

Dive into the Cloud with Your Eyes Wide Open

Moving to the cloud is more than just a technology effort

Cloud

Moving to the cloud is a compelling proposition for many medium-sized enterprises. And why not? The usual pitch for such a move makes it sound simple enough. In principle, the cloud offers a robust infrastructure with all the hardware and architecture you would want in your own data center but without the overhead.



Instead of buying hardware and running the infrastructure yourself, you push the risk and burden to a third-party vendor. Economies of scale keep the price reasonable. A pay-per-use model optimizes the IT spend on usage, so you get elastic analytics for data when you need it and can decrease the volume when you don't.

Unfortunately, the overriding reason most companies consider the cloud is financial. But before you can reap the full advantages of the cloud, you need to find out if the cloud is right for you. This means entering the cloud with your eyes wide open. Here are a few of the areas where companies struggle to understand the risks of a move to the cloud.

Is the cloud financially worthwhile?

You won't find a financial standard to help you understand if running an application in the public cloud rather than in your own data center is worth your while. Sure, on face value it will look cheaper in the cloud. But you need to think about how it will impact your entire business.

How will moving your operations to the cloud impact your operating model?

Some of the systems that support your core business will need to change with a move to the cloud. That change can be a risky proposition, especially if you haven't analyzed what the risks are.

Will you be compliant with your industry's regulations in the cloud?

In some instances, compliance requires a lot of network and storage separation, which can mean running both a virtual and a physical environment.

Can you delegate the provisioning without losing control of your data?

In the cloud, your users have the flexibility to allocate virtual machines. But do you still have control over the data? Is that data secure? Do you retain your data if you opt out of your cloud contract?

You need to think about a move to the cloud as much more than a technology effort, much more than the physical migration of data from point A to point B. This means stepping back and creating a standardized process and strategy for why you're moving to the cloud in the first place. Areas such as change management, data management and security can be very impactful to your success.

The Risks of a Technology-first Approach to the Cloud

Here's what happened to a global telecom company who tried to re-architect and rebuild their applications in preparation for a move to the cloud by focusing only on the technology process. They spent a humongous amount of time on technology first to ensure their applications would work in the cloud, disrupting their business process and applications. Then they made the move to the cloud and disrupted everything a second time because of the differences in the way the cloud works.

The company had to retool their organization twice, because they did not analyze the impact the cloud would have on their business operating model. As a global firm, you need to make use of the flexibility and scalability of the cloud to move your environment as it is, then renovate your applications based on what the cloud provides. But first – before you ever get to that step – you have some upfront work to do. You have to work on your strategy. We believe that process and strategy are key to the success of any cloud implementation.

We know this from experience. When Hitachi Consulting implemented the Oracle Sales Cloud, we first focused on getting global processes built, defined and approved to be predictable and repeatable. By eating our own lunch, so

to speak, we've learned that developing global processes can drive greater success for our clients as well.

The Rewards of a Value-first Approach to the Cloud

Consider this example of a company that planned for their move to the cloud. Recently, we worked with a food manufacturing business that focuses on providing spices and other basic ingredients to well-known food processing companies. The company had experienced tremendous growth both organically and through acquisitions. This growth resulted in a data center infrastructure and systems for communications, forecasting and financials that were too small to meet their needs.

The manufacturer came to us for advice on how best to proceed. We started by walking them through an assessment and planning process that we highly recommend to any company considering the cloud. Without the assessment, we would not have been able to discern what would serve the manufacturer best – possibly optimizing their supply chain or even growing their applications on premises.

As it turned out, the best strategy for this company was to move all their current applications to the cloud. With that accomplished, we helped them take advantage of a flexible, scalable cloud platform to undertake redesigning the company's business processes and systems with help from cloud-enabled vendors. This value-first approach has allowed the manufacturer to make more acquisitions and grow into a more global presence – assessing each move first and how it fits into their larger vision.

Five Steps to Take Before You Move to the Cloud

If you are thinking about moving your business to the cloud, it's time to undertake the upfront work that will ensure your success. Before you engage in migrating your applications to the cloud, we recommend pondering these five steps.

1. Consider how your business will benefit from a move to the cloud.

It's important to pinpoint the business use cases and problems you want to resolve by moving to the cloud. If you haven't defined the business value first, you won't have a clear idea of what you need to do and will probably tackle either too much or not enough.

2. Understand your culture.

Adopting cloud computing requires a fundamental shift in business processes and employee attitudes both inside and outside of IT. Your success in the cloud may hinge on the approach you use to overcome resistance to change. For a global company, the impact and the approach could be different in Asia, Europe and the United States.

3. Know your data.

Just because you are putting your data in the cloud doesn't make it any cleaner or more reliable or more accessible. You will face the same data issues in a cloud environment that you faced in your data center. Understanding your data, your services and your processes will help you identify what cloud resources you need.

4. Identify what data, processes and services are good candidates for the cloud.

Some applications can move to the cloud in a seamless fashion. Others can prove troublesome, such as an enterprise resource planning (ERP) system that wasn't designed for the cloud. Try for the easiest wins first, but make sure they fit into the bigger picture.

5. Create governance and security strategies around your data.

Before you can implement such strategies, you'll need to know who owns your data and whether you can get it back if you pull out of the cloud. You'll also need to know how your data will be backed up, how you will ensure business continuity and how you will comply with industry regulations for data protection and retention.

What You'll Get by Being Prepared

It takes time to plan for a move to the cloud, but the business benefits are worth it. A company that makes a successful transition to the cloud has much to gain, including speed to market, reduced risk and better financials. Here's what being prepared can do for your company:

- Free up internal IT resources to focus on value-added activities for the core business.
- Adapt to evolving conditions with an elastic cloud that allows you to dial up the right amount of power, hardware and resources when you need them most.
- Improve employee morale with options for working from different locales and better access to data.
- Expand the IT testing budget to deliver better value to clients and satisfaction to end users.

Summary

Before you devote time and IT resources to cloud migration, your company needs to fully explore their expectations for the cloud. You need to decide what business functions will move to the cloud and the value of each move. You'll also need to understand how the cloud will impact your people, process and technology. This insight will allow you to develop a considered plan of action that includes appropriate change management, data management and security.

Hitachi Consulting offers the technology and resources companies need to maneuver through every stage of a cloud transition. We can help you assess the value of the cloud for your particular business. We work with you to create a roadmap for moving to the cloud and we apply appropriate change management to suit cultural differences. Once you've moved to the cloud, we can redesign your processes and operations for the new platform.

As part of the One Hitachi global organization, we work with Hitachi Data Systems and our other group companies to seamlessly move your applications and infrastructure into our private, public or hybrid cloud offerings. Our Hitachi Cloud Framework integrates consulting services with cloud hosting capabilities to ease the cloud transition and pave the way for successful business growth. By doing it right the first time, you'll truly enter the cloud with your eyes wide open.

About Hitachi Consulting Corporation

Hitachi Consulting is the global management consulting and IT services business of Hitachi, Ltd., a global technology leader and a catalyst for sustainable societal change. We build on that technology heritage by propelling companies ahead through superior operational performance. By working within a company's existing processes and focusing on targeted functional challenges, we help our clients respond to dynamic global change with insight and agility. Our unique approach delivers measurable and sustainable business results, and a better consulting experience.

Learn More

info@hitachiconsulting.com



14643 Dallas Parkway
Suite 800, Dallas, TX 75254 USA
www.hitachiconsulting.com

Ph +1214 665 7000
Fx +1214 665 7010

Hitachi Consulting is a leading global professional services company and business integrator for the IoT era. We engage with clients to solve complex business challenges with innovative and integrated solutions across industries in the spirit of our parent, Hitachi, Ltd., a global leader in technology and social innovation.

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