

Making the most of cloud

MOVING FORWARD WITH MISSION-CRITICAL APPLICATIONS

Introduction

For all the conversations and press about the cloud, these are still early days for cloud applications — at least, mission-critical ones. Recent research reveals that email, unified communications suites, and content management systems have seen substantial cloud activity. Some organizations also report deploying basic customer relationship management (CRM) and human resources (HR) applications in the cloud. Enterprises say they are realizing many of the hoped-for cost, operational and innovation benefits with these early deployments. So what will it take to motivate enterprises to take the next step and move other, more strategic applications into the cloud?

This paper examines businesses' cloud application experiences to date and their hopes and concerns for moving forward. It also explores some alternatives for knocking down perceived barriers to expanding their use of cloud applications with approaches such as industry-specific cloud application suites.

The data reflecting current cloud application trends is taken from an August 2014 IDG Research MarketPulse study, which polled 107 IT and business leaders across industries about their attitudes, experiences and concerns toward cloud applications.

State of enterprise cloud application deployments

What's in the cloud today and what experiences are enterprises reporting?

Largely, enterprises have moved communications-centric applications into the cloud. For example, 42% of respondents to the IDG MarketPulse survey said they were using cloud-based



email, and 33% cited cloud use of collaboration applications. However, content management is also getting cloud attention: 28% reported using it in the cloud today, while another 41% said they would be deploying content management in the cloud within two years.

Even with their limited exposure to cloud application services, enterprises report reaping both IT and overall business benefits. The biggest IT benefits realized are decreased costs and reduced software upgrade hassles and expenses, according to 33% of the respondents. On the business side, 30% said the cloud has helped them drive change and innovation in their organizations. Nearly a fourth (23%) said that using cloud applications increased employee engagement, empowerment and satisfaction.

Impetus for using more cloud applications

These data indicate that there are lots of good reasons for using cloud applications. In addition, 48% of non-IT respondents cite business continuity as a top motivator for using them (Figure 1). Similarly, 54% of those with IT titles cited "better disaster recovery protection," and 50% cited "reduced downtime," as related benefits they anticipated.

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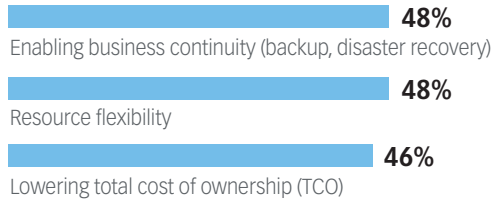
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FIGURE 1

Top Business Drivers for Cloud Plans



Top IT Benefits Desired from Cloud Deployments



SOURCE: 2014 IDG Research MarketPulse study

Cloud applications are set up to deliver such business continuity, disaster recovery and uptime advantages by virtue of the redundant design of the [cloud server farm](#). In addition to the application functionality and usability, then, it's also important to evaluate the cloud infrastructure provider and the levels of redundancy and failover built into the provider's data centers. In the strongest infrastructures, app servers will be arranged in virtual clusters, load balancing traffic requests among them for fast response times. In such a configuration, if one application

instance or server should fail, another immediately kicks in to continue serving application service requests.

This level of redundancy and failover is more easily achieved in the cloud than on your own premises, because the cloud infrastructure benefits from the economies of scale of serving very large volumes of users and traffic. So server resources are continually expanded and upgraded to back each other up. Other contributors are the sophisticated monitoring tools and proactive support built into cloud services, which typically exceed the capability of most IT organizations.

In fact, it pays to check if service-level agreements (SLAs) are available from your cloud provider for application service uptime. If you can get network uptime SLAs in addition to system uptime, SLAs, take them, because those links are part of your overall uptime and business continuity equation.

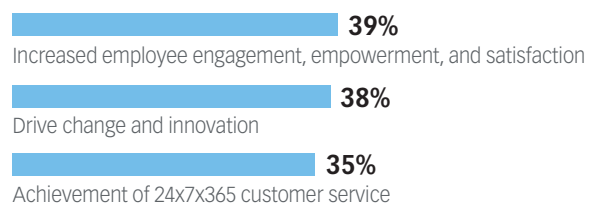
Alignment of anticipated and actual benefits

IDG survey takers report that the cloud benefits they have realized to date are in line with those they hoped to achieve. Figure 2 compares the hoped-for benefits with those actually experienced. For example, 64% of IT folks hoped for decreased costs (the biggest hoped-for benefit) and 33% have realized decreased costs (the biggest realized benefit). You can see, then, that desires and reality are lining up for many respondents, though reality lags desire in terms of the numbers of people experiencing it.

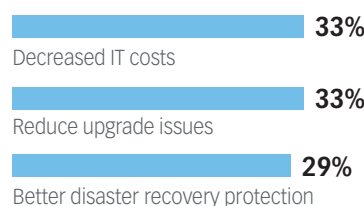


FIGURE 2

Top benefits desired from cloud enterprise business application deployments



Top benefits already gained from cloud enterprise business application deployments



SOURCE: 2014 IDG Research MarketPulse study

VIDEO »

INFOR CLOUD SECURITY AND COMPLIANCE



COO Pam Murphy explains Infor's extensive, well-funded cloud security and compliance infrastructure, systems, protocols, controls, and monitoring. Learn more on www.infor.com/cloud

In other words, the top hoped-for benefits are also the top realized benefits. However, only about half the companies that are hoping for the benefits have achieved them with their early cloud implementations.

Why? Perhaps most significant, most organizations have just dipped their toes into the cloud application service pool. Since cloud applications haven't been adopted on a large scale, the benefits of using just a few cloud apps only add up to so much. For example, the more you offload into the cloud solution, the more you are likely to save and the greater the flexibility you'll have with turning up new resources quickly.

Resource flexibility is a popular desired cloud outcome, cited by 48% of survey respondents as a goal. Cloud in general helps promote the concept of "fast IT," in that it's simply faster to get up and running with an IT resource when don't have to license, test, update, and maintain it. Or buy equipment to host it. Instead, you simply buy a subscription and begin using the resources you need. Cloud-based systems let you quickly launch new services and just as easily deactivate them if business requirements change.

This model goes hand in hand with lowering total cost of ownership (TCO), cited as a desired outcome by 46% of respondents. Similarly, "decreased costs" were a goal cited by 64% of IT respondents. Again, your enterprise doesn't have to buy servers to run applications (lowering capex), you don't need server administrators for all your different applications (lowering opex), and you don't need to maintain and update security software and manage version control (also lowering opex).

VIDEO »

INFOR ION — WHAT PURPOSE-BUILT MIDDLEWARE CAN DO



Infor Intelligent Open Network (ION) is a powerful integration platform that enables disparate business systems to share information by translating it into the common language of standardized XML. Here's how it works and what it can do for your business efficiency.

Perceived barriers and solutions

The concerns respondents had with regard to moving more apps into the cloud largely had to do with the cost of integration complexity and with upgrading existing systems and software on site (Figure 3). They also worried about security and service reliability when deciding which applications to move to the cloud and about lacking a unified plan for moving wholesale into the cloud.

Let's take a look at each and discuss how vertical cloud application suites might help clear each hurdle.

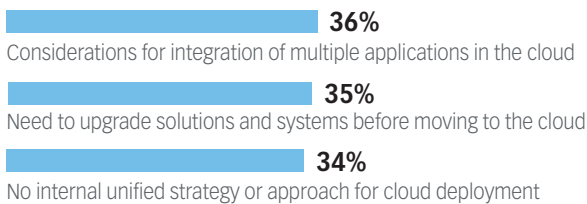
BARRIER 1: APPLICATION INTEGRATION COMPLEXITY. It's challenging enough integrating business apps and functionality on premises when you control (but must buy and manage) all the tools and vendors. So it's not surprising that 57 percent of respondents were unsure how to integrate functionality among business apps that resided in the cloud. It's indeed a common desire to have business applications link directly to other business applications for greater functionality and data correlation.

Comprehensive cloud app suites, based on industry requirements, could help, as the cloud applications are already unified upon deployment. In this way, it's possible to get the best of both possible worlds with vertically integrated cloud application suites. The idea is to purchase deep vertical function out of the box — say, for automotive, industrial, food-and-beverage, healthcare, or other industry. The cloud suite itself integrates an industry-specific enterprise resources planning (ERP) system with related apps and a common look and feel. Any customization you need to do,



FIGURE 3

Top barriers to realizing cost benefits from cloud enterprise business applications



While no one barrier to realizing cost benefits from cloud has the majority vote, integration of multiple applications, the need for systems upgrades and lack of a unified cloud strategy are all top obstacles.

say, for reporting, interface, or industry-specific compliance can be achieved without requiring core customization of the code. A majority of survey respondents — 63% — indicated that they would be interested in such an approach.

BARRIER 2: UPGRADING EXISTING SOFTWARE. When you use cloud applications, you have “forever-modern” application versions and technology at your disposal. Your provider constantly maintains and updates versions. Some respondents (35%) said they were concerned by the cost of upgrading what users already have on their desktops to match the application versions in the cloud. This is an understandable consideration, given tight budgets and respondents’ preoccupation with decreasing costs and TCO.

On the other hand, the benefits of having forever-modern technology at your disposal far outweigh the one-time need to bring your premises-side client software into version compliance. That one-time investment keeps all versions in

VIDEO »

INFOR CLOUDSUITE SECURITY—DEFENSE IN DEPTH



This video lays out Infor CloudSuites’ defense in depth using the five Rs of data security, and what that means for you.

sync, security holes patched, and the whole system maintained for life — a huge cost and complexity savings. A top goal of being in the cloud is to preserve your upgrade path.

BARRIER 3: SECURITY. Concerns with data security transcend all aspects of IT, whether on premises, in the cloud, or elsewhere. So it is no surprise, then, that when deciding what applications to move to the cloud, 93% of respondents cited data security as the top consideration. It was quickly followed by service reliability, weighing in at 90% (see Figure 4).

We addressed the service reliability issue earlier in our discussion of the redundant nature of cloud server farms, SLAs, and the need for backup network connectivity. As to security, every industry has its own compliance mandates. So consider these when moving to the cloud. Do your cloud apps support your industry’s particular mandates — HIPAA¹ for healthcare, ITAR² for aerospace and defense, PCI DSS³ for retail, FedRAMP⁴ for the public sector, and so on? It’s important that if you go with a vertically integrated custom application suite, the security standards for your industry are built right in. For more discussion on security, see this [Infor video on cloud security and compliance](#).

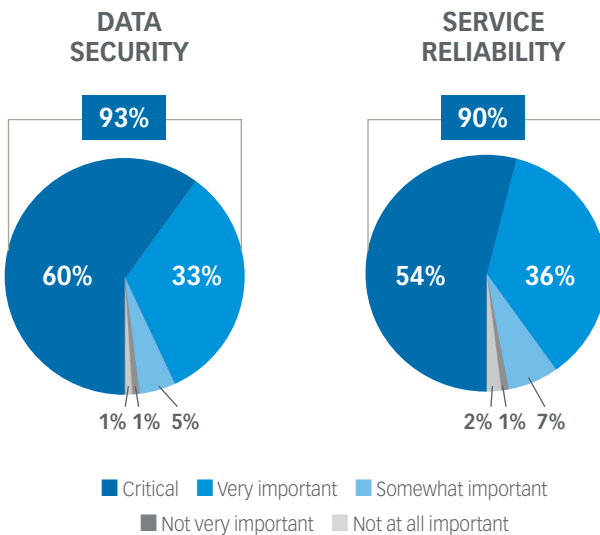
BARRIER 4: LACK OF INTERNAL UNIFIED STRATEGY FOR CLOUD DEPLOYMENT (34%).

Cloud migration represents an opportunity for businesses to re-examine existing processes — and opens the door to refine them. Create a master plan, rather than allowing one-off, random deployments; to do so, communicate to the CIO, who has power to affect business processes/plans at executive management table.



FIGURE 4

Top barriers to realizing cost benefits from cloud enterprise business applications



Unsurprisingly, the most important considerations when deciding which applications will be moved to and built on an off-premise public cloud platform are data security and service reliability. Cost and expected ROI are also top decision criteria.

SOURCE: 2014 IDG Research MarketPulse study

VIDEO »**INFOR CLOUDSUITE—AN EXECUTIVE OVERVIEW**

Infor executives give an overview of Infor CloudSuite—flexible and proven complete industry-specific Infor applications on the Amazon Web Services cloud.

Two key components of building a unified strategy involve getting to know your vendor inside and out. Does the vendor support industry-specific, custom application suites that could immediately improve your business processes and support global capabilities? And make sure the infrastructure underneath the cloud apps is robust, redundant, and designed for near 100% uptime.

Also, determine the best pace for your organization to migrate: gradual migration can make internal stakeholders more comfortable with moving forward with new deployments step by step. On the other hand, moving forward in a big way can deliver the greatest return in the shortest amount of time. So your

company needs to decide which model best fits your corporate culture and IT philosophy. While the industry continues to debate the benefits of cloud-based business applications, adopting point solutions—such as human capital management and customer relationship management—is a reasonable way to start. Getting your feet wet with the cloud can help make your stakeholders accepting of broader plans over time. Moving mission-critical applications such as an industry-specific ERP will bring you a wide range of rich functionality, so it's important to know the best path to long-term success for your

Conclusion

While many businesses have gotten started with cloud application deployments, most adoption has been limited to email, collaboration, and content management applications. So the benefits realized to date have been limited to the reach of those applications. But before businesses move deeper into their cloud application commitments with more mission-critical systems, they need a greater comfort level with a variety of cloud factors. Among these are security, ease of cloud app integration and configuration, and, internally, their own business process readiness to embrace the cloud for mission-critical applications.

Some of these perceived issues can be overcome with education and partnering with the right vendor. In addition, industry-specific cloud application suite offerings eliminate integration and customization complexity by handling it in the cloud back end, rather than imposing the burden on the enterprise. Such cloud application suites also help improve security by integrating industry-specific data security standards right into the suite.

Learn more at www.infor.com/cloud

¹ Health Insurance Portability and Accountability Act

² International Traffic in Arms Regulations

³ Payment Card Industry-Data Security Standards

⁴ Federal Risk and Authorization Management Program

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