

# THE STATE OF ON-PREM: MODERN SOLUTIONS FOR A TRADITIONAL PROBLEM

A Global Survey of Business and Technology Professionals

March 2021



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# GOALS AND METHODOLOGY

## Research Goal

The primary research goal was to understand and quantify the current use, need, and challenges for on-premises software and its deployments. The research will also investigate the adoption of container-based applications and the use of Kubernetes.

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## Methodology

Business and technology professionals at executive and manager seniority levels representing software companies of all sizes were invited to participate in a survey on their company's software delivery options and use of containers. The survey was administered electronically, and participants were offered a token compensation for their participation.

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## Participants

A total of **405 qualified participants** completed the global survey. All participants worked at companies that provide commercial software. Participants were from 5 continents.



# EXECUTIVE SUMMARY

## The research finds that...

**On-premises software delivered** revenue growth for software companies over the last 5 years, with half indicating strong growth. The findings show that demand for on-premise software is as strong as the much-touted public cloud option. Today, 80% of the companies surveyed provide on-premises options. More than half (57%) of the companies that do not currently offer on-premises solutions admit it is costing them business, resulting in 75% of them planning to add on-premises options to their offerings. Those surveyed indicated security, data protection, integration, availability, and customizability topped the many reason on-premises software is needed. But 28% of those offering on-premises options have been doing it for just three years, representing new offerings to meet customer demand.

**However, the delivery of on-premises software** does appear to be changing. 92% indicated customers are already using container-based applications in their production environments. This aligns with the finding that 95% of software companies will offer their on-premises solutions in containers, with 71% doing it today. Nearly 9 in 10 will be using Kubernetes to deliver these containerized solutions. However, 85% of companies reported that their customers needed help with the container-based installs. This is supported by the finding that companies dedicate numerous roles to help ensure customer success during the installation process. But only a miserable 16% can complete a customer install in less than one week. The trends are clear that on-premises software remains highly needed, and while containers provide key benefits, it is clear there is a gap in customer expertise that needs to be closed quickly for both the software company and its customer.



# KEY FINDINGS

## **On-Premises Software Continues to Grow to Meet Customer Needs**

- 92% of companies indicate on-premises software sales are growing
- Customer demand for on-premises software equals public cloud
- 91% of customers are satisfied with the on-premises software

## **Container-Based Deployments Are the Norm**

- 90% of companies use containerized applications in production environments
- 95% currently offer or plan to offer their software in containers
- 86% use Kubernetes for their on-premises software

## **On-Premises Software Deployments are Challenging and Slow**

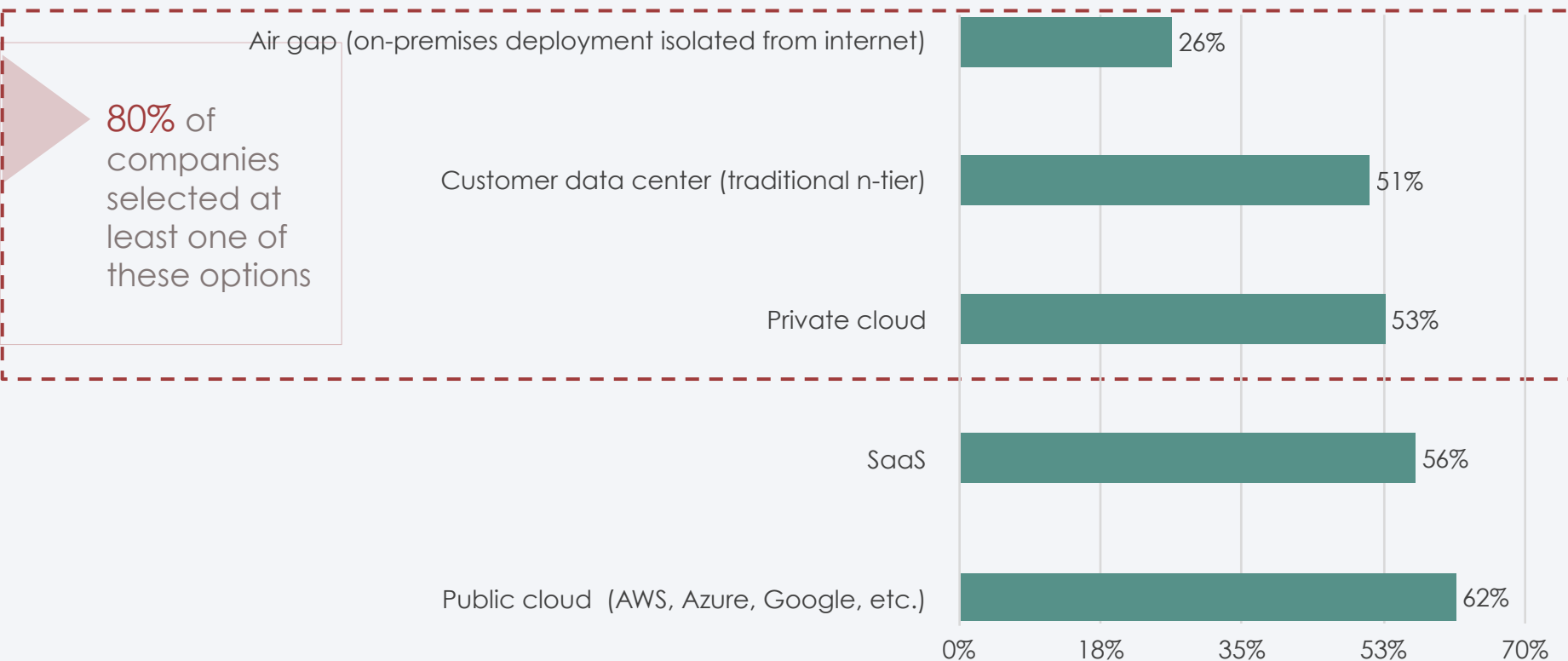
- 85% of customer still need help with container-based applications
- Numerous roles dedicated to ensuring customer success
- Only 16% of companies can deploy on-premises software in under a week

# DETAILED FINDINGS



# 80% OFFER ON-PREMISES SOLUTIONS TODAY

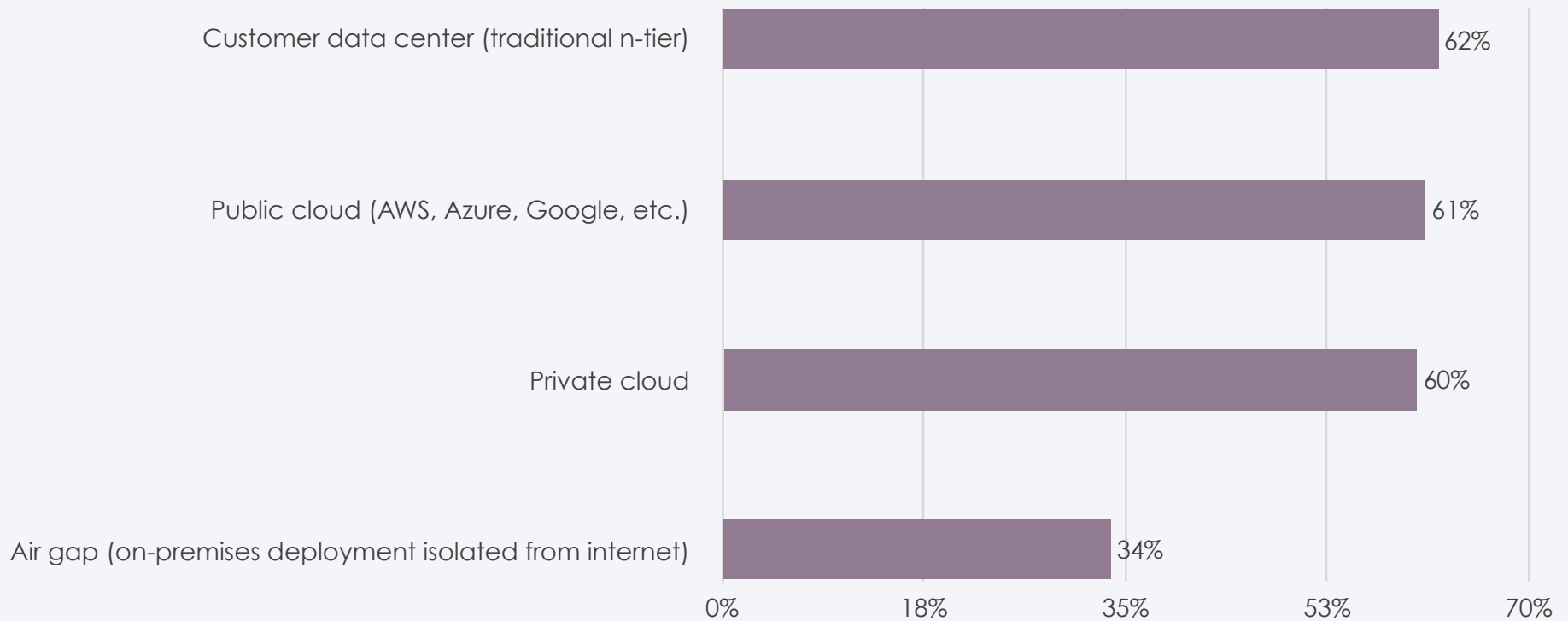
**What software delivery options does your company offer?** Select all that apply.



# CUSTOMER DEMAND FOR ON-PREMISES SOFTWARE EQUALS PUBLIC CLOUD

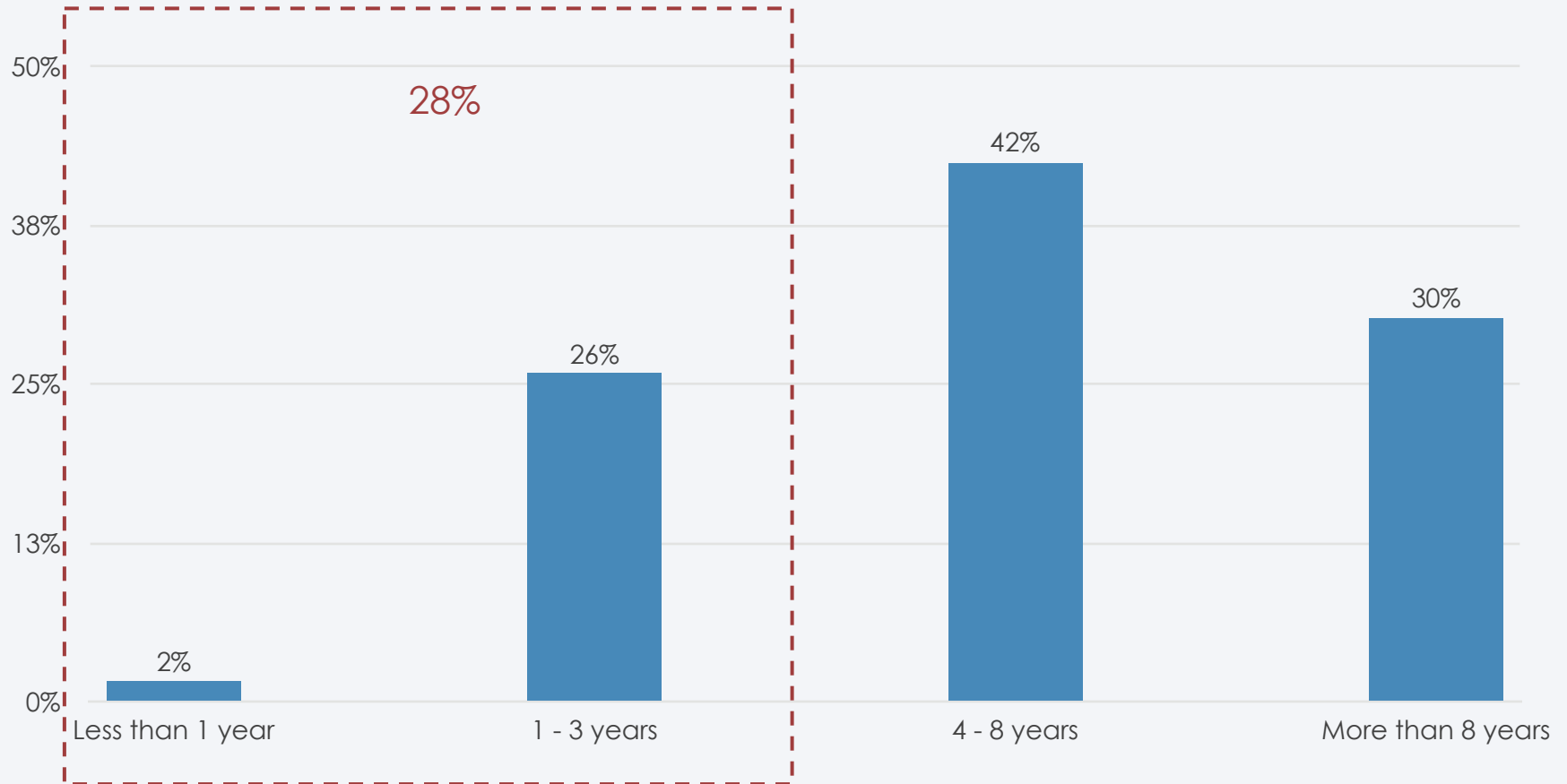
**On which environments do your customers want to install your company's software?**

Select all that apply.



# 28% ARE NEW ON-PREMISES SOLUTION PROVIDERS, NOT JUST HISTORICAL SOFTWARE COMPANIES

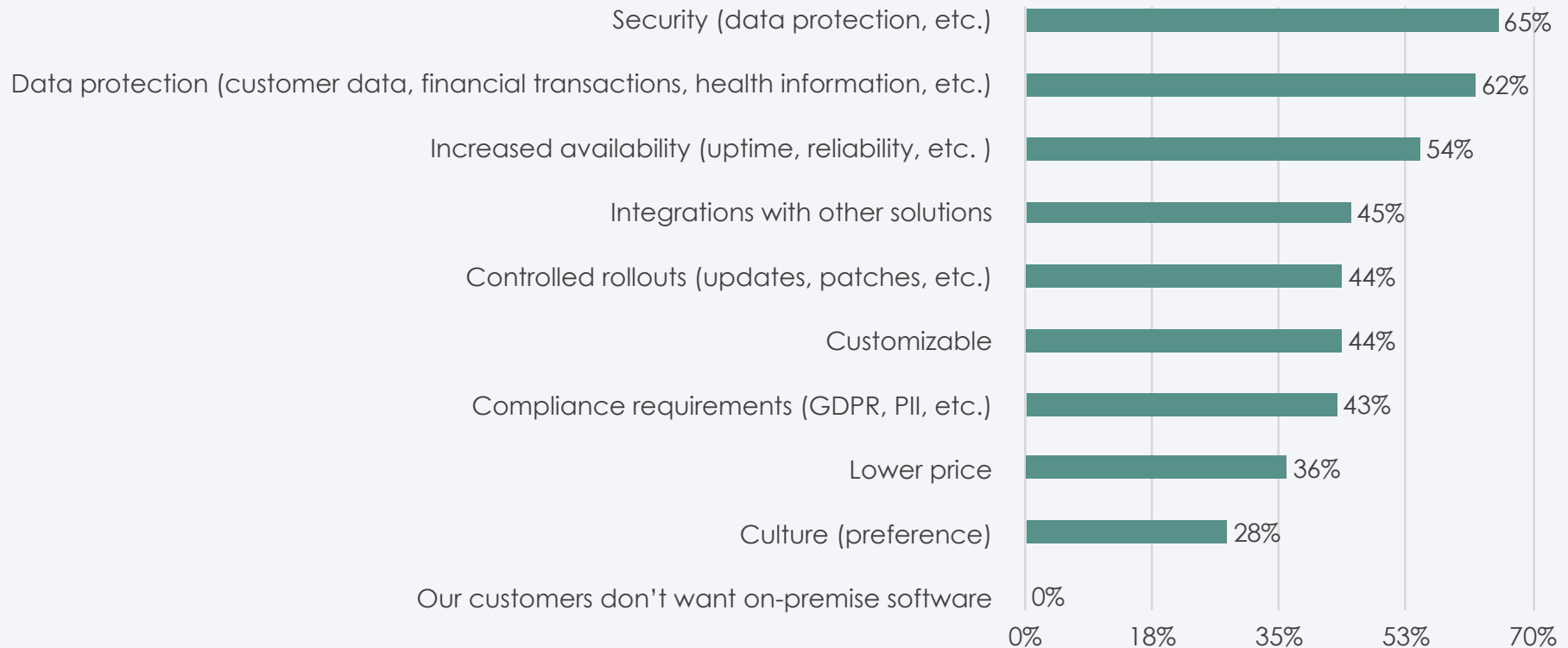
Approximately, how long has your company been offering on-premises software?





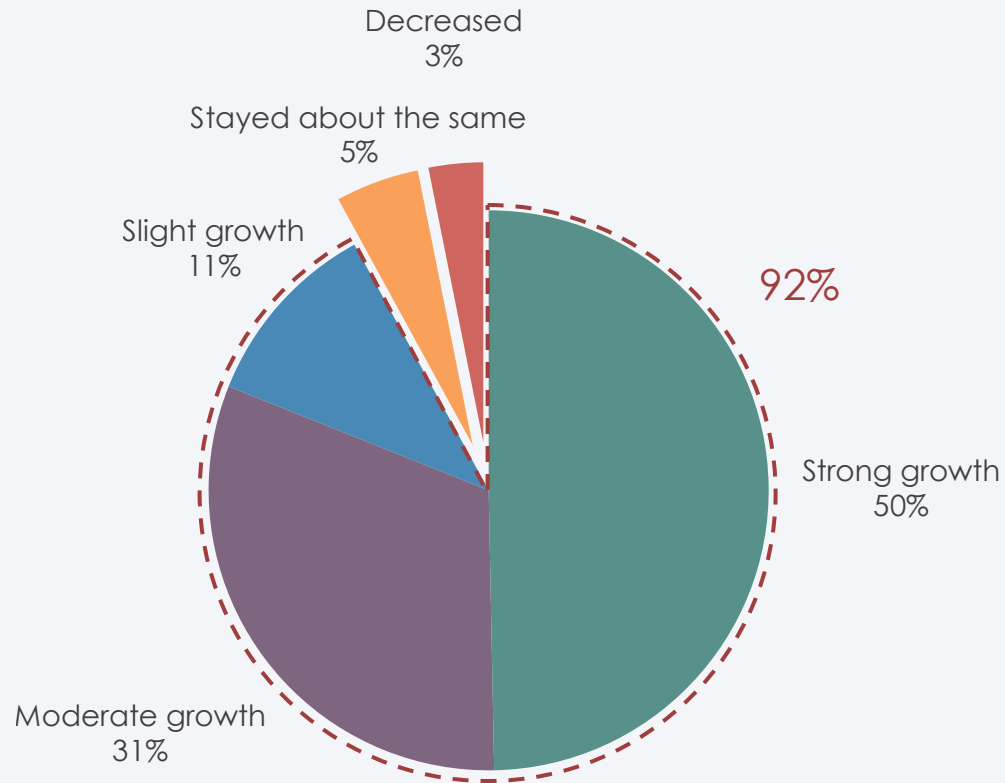
# SECURITY, DATA PROTECTION AND AVAILABILITY TOP CUSTOMER DRIVERS ON PREMISES SOFTWARE

**Why do your customers want on-premises software?** Select all that apply.  
**Compared with companies indicating strong on-premises business growth**



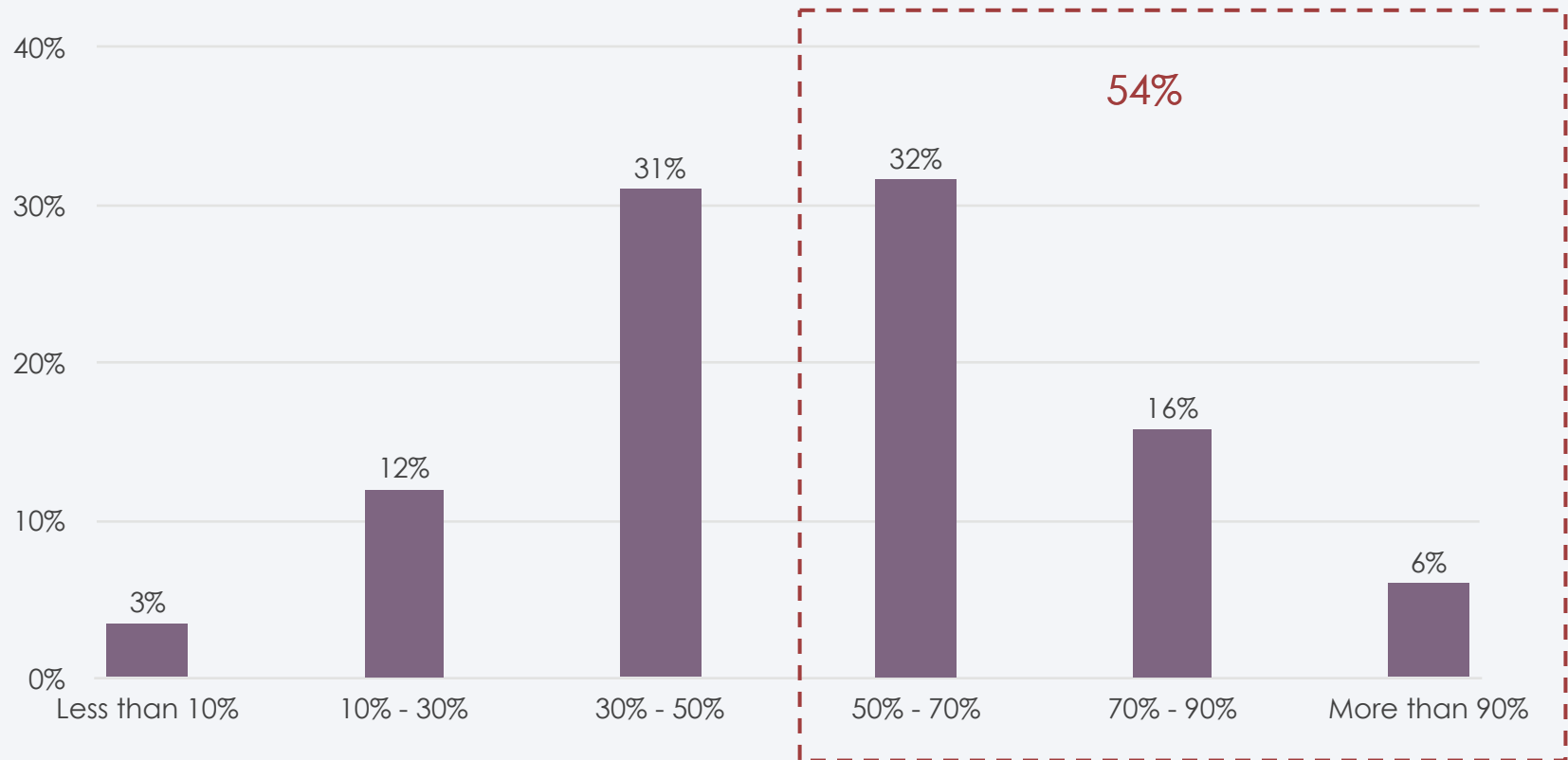
# 92% OF COMPANIES INDICATE ON-PREMISES SOFTWARE SALES ARE GROWING

In general, how has your on-premises software business grown over the last 5 years?



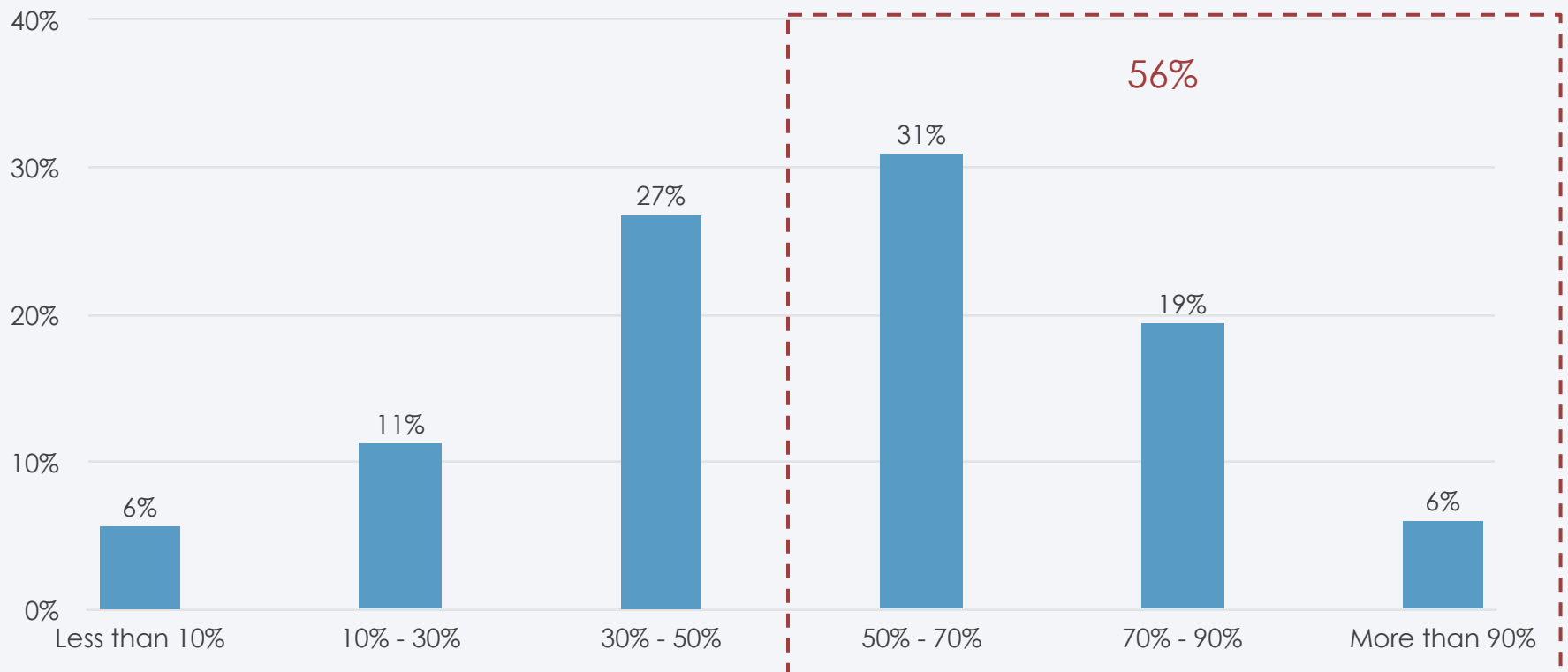
# 54% SHARED THAT HALF OR MORE OF ALL SOFTWARE SALES ARE DEPLOYED ON-PREMISES

Approximately, what percentage of your customers deploy your software on-premises?



# 56% NOTED HALF OR MORE OF THEIR REVENUE COMES FROM ON-PREMISES CUSTOMERS

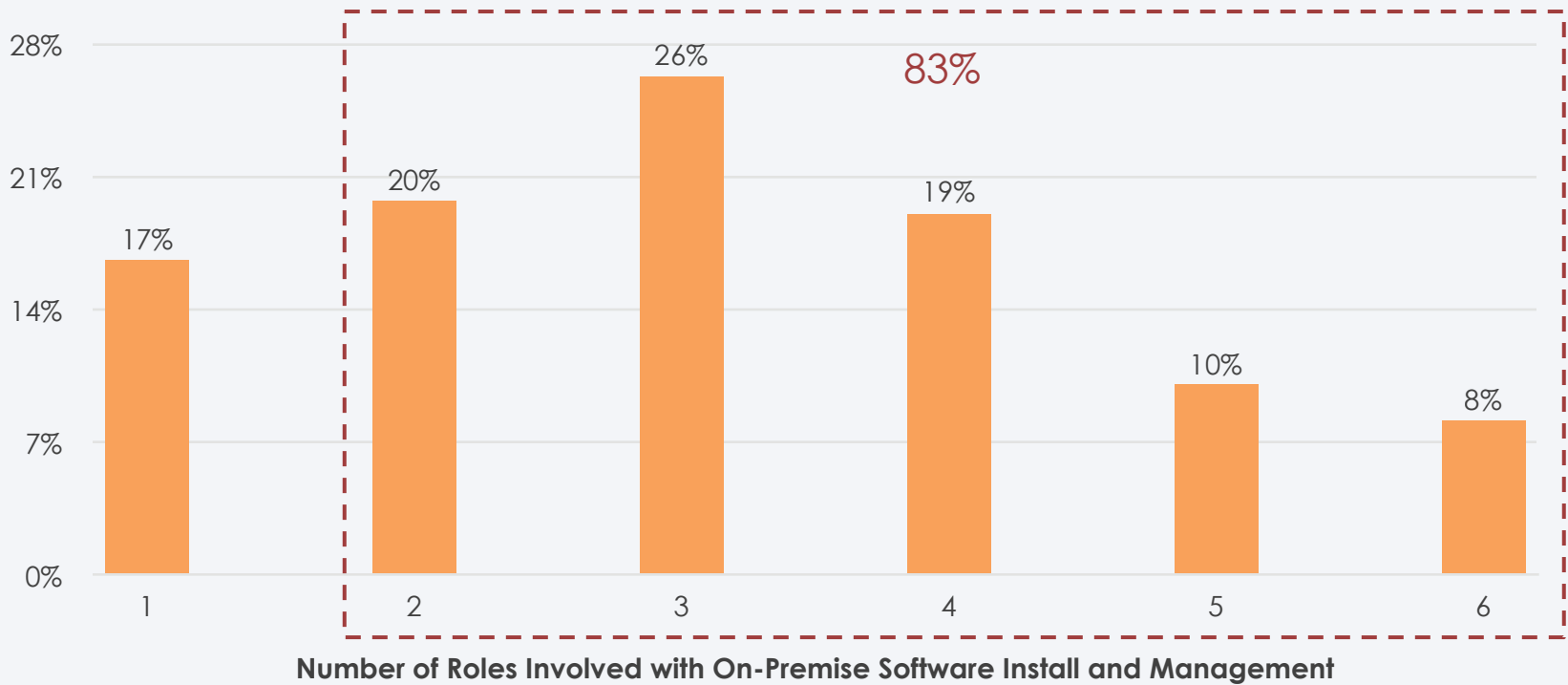
Approximately, what percentage of your annual software revenue is from customers who deploy on-premises?



# 83% REQUIRE TEAMS TO INSTALL AND MANAGE THEIR CUSTOMERS' SOFTWARE

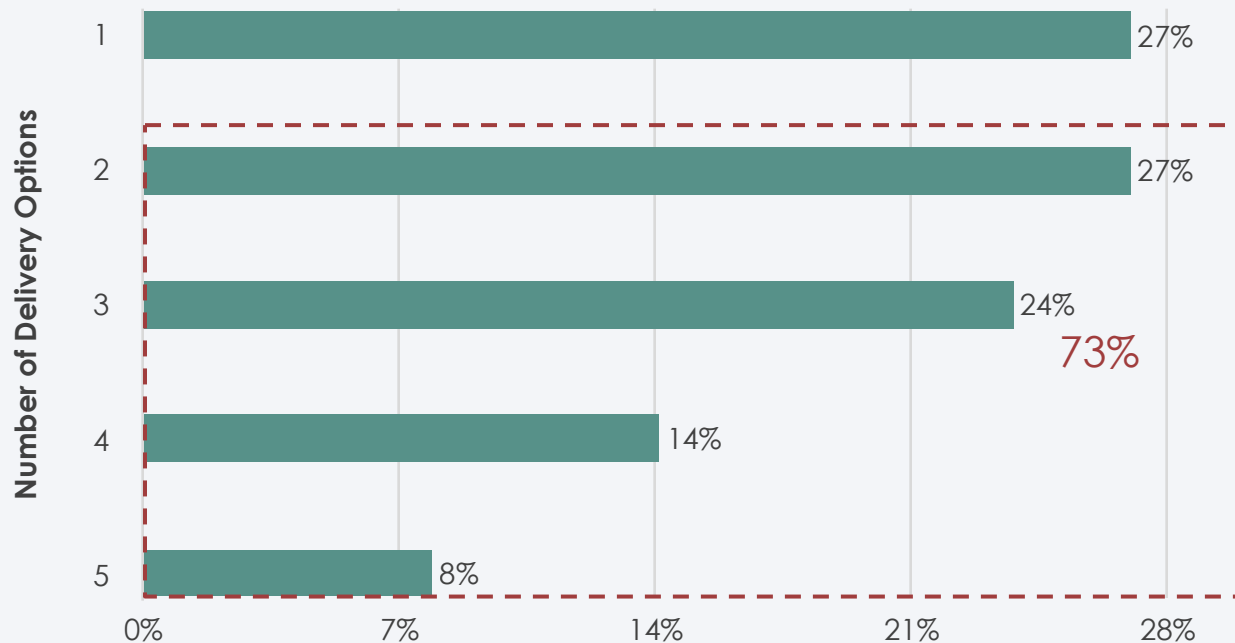
Which of the following roles are typically involved with installing and managing your software for on-premises customers? Select all that apply.

# of roles selected



# 73% OFFER MORE THAN ONE DELIVERY METHOD FOR SOFTWARE SOLUTIONS

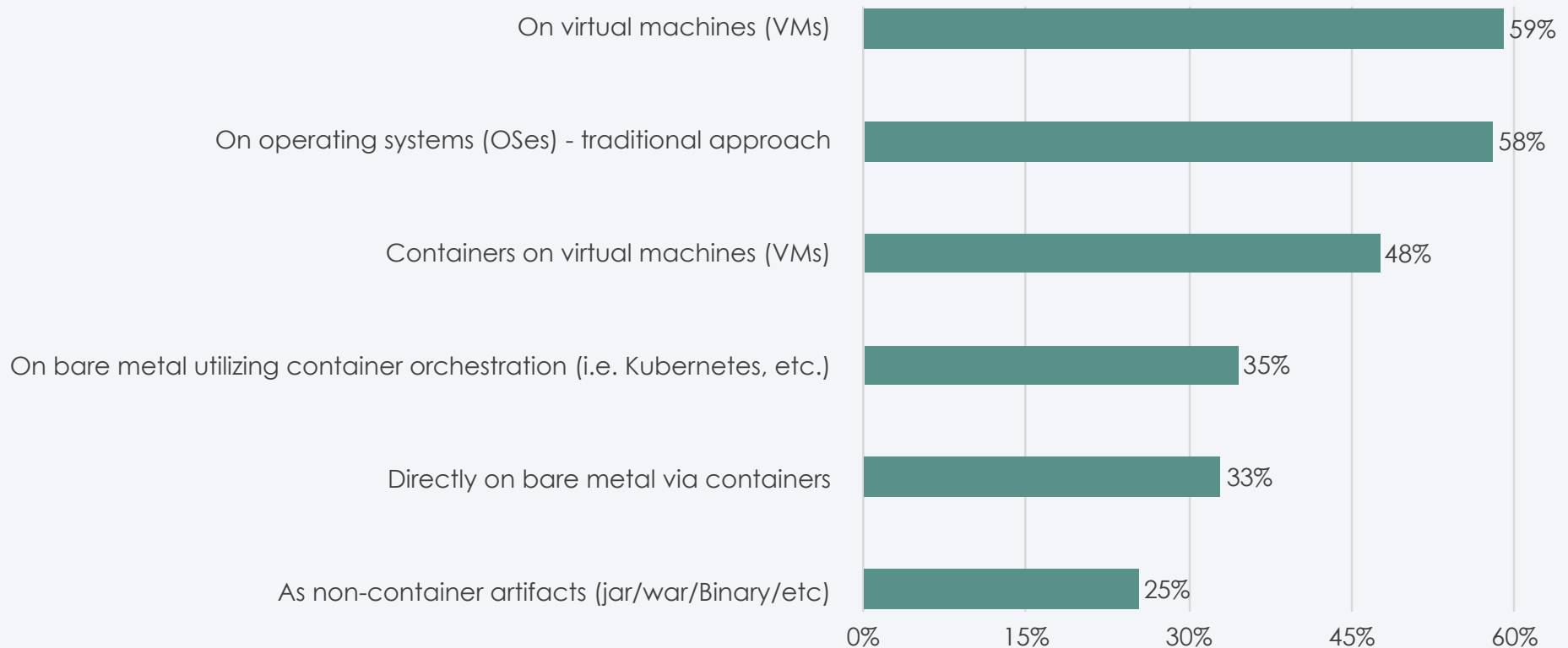
What software delivery options does your company offer? Select all that apply.  
# of delivery options selected



# SOFTWARE COMPANIES SUPPORT NUMEROUS INSTALLATION OPTIONS

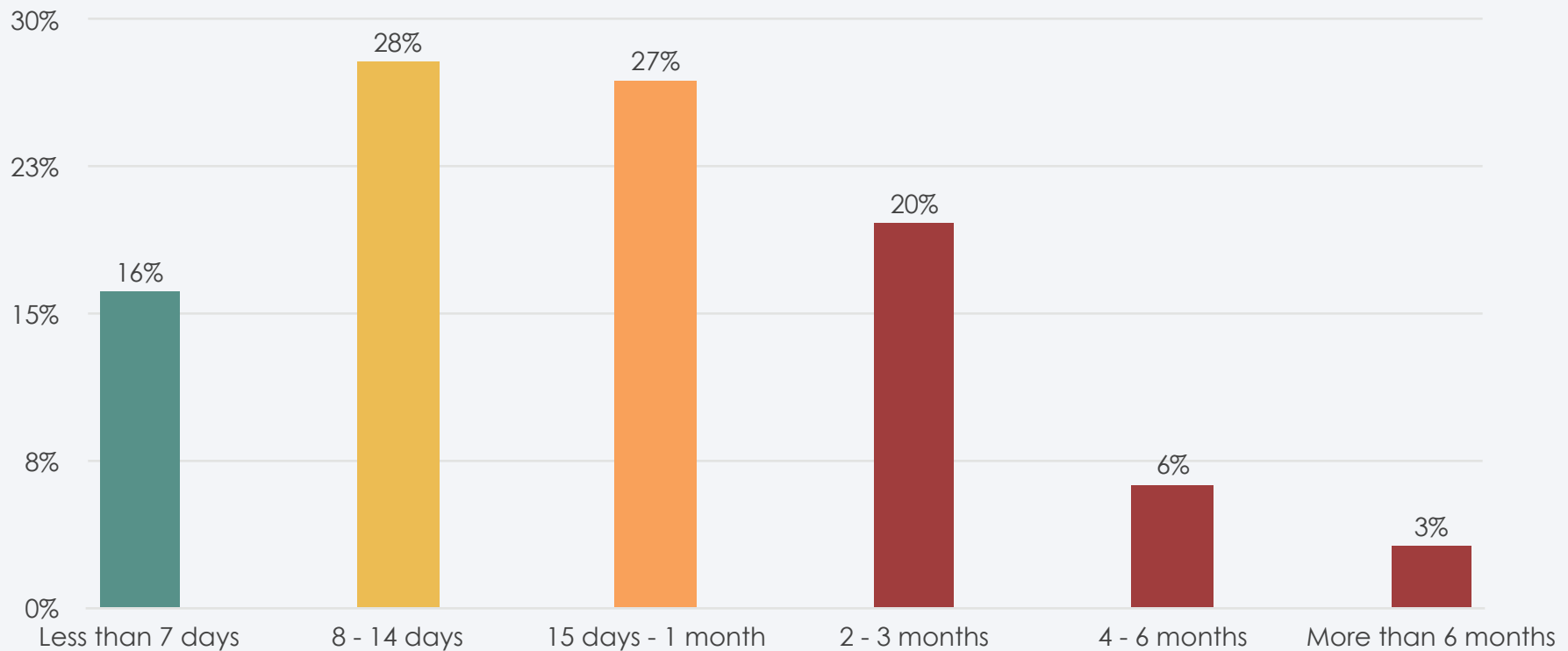
**How do your customers want to install your company's software on-premises?**

Select all that apply.



# ONLY 16% OF COMPANIES CAN INSTALL AND CONFIGURE ON- PREMISES SOFTWARE IN UNDER A WEEK

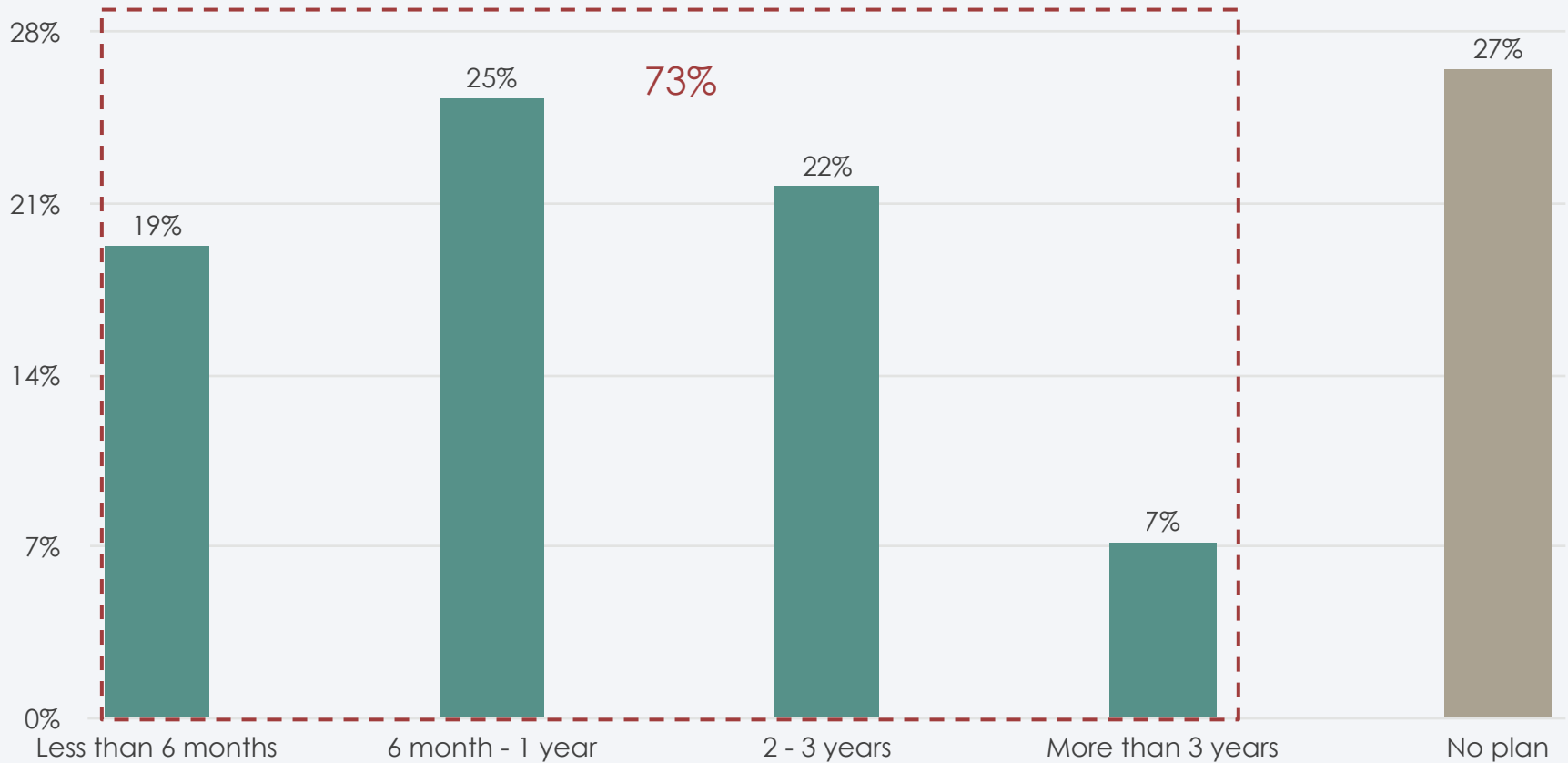
**For your company's on-premises software, what is the typical timeframe to have the software installed and configured in your customers' production environment?**





# 73% OF COMPANIES NOT CURRENTLY OFFERING ON-PREMISES SOFTWARE OPTION, PLAN TO

When does your company plan on providing an on-premises software offering?

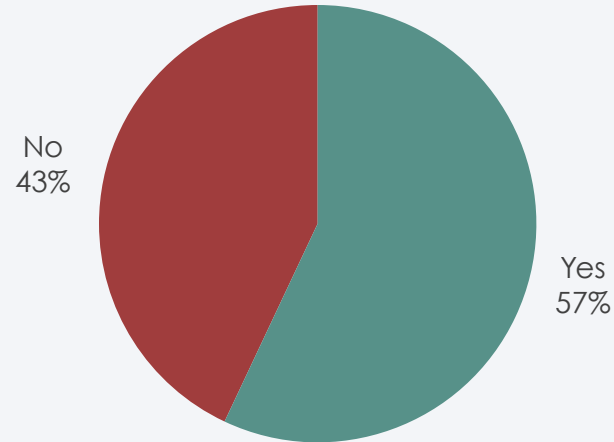


*n = 83, Companies not currently offering on-premises software solutions*



# COMPANIES NOT OFFERING ON-PREMISES SOFTWARE, 57% STATE THEY ARE LOSING REVENUE

**In your experience, does your company lose business by not having an on-premises solution?**



*n = 83, Companies not currently offering on-premises software solutions*





# FOR MORE INFORMATION...

## **About Dimensional Research**

Dimensional Research® provides practical market research for technology companies. We partner with our clients to deliver actionable information that reduces risks, increases customer satisfaction, and grows the business. Our researchers are experts in the applications, devices, and infrastructure used by modern businesses and their customers.

For more information, visit [www.dimensionalresearch.com](http://www.dimensionalresearch.com).

## **About Replicated**

Replicated is the modern way to ship on-prem software. Replicated gives software vendors a container-based platform for easily deploying cloud native applications inside customers' environments to provide greater security and control.

For more information, visit [www.replicated.com](http://www.replicated.com).

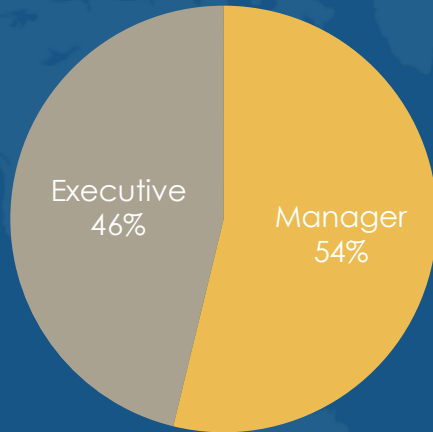
# METHODOLOGY AND PARTICIPANTS



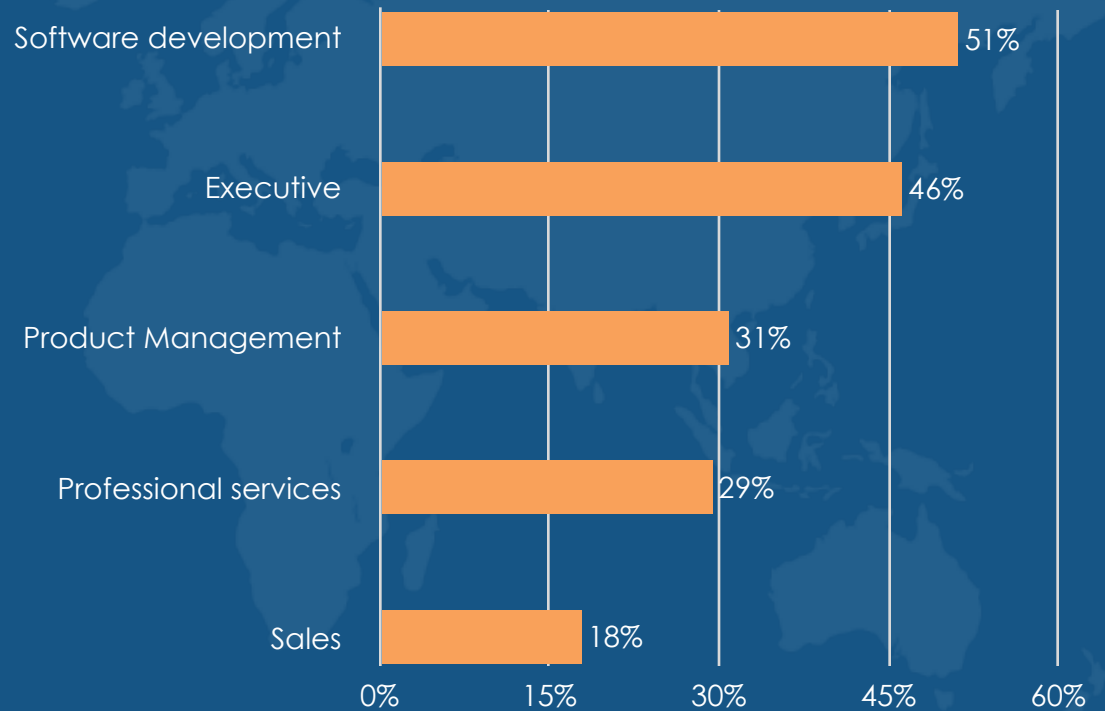


# INDIVIDUALS REPRESENTED

Organization



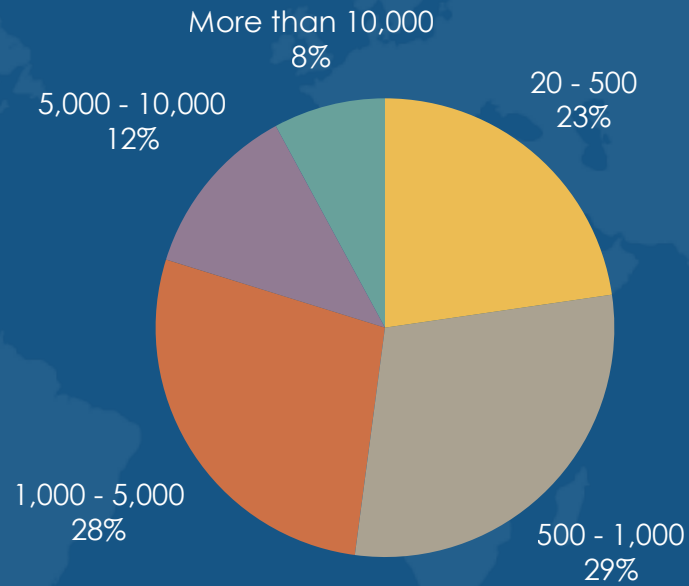
Role





## COMPANIES REPRESENTED

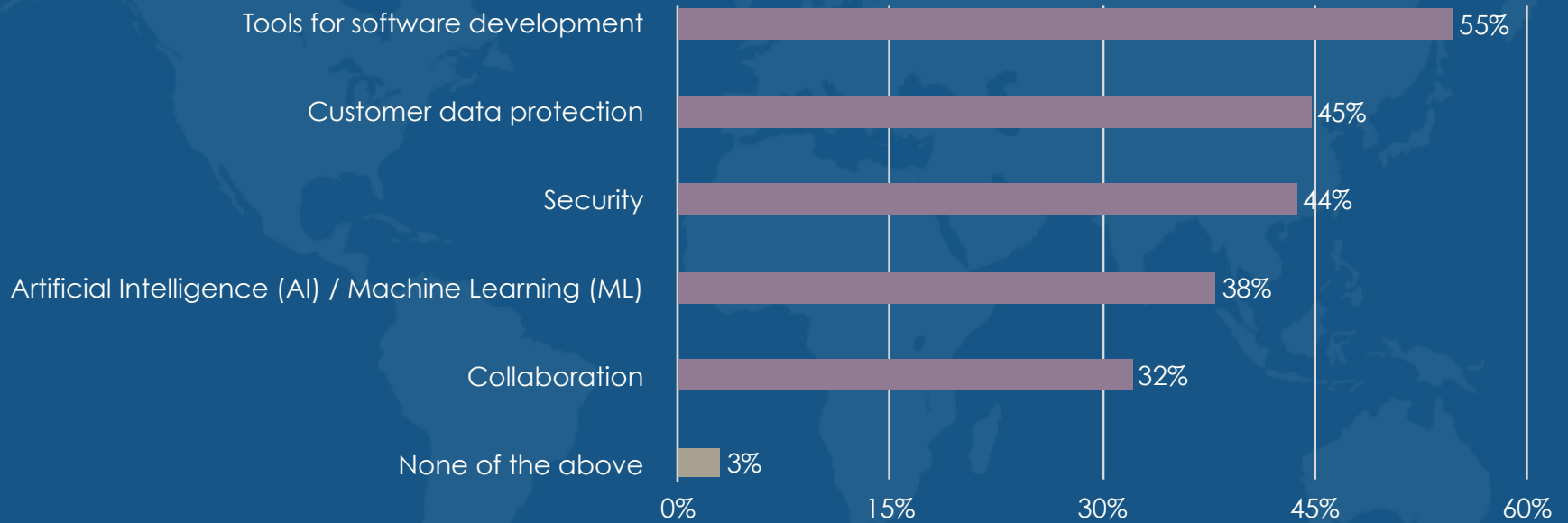
Size (number of employees)





# COMPANIES REPRESENTED

## Software Solution Types (use models)





# COMPANIES REPRESENTED

