Companies Turn to Off-Premise Workloads to Boost Business Agility

Despite challenges, hosted private clouds are a growing destination for key apps.

Dramatic shifts in business and technology have changed roles, priorities, and processes for IT and business leaders.

Cloud technologies have made it possible for IT leaders to get out of the data center hosting business, moving compute and storage infrastructure to a hosted cloud, and with them, increasingly critical workloads. Paving the way is today's new generation of cloud and virtualization management solutions, offering organizations the same control and tools to manage their virtual infrastructure as they had with on-premise infrastructure.

Still, a new IDG Research and Rackspace Quick Pulse survey of more than 100 CIOs and IT managers at organizations using 500-plus virtual machines shows a majority of IT leaders taking a cautious approach to running certain workloads on a hosted private cloud.

IT in Transition

The IDG-Rackspace research finds that IT leaders' expectations are evolving. The percentage of CIOs utilizing their time and energy on activities at the more strategic end of the spectrum continues to climb.

Organizations that put the cloud to work to focus on those new priorities encountered and addressed challenges. Among today's evolving challenges: deciding which strategic workloads to move off-premise onto hosted private clouds.

It's no secret that CXOs quickly recognized the potential of virtualization to off-load routine, functional tasks, allowing them to focus time and resources on strategic initiatives. And as cloud computing has evolved, strategic IT leaders have used the cloud for increasingly complex, mission-critical tasks.

Here's what's driving this transition in business technology:

■ Organizations today are collecting more data than ever, and running more complex analytics.

■ They are using more shared applications that need to be managed. They are under greater pressure to develop new applications quickly, and more and more of those apps need to be deployed across a wide variety of mobile devices.

■ Despite increasing systems and process complexity along with rising volumes of information, productivity and efficiency remain top priorities.

The Case for Hosted Workloads

The hosted virtual environment, or private cloud, addresses many of these concerns. First used for development and testing applications, it quickly caught on, especially for collaboration platforms and unified communications, but also for ecommerce, mobile services, disaster recovery, human resources, and others.

The market is catching on as well. IDC forecasts worldwide spending on hosted private cloud services will exceed $24 billion in 2016, experiencing a 50% CAGR from 2012 to 2016.

Embedded in that market growth is a crucial decision: which workloads to place in a hosted private environment.

Hosted Private Cloud Motivation and Challenges

While the benefits of a hosted private cloud are clear, when it comes to deciding which workloads to off-load, some CXOs are still in the "questioning" stage. The 2014 IDG-Rackspace survey shows that many have concerns about cost, complexity, security, and the handling of regulations and compliance.

Cost and data security top the list of challenges for respondents in the study, with 53% citing cost and 52% citing security as their greatest concern around extending virtualized workloads to a hosted infrastructure environment.

Cloud hosting providers have made strides toward addressing security concerns. Still, it's a top concern, along with compliance, cited by 46% of IDG-Rackspace respondents.

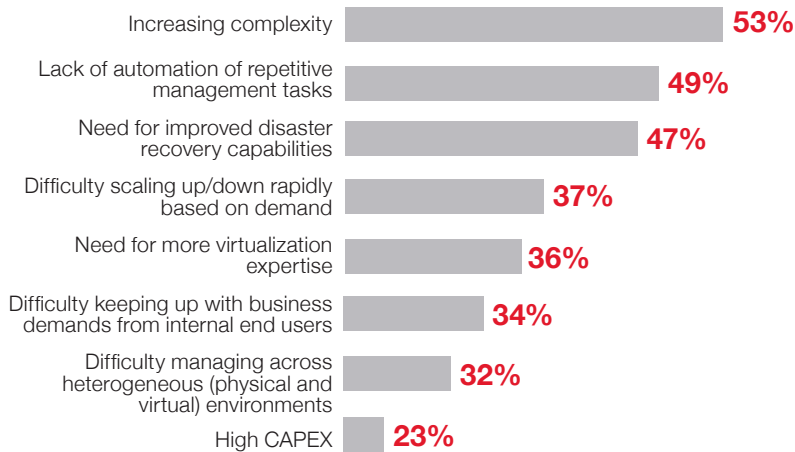Increasing complexity is cited by 53% of the IT

Top Challenges in Managing a Virtualized Environment

Increasing complexity	**53%**
Lack of automation of repetitive management tasks	**49%**
Need for improved disaster recovery capabilities	**47%**
Difficulty scaling up/down rapidly based on demand	**37%**
Need for more virtualization expertise	**36%**
Difficulty keeping up with business demands from internal end users	**34%**
Difficulty managing across heterogeneous (physical and virtual) environments	**32%**
High CAPEX	**23%**

Source: IDG Research, April 2014

leaders in the IDG-Rackspace study as the top management challenge for a hosted private cloud environment. Securing an increasingly complex environment actually makes an off-premise hosted environment more attractive—a trusted vendor partner bears the responsibility, all spelled out in SLAs.

Headed for a Hosted Environment?

Respondents say the top five workloads destined for a hosted infrastructure within a year are: social applications (48%), sales force management (43%), disaster recovery (42%), mobile services (40%), and ecommerce (40%).

The IDG-Rackspace survey explores the wish list from IT leaders for prospective cloud hosting vendors. While none of the criteria scores less than 50%, these attributes are at the top:

■ Capable of providing secure solutions (94% critical or very important)

■ Competitive pricing (89% critical or very important)

■ Virtualization platform expertise (83% critical or very important)

■ Disaster recovery services (83% critical or very important)

It's notable, too, that 66% cite the ability to manage both on-site and hosted VMs with their existing management tools as a top need.

Before approaching a vendor, companies considering moving critical workloads to a private

hosted environment should develop a plan outlining which workloads they might want to off-load, what benefits they expect, and future needs.

Here are a few basic considerations for choosing a vendor:

Control and management—Look for a vendor like Rackspace that seamlessly extends your existing environment to a hosted platform while you maintain control.

Data security—Does the vendor offer a partnership approach to security? Will you have full control over the data? What is the vendor's plan for housing sensitive data subject to changing regulations?

Costs—Balance up-front costs with savings over time through greater efficiencies. Also, look for providers who will help you calculate your total cost of ownership (TCO) versus doing it yourself.

Disaster recovery—Ask the vendor to help you produce and review a customized written plan. It should include clear roles and responsibilities, RPOs and RTOs, and regular testing.

Reliability—Get statistics on vendor uptime records and compare. Five 9s should be your baseline.

Conclusion

As CIOs strive to take strategic responsibility for better business outcomes, they've looked to off-load routine tasks to third-party providers. With the widespread adoption of cloud computing, it's now possible to move more critical workloads to a hosted environment like a private hosted cloud. There are challenges to be sure, but state-of-the-art vendors are rising to those challenges with solutions that help fulfill the promise of the cloud: agility, integration, scale, and lower total cost of ownership.

These innovations will clear a path for forward-looking organizations to trust their mission-critical workloads to a hosted environment. And they won't be just freeing up resources for more strategic IT work. They will also take advantage of the speed, power, and agility of these solutions to foster innovation, better decision making, and ultimately, better business outcomes. ■

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