



FIVE PRACTICAL STEPS FOR UNLOCKING A BREAKTHROUGH CLOUD STRATEGY

BY RAVI THAKUR



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A well thought out medium-sized cloud project is the lynchpin of a sound cloud strategy.

All the hype of recent years around cloud, cloud, cloud has made everyone aware of the new concept of delivering software as a service. We are now at a once-in-a-generation inflection point where companies have realized that to remain competitive, sooner or later they will need to leave on premise infrastructure behind and shift a lot of IT to the cloud. Yet many remain daunted by the prospect and unsure of where to start.

We have been here before. As microcomputers became cheaper and more powerful throughout the '80s and '90s, the client-server architecture of the '60s and '70s gave way to fat clients – high functioning computers with less need to access a central server.

During the 2000s, web applications matured, mass storage became cheaper, and the advent of service-oriented architecture gave rise to cloud computing. CEOs are now starting to come to CIOs saying, "Get us on the cloud. I hear we can save a lot of money."

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There is still more talk than actual enterprise-level cloud deployments as companies consider their cloud strategies, but the deployments will come. CIOs are looking around at their ERP, HCM, procurement and supply chain for cloud opportunities, and everything looks like a two-year deployment with a \$10 million services contract – especially if it's coming from an old school vendor that's now offering cloud solutions.

Don't base your ideas or strategy on cloud implementations by legacy, on-premise vendors. The technology might be in the cloud, but the business model is not SaaS. For companies looking to improve antiquated business processes and realize relatively fast ROI from cloud investments, there's a lot of opportunity to pick off medium risk, medium effort projects with technology from a new generation of vendors that are growing up in the cloud. Here are five ways IT leaders can identify such projects:

Areas of high cost

The easiest place to start is by looking at your internal numbers. What systems are you managing? Where are you spending a lot of money and not getting value? You probably already have some sense of that. Talk to finance and get some hard numbers together.

Inefficiency

Where are you most inefficient at serving the business? Ask business and division leads. Get out and talk to employees. If your company is really big and distributed, consider sending out employee surveys to gather insights.

System overlap

As companies grow, system overlap is a common side effect. Look for places where you have two or more systems doing similar things. Talk to your staff about who's using what to understand where there's an opportunity to consolidate business processes.

Risk/Difficulty profile

Know what you're getting yourself into. You have the best chance of a successful deployment with tangible business impact by undertaking projects with a medium risk profile.

Replacing core systems is inherently high-risk. Moving to something like SAP or Oracle SaaS ERP is probably a multi-year, multi-million dollar proposition. That could be worthwhile, but it's a high-risk, high difficulty project..

If you're in retail, replacing your point of sale system would be high-risk. But, if you can balance the risk of replacing such a critical system by choosing a SaaS solution with low difficulty to deploy, that could be a medium-risk project worth considering.

Business impact

Why not start with low risk, low difficulty projects? You can and should do those, but they may not have the biggest bang for the buck. Examples of low-risk, low-difficulty projects include SaaS printing or fax services, or an internal HR portal. These are good solutions, but they aren't going to be used by a large number of people or achieve huge cost savings, so they don't have a big business impact.

If you can do something that is medium risk and medium difficulty and hit a home run with it, then you gain credibility to take on bigger projects. Not only that, you may also be able to fund future projects out of the savings you earn.

To develop a strategy for transitioning to the cloud, look at your solutions portfolio from these five different angles and then make a list of possible places to bring in a cloud solution. Start shopping your list around to the CFO, CMO other C-level executives and get their feedback. And start looking at the solutions out there that might solve those business problems.

Don't start with the high risk, high difficulty projects. Start somewhere lower down, but high enough so that you can really say you did something and it had an impact. With that kind of successful project in your back pocket you'll be on your way to a cloud future.