WHEN CLOUDS CONNECT: HOW HYBRID IT IS TRANSFORMING ENTERPRISES

WHAT DOES A WELL-BALANCED CLOUD STRATEGY LOOK LIKE? AND HOW CAN YOUR COMPANY ENSURE THAT YOU ARE GETTING THE BEST VALUE FROM MULTIPLE CLOUDS?

Let's imagine a consumer products company that moves seamlessly among different cloud realms. To start, customers access product information and place orders via a cloud-based web interface. Then, transactions are sent to an on-premises application with real-time links to on-site financial, inventory and production systems. Data from those transactions is processed and stored through third-party software-as-a-service-based applications. This can include customer relationship management, credit verification and shipping services.

Behind the scenes, important processes support this smooth interoperability. During holidays and special sales, for example, loads are "burst" to cloud-based processing and data storage services. And innovation is ongoing. New applications and capabilities are developed through an in-house platform-as-a-service environment that supports the latest development tools and databases. Developers and product managers also work together to spin up cloud-based servers to test new product ideas.

In short, our model consumer products company is able to activate resources from multiple places, including an on-premises data center, on-premises private cloud, and public cloud services. Such a balance among separate cloud realms will be increasingly critical for all companies—that is, if they want to remain competitive and adapt to ever-changing business requirements.

A new survey of 302 top IT executives conducted by Forbes Insights in partnership with Cisco found that there is no such thing as a static cloud arrangement. In reality, few companies are either all on-premises or all public cloud. Rather, they employ a mix of services that evolve with their businesses.

Consider this: a majority of enterprises (65%) have, at some point over the past two years, adopted a public cloud service for an application or function, then moved it back to on-premises. In some cases, this involved a large bloc of services. Why? Concerns about the security of online services provided by public cloud providers are a primary reason, but often, the public cloud service was viewed as a "temporary" implementation intended to get new applications or functionality off the ground.

When deciding between a third-party cloud or an on-premises location (be it private cloud or traditional data-center architecture), executives need to balance a range of requirements. Costs, of course, are extremely important, but additional factors need to be weighed as well, from security to any enhanced flexibility the arrangement will provide.

Here are some key questions to bear in mind:

Is the cloud strategy cost effective in the long run? A majority of executives (87%) say their public cloud met initial expectations in terms of costs. However, as time goes on and the meter keeps running, they may want to rebalance their mix of public versus on-premises resources. A majority (58%) say that as they have added new applications or workloads to their public cloud infrastructure, their costs per transaction have increased. In addition, 27% of those making the shift back to on-premises cited uncertainty about costs, since usage patterns change and subscription costs may be unpredictable from month to month. At the same time, a majority agree that a shift back to on-premises would take time to recoup expenses.

Can applications be easily moved to another provider, or back on-premises? A cloud engagement—be it public, private or a combination of both—should be based on open standards and protocols, so that it can easily be hosted and shifted to another platform. One of the leading concerns about public cloud expressed in the survey—cited by 43%—is vendor "lock-in." This results when an organization subscribes to online services and creates data associated with transactions against that service. But the data and applications are almost impossible to replicate or move elsewhere due to the vendor's proprietary processes and standards. Making the shift between clouds, or between public clouds and on-premises environments, can take time. A majority (83%) say it would take a month or more to move an application to another platform.

Is security assured? A majority of executives (88%) believe their public cloud provider's security policies meet the standards of their organization. At the same time, however, two in five are not highly confident that their data is in good hands with public cloud providers. So, despite growing comfort with the security of public cloud, enterprises still feel they need to hedge their bets. Security and compliance are the leading drivers of hybrid cloud adoption, as indicated by 82% of executives.

By asking the right questions, executives can help achieve the right cloud balance. And by seamlessly blending services from both on-premises and third-party cloud providers, they will serve the ever-changing needs of their organizations.

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