How to avoid cloud FOMO with on-premises infrastructure

Leigh Schvartz, Head of Consultative Sales, European Platform Business at Fujitsu

Nobody likes paying for things they don't use. It feels like being short-changed.

A common cause for complaint is a subscription plan that just runs on whether you use it or not. We've all probably experienced that. But you'll have also felt some of that pain if you ever took the salesperson's advice to upgrade to the model bigger and more expensive than you needed – just in case – only to use a fraction of its available power or functions.

Both are common in IT, where "enterprise" cloud subscriptions are regularly underutilized. It's the same with on-premises infrastructure, where it's rare to find an under-provisioned system.

With budgets always under pressure, especially now, IT Managers are looking for ways to cut out any wasted expenditure. Areas where they are paying for things that are not being used are prime targets.

The fear of being under-provisioned

Why is it that under-provisioning is such a fear? IT managers are highly sensitive about being caught out with too little system capacity for their company to function properly. Under-provisioning may make a website seem slow or unreachable. Web users eventually give up, and the service provider loses customers and income. Severe under-provisioning, which can hit during short-notice spikes in activity, will result in a public backlash if people can't access a critical application.

On-prem under-provision can cause frustration with slow response times and force workers to stop their tasks.

Both cloud and on-prem under-provisioning scenarios are seen as "career-limiting" for IT managers. Consequently, over-provisioning of storage and server infrastructure is routine and far more common than under-provisioning.

Over-provisioning used to be a logical decision. It is sub-optimal but far less costly than business downtime. According to Information Technology Intelligence Consulting (ITIC), 40% of enterprises said a single hour of downtime could cost between $1 million and over $5 million – excluding legal fees, fines, or penalties. Nearly all (98%) large enterprises with more than 1,000 employees said one hour of downtime could cost more than $100,000.

The search for elasticity

With the cost of failure so high, it's no surprise that customers seek the elasticity to adapt to workload changes by provisioning and de-provisioning resources dynamically.

Most enterprise customers expect that elasticity from their cloud providers but are less aware that it is also now available from a small range of IT infrastructure vendors, including Fujitsu.
That means while it was once hard to achieve elasticity for infrastructure-owning service providers of all stripes (XSPs) and enterprise IT departments, this is now readily available through services such as Fujitsu uSCALE. XSPs and enterprises that want to enjoy the cost and efficiency benefits of the private cloud but still want the peace of mind of on-premises or co-located infrastructure now have a new solution.

How to avoid wasting money through overprovisioning

This new approach provides cloud-like pay-as-you-go (PAYG) agility and flexibility while still having the on-premises benefits of low latency, local data residency, and the ability to sustain mission-critical apps that are too complex to migrate to the cloud. Customers don't need to buy the infrastructure and incur CAPEX on the balance sheet. They pay for the resources they need as OPEX via monthly consumption-based billing based on actual usage.

And there's no danger of under-provisioning – IT Managers can specify a system with lots of room to grow and start by using (and paying for) only 30%. That gives the headroom to more than treble storage capacity, compute resources, or Virtual Machines, for example. And, even if they max out at 100%, Fujitsu uSCALE has a built-in buffer capacity, with additional capacity beyond that via upgrades available on the fly, just a phone call away.

Who is already using PAYG private cloud?
Most enterprises run the risk of under-provisioning. In financial services, the rise of neobanks and other fintech-enabled institutions has created a need to accommodate unexpected bursts of customer growth – or decline. In healthcare, medical imaging using x-rays and CRT/MRT scans creates massive file sizes that are often too large, expensive, and sensitive to transfer to and from the cloud. They can also soon aggregate into databases that outgrow on-premises infrastructure.

Under-provisioning is also a concern for internal Service Providers supplying IT services for companies using an on-premises private cloud for workloads that are not able to be moved to the cloud. In the public sector, where there is a constantly growing demand to offer digital services, uSCALE offers the necessary agility and elasticity to ensure compliance with the regulation as well as the reduction of upfront capital costs via a consumption-based offering.

Fujitsu's XSP partner Concat says it won the business of a major public sector customer in Germany thanks to continuous support from Fujitsu's uSCALE team and the ability to easily demonstrate the advantages of Fujitsu uSCALE. Adding uSCALE to its portfolio enabled Concat to adapt to its customers' growing needs with far greater agility.

On-prem infrastructure owners in all these organizations might have assumed that the PAYG agility of the cloud was not something they could access. But the flexibility afforded by uSCALE means that under- or over-provisioning is now yesterday's news across the board. Any sense of FOMO being experienced by IT Managers with on-prem assets can be pushed aside as cloud economics comes into the world of the data center. And the days of over-provisioning and the costs of buying, installing, maintaining, and upgrading unneeded infrastructure are over too. You can't predict the future with certainty, but you can now plan for all eventualities.

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Leigh Schvartz leads the team tasked with building and growing the highly strategic consumption & as-a-Service business (Fujitsu uSCALE), the customer experience and consulting capability across Fujitsu's four key go-to-market themes (Data- Driven Transformation, Hybrid Cloud, SAP & Workplace) as well as Strategic Bid Consulting and data-driven services business within Fujitsu's Platform Business in Europe. The purpose of the team is quite simple: deliver the best possible experience & outcomes for Fujitsu's customers and partners. This is delivered with leading-edge consumption models, brilliant Fujitsu consultants, the superpowers of our ecosystem partners and all combined with services which mean our customers can realize business value from our products, faster.
Prior to this appointment, he held various sales, marketing & offering management roles in Fujitsu's UK business as well as Avanade, a joint venture between Accenture & Microsoft.

Leigh holds a first-class honors degree in Management Sciences from Loughborough University in the UK and was recognized as one of the top “30 under 30” contributors to the cloud computing industry by CBR. Leigh is a keen triathlete and lives with his wife in Oxfordshire, UK, and is based out of Fujitsu’s London office.