

Cloud: Fed up with all the hype and repeatedly hearing the 'C' word?

Read on for a profanity free way to look beyond the cloud, trap some of the vapour, and solidify it into something your business can actually use.

Let's keep this short and avoid the usual page of text trying to describe what 'it' is – instead, if required for context, let's use an excellent two page description produced by the National Institute of Standards and Technology (NIST, 2009).

In short, there have been a number of significant technology developments in the past years which make it commercially viable for Service Providers to provide IT solutions to meet your business needs, with the benefit of more flexible financial and operational characteristics.

So why bother?

Cost efficiency for one thing, many organisations want to reduce their assets and shift their budget profile from a capital to an operational expenditure model. Coupled with cost goes risk, and some aspects of risk are now much easier to manage with these models. For example, whether your business is a start-up or well established, reducing as much capital outlay as possible is a prime concern when testing and developing new opportunities. Services on offer today, provide a pay for what you use and walk away when you are finished approach, with no strings attached. If you are looking longer term you will also benefit from being protected against technology pains either scaling to accommodate growth or keeping up to date with current, supported hardware and software. These characteristics are the catalyst for the explosion of this market; they fuel innovation and enable an idea to be marketed and monetised at a rapid rate.

Getting on the right path

You have two choices, take the technology path, and be bogged down in the techno babble and minefield of acronyms and perceived benefits or, take the service path and seek out providers who understand how they can deliver the relevant services to meet your business needs.

For us there is far too much talk around tech and that route misses all the real benefits, after all, you are buying a service not technology. For us, the only route is the service route, we believe you need to focus on the business improvements you require not the technology you use.

Why is this different from the dotcom and ASP models that failed before?

Simply, the advances in hardware and software, specifically the ability for software to decouple what is used 'logically', from what's used 'physically' has removed the biggest barrier service providers face, which is the ability to scale. The industry has only reached reasonable maturity on this front in the last year or two. When coupled with intelligent networking all the physical barriers are removed and service providers can deliver the service without constraints of locality, where is most efficient and cost effective for you, all while meeting your business performance requirements.

This means great benefits for you - if service providers can build scalable platforms on which they offer services, you get the benefits described above. By way of a trade off you may need to release direct control (but never visibility) of the service design & management you are buying, and for many this is where it all tends to end up in a lot of confusion.

The idea sounds great.

Arguably, the economic benefit is the primary hook for organisations to consider change, but unless there is a viable business need with clear financial and operational benefits, the old phrase holds true: *'If it ain't broke, don't fix it.'*

How do you get past the hype?

Firstly consider the size of the project, are you looking to out-task a production system to a service model? Or run a small innovation project to validate a new business idea? Either way you need to fully assess what can move away from your traditional management and business processes. Look at the culture of your organisation and honestly evaluate what your customers want from you - out-tasking to service providers is an emotionally charged process that will be unpopular with some people. Do not fall into the trap of buying piecemeal services with a credit card and then retrofitting technology to business needs. We see a number of company employees testing services in this way but often unknown to the business and possibly exposing the business to unnecessary risk. Here are five steps you should take:

Step 1 – Pick a partner

How do you decide which business service to move? Where can you get the necessary help to confirm the service will work technically, legally, operationally and financially? We would suggest you pick a Service Provider who truly understands your industry and can provide the reach you need. Clearly they must have the services you need today but also a pragmatic vision for tomorrow. An ideal Service Provider will have the professional services to support you through migration and in-life service management. You should be confident that the services provided will work for your business plans - remind the Service Provider you are trusting them with important IT enabled business services and that you expect the service they provide and the contractual commitment you both agree, to reflect this.

Step 2 – Get the facts

Tough as that might seem, getting a clear view of what you have today is not so hard if you know how. There are services that can assist with gathering all the information about hardware and software assets, what is connected to what, and what data you have stored where. Professional services organisations have a large toolkit of utilities to passively and if needed, actively discover and log these areas. Combining fact-based data with expertise and experience means you can be provided with a clear view of what is technically easy to move versus what is harder to move, and have this balanced with the financial and operation benefits and drawbacks.

Step 3 – Remove any FUD

Fear, Uncertainty and Doubt cause the most procrastination for change, and we know letting go of some of the elements of design and management responsibility is a big step. When your data moves from a place you can see, touch, and unplug to 'somewhere out there' you need to tackle IT Governance, sensibly. Separate the real from the perceived, if your business is subject to country laws that prevent data from crossing borders your provider needs to accommodate and prove to your auditors that you remain compliant.

Equally, do not get hung up on the 'security' of data if your Service Providers personnel have visibility. Many CIO's see this as no more of a risk than internal sabotage. Understand where your Intellectual Property is and if the Service Provider holds that, make certain the terms and conditions adequately protect you. As before make sure your Service Provider can work with your corporate, legal and regulatory team and with any external auditor.

Step 4 – Migration

The business case is signed off, due diligence completed and you have clear expectations of the service experience. When you finally push the button your Service Provider should be delivering and assisting you every step of the way, against the plan. You should expect your provider to stand up to the recommendations made from the audit stage. For example consolidating and moving the location and the access methods of a service means the user experience can be affected, it will certainly be different, so your provider needs to stand by their recommendations and make sure the service works for you.

Step 5 – Service Management

By now you should be comfortable with your innovative and efficient, managed service. The chances are, if seen as a big success, additional parts of your business will move to this model.

Historically one or two large Service Providers and perhaps a systems integrator are chosen to deliver the IT service outside of your core business. Now the choice of providers is greater, the ability to integrate applications' and services simpler and the costs can stay down. Where is this going to end up? The most likely situation is your business will now have multiple service contracts with many suppliers. To add to this complex IT management situation, IT services from Supplier A may well be dependent on IT services from Supplier B – causing an unwanted service management headache.

With no direct control of resources and the possibility that you may not have been able to match service levels between providers, business SLAs may not be met. Our recommendation is to consider this challenge when picking your partner/provider at the beginning. Choosing the right service provider that can provide you a complete end-to-end solution to meet your business service levels, and work seamlessly with other providers, is something to take seriously now. The Service Providers technology and partnership choices will play an important role in achieving your service expectations. Their ability to monitor, analyze and report on service performance, end-to-end on your behalf, while implementing change automatically are a key requirement for your success in adopting this type of service model. Finally, don't forget a basic service management principle, continuous service improvement, the Service Provider needs to demonstrate ongoing operational and financial improvements to you.

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Beyond the Cloud: Part 1

1 Works Cited

NIST. (2009 7-October). From <http://csrc.nist.gov/groups/SNS/cloud-computing/cloud-def-v15.doc>