



colt

**How to unlock the
true value of your
cloud migration**

www.colt.net

The true value of a successful cloud migration

A lot of companies talk about the bottom line of cloud computing, focussing on cutting expenses through agility and efficiency - but the true value of the cloud is a lot more. Not only does this technology allow businesses to trade in big outlays for more affordable monthly subscriptions, but it makes essential tools accessible to everyone.

Teams are more agile, workers are more productive, collaboration is better supported and businesses can be more responsive to changes in their industry.

When looking at the cloud on a larger scale, it's clear that the shift to cloud-based platforms and applications has positive impacts that go far beyond individual brands. The macroeconomic impact is vast and the commercial contribution of the industry has bolstered the global economy.

How the cloud is advancing industries

The global cloud computing market is set to reach \$295 billion by 2021, a 12.5% growth from 2019 (despite COVID-19 disruptions). And while SaaS (Software-as-a-Service) dominates, IaaS (Infrastructure-as-a-Service) will see the biggest growth this year due to data centre consolidation, altering the way organisations migrate workloads to the cloud.

Furthermore, it is predicted that over \$3.9 trillion in IT spending will be affected by cloud adoption by the year 2022. One of the largest growth areas in recent years has been CRM, and we have already reached the tipping point where there are now more CRMs in the cloud than hosted locally.

A decade ago, it was a very different story for businesses living in the shadow of industry leaders. There was no way for smaller enterprises to afford the same grade of software licensing as their bigger, more established competition. With more access to critical business applications and IT infrastructure, and flexible ways of acquiring them, industries are experiencing growth as well as a change in corporate culture. From aligning departments through better communication to raising the bar for transparency and supporting remote workers, cloud computing opens up endless opportunities.

This leads us to discuss the micro value returns that can be obtained from cloud migration. But in order to measure success, it's essential to understand the true purpose of cloud in your business, not just the monetary gains.





The core purpose of cloud in your business

The word “efficiency” is important, as this is often cited as the main purpose. However, that doesn’t mean it will magically boost your bottom line. While efficient operations cost less to run, the real value is saving time, being able to operate from anywhere in the world, increasing productivity and the ability to be responsive to changing trends and needs.

The reason why businesses don’t always see an immediate and direct cost saving is that efficiencies achieved through cloud are long term. In the day to day, employees may save time searching for documents, taking part in ineffectual communications or dealing with clunky software updates. Over time employers can optimise resource allocation and workers will have more job satisfaction, enhancing staff retention and minimising any associated costs of recruitment.

Where businesses go wrong with the cloud is not understanding what they are trying to achieve, and simply getting drawn into vanity projects. This ultimately leads to choosing the wrong vendor and selecting services that don’t align with business goals.

This is a common issue when there are a lot of stakeholders involved, each with a different vision of what’s best. IT leadership needs to play a key role in steering the ship and ensuring it remains on course and this can mean managing multiple investors, directors and board members. If your cloud vendor, the connectivity partner and the adopted services and products don’t solve existing problems, then your migration initiative simply won’t provide the efficiency or cost savings you desire.

What is the role of IT leadership in migrating to the cloud?

As discussed, one of the biggest mistakes that businesses can make is not having a well-defined strategy, and IT leadership is an important part of making sure there is a clear goal.

It’s vital that senior IT leaders have the tools to support the growth of cloud within their organisation and accountability is a major part of this. Someone needs to champion migration projects, be a key decision maker while juggling the desires of stakeholders, and act as the in-house expert on all things cloud.

A significant part of this is delivering a strong business case to senior leadership. Stakeholder buy-in is crucial to success, and so the business case needs to be realistic and thoroughly analysed to ensure it will meet expectations, achieve its purpose and stay within budget. For CIOs, a large migration project is a career defining moment. If they fail or don’t deliver as promised in the initial business case, they’ll lose trust, credibility and maybe even their job.

Building your cloud team

Every organisation with a presence in the cloud should have a Cloud Centre of Excellence (CCoE). This term, coined by Stephen Orban in 2016, describes a team of people that is responsible for developing a cloud operation framework. One of the fundamental roles of the CCoE is governing the IT infrastructure and outlining best practices for the different departments involved.

In a way, the Cloud Centre of Excellence is similar to DevOps, helping the business take a joined-up approach for better collaboration and communication – but also focusing on change management. Change management needs to be considered at every stage, as it clarifies all the steps an organisation needs to follow when switching from its existing infrastructure. It helps with issues surrounding security, compliance, connectivity, efficiency and getting workers at every level on board.

66% of enterprises already have a central cloud team, while 21% plan on having one in the near future. Furthermore, these central IT departments are helping to optimise or improve the following:

- Reducing cloud costs
- Figuring out which applications should run on which cloud
- Setting up policies for cloud use
- Optimising application performance

Moving more critical applications to the cloud

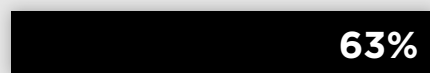
With a rising number of enterprises migrating workloads to the cloud, it's more important than ever to have strong IT leadership in place.

Our recent survey of senior IT leaders found that many critical business services had been moved to the cloud already.

Which mission-critical functions or systems have you migrated to the cloud?



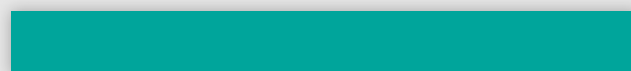
Enterprise Resource Planning



Customer Relationship Management



Contact Centre



Data Management



Employee Communications



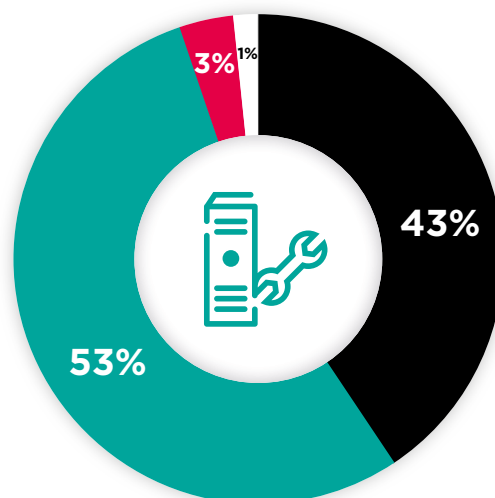
Other

The respondents also demonstrated their confidence in moving critical applications to the cloud, with 44% fully on-board and 52% being quietly confident about migration.

How comfortable are you in moving critical applications or services to the cloud?



These results support the trend that cloud computing is growing at pace, and the adoption of specialist cloud teams is having a positive effect on confidence in deploying new technologies. By embracing in-house experts and handing over accountability and responsibility to IT leadership, it's possible to achieve the right level of momentum needed for effective change.



How to manage a seamless migration to the cloud

The cloud migration journey is complex, and therefore needs to be planned out with a clear direction in mind. Throughout the different stages, connectivity plays a primary role in ensuring your programme is successful.

In fact, 88% of senior IT leaders in our survey said they had dedicated connectivity to the cloud to improve performance of migrated services.

When it comes to selecting a connectivity partner there are five key things to consider:

1. What is the network depth?



2. What is the network breadth?



3. How flexible is it?



4. Is it secure and resilient?



5. Is it right for you (and not just your cloud partner)?



In addition to reviewing connectivity, it's also important to have the phases of deployment mapped out. The journey should look something like this:

Initiation and research

During this stage, you will need to liaise with stakeholders and engage with any departments that might be involved. The research phase should be focused on business goals, and deep diving into your business processes to find areas of improvement. This is also when job descriptions are written / updated so workers are aware of responsibilities should a project go ahead.

Assessment

This part requires an in-depth review of your business to understand whether it's ready for migration. You will need to look at technical

feasibility, financing options, building a business case, and any operational impacts. It's not enough to look at the current environment, you also need to think about the future, how you will grow your network, expand according to demand and be flexible to accommodate growth. These are all the necessary for feeding into your migration plan.

Implementation

The implementation stage is the most critical and complex part of the journey. The sub-areas that will need to be carefully managed are:

- Migration planning
- Requirement and design
- Testing
- UAT (User Acceptance Testing)
- Cutover and handover

At this point in the project, IT leadership will be a critical factor, and teams will need to be provided with the correct tools for collaborative working, including seamless remote access for external collaborators.

Post-implementation and review

After the implementation phase comes a period of review, testing and continued monitoring. This step should not be overlooked, as its purpose is to help you evaluate whether the objectives were met, determine how effectively the scheme was managed, and to help you learn lessons for the future. Identifying areas for improvement requires adaptability and for changes to be made to improve performance and reach missed objectives.

Operation

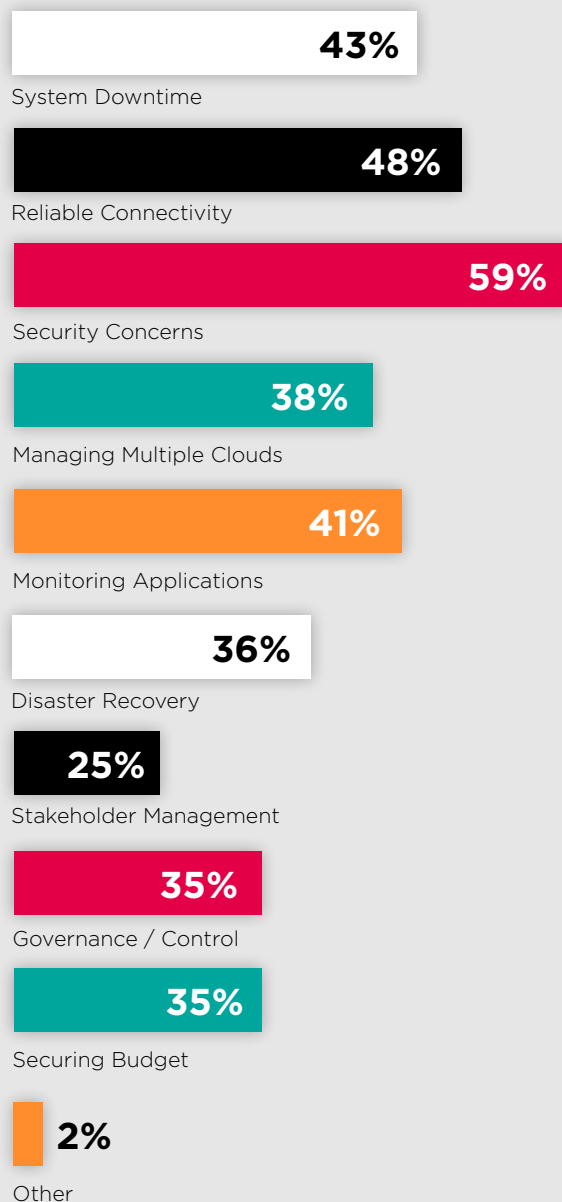
Monitoring doesn't end in the operation stage. Cloud management and maintenance is a key part in ensuring that everything continues to run smoothly. That's why a dedicated CCoE team is so valuable to businesses looking to migrate.

The cost of a badly managed migration

Successful management is key if you want to see the true value. The flipside is that, if migration initiatives are managed poorly they can also become a financial burden.

There are several migration challenges that can occur throughout a project. Some of the main issues according to our survey include concerns around security (59%), having reliable connectivity (48%), and problems with system downtime (43%). Other concerns include monitoring applications effectively, finding ways to manage more than one cloud, and disaster recovery. To minimise delays, it's key to work closely with vendors, understand the challenges you may face and look at ways to mitigate these from the start. During your assessment phase you'll have agreed what your business needs right now, and identified what it will need in the future; consider the challenges in both scenarios and if necessary build in the flexibility you'll need to combat the potential challenges.

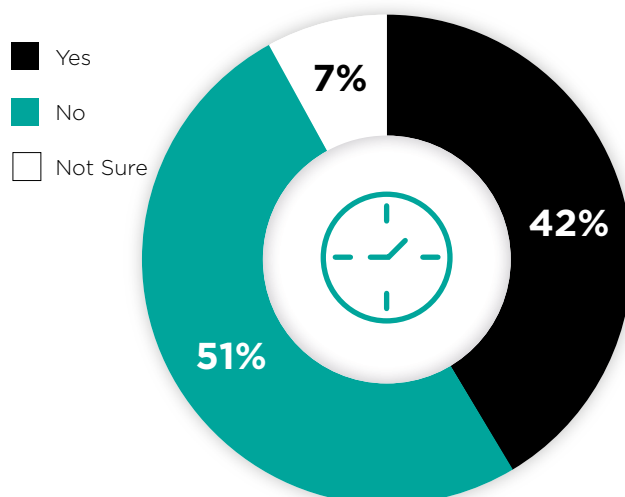
Which cloud migration challenges have you experienced?



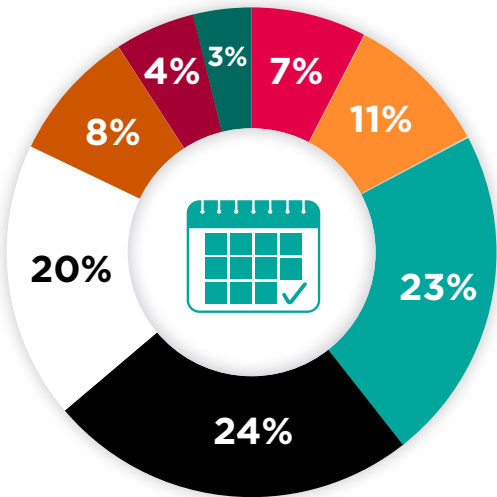
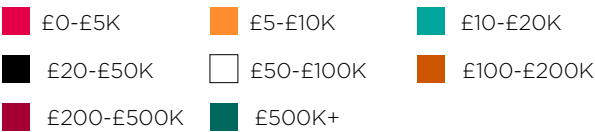
Delays in projects can also be extremely costly and can cause teams to lose momentum. One of the biggest culprits for delays is poor communication. That's why it's important to encourage a shift in culture when adopting new technology. Businesses must operate in a collaborative way, moving away from traditional silos and eradicating 'tribal knowledge'.

Our survey shows that almost half (42%) of IT leaders believe that ineffective communication has been a cause of delay in moving to the cloud. Furthermore, the data also reveals that delays can lead to huge losses, with 59% of businesses reporting costs of anywhere between £20k and £500k+ for a one month delay.

Has bad communication ever caused delays in a cloud migration project?

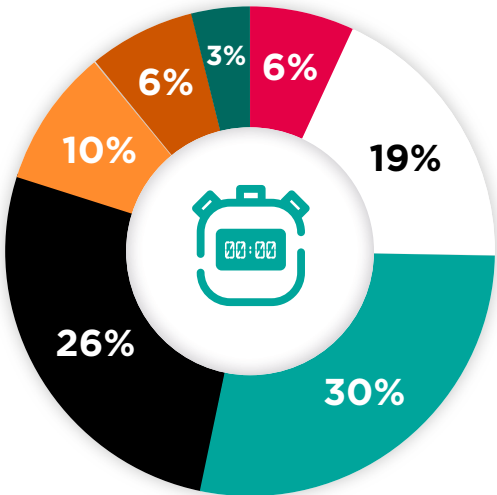
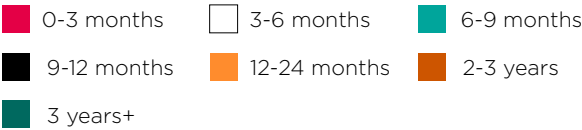


What is the cost of a delay of 1 month of your cloud migration project?



While timescales depend on several factors, most projects take between three months to a year. A quarter of respondents reported projects of six months or under, a small percentage (10%) reported projects taking longer (12-24 months), while only a very small number reported three years or more.

What is the typical duration of a cloud migration project in your experience?



Looking at the time it takes to successfully launch a cloud migration project, it's clear that good planning and access to resources is vital.





What steps should you take to unlock the true value of the cloud?

The true value and benefits of the cloud are clear for companies who fully understand its purpose in their business and have well defined objectives for it to meet. However, it won't be for everyone and there are consequences if it's managed badly. There are many aspects to consider when looking at migrating applications and services into the cloud for your business, and it's worth bearing in mind that some of the benefits won't be seen in the short-term.

The first step to unlocking the true value of the cloud for your business is understanding why you're implementing it in the first place. Efficiency is key, as is reducing costs, however its worth taking note of what the cloud will support and enhance in your business, how it can adapt to changing needs and growth, and setting a clear goal to meet.

Secondly, leadership buy-in and accountability will help to successfully underpin your cloud goal and support cloud growth in your organisation. Leadership will help with change adoption programmes and support the cultural transformation that will come with shifting to the cloud.

Creating a Cloud Centre of Excellence team to develop your cloud operations framework is also important. This team will be your in-house experts who will help oversee your migration to the cloud from the assessment phase through implementation to post-implementation and review.

Finally, communication methods should be a priority, as collaboration is imperative with cloud computing. If you can promote open conversation and transparency – as well as smooth, stress-free interactions while maintaining morale and momentum – you will be able to maximise your chance of success, enabling you to maximise the benefits and absorb the real value of the cloud.



For more information

[visit www.colt.net/cloud-connect/](http://www.colt.net/cloud-connect/)

Tel: +44 (0)20 7863 5510

E-mail: sales@colt.net

