HOW CLOUD SMART IS YOUR BUSINESS?

CLOUD, DIGITALISATION AND BUSINESS TRANSFORMATION

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Cloud, digitalisation and business transformation

A discussion dinner was held on the 28 of June, sponsored by Hitachi Vantara titled 'How cloud smart is your business? Cloud digitalisation and business transformation'. The session was introduced by Giuseppe Gagliardi, Cloud Expert at Hitachi Vantara in the magnificent surroundings of Dukes Hotel in London.

It is a question loaded with implications, a question infused with a decade and more cloud adoption across the economy: how cloud smart is your business?

At first the cloud pitch was simple. If you wanted to spin up workloads at speed, scale as required, and pay only for what you used then cloud offered compelling advantages over on-premise infrastructure. And while those benefits of cloud persist, the reality is proving more nuanced. Some workloads have shown to be more expensive on the cloud. Others have been less flexible than promised as highlighted by the difficulty of sharing data from one provider to another, and the complexity of drawing down that data as required. According to 451 Group research, 46% of all workloads will continue to run on premise. Hence the question: **how cloud smart is your business?**

In turn, this central question poses a series of follow-ups. What role does cloud play within your organisation? Whether you have deployed public cloud or private cloud – or a hybrid combination of the two – is it supporting mission critical applications and driving tangible change? Or is it introducing new problems, creating fragmentation, management headaches and unexpected expense?

To explore the issues posed, CIONET brought together a group of London's senior IT decision makers. The event – 'How cloud smart is your business? Cloud, digitalisation and business transformation' – took place at the end of June and was convened in association with Hitachi Vantara.

Asked first what topped their list of priorities when it came to cloud adoption, delegates cited cost management, security, regulatory compliance, data residency, and standardisation.

Providing an overarching view of the cloud market and adoption, Giuseppe Gagliardi – Hitachi Vantara's Hybrid Cloud Expert – observed that a cloud first strategy has often led to cloud chaos.

"Cloud is a journey and if you jump too fast you end up, at best, spending the same money 'keeping the lights on' in the cloud as you did on-premise" said Gagliardi.

"Sometimes you'll end up spending more."

That's why more focus is needed on application modernisation, rather than simply 'lifting and shifting' existing workloads. One delegate perfectly summed up the mistakes made when he referenced a project designed to move an application into the cloud that resulted in a "monolithic container", a technological contradiction in terms.

"Taking a legacy application from my data centre and moving it to someone else's data centre doesn't make it a modern application," added Gagliardi.

Exploring which workloads worked best in the public cloud and which should remain on-premise, most delegates had a clear view on the criteria they used. One said data residency played an important part in decision making, where some parts of the world – the Middle East, for example – remained "cloud shy". Another said: "Migrating to the cloud is like gambling: only bet on what you can lose." In other words, mission critical applications should remain on-premise for the foreseeable future.

Culture remains a barrier to adoption. In particular, said more than one delegate, existing incentives skew towards the status quo. This is particularly true in the public sector where the opex (operational expense) nature of cloud makes future budgeting a less exact exercise. When future budgets are dependent on current spend, pay-as-you-go cloud can work against the budget holders' interests.

The evening finished with a round of best practice suggestions in the spirit of a cloud smart approach. Among the recommendations, delegates advised organisations to start slowly, and to start tactically. Only then should you consider moving to a more strategic view of hybrid cloud. Others suggested adopting a target operating model so you fully understand the three stages of change: current, transitional, and final. Another said, pragmatically, that you must constantly monitor your costs but not to the exclusion of opportunities – not least data-intensive artificial intelligence and machine learning – that can further business advantage. In other words, future proof your investment.

'How cloud smart is your business? Cloud, digitalisation and business transformation' – a CIONET Executive Dinner in association with Hitachi Vantara – took place on 28 June 2023 at Dukes, St James, London.