



Building a Viable Cloud Adoption Strategy

Drue Reeves

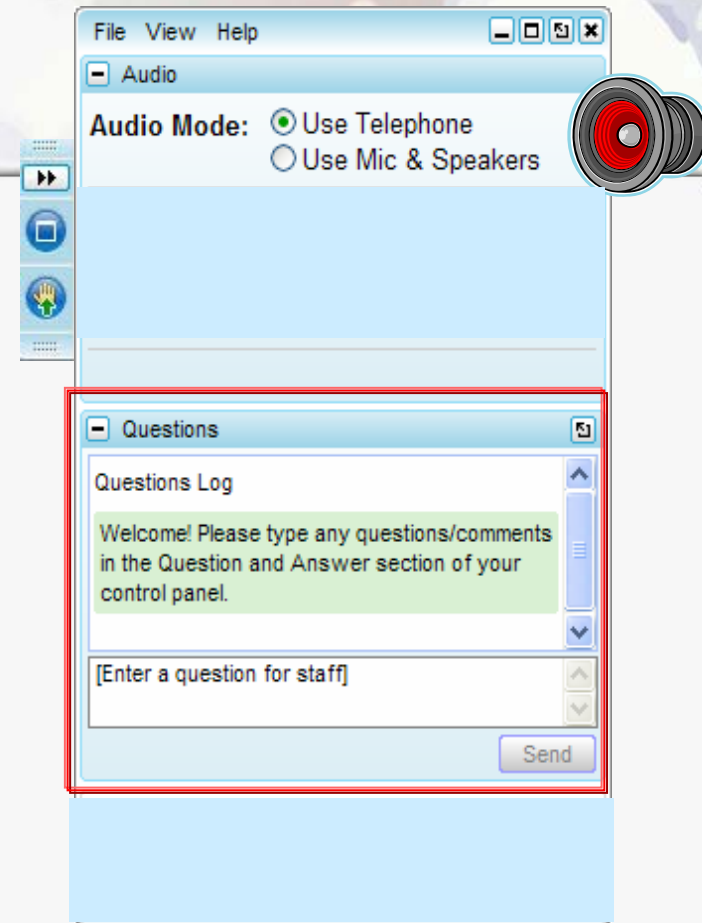
Research Director

Cloud Computing / Data Center

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What is Cloud Computing?

*The set of disciplines, technologies, and business models used to deliver IT capabilities (software, platforms, hardware) as an **on-demand, scalable, elastic service***



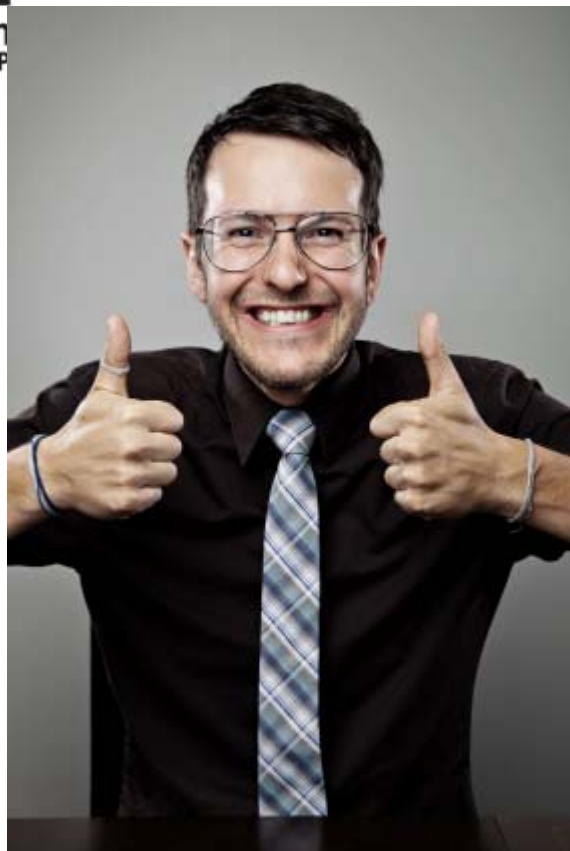
How can I make
this...



Look more like
this?



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Me Worry?

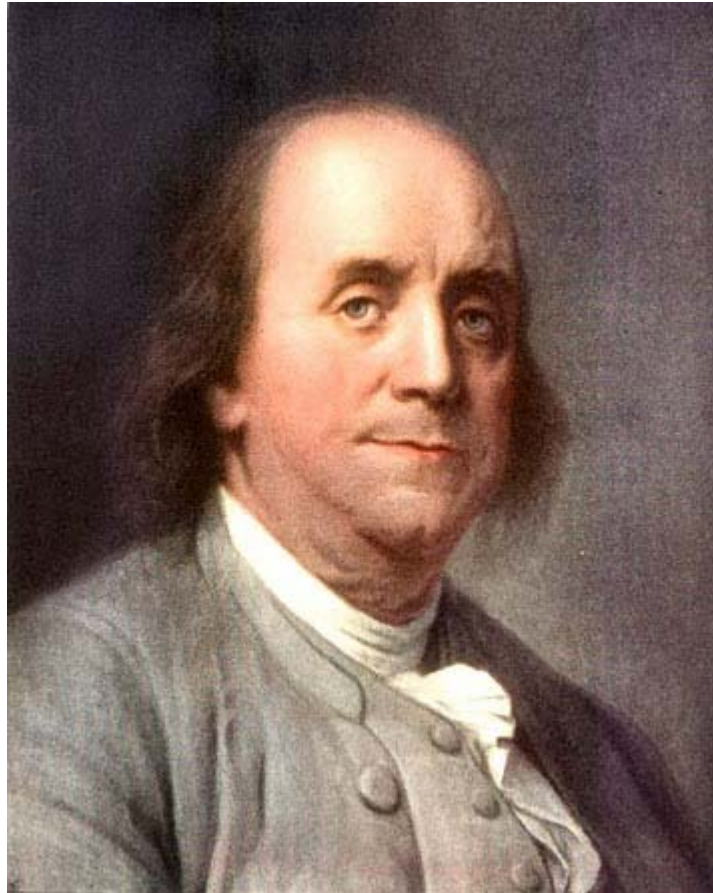


No Way!



We have the tools... are we using them properly?

Remember the Five "P's"



By failing to prepare, we are preparing to fail

-- Benjamin Franklin



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Cloud Adoption Strategy

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Goal: Develop a rigorous methodology to:

- Identify business impacts & risks
- Identify potential cloud application candidates
- Determine cloud costs and ROI
- Determine impacts to the organization
- Identify and vet cloud providers
- Mitigate residual risks
- Incorporate cloud governance into everyday operational procedures



Goal: Secondary benefits

- Rationalize application portfolio
- Better IT governance
- Improved DR
- Handle on internal costs



- **Output:** Repeatable process to determining application/workload cloud readiness
- **Output:** A cloud roadmap that describes required resources, when/how applications can be moved, etc.



Thesis

- Cloud computing is moving beyond the definitional phase
 - We're in the adoption phase
 - This is where the hype stops and the implementation reality sets in
- Executives: take a serious look at cloud computing!
 - Achieve real business objectives: lower costs, IT agility, focus on core
 - Cloud still has many issues: security, vendor viability, ROI, liability
- To date, cloud has been adopted using ad-hoc methods
 - Often starting as "pilot projects" deep within the IT organization
- For cloud computing to be successful, organizations require a thorough and rigorous adoption strategy
 - One that takes into account the risks and reaps the rewards



- Burton Group's five step program to building a better cloud adoption strategy

Gartner • Or a better you...whichever.



Step One: "Pre-work"

- Objective: Identify key stakeholders and identify cloud computing objectives

Three parts to Step 1:

1. Build a cloud core team
2. Set clear business objectives and adoption principles
3. Scope the effort

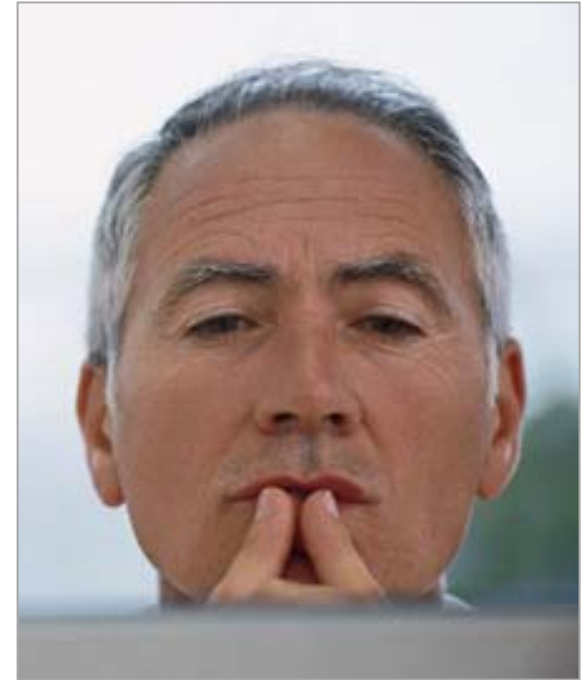


Build a Cloud Core Team

- Identify executive sponsors and key stakeholders: draw expertise from IT, BUs, legal, finance, exec mgmt, procurement
- Increase cross-company buy-in, distribute workload, ensure strategy execution and compliance

Set Clear Business Objectives and Cloud Adoption Principles

- Guides the team through conflicting issues and tough choices
- Should be coarsely defined and prioritized
- Examples: Save capital expenses vs. IT agility? Single vendor vs. multi-vendor strategy? Risk tolerance? Willing to alter the application for cloud?





Scope the effort

- Adoption strategy requires significant resources to perform business impact analysis, application assessment, cost analysis, defining a vendor selection process
- The maturity of some of your existing processes will impact the effort and resources required: application portfolio management process, disaster recovery plan, internal cost model



Part Two: Business and Application Assessment

- Typical Burton Group inquiry “Which applications can we move to the cloud?”
 - Only the organization can answer that question
 - Most organizations lack knowledge to determine the answer
- Objective: to determine if an application is “cloud ready”
- Four cyclical parts:
 1. Business impact analysis
 2. Application assessment
 3. Cost analysis
 4. Impacts to the organization



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Business Impact Analysis (BIA)

- Creating the BIA serves two purposes:
 1. Defines the application's business criticality (risk assessment)
 2. Defines the application's QoS requirements





Application assessment

- Application QoS requirements
 - Security, data compliance, CPU, memory, storage, network, etc
 - Take requirements and reuse for vendor evaluation
- Application dependencies
 - HW and SW infrastructure perspective (e.g. IdM)
- Application interdependencies
 - Does the application communicate with other applications?



Cost analysis

- Vendors are forthright about cloud prices; albeit complex
 - Not necessarily your actual cloud costs
- Most organizations do not know their own internal cost
 - No basis for comparison
- Watch for hidden and growth costs
 - Vendor pricing for various services may affect application design
- Again, used for vendor evaluation criteria



Impacts to organization

- Changes to procedures and governance
- Resources required
- Time to implement
- Training



Decision Time

- At this point, the core team should be able to decide:
 1. If an application is cloud ready
 2. What layer of the cloud the application fits



Step Three: Vendor Selection Process

- Objective: To meticulously examine a vendor's service
- Three parts:
 1. Detailed request for information (RFI) document
 2. Gather responses and review
 3. Send request for quote (RFQ) and plan for migration



Request for Information (RFI)

- Myth: Cloud should be opaque. No details required
 - Nothing could be further from the truth
- Dig into details: vendor's viability, business plan, profitability, security procedures, IT implementation, etc.
- Burton Group developing evaluation criteria for HlaaS



Gather Responses and Review

- Any vendor that cannot meet application requirements should be removed from consideration
- May discover that no vendor can meet requirements
 - Application is cloud ready, but cloud is not ready for the application
 - Reassess application requirements or keep internal



Send RFQ, Select Vendor, Devise Migration Plan

- Ideally, send RFQ to 2-3 vendors
- Some vendors may not respond to RFQ
 - Cloud model is pay-as-you-go; vendors may not negotiate
- Once vendor is selected, initiate migration planning and add to cloud adoption roadmap



Step Four: Residual Risk Mitigation and Limit Liability

- Best way to mitigate risk is to avoid through “upfront planning”
 - Some risk cannot be avoided
- Purpose: to mitigate unavoidable risk and liability using:
 - Exit strategy
 - Cloud brokers and liability insurance



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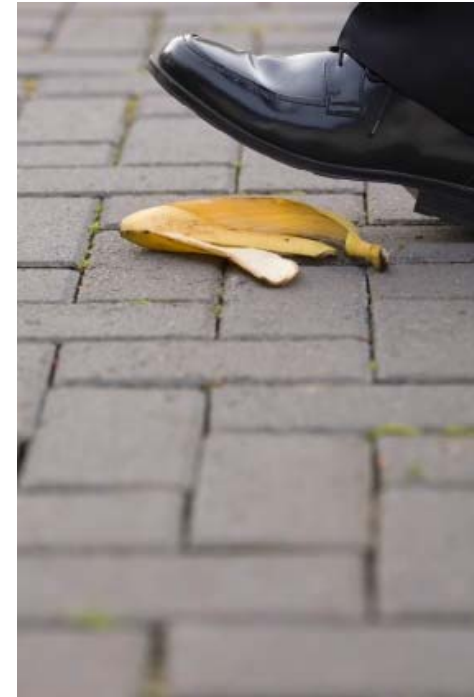
Part Five: Steady State

- Cloud computing is transformational;
 - Part of everyday IT life
- Purpose: inject cloud management principles into everyday operational procedures:
 - Routinely managing vendors (trust, but verify)
 - Employing sound cloud governance procedures
 - Measuring that the cloud adoption strategy is meeting the business objectives set early on



Pitfalls to the Strategy

- Many enterprises have thousands of apps
- Biggest pitfall is temptation to skip steps; jumping to vendor selection process
 - Especially business and application assessment
 - May not have budget to execute a BIA, application assessment, etc.
- Core teams must resist the temptation to skip steps; leads to an ad-hoc strategy resulting in:
 - Unnecessary risks
 - Increased cost
 - Unintended business impacts





Recommendations

- Commit the time and resources to develop a realistic cloud adoption strategy
 - Build the core team and establish objectives
 - Assess business impacts, determine application requirements, and examine costs
 - Carefully and meticulously examine vendors
 - Mitigate residual risk and liability
 - Manage steady state
- Don't skip steps in haste
 - Process is tedious, but recovering from poor adoption plan is worse



Conclusion

- Cloud computing is rapidly moving beyond the definitional phase
 - IT organizations increasingly are being asked to adopt cloud computing
- Cloud computing still has many issues
 - Lack of clarity and hype slows adoption, and increases skepticism
 - Risk management, market immaturity and unclear ROI are chief issues
- Ad-hoc cloud adoption strategies rarely work
 - Failure to plan is planning to fail
- Now is the time to build a viable cloud adoption strategy
 - Set clear adoption goals and business objectives
 - Use the business impact analysis, application assessment, vendor selection to determine cloud readiness
 - Manage the steady state

References

- [Cloud Computing: Transforming IT](#)
- [Market Profile: Hardware Infrastructure as a Service \(HlaaS\), 2010](#)
- [Amazon EC2: Is It Ready for the Enterprise?](#)
- [Market Profile: Platform as a Service 2009](#)
- [Data Availability in the Cloud](#)
- [Cloud Databases: Structure in a Nebulous World](#)
- [Cloud Storage: An Emerging Market](#)
- [Using Encryption to Protect Sensitive Data in Cloud Computing Environments](#)



You better ask that question now, fool!!



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Supporting Lineup at Catalyst

- Werner Vogels, CTO Amazon
- Cloud Law and Order Panel Discussion
 - John Moss, Deputy Chief Counsel, Salesforce
 - Tanya Forsheit, Founding Partner, Information LawGroup
 - Drew Berkowitz, Harford Insurance
 - Bob Parisi, Marsh Insurance
- Tom Sandergaard, CIO Jet Propulsion Labs
- Cloud Security Panel - Cloud Security Alliance, others
- Hybrid Clouds, Drue Reeves, Chris Wolf, Burton Group



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- Brett Hartman, CTO RSA
- Many, many more...

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