More than cloud

Background
There is no doubting the rise of cloud over the past few years. The market for all kinds of cloud services continues to grow, with IDC forecasting an 11 per cent shift in IT budgets away from traditional in-house delivery towards cloud by 2016.

Organizations have reaped improvements in agility, innovation and competitive advantage. In fact, the upside has been so obvious – especially in areas such as software-as-a-service or renting compute power from public cloud providers – that line-of-business units outside of IT have taken a lot of cloud buying decisions themselves.

This has led to more decentralized IT spending and control. And that can be as challenging to the organization’s service delivery and compliance management as it is empowering for business units.

What’s more, few people just talk about “the cloud” anymore. We hear the word hybrid a lot. There is hybrid cloud – meaning a combination of public and private cloud services – but then some take hybrid to mean a world of digital and traditional businesses. Those are just two uses of the H-word.

We’d like to explain why Hybrid IT is both of those things – and much more.

Hybrid IT
Hybrid IT is all-encompassing. It also means something different to everyone. It varies because it is about the right balance of cloud-based and traditional IT services. At the core of hybrid IT is flexibility and the ability to change the balance over time to mirror any organization’s needs. That’s clearly been a failing of some past IT – where reliability and robustness almost preclude any real flexibility. This is something that hybrid IT addresses really well.

Analysts have started talking about “Hybrid IT” but the phrase hasn’t gone mainstream, yet. We’re betting it will.

The Fujitsu hybrid IT vision
We see cloud as the transformational bedrock of our managed services, underpinning business and social innovation. Cloud adoption will vary by sector and organization but, regardless of level and the specific type of cloud, the Fujitsu managed Hybrid IT services cover all needs.

All IT?
When we say all-encompassing, we mean it. Hybrid IT is cloud and traditional IT; it’s what your IT department looks after and what you’ve outsourced; it’s on-premise and off-premise; it’s the technology you know you have and it’s shadow IT – including the cloud services your business units buy directly.

Hybrid IT balances agility, innovation and doing things better alongside governance, managing risk and cost management.

Ultimately, it is about seeing everything from a single point – one reason it’s attractive to CIOs and the board – because central control is so important in a world where business units are using the cloud directly.

We can further break down the benefits of Hybrid IT into three areas:

- Growth
- Risks and costs
- Productivity

Growth
For many companies, Hybrid IT supports growth, competitiveness and innovation across industry sectors and globally. It has to deliver scalability. Finally the promise of on-demand, pay-as-you-go IT services is here.

In the public sector, it might mean growth in a different sense – greater returns from each technology investment, better productivity from empowered members of staff.
Cloud adoption is growing
Cloud usage is surging as organizations seek greater competitive edge

1. Cloud is the platform for mobile, social and big data
   - Agility
   - Innovation
   - New applications

Increasing reliance
Growing investment
Deeper adoption within functions

2015
The majority of functional units will use cloud for some element of their business by next year

>50%
Have already deployed cloud in their business

Corporate spending on cloud is growing rapidly

2013
$58 billion
2014
$72 billion

Managing a 'Hybrid IT' landscape
A new kind of IT environment is rapidly emerging

Typical service tower model
Service Delivery
Data center
Applications
End user
Network

4. IT must adapt
Governance models, integration processes and management systems must evolve

1. Leadership + management
   - Broker of services for other business leaders, while bolstering relevant IT skills

2. Process + policy
   - Business units empowered, but governance framework ensures maximum return and minimum risk

3. Tools + systems
   - FUJITSU Cloud Integration Platform makes it simpler, safer and more cost effective to adopt multiple cloud services and manage alongside non-cloud

More cloud creates different challenges
Organizations are identifying new challenges as managing multiple clouds alongside traditional systems becomes the reality.

New data security, service disruption and regulatory compliance risks emerge
Risk

Business unit leaders say integration issues prevent them getting the best out of departmental clouds
Integration

Cloud and non-cloud systems must be managed alongside one another
Unified management

Faster cloud adoption increases need to manage costs transparently
Cost control

‘Hybrid IT’ landscape
A new kind of IT environment is rapidly emerging

New ‘Hybrid IT’ model
Service Delivery

Data center
Applications
End user
Network

Aggregate, integrate and manage cloud services

Re-engineering for cloud
Organizations need to adapt in several areas to extract most value from cloud:

- Empowering business innovation
- Greater understanding of risk
- Transparency on spend
- Consistent management of cloud and non-cloud
- Reducing IT operational management costs

“The CIO should be leading the charge in leveraging the cloud to make things work, and really partner with functional leaders on outcomes.”
Mike Capone, CIO at ADP
Across sectors, we talk about better collaboration with suppliers, partners and customers.

Hybrid IT brings you the customer and business outcomes you need now while paving the way to faster, more flexible adoption of the technologies and services you don’t yet use but will one day.

For many organizations, it will be at the heart of improving customer experience and a transformation to a digital business. That transformation doesn’t happen as a single big bang. Fast is good but so is controlled and phased.

Let your business units have the cloud services they need but with governance, integration and cost managed appropriately.

Risk and cost
Hybrid IT also encompasses security. From what CIOs tell us, unexpected costs of cloud can become a challenge, with bills even into the millions where appropriate governance hasn’t been applied.

Managing these costs might depend on any number of approaches - migrating applications to the public cloud or private clouds, using software-as-a-service providers or managing traditional, non-cloud IT services.

An organization adopting Hybrid IT can manage these security and cost risks while innovating at pace.

Productivity
All of this should empower people, on several levels. Users get access to services much faster, for example through self-service, speeding innovation, while CIOs can deliver the level of operational management control any board expects.

A major goal is better user productivity. We’ve seen this happen through effective integration of apps. Commenting on how Fujitsu RunMyProcess® enables this, analyst IDC recently wrote about: “Focusing on the ‘developer in every organization’ by making new service assembly easier.”

Why Fujitsu?
As our Cloud Services CTO says (see box), we’re all-in on Hybrid IT. We are responding to what organizations need.

We have the integration credentials, including vendor independence and offerings across private, public and privately hosted cloud.