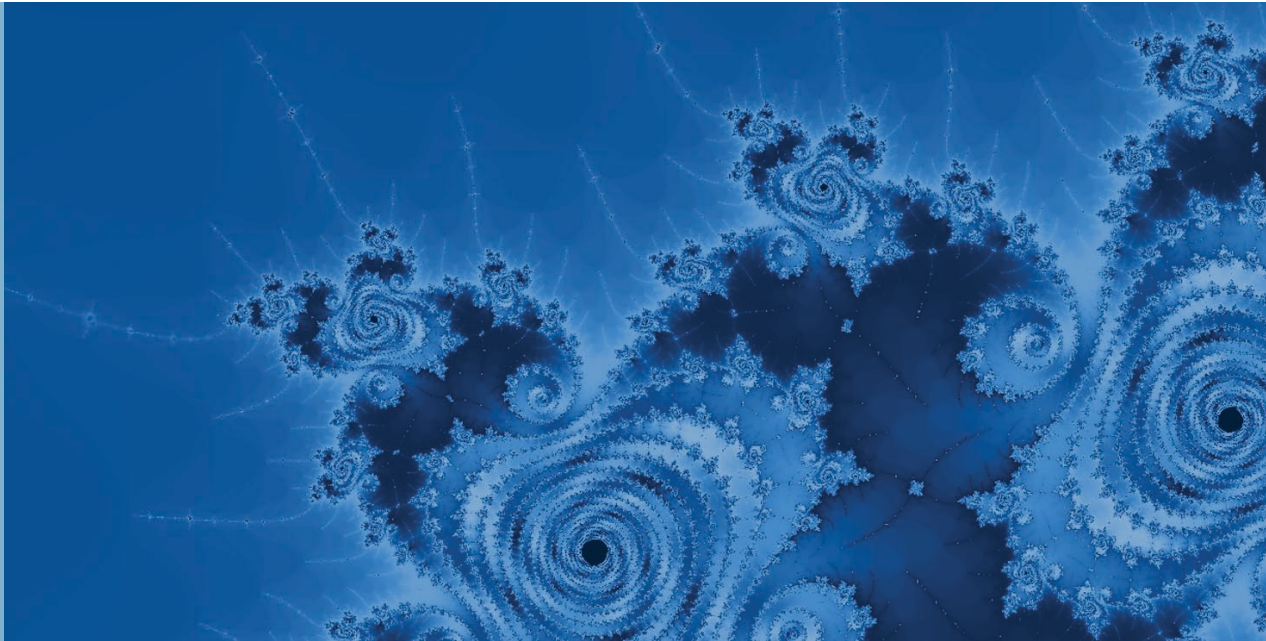


# Cloud Computing



Key Initiative Overview

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This overview provides a high-level description of the Cloud Computing Key Initiative. IT leaders can use this guide to understand what they need to do to prepare for this initiative.

## Analysis

Cloud is a style of computing where scalable and elastic IT-related capabilities are provided as a service to external customers using Internet technologies.

Cloud computing can help enterprises improve the creation and delivery of IT solutions by allowing them to access services more flexibly and cost-effectively. In public cloud computing, a third-party provider delivers services to external customers. In private cloud computing, IT provides services to internal customers. Enterprises that use public cloud services can potentially save money by leveraging a provider's elastically scalable, variably priced environment. However, public cloud computing also raises concerns about security, data management, trust, control and performance. Few enterprises will abandon on-premises models, but most will move toward private cloud computing models. Intense hype surrounds cloud computing, making it difficult to understand vendor options and strategies.

### Consider these factors to determine your readiness

Cloud computing is a complex and rapidly evolving concept. To reduce confusion and focus enterprise efforts, consider these points before beginning an investigation:

- First, understand how cloud computing is defined, and how it will evolve. This will enable you to understand when, where, how and why enterprises should exploit public cloud computing services. It will also help you understand the optimum circumstances for deploying cloud computing.
- Next, evaluate which cloud-computing models, architectures, technologies and best practices to adopt to implement private cloud computing services.
- Analyze how cloud computing will affect the strategy and direction of IT and your business.
- Finally, utilize Gartner Magic Quadrants, MarketScopes and Hype Cycles to analyze which vendors, markets and industries the cloud-computing phenomenon will transform.

### Conduct your cloud computing investigation in five phases

Gartner recommends that IT leaders follow five major phases when investigating cloud computing (the phases may vary, depending on your organization and the extent of your interest in cloud computing):

- **Build the business case:** Link the Key Initiative to the overall drivers or objectives of the business. Gain support from senior business leaders and senior stakeholders. Set a baseline for assessing the impact of the investigation. Estimate costs and resource requirements.
- **Develop the strategy:** Align the investigation with the business strategy, and show how it can deliver business value. Show how the investigation might lead to changes that will affect your business environment. Work with key stakeholders to identify business needs.
- **Assess readiness:** Identify the budgetary, staffing, technology and other requirements necessary to prepare the business for the investigation. Develop a total cost of ownership analysis framework. Review established policies for assessing risk and managing governance.
- **Pilot or prototype:** Identify a group to pilot, or develop a prototype for the investigation. Develop and communicate detailed requirements. Manage the pilot/prototype. Assess and communicate the results.
- **Gain approval:** Analyze findings of the readiness assessment and pilot or prototype effort, and revise the strategy and business case accordingly. Present findings of the investigation to senior stakeholders and business leaders.

## Read More From Gartner About Cloud Computing

The following is just a sampling of the research and tools Gartner clients have access to every day.

### Build the business case

#### **Contrasting Perspectives on Cloud Computing**

ID: G00161461

The term “cloud computing” is being loosely applied and defined differently in the market by users and vendors. Understanding these perspectives and setting proper expectations regarding results are important to obtaining anticipated benefits.

#### **The Spectrum of Public-to-Private Cloud Computing**

ID: G00167187

Cloud computing services can exist across a wide range of customer intimacy—from completely public and open to all customers to owned by an enterprise and limited to that enterprise, and everything in between. We examine some interesting scenarios.

#### **The What, Why and When of Cloud Computing**

ID: G00168582

Cloud computing continues to gain visibility. Our special report examines the realities and risks of cloud.

### Develop the strategy

#### **Cloud Computing Services: A Model for Categorizing and Characterizing Capabilities Delivered From the Cloud**

ID: G00163913

Cloud computing services span a wide scope, from virtualized low-level computing and storage to full business services. Understanding the spectrum of cloud services and the characteristics of each service category is essential in determining when, where, how and why to apply cloud computing.

#### **Five Refining Attributes of Public and Private Cloud Computing**

ID: G00167182

We refine our definition of cloud computing and add key attributes. We also provide insight into distinguishing public cloud computing from private cloud computing.

#### **Predicts 2010: Application Infrastructure for Cloud Computing**

ID: G00172072

Application infrastructure technologies, such as database, security and event processing, are following integration and application server offerings to the cloud. The established vendors look for ways to innovate while preserving their established business. The newcomers just innovate.

### Assess readiness

#### **Top Five Cloud-Computing Adoption Inhibitors**

ID: G00167920

Despite the hyped atmosphere currently surrounding cloud computing, many enterprises won't adopt cloud services until key inhibitors or risks are mitigated.

[gartner.com/cloud](http://gartner.com/cloud)

### **Hype Cycle for Cloud Computing, 2009**

ID: G00168780

Cloud computing is the most hyped subject in IT today. We look at the different aspects of the topic and their status on the Gartner Hype Cycle.

### **What You Need to Know About Cloud Computing Security and Compliance**

ID: G00168345

Cloud computing technical and business models present special security challenges that must be addressed through new risk assessment and acquisition processes.

## Pilot or prototype

### **Evaluating, Selecting and Managing Cloud Service Providers: Leverage Key Outsourcing Lessons Learned**

ID: G00166825

In theory, engaging cloud service providers is a straightforward process using standard contracts and pricing. Early outsourcing deals were based on similar assumptions and experienced many problems.

### **Magic Quadrant for Web Hosting and Hosted Cloud System Infrastructure Services (On Demand)**

ID: G00168687

The Web hosting market is evolving rapidly and converging with cloud system infrastructure services, creating new opportunities for cost savings and business agility. These services are all unique, and vendors must be chosen with care.

### **Negotiation and Contracting for Cloud-Enabled Outsourcing**

ID: G00170695

The promise of contracting in cloud-enabled outsourcing is that it is easy and “preconfigured.” However, “standardized” contracting is immature, so organizations are at risk. In this research, we discuss the key differences in contracting cloud IT services versus traditional services.

## Gain approval

### **Economics of the Cloud: Business Value Assessments**

ID: G00168554

A cloud computing paradigm is better than an on-site paradigm for delivering some critical values, but it is worse for delivering others. This research quantitatively assesses relative values that cloud and on-site computing deliver, enabling intelligent decisions about balancing cloud with on-site.

### **Toolkit: How to Cut Through the Hype Surrounding Cloud Computing**

ID: G00169990

Cutting through the hype surrounding cloud computing is a challenging process. This toolkit is designed to help application managers and IT and business executives establish a workshop to assess how their organizations can leverage the benefits.

### **Using the Right Words Will Ease Cloud Computing Confusion**

ID: G00167191

Cloud computing is a broad concept. Confusion grows when vagueness permeates discussions about it. We offer best practices and terminology to avoid this confusion.

# Strategic Insights on Key Initiatives

All your initiatives are important, but some are mission-critical. Key Initiatives organize the vast Gartner resources around the projects and programs at the top of your list, helping you achieve demonstrable business results efficiently and cost-effectively.

Our 650 analysts engage in 260,000 one-to-one interactions each year with 60,000 clients from 10,000 organizations worldwide. Every day, clients tell us what they do to support their key decisions and processes for the initiatives that matter most to them. We apply that knowledge to deliver targeted insight and valuable tools just in time, from strategic planning through implementation and benefits realization. Our solutions evolve with our clients' changing needs, but our commitment to quality never changes.

Key Initiatives address significant business opportunities and threats, and typically have defined objectives, substantial financial implications, and high organizational visibility. They can involve multiple projects, but are typically implemented by a designated team with clear roles and responsibilities, and defined performance objectives. It's our solemn mission to guide your key decisions and processes so you achieve the highest possible returns at the lowest possible risk.

So which initiatives will make or break you this year? Don't worry, we've got you covered.

## Key Initiatives

Application Development

Application Governance

Application Integration

Application Overhaul

BPM Technology and Tools

Business Continuity Management

Business Intelligence

Competency Center

Business Process Program Management

Cloud Computing

Compliance

Corporate Performance Management

CRM

Customer Experience Management

Data Center Modernization and Consolidation

Data Management and Integration Maturity

Enterprise Architecture Program

Enterprise Architecture Stakeholder Engagement

Enterprise Social Software

ERP

Identity and Access Management

Information Governance

Infrastructure Application and Data Protection

Infrastructure Security Program Management

IT Cost Optimization

IT Governance

ITIL and Process Improvement

IT Risk Management

Master Data Management

Microsoft Windows 7 and Office

Mobile Enterprise Strategy

Negotiating Vendor Contracts

Outsourcing

PMO

Portal Strategy

SharePoint for ECM

SOA and Application Architecture

Strategic Planning

Supply Chain Management

Vendor Management

Virtualization

VoIP, Unified Communications and Collaboration

### Three ways to learn more about how Gartner can help you move your Key Initiatives forward:

- Contact your account executive.
- Attend a webinar: [gartner.com/webinars](http://gartner.com/webinars).
- View additional resources: [gartner.com/cloud](http://gartner.com/cloud).