



Nutanix Study Finds Public Sector IT Investment Focused on AI, Ransomware Protection, and Operational Efficiency

April 30, 2024

Hybrid multicloud deployments expected to increase fourfold over the next three years to help unlock efficiency, security, and innovation.

SAN JOSE, Calif.--(BUSINESS WIRE)--Apr. 30, 2024-- [Nutanix](#) (NASDAQ: [NTNX](#)), a leader in hybrid multicloud computing, announced the findings of its sixth annual global [Public Sector Enterprise Cloud Index](#) (ECI) survey and research report, which measures enterprise progress with cloud adoption in the industry. The research showed that Public Sector IT leaders expect substantial near-term adoption of multiple IT operating models (87%), yet current usage (57%) is slightly behind the average compared to other industries (60%).

This year's Public Sector ECI report revealed that the use of hybrid multicloud models in the industry is forecasted to quadruple over the next one to three years as IT decision-makers at public sector organizations look to modernize data centers into private clouds and preserve choice in public cloud deployments. Primary drivers for IT infrastructure investments in the next year include ransomware prevention, IT modernization, and AI strategy support to gain flexibility and access new capabilities to improve operations and enable mission success.

The public sector is faced with regulatory and compliance mandates regarding where and how end user data can be stored, which creates complexity as organizations work to modernize their IT infrastructure. Hybrid multicloud solutions provide key benefits to public sector organizations including simplifying operations, improving data privacy and security, optimizing where apps and data live, and preparing for technologies like AI. The Public Sector ECI report found the adoption of hybrid multicloud varied significantly from across sub sectors, with public education leading the way, while federal and state governments lagged.

"Much like other industries, public sector organizations are eager to modernize their IT infrastructure and lay the foundation to adopt new technologies to deliver better services and experiences for constituents," said Greg O'Connell, Sr. Director Sales, Public Sector at Nutanix. "In fact, 80% of the public sector said they expect to increase their investments in AI technology in the next year."

Public sector survey respondents were asked about their current cloud challenges, how they're running business and mission critical applications today, and where they plan to run them in the future. Key findings from this year's report include:

- **Hybrid multicloud deployments lag behind other industries.** The vast majority of both public sector organizations (85%) and all sectors (90%) agreed that their organizations now embrace cloud-smart IT deployment strategies. However, just 8% of global public sector organizations reported using a hybrid multicloud approach.
- **When public sector organizations are investing in IT infrastructure, protection from ransomware is the primary driver.** Respondents in the public sector most often chose the infrastructure's ability to protect against ransomware and other malware as their single top priority (17%). This factor was followed by the infrastructure's performance/response time potential (15%) and its ability to allow IT to flexibly move workloads across private and public cloud platforms (14%).
- **Security and compliance are the biggest drivers of application relocation and the top priority for CIO/CTOs, as public sector organizations recover from high rates of ransomware attacks.** The vast majority of ECI respondents—92% in the public sector group and 95% globally—said they had moved one or more applications to a different IT environment in the past 12 months. The ramp-up of moving workloads to best support each application's requirements is creating the need for simple and flexible inter-cloud portability. Shifting security-related requirements, in particular, are largely fueling the movement of applications.
- **AI use is ramping up, though issues concerning data privacy and best practices persist.** Though AI support ranked fairly low on public sector infrastructure purchasing criteria, respondents expressed high levels of interest in the technology elsewhere. 80% of the public sector said they expect to increase their investments in AI technology in the next year. About a third (32%) said that those investment increases would be "significant." A third (33%) also said integrating with cloud-native services, such as AI, was a reason that they moved one or more application(s) to a different infrastructure during the past year.
- **Top challenges involve multi-environment storage, operations, security, and sustainability.** Managing multiple IT environments creates operational challenges often related to interoperability and data management across infrastructures with dissimilar underlying technologies. When asked to name their number one data management challenge today, the greatest percentage in the public sector identified complying with data storage/usage guidelines (19%) as the top factor. Increasingly, data storage strategies are driven by privacy regulations about where end user data can be stored, such as data sovereignty requirements.

For the sixth consecutive year, Vanson Bourne conducted research on behalf of Nutanix, surveying 1,500 IT and DevOps/Platform Engineering decision-makers around the world in December 2023. The respondent base spanned multiple industries, business sizes, and geographies, including North and South America; Europe, the Middle East and Africa (EMEA); and Asia-Pacific-Japan (APJ) region.

To learn more about the report and findings, please download the full Public Sector Nutanix Enterprise Cloud Index, [here](#).

About Nutanix

Nutanix is a global leader in cloud software, offering organizations a single platform for running apps and data across clouds. With Nutanix, companies

can reduce complexity and simplify operations, freeing them to focus on their business outcomes. Building on its legacy as the pioneer of hyperconverged infrastructure, Nutanix is trusted by companies worldwide to power hybrid multicloud environments consistently, simply, and cost-effectively. Learn more at www.nutanix.com or follow us on social media @nutanix.

© 2024 Nutanix, Inc. All rights reserved. Nutanix, the Nutanix logo, and all Nutanix product and service names mentioned herein are registered trademarks or unregistered trademarks of Nutanix, Inc. ("Nutanix") in the United States and other countries. Other brand names or marks mentioned herein are for identification purposes only and may be the trademarks of their respective holder(s). This press release is for informational purposes only and nothing herein constitutes a warranty or other binding commitment by Nutanix. This release may contain express and implied forward-looking statements, which are not historical facts and are instead based on Nutanix's current expectations, estimates and beliefs. The accuracy of such statements involves risks and uncertainties and depends upon future events, including those that may be beyond Nutanix's control, and actual results may differ materially and adversely from those anticipated or implied by such statements. Any forward-looking statements included herein speak only as of the date hereof and, except as required by law, Nutanix assumes no obligation to update or otherwise revise any of such forward-looking statements to reflect subsequent events or circumstances.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20240430325385/en/): <https://www.businesswire.com/news/home/20240430325385/en/>

Gabrielle Moynan
pr@nutanix.com

Source: Nutanix