Fastening your seat belts for the FLIGHT TO CLOUD!

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Introduction

Like it or not, Cloud is inevitable. If not today, it is going to touch you tomorrow. If you are not going to implement this change into your organization quickly, it would be your successor who gets all the credit for "Cloud" scaping your IT "Land" scape.

This whitepaper is intended for customers who are considering moving their applications to cloud. It gives pointers to the advantages you derive, the type of cloud to choose, guidelines for transition and some points to consider while choosing a cloud product. The response in faster and has accessed multiple services in the background to provide you with accurate new information in a timely and reliable manner. Besides, every user has used his/her smartphone for quick response, thus avoiding the queue at the airport and saving time.

Advantages are loud and clear....

Here are some of the advantages that cloud gives you as a decision maker:

1. **Distributed IT Spend:** You don't spend upfront, however your investment is distributed across the lifetime of the product while you enjoy the benefits starting from day 1
2. **No Cost of Ownership:** You don't need to invest in hardware or software licenses. Both are highly depreciating investments.
3. **Standard Business Process:** Though cloud products are fairly flexible in accommodating surface level changes, you usually cannot modify the core of the application; since this is not in your control. This prevents any non-standard customization/localization from happening. For e.g., in a global organization, following standard business process sometimes becomes challenging – more so when the application allows making changes at will. But with cloud, the product will enforce uniformity. However, good products, allow you to make changes that can be kept at the surface level and thus does not compromise the flexibility
4. **Pay per Use:** You pay only for what you use - both in terms of functionality and in terms of number of users. In case of most on-premise applications, customers end up paying for what the product vendor has packaged in the application - no matter if they have used a functionality or not. ERPs are big animals, however, seldom fully utilized - believe me! So why pay for something that you don't use now?
5. **No Maintenance Cost:** The cost of maintenance is embedded within the pay per use subscription. There is no separate cost for maintenance. This means, you get all the patches and fixes, bundles, maintenance packs and even software upgrades get applied without any additional cost. So you stay up-to-date,both from a technology and an application update standpoint. There is no need to pay an additional fee on subscribing to the product's vendor support annually – this can be view as tremendous savings in an enterprise application
6. **Scalability:** Good cloud products are always scalable. You need not worry about the backbone – infrastructure that supports your application. The infrastructure can be dynamically scaled-down to very minimal usage or scaled-up to near infinity. This gives organizations enormous flexibility in planning and navigating in uncertain terrains

Yes, there is a cost advantage. But that's not all. A survey by Gartner in late 2014 reveals that most CIO's adoption to cloud is attributed to superior innovation, modern approach and operational agility in addition to the cost advantage. I'm sure, by now, it is only getting better!

Points to Ponder for choosing the right Cloud

Now that you want to decide to take your application high on the cloud, what are the various options you have - Public, Private, Hybrid...

How do you decide?
The choice of cloud service depends on the existing IT landscape and the current need. We need to first assess parameters like:

1. What is the level of automation in your current state? Where are the gaps? Where is the scope for more automation?
2. What are your mission critical applications that cannot have any external dependency? Which are the ones that are non-mission critical but important and need a face lift?
3. What is the current investment and the maintenance cost of these on-premise applications?
4. How often do you upgrade these on-premise applications and what is the cost/pain incurred?
5. Whether there is a cloud offering that can replace the existing setup completely or partially?
6. If replaced partially, what is the level of compatibility that the replacing system in cloud offers with the existing application - whether it can co-exist?
6. What is the number of users, how are they distributed geographically, internet availability and what is the cost per user when replaced by a cloud application?

The Nuances of Hybrid Cloud

As a starting point, where there is a complex and sizable IT system in place, hybrid cloud is the way to go. For example, Core HR would currently be running out of PeopleSoft and you may want to extend it to recruitment, PMS and Compensation planning which is currently being done out of a spreadsheet. In this scenario, we can have recruitment done out of Taleo Cloud, PMS and Compensation implemented in Oracle Fusion Cloud. Thus an employee will be hired in Taleo Cloud and get into PeopleSoft which will then feed Fusion for PMS & Comp planning. The compensation data will then flow back into PeopleSoft which will continue on-premise as the single source of truth for HR data.

In a fairly new organization which is looking to put process and systems in place, the scope for cloud setup is higher. Here the number of users and mission criticality will have a huge influence on whether you want to go to a public cloud or a private cloud or a hybrid cloud.

Quite clearly, Hybrid is the way to go… which of your departments can be the adaptors of cloud?

The Nuances of Hybrid Cloud

The core functions of any organization are less likely to move completely into cloud due to the mission criticality. Having said that, according to a recent Gartner report, even mission critical applications are now finding their way to cloud and the prediction is that by 2016, the bulk of IT spend will be on cloud.

Cloud Adoption Chart in HR, Finance or Marketing - Who are the forerunners today...

From an adoption standpoint, in most cases the IT systems of support departments are the first ones that can go into cloud. Within this, HR systems are the ones that can propel to cloud faster, followed by CRM and Finance. Finance is one department that is always reluctant for the flight due to fear of data being public. However, it is more to do with the mindset - the cost benefit and scalability advantages that are already raising them up to the cloud! Private cloud is always an option for financial applications. This will eliminate concerns of multi-tenancy and data being hosted along with others'. Providers like Oracle, separate customers at the database level using advanced virtualization technology. So multi-tenancy no more a "cloud of worries".

What are the likely challenges and points to consider?

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1. What are the providers support policies? Your efficiency depends on the efficiency of the provider
2. Does it suit your Organization/Dept where the application is deployed?
3. Can your users align and adopt to the process? There will be limitations to how much you can tweak/customize a cloud product. So the users have to be flexible to adopt to the best in industry process that the product provides
4. What is the data needed for implementation? Do you have the data that the product needs? How fast can you create it?
5. How is data loaded? Does the product provide user friendly data loaders for on-going purposes?
6. What is the effort required from your side – be it participation in the business process discussions, data extraction from source system, data cleansing
7. What are the critical integration points? What are the integration options provided by the product?
8. What are the network policy changes needed to access the application on cloud? Will your organization approve those?
9. What are the security standards that the provider follows – this is not a concern at all with established providers
10. Who is the best System Integrator(SI) to implement the product – this can make a big difference since a good SI knows the product well, can suggest the best way to implement your business process and can fill the gaps in the product with their innovation

Conclusion

The guidelines provided above might be overwhelming for some. But, with proper planning, good choice of product and an equally good implementation partner, you will enjoy a smooth flight to the cloud!!

About Hexaware

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