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AN EXECUTIVE'S GUIDE TO THE CLOUD

A Primer on How It Can Help Improve Your Organization's Performance

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What the Heck is "The Cloud"?…

By now, you have almost certainly heard the term *"The Cloud"* being tossed around by your Technology Officer, the media, vendors or even your friends on the golf course. You listened intently to the conversation, but still could not figure out what all the noise was about. You are an accomplished business executive, and feel somewhat embarrassed that you aren't aware of this latest buzz word.

First of all...relax! If you were to ask a dozen colleagues or technology professionals what the term means, you would probably have twelve definitions to sort through. There are so many definitions flying around that it is no wonder many executives are confused. You wouldn't be alone if you struggled to define it.

Therein lies the problem - the Cloud has all the earmarks of being a disruptive, game-changing technology that will revolutionize the way that businesses operate. But if confusion exists, how can businesses actually reap the rewards that the Cloud promises?

Why is it called "The Cloud"? Quite simply, in 1996 a nerd at MIT drew a diagram of a network and put a cloud where the internet was supposed to be. The term stuck!

Cloud Computing - A Working Definition...

Cloud computing is basically a style or concept of computing in which massively scalable IT-related capabilities are provided "as a service". It uses the power and dynamics of internet technologies to service multiple external customers.

The Cloud may be presented in many different ways, especially by technology vendors, as an acronym commonly taking the form of "XaaS", where "aaS" means "as a Service". These acronyms may include, but are not limited to, the following:

- ♦ AaaS - Architecture-as-a-Service
- ♦ BaaS - Backup-as-a-Service
- ♦ CaaS - Communications-as-a-Service
- ♦ DaaS - Data-as-a-Service
- ♦ EaaS - Ethernet-as-a-Service
- ♦ FaaS - Frameworks-as-a-Service
- ♦ GaaS - Globalization-as-a-Service
- ♦ HaaS - Hardware-as-a-Service

- ◆ IaaS - Infrastructure-as-a-Service
- ◆ LaaS - Lending-as-a-Service
- ◆ MaaS - Media-as-a-Service
- ◆ OaaS - Organization-as-a-Service
- ◆ PaaS - Platform-as-a-Service
- ◆ SaaS - Software-as-a-Service
- ◆ TaaS - Technology-as-a-Service
- ◆ VaaS - Voice-as-a-Service

In summary, cloud computing delivers flexible applications, web services and IT infrastructure as a service, over the Internet, using a utilitarian pricing model. It is based on a computing model that allows businesses to instantly scale their technology requirements to meet business needs and demand. The Cloud **_can be_** a cost-effective approach to technology because businesses don't need to make usage predictions, upfront capital investments or over purchase hardware or software to meet the demands of peak periods.

So What Are The Business Advantages?

Depending on what your objectives are, the Cloud can deliver a wide range of benefits and advantages to your organization. They may include:

Financial

You would incur costs as an operating expense versus a capital expenditure, which could also simplify your tax situation. Since most XaaS services are considered "subscription based pricing", in effect you pay-as-you-go as opposed to depreciating assets over time, In addition, much of the technical labor is effectively "pooled", which results in a direct labor cost reduction.

Operational

Perhaps one of the most important operational benefits often overlooked in discussing Cloud technology is that it can be the easiest form of disaster recovery and a clear path to business continuity. Most organizations do not have a formal, documented DR plan, let alone a business continuity strategy. Operating under Cloud technology simplifies the process of recovery, primarily because your data, software and hardware are far off-site.

Your organization will discover a much smaller "carbon footprint" in its green initiatives. With reduced needs for physical plant size and subsequent power requirements, you should enjoy an immediate impact in reduced energy and other utility costs.

Technological

In today's mobile computing world, access to data is required 24/7. The Cloud provides the capability to access your data at anytime, from anywhere in the world.

From a software perspective, you can utilize and enjoy the latest releases of the most powerful and popular software products, without the anxiety of licensing issues and costly time-consuming upgrades.

Hardware will consist of the latest models, and will be scalable to your specific needs. Over purchasing to cover for usage spikes will be unnecessary. Device independence will eliminate many compatibility issues and better fit your long range technology plans.

Reliability and security will be managed by trained, full-time professionals who specialize in these areas, eliminating the need for you to hire, train and support less experienced technical personnel. That is not to say that security is not an issue when venturing into the Cloud...an organization must carefully choose its partners and work with them to keep its data and intellectual property safe from outside pranksters and evil-doers.

Okay...How Can We Implement Cloud Technology?

If planned properly, the Cloud can deliver real, hard dollar benefits for any size organization. As with any technology investment, it is imperative to carefully plan the implementation of cloud technology to ensure maximum ROI.

Define Your Objectives

Make sure you clearly understand exactly what you want to accomplish in utilizing Cloud technology. If there isn't a clear business or organizational benefit to the move, then you probably should reconsider going forward. However, it is important to remember that Cloud technology is not an "all or nothing" solution. Your current technology investment may be substantial, and can be integrated into your long range planning process.

Poll your management team and other stakeholders (both internal and external!) to get their assessment of the issue. Discuss where in your organization Cloud computing would be most advantageous, and when it could or should be implemented. If it will affect the way you interact with vendors or customers, bring

them into the discussion as well. And finally, check with your legal and insurance advisors to assure you are covered if a data breach would happen to occur.

But keep in mind that Cloud technology can be implemented in very small steps, and there is no need to tackle a large, "enterprise wide" undertaking when a small, manageable project is feasible. Be realistic with your goals and make sure they are achievable before tackling a Cloud initiative.

Identify Your Target Applications

Once you have defined your goals and objectives, you should then identify which areas of your organization are prime candidates for the Cloud. Are there specific areas which cause you the most "pain", or continually require an excessive amount of attention?
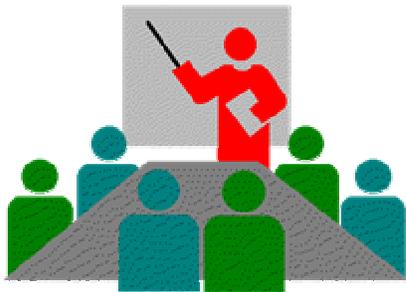
If your IT storage or server costs have risen exponentially, you may be interested in moving them "out to the Cloud" (<u>H</u>ardware <u>as</u> <u>a</u> <u>S</u>ervice?) to reduce your power and hardware expenses. Or perhaps you want to safeguard your data records for safety and compliance reasons, and wish to back them up and store them off site (<u>B</u>ackup <u>as</u> <u>a</u> <u>S</u>ervice?).

Perhaps your software applications have become costly and unwieldy to maintain, or the vendor issues upgrades and releases that your staff cannot support under their current workload? Moving some applications to the Cloud (<u>S</u>oftware <u>as</u> <u>a</u> <u>S</u>ervice?) could be the appropriate solution. Remember, you do not need to move ALL applications at once...start with those that are not "mission critical" at first and consider the riskier ones when your IT staff and users are more familiar with Cloud computing. Remember that software applications have been moved off-site for decades, with Payroll software the leading example.

But then you come to the most important decision of all when it comes to implementing Cloud based solutions.....

Select the Right Cloud Partner!!!

Choosing the right Cloud partner to work with you is the probably the single most critical decision in the process. They should demonstrate a clear understanding of your business needs and be one of the leaders in their own field of technology. They should express a willingness to "go the extra mile" for your organization, and be capable (financially) of being with you for the long haul.

Spend whatever time is required to adequately complete the selection and vetting process. Some of the questions you will need to ask include:

♦ How long has the company been in business, and are they profitable?
♦ How long has the company been offering cloud services?
♦ Does the company provide 24x7 technical support, and what is included? Are there additional costs associated with the support provided?
♦ What is the service level agreement associated with the service? Do they require a long-term contract to sign up for the service? Are there any set-up costs associated with sign up?
♦ Does the company require a minimum monthly spend? Is there a free trial period offered with the service? Are discounts available for high volume usage?
♦ Does the service enable mobile access?

These are just some of the issues that must be answered by the service provider before venturing into a "partnership" in the Cloud. And make no mistake, it must be a true working partnership to meet with success.

Going Forward…Want To Learn More?

Initiating a Cloud computing initiative need not be difficult. No one knows the operational needs of your organization better than you. Knowing those needs, you can clearly identify what the objectives of a Cloud program would be for your organization. Then follow the next three steps:

1. Define your objectives. Discuss the idea with your leadership team and major stakeholders. This will assure their "buy-in" to the idea and give you valuable feedback for later discussions.

2. Identify the function(s) in your organization that have the most to gain from Cloud computing. Where would your technology dollars best be spent to provide the fastest and highest ROI? Where can you benefit the most from the Cloud?

3. **Call Business Consulting Services**, and allow us to meet with you and your staff. Together, we can identify the major issues to be addressed, plan your approach and build momentum for the transformation that will maximize your ROI.
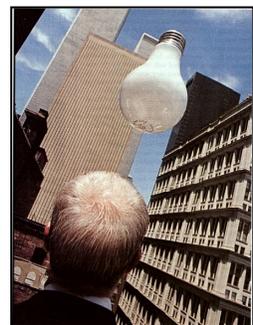
About Business Consulting Services...

Business Consulting Services (BCS) is a management consulting organization dedicated to providing high quality, professional services to the business, government and non-profit communities. Operating as a Small Business Enterprise (SBE), the firm specializes in the two key areas of business performance improvement and strategic technology planning. We also provide many traditional services, such as research, analysis, performance metrics, feasibility studies, RFP development, vendor selection and project management, to name just a few.

Rapid Transformation© - (RT)

Responding to a market need for an operational improvement alternative, in 1999 BCS launched its flagship service called **_Rapid Transformation (RT)_**. In its basic form, RT combines the skills of Business Process Management with Business Technology Strategic Planning. The result is a work environment that meets the needs of its organization and maximizes return on investment (ROI). **RT** focuses on the five critical areas required to improve an organization's performance: **business processes, people, technology, content and work environment**. Originally designed for government organizations, the **RT** program is now implemented for diverse clients in the private, public and non-profit sectors

Thomas K. Casey, CMC, CCP, is the founder and President of Business Consulting Services. He is recognized as a Certified Management Consultant (CMC), a certification conferred by the Institute of Management Consultants USA and represents evidence of the highest standards of consulting, and his adherence to the technical and ethical canons of the profession.

As the business environment gets tougher to navigate, we are all asked to do more with less. When you establish a business partnership with *BCS*, you will find quick payback and a true return on investment for your consulting dollar.

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