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Cloud driving
business transformation

A holistic approach

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Cloud driving business transformation: a holistic approach

The fierce competitive business environment as well as the growing sophistication of customers demanding more, are some of the key drivers of innovation within organisations. However, most organisations are held back by IT systems and infrastructure that do not allow for a rapid response to market changes and demands. This in turn leads to the significant loss of market share for as soon as the rate of change and innovation outside of the firm surpasses the rate of change within the firm, the organisation will begin a slippery slope downwards.

In most organisations, it is now well accepted that Cloud is the bedrock of Digital transformation and at the core of enabling innovation and speed to market. The question that is top-of-mind for most C-suite leaders is how they can successfully embrace Cloud in a sustainable and secure manner.

Given that the infrastructure-led cloud adoption that focused on the “lift-and-shift” approach, is only the first step and does not lead to the full extent of innovation most companies aspire towards.

The key to embracing a holistic approach begins with a clear Cloud Strategy. The objective of the Cloud Strategy is to ensure an organisation’s leadership is aligned on the vision, motivation, and case for adopting Cloud. Articulating the reasons for the organisation to embark on a Cloud journey at this time, the organisational cloud maturity and readiness, and roadmap will establish a clear and measurable business case and sustainability plan. Our experience shows that where the Cloud Strategy is not well defined beyond the IT confines, the Cloud Adoption impact is often limited to infrastructure modernisation with little to no top-line impact.

Success drivers for Cloud migration

Recent data shows that 42-57% of migrations stall or fail. The drivers of this failure vary from not having the right skills, to competing priorities, and business cases not being realised. This is where a robust Cloud Centre of Excellence (CCOE) is important. Many see the CCOE merely as a governance function, but it is more than that. The CCOE is the custodian of Cloud value realisation. The CCOE coordinates multiple stakeholders to ensure cloud adoption progresses, with due consideration to people development, security and regulatory adherence, and benefits/value realisation. Organisations that don't establish this function are often not taking a transformation approach to Cloud, but those seeing Cloud as the bedrock of Digital Transformation use the CCOE as a critical enabler of the transformation journey.

As the Cloud journey progresses, it is important to never forget that the most impacted area of the journey is people. Their jobs will change, the skill requirements will change, and part of their functions will be automated. A well thought out Cloud Change management strategy/plan is another pillar to ensure successful adoption. We've seen a great error; where people want to work like they are still on premises while on the Cloud. In some cases, people will do all they can to ensure their workloads are not migrated to the Cloud. That is why Change Management is key. A well-publicised, socialised, and executed Cloud Change management plan will unlock the value of Cloud: reduced downtime, increased speed to market, and increased access to innovation. This should work concurrently with a broader Cloud Workforce Transformation plan.



Data regulation considerations

Data Regulations are increasingly more stringent and as a company transitions to Cloud, it is imperative to understand the impact. The challenge that Cloud introduces, is the understanding of data laws across multiple countries as the data crosses multiple territories; be it due to access, use, organisation or storage. To achieve this, companies will have to partner with providers who are able to navigate this space across multiple countries but also have access to Regulators.

The core issues around data often come down to:

1. Data security (different data classifications require different security measures),
2. Data location (and where data is being transferred to)
3. Data Control (the control and awareness of who has access to the data within your organisation as well as externally through service providers, while taking their intrusion detection and security audit measures into consideration).

A key observation that we have made is that most large organisations are embracing a hybrid multi-cloud approach; where there is more than one cloud provider with a mix of both private and public cloud as well as on-premise workloads. Therefore, considering how the management and integrations of workloads will impact the customer experience is key. Moving to Cloud could impede good customer experience when not done well. We see clients embedding multi-cloud, Cloud management platforms with 24/7 monitoring that is linked to a strong Cloud Managed Services (CMS) capability as a good way to manage this. In many cases the modern CMS approach has deep automation to accelerate response and resolution of issues. The CMS is key to driving the Cloud Cost Optimisation, which requires very deliberate and active steps to avoid cost overruns.



Final thoughts

When a holistic Cloud Transformation is not taken, a lot of value is left on the table. Often, we see ad hoc use of Cloud, with limited new products and services being enabled by the Cloud. A holistic approach brings the entire C-suite together to drive Cloud and reap the benefits cooperatively. We have seen this approach enable clients to recoup some of the Cloud investments through innovation initiatives that qualify for the South African R&D tax incentives: section 11B of the Income Tax Act of South Africa is a significant enabler of Cloud Transformation. To trigger such benefits, however, requires the Cloud Transformation to involve the CFO early in the journey. We have seen this drive significant value for Cloud.

Figure 1: Magic Quadrant for Public Cloud IT Transformation Services



Source: Gartner (July 2022) As of April 2022, © Gartner. Inc

Get in touch with us to discuss how your organisation can take a holistic approach to Cloud Migration.



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