



Not every Cloud has a silver lining

Patience could well prove a virtue when you compare early mover advantages and disadvantages of the present Cloud formation as described in this article.

It makes sense for some to move now and some to wait—do you know which is right for your organisation?

What's that got to do with an old radio? Well, read on...



Rowallan Software Services

Rowallan Software Services was established in 1994 in response to a need for realistic and practicable advice for busy IT departments and, in particular, development teams.

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The Cloud—Are we nearly there yet?

by Larysa Szalapaj

Early Mover Advantage?

There are step-changes in technology that confer early-mover advantage but all step-changes in technology bring with them some degree of early-mover disadvantage. The choice to become an early adopter is made on balancing these two arguments and assessing the particular impact on the business, customers and markets served by the enterprise.

These aren't the only considerations, technology may, for example, force your hand. An example of this might be obsolescence of a core piece of infrastructure. Let's examine a simple technology decision to isolate some key criteria:

I'm thinking of buying a digital radio. They are expensive, heavy, plagued by poor reception and can eat a set of batteries in a single day. Early mover advantages include access to digital channels I can't get at the moment. If I am currently without a radio, or think I soon will be, then I've got to make a decision. That's a different situation to having an OK analogue radio and thinking it might be nice to listen to

Radio 7 to see if I like it.

On the one hand I can make do with my old radio - maybe listen to Radio 7 on the internet and wait for the technology to evolve, the technical problems to be ironed out, the service to get better and the prices to come down.

But on the other hand, if I must buy, I'm looking at analogue radio being (possibly) turned off in 2015 - it's still not certain one way or the other, but digital is looking much more attractive and I've lost the option of staying where I am.

Do you have to move?

If you are running an application the support for which is about to be retired and a major hardware revision is required to support the upgrade, the choice of staying where you are is no longer an option. The Cloud can be the solution and as we will all be there, in time, maybe now is the right time for you.

Tread carefully though, that shiny new radio may condemn you to years of costly, poor service. Where it can, the business might sometimes be better served by finding a way of waiting.

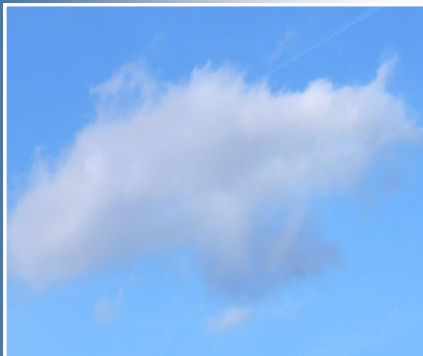


'If' isn't the question, it's when? and then how?

The IT department are invaluable in this decision and in a successful implementation. But don't let the decisions lie there. This is new, exciting technology, 'the future'. It also should reduce the size of IT department.

We need a whole view, an objective view, a business view to predominate.

It's important to elevate strategic decisions to the right level.



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Has a team of experienced IT professionals who can help you assess your strategic response to the Cloud, develop practical plans to satisfy your needs in light of the opportunities and threats it represents and, hands-on, get you there.

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The Cloud looks different depending on your point of view

Cloud embraces new technology, and it's exciting, but there are for most of us other options. In 10 years time I predict we will all be in the Cloud but when and how you get there is not the same for all companies. Cost, disruption and risk are all at their highest now, when the concept and market is young.

How to choose

To decide when you take this journey we need to look at your present position and 3 dynamic streams of influence that together are going to let you determine an efficient and hopefully low-risk course and speed to achieve your destination.

1. The profile of your existing investment in IT resources (how its costs, services it performs, risk & reliability can be foreseen to develop over time)
2. Where the business is going, how its needs are likely to evolve over the 3-5 year time-frame most impacted by today's decisions
3. What is going to happen in the evolution of these new, exciting technologies and market place over the same timescales

That's making a Strategy then?

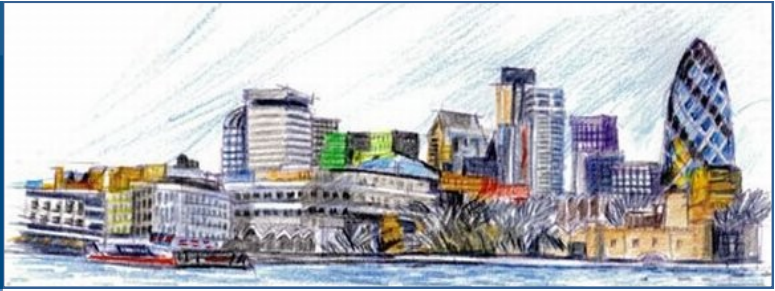
Yes, this is more, much more, than a decision about a one-

off purchase of an isolated piece of audio equipment. It's a decision about a direction of investments and benefits that has implications across the business for several years. Whether you adopt the title or not, in making decisions today about the Cloud and your business you are adopting a Cloud Strategy. Our advice is to recognise it as such and formulate your strategy first before tactical, isolated decisions made departmentally leave you with no decision to make.

Early Mover Advantages

But the early bird catches the worm! Let's steal a march on the competition and get the benefits of the Cloud in our business model before they do!... well, remember, early mover advantages bring with them early mover disadvantages. How do they stack up for the Cloud?

For most SMEs the weight of the disadvantages suggest a waiting game. A deliberate, informed waiting game where we look at the forward profile cast by our existing investment in IT, the anticipated changes in future business needs and where this new market is likely to evolve.



Early Mover Advantages

- ♦ Reduce cost base from present levels
- ♦ Convert Capex to Opex
- ♦ Elastic provisioning

Early Mover Disadvantages

- ♦ Security environment 'porous'
- ♦ Applications have low interoperability
- ♦ Contractual terms hideously supplier-sided
- ♦ Market leaders & market turkeys indistinguishable
- ♦ Future consolidation, new comers, drop-outs will disrupt
- ♦ Standards unclear - chance of hitching to the wrong wagon
- ♦ Industry quality levels inconsistent
- ♦ Monitoring systems juvenile
- ♦ Skills & experience shortages
- ♦ 1st version applications, tools & middleware
- ♦ Moore's Law yet to kick-in
- ♦ Offline-online obstacle not overcome
- ♦ Application vendors not wholly there yet

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Developing a Cloud Strategy—that's hard. You need to engage with the business and get them to tell you about things they don't know. We think we do it rather well...

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The disadvantages will disappear in time

The whole market needs to mature and it will mature - that is a reliable lesson we can learn from history. Standards and best practice will evolve, some extension of 'Moore's Law' will make things faster, cheaper, more reliable, even smaller.

A recent study by Queen Mary University draws attention to the hideously supplier-sided contracts offered by service providers. We predict time and competition will move the whole atmosphere towards a customer orientation and away from a technology fixation.

The market is sprouting newcomers of all shapes and sizes, there's an air of the Klondike about the rush to stake a claim and grab as many seats and connections (and hold on to them - by fair means or foul) as these suppliers can. And for good reason - the number of users and customers will represent the chips at the high-stakes table when the industry consolidation starts and today's entrepreneurs cash in those chips and leave the table. We've been here before, with outsourcing, internet service provision, content providers, game developers, burglar alarm companies,

mobile phone distributors... an endless list where the play has been to 'lock-in' customers and sell them on.

The advantages will improve over time

Unless for your business, for your customers, today's advantages are huge or you are being forced into an investment decision now. Find a path that allows you to wait, watch, learn, plan and prepare. Shape your existing investment in IT to produce the best return from it and strategise for an orderly transition to the Cloud when it suits you.

Severe conditions warning

At the risk of plagiarising advice from the Grampian Police: don't make that journey in these conditions, unless it's absolutely necessary.

Rowallan Software Services have been helping our clients grapple with 'outside the box' issues relating to harnessing IT in their businesses since 1994. Cloud Computing is a mixed-bag of opportunities and threats outside the day-to-day challenges of running a busy IT department.

If you need to get to grips with migrating your organisation to The Cloud, it's a good time to call. Troubleshooting is our game but we would rather steer you round it than get you out of it.

Contact us for a no-obligation discussion about your business-IT needs: Cloud@rowallansoftware.com