



**CIO Challenges:**  
The Overwhelming  
Imperative to Move  
to the Cloud



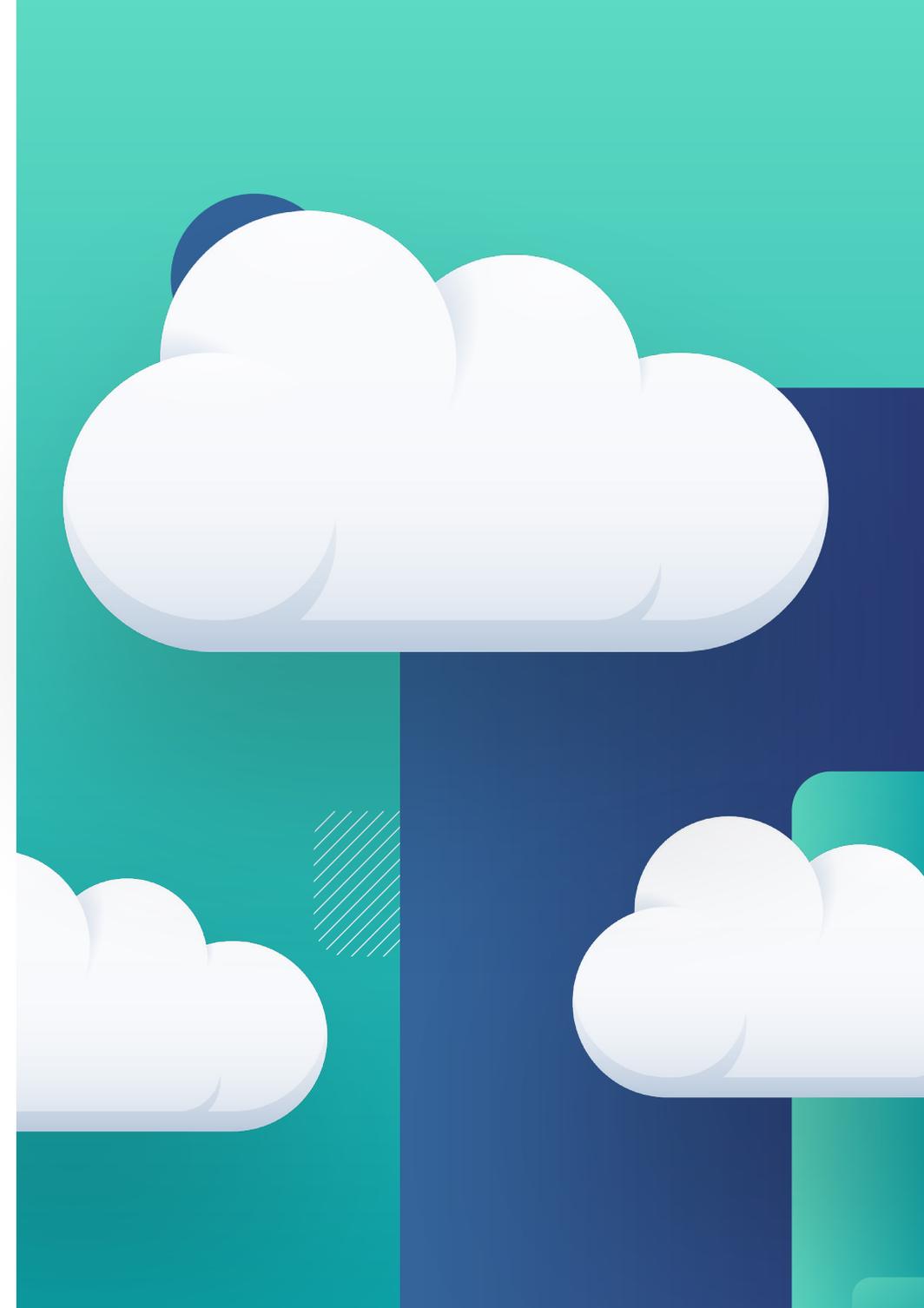
## CIO Challenges: The Overwhelming Imperative to Move to The Cloud

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What are the main concerns facing Chief Information Officers in the modern era? At Orbus Software we have identified 8 major issues that every enterprise must address when it comes to meeting the demands of the digital age.

This eBook explores the imperative for organizations to move to the cloud, the issues that firms face when moving key applications and sensitive data, and the value Enterprise Architecture (EA) and EA platforms offer to guide and de-risk cloud migrations.

Practically every enterprise software provider now offers a Cloud deployment option, with many providers moving solely to Cloud support. This is hardly surprising, given the demand from the market. One Orbus Software customer, an Australian dairy firm, commented that they won't even consider applications that were not offered through the cloud. However, while cloud products ultimately deliver efficiency at scale, a large barrier exists at the transition point, frontloading the risk for enterprises. CIOs need to be able to smoothly transition to cloud providers, without endangering services or data.



## Key Stats

Over two thirds (68%) of CIOs ranked “migrating to and/or expanding cloud” as the top IT spending driver in 2021

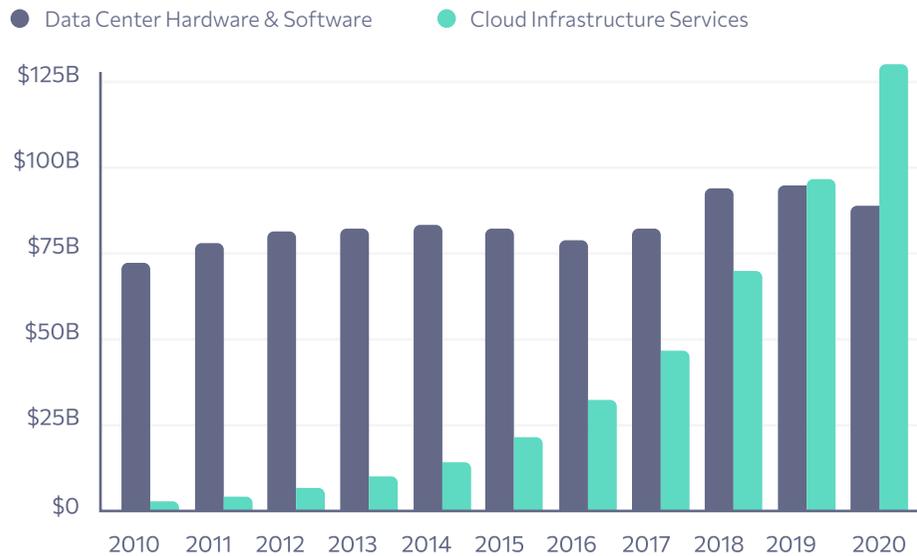
Gartner estimate that 45% of all IT spending in 2024 will go towards cloud-based solutions

Annual Public Cloud spend predicted to grow 23% to \$332 Billion in 2021

A single hour of cloud downtime costs enterprises from \$1 million to over \$5 million

On average, organizations globally are 23% over budget for cloud spend

## Worldwide Enterprise Spending on Cloud Centers



## What are the risks of migrating to the Cloud?

Moving to the cloud – whether through SaaS or through cloud infrastructure – has become an overwhelming imperative for businesses. The reasons why are well-known at this point; SaaS tools offer greater flexibility on price and service, outsource maintenance and upgrade costs, enable remote and other forms of work, and ensure applications are always up to date. Cloud Data services provide on-demand capacity, low upfront costs, and a variety of third-party integrations and services to enhance functionality.

### Costs Can Easily Exceed Gains

Nonetheless, modern applications and data management do not work in a vacuum. Applications and technologies are highly interconnected and the smooth flow of data is crucial. One CIO commented on the issues of moving from an on-prem provider to a cloud provider, remarking on how difficult such projects are and how the costs can easily exceed the gains if the providers themselves do not pitch in.

## Small Disruptions Affect “Always On” Businesses

The modern enterprise relies on carefully built and rigorously maintained integrations between applications. Even small changes to the architecture landscape will cause ripples throughout the system, disrupting normal operations and necessitating hundreds if not thousands of development hours to implement. Companies, particularly multi-nationals, no longer have the option of switching off overnight or for several days. All stakeholders, from customers to employees, expect “always-on” businesses.

Much will depend on the type of migration. Gartner defines the 5 Rs – Rehost, Refactor, Revise, Rebuild, or Replace – to encompass the different types. A rehost is relatively simple, but having to refactor or rebuild systems can mean much greater costs.

# Rehost, Refactor, Revise, Rebuild or Replace?

**Gartner**<sup>®</sup>





### **Test, or Suffer the Consequences**

Regardless of the migration method, it is inevitable that issues will arise if cloud services are not rigorously tested beforehand. Companies face the choice of pouring resources into extensive testing, or risking bugs and security flaws that will take up more development resources and endanger smooth operations. The better a migration is performed, the less testing should be required.

### **Cloud Migrations need to Succeed in both the Short and Long Term**

Attention also needs to be focused on the long term implications of cloud infrastructure, not merely the short term gains. Andreesen Horowitz point out that as companies reach the later stages of growth, the costs of cloud can become an increasingly large burden on margins, to the extent that firms like Dropbox and CrowdStrike have repatriated data from the cloud back to self-hosted or hybrid models. Not every firm with excessive cloud costs is able to follow them, however, due to the difficulty of restructuring their infrastructure. Ensuring that cloud migrations are not just successful, but also future-proofed, further compels CIOs to emphasize minimal risk in migrations.

## Enabling Effective Cloud Migrations with EA

### Key Stats

61% of organizations plan to optimize cloud costs in 2021

52% of enterprises identified 'Understanding App Dependencies' as the top cloud migration challenge

Dropbox gross margins increased from 33% to 67%, primarily due to cloud infrastructure optimizations

Enterprise cloud use rose close to 50% following the onset of the coronavirus

According to a study, organizations that adhere to migration best practices are more likely to:

**3.7x** Be completely satisfied with cloud services in use

**2.5x** Report that savings for migrated workloads exceed 15 percent

**2.9x** Report that they typically eliminated downtime for migrated workloads

**2.8x** Report that the cloud has significantly improved their business

An effective cloud migration must be fast, low cost, and with minimal risk to continuity, data integrity and company security. Like any major project, achieving this requires careful planning and diligence, clear knowledge of the current

and target states, and effective governance to ensure delivery meets expectations. Businesses rely on Enterprise Architecture and Technology Roadmapping to achieve this.



## Understand your Technology Landscape

When migrating an application or data to the cloud, it is essential to know how it connects to the rest of the organization and what relies on it. Defining the current state of the technology landscape provides a starting point from which all other plans can emerge. Enterprise Architecture (EA) provides the insights to achieve this. A central EA repository tracks applications, technologies and data flows, as well as the business processes and capabilities they support, enabling rapid visualization of relationships between every part of the enterprise.

A robust enterprise architecture includes the foundation for other architectures which support specific sub-domains. For cloud migrations, there will be large benefits from cloud or integration architectures. An integration architecture will prevent the unraveling of interconnected systems - a common risk when moving to the cloud.

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## Roadmap Success

Knowing where you are right now also makes it easier to determine where you want to be. Creating a target state illustrates which applications and data will need migrating and how. Having a roadmap that lays out each stage of a cloud migration greatly simplifies planning, while also providing formal criteria on which to judge success. Roadmaps are also a good tool to analyze how changes in the architecture will impact upon the rest of the organization, demonstrating how relationships and dependencies will change over time.



### **Governance Ensures Transparency**

Nonetheless, as with any large-scale transformation project, there is the risk of information being lost, of criteria being fudged, or of dates missed. Establishing cloud governance will guarantee transparency throughout the process and prevent dangers such as shadow IT spend or uncontrolled procurement. Cloud governance can naturally grow from existing architecture governance principles established in the normal enterprise architecture process.

### **Infrastructure Spend Should be a First-Class Metric**

In addition to governing for success, enterprises should enshrine cloud spending as a key target to maintain the cost effectiveness of their cloud infrastructure. In the short term, spending on cloud migration is unlikely to go out of control, but in the long term prioritization of infrastructure spend can prevent the imperative for cloud migrations overrunning safeguards, while focusing stakeholder priorities.

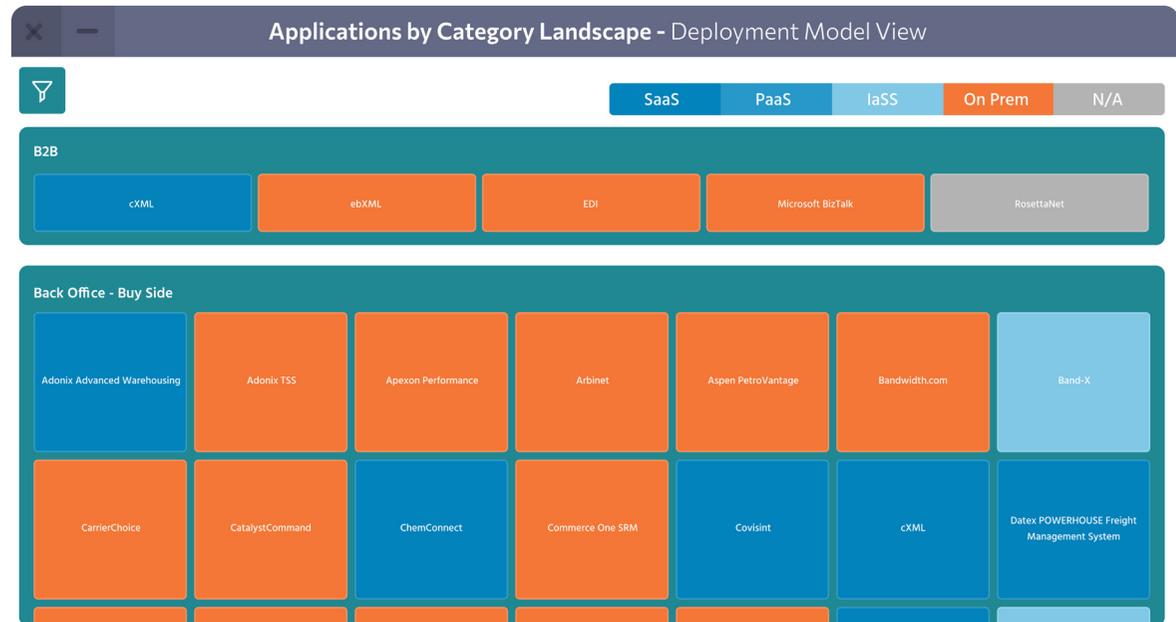
## The iServer Suite for Enterprise Architecture:

### Guide and De-Risk your Cloud Journey

Building and maintaining Enterprise Architecture is vital to smooth cloud migration. However, EA, Integration Architecture and Roadmapping are challenges in themselves that won't succeed without proper support. Solving the challenges facing CIOs requires a specialist platform. The iServer Suite enables best practices in cloud migration, providing a complete understanding of your cloud infrastructure and the workloads that will need to be migrated, as well as the tools needed to migrate effectively.

The iServer Suite has won Gartner's Peer Insights Customers' Choice for EA Tools for 5 years running, and was again named a Leader for EA Management Suites by Forrester in 2021. Here's how the iServer Suite can provide insights that de-risk cloud migrations:

## Application Landscape



### **A Single Source of Truth for your Enterprise**

A web-based, central repository manages all enterprise content, creating a single source of truth to enable Enterprise Architecture. Instantly understand the complex web of relationships, between applications, ensure cloud migration plans are based on accurate data and enforce best practices

### **Insights for Smarter, Faster Decisions**

Make real-time decisions with iServer365's dynamic heatmaps, data-driven graphics and 5 roadmapping capabilities. Deliver attractive, engaging roadmaps that gain buy-in from key stakeholders. Align technology with strategy to ensure the right cloud migrations take place at the right time, across the organization

### **Connect Disparate Teams and Focus on Outcomes**

Align enterprise architecture with business strategy and bring teams together. iServer365's native integrations with Teams and SharePoint, plus an array of stakeholder-friendly visualizations and presentation tools, simplify collaboration and ensure migrations progress evenly across the organization

### **Guide your Enterprise with Roadmaps**

Communicate and influence change, earning buy-in from key stakeholders and providing a plan of action for cloud migrations. iServer365 solves challenges that can complicate the roadmapping process, with the current state and relationships automatically created from the central repository



# See for Yourself How To De-Risk Your Cloud Journey

Book a tailored demo today to find out how the iServer Suite helps to guide cloud migrations and deliver your desired outcomes

[Book a Demo](#)





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