

Cloud Goes Mainstream and Managing Cloud Strategically

A two-part webinar series

June, 2015

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In June of 2015, ITWC held a two-part webinar series on the topic of cloud technologies. These webinars were facilitated by Jim Love, CIO and Chief Digital Officer, ITWC, and Paul Monaghan, Director of Cloud and Managed Services, Solution Development, with Rogers Communications. The following represents a summary of the two editorial articles written about the webinars, together with the addition of responses to poll questions asked of the audience, and other key take-aways from the discussions held.

PART 1 Cloud goes mainstream in Canada: Exploding 10 cloud computing myths

While Canadian businesses tend to be late adopters when it comes to new technologies, there is a consensus that cloud computing is poised to go mainstream in Canada – but businesses will need to tread carefully if they want to reap the benefits.

Taking a deep dive into Canada’s move to the cloud, Monaghan noted that many businesses are still thinking about where they need to be rather than moving along the path, but there is a definite shift happening away from traditional in-house IT when it comes to hardware, software and staffing.

“Canadians have adopted cloud providers, but it’s difficult to pin down how much because of differing definitions,” said Monaghan.

Canadian businesses are primarily focused on three flavours of cloud:

- **Software as a Service (SaaS):** owned, delivered and managed remotely by one of more service providers;
- **Platform as a Service (PaaS):** application infrastructure services including application platform, integration, business process management and database services; and
- **Infrastructure as a service (IaaS):** a standardized, automated offering where compute resources, storage and networking capabilities are owned and hosted by a service provider and offered on demand.

“ Find those apps that make sense and move those first.

— Paul Monaghan,
Rogers Communications

“Canadians are focused on IaaS. We haven’t seen much take up on PaaS, and SaaS is a no-brainer these days with applications such as Office 365, Google for Work and Salesforce,” said Monaghan.

Other cloud types include the private cloud, community cloud, public cloud and hybrid cloud. Love noted there are a lot of differing definitions for hybrid cloud, but Monaghan’s definition is the coordinated use of cloud services across provider boundaries.

Hybrid cloud is becoming the stepping stone to doing more and more in the cloud. Gartner forecasts hybrid cloud use growing from the preferred solution of seven per cent today to 20 per cent in 2017, with sectors such as healthcare, insurance and government leading the way.

“The Canadian marketplace is very much embracing the hybrid cloud,” said Monaghan. “They realize you can’t do everything in the public cloud. Some things transition well into the public cloud and some don’t. Companies want to have control over highly sensitive things they want to keep internal, and that customer layer and anything that needs to be more dynamic can move into the public cloud.”

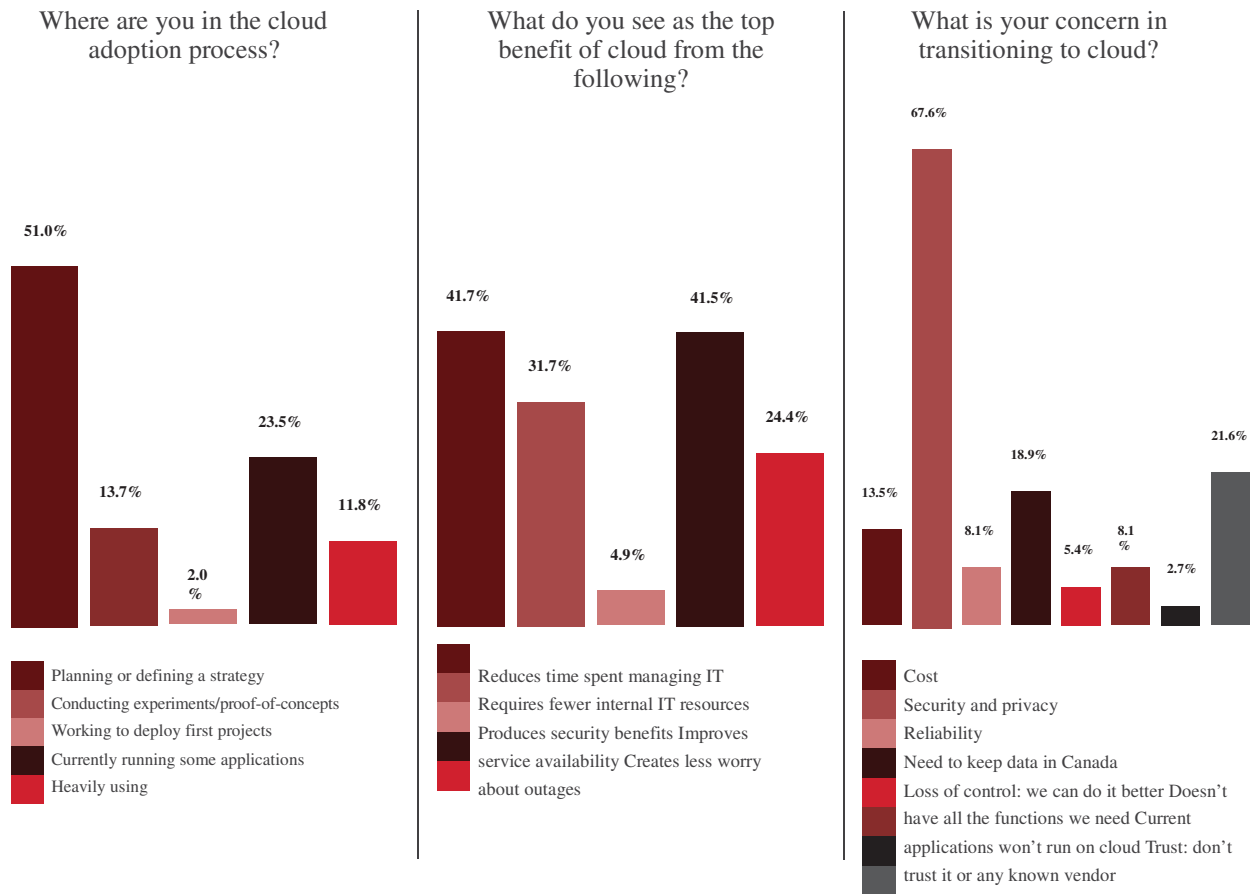
Public cloud is also popular, particularly in the manufacturing industry, with 63 per cent of global respondents saying they’re making significant investments in it. Banking, education, retail, transportation and wholesale trade also scored highly for public cloud investment.

“Businesses are trying to get those non-core competencies off their plates, focus on what is core and speed up their businesses,” said Monaghan.

And once companies move some workloads to the cloud they tend to be happy they did. A U.S. study found that 43 per cent of companies that have adopted the cloud wish they had done so sooner.

“Pretty much all the companies I see these days have some sort of asset that is cloud-based,” said Monaghan. “The feedback is once they do it, they realize how good that is.”

RESPONSES TO POLL QUESTIONS – PART 1



Before they get to the cloud though, there's some myths they need to overcome.

1. Cloud is always about money

There can sometimes be cost savings by moving to the cloud, but Monaghan said that's not why you do it. "You go to the cloud to leverage some of the operational efficiencies and get your staff working on what's important," he said. "Money is always a concern, but you get what you pay for and you've to make sure what you're buying makes sense."

2. You have to be cloud to be good

Cloud-washing, or vendors attaching the term cloud to whatever product they're pitching, is running rampant. It has led to the myth that if it's cloud, it must be good, and it needs to be cloud to be good. "Cloud doesn't need to be used for everything, and that's where hybrid comes into play," said Monaghan.

3. Cloud should be used for everything

The cloud may not benefit all workloads equally, and it would be wrong to assume it does. Each application should be looked at on an individual basis to see how it should be handled, and that may mean a non-cloud solution.

4. "The CEO said so" is a cloud strategy

If your cloud strategy is going to be successful, it needs to rest on a strong business foundation. That means identifying business goals and the potential benefits the cloud could mean in achieving them. Cloud is the means to an end, not the end itself. "If you as a company can develop that strategy you'll be far more successful," said Monaghan.

5. We need one cloud vendor

Companies want to minimize the number of vendors they work with to limit complexity, but there's no one cloud solution that does everything. Working with a service provider such as Rogers that brings the vendors together can

help manage that complexity, and Monaghan said companies really need to develop a cloud strategy for each of its business units – what’s right for IT may not be right for marketing.

6. Cloud is less secure than on-premises capabilities

In fact, Monaghan said service and cloud providers have more to lose than an individual business, and so they invest much more heavily in security infrastructure and expertise. Security isn’t the core competency for most companies, but it is for Rogers, so choosing the right service provider can actually mean a more secure environment.

7. Cloud is not for mission-critical use

“I wholeheartedly disagree with this one, and so does every mid-sized and large company that has moved to the cloud,” said Monaghan. “There are use cases where cloud isn’t a fit – I wouldn’t run the Canadian Air Traffic Control system on Amazon – but for most businesses you can create a far more resilient solution using cloud infrastructure.”

8. Cloud = data centre

A cloud strategy is not a data centre strategy, and the cloud is not a data centre. Cloud isn’t an all or nothing proposition.

Look at cloud decisions on a workload-by-workload basis, rather than taking an “all or nothing” approach. Cloud and data center outsourcing strategies are related, but they are not the same thing. Assuming that cloud is “all or nothing” leads to the wrong analysis. Look to link cloud and data center strategies. Focus on cloud services and service interfaces.

9. Migrating to the cloud means you automatically get all cloud characteristics

Not true, said Monaghan. It will take time. And it will depend on the solution. Just because a solution is hosted doesn’t mean it’s a cloud service; it could simply be an application moved from your data centre to that of a service

provider. That will be enough for some solutions; for others, you may want and need the traditional cloud characteristics, including scalability and elasticity.

10. Virtualization = private cloud

“Cloud is more than just virtualization. Technology aside, it’s likely to have virtualization as part of it, but what are the operational things you’re doing differently than before?” asked Monaghan. “If you haven’t changed operational procedures it’s not really a private cloud. You’re just leveraging the economies of scale of a virtualization platform.

When it comes to moving to the cloud, Monaghan advises to not try boiling the ocean. Instead, look at your infrastructure and come up with a plan.

“There’s no one cloud strategy. It’s different for every business,” said Monaghan. “Choose low hanging fruit to move to the cloud, picking the solutions that make sense.”

PART II Managing Cloud Strategically

Are you taking a strategic approach to the cloud? Not all companies are being pushed into the new computing paradigm by the drumbeat of the hype machine. But if your cloud journey is to be a success, you've got to have a plan. In part-two of this webinar series, attendees heard how realizing the benefits of cloud computing requires a deliberate approach.

While it's always his own personal preference, not many companies are going to take a "cloud first" approach to their IT infrastructure noted Monaghan. When it comes to both net new and replacing existing IT functionalities, IDC research shows "cloud also" is the most popular option, followed by "cloud first" with a few companies taking a "cloud last" approach.

Monaghan said this data isn't surprising – most companies have legacy IT infrastructure and solutions that won't port well to the cloud. It's hard to move all applications to the cloud – some work better than others. "Always look at the best solution for the task," advised Monaghan.

The challenge for many organizations though is that their legacy infrastructure is holding them back. Born in the cloud companies like Uber and Air BNB are leveraging the agility of their cloud-first infrastructure to rapidly scale on demand and disrupt the traditional paradigms in their respective fields of business. For most companies though, it's hard to innovate when 80 per cent of your IT budget is dedicated to keeping the lights on – just 20 per cent, if you're lucky, is left for innovation.

You've got to find a way to innovate though because your competitors will. More than half of the companies that were on the Fortune 500 list in 2000 aren't on the list today – it truly is innovate or perish. And Monaghan said cloud can give businesses the time for innovation they sorely need.

Three-quarters of businesses surveyed by Harvard Business Review said cloud had given them a competitive advantage, including getting to market faster,

becoming more responsive to change, realizing operational efficiencies and cost savings, and being able to redirect resources to fuel more innovation.

Monaghan shared five steps that should be part of your cloud strategy.

1. Identify your strategic vision

What's the reason you're going to the cloud? When you have that clearly in mind, then identify your motivations. Common ones include: accelerating application agility to gain competitive advantage; improving IT efficiency of staff and infrastructure; and reducing risk with continuity of critical applications.

2. Assess where you are on your cloud journey

You may have a few applications up and running on the cloud and be wondering about the next steps. You want to start by determining your cloud maturity. As your maturity increases, so do the benefits. At the bottom of the scale is a cloud watcher; this company is still defining their strategy and launching their first proof-of-concepts. On the top end is a cloud-focused company; they have a cloud first strategy, are brokering cloud services and have implemented DevOps. Most businesses today are in the middle.

3. Prioritize your cloud projects

Look at the best workloads to move into the cloud, focusing first on projects that deliver real bottom-line benefits you can quantify while offering a minimal security risk.

4. Overcome the four common cloud challenges

“Developing a cloud culture is a big one for me. And it's not just the IT department that needs to think cloud; it's the line of business as well,” said Monaghan. Other challenges include getting the security right, ensuring a reliable service is delivered, and optimizing your costs.

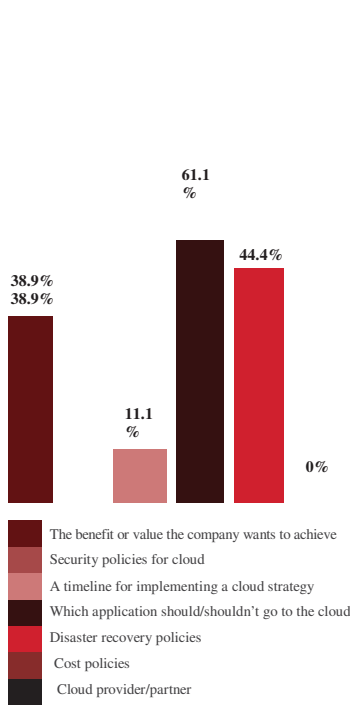
5. Choose your cloud adoption pattern

There are three cloud adoption patterns. With “cloud first” cloud is the default choice whenever feasible. With “targeted” specific apps or types of apps go to the cloud. And with “grass roots”, developers are enticed to use the cloud for their apps. “Whenever feasible you want to go cloud out of the gate, but you need to start somewhere and targeted is also a very common approach,” said Monaghan. “Find those apps that make sense and move those first.”

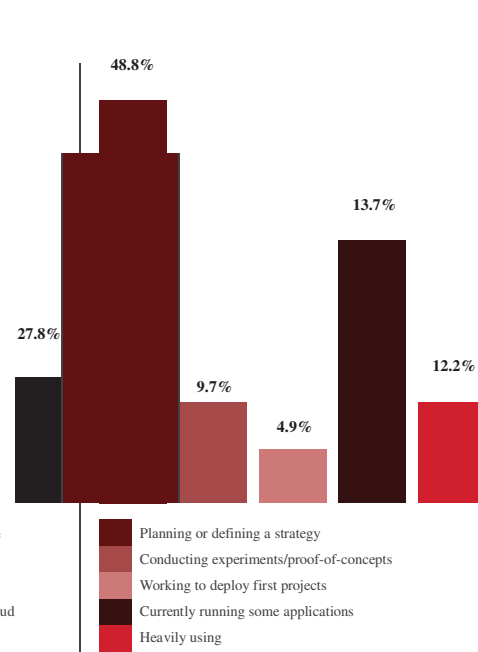


RESPONSES TO POLL QUESTIONS – PART 2

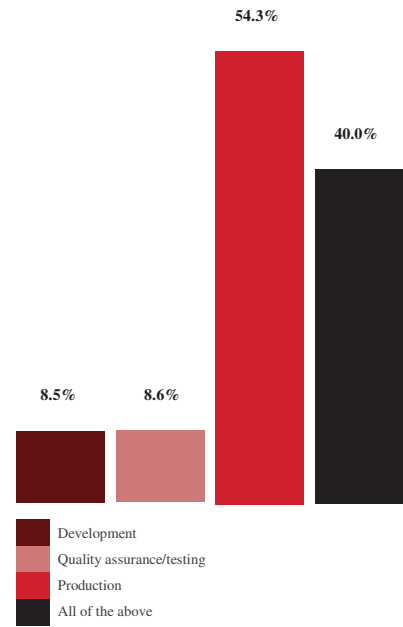
Which key cloud strategy elements has your organization already defined?



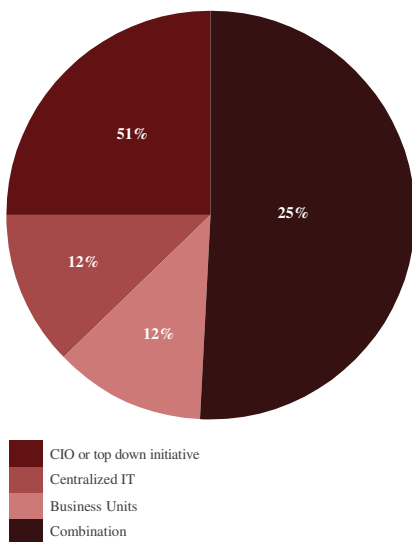
Where are you in the cloud adoption process?



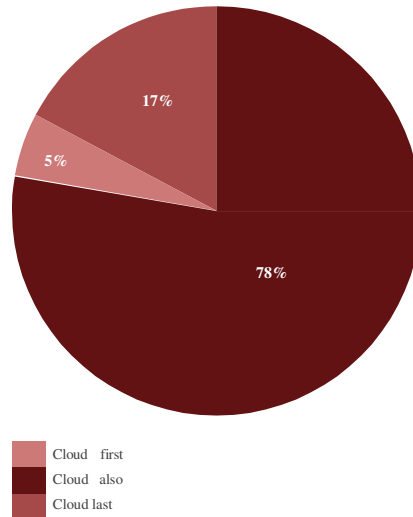
What types of workloads are you moving to the cloud?



Who in your organization makes the decisions around the adoption of cloud services?



How would you describe your organization's general posture towards using cloud services?



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