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DISCUSSION SUMMARY

GETTING TO GRIPS WITH A MULTI-CLOUD WORLD

This article was written by Roger Camrass, director of CIONET UK and a visiting professor of the University of Surrey, and is based on the conversations during an event on how innovation should drive cloud migration, sponsored by CloudHealth by VMware in September 2020.

There was consensus amongst all delegates that a 'cloud-first' strategy has become the norm over the last few years, but that the journey to cloud is still embryonic and full of challenges. In recent months, Cloud has enabled every delegate organisation to support home working. It has provided an essential platform for delivery of software-based services and modern applications. It has also become the mainstay for 'born-in-the-cloud' companies such as UBER and Airbnb.

As well as horizonal clouds platforms such as AWS, Google Cloud and AZURE, there are recent signs of vertical platforms emerging. These are designed to support specific industry sectors such as defence, pharma and financial services. In every respect, cloud is now a central driving force for the digital economy.

Cloud adoption is now accelerating

The sudden move to home working in March across the Globe is only one of the many factors that have accelerated cloud adoption in recent years. Other factors include:

- Corporate restructuring such as M&A where new IT platforms are required to integrate different firms into a single entity
- Demand by customers for remote access to client services as seen in the wealth management sector
- Ability to spin-up and scale-up research and new business projects within the university environment
- Economic ways to deliver software and information services to a global client base as seen in the defence sector

In all these respects, IT organisations are adopting a cloud-first strategy to support their internal customers as well as to provide new ways of servicing external customers. All the delegates recognise that multi-cloud is an inevitable outcome here given the wide range of services on offer across different vendors.

Cloud can help solve business issues

Delegates provided valuable examples of how multi-cloud is solving business problems in today's unprecedented environment. For example, cloud enables large amounts of data to be extracted from care homes across the UK for immediate analysis – to help control the spread of infection amongst the elderly. At the same time, COSTA Coffee is using cloud to connect to IoT devices in all its outlets to analyse traffic and ensure prompt deliveries of supplies. Santander was one of the first i-banks in the UK, enabling customers to bank electronically from any device via public cloud connections.

In education, public cloud has enabled millions of students to take online classes during lock-down and is likely to continue to support online learning for decades to come. The explosion of data in many sectors such as education, healthcare, defence and financial services will require capacity that only public cloud can provide at an economic rate. For all these reasons, cloud has become a vital solution to current business challenges.

A new role for IT

Most IT organisations have relied on a combination of on-premises facilities (data centres and networks) and outsourcing partners to provide ongoing maintenance and support. The new cloud era is transforming these arrangements by providing more flexible and accessible compute and storage facilities off-premises. In so doing, IT organisations are adopting new arrangements to build and operate such facilities:

- Terminating outsourcing contracts with traditional vendors such as ATOS and IBM
- Replacing these with a selection of cloud solutions covering infrastructure, development platform and software applications
- Acting as brokers to help businesses to select and manage cloud partners in a cost-effective manner
- Introducing new approaches to service integration and management that includes partners such as BMC and Service Now, plus new internal skills

Such an IT service transformation must overcome significant challenges, as revealed by delegates. At the top of the list was the need to escape from legacy applications, few of which can be transferred economically to the cloud. Some companies preferred to let these legacy applications die naturally. Others are investing in modern equivalents. Law firms appear to be particularly risk averse and prefer to hang on to legacy for the near future.

Introducing effective multi-cloud governance

Working in a multi-cloud world requires new IT organising principles as well as changes in IT governance. The most important issue discussed amongst delegates was one of cost containment. The move from CAPEX (associated with on-prem) to OPEX (as per public cloud) appears attractive but can lead to rapid increases in monthly IT bills. A utility was particularly concerned about its ability to control cloud costs.

What transpired during discussion was the reality that cloud vendors can offer pricing arrangements that provide both deep discounts (up to 75% in one case) and monthly pricing ceilings. This has given businesses greater confidence that they can achieve value for money against traditional arrangements, and to cap expenditures. CloudHealth provides comprehensive capabilities to monitor and control such costs.

A second important factor is agreement on enterprise architectures and associated standards. Moving to multi-cloud solutions may be attractive but could inhibit transfers of data between vendors now and well into the future. Some delegates have chosen a single cloud vendor approach such as Microsoft, VMware and Google to harmonise tools and applications. Others are adopting open API interfaces and Kubernetes to facilitate data exchange between applications.

Step by step approach to multi-cloud

CloudHealth by VMware concluded the session by emphasising the benefits of a cloud-first strategy but recognising that this represents a long journey. In many cases cloud penetration remains at around 10-20%, suggesting much work ahead to achieve a full transition. The key steps required include:

- Adoption of a multi-cloud architecture that will ensure interworking between applications as well as maximising choice of services
- Effective governance to analyse and manage both the commercial (e.g. cost) and operational (e.g. latency) aspects of cloud-based services
- Appropriate partnerships to drive adoption and support ongoing cloud operations given the shortage of in-house skills or relevant tooling.

About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

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