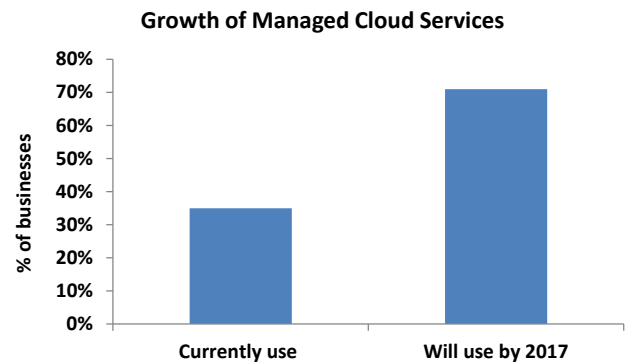


Five Reasons Managed Cloud Services Should be Part of Your Hybrid Strategy

An Executive Brief Sponsored by DXC Technology

Managed services have come a long way from their origins as “break-fix” maintenance services. Once considered simply a way for resource-constrained IT organizations to offload the less-desirable “grunt work,” today’s managed services represent a collaborative effort between service provider and customer. The provider contributes technology, expertise, and experience; the customer provides ongoing input based on its unique business objectives.

All IT domains (e.g., security, network, data center) are seeing an increase in managed services adoption, but none is growing faster than *managed cloud services*. According to a recent Frost & Sullivan survey of IT decision-makers, 35% of US organizations use managed cloud services today; another 36% expect to add managed services by 2017. Among those currently using managed cloud, over half expect to increase their usage in the next two years by adding services and features.



Source: Frost & Sullivan

When you subscribe to managed cloud services, your service partner takes responsibility for deploying and managing cloud workloads optimally, based on your strategic objectives. The services can extend up the stack, including managed cloud infrastructure services and managed cloud apps.

Can your organization benefit from managed cloud services? Whether you’ve encountered challenges implementing your hybrid cloud strategy, or you’re looking to maximize the return on your cloud investment, managed services may be the answer. Consider these five reasons to subscribe to managed cloud services.

Reason #1: Tame the complexity of hybrid.

The challenge: Public cloud burst onto the market nearly a decade ago, with the promise of simplicity: just a credit card and a few clicks bring you unlimited capacity! However, as organizations build hybrid environments that extend across multiple clouds and data center facilities, they have discovered that planning, designing, implementing, and managing an effective cloud strategy is harder than it seems. In the Frost & Sullivan survey:

- 24% of organizations cite “integrating cloud and premises-based environments” as a top challenge to cloud strategy deployment; and 21% cite “managing multiple cloud providers.”
- 91% of organizations turn to an expert third party for assistance with their cloud strategy.
- 25% say their cloud implementations have been hindered by a lack of expertise on-staff; a challenge that for many organizations (especially in the public sector) is compounded by difficulty in attracting and retaining cloud-knowledgeable workers who have a high value on the open market.

How managed cloud services can help: An expert provider contributes knowledge across multiple cloud providers and applications; and can work with you to optimize deployments across the entire lifecycle—including workload assessment and migration, design and deployment, ongoing management, even governance and compliance. The managed cloud provider ensures that fully qualified experts are always working on your behalf.

Reason #2: Focus on strategic initiatives.

The challenge: Organizations are transforming their business processes and operations to add value in a fast-paced, global service economy. Once simply a manager of technology assets, IT leaders are now taking responsibility to drive the organization's move into the digital age. In the Frost & Sullivan survey:

- 64% of organizations say an important driver for cloud is to “support strategic business goals.”
- 60% say they expect their cloud strategy to free up IT staff to pursue innovative solutions to business challenges.

How managed cloud services can help: With a managed cloud service partner taking responsibility for deploying and managing cloud services, IT staff is able to focus on innovative solutions. For public sector organizations, innovation can include new ways to engage with constituents and provide added value. For commercial organizations, it can mean new routes to market and greater customer satisfaction.

Reason #3: Manage spiraling cloud costs.

The challenge: From the early days of cloud, many organizations have adopted cloud services on the expectation they would reduce IT costs. In fact, many are now experiencing higher-than-expected costs associated with their cloud workloads. In many cases, the disconnect is related to underestimating the significant costs to manage cloud workloads. In other cases, the challenge relates to the differences in cloud service providers' standard offerings, which can make it hard to identify and maintain the optimal choice. In the Frost & Sullivan survey:

- 61% of IT decision-makers that manage their own cloud services said that for every dollar they spend on cloud infrastructure services, they spend an additional \$3 or more to manage the service—expenses that were not always budgeted up front.
- 56% of organizations say they are concerned that the return on investment for cloud workloads will be difficult to justify.
- 32% say they struggle to obtain additional budget after they start their cloud implementation.

How managed cloud services can help: Organizations are discovering that a managed cloud service provider enables them to better predict and control cloud costs, by ensuring that workloads are placed in the optimal deployment model and service. The right managed services provider can ensure that your hybrid cloud workloads are continually optimized—utilizing the right provider, service, or even on-premises infrastructure—to deliver the price-performance you need.

Reason #4: Gain visibility into workload performance and costs.

The challenge: In many organizations, IT expenses are no longer considered “overhead” to be shared among all departments. Instead, organizations are making strategic decisions based on actual costs per project, workload, or department. Both technical managers and their business colleagues

require uniform and granular visibility into how their workloads are performing, regardless of the resources consumed or the deployment model. In the Frost & Sullivan survey:

- 75% of organizations say it is important to have visibility into infrastructure performance across all components of a hybrid cloud.
- 64% of organizations say it is important to have visibility into costs across all components of a hybrid cloud.

How managed cloud services can help: The right managed services partner will offer access to a sophisticated technology platform that provides granular visibility and reporting, enabling both IT and business managers to make smart decisions.

Reason #5: Build a foundation for strategic growth

The challenge: As organizations transform to meet the evolving requirements of the digital age, they are realizing that cloud's value is not as a single solution for a specific application, but as a foundation for strategic growth and change. In the Frost & Sullivan survey:

- 58% of IT decision-makers say they are shifting from using cloud for point-solutions to a more holistic approach.
- 64% say they consider the cloud strategy as essential to remaining competitive.
- 61% say they expect the cloud strategy to enable them to take advantage of new technologies.

In the future, you'll be asking more from your cloud deployments, including connections to other applications, databases, and workloads, regardless of where they are developed.

How managed cloud services can help: The right partner will provide a sophisticated technology platform to orchestrate your cloud services into an effective hybrid cloud. Such a foundation will enable you to leverage a full range of technologies and applications, via Application Programming Interfaces (APIs). More importantly, it will continue to evolve, ensuring your organization can take advantage of new technologies and standards that have yet to be developed.

The Last Word

The “new IT” is all about partnerships: leveraging technologies and services from a variety of sources to deliver the resources your constituents need, quickly and cost-effectively. Make sure managed cloud services are part of your strategy. With the right managed cloud services partner, you can trust that your cloud workloads are managed optimally, according to your unique priorities. And you can devote your own technical resources to solving problems and bringing innovative solutions to market—thus preparing your organization for the future.

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