

DEFINING THE ENTERPRISE CLOUD

White Paper

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EXECUTIVE SUMMARY

Cloud services promise to unlock the value of IT, and start to deliver strategic business value.

Cloud computing is one of the most talked-about technology trends, with many promised business benefits. While there is no doubt they can be of immense value to the enterprise, cloud services have attracted myths and hype. Adopting cloud services is likely to be an evolving process for any enterprise, and it is important to understand how existing services fit the cloud delivery model, and how an organisation should approach cloud computing.

This White Paper separates the fact from the fiction; it examines the role of cloud services in the current business environment, and the factors to consider before adopting them.

INTRODUCTION – BACKGROUND

Global economic uncertainty, triggered by the burst credit bubble, has created volatile working conditions for today's CIOs. In an ever-changing marketplace, it is difficult to predict future IT requirements. Inadequate provision or reliance on failing legacy technology will result in poor performance, leading to lost customers, revenue and productivity. Conversely, over-specifying an IT infrastructure consumes valuable capital; research¹ has shown that servers are typically only 5 – 15% used, direct-attach storage is only 20 – 40% used and as much as 70% of file data is never accessed again.

However, there are valuable business opportunities for those bold enough to seize the initiative and harness cloud services effectively. Cloud services drive value from an IT estate and ensure a quicker return on investment. Delivering applications from within the cloud also mitigates risk, and provides predictable total cost of ownership.

Cloud computing promises to deliver innovation whilst reducing costs, allowing IT services to be accessed and paid for on demand. These services can enable profitable practices, such as collaboration, without impacting on existing infrastructure.

This allows the CIO to orchestrate rather than merely operate his resources, and remove some of the traditional IT barriers imposed on businesses. There is no longer the need to buy equipment to cope with seasonal or peak demand, or to unite disparate departments or individuals; these needs can be answered simply by renting capacity in the cloud. This offers the CIO a way of reducing operating costs, while delivering competitive advantage for the business.

1 Source: Cable&Wireless Worldwide Internet survey

PROBLEM DEFINITION

The pace of change in today's markets, and the rise of new business models place further pressure on organisation's IT departments to deliver innovation and cost efficiencies.

The smart CIO needs to manage the pace of competitive change: introducing new services to help the business compete and succeed, while maintaining the existing infrastructure and the services the business already relies on.

Unfortunately, in the past IT has often failed to deliver its promises, or to provide practical solutions for anything but the largest organisations. Businesses have invested heavily, only to find their expensive IT infrastructure has only provided a fleeting advantage, leaving them with an inflexible, dated legacy.

SOLUTION OVERVIEW

This time, the IT revolution is different. With cloud services, infrastructure, software, storage and security are all available to access outside the corporate firewall, on demand and effectively on a pay-as-you-use basis.

As more and more cloud services become available, many more businesses are adopting them as they no longer need to make significant financial commitments to IT. In fact, trying to replicate what some of the world's largest technology and communications providers are delivering, within the limits of the corporate organisation, does not make economic sense.

A question often asked of CIOs by the business is, "How many other departments can run at 25% utilisation and yet still ask for more capital to fund new projects?" The cost, time and skills required to continue 'in-house' operations whilst trying to adopt new technology to meet the demands of the business are prohibitive. Paying out to stand still is not sustainable in today's challenging economic landscape.

Optimising the existing infrastructure is therefore a key requisite as part of a cloud adoption strategy. One way of doing this is to embrace the virtual value chain of technology partners and service providers, who have already defined an optimum operating model.

The key challenge is for enterprises to move away from a dedicated infrastructure, to a greater mix of virtualised and cloud services, ensuring the business is served while reducing costs. Cloud services form part of the answer; some services naturally fit cloud adoption while others take time to integrate. The CIO needs to manage legacy systems and resources while working towards improvements in the standardisation, virtualisation and automation of services, looking to introduce emerging cloud services where the opportunity arises. Cloud services therefore help the CIO plan for the future, within the bounds of current constraints on capital and resources.

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DETAIL FOCUS

There are still concerns and barriers to adoption for cloud services. The key concerns are around the actual cost efficiencies promised by the cloud, plus the security and control of data, availability and defined service levels.

To determine what cost efficiencies are achievable requires an audit of the IT estate, assessing how existing assets are utilised and what could be potentially optimised. Software as a Service options for areas such as collaboration, email, and security, plus storage tiering all represent opportunities to optimise and gain cost efficiencies. Savings can also be generated by adopting shared service or multi-tenant services, and by examining potential computing efficiencies within departments and business units.

Security of data is a major area of concern, especially if there are specific compliance issues such as PCI to consider. The key is to determine what data is suited to dedicated private cloud and what is suited to a secure multi-tenanted environment. To stay in control, the enterprise also needs to know where data and software is deployed, used and destroyed. It's important to differentiate between public and private cloud services, as there is more ability to stay in control of private cloud services than public.

Additionally, because cloud services are readily available, they are sometimes being adopted on an ad hoc basis, by individual departments. As CIOs have a unique, overall view of their organisations, they need to define how cloud services are used to best serve the whole business – not just one department.

To ensure availability, as with any outsourcing arrangement there should be clearly defined service level agreements for service strategy, design, transition, operation and continuous improvement.

BUSINESS BENEFITS

As a leading provider of business critical communications, Cable&Wireless provides businesses with the key benefits of cloud services whilst addressing their needs - security, availability, control and cost effectiveness.

As an established cloud infrastructure services provider in the UK, we've built strong partnerships with leading vendors and delivered innovative and energy-efficient 'Next Generation Data Centres'. These not only support traditional server and virtualisation services, and storage and network operations; they also offer dedicated, private and multi-tenant cloud capabilities.

Our Cloud Services portfolio allows businesses to focus on their real strategic initiatives, taking the headache out of managing increasingly complex services. Simple initiatives such as one mail platform or centralised voice services can now become a reality. We make islands of technology a thing of the past, providing service level agreements and a rate of change that suits an organisation's finances while satisfying its other business requirements.

SUMMARY

Cloud computing can change the way enterprises do business today, and in the future.

Cloud services offer the ability to accelerate IT capabilities, without the corresponding increase in costs. As long as it is adopted using a sound, appropriate business strategy, the cloud will provide a secure, available, agile, cost-effective set of services that will deliver all it promises.

FIND OUT MORE

For further information about any of the issues outlined in this paper, or for details of Cable&Wireless Worldwide's Cloud Services, please contact:

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