwork was conducted during February and March 2023.



Cloud transformation goes beyond just moving operations to the cloud. It is a process of reinventing business by unlocking new value, enabling smarter ways of working and rethinking technology.

So cloud strategy should be focused on business needs first, and not oversimplified to solely technical aspects. Technology answers the question “How?” but only business strategy can explain “Why?”.

Through this survey we aim to provide a deeper understanding of how cloud adoption is happening in Romania, compared to other Central and Eastern Europe countries, as well as where we can find areas to leverage benefits and identify risks to prepare for challenges.

For example, 83,3% of executives in Romania said their companies have adopted cloud in some or all parts of their business, more than 73% of CEE executives. However, two thirds have not yet achieved measurable value. So, there is still room for improvement.

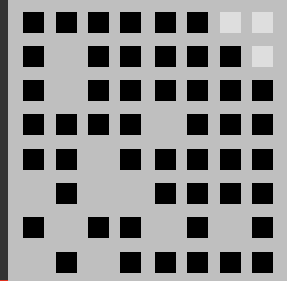


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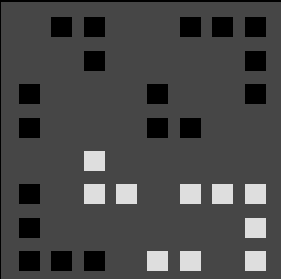
"As we learned over the last year, it's very difficult to realise cost savings in the process of cloud transformation, especially considering issues with planning, resources and time extensions. Businesses in CEE should be more focused on innovating and creating new revenue streams. The real value of business reinvention powered by cloud is in accelerating strategic outcomes through generating new business models. Chasing only cost-saving goals can become a constraint which distracts from thinking about new business potential.

Gabriel Voicilă
Digital Technology Partner,
PwC Romania





Key findings of the survey for Romania



The survey sample for Romania suggests cloud maturity in Romania is higher than in CEE, but there is an opportunity to implement more advanced cloud technologies from the beginning

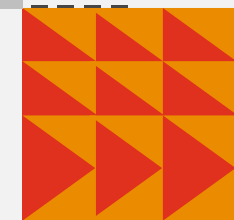
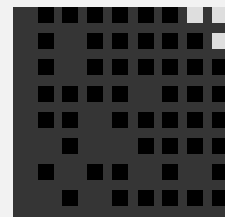
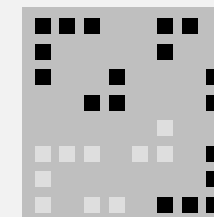
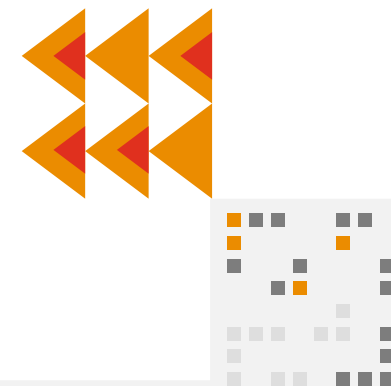
Cloud has become a critical component of a digital operating environment, and its adoption is part of transformation processes which aim at business reinvention. As this survey shows both Romanian and CEE companies are at the beginning of their cloud transformation journey.

Around three-quarters of Romania executives (71,4%) surveyed have begun their cloud transformation journey similar to CEE. From those, 33,3% are considered medium mature as they have adopted the cloud in many parts of their business and 38,1% cloud low mature as they implement cloud in some parts of our business. These companies are using multiple cloud service providers or using the cloud to innovate their business.

Almost 12% of Romanian companies surveyed said they are all-in on cloud, meaning advanced service design capabilities, deep product expertise, optimized workload differentiation, and they characterize their cloud maturity as high, over the CEE average, of 8%.

By embracing more advanced cloud technologies from the start, there is an opportunity to leapfrog the typical cloud adoption process, bypassing the hurdles and challenges that can hinder progress.

Only 16,7% of Romanian companies said they are not currently using cloud but exploring (e.g., experimenting with public cloud, using software-as-a-service), compared to 27% in CEE. But they have an opportunity to turn this delay to their advantage, by implementing more mature cloud solutions.

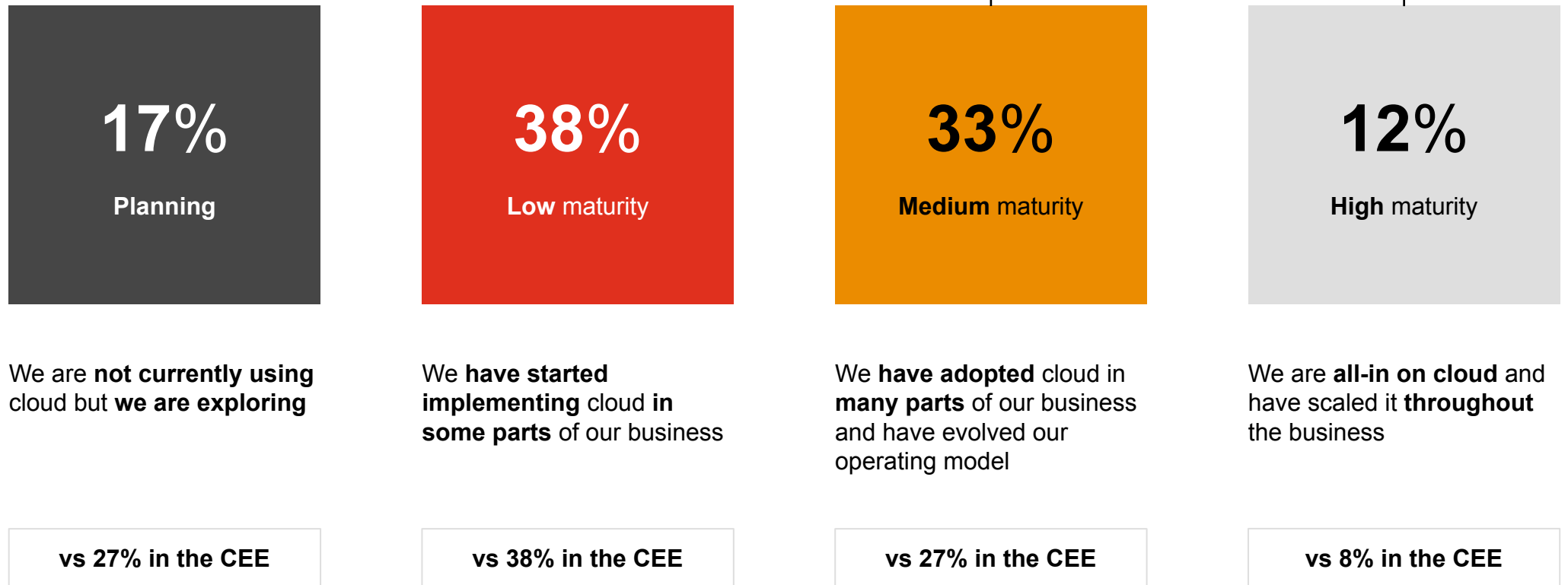


Question: Which of the following best describes your company's cloud maturity?

Cloud maturity in Romania (Romanian companies vs CEE companies)



45% of companies in Romania have adopted cloud in **all or most parts** of their business (vs 35% in the CEE)



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Our region is only speeding up on its way to cloud transformation, and I see prospects for it, especially looking at the eagerness of CEE companies to adopt the cloud. There is a visible disconnect between the low maturity of the market and the highly ambitious targets for the next two years, as a substantial majority of companies who are not all-in on the cloud plan to move a big part of their operations there.

Talking about issues, I have to say that from our experience, although finding the talent needed after migration to the cloud is an obstacle to reaching full cloud potential, educating CIOs and CTOs seems to be a problem of equal value.

Andrei Ghiorghiu
CEO, BlueTweak



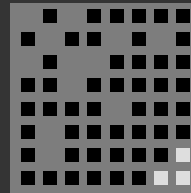
Half of Romanian companies are primarily leveraging cloud for modernisation, with more than a third taking a multi-faceted, holistic cloud approach to improve their business

As companies are still early in their cloud transformation journey, modernisation is the primary reason for leveraging cloud technology for 42,9% of Romanian companies and almost half (49%) of CEE companies.

A combination of migration, modernisation and cloud-native to change the business is common for 35,6% of Romanian companies, while in CEE this option is supported by only 20% of organisations. A multi-faceted perspective helps companies apply the method that will be the most relevant and the strongest for their business goals and specific cases.



Focusing on cloud-native development is a leading strategy for Romanian and CEE companies over the next 12 months

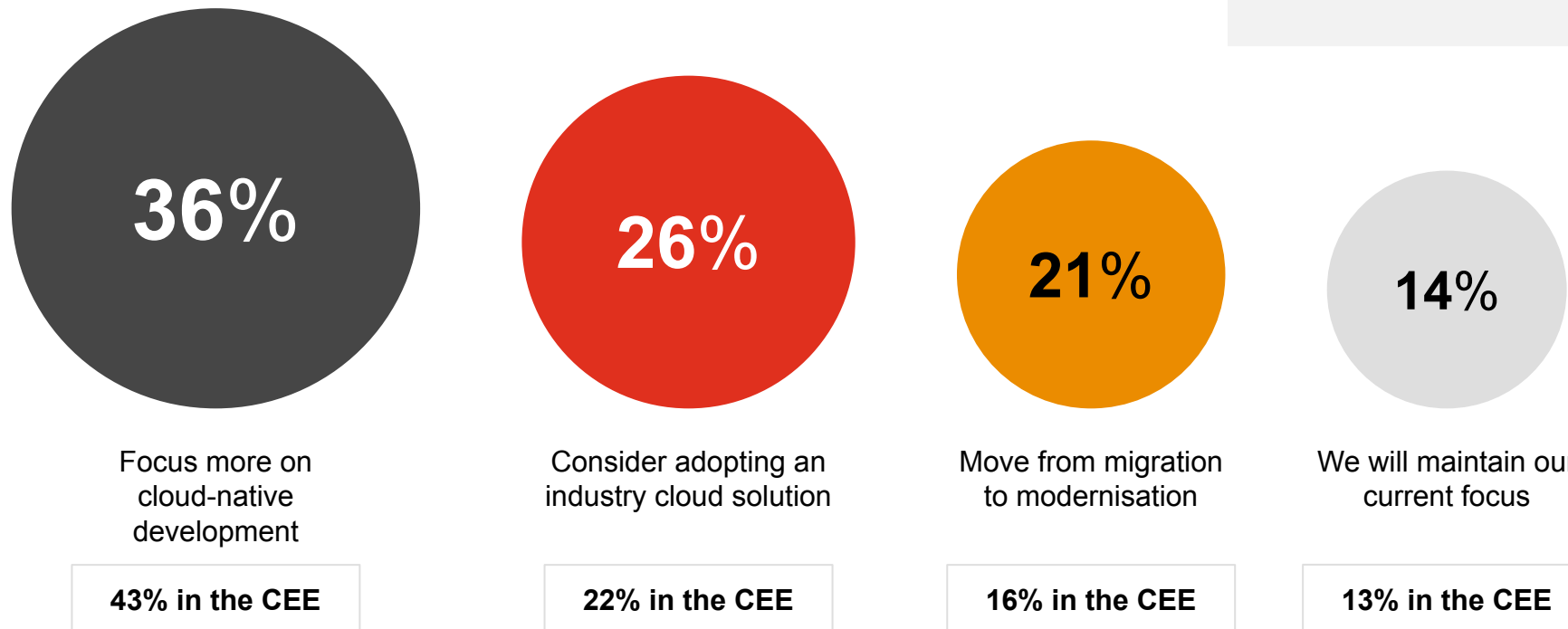


When it comes to cloud technology strategy over the next 12 months, companies in Romania are in line with their Central and Eastern Europe counterparts: 35,7%, respectively 42,7% plan to focus more on cloud-native development and more than a quarter, respectively 21,9%, are considering adopting a pre-built industry cloud solution.

Only 14,3% of Romanian companies and 13% in the CEE region will maintain their current focus. Also, an important percentage (21,4%) of Romanian companies will move from migration to modernization, compared to 16,2% in CEE.

Question: How do you think your company's cloud technology strategy will primarily change over the next 12 months?

Cloud technology strategy over the next 12 months (CEE companies)





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When it comes to cloud transformation in our company, we should distinguish two levels of those processes: global and local. And I believe this experience may be common for other global companies which operate in different countries. The appetite of McDonald's Company for cloud migration and transformation is very high. And at the global level, Premier Restaurants Romania (McDonald's Romania) is successfully using global applications. Many servers and apps are already on the cloud, bringing benefits, power and speed to the different vectors of the business. For the local servers, we have not started the cloud journey yet, but we plan to do this in the coming years. The reasons are multiple: we are satisfied with the current situation, we have not realised the full benefits of the cloud, the benefits are for the long term, and the costs are higher in the first years. The results of the survey are fully aligned with our experience and opinions. Our aim is to modernise the IT strategy, accelerating and enhancing cloud adoption.

Liviu Osman
IT Director at Premier Restaurants Romania
(McDonald's Romania)

The majority have not yet realised measurable value from their cloud technology

By adopting cloud technology, companies are seeking substantial value from their investments. But taking into account lower levels of cloud transformation maturity, the majority of Romanian and CEE executives surveyed are not yet realising the full potential of benefits from their cloud investments, but they are expecting these in the next 12 months. So, both for Romanian and CEE companies there are opportunities to realise greater benefits from cloud transformation.

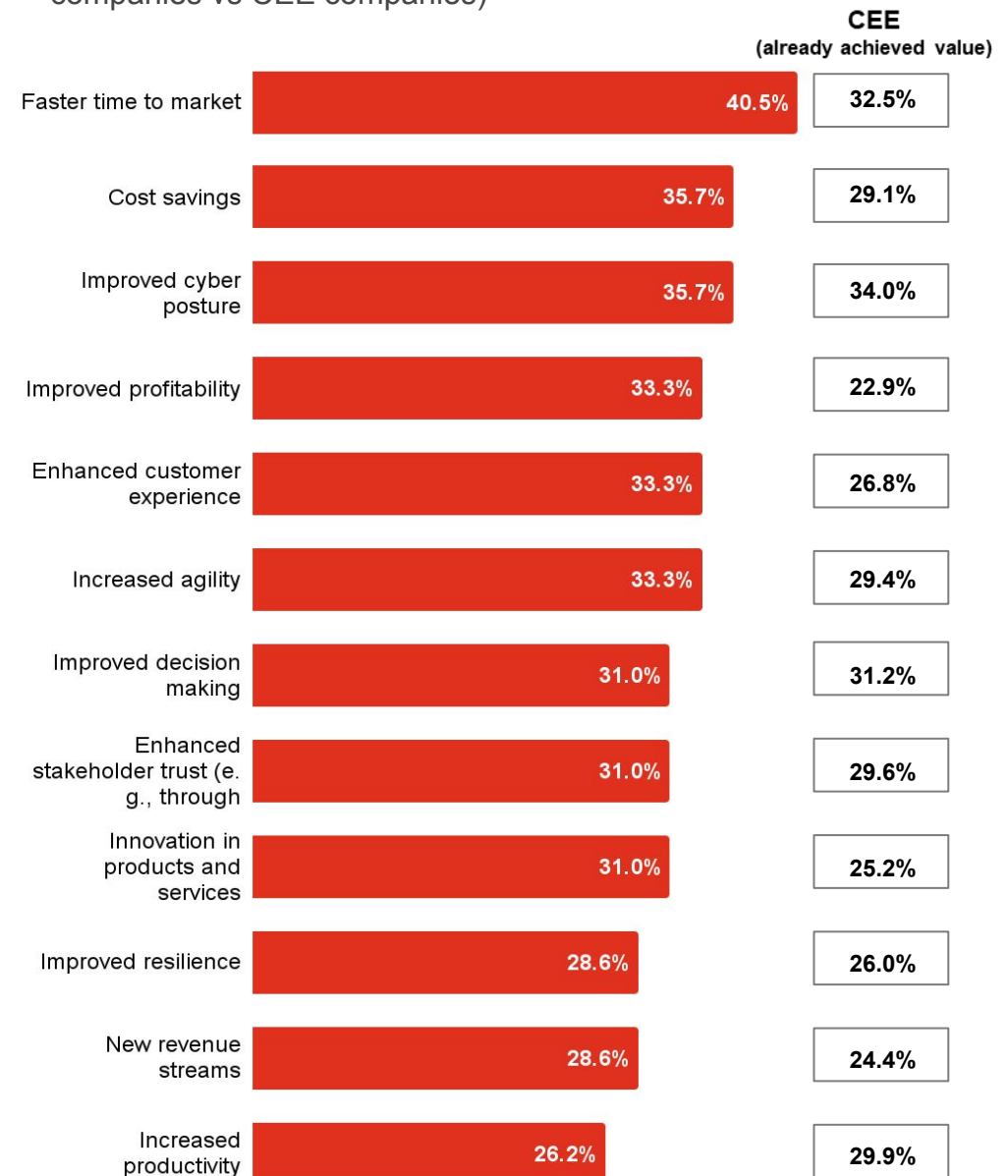
From those Romanian companies who already achieved measurable value, 40,5% mentioned faster time to market, 35,7% cost savings, 35,7 improved cyber posture and 33,3% profitability, enhanced customer experience and increased agility.

From those who expect to achieve measurable value in the next 12 months, the top expected benefits are increased productivity (64,3%), improved resilience (61.9%), increased agility 60% and new revenue streams (57%) .



Question: Which of the following best describes how cloud technology is, or is not, delivering measurable value in your organisation?

Cloud technology delivering measurable value (Romanian companies vs CEE companies)





Budget constraints, talent gaps and limitations of technology capabilities are the main barriers to achieving value

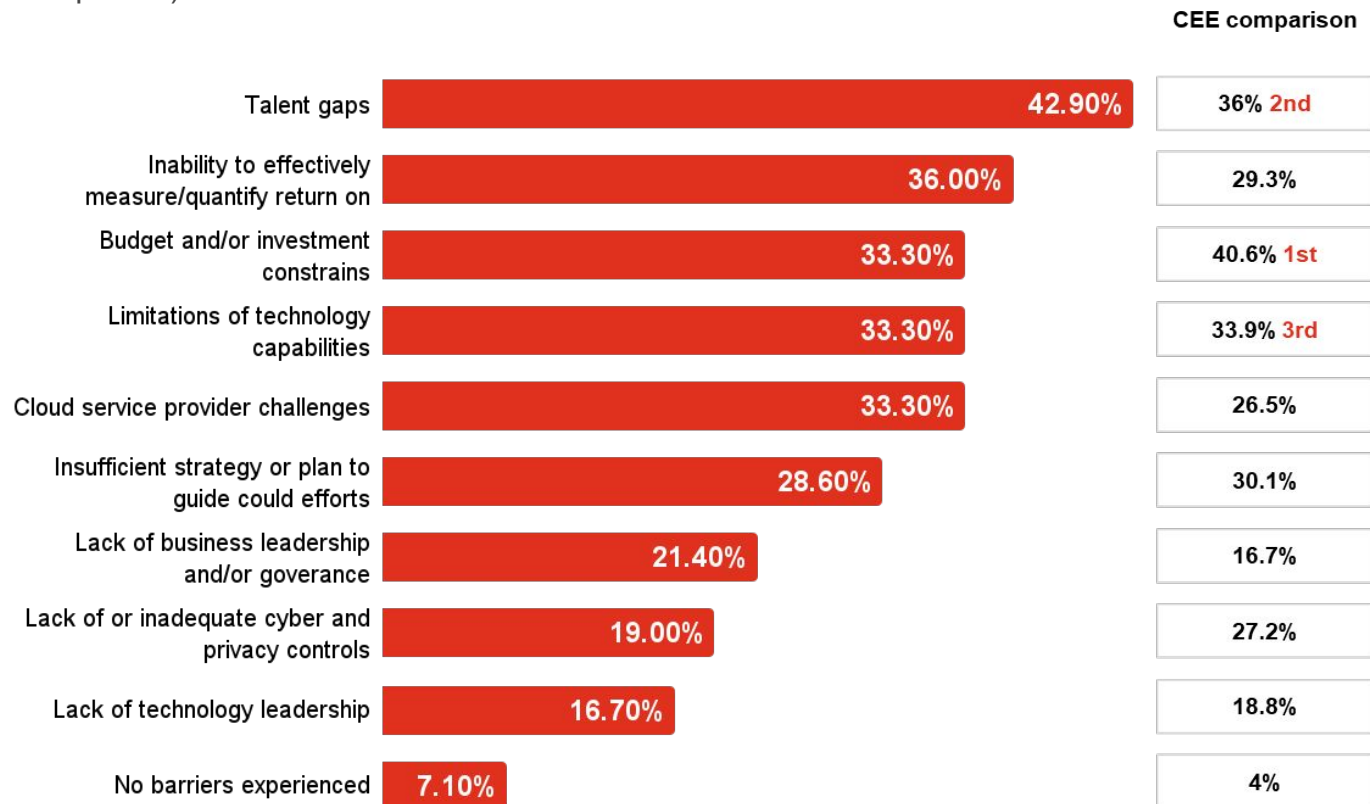
Across Romanian companies, both cloud-powered and other organisations, the top barriers to achieving measurable value are: talent gaps (42,9%), inability to effectively measure/quantify return on investment (35,7%), budget and/or investment constraints and limitations of technology capabilities (both 33,3%).

Compared, in CEE the top three barriers to achieving measurable value are: budget and/or investment constraints, limitations of technology capabilities and talent gaps. Notable differences between cloud-powered companies and others are seen in relation to insufficient strategy or plans to guide cloud efforts, and lack of or inadequate cyber and privacy controls.

Furthermore, 7,1% of companies experienced no barriers when talking about achieving measurable value.

Question: Which of the following have been the biggest barriers to achieving measurable value from cloud technologies?

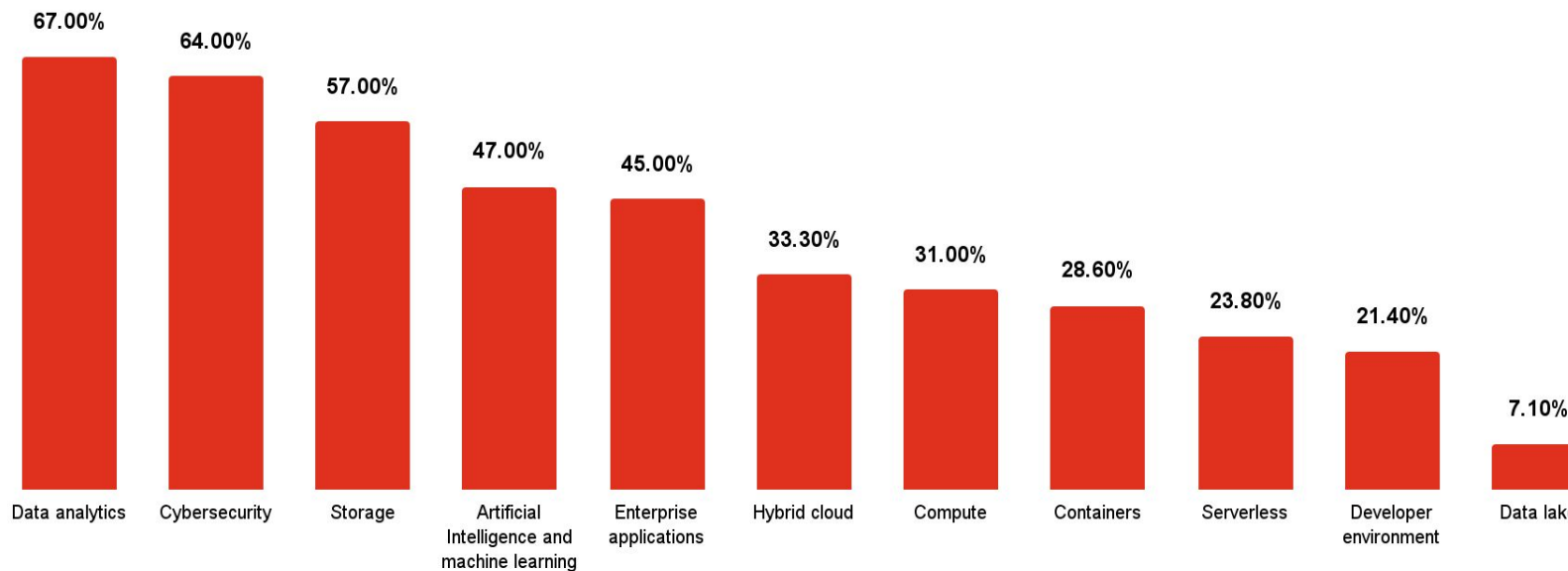
Barriers to achieving measurable value (CEE cloud-powered companies vs CEE other companies)



Data analytics, Cybersecurity, Storage and Artificial intelligence and machine learning are cloud capabilities to be prioritised by more than half of Romanian companies in the next 12 months

Question: Which cloud capabilities are you prioritising in the next 12 months?

Cloud capability priorities for the next 12 months (Romanian companies)



When looking at cloud capabilities, companies in Romania are prioritising data analytics (66,7%), cybersecurity (64,3%), storage (57%) and artificial intelligence and machine learning (47,6%), over the next 12 months. Compared, the cloud capabilities prioritised by CEE organisations are cybersecurity, storage and data analytics.

Regarding cloud architecture, 42,9% of Romanian companies are using one cloud service provider primarily (>50% of workloads) and others for specialized purposes (e.g. analytics), less than over half (57%) of CEE companies.

Cybersecurity, cloud requirements gathering and cloud-native development and integration are the top tech skills to develop in the next 12 months

Question: Which technology skills are most important to build over the next 12 months in order to achieve your cloud transformation goals?

Most important technology skills over the next 12 months (Romanian companies)



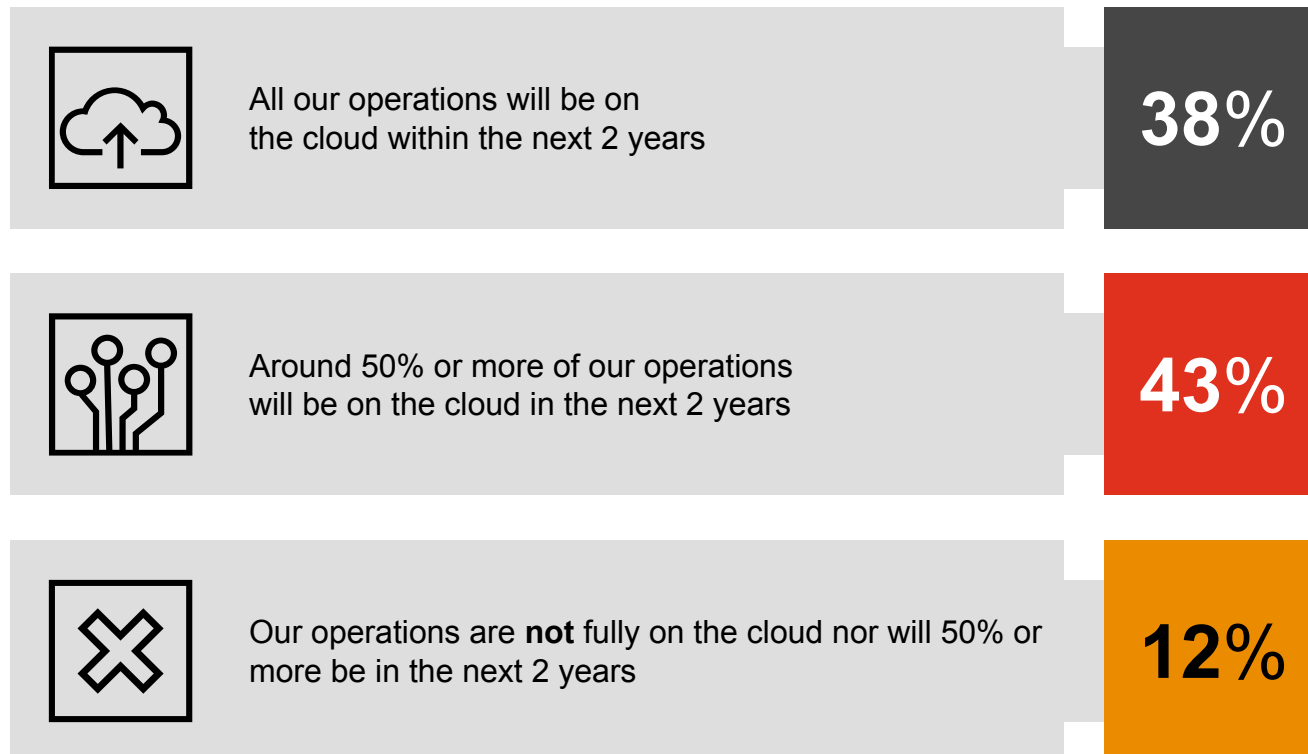
We asked our respondents which technology skills are most important to build in order to achieve their cloud transformation goals. Cloud requirements gathering (52,4%), Cybersecurity (50%) and cloud-native development and integration (47,6%) were considered the main tech skills to build on in the next 12 months in Romanian companies and CEE organisations.

Again, we see that prioritising cybersecurity among technology skills is aligned with the cloud capabilities companies want to improve over the next 12 months.

Plans for the next two years

Question: Which of the following best describes your company operations on the cloud?

Company operations on the Cloud (Romania companies)



The increasing significance of cloud transformation is underlined by the fact that companies plan to continue their cloud adoption journey in the near future.

38,1% Romanian companies say all their operations will be on the cloud within the next two years.

Almost 43% of Romanian companies plan to be there or move 50% or more of their operations to cloud in the next two years.

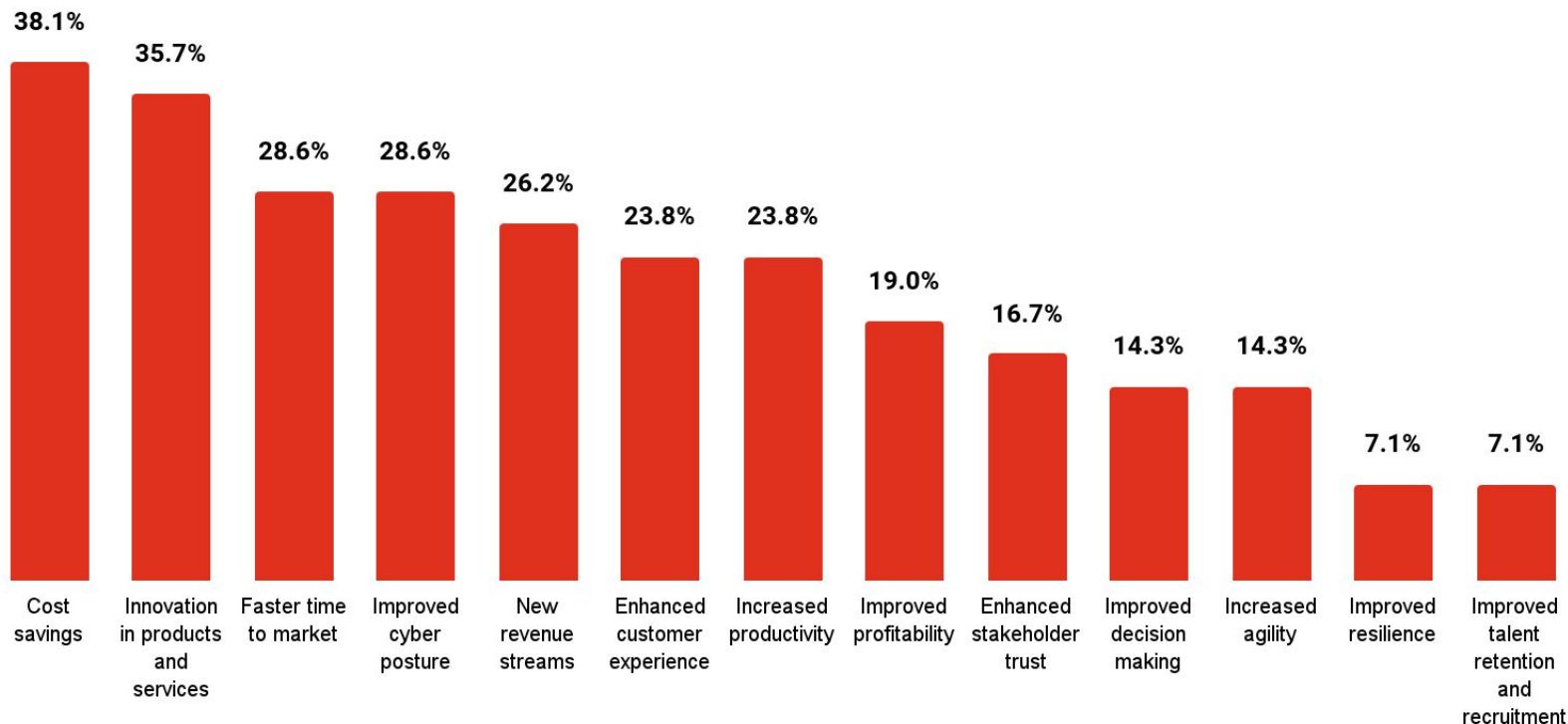
This means companies should focus on sharpening their strategies to use the value that cloud adoption can add to their business.

Cost savings, faster time to market and improved cyber posture are the main business outcomes of cloud technology that Romanian companies expect to drive in the next three years



Question: In the next 3 years, which business outcomes will be mostly driven by your use of cloud technologies?

Outcomes of cloud technology (Romanian companies)



When adopting cloud technology, different companies plan to drive different business effects. Looking ahead to the next three years, cost savings 38,1%, faster time to market (28,6%) and improved cyber posture (28,6%) are the top outcomes that companies in Romania hope to achieve by using cloud technology. But here we also see a dangerous bias which may create a gap between expected results and real developments: driven by cost-saving efforts, companies may miss other benefits that cloud transformation can bring, e.g. new business opportunities or revenue streams. Compared, in CEE the main business outcomes are cost savings, increased productivity and improved cyber posture.

Contact us

For further conversation about the key findings of the report for Romania:



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