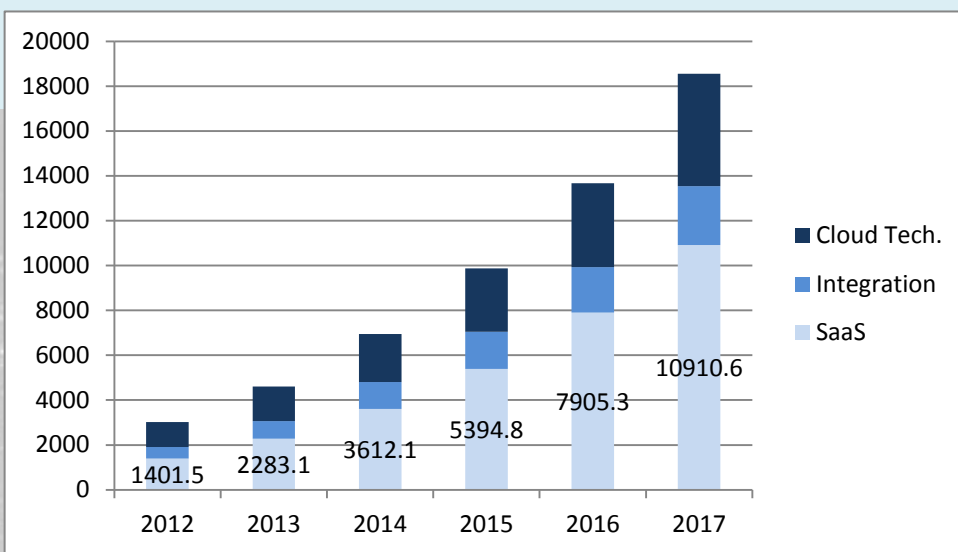




With **cloud solutions** gaining in importance on corporate management agendas the market for cloud computing in Germany is promising. Cost effectiveness and flexibility are the main reasons behind recent market growth. Cloud computing expenditure comprise five percent of all business IT expenditure in Germany. In 2013 this equates to approximately EUR 4.6 billion. Given the high growth rates, expenditures are set to rise to over EUR 18 billion in 2017.

German companies have so far been sceptical and reluctant to use cloud based services compared with other industrial countries. This however, is about to change – and fast! The younger companies that are more cloud savvy compared to the established enterprises with one or more legacy solutions have already created a noteworthy demand. The graph below shows the growth in cloud investments in Germany until now and estimated for 2017.



Cloud Computing in Germany 2012 – 2017. Investments and spending in million Euro per Segment (B2B). Source: BITCOM,

The next three years the majority of all companies will make the change to managed or public clouds and create a surging demand of SaaS solutions. Here is why:

The connection is changing



Until 2018 all ISDN connections by Deutsche Telekom (41, 1 % market share) are shut down and replaced by IP. Until 2019 Telekom and all major TC-providers expect to have migrated their services to IP-Platforms, hereby pushing costumers to be more cloud minded.

Microsoft moves to the Cloud



Growing its market share from 7.7% in 2014 to 25.2% in 2015 Microsoft 365 proves that companies make the change into the cloud driven app-worlds. This change renders companies open for new SaaS solutions.

Horizontal versus vertical



The merging of previously separate industries has created a demand for solutions that are independent of industries, segments and branches. SaaS solutions are perfectly fitted to meet this demand – Only; they have to integrate with legacy systems.

In summary

German cloud scepticism is vanishing and SaaS is gaining ground. This creates a demand as both cloud service providers and individual companies need solutions for their business and/or platform.