A CIO’s Cloud Decision and 7 Lessons Learned From Peers

Find out what advice Wisegate members gave their fellow CIO about moving core applications to the cloud
Introduction

As organizations of every size and industry consider whether they should make the transition from traditional on-premise computing to cloud computing—and if so, how—even the most experienced IT professionals have much to learn. New questions arise about service level agreements (SLAs), support policies, data migration, data security and privacy, and so much more.

This report provides a snapshot view of how a CIO leveraged Wisegate to shape his cloud deployment strategy based on the lessons learned and real-world experiences of his peers. This is your opportunity to get the practical advice that IT leaders usually only share privately with each other as members of the invitation-only Wisegate community.

With critical knowledge about cloud-based application advantages and pitfalls, as well as specific deployment considerations, you will gain key insights into how senior IT professionals from mid and large sized companies successfully navigate the hype versus reality of cloud-based applications.

Getting Started in the Cloud

For anyone just getting started with a cloud-based application deployment, there is a steep learning curve. Gaining real world knowledge about cloud-based application advantages and pitfalls, as well as specific deployment considerations can make the difference between project success and failure.

Some critical points of consideration for cloud-based application deployments include:

» Are other companies like mine moving core applications to the cloud? And if so, how?

» What new risks does the cloud-computing environment introduce and how do I mitigate those risks?

» What are the recommended first steps for moving to cloud services?

» How can I save time and reduce risk by leveraging my peers’ experience in cloud-based application evaluation, contract negotiation, reference/security checks, etc.?

These are the types of initial questions that one Wisegate member and CIO named Scott had when he was planning for his first cloud-based application deployment. To shorten his learning curve and gain knowledge from the successes and failures of his peers, Scott
posted several questions and polls to the Wisegate community. He then scheduled a Wisegate hosted conference call to gather more insights from his experienced peers.

Meet Wisegate Member and CIO “Scott”

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<th>Industry:</th>
<th>Manufacturing</th>
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<td><strong>IT Project:</strong></td>
<td>Scott’s company wants to deploy a new customer relationship management (CRM) solution. A steering committee has decided that a public cloud application will provide the best combination of coverage, agility and scalability. The company is planning a limited initial roll out of Salesforce for 125 - 200 users.</td>
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<td><strong>Challenge:</strong></td>
<td>Scott and his team are accustomed to the typical deployment issues for on-premise applications, such as contractual issues, data migration, and implementation team selection, but they have limited experience with cloud implementations. They need to quickly come up to speed on cloud challenges and success factors before investing in the new services.</td>
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<td><strong>Solution:</strong></td>
<td>As a member of Wisegate, Scott turns to his peers to learn the tips and tricks and things to watch out for as well as the best practices for deploying cloud applications.</td>
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<td><strong>Result:</strong></td>
<td>The answers to Scott’s questions and polls helped him quickly gain knowledge about what his peers are doing. Scott was able to speed his decisions and avoid pitfalls by learning from experienced peers on a conference call hosted by Wisegate just for Scott. He now has an extended network of colleagues on Wisegate he can call on to get advice as he makes critical decisions or encounters unexpected obstacles in his cloud project.</td>
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“I know the challenges and success factors of on-premise applications. But in a cloud environment, I see a lot of differences right out of the gate. I am looking to get advice from other Wisegate members that have experience deploying cloud-based applications.”

–Scott, CIO, Manufacturing Company
7 Cloud Lessons Learned from the Trenches

Across Wisegate, members have significant amounts of experience deploying cloud-based applications and there is much to be learned from them. Below you will find the top lessons on cloud-based application evaluation and deployment that Scott gained from interaction with his peers on Wisegate.

#1 Security is the Top Concern

When it comes to moving to cloud-based applications and services, Wisegate members are most concerned about security. Scott’s first poll shows that 73% of Wisegate members have security as their biggest reservation about moving to cloud-based applications.

**Poll 1: What reservations do you have about moving to cloud-based services like email for your company?**
A second poll from Scott shows that 53% of Wisegate members are addressing this security concern by requiring data classification, virtualization security, and encryption as a key control for moving to cloud. One member told Scott: “Our contract templates define the security and audit requirements in quite a bit of detail: expectations of notification should a security breach occur; our right to audit their controls or arrange for independent third party review; access to audit reports to support our regulatory requirements; restrictions on what jurisdictions the cloud service can extend to; etc.” To keep from reinventing the wheel, members commonly share artifacts like these contract templates on Wisegate.

**Poll 2: What key controls are you requiring if moving to a cloud of any type?**

Regardless of required controls, a third poll from Scott shows three-quarters of the Wisegate members have not moved protected class data into the cloud yet because they believe the move is still too risky. Quite a few members report that government or industry regulations (such as HIPAA or Sarbanes-Oxley) prevent them from adopting cloud-based applications.
Poll 3: Are you moving protected class data into the public cloud?

#2 Email in the Cloud is a Mixed Bag
In a fourth poll by Scott, almost half of Wisegate members say they “can’t ever imagine” moving their enterprise email or document management services into the cloud. However, one member says this is precisely where he would start in terms of adopting cloud applications if he were to start a new company today:

As this member said, “If I was going to start a separate company, email in the cloud would be an easy application for me to consider, as well as other services I consider to be a commodity. I don’t want to manage them anymore and I want to pay someone to do it. And more likely, it will be cheaper in the long run.”
Poll 4: Are you evaluating a move from corporate hosted email services (e.g. Outlook and SharePoint) to cloud services?

For those organizations that do put email in the cloud, there are a couple of “gotchas” to avoid. First, ensure that SLAs cover connectivity, response time, uptime and issue resolution. Second, understand what the maximum “send” and “receive” limits are for each mailbox and for the entire organization. Most service providers have daily limits. And finally, understand the disaster recovery (DR) and digital archiving processes and procedures offered by the chosen service provider. For digital archiving, one Wisegate member notes that there’s a big discussion now about law enforcement having access to stored email for some number of months.

According to members who have been down this path, anyone looking at the big 3 email providers – IBM, Microsoft or Google – may want to broaden their evaluation to be email plus a complementary productivity suite (for example, Microsoft Office). According to one Wisegate member, LotusLive and Office365 are very compelling service offerings. For the organization only interested in email, then Zimbra/VMWare has a really interesting product.

#3 Start with Clear User Requirements and Use Cases

Whether looking for on-premise or cloud-based applications, it’s important to have a clear understanding of user requirements and use cases before starting a product search and evaluation. After narrowing the choices to a few vendors, ask them how they would handle each of the use cases in their environment. Here’s what one member said on this point:
“For the specific evaluation process, we simply ran small user tests with selected resources in IT. For the vendor selection process, we published an RFP capturing the major use cases of our environment and migration requirements.”

Remember that negotiation is key to striking a good deal. The situation often dictates what is acceptable or what will work. One member shared, “Having documented the starting expectations, we find it easier to get buy-in from the vendors and our business leaders to substitute alternate mitigating controls.”

#4 The Devil is in the (Contract) Details

Immature cloud service providers are exposed quite quickly and are unwilling to accept the liability for failure to meet the contract terms. The providers who have considered their responsibility appropriately are much easier to work with and provide the comfort level that enterprises are looking for, as these members commented:

“As is often the case, ‘brochureware’ and sales pitches can hide a lot of shortcomings, but we have had some success with RFP evaluations and the most success at contract negotiation time.”

“If we had to do it all over again, we would perform an in-depth supply chain assessment and ask for stronger, better defined SLAs, operational level agreements (OLAs), and underpinning contracts.”

“We recommend going through an assessment that includes control reviews prior to any signature on a contract. This would include the whole IT/cyber supply chain associated with the vendor and their vendors.”

#5 Just Getting started with Cloud? Start small and learn.

One of the best benefits of cloud-based applications is that they allow organizations to start small with a subscription model and then scale up as needed. This model allows companies to get their feet wet with public cloud applications and learn the issues on a small scale before making too deep a commitment at the outset.

One senior member shared, “Even with SaaS, we’ve had lots of stumbles early on. In particular, not having an identity management federation strategy in place has proven to be a pain point. We recently had to have a discussion with many project managers who were seeking to implement SaaS capabilities without a cohesive strategy for managing identities. We ended up crafting a section on federation that, in the future, will go out on all RFPs/RFIs for SaaS solutions.”
#6 Use a Multi-Tier Support Strategy

Regardless of whether an application is on premise or in the cloud, users still need and expect support from time to time. One Wisegate member suggests providing as much user self-service help as possible as the first tier of a multi-tier support strategy. The second tier is an internal helpdesk, and if the problem can’t get handled there, then it should be taken to the vendor—the third tier of support. The member commented, “We have found that some of the SaaS providers have developed their interfaces such that they can provide direct end user support, especially when the questions pertain to the application itself.”

Another member echoes this experience, saying that his company handles support calls pertaining to the areas of Salesforce that they have customized but they rely on Salesforce.com for common issues as part of their support contract with the vendor. He adds that Salesforce.com has a really strong knowledge base to help support its broad audience.

A good conservative strategy is to select software SaaS partners that have a wide install base and a significant amount of experience. This is preferable to chasing the dollars as hard as possible and ending up with a second tier vendor that has difficulty providing support when it’s needed.

#7 Data Protection is required to do a deal with a provider.

Before moving applications to the cloud, make sure the data storage provider has sufficient data protection processes. One Wisegate member says he is looking at cloud-based solutions for backup and recovery and the offsite storage of information from his company’s ERP application. He says his ERP vendor provides a mirrored instance so that near real-time transactions get executed if the database is stored in a cloud environment. The member shared, “If they don’t have fault tolerance and recovery, then I wouldn’t move my applications. But based on some of my personal research, I feel pretty confident that it’s possible to find the appropriate vendor for that.”

Armed for Cloud Deployment Success

With the information Scott obtained on Wisegate, he was able to speed his decisions and reduce risk around moving his applications to the cloud. He can also now leverage a group of experienced peers anytime on Wisegate when new questions arise or when he needs a sounding board for further cloud decisions.

The topics covered in this report are just a starting point for Scott as he journeys into the unfamiliar territory of cloud computing. Scott plans to continue his dialogue with Wisegate members to more deeply explore additional topics of interest including:
Customization of SaaS applications

Migration of data from on-premise applications to cloud-based applications

Engagement in a commercial venture through a SaaS application

Best structure of support for a SaaS application

Perhaps you have some of the same questions or new ones as you make decisions on whether cloud services are the right choice for your organization or which type of cloud provider will best meet your requirements.

If you, like Scott, see the benefit in having direct access to senior level peers who have already been through what you’re going through—we hope you’ll join the conversation with these experts on Wisegate. To learn more about Wisegate or to submit your request for membership visit wisegateit.com/request-invite/.
In Closing…
We could go on and on sharing Wisegate member tips and best practices to help you define your own cloud strategy. In fact, we do—online at www.wisegateit.com. As a Wisegate member, you would gain access to real time peer discussions, round table events, as well as unbiased recommendations on which cloud vendors your peers like best, and more.

Wisegate is the invitation-only community where senior IT professionals can save time and solve problems in their job by leveraging the experience and advice of peers like them, in a secure, hype-free environment

Would you like to join us? Go to wisegateit.com/request-invite/ to learn more and to submit your request for membership.