G00296404

Applying a 'Cloud-First' Checklist to Ensure Successful Sourcing and Business-IT Alignment

Published: 7 April 2016

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Many organizations are actively pursuing "cloud-first" strategies when making sourcing decisions. Cloud services have many benefits; however, they are not right for every initiative. Sourcing managers need to align business and IT perspectives when evaluating cloud and traditional delivery models.

Key Challenges

- Most businesses are implementing cloud-first strategies driven by cost, business growth, agility, scalability and innovation. The major challenge to this approach is that a cloud-based solution may not be the best, or even the most appropriate, solution for a particular requirement.
- Organizations are challenged to manage cloud risk, continuity and exit options. Blocking factors in key areas such as privacy, compliance or technical aspects may cause a cloud-first strategy to switch toward noncloud alternative options.
- The proliferation of alternative delivery models (precloud, private, public, hybrid, and so on) makes it difficult for sourcing managers to find the best fit for each new business initiative, thereby raising the architectural, integration and security complexity of the resulting hybrid IT infrastructure.

Recommendations

Sourcing managers seeking the most appropriate solutions for cloud-first sourcing initiatives should:

- Use a cloud-first initiative dynamic checklist to collaborate with initiative teams and key business stakeholders to assess initiatives, potential delivery models and specific solutions. Leverage the checklist for Mode 1 and Mode 2 to join up all requirements, and to identify new subfactors.

- Identify early any factor that may constitute a blocking factor for using public cloud, to prevent conflicts occurring later. Ask the team to evaluate if that requirement can be changed, or to validate the finding and identify alternative solutions.
- Dynamically update the checklist during each initiative advancement, and finally use it to identify the best solution across the full spectrum of available cloud and noncloud alternatives.
- Continuously improve cloud-first checklists across all initiatives to incorporate lessons learned and reduce the work to be repeated for every new initiative. Leverage Gartner research on cloud success and failures, provide feedback to the checklist authors and peers to enable a more closed loop between research, advice and cloud-first initiatives.

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Strategic Planning Assumption

By 2020, a corporate "no-cloud" policy will be as rare as a "no-Internet" policy is today.

Introduction

Sourcing managers are being pressured to identify, select and deliver the right strategic solutions to deliver key business objectives rapidly and cost-effectively, while considering the future needs of the changing business organization. In this role, sourcing managers will increasingly implement a role of broker and integrator of different internal and external capabilities, services, and solutions.

Businesses are increasingly seeing the strategic importance of utilizing cloud-based business models to enable fundamental changes to their operations, according to the 2015 Gartner CEO Survey.[1] To deliver on innovation and the digital agenda, while simultaneously managing investments to modernize and reduce cost in the existing IT estate, CIOs also report that their IT organizations are increasingly moving toward bimodal operation (see Note 1) and starting to execute initiatives in Mode 1 and Mode 2.[2]

Strategic utilization of cloud services is seen as key for both modes, enabling data center and workload migrations, application modernization and development, business process optimization and rapid proof-of-concept development as required. At year-end 2015, 58% of organizations declared they were using cloud services, with an additional 19% planning to use them during the next 24 months or beyond. In the same survey, 88% of more than 1,000 respondents declared they had cloud-first strategies.[3]

The pace of change within the IT marketplace has never been faster, and the rapid technical and commercial evolution of the cloud marketplace in particular is difficult to keep track of. The critical challenge this presents to sourcing and procurement managers is to rapidly generate the right response for every initiative in the light of raised business expectations and a constantly changing technology environment.

In this fast-changing environment, an increasing danger is the potential disconnects in the decision-making process:

- Cloud mandates that are declared from the top-down, and the technology (nonfunctional) requirements that are analyzed bottom-up
- Business unit requirements that are coming outside-in, and the functional and nonfunctional specifications and decision making, that are inside-out
- Linear approaches to Mode 1 projects, as well as most sourcing and procurement decisions versus nonlinear and networked activities of Mode 2 teams

To rapidly make the right sourcing decisions, sourcing managers must work through new and practical tools. This research introduces a dynamic checklist for cloud-first initiatives. The checklist is identified as dynamic to differentiate it from compliance checklists (that is a checklist to ensure that you are compliant and then to be forgotten). The dynamic checklist can be practically used in day-to-day initiatives to ensure to check whether the right solution to a business and IT requirement has been identified, or otherwise when a cloud solution will not be viable and other approaches must be selected (see Note 2). The more the checklist is used, the more you will reduce the work to be repeated for every new initiative.

Analysis

Use a Cloud-First Initiative Dynamic Checklist to Collaboratively Work With Each Stakeholder to Assess Each Initiative, Delivery Model and Specific Solution in Detail

Many organizations experience the need to modernize their core business while seeking to take commercial advantage of the increasing digitalization of business models. As a consequence, they increasingly look to their IT operations to adopt a bimodal delivery approach (see Note 3) and a cloud-first strategy. Sourcing managers supporting a wide variety of Mode 1 and Mode 2 initiatives may believe that a single approach to strategic IT decisions is suitable for all initiatives, or even that "cloud-only" is the right strategy.

However, while cloud can offer significant benefits to the right project, sourcing managers must ensure that the full business, technical and risk context of each initiative has been evaluated. This will help avoid sourcing a suboptimal solution and ensure that IT choices are aligned to key requirements. For example:

- A critical ERP application, where change is tightly controlled and where continuity of service and data security is key to the business.[4]
- An initiative seeking to fundamentally re-engineer the core business activity of a sales team that is prepared to regularly adjust its operational processes to get the best benefit of technology.[5]
- A project that seeks to implement a new data warehouse solution that requires tight, data-intensive coupling to a current application set held within an existing data center.[6]
- The replatforming of a large mainframe application that has had 20 years of custom-made development using niche in-house skills in its existing environment.[7]

To make the right choices as part of a whole cloud-first strategy (see "A Three-Part Approach to Jump-Start Your Cloud Strategy"), sourcing managers must work with the initiative team and key stakeholders to evaluate these key factors across three major categories:

- **Drivers/Objectives:** This category refers to relevant aspects of the business outcomes and main traits of the business or IT initiative. It includes these key factors:
  - **Type of Initiative and Mode —** IT and cloud decisions are required by different stakeholders, types of initiatives, mode of operation, acquisition and sourcing principles. Sourcing decisions must be adapted to the relevant case.
  - **Business Outcomes and Financials —** Understanding the strategic business and financial drivers for a given initiative is key to defining the appropriate sourcing model. Initiatives ought to align to the organization's business strategic goals and the associated enterprise architecture guidelines, as well as the organization's preferred commercial models, including capital expenditure (capex) versus operating expenditure (opex) preferences.[8]
  - **Business Processes and Information Assets Affected —** Cloud and IT services are there to support business processes and handle information. Current/new processes affected

must be identified, as well as information managed and integration points involved. Dependencies to legacy components, operating technologies and information affected must be identified and documented.[9]

- **Technology and Operational Aspects:** This category refers to the technology and operational requirements of the initiative and service. It includes these key factors:
  - **Applications Suitability —** The nature of the existing application portfolio must be analyzed in detail to determine potential constraints on the cloud sourcing model or specific solution.[10]
  - **Operational Impact —** Moving applications, information and workloads on hybrid IT configurations may affect business and operations. Readiness to handle changes and alignment to major guidelines (architecture, information, safety and security) must be checked. The management on cloud-based services is quite different. Operational readiness and the balance between internal and external duties must be analyzed before the transformation or tested trough pilots.
  - **Locations and Assets —** The existing physical and commercial locations of technical assets on scope can have a significant bearing on IT sourcing choices, and the ability to leverage cloud solutions.[11]
  - **Skills and Capabilities —** The skills and capabilities required, already available, as well as the ability to hire, build or enhance those skills within the existing organization (often required by cloud-first initiatives) or across external partners are key considerations for sourcing.
- **Risk Factors:** This category enables purchasing functions to effectively position cloud benefit and cloud risk within a consistent decision model through:[12]
  - **Agility —** The agility and pace of change required, and the agility of the cloud service to be sourced, is key to identify the potential risk associated to the external service or to the organizational change to adopt the service.
  - **Compliance —** To mitigate compliance-related risks, a thorough analysis of the legal, regulatory and compliance environment surrounding the impacted data must be undertaken, looking at the current versus the cloud delivery model, also including the likelihood of future changes (for example cloud provider data breaches or bankruptcy).
  - **Security —** Security risk posed by the location of the data must be assessed by considering how access to the data and identities (users and things, e.g., connected devices) will be controlled, and how it will be protected from malicious acts.
  - **Availability —** The risk of any interruption to the relevant service and any loss of data — recoverable or otherwise — will be key factors in considering cloud solutions. An exit plan, a business continuity analysis and well-tested disaster recovery plans are all a must for cloud-first strategies.

- **Provider-Specific Risk —** With the cloud marketplace growing and evolving, evaluating and managing the specific risks relating to each provider, as well as provider-specific exit plans, will be key parts of any cloud-first strategy and vendor management activity.

Within each of the factors, a number of subfactors must be considered, as Table 1 shows. Each subfactor and each key factor can be evaluated on a scale from 1 to 5 (left to right) where left, or 1, mean a low cloud readiness, while right, or 5, means high cloud readiness.

Table 1. Cloud-First Initiative Key Factors for Successful Sourcing Decisions

Category	Key Factors	Sample of Subfactors to Assess
Drivers/ Objectives	Initiative and Mode	■ Type of initiative driving cloud adoption — infrastructure or data center focus versus application or process focus versus rapid Innovation focus. ■ Mode of operation: Mode 1 (traditional, linear) versus Mode 2 (agile, uncertain). ■ Pace-Layered Application Strategy (system of record versus system of differentiation versus system of innovation). ■ Driving principle: Cloud-last versus Cloud-first versus cloud-only. ■ Sourcing governance: centralized versus distributed versus decentralized. ■ Other.
	Business Outcomes and Financials	■ Key priority: Cost reduction versus flexibility versus other factors. ■ Major business objectives (defined in SMART form). ■ Type of expenditure involved: capital versus operating. ■ Impact of user demand and technical aspects (e.g., bandwidth) on price, overall cost and financial exposure for cloud services. ■ Type of contract required: Highly customized/negotiated versus standardized contract terms and SLAs. ■ Alignment to strategy for data center investment and hardware refresh. ■ Other.
	Business Processes and Information Affected	■ Current cloud usage: None versus some versus extensive. ■ Business processes affected by the initiative. ■ Integration points between processes and different platforms (cloud and noncloud). ■ Potential dependency (IT/OT integration) of business operations affected. ■ Data sensitivity and privacy: highly sensitive versus sensitive versus general. ■ Other.

Category	Key Factors	Sample of Subfactors to Assess
Technology and Operational Aspects	Application Suitability	■ Application and enterprise architecture: Cloud lift and shift of existing environments versus cloud-ready applications. ■ Application portfolio: Unique critical core/legacy systems versus complex (legacy, ERP, COTS, custom-made development, etc.) versus simple (Web or CRM, Office, UC, etc.). ■ Project type: Existing application modernization versus new development. ■ Level of integration with other applications, including bandwidth required, data volume and volatility: Extensive versus some versus none. ■ Software license structure involved: Restricted use versus open use. ■ Other.
	Operational Impact (IT and Business)	■ Environment type: Production versus QA versus test and development. ■ Cloud readiness of impacted products or services. ■ IT operations implications (hybrid management, brokerage, etc.). ■ Presence of proprietary components that have no cloud alternative (example OT integration). ■ Method of cloud brokerage and service integration: Internal versus external versus multisourced. ■ Alignment to enterprise architecture guidelines. ■ Alignment with information and technology architecture guidelines. ■ Alignment to master data management guidelines. ■ Alignment to business operation safety and security guidelines. ■ Other.
	Location and Assets	■ Local market maturity, local provider availability. ■ Size and scale: Fewer than 50 servers versus more than 100 servers. ■ Percentage of data center spending in scope: Less than 15% versus 15% to 50% versus 51% to 75% versus greater than 75%. ■ Location of data center facilities: In-house versus in-country versus in-region versus fully flexible. ■ Importance of data center consolidation: High versus medium versus low.

Category	Key Factors	Sample of Subfactors to Assess
		■ Preferred options for data center involved: Client-owned versus provider-owned. ■ Preferred options for hardware and software: Client-owned versus provider-owned. ■ Other.
	Skills and Capabilities	■ Source of required technical skills: In-house versus third parties. ■ Availability of skills: Readily available versus scarce versus not available. ■ Type of service offering required: Self-service versus outsourced managed services (hosting) versus automated services versus ITIL-based services. ■ Sourcing experience with cloud: Low versus medium versus high. ■ Service integration and management capabilities: Low versus medium versus high. ■ Cloud performance and demand management skills: Low versus medium versus high. ■ Other.
Risk and Security	Agility	■ Required critical features, functions and processes. ■ Capability of business process change to accommodate cloud service: Low versus medium versus high. ■ Level of integration with data sources, data consumers and control mechanisms: High versus medium versus low. ■ Presence of APIs or other interfaces that allow new functionality to meet requirements. ■ Level of support by third parties for additional functionality, control or professional services. ■ Need for ease of extraction of data and reuse (portability). ■ Other.
	Compliance	■ Data types involved: Critical data types (such as PII, PHI, and sensitive data subject to ITAR versus sensitive data versus general data). ■ Applicable laws and legal mandates for data residency, security and safety requirements.

Category	Key Factors	Sample of Subfactors to Assess
		■ Legal and regulatory requirements to be met, such as document holds, e-discovery requirements. ■ Other.
	Security	■ Required security and controls, such as encryption, data masking, network security, etc. ■ Security contract clauses and representations from provider. ■ Level of provider's formal evaluation (ISO 27001, SOC 2, FedRAMP). ■ Adequacy of standard security controls deployed by provider. ■ Third-party technology applied (cloud access security broker, SaaS, single sign-on, and so on). ■ Other.
	Availability	■ Critical data stored: Unique versus primary versus replicated. ■ Copies of the data that are required and are available. ■ Contingency plans required for service disruption or unrecoverable data loss. ■ Level and clarity of SLAs and liability terms. ■ Mechanisms to measure and report on service-level delivery. ■ Other.

	Provider-Specific Risks	■ Vendor viability evaluation during procurement process.
		■ Financial viability checks on periodic/continuous basis (vendor management phase).
		■ Contingency and exit plans to address:
		  ■ Provider bankruptcy or MAD
		  ■ Discontinuation of business lines
		  ■ Unacceptable changes in provider supply chain
		  ■ Unacceptable change in contract terms in your jurisdiction
		  ■ Failure to meet contractual obligations
		■ Other.

Source: Gartner (April 2016)

To understand the suitability of each initiative for a cloud-based solution, sourcing managers should:

1. Utilize the key factors in Table 1 to analyze and document every aspect of the initiative. Only by fully understanding these dimensions will it be possible to make an appropriate decision on the best sourcing solution for the initiative. Because the subfactors listed in Table 1 do not cover all possible scenarios, identify and analyze further subfactors specific to the particular initiative concerned.[13]
2. Adopt different sourcing processes and approaches for Mode 1 and Mode 2 initiatives, and use the checklist to accelerate the relevant activities. This is to shorten the time required for this analysis and not negatively affect the time to market of the initiative. For Mode 2 initiatives, an early engagement of sourcing managers as part of the initiative team is needed.[14]
3. Work with the initiative team and the impacted stakeholders throughout the business (see Note 4) to obtain the required information on factors and subfactors. It is essential that all key roles are consulted, and their views are diligently factored into the assessment. This will result in a sourcing decision that meets the needs of all impacted areas.
4. For each factor analyzed, the current assessment and position is reported or linked in terms of "factual narrative" that explain the current status of that factor and how this is achieved. For example, the factor "contingency and exit plan" should point to a factual narrative starting "An exit plan has been defined with RTO= and RPO= as documented in <link to a document>" or "The business owner (details) has signed off that information managed and process supported (see checklist item xyz do not require any contingency or exit plans)."[15]
5. Leverage the checklist for Mode 1 and Mode 2 initiatives to join up business and technical requirements, and to identify new subfactors. Dynamically update your checklist during the initiatives' advancement and use it to identify the best solution for each initiative.

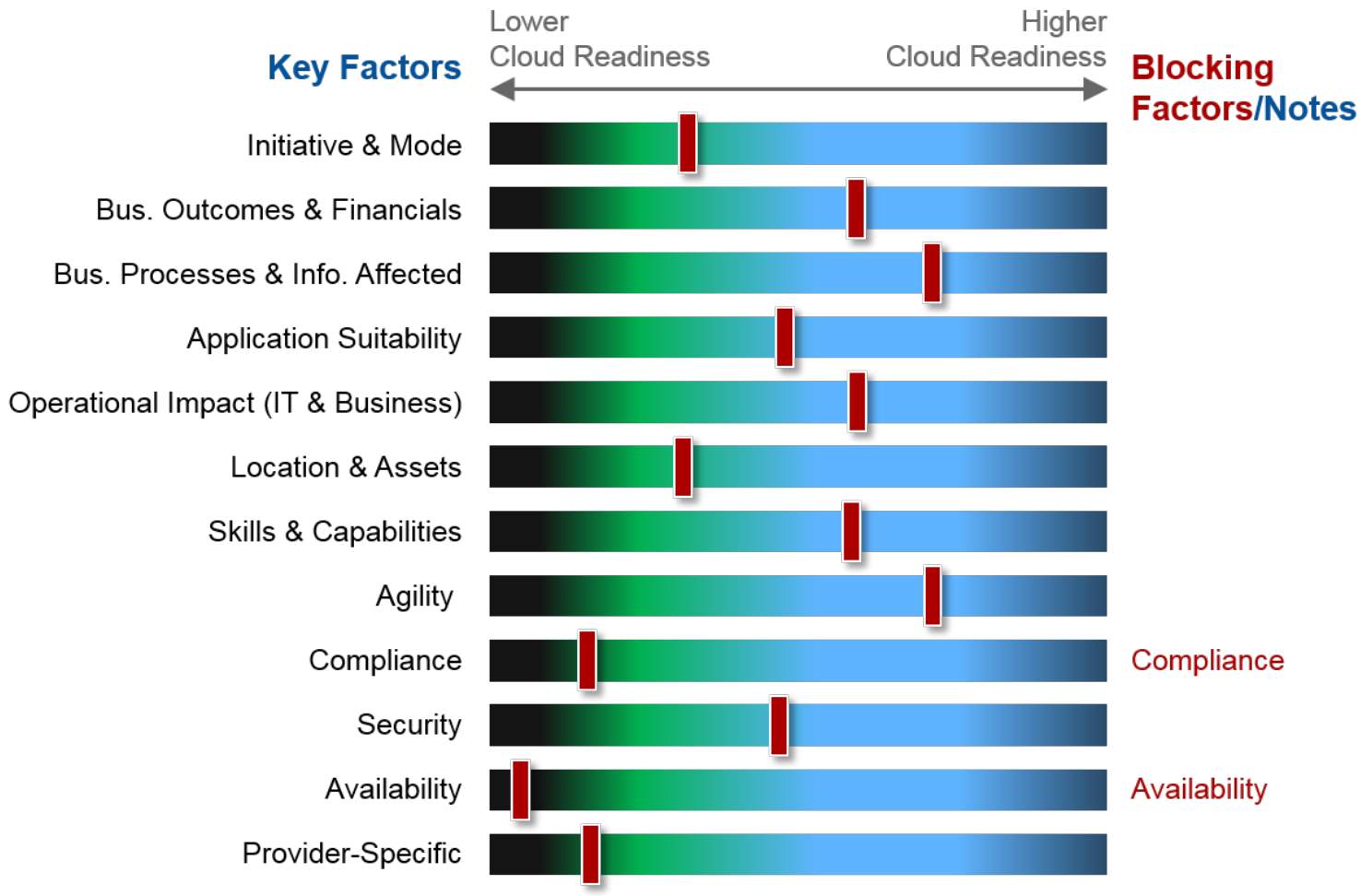
Identify Early Any of the Checklist Factors That May Constitute a Blocking Factor for Using Public Cloud Services; Ask the Team to Evaluate Whether That Requirement Can Be Changed, or to Validate the Finding and Identify Alternative Solutions

Once the documentation of all key factors has been undertaken, a suitable sourcing choice can be made. However, this is unlikely to be simple and straightforward — many of these factors may suggest different sourcing solutions, and they may even point in opposing directions. To simplify the sourcing decision, sourcing managers should apply a structured analysis based on the assessment of the factors.

Additionally, in Mode 2 initiatives, the current assessment of each factor can be delayed by parallel activities and the evaluation of former factors because of the evolution of assumptions due to the fast-fail, fail-forward learning approach. Therefore, other aspects of dynamic utilization of the checklist become extremely relevant to help converge toward the selection of the best services and solutions as early as possible in these initiatives.

Once each of the factors has been evaluated in detail using the subfactors in Table 1, then an indicative assessment can be made of where the results of each factor lies on a comparative scale, using the evaluation tool shown in Figure 1. Across the analysis of the checklist subfactors it is likely that some of the factors will nicely relate to cloud service solutions (for example, agility, systems of innovation, decentralized acquisition, and so on).

Figure 1. Evaluating the 12 Key Factors and Identifying Blocking Factors



Source: Gartner (April 2016)

Nevertheless it is also likely that not all factors evaluated will drive in the same direction (see the sample in Figure 1), because some may well position the category toward the right (high cloud readiness) or left (low cloud readiness). For example, in Figure 1, the compliance, availability and provider factors point toward a low cloud readiness. For each factor, the sourcing manager indicates on the scale against that factor where the analysis results indicate the best fit is. Thus, if the initiative is a pure Mode 2 change, the first factor will be evaluated to the right-hand end of the scale, and a similar analysis will be completed for each of the other factors.

To enable a more rapid identification of the most suitable solution even during the nonlinear Mode 2 initiatives, we advise sourcing managers to identify early in the process any of the subfactors that may constitute a blocking factor for a public cloud solution. These critical findings should enable the identification of noncloud or hybrid alternatives that could potentially deliver on these factors. As a matter of due diligence, the initiative team ought to be asked to evaluate whether these blocking factors can be altered, or validate the finding (that a cloud solution doesn't fit) while identifying any potential alternative solution. (For other examples of blocking factors for a data-center-oriented initiative, see "15 Reasons Not to Migrate Your Data Center to Public Cloud Infrastructure as a Service.")

To understand the suitability of each initiative toward a cloud-based solution, sourcing managers should:

- Evaluate each of the 12 key factors using the high-level assessment tool shown in Figure 1. Since factors evaluated at the right-hand side of the scale are more cloud-ready and those at the left-hand end are less, sourcing managers should use this evaluation to flag an area of misalignment between factors in each category by looking for factors that sit at the opposite end of the scale to all of the other factors. Discuss any such misaligned factors with the initiative team to see if its assessment can be adjusted in the original analysis.
- During the documentation and analysis of the categories, identify the subfactors that may drive toward a very different position than the majority of other factor. These could become blocking factors that make the envisaged cloud solution not appropriate.
- Require the initiative team to review these factors and confirm whether the requirement can be altered or adjusted, or to confirm that a blocking factor has been identified for a specific cloud service, and that an alternative solution (noncloud, cloud inspired, traditional) must be identified. [16]

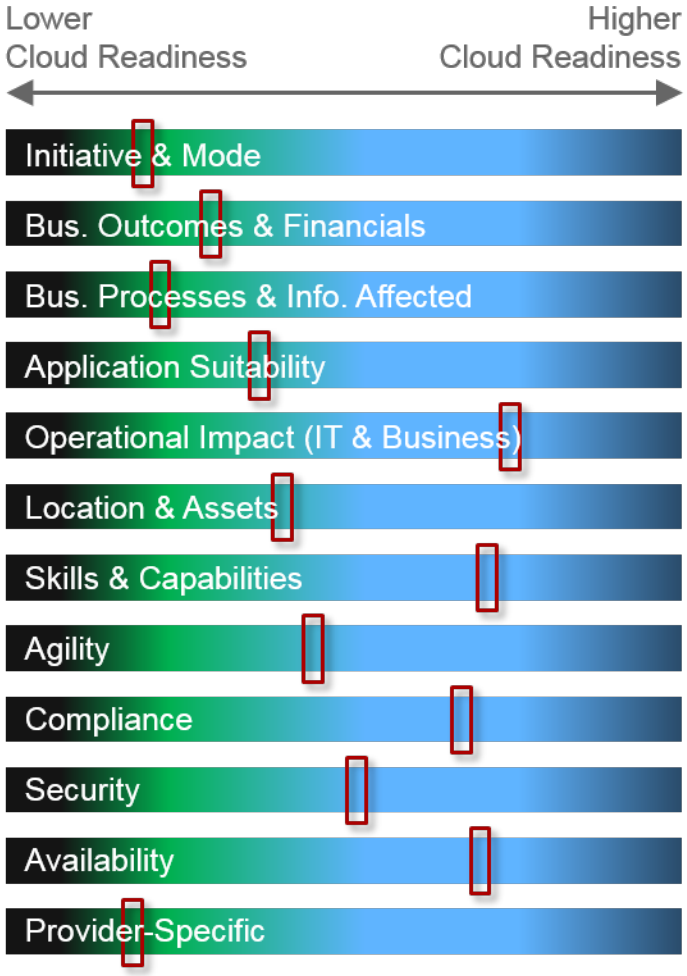
Dynamically Update Your Checklist During Each Initiative Advancement; Use It to Identify the Best Solution Across the Full Spectrum of Available Cloud and Noncloud Alternatives

Once the analysis of all 12 key factors has been undertaken, a suitable sourcing choice can be made across the several available options.

Once each factor has been evaluated as described using the subfactors and the cloud readiness scale, the results can be assessed against each potential sourcing option using a matrix such as the one shown in Figure 2. In this example (for a data center outsourcing initiative), the sourcing options

are shown in each column and the 12 key factors are shown in each row, with an indicator of the overall assessment of each factor being shown by the red bar in the left-hand column. Each cloud and noncloud sourcing option is then assessed at a high level for its support of the required factor to derive an overall best fit at the foot of the column. The reported options are those covered by "Toolkit: Decision-Making Model for Data Center Service Sourcing Strategy."

Figure 2. Selecting the Right Sourcing Option Using the Cloud-First Initiative Key Factors



Private Cloud	Managed Hosting	DCO/IUS	Managed Virtual Cloud	Public IaaS PaaS	SaaS	Offer 1	Offer 2	Offer 3
	X	✓	?	✓				
	✓	✓	✓	X				
	?	?	✓	✓				
	✓	✓	?	✓				
	✓	✓	✓	?				
	?	?	✓	?				
	✓	✓	✓	✓				
	X	✓	✓	✓				
	✓	?	?	✓				
	✓	✓	?	✓				
	✓	✓	✓	?				
	✓	✓	✓	?				
	X	✓	✓	?				

Source: Gartner (April 2016)

To evaluate the correct sourcing solution for a key initiative, sourcing managers must:

- Identify options for the sourcing models or solution providers to be considered, and then qualify each option against each factor using the tool shown in Figure 2. This qualification should be a high-level assessment with three outcomes:
  - Yes (the solution option supports the requirements of the given factor)
  - No (it does not, e.g., blocking or killer factor)
  - Requires further analysis

  In the last case, the solution fit must be explored further to either refine the analysis of the factor concerned or to test the fit by piloting the solution option.
- Once each factor has been analyzed, the overall fit of each solution can be summed in the same way, to derive the solution options that should be considered. This can then be discussed with the initiative team and stakeholders to reach a final decision.
- Identify early and report in the analysis the blocking or "killer factors" whose specific requirements in the checklist indicate that a public cloud solution would be inappropriate and cannot be utilized. Report the reasons why these requirements cannot be altered, and that the whole team has confirmed them as blocking-factors for cloud solutions.
- Use this approach iteratively and across different modes, initiatives and teams, and continuously refine the content of your checklist and subfactors. The repeated use of the checklist will reduce the work to be executed for every new initiative. Provide Gartner analysts with feedback and updates for this cloud-first initiative checklist to improve the quality of this tool and a forthcoming Toolkit that will be published (see Note 1).

Acronym Key and Glossary Terms

CDO	chief digital officer
COTS	commercial off-the-shelf (application)
DCO	data center outsourcing
FedRAMP	Federal Risk and Authorization Management Program
IaaS	infrastructure as a service
IoT	Internet of Things
ISO	International Organization for Standardization
ITAR	international trafficking and arms regulation
IUS	infrastructure utility services
MAD	merger, acquisition and divestiture
PaaS	platform as a service
PHI	protected health information
PII	personally identifiable information
QA	quality assurance
RPO	recovery point objective
RTO	recovery time objective
SMART	specific, measurable, actionable, relevant and time-bound
SOC	service organization control
UC	unified communications

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Cloud Strategy Cookbook"

"A Three-Part Approach to Jump-Start Your Cloud Strategy"

"Devise an Effective Cloud Computing Strategy by Answering Five Key Questions"

"Designing a Cloud Strategy Document"

"A Public Cloud Risk Model: Accepting Cloud Risk Is OK, Ignoring Cloud Risk Is Tragic"

Evidence

[1] Gartner surveyed 400 respondents from large companies worldwide: 65% were CEOs, with the remainder CFOs, COOs, chairmen, presidents and a few others (see "2015 CEO Survey: Committing to Digital").

[2] The 2016 Gartner CIO Agenda Survey gathered data from 2,944 CIO respondents in 84 countries (see "Building the Digital Platform: The 2016 CIO Agenda").

[3] Gartner Survey 2015 Cloud Adoption Survey Completed in September 2015.

[4] In this case, the Mode 1 project was seeking a capital purchase of a specific new server infrastructure to replatform a critical ERP application. It could not be served well by trying to utilize a public cloud service, where the financial, continuity and security requirements could not be met.

[5] In this case, the best solution was identified to be a public cloud, SaaS mainstream solution.

[6] In this case, a private cloud option supported by some remote infrastructure management services was selected over an entire migration toward an infrastructure utility or managed hosting option. This was due to risk and time constraints.

[7] In this case, the set of cloud and noncloud services leveraged spanned the test and development platforms, the testing activities and part of the data migration.

[8] See "A Practical Guide to Bimodal Adaptive Sourcing Research."

[9] See "Business Outcomes, Differentiation and Performance Drive Bimodal Adaptive Sourcing Decisions" and "Devising a Public Cloud Adoption Strategy: Success by Design."

[10] See "Decision Point for Choosing a Cloud Application Migration Strategy" and "Toolkit: Applications Portfolio Analysis for IT Services Sourcing Strategy Formulation."

[11] See "Toolkit: Decision-Making Model for Data Center Service Sourcing Strategy."

[12] "A Public Cloud Risk Model: Accepting Cloud Risk Is OK, Ignoring Cloud Risk Is Tragic."

[13] "Solution Path for Implementing a Public Cloud Adoption Maturity Plan."

[14] How can the sourcing organization start preparing for rapid modernization? See "IT Services Sourcing Reform Will Prepare the Organization for Bimodal IT and Digital Business" and "Key Governance Changes That IT Procurement Must Make to Become Adaptive and Agile."

[15] Effective assessments drive high-quality decisions, improve risk awareness, ensure business objectives are met, are resource-efficient and are necessary for quality public cloud service adoptions (see "Effective Security Assessment of Public Cloud Services").

[16] See "Regulatory Compliance Alone Cannot Mitigate Cloud Vendor Risks."

Note 1 "Bimodal," "Mode 1" and "Mode 2" Defined

Bimodal IT refers to having two modes of IT, each designed to develop and deliver information- and technology-intensive services in its own way:

- Mode 1: Traditional — Emphasizes safety and accuracy while also being able to interact with the other mode.
- Mode 2: Nonlinear — Emphasizes experimentation, agility and speed.

Note 2 Dynamic Checklists

A dynamic checklist is a tool used to centralize into a single list the major factors that are impacting the optimal choice, integration or development of a service or solution. The scope is to be a dynamic repository for key factors, and to document current assumptions and assessment for each factor, enabling further specific decisions in advancement of the initiative and the selection of the solutions. The checklist must also support the revision of assumptions when factors of the focus change due to the advancement of the initiative or the sourcing decisions. The checklist factors are addressed by narrative, factual descriptions (for example, "Describe your vulnerability and threat management approach, including technologies used and your remediation policy, and link to factual documentation").

This checklist is, therefore, not a compliance checklist (that you check once to prove you are compliant, and forget about it), but a working tool for nonlinear initiatives with multiple top-down/bottom-up and outside-in/inside-out endeavors.

Note 3 Stakeholders' Engagement for the Cloud-First Initiative Factors Checklist

Executives in the C-suite, particularly the CEO and CFO, will need to be consulted on strategic objectives and funding options, while the CDO will be essential to provide input on key Mode 2 initiatives. Senior members of the IT team, such as the CIO and the enterprise architect, can provide information on the current and strategic direction of solution, and on integration requirements, while the service delivery manager will wish to ensure that the service needs of the organization are fully factored in to any sourcing decision. The IT security officer, compliance officer and general counsel will set the requirements and constraints for security, compliance and data residency, and may also help in identifying key provider risks, as will the procurement manager. There will also be stakeholders specific to a given initiative, and consideration needs to be given to identifying and consulting with them on their requirements. For example, where a given initiative is aligned to a particular business unit, or if it is likely to cause disruption or change to existing lines of business, the heads of those business units must also be consulted.

Note 4 Feedback to Gartner

Gartner clients can interact through different channels to Gartner analysts or other Gartner clients. The most used channel is through inquiries, one-to-one discussion between a client and a Gartner analyst. Gartner handles more than 500,000 inquiries a year — of which more than 50,000 deal with cloud topics. Another interaction channel between clients and, potentially with analysts, is Gartner Peer Connect, a peer-to-peer exchange forum that enables end-user professionals to connect, collaborate and share real-world advice with their peers. Feedback can also be simply shared via email, at Claudio.darold@gartner.com.

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