How Hybrid Cloud Can Launch Your Digital Transformation

WEI

Introduction

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There's nothing quite more satisfying to a leader than the validation of their visionary leadership, efforts, and hard work. Just weeks into the initial COVID-19 outbreak, it became apparent that organizations

25 % of respondents in a recent study consider hybrid cloud as the most crucial element to their digital technology strategy. [1]

dedicated to the process of their own digital transformation held an inherent advantage over their competitors. Why? Because the world we knew significantly changed in March 2020. The pandemic forced companies to rush their employees to remote workspaces, and all of this was happening in addition to your regular customers no longer visiting your company campus.

The pandemic substantiated the need for digital transformation. While the pandemic itself will prove transitory, the change that it induced will not be.

"The move to digitization has accelerated, and the benefits will be permanent. There is no going back."[2]

Carl Carande, Global Head of Advisory of KPMG,

Primary Motivator:
Business Agility

PRIMARY MOTIVATOR: BUSINESS AGILITY

The term digital transformation was first coined in 2012 to define the use of technology to radically improve the performance and reach of business.

Today, Gartner defines digital transformation as the process of exploiting digital technologies and supporting capabilities to create a robust new digital business model.[3]

Even years before COVID would become a part of our vocabulary, the world was moving faster thanks to the ever-increasing pace of change, and this was becoming apparent that the small incremental steps that organizations traditionally took to manage change would no longer suffice.

The new reality was becoming blatantly clear: Either adapt to change or create it. To do so, companies have increased their elasticity. The past two years have proven this necessity even more.

The very way in which companies view technology has changed as well. Prior to the pandemic, nearly half of businesses viewed cost reduction as a primary purpose of technology implementation.

Once the shutdowns of 2020 began, only ten percent reported cost reduction as a primary

factor.[5] Today, digital technology is also about redefining your business and constantly challenging the status quo. In other words, it is used to create value through innovation for gaining new and competitive advantages to reach new markets. In many ways, it is as much a cultural shift as it is a technology-based one. A digitally transformed business yields greater elasticity, allowing business leaders to identify and pursue initiatives that will greatly benefit their organization, whether they fall into their existing business models or not.

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According to a 2017 study, 68% of companies identified business agility as one of the three most important initiatives.[4]

The Race Is On

THE RACE IS ON

Digital transformation is not about a perceived endpoint, but rather are current digital evolutionary process. It is a race that IT leaders must approach as a sprint and marathon at the same time. There is no assigned course, lap count, or checkered flag to pronounce the winner. Instead, 'winning' this race simply entails the ability to use knowledge, innovation, and IT agility to turn ideas into value and to do it better and faster than any of your competitors. The coveted prize of this race? An estimated $100 trillion in combined value for both industry and society.[6]

The speed at which digitalization is being achieved is remarkable. According to Dell's 2020 Digital Transformation Index, eight in ten organizations fast-tracked their digital transformation programs in 2020, with 89% stating that the pandemic highlighted the need for a more agile and scalable IT environment.[7] In a global survey conducted by Dynatrace of 700 CIOs in late 2020, 89% of respondents said that their digital transformations had accelerated in the past 12 months with 58% stating that they would continue to accelerate even more.[8] This dramatic acceleration surge has paid off in great dividends. According to a report compiled by McKinsey & Company, companies were able to leapfrog seven years of progress in a matter of months.[9] Sadly, if you are still in the infancy stage of your own digitalization efforts, you may be as much as seven years behind your competitors.

These Five Strategies Can Help Accelerate Healthcare Digital Transformation

The Benefits Of Digitally Transforming Your Organization

THE BENEFITS OF DIGITALLY TRANSFORMING YOUR ORGANIZATION

In the stated McKinsey study, many respondents reported that their companies were able to react 20-25 times faster to the pandemic then they expected. This reinventive digitalization process creates many opportunities for companies today.

The list below only begins to scratch the surface of attainable benefits, however. Others include shortened development times and product cycles, greater cost efficiencies, decreased reliance on large scale capitalized infrastructure projects and better streamlined operations.

1. Greater Profitability:
A study by Deloitte showed that companies of a higher digital maturity were about three times more likely to report annual net revenue growth above their industry average than lower maturity companies.[10] The right digital strategy gives companies the ability to leverage the right tools to increase profitability.

2. Increased Collaboration:
According to the Harvard Business Review, 63% of business leaders cited investments in collaboration platforms to promote multi-channel communications throughout their organizations.[10] These channels are now the life blood of today's hybrid work models that allow employees and teammates to communicate.

3. Scalability:
By transporting business critical applications and data to the cloud, companies have been able to extend their reach to new and existing customer bases and utilize the expansive power of cloud computing to increase their operating capacity quickly and efficiently.

4. Increased Customer Engagement:
Thanks to the consumerization of IT, customers today are extremely comfortable with everything being online and immediately accessible. These past two years have shown that increasing the number of engagement channels with customers results in greater customer satisfaction.

5. Data Agility:
Taking advantage of unprecedented levels of data mining can provide key performance indicators through digital dashboards, thus allowing management to change existing processes, products, services, and even business models in record time to take advantage of newly recognized opportunities.

6. Greater Security:
Today's expansive IT estates cannot be sufficiently protected by legacy cybersecurity methodologies. Only AI can accurately identify traffic anomalies in the time necessary to combat them without relying on human intervention or traditional visibility.

How The Hybrid Cloud Expedites Digital Transformation

HOW THE HYBRID CLOUD EXPEDITES DIGITAL TRANSFORMATION

There isn't a map to guide a company through the reinventive process that is required of digital transformation. It requires experimentation — something that is complex and expensive within a traditional datacenter. The cloud is another story: New servers can be fired up and retired in minutes; Companies can rapidly expand outward to cover new geographical areas and service them in a customized fashion; DevOps can test new code in isolated testing environments in almost real time. Suspicious attachments and payloads can be safely denotated before being allowed into the network; Cloud solutions help avoid restrictive vendor lock-ins. The elasticity of the cloud is the gamechanger that allowed companies to accelerate their digitalization efforts.

For new business startups that can pursue native cloud architectures, all these cloud capabilities are attainable from day one. The problem is that most organizations are saddled with legacy on-prem infrastructure and applications that were financed by significant and older investments that haven't been fully depreciated yet. Companies have been migrating some of their assets to the cloud through a "lift and shift" process. The term "lift and shift" is used to describe applications that require minimal rearchitecting and can be quickly moved. This is true for newer and off-the-shelf applications. The closer the applications and its data are to one another, the easier it is to collectively move them together.

There are non-technology related challenges as well when it comes to the cloud. Some organizations are limited by regulatory compliances that restrict their use of the cloud in some cases. Others must contend with data sovereignty issues. Many small and midsize businesses lack the knowledge base to migrate to the cloud in quick fashion, which forces them to take an elongated migration approach to accommodate learning curves and unanticipated hurdles. Even for large enterprises with the cloud specialized personnel, 73% of cloud migrations take

The utilization of two connected ecospheres introduces new capabilities. By appending a separate public cloud in addition to your existing datacenter, companies can enable cloud bursting capabilities to off-load and balance resources on demand between on-prem and public cloud environments to manage peak periods. They can also operate separate lab environments to experiment and seamlessly transfer untested workloads between both environments. Additionally, they can significantly reduce their disaster recovery costs while expanding their coverage simultaneously.

Of course, a hybrid cloud isn't limited to the integration of a single public and private cloud – it can include the conglomeration of multiple public clouds as well, therefore allowing companies to leverage best of breed services and match applications with their optimal cloud environments.

It is for these reasons that, according to a 2021 study commissioned by Google, support for hybrid and multi-cloud was a top priority with 78% of respondents listing support for hybrid and multi-cloud as either a must-have or factored under major consideration.[12] It should then be no surprise that the hybrid cloud market is estimated to be worth 97.6 billion by 2023.[13]

How Do You Compare With Your Hybrid Cloud Initiatives

HOW DO YOU COMPARE WITH YOUR HYBRID CLOUD INITIATIVES?

At WEI, we believe that a conceived and dynamic multi-cloud strategy can ensure that your organization is achieving maximum value for your cloud investments by allowing you to match workloads to their most optimal cloud environment from a performance, security, and cost perspective. Because nearly everyone is moving at least some of their services and digital assets to the cloud, we wanted to find out how organizations are currently leveraging hybrid cloud technology.

To do so, we commissioned IDG to conduct a study to explore the digital transformative plans of companies across the board to discover firsthand what their IT investment plans and objectives are over the next 12 months.

The IDG study showed that hybrid IT was the preferred architectural goal of companies in 2021 with 55% of respondents describing their current environment as such. Another 37% reported that their organizations are headed in that direction, but aren't quite there yet. Only 8% stated they had no plans or interest at the time. These hybrid architectures are making use of multiple clouds as 46% reported as having a fully optimized multi-cloud strategy.

These multi-cloud strategies allow companies to match workloads to their most optimal cloud environment, giving them maximum flexibility while reducing dependency on a single cloud service provider.

Unsurprisingly, improving data security was the top use case for cloud technology (59% of respondents). There is no doubt that companies are recognizing the value of utilizing cloud-based security solutions. Improving the speed of IT service delivery was mentioned by 50% of respondents, making it the second top use case.

After listing their investments for existing and new technologies, we then asked which technology investments they consider to be the most crucial to their digital technology strategy:

Hybrid cloud (Private + Public)	**25%**
AI enabled technology	**24%**
IoT Technology	**21%**
Hardware	**18%**
Containers	**18%**
Unified Threat Management	**14%**
Edge Networking	**14%**
Hyperconverged Infrastructure	**13%**
Mobile Security	**12%**
Public Cloud	**12%**

Conclusion & WEI Details

CONCLUSION

Companies today don't need a whitepaper (as handy as they are) to realize the transformative ability of the hybrid cloud. We all witnessed in real time how higher digital maturity companies were able to adjust to the abrupt and foisted changes that were hastened in 2020 due to circumstances beyond anyone's control. The reasons to digitally transform your organization have already been substantiated and the integral part that hybrid cloud architectures play has been fully demonstrated.

ABOUT WEI

At WEI, we're passionate about solving your technology problems and helping you drive your desired business outcomes. We believe in challenging the status quo and thinking differently. There are a lot of companies that can take today's technology and create a great IT solution for you. But we do more. We go further. And we have the customer, vendor and industry awards to prove it. WEI is a premier technology partner, who always puts our customers first while providing the most innovative solutions for over 30 years.

TALK TO WEI TODAY

If you want to learn more about the validated capabilities of hybrid cloud technologies, WEI can tell you more. For an assessment of your current hybrid strategy and design, WEI's cloud experts can provide insightful analysis and expert perspectives on your current solutions. Put our cloud architecture knowledge to the test and contact us.

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Thank you for reading

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