WHITE PAPER

Adapting to the Changing Cloud

Market Pulse

NEW RESEARCH FROM IDG SHOWS THAT ORGANIZATIONS ARE RELYING ON CLOUD COMPUTING AND RECOVERY SERVICES TO ACHIEVE POSITIVE BUSINESS OUTCOMES. LEARN WHY IT LEADERS ARE VIEWING THE CLOUD AS A STRATEGIC BUSINESS DRIVER.

The cloud services market continues to grow and mature. Research shows that the percentage of IT services provided by third parties, including outsourcers and cloud providers, is expected to climb 37 percent over the next three to five years.[1]

The impact of the cloud — and delivery of technology as a service — is also having a profound impact on the role of the CIO.[2] At the same time, as IT professionals become more knowledgeable and sophisticated about cloud capabilities, their expectations have changed.

Increasingly, IT leaders realize that a "one cloud fits all" approach no longer applies in today's evolving cloud services world. As IT continues to play a more strategic role and IT initiatives become more closely aligned with the business, a cloud strategy must also align tightly with overall business goals.

Each cloud implementation requires a different strategy, depending on the organization's business requirements and market demands, as well as performance, security, and availability requirements. For some IT leaders, the goal is to simplify IT, manage costs, and/or back up valuable data for security and safety. Others seek to enhance overall performance and ensure high availability without service interruption.

In many cases, IT organizations that are under pressure to increase ROI and deliver competitive advantage are finding that cloud services are a viable business solution. These days there are increasingly stringent expectations for the recovery time objectives (RTOs) of service-level agreements (SLAs).

IDG Research Services recently surveyed IT leaders to understand organizations' cloud computing needs, the value placed on cloud recovery services, and the associated benefits and challenges they encounter with cloud recovery services. The research results offer a window into what IT leaders see as the benefits and the challenges of cloud recovery services.

[1] "2014 State of the CIO," *CIO Magazine*
[2] "2014 State of the CIO," *CIO Magazine*
[3] "2014 State of the Enterprise," *Computerworld*, 2014

Driving Business Growth

Companies are looking to the cloud to meet business objectives, reduce operating costs, and help reduce working capital costs. In fact, the cloud is more likely to reduce costs than any other technology area.[3]

The cloud can also help organizations boost productivity and accommodate employee requirements in today's highly mobile work environment. When software services are migrated to the cloud, employees can work virtually anywhere by remotely accessing email and other key applications from their mobile devices.

Melissa McCoy, vice president, channel strategy and programs, Sungard Availability Services, says, "Cloud services provide business agility and flexibility, enabling real-time responsiveness to the market and the organization's need to drive business outcomes."

By leveraging the cloud as a business enabler, organiza-

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tions can respond quickly to customers, meet current needs, manage growth, and align service levels to adapt to peak workloads and changing market demands, while focusing internal resources on strategic business activities.

Take, for example, the travel industry. Here the quality of customer service can make or break a relationship. Business success depends on consistent, quality service even during peak seasonal or online promotional periods. Agility, resilience, and the flexibility to scale up or down depending on business volume are mission-critical, such as during the busy, high-booking cruise "wave season" when cruise lines offer extra-special deals and promotions. The failure to respond instantaneously to online customer and/or partner queries and booking requests may result in the loss of business to the competition. Consider these customer examples:

■ Using private cloud services, a marketing solutions company was able to optimize its infrastructure, consolidate data, reduce its footprint, and decrease the number of servers required. As a result, the company achieved a 25 to 30 percent reduction in its overall IT expenditures.

■ A global manufacturing company moved its production system to the cloud to set a path for future growth and greater flexibility. The result was 30 percent performance improvement on the cloud and high availability for development and test systems.

■ Upon migrating to the cloud, a regional-based services firm achieved numerous business benefits, including: the ability to work remotely and access key email, accounting, and graphics applications located in the cloud; higher performance with lower cost and infrastructure; and high availability and failover for secure, dependable service without interruption.

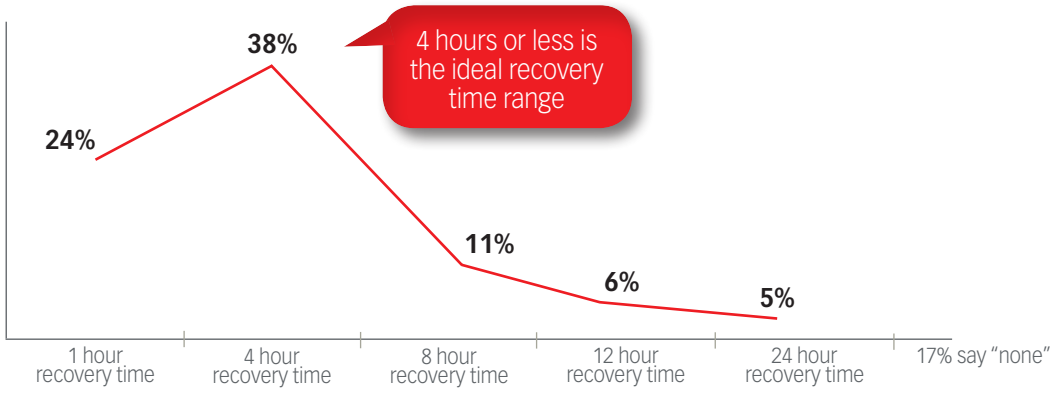
■ A regional blood center serving several U.S. states needs a safe blood supply available through all times of need. Sungard AS supports this nonprofit blood bank with secure cloud-based recovery for the 12 servers and numerous critical applications that handle its vital blood data — donors, inventory, blood drives — as well as its financial and payroll systems. A mirror copy of its central data systems is also replicated in another location to ensure IT availability.

Uncovering the Silver Lining

Employee mobility, together with pressure to reduce costs and "do more with less," are all major factors that are increasing organizations' reliance on cloud services, according to the IDG research findings. Among the benefits organizations have realized from using cloud services — or would expect from cloud services — are improved efficiency and increased flexibility. These benefits also rank as the most significant benefits of cloud services, according to the IDG research results.

The most widely used cloud initiative is software as a service (SaaS): 54 percent of survey respondents indicate that SaaS is already in place, and 40 percent say they are either in the process of implementing or plan to implement infrastructure as a service (IaaS) or platform as a service

Ideal Recovery Time for Cloud-Recovery Service



Since the speed of recovery is considered the top benefit of cloud-recovery services, it is understandable that organizations desire a recovery time that takes less than half of one business day, as over six in ten respondents report 4 hours or less as the ideal recovery time goal.

SOURCE: IDG RESEARCH SERVICES, SEPTEMBER2014

(PaaS) within two years.

Not surprisingly, the most recognized application deployed in the cloud today is email/messaging. Even the overwhelming majority (72 percent) of those not using cloud applications for email/messaging are at least somewhat likely to end up migrating this application to the cloud over the next 18 months.

One such cloud services user is Flagship Credit Acceptance, an independent automobile finance company that specializes in the purchasing of retail installment contracts from automobile dealerships across the United States. The firm has invested in cloud services for email, backup, telephony (PBX and Dialer), a loan servicer platform, Web hosting, and an intrusion detection system.

Survey respondent Stephen N. Tomasco, vice president, information technology, Flagship Credit Acceptance, explains, "After years of backing up locally, I made the decision to leverage a cloud solution because our data retention was quickly outpacing our on-premise capacity. The major benefit of these services is business continuity and 24/7 reliability. Leveraging these services has enabled Flagship to grow considerably over the last four to five years. It takes IT from being a roadblock to being an enabler for business to expand."

Indeed, when it comes to cloud recovery services, the IDG research respondents cite faster recovery and reduced disaster recovery costs as the top benefits (58 percent), followed by reduced downtime (44 percent) and improved reliability (38 percent). Nearly half of respondents either have already invested in cloud recovery services or are planning to invest in the next one to two years; nearly an additional third have cloud recovery services on their radar but have no current investment plans.

Significantly, over three-fourths (78 percent) of those already investing in cloud recovery services acknowledge faster recovery as a benefit, compared with just 54 percent of organizations planning on investing and 57 percent of those with no plans to invest. Clearly, those IT leaders who have not invested in cloud recovery services yet can learn from their peers who have firsthand experience with the services.

Moreover, more than 6 in 10 respondents report four hours or fewer as the ideal recovery time goal. Since the speed of recovery is considered the top benefit of cloud recovery services, it is understandable that organizations desire a recovery time that takes less than half of one business day. Given new technology available today, these expectations can be considered realistic.

"Sungard Availability Services recognizes that recovery and continuity in cloud services is one of the cited benefits, having implemented business continuity and disaster recovery in the DNA of cloud services many years ago," says Sungard Availability Services' McCoy. To achieve this goal, she suggests that customers architect an entire recovery program from the ground up, factor in how users will connect, ensure consistency with business needs, and consider using third-party experts to manage and enable the recovery program

OVER THREE-FOURTHS (78 PERCENT) OF SURVEY RESPONDENTS ALREADY INVESTING IN CLOUD RECOVERY SERVICES ACKNOWLEDGE FASTER RECOVERY AS A BENEFIT, COMPARED WITH JUST 54 PERCENT OF ORGANIZATIONS PLANNING ON INVESTING AND 57 PERCENT OF THOSE WITH NO PLANS TO INVEST

Tony McCoy, vice president, Americas services providers and alliances at EMC², says, "Together, Sungard Availability Services and EMC² deliver a fully integrated backup- as-a-service and disaster-recovery-as-a-service solution. Working together, we can help organizations achieve true business continuity and resiliency."

Melissa McCoy adds, "Our partnership brings the experience, maturity, and commitment to flexibility that customers require for both present and evolving future business needs."

Despite the many benefits of cloud services, challenges still remain. Security and integration top the list of concerns associated with cloud services, and also rank as the most significant challenges holding organizations back. Although compliance concerns are one of the top three common concerns associated with cloud services, ROI actually outranks it as a significant challenge holding an organization back.

With regard to challenges specifically associated with cloud recovery services, those who are planning to invest (80 percent) and those who have no plans to invest (57 percent) are significantly more likely to have security concerns than those who are already investing (48 percent) in cloud recovery.

Worth noting is the disparity in the perception of these challenges between those who are invested and those who are not. Those not currently investing in cloud services comment "not a priority for our organization," "not convinced of ROI," and "would be difficult to enforce SLAs" as major challenges with cloud recovery services. On the other hand, those already

investing in cloud recovery services do not report these as challenges.

Proper due diligence, together with careful planning and the choice of the right cloud service provider, can help allay security concerns.

"Security is a major concern all the time, but it gets back to having a trusted partner and reviewing their business process regularly; having the involvement of our legal team to make sure they are comfortable with the IT roadmap and vision; providing transparency into the IT organization; and managing with the steering committee to ensure that everyone understands the pros and cons, will make for an effective hosting strategy," shares Flagship's Tomasco.

Moving forward, there's a sunny future for the cloud. Half of the cloud services budgets are expected to increase while only 10% are expected to decrease, according to the IDG research.

There's a strong business case for the cloud, and IT leaders are more committed to its future than ever. Ultimately, though, success depends on careful strategic planning and choosing a solution precisely aligned both with business objectives and workload performance requirements.

Different applications, for example, have different workload and cloud service requirements. When evaluating public, private, or hybrid clouds, consider service- level requirements as well as where the application sits in a performance zone. Finally, evaluate carefully which applications should be in the cloud. For instance, the performance, availability, and security requirements of an application in a test development cycle are obviously much lower than those of a mission-critical application in full production mode where there is no tolerance for downtime.

"Go in with your eyes wide open. Not every application needs to be in the cloud," advises McCoy of Sungard Availability Services. "Build a strategic business case that brings value and drives outcomes, whether it's agility, availability, or flexibility. Take into consideration the journey into the cloud."

Sungard Availability Services: Sungard AS and EMC² Partnership

Sungard® Availability Services™ (Sungard AS) has more than 30 years of experience providing flexible availability services that help ensure organizations keep applications always on and always available. The company leverages its proven expertise to provide managed IT services, information availability consulting services, business continuity management software, and disaster recovery services to clients in North America, Europe, and India. Sungard AS helps customers improve the resiliency of their mission-critical systems by designing, implementing, and managing cost-effective solutions using people, process, and technology to address enterprise IT availability needs. Sungard AS provides tailored enterprise cloud services, as well as innovative solutions, including: disaster recovery, managed hosting, cloud, colocation, software, consulting, and managed security.

Sungard AS and EMC² work together to provide companies with true business continuity and resiliency:

- **Tier 1 production data protection.** Sungard AS' Managed Enterprise Storage Replication offers a target EMC environment, a second site for hosting, and management of the recover point replication process. Data is fully hydrated and ready to mount, for a low RTO.
- **Tape-free data protection.** Sungard AS Managed Backup and Vaulting for Avamar provides a true opex utility model for protecting data. This service includes Avamar software, Avamar hardware (source and target), and a hosted target location to store data off-site to recover tier 2 and tier 3 applications.
- **Four-hour automated server recovery.** Sungard AS' R2C-Server Replication and R2C-Site Recovery Manager provide automated continuous data protection and push-button recovery of production servers onto EMC storage within the Sungard AS recovery cloud.
- **Fully managed disaster recovery program.** Sungard AS Managed Recovery Program (EMC) is available with any of the above services and provides recovery experts to create a recovery plan, execute recovery testing, and manage the recovery lifecycle to ensure that recovery is as successful as possible.

"With this wide variety of services, we can provide organizations with the optimum mix of flexibility and scale, deliver affordable pricing options, and flexibly match the right availability solution to varying recovery time and recovery point needs," says EMC's McCoy. ■

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http://www.sungardas.com