



CIONET

DISCUSSION SUMMARY

JUNE 2022

LIVING IN A MULTI- CLOUD WORLD

This article was written by Roger Camrass, Director of Research for CIONET International, and is based on the conversations held during an event on 30th June sponsored by Hitachi Vantara entitled 'Living in a multi-cloud world'.

The experience of those who have transitioned to public cloud suggests that they are achieving valuable business benefits such as greater business agility and resilience. But such transitions need careful planning and orchestration. Discussion during the event focused on practical as well as strategic issues. Here is a summary of the insights gained by delegates from a wide cross section of public and private organisations.

Beyond the first steps to cloud

Delegates described several different factors that have encouraged a rapid migration into a multi-cloud environment. The most common theme has been the need to avoid further investment in private data centres by transferring processing and storage capacity into the cloud. For example, public organisations such as central departments and emergency services are consolidating their private IT estates by adopting hybrid cloud arrangements. Banks are similarly engaged. Despite Gartner's recent figure of just 20% public cloud penetration, delegates offered more aggressive achievements ranging from 80-95%.

The pandemic also had a powerful accelerating effect on many cloud migration plans. In the case of the NHS, the need to support remote workforces in days rather than weeks or months helped to accelerate the rollout of Microsoft Office on the AZURE platform. A high street retailer mentioned the rise of e-commerce as a primary force for cloud adoption. This became critical during the early days of COVID when virtually all consumer activities went online.

According to delegates the main benefits of public cloud are now seen to include:

- Improving the customer experience by substituting voice conversations with online and mobile interactions, especially within financial services where 50% of branches have closed in the UK
- Serving a more distributed end-user population, be they employees or customers. Global sourcing of talent was mentioned as a case in point
- Accelerating new product developments by deploying flexible cloud test beds and associated tooling to streamline processes. This has had a major impact on drug development cycles

- Bringing key data assets together in cloud-based data lakes enabling improved quality and speed of decision-making

Cloud offers broader business transformation opportunities

Public cloud has facilitated new ways of delivering services both within and external to organisations. The recent rise of Software as a Service (or SaaS) has encouraged businesses to substitute monolithic ERP and other core applications with a variety of public services such as CRM (Salesforce), HR (Workday) and Manufacturing (ORACLE). This is leading to a full-scale rearchitecting of core business functions, with most tasks being externalised to public platforms. One delegate spoke about how SaaS has enabled his organisation to establish regional units to manage functions such as HR and finance.

A more radical approach was described by a global insurance group who is seeking to consolidate legacy applications that have been inherited at national levels with a single integrated system operated across the group. An internal SaaS approach offers each national organisation access to a comprehensive and standardised set of core insurance applications that can be maintained at the Group centre.

Cloud has the added benefit that it can provide a convenient platform to test out new services. One public body is trialling a range of legal services across public cloud. A common platform enables many small legal offices to access the new services and provide immediate feedback on their effectiveness.

But there are challenges to life in the cloud

In the view of most delegates the technology is the easy bit. People, process and culture can become powerful barriers when facing fundamental change. However, technical issues do count, and those proving most difficult for delegates included:

- Replatforming legacy applications to become genuinely cloud-native. This has proven especially difficult with core transaction systems in banks and insurance companies that date back many decades. The preferred approach is to gradually hollow-out such systems and thus avoid a big-bang approach
- Gaining full visibility of processes and applications across multi-cloud platforms. Controlling user experience and managing cost can be difficult without the necessary measurement tools. One challenge is to integrate the multiple tool sets that exist to provide a single view of operational performance
- Building the skill sets to manage a more complex hybrid (on-premise, public and private cloud) environment. The transition from traditional service 'towers' such as

data centres and end user computing has been problematic given that most organisations had dispensed with their operational skills in favour of outsourcing partnerships. Automation of core processes such as IT service management (ITSM) holds promise here but remains in its infancy for many delegates

At a cultural and strategic level, many organisations become resistive to structural changes such as regional business centres and centralised applications as in the case of highly distributed financial businesses where national units held most of the power. Modern business architectures and operating models call for higher levels of standardisation and control. Public cloud services such as SaaS are now becoming the core platforms for digital business.

Building a sustainable multi-cloud environment

Delegates were unanimous in suggesting the required steps to optimise the emerging multi-cloud environment. These included:

- Choosing the right cloud operator(s) and service integrator(s) to provide the necessary platforms, skills and tooling to support an ever more complex environment (including process automation)
- Identifying those applications and workloads that would be best suited to a multi-cloud environment compared to on-premise, with compelling business cases that include speed and agility as well as cost savings
- Considering the broader implications of multi-cloud on business operating models, including the way data assets might be managed in the future. Digital businesses require data-driven decision making.

Overall, delegates expressed enthusiasm for public cloud but recognised that a hybrid environment will be the most practical mid term reality.



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.

cionet.com