EXECUTIVE BRIEF

CIO & CLOUD INFRASTRUCTURE - NEW BUSINESS OPPORTUNITIES IN 2014

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Underwritten by:

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from the ground to the cloud

insight brief
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This Executive Brief is a summary of the white paper: Why Cloud Infrastructure Services hold the key to Delivering New Opportunities for the Business in 2014.

KEY POINTS

- This paper shows how cloud-based infrastructure benefits CIOs by allowing them regain authority over business technology. Freed from maintenance of in-house IT infrastructure, CIOs are freed to participate fully in strategic thinking on enterprise growth.
- The success of new disruptive players in the market has come about because their enterprises were not tied to a legacy IT system. Fluid systems enabled them to nimbly respond to new opportunities.
- Incorporating social platforms in a IT strategy creates cost-saving saving benefits.
- Enterprise cloud services are identified as the key to innovation in IT structures. Cloud computing is expected to be the major IT expense by 2015.
- Advances in cloud services return control of structure and data to CIOs.
- The use of cloud services is growing because it provides externally managed flexible infrastructure incorporating services necessary for the expanding 3rd Platform (beyond the desktop) technologies.
- CIOs must be diligent in ensuring the security of data in the cloud. A cloud services provider must be able to assure data privacy, resilience and capacity to comply with regulations on sovereignty and compliance.
- Cloud services though scale, flexibility and simplification of infrastructure reduce costs.

NEW INSIGHTS

- Inflexible cloud services of the past are being replaced by infinitely adaptable services that focus on the innovation in businesses.
- Market analysts predict growing demands on CIOs for bold and positive change. Flexibility, adaptability and scalability will become essential in IT architecture. This demands new attitudes to exposure to risk.
- In the near future, 70 % of CIOs will increase enterprise risk by opting for cloud-based systems.
- Analysts predict that adapting IT infrastructure to next-generation mobile applications will, by 2017, lead 60% of CIOs to adopt new agile systems.
- It has been shown that unscalable and inflexible IT systems are very costly to business. CIOs consumed with keeping servers running cannot contribute to new business needs through innovative thinking.
- Increasing sophistication in cloud-based services make them essential for enterprises to respond quickly to new opportunities.
- Cloud computing provides flexibility in commerce when unpredictability is a constant.

NEW INSIGHTS (CONTINUED)

- The cost of cloud IT services is based on demand, thus cost effective experiments can be conducted on new ventures allowing a business to follow changing markets swiftly.
- Volatility in the market puts pressure on IT departments. Step changes in infrastructure are slow. CIOs must rethink infrastructure strategies.

IMPORTANT DATA

- It is predicted that cloud IT services will expand at an annual rate of 23.5%.
- By 2017 spending in cloud services is predicted to reach $108 billion.

KEY PREDICTION

- One analyst sees a shift in the motive for the use of cloud services from cost saving to innovation in IT. Forward thinking companies will invest in cloud services that provide new competitive offerings.

SUMMARY TRENDS

- In the near future CIOs will become true partners in enterprise innovation by providing improved data analytics and adopting agile infrastructure.
- Cloud based architecture will increasingly be adopted to provide nimble, scalable solutions for new directions in enterprise. This change will involve risk exposure.
- In a rapidly changing environment, IT capacities must permit rapid responses to business challenges. A nimble IT infrastructure can create new ways of working within an enterprise.
- Fixed infrastructure in the current enterprise environment restricts agility in responding to the market.
- Flexible IT will permit response to the future challenges of social media in creating brand awareness, channelling customer feedback and creating a channel replacing a corporate intranet.
- Increasing ways in which cloud computing can be utilized will be a major component in the growth of the sector.
- Cloud services will replace data storage on fixed in-house servers challenging CIOs who manage legacy systems to take a leap of faith. Cloud based computing is a solution to problems of static systems lacking flexibility and scalability
- Cloud services will expand as demand for innovation takes precedence over the older notion of cost saving as its primary advantage.

TAKEAWAYS

- Nimble response to changes in the environment of an enterprise through enterprise-class, cloud-based infrastructure will be seen is an essential component in future IT architecture.
- Complex IT architecture is costly and inhibits agility. Simplicity is cost effective. New cloud-based IT services offer simplicity and cost reduction.
- With highly flexible IT, new business models are winning success in many sectors of the retail and services market. Conversely enterprises that lack IT flexibility have failed.
- With minimal risk flexible IT infrastructure allows swift response to changes in product offerings and threats of competition, and facilitates enterprise movement into new and temporary markets.
- CIOs choose cloud services based on their regulatory environment. The place where data is stored and its accessibility to verification are crucial considerations as is flexible access to data.
- A CIO having authority and control of infrastructure can become a leader in enterprise decisions.
- New IT infrastructure based in the cloud speeds up corporate systems of planning and the handling of new ideas.
- In today's world it makes little sense to develop proprietary infrastructure as it can never be as cost efficient or reliable as a cloud service.
- Outsourcing to a cloud involves thinking differently about IT architecture.
- With cloud services a CIO retains authority over what (data) will be transferred and what will remain in-house based on budget and specific needs of performance enhancement.
- Businesses without flexible IT infrastructure that can adapt to changing markets have failed. Those that can adapt survive.

CASE STUDIES

- The European Space Agency's (ESA) single, accessible data source provides huge amounts of data to multiple researchers.
- The ESA cloud also provides on-demand data processing with a cloud toolbox creating a virtual desktop environment for researchers.
- A European manufacturer of dental products using a cloud Virtual Data Centre shares multimedia files between its globally dispersed wholesalers, branch offices and manufacturers with an efficiency vastly superior to e-mail.

DEFINITION(S)

- A Virtual Data Centre increases reliability in data sharing, increases productivity and reduces costs.
- Virtual Data Centres harnesses server and storage virtualisation giving organisations control over the facilities they need at any given time. Also known as Infrastructure-as -a-Service (IaaS) facilities, they enable resources to be allocated on demand, and dynamically directed to the point of need.

IMPORTANT SUB-THEME

- Predictions of shortfalls in qualified IT personnel in Europe indicate increasing competition among employers.
- Budget surpluses in a flexible IT system provide resources to remediate chronic shortages in high quality IT personnel.
- In the past inflexible cloud services have been detrimental to confidence in in-house IT capabilities as ownership of data and IT architecture were sacrificed for economic reasons.
- New cloud computing integrated with in-house systems is cost-saving, scalable, secure and flexible.
- The upheaval in IT reflects the dynamics of commerce today. Cloud services are well positioned to serve the CIO living in exciting times.
- The only limit on how a cloud service can be utilized is the imagination of a CIO.

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