

# CUTTING THROUGH THE HYPE OF CLOUD COMPUTING

MODERN HYPE WOULD SUGGEST THAT IF YOU DON'T HAVE A ~~CLOUD~~ 'CLOUD STRATEGY' ALREADY IN PLACE AND YOU ARE NOT ALREADY PLANNING ON MIGRATING THE BULK OF YOUR APPLICATIONS TO 'THE CLOUD' THEN YOUR COMPANY IS CERTAIN TO BE LEFT BEHIND BY THE COMPETITION. CUTTING THROUGH THE HYPE, THERE IS ONE KEY THING THAT NEEDS TO BE REMEMBERED: CLOUD COMPUTING IS JUST ONE OF SEVERAL OPTIONS AVAILABLE FOR THE EXECUTION OF YOUR IT STRATEGY AND OBJECTIVES. IT IS NOT THE BE ALL AND END ALL OF ENTERPRISE IT. WHY? BECAUSE LARGE ORGANISATIONS WILL NEVER MIGRATE ALL THEIR APPLICATIONS FROM THEIR DATA CENTRES TO THE CLOUD.

# CUTTING THROUGH THE HYPE OF CLOUD COMPUTING

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## 1. THE POTENTIAL BENEFITS OF CLOUD COMPUTING

- a usage-based commercial model and potentially competitive unit prices
- flexibility to increase or decrease capacity
- the rapid deployment of services
- no upfront investment in infrastructure required
- variable length contracts with short termination notice

## 2. THE RISKS AND ISSUES OF CLOUD COMPUTING

- potentially high unit prices as the supplier adds in a risk premium
- ownership, control and protection of data
- security - data is stored in shared infrastructure
- compliance - no control over data location or movement
- lack of proven service level agreement frameworks

The challenge facing the large enterprise is to carefully balance the opportunities and the risks. We believe there is merit in applying cloud-type principles to the enterprise IT state, without necessarily moving to a fully integrated cloud-based delivery model.

## 3. SOME OPPORTUNITIES AVAILABLE ARE

- **Optimise data centre running costs.** Data centre consolidation and the implementation of solutions to improve energy, rack, cabling and floor space efficiencies at your data centres should be part of your IT cost optimisation strategy.
- **Build your own cloud.** Large organisations have the critical mass to take advantage of the same technologies that cloud

computing providers use. You can implement corporate private clouds with the same technical features that make public cloud services so cost effective. You may have already implemented some server virtualisation; the next step is to gradually transform your server estate into a more homogeneous base with the appropriate scale to be used as a multipurpose, demand-driven private cloud.

- **Consider enterprise-wide multi-tenancy.** In much the same way as cloud computing providers take advantage of the multi-tenancy feature in their infrastructure, you can also apply the same principles within your organisation. Consider your company's business units or functions as individual tenants of your private cloud and reallocate resources to an application as and when it requires the extra capacity. You can subsequently redeploy the same servers to a different application when required.

- **Optimise your network.** Data centre consolidation and application migration to centralised environments in a private cloud means that your current network traffic profiles will change. You should consider the use of traffic profiles will change. You should consider the use of technologies like WAN acceleration and application optimisation services. This will ensure you have the network in place to be able to support either a move to cloud services or the changes you make within your data centre. After all, without the network there is no cloud.

In summary, the cloud is yet to mature or prove its case within large enterprises. There are still some significant hurdles to be overcome in order for organisations to be convinced of the business case for moving to a fully integrated cloud based service delivery model. Until the risks and issues with cloud computing are resolved, adoption will continue to be fettered.

## ABOUT US

Wavestone is an international consultancy that provides connected thinking, insight and capability to industry leading organisations. We work collaboratively with our clients to plan strategic business transformation and seamlessly turn strategy into action.

## FIND OUT MORE

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