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Cloud Journeys
Stories from Fujitsu clients

Q&A with Brad Mallard, Fujitsu UK and Ireland Cloud CTO

Background

As organisations increasingly embrace cloud computing, we see up close the various ways they do so – and for all kinds of reasons. It's certainly not a case of one size fits all.

It's also not an overnight fix. It's about a journey, of sorts. All the organisations we are about to mention are in various stages of transformation and have faced unique sets of challenges.

With key drivers in mind – lack of complexity, growth, innovation, all while ensuring security and compliance – we recently sat down with Fujitsu CTO for Cloud Services Brad Mallard to hear what's going on across five different customers, from five different sectors.

Let's talk customers. Why are most of them moving to the cloud?
There are usually several reasons. But increasingly we're seeing large enterprises use cloud as a platform for growing their business, providing competitive advantage and better delivering new channels and customer engagement while also reducing costs. But it's also about doing things that couldn't otherwise be done – call that enablement, call it innovation – all while being at least as secure as more traditional on-premise systems. And what a lot of this all boils down to is stripping out complexity, trying to keep things simple. It's transformational to the business and to the IT department that supports it.

Part 1: Simplicity

Let's take that last point first. How does moving to a new model make things simpler for anyone?
If you're implying that many large multinational enterprises are going through a transition then that's right. It's also true that very few will likely go 100 per cent cloud for a few years yet, due to the complexity, cost and risk associated with change – or for that matter stay 100 per cent non-cloud. But I'd go as far as to say that while all our enterprise customers have had requirements that are specific to their business,

all have moved to a simpler way of tapping technology.

Examples?
We're known as being a major supplier to retailers but, also on high streets up and down the UK, we've long worked with the hospitality sector – well-known pub and restaurant chains. In one example, we've moved beyond supporting a customer's infrastructure to becoming the main outsource partner for this group, which has grown by acquisition. If we look across all that company's UK brands, even after some initial consolidation, they were still running 69 applications core to their business – around 20 per cent of weren't within vendor support. This is a growing area we see every day, for example with challenges around Windows Server 2003.

We realised this couldn't be addressed by simplistic migration techniques such as lift and shift or physical to virtual migration. Together, as partners, we embarked on an application transformation outsource, identifying the apps that would need to come over to a completely new cloud environment.

It meant both re-deploying and re-platforming and ultimately virtualising 95 per cent of their IT estate, including legacy services based on IBM iSeries and AIX Unix servers. A number of the core applications required careful consideration, engagement and planning with the business, with migrations taking place over weekends and with zero downtime.

The company now has a platform that can accommodate future changes, with a pricing and consumption model that suits them. Everyone from the IT department to the board is happy with that.

In another example, we worked with a major international bank. In this case simplification was approached in terms of the commercial model. The customer wanted specific balance sheet flexibility with shared risk. Effort was placed on defining an appropriate commercial model across the IT service we supply and how that is priced to drive the correct behaviours with both parties – public cloud models weren't the right answer in this instance.

We provide this customer with a private, desktop cloud located in their datacentre, with Fujitsu managing the whole environment. That said, we could easily shift everything to a Fujitsu datacentre if appropriate. But they're in a highly-regulated industry, so we agreed on a solution that met the requirements of the regulator and customer security policies.

The customer likes the simplicity of being charged on a usage basis. And that is all in a framework that is scalable for new services, which are quite innovative, and secure, given the bank's international footprint.

Can public cloud sometimes be the right answer?
Back in April 2012 this customer wanted to do a very high-profile, mass collaboration event globally, inclusive of all employees including the CEO – a bit like the hackathons that some companies do. We needed to set that up very quickly, initially just for two weeks, and the platform is still running today, delivering employee-to-employee events.

We bill per month but measure based on consumption. We use our private cloud platform to underpin this service with a truly flexible commercial model akin to a public cloud service.

But not the same?
There is more commercial simplicity. We deliver all cloud services from a single contract and provide a single bill each month. We also help them manage what they use and so what they spend.

To make the platform valuable to its users, they need to include certain content that for the foreseeable future the bank's security and risk people won't let outside their firewalls and datacentres.

We also started providing SharePoint-as-a-service. We built and manage a SharePoint service for 6,000 people globally. Purely opex, paid per month.

Part 2: Security and data compliance

Tell us more about that security.
We expanded our offering with this international bank while keeping our support model constant. But some staff are based outside the EU, with its consistent data privacy regulations.

How did you handle that?
Because of the data residency demands, we keep all the data and applications hosted in UK datacentres. Both the development community in India and end users globally simply use a thin client or remote access devices to get to information securely, wherever they're working. The technical and procedural controls let us tap the cost benefits of offshore development but protect customer intellectual property. Those same controls also secure data when it's mobile, for example when devices are lost.

How are other customers approaching this?
There are some great examples. One of the most innovative is a company that used to be in the public sector (our relationship with it goes all the way back to the 1980s) and, after an assessment decided it wanted to base its future CRM strategy on Salesforce.com. But this company has a strict policy that means all data must sit in the EU, which was a problem when it comes to using a public cloud application such as Salesforce.com. We were able to address this by working with one of an emerging breed of smaller ISVs in the cloud market. It had a very clever but simple way of encrypting the data that was transmitted and held in Salesforce.com. It meant that the encryption service was hosted by Fujitsu in one of our UK cloud services, ensuring customers' encryption keys were resident in the UK at all times, adhering to the policies imposed by the security auditor.

This innovative solution showed compliance, ticking all data residency boxes. It's proof that security can go hand in hand with flexibility - service scaling up and down according to requirements - all on a pay-as-you-go basis. In fact, we use the same service ourselves.

Part 3: Innovation

People use words like innovation and enablement a lot when it comes to cloud. But is there really much scope to push boundaries?
Simplifying technology or the commercial model isn't just about keeping costs down – though that became more important for everyone in the recession. Now organisations are prioritising growth, innovation, time to market and customer engagement.

Take a UK government department we work with. The austerity agenda has been a big driver in government IT since the election in 2010. But, on the insistence of the Cabinet Office, all departments have had to aim to embrace agile and provide better services too.

On the one hand, we took everything in this particular IT estate, everything in the datacentres, its mainframes, Unix servers, storage, as well as x86 Windows servers, and deployed fully flexible private cloud services, using VMware vCloud suite, Cloudera's Hadoop platform and Oracle technologies.

This classically scales up and down – just like the public cloud they first said they wanted to use – but

with a full commercial wrap, at a better price point to before.

On the other hand, the remit wasn't just about cost. We developed the Big Data analytics platform based on Hadoop in parallel. We took on the risk of deploying it as a fully flexible model, so the customer pays on the basis of per gigabyte of storage consumed. We next want to get this used as a broader service consumable for a wider community of government users.

That's cutting edge development, something the government is in general now becoming known for – and you could argue not just a world away from past government IT but very much dependent on cloud.

Companies across every sector are at different stages on their journeys and I'd go as far as to say the UK government is ahead of the pack in employing cloud. Unless all organisations embrace cloud they will start to find they can't compete with those that do.

Where else have you helped customers innovate?
Come back to that UK hospitality group. Going out for an evening has changed. It's not as if this company is a retailer, with pure-plays such as Amazon nipping at its heels, but its customers are still demanding more. They are increasingly looking to eat out as well as grab a drink, so integrating with services such as OpenTable becomes important. There is also an expectation that there is the infrastructure that allows orders go straight from waiting staff to the kitchen or bar. Or that all outlets provide wi-fi, where we worked with one of the major UK mobile operators to make this happen, or that customers can order in advance on their mobiles to lessen time spent waiting for food. Our cloud integration backbone has helped with integrating all of that.

Part 4: Relationship

How do you make this change happen?
Relationships are vital. In some of these examples we have been working side by side as partners with these companies for a very long time. But it's not just about familiarity or our shared battle scars.

In another example, a global construction company came to us two years ago with several challenges. It had an inconsistent IT estate, the product of many mergers and a federated corporate structure. It also had a strong sustainability agenda and a new management team. And one other small thing - it wanted transformation while taking out 70 per cent of costs.

The company had used consultants who identified cloud as being the bet to make and Fujitsu won this first-generation outsource contract. Education was a

big part of this. Cloud is an enabler but it shouldn't be considered a silver bullet to all corporate problems.

Phase one was understanding what was there, phase two was about taking control and as we enter phase three we're able to start predicting how the platform is used and rely on it for future developments, including integrating new acquisitions. Working with the company has been in the spirit of a true partnership but although the customer had the business vision, we brought the leadership in terms of technology and moving to the cloud.

Find out more
To find out more about Fujitsu's approach to helping clients adopt cloud and get the perfect balance between driving powerful innovation and deliver robust management of risks and costs on our website: www.fujitsu.com/hybrid-it.

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