

In 2023, can we still trust the infrastructure which connects the cloud?

Christian Leutner, VP, Head of European Platform Business at Fujitsu

What were the most significant issues in 2022, and what can we extrapolate from them in 2023? Christian Leutner, VP and Head of European Platform Business at Fujitsu, follows the red line from geopolitics, one of the biggest issues in 2022, and examines the implications for IT strategists and decision-makers.

Cloud-first strategies are today's norm for reasons so well-known that we don't need to repeat them here. What's also pretty well understood is that the public cloud isn't a universal answer to every challenge.

If it were, private clouds would not exist, nor would hybrid environments show such strong growth. In 2021, the global hybrid cloud market was valued at \$85 billion and will reach \$262 billion in 2027, [according to Statista](#). That's a very healthy CAGR of over 20%.

One main reason for keeping data and apps somewhat closer to hand became abundantly clear in 2022. Infrastructure assets like energy, communications, and transport – things we complacently took for granted over decades — are at real risk of disruption, even sabotage.

Take energy. Data centers are major users, and energy disruption has taken center stage in recent months. Geopolitics has made the long-term use of the Nordstream pipelines impossible, which delivered Russian gas to much of Europe.

In transport, remember the infamous bottlenecks that followed a minor shipping accident in the Suez Canal. And there was damage to the control infrastructure of Deutsche Bahn after two fiber optic cables were deliberately cut — according to German Transport Minister Volker Wissing — resulting in widespread cancellations and disruption.

If these major infrastructure assets can be affected, why not the 1.3 million kilometers of deep-sea data cables that form the backbone of the Internet? These links carry 95% of the world's data traffic, with the amount of data transmitted between the EU and the US doubling every two years.

2023: a year for resilience audits

The degree of risk involved here has not gone unnoticed. Organizations now routinely undertake critical infrastructure risk assessments as part of their resilience audits. Quite right: You can no longer expect to rely 100% on a data center somewhere far away and the infrastructure connecting it to you, colleagues, and customers. What if the infrastructure is damaged – or worse?

Warnings are becoming increasingly audible. In October, Deutsche Telekom Chief Executive Tim Höttges said the operator is considering ways to strengthen the security of its network assets. And in December, the Federal Office for the Protection of the Constitution (BfV) called on German companies to be more vigilant about acts of sabotage. Large consulting firms, such as PwC, have created dedicated teams of consultants to concentrate on this topic.

And yet, [a survey of risk professionals](#) published in 2022 found that while nearly all (96%) believe operational resilience should be an important priority for their organizations, fewer than half (46%) currently rate their organization's operational resilience capacity as "high/very high". Their prioritization isn't surprising for a hot topic that is already being pushed hard by regulators. In the UK, for example, the Government launched [a consultation exercise](#) in April 2022 into the broader issue of cyber

security, but with critical infrastructure resilience flagged as a key concern. Regulators in the EU, Australia and the US look set to follow this path.

We are already having more conversations with customers about hybrid infrastructures and are finding that the sooner strategic considerations are incorporated into the infrastructure to ensure business resilience, the lower the cost of doing so. This is nothing new, but interesting in relation to the previous "cloud first" approaches in that these costs are often significantly lower than the costs for cloud services in the medium and long term. Especially taking into account new pay-per-use models. Sometimes, customers are planning a "move away from the cloud". In this respect, it is up to companies like Fujitsu to address the topic of digital resilience and target business resilience with our solutions.

Hybrid infrastructures ensure resilience and are among the most important factors in implementing a "keep the lights on" stance in the long term.

What are the practicalities?

Working out where you might be vulnerable is complex but possible. The correct starting point is determining where your workloads are currently running and whether that setup is correctly optimized. There are automated tools at hand for this. Fujitsu, for example, offers the AI-driven [SAP BestPlace workload assessment tool](#), which customers can access via our uSCALE pay-for-what-you-use model, avoiding strain on capital budgets.

As well as underpinning your resilience audit, identifying misallocated workloads throws up opportunities to cut costs, for example, scaling back on unnecessary dedicated high bandwidth data links. Recent research by analyst firm IDC found that just 2% of workloads were ideally suited to a purely public cloud environment. There are more options for the remaining 98% – including hosted, on-premises, and private cloud. It seems clear that a combination of these options – hybrid cloud – is the optimum future operating model.

For 2023, use AI to improve customer experience and drive long-term profitability

None of this matters without a business case. In a flat to declining economy, businesses must work harder to delight and retain their customers. And the payback is there: When consultants at [Bain & Company](#) put the issue to the test, they concluded that vendors with a customer experience mindset grow revenues by 4-8% faster than their market.

Therefore, customer experience will again rise as a critical business driver in 2023. And we think that using AI to improve customer experience is the key to drive long-term profitability.

On November 30 last year, with the public launch of ChatGPT, the world awoke to the extraordinary potential for AI to transform human-machine interactions. It's a complete game changer, and we will look back on that date as the day the world changed to a new mode of technological development.

Business strategists are hard at work figuring out how ChatGPT changes their models. Businesses that leverage data, often via AI, will be able to delight and retain their customers in entirely new ways. Brands using AI in innovative ways to differentiate themselves, and satisfy their customers, will be able to compete – even in commoditized markets – on more than just price.

We fully believe in this business case. We have integrated AI into a "test drive" environment to overcome the stumbling block of finding the hardware to run a test. Fujitsu's AI test drive is free. It provides computing power and network capacity, advice about open-source tools and the hand-holding that AI-inquisitive business users need to work out if they have a viable business case. In short, it uses the power of AI to deliver an improved customer experience.

To find out more about the AI test drive opportunity, www.fujitsu.com/global/ai-test-drive.

**Christian Leutner,
VP, Head of European Platform Business at Fujitsu**

Christian Leutner is an industry veteran with over 25 years in the IT product, services, and technology market.



Christian is Vice President, Head of the European Platform Business at Fujitsu. The Platform Business is a vital part of Fujitsu's global strategy and as a senior executive, Christian works closely with Fujitsu's headquarters in Japan.

With its Data-Driven Transformation Strategy (DDTS), the European Platform Business supports Fujitsu's transition to a digital transformation (DX) company.

Previously, Christian was Head of Product Sales WEMEI in 2016 and Head of Product Business for Central Europe in 2017. Christian spent the latter part of more than 15 years at Fujitsu in various Senior Director roles in Sales, including Sales Operations and Product and Services Sales.

Christian joined the company in 2004, before which he worked for Toshiba Europe as Head of Product Marketing. Christian started his career back in 1995 with IBM.

Education-wise, Christian holds a Bachelor's degree in Economics and Business Administration from the University of Trier, Germany, and a Master's from ESADE Business School, Spain, and the University of Trier.

Christian is a German national based in Bonn. He is married and has two children. In an attempt to keep active outside of work, he enjoys hiking, playing football, running, and fits in skiing where possible.