WHAT YOU NEED TO CONSIDER BEFORE MOVING TO CLOUD COMPUTING SOLUTIONS

GETTING CLEAR ON THE CLOUD

plumslice

INTRODUCTION

Whether you're an entrepreneur building your first business or a company on the cusp of great growth, cloud-based solutions will loom as a rather significant question mark in your growth plan. Do you start slowly at first or do you take the plunge and start with a robust cloud commitment? What factors should determine your choice? Here are the basic considerations to ponder before you cloud commit.

DEFINE WHO YOU ARE AND WHERE YOU'RE GOING

While the cloud is certainly hot today, take a breath and think about cloud computing in relationship to your entire business. Anyone can sign up for a virtually-served email account or an account management app. However, you need to look at the big picture to see where cloud computing might be a fit:

- How are you growing your enterprise: organically, by acquisition, partnering?

- Are you staffing up or adding new divisions?

- How sensitive is the data you process? How comfortable are you in having personnel access data remotely? Or, does your sensitive data need to be controlled at an on-premise site?

- What type of business are you operating: ecommerce, retail manufacturing, professional services?

- Is the level of internal processes complex or simple? Are some of these processes your 'secret sauce,' and relate to your competitive edge?

- Have you taken standardized processes, such as lead generation and vendor management, and layered on customization? Do you really need a lot of customization or is some of it legacy add-ons from past years?

Armed with the big picture perspective, next carefully examine how cloud-based processes can add business value for you. Will you achieve cost and operational efficiencies or advance your competitive position in the marketplace? Setting realistic expectations on what you believe cloud computing will do to help you move your company forward is core to determining the right mix of services for you.

Start with a list of the top three business drivers you see influencing your possible move to more cloud-based operations. For example:

- Are you working to improve service delivery?

- Is adding product lines part of your near-term growth strategy?

- How much do you need to factor in the needs of external stakeholders in terms of collaboration and access?

- Will moving to the cloud free up time for IT to work on other projects that support business value?

- Does your business experience variable peak periods in terms of load on the infrastructure? Do you experience regular spikes in data traffic, i.e., end-of-the-month accounting reconciliations?

- Are you cost constrained in terms of making new investments in enterprise level software?

DECIDE THE CLOUD MODEL THAT'S RIGHT FOR YOU

Cloud-based computing has the advantage of requiring minimal up front investment compared to buying a traditional packaged software platform. The inherent scalability of working in the cloud means you can benefit from a pay-as-you-go model. This offers tremendous flexibility for enterprises considering moving processes to the cloud.

After you have taken a hard look at your business drivers, and come to the conclusion that cloud-based computing offers you advantages in efficiencies and business strategy support, the next question is: What type of cloud?

WHAT CLOUD TYPE ARE YOU?

Cloud solutions generally fall into these categories:

PUBLIC CLOUD: IT resources are shared by multiple organizations. Users typically pay by scaled pay-per-use agreement.

VIRTUAL CLOUD: Similar to the public cloud, this offers dedicated capacity reserved for each organization.

PRIVATE CLOUD: IT resources are centralized for one organization and are shared by different applications or departments within the organization.

HYBRID CLOUD: Combines some attributes of both public and private cloud. Enterprises typically use the hybrid cloud in order to control access according to collaboration and security needs. For example, they may use the public cloud for product development and testing, but manage the rest of the production lifecycle and store large amounts of internal data in the private cloud. The hybrid cloud model offers enterprises more flexibility when working with developers and relieves some of the burden from server and network administrators.

COMMUNITY CLOUD: A developing concept designed to share less sensitive information, this is ideal for non-profits or multiple organizations working toward the same cause which have a fundamental need for collaboration and shared computing.

Okay, so where do you fit in this mashup? Here are basic questions to answer before deciding which cloud model works for you:

1. What is the size of your organization?
    a. If you are a small organization (less than 1,000 people and/or revenues ranging from 0 - $500M), you may prefer lower-cost public cloud solutions.

b. If you are a medium-sized organization, (1,000 – 2,000 people and revenues between $500M - $2B) you may want to consider either public and/or hybrid clouds

c. If you are a large organization with revenues > $2B and/or > 2,000 people, you should consider private or virtual clouds

2. What type of business do you have?

a. If you design and/or manufacture your own products, your cloud needs to support product lifecycle management tasks, and collaboration between internal teams and external suppliers. Depending on the size of your organization, a private or hybrid cloud will serve you well.

b. Ecommerce retailers which have intensive need to share product information on their sites and to collaborate with suppliers and with customers will benefit from a public, hybrid or virtual cloud depending on size and other factors

c. State and local government agencies, in which most of the work is handled internally or between agencies, may benefit more from a private cloud. If they have public-facing services, such as environmental permitting, they can implement a version of a hybrid cloud in which the consumer-facing activity is on the public cloud and other related tasks reside on the private cloud.

d. The non-profit community is a good candidate for the newer concept of the community cloud, in which some of the needs information can be shared between various organizations to better collaborate in providing support services for people in need.

e. In healthcare and the pharmaceutical industries, where sensitive healthcare information (such as clinical trial information) is shared between companies and physicians' offices, the newer concept of the community cloud could be a good candidate to consider. A key consideration in deciding the appropriate cloud is how much of a need exists to share IT and infrastructure costs, such as when addressing of peaks and valleys in crunching clinical trial data

3. How much capital do you have to invest in the cloud?
   a. If you have less than $500K year, the cost efficiency of the public cloud is your best choice.

   b. If you can invest from $500K to $2 million, you should have sufficient capital to consider the public or virtual clouds.

   c. If you have more than $2 million available for cloud investment, private or hybrid clouds may be your preferred solution.

4. How sensitive is your data?
   a. Extremely sensitive data is often stored in the private cloud.

   b. Highly sensitive data can be securely stored in the virtual cloud. The caveat here is ensuring the cloud hosting provider is giving you top-notch intrusion and detection prevention security and backup.

   c. Sensitive data, i.e., customer or product data, is often stored in the public or hybrid cloud.

   d. Non-sensitive workflow and collaboration-related information can be stored in the public cloud.

5. Do I want your data to be easily available for collaboration?
   a. Is the data for internal use only? If so, a private, virtual or hybrid solution may work.

   b. Is the data used internally as well as by a controlled circle of external resources? If so, a hybrid, virtual or public cloud may be feasible.

6. Where is my team (internal associates and partners) located? As a rule of thumb, the more distributed your team, the more "open" your solution should be, such as a hybrid, virtual or public cloud. If data needs to be shared regularly and amongst various locations, a public cloud model is your best answer.
   a. Domestic and regional?

   b. Domestic and international?

   c. Internationally

   d. Am I adding new departments in remote locations?

DEPLOY THE CLOUD TO YOUR BEST ADVANTAGE

CREATE YOUR PLAYBOOK. You have answered the core questions of your company's growth roadmap and internal processes, weighed your investment commitment against your needs for data sharing and collaboration, and chosen the cloud model that works for you. Now it's time to create your customized cloud playbook so you can begin using the cloud to optimum advantage for your business.

Since going from simply choosing your cloud to actual deployment can be a daunting task to some, consider first hiring the services of an integrated services firm. The cloud computing marketplace has matured to the point there is experienced help available to aid you in creating your playbook. The firm can help you sort through choices such as:

- What cloud hosting provider do you want to use? There are many, each of which serves a slightly different set of needs. For example, Amazon is one of the most popular cloud providers for servers and storage. CloudStack is open source software that is used by a number of service providers to offer public cloud services and by many companies to provide private or hybrid solutions. Xen Cloud Platform is another open source software that can be used to build both private and public clouds.

- Which applications do you want to move from on-premise to the cloud? These may include email, collaboration, human resources product lifecycle, and others. Companies usually start with email since it is relatively inexpensive and immediately adds value in terms of enabling quick collaboration and communication.

- How much collaboration do you require to achieve good results in your product lifecycle management initiatives? Processes that require collaboration should be the first ones moved to the cloud due to the cloud's ability to foster more effective collaboration between internal and external stakeholders.

- Do you need to customize certain applications? It's possible, but today processes like CRM or financial management tend to be fairly standard across enterprises. You may be able to buy Salesforce, Intacct, and other apps without spending dollars on needless customization.

SELECT YOUR VENDORS. You want to do it right the first time! When considering cloud vendors, here are some key factors to consider:

- Is the application process simple enough to use? It should have a simple workflow pattern so it can be comfortably used by all those involved in the task.

- Are the user interface and navigation user-friendly?

- What is the agreement on data ownership? If it is a shared cloud provider, this needs to be clarified upfront.

- How easily will the application integrate with other applications?

- What is the subscription cost and how does it scale?

- Can you subscribe on a flexible basis? The high-end providers make entry and exit easy; for example, Amazon offers a monthly cloud service agreement.

- What are the data security features offered with this model?

- If you switch providers at some point, are you entitled to the backup data?

- What is the provider's frequency of backup: daily, once a week?

Begin Your Technical Implementation. Once you have your customized playbook and vendors selected, you will need resources to handle the nuts and bolts of the technical implementation. If your company is small-to-mid-sized, you will likely need an out-sourced implementation partner to integrate the cloud into your existing IT operations.

When evaluating outsourced help, be wary of switch-ups in terms of team members. Make sure the people you're talking to in the room are the actual people who will work on your project. Evaluate their experience level and what types of projects they have worked on before.

COMMUNICATE YOUR CLOUD AND COLLABORATION GOALS TO YOUR ORGANIZATION. In parallel with cloud implementation, it is important to get buy-in from all stakeholders. These are steps to take to achieve success:

- Define and communicate cloud benefits to all stakeholders.

- Redefine IT roles as needed. The cloud offers opportunities for new organizational roles, including those of an integrated services manager or the developing role of 'Cloud CIO.'

- Define and communicate how different users will use cloud-based applications; for example, cloud solutions often offer a variety of access points, such as Web-based dashboards, desktop apps, tablets and mobile apps, etc.

WHAT ARE THE
BENEFITS?

As you see, there is a certain amount of front-end work to be done moving your business to the cloud. However, once you have completed your assessment of application and collaboration needs, the real benefits of cloud computing can be realized. For example, rather than have IT focused on mundane, high-cost tasks, it can now be tasked to projects that add business value and improve the overall workflow of your organization. These projects include new product development, business analysis and faster-time-to market through better collaboration.

Change can be challenging; however, in today's highly-competitive business environment, solutions that move you faster and more efficiently towards your objectives are imperative. The inherent cost efficiencies and collaborative power of the cloud are proving to be a worthwhile endeavor for any sized enterprise.

WE'RE HERE TO HELP!

PlumSlice leverages over 70 years of combined retail product lifecycle experience to help you bring better products to market faster. If you would like us to help with your cloud strategies, contact us regarding

- **Technology Strategy, including Cloud Computing**
- **Cloud Deployment (Public, Private, Hybrid, Virtual)**
- **Custom Software Development for the Cloud**
- **E-commerce Deployment**
- **On-Demand Cloud Collaboration Solution for Product Management**

If you are interested in discussing or participating in the beta of our new On-Demand Cloud Collaboration Solution for Product Management service, let us know!

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