Cloud in 2020

Embrace complexity to future-proof your business

Heading into 2020, it's time to erase any doubts that cloud is here to stay. We are in the mass adoption phase, and leaders who fail to embrace cloud due to concerns about upfront costs and complexity will lag behind those successfully leveraging it to drive their digital agendas forward.

This requires a shift in mindset, because cloud is no longer about infrastructure – it's about services. Organizations need to look beyond the initial investment and instead focus on the long-term gains in agility enabled by the cloud. It's about innovating continuously and scaling up and down rapidly.

Additionally, concerns about security and compliance have largely been addressed, and should no longer serve as a barrier to adoption. Finally, rather than adopting cloud piecemeal, take a holistic approach to cloud adoption because a comprehensive strategey allows an enterprise to unlock value quickly and prioritize high-return initiatives.

To help make sense of this rapidly evolving space, we analyzed the most significant industry shifts and recommend exploring these cloud initiatives in 2020:

A transformation of culture, people, and processes.

A focus on app modernization and cloud-native transformation to drive differentiation

A multi-cloud approach to ensure flexibility over the long-term

Adopt multi-cloud to drive business performance

In the early days of cloud, many organizations chose one cloud services provider to work with exclusively. Today, that approach doesn't go far enough, and organizations are recognizing the benefits of multi-cloud, which comprises some combination of public cloud, private cloud hosted on- or off-site, and/ or traditional on-premises solutions. These benefits include improved organizational flexibility, efficiency, and performance, as well as avoiding vendor lock-in.

The appropriate cloud provider is the one that provides the right services to support a specific use case. For example, many of our clients use Amazon Web Services for customer-facing applications, while platforms like Microsoft Azure are trusted for a wide range of business processes, and Google is favored for analytics.

Today, leveraging multi-cloud effectively means running efficient, reliable, and scalable cloud systems that are integrated with unified DevOps and governance processes. As businesses turn to different vendors to aggregate, rationalize, and provide business intelligence around their data, we expect increasing demand for multi-cloud to be met by strong growth among multi-cloud solution providers.

However, having a multi-cloud strategy isn't just about deciding which providers to use. As the use of multiple clouds and on-premises cloud installations become more common, it's critical to have a strategy that ensures the entire ecosystem works together. Organizations should especially focus on optimizing communication across different clouds, which requires understanding both the technological and operational aspects of cloud deployments.

Modernize apps and go cloud-native to drive competitive advantage

To fully realize the benefits of cloud, organizations need to get serious about app modernization. This means getting out of the mindset that merely migrating applications is sufficient for success. While a lift-and-shift approach may be more affordable up front, moving to cloud infrastructure without making any changes to the applications solves only part of the problem.

Our advice is to avoid sacrificing the transformation you need in the long run for short-term cost savings. For example, if you don't upgrade legacy applications, moving your data center to the cloud to resolve time-to-market issues is going to fail. You'll face the same challenges as on-premises and will not realize the performance upgrades you wanted.

Application modernization is key to making your software a source of competitive advantage, but it can't be a one-size-fits-all approach. While it may make sense to migrate certain applications as-is, others may need to be rearchitected. To ensure interoperability down the line, even applications that stay on-premises need to factor into your multi-cloud strategy. Leaders should adopt a cloud-native approach for their most differentiated and revenue-generating applications. Because cloud-native development enables rapid change and continuous innovation, organizations should transform first where velocity and resilience are particularly important.

To illustrate the potential results of application modernization, consider the case of a telecommunications client of ours that relied on an outdated, monolithic architecture. With our help, this company went from telco to tech, transforming to a cloud-native approach. Today, our client builds applications entirely in the cloud, using a modular, microservices architecture. The transformation effort had unintended benefits as well — namely, a cultural shift in which former cloud skeptics are fully conversant in and appreciative of the benefits of APIs, and partner integrations that used to take six to nine months now take just a couple of weeks.

Transform culture, people, and processes – not just technology

Cloud is a paradigm shift involving more than just new technology. Using cloud to drive innovation and value creation requires a transformation of people, processes, and culture as well. Among companies across industries considering cloud transformation, common issues we hear include who should own the management of cloud solutions – IT or the lines of business using them – and how to update corporate culture to overcome resistance among an "old guard" that doesn't want to move away from existing infrastructure.

With the move to cloud, traditional ways of working have been turned completely on their head. As organizations adopt DevOps to enable greater degrees of digital agility, development is shifting from a project-driven approach to a product-driven one. The new model is "you own it, you build it," giving single teams ownership of every stage of development and requiring that IT and the business operate in lockstep.

This a major cultural shift, and leaders need to plan for it. Too often, we see companies underestimate the level of change management and communication required to drive successful cloud transformation. Achieving alignment across the organization is key. Even with high-level buy-in, teams may not be so keen on what transformation means for their day-to-day roles. And to upskill current employees and attract the next generation of talent, leaders need to invest in comprehensive training and recruitment plans.

Embrace cloud to supercharge your business for disruptive times

From new business processes and org charts to innovative business models and product offerings, cloud presents once-in-a-lifetime opportunities to create operational efficiencies and grow revenue.

The bottom line: Every business requires a different cloud approach, and every business faces different challenges when it comes to cloud transformation. There are times when the complexity of cloud and upfront costs can feel intimidating – and even disruptive to their operations. But in the long run? We've found that our clients agree that the temporary disruption was well worth the results.

Keeping up with this complex, rapidly moving industry can be a challenge, but one thing is clear: No matter the industry, cloud is how you future-proof your business.

Charlie Li

EVP, NA Application and Cloud
Technologies Lead
charlie.li@capgemini.com

Kaushik De

Principal, NA Application and Cloud
Technologies Go-to-Market Lead
kaushik.de@capgemini.com

Learn how to leverage cloud to make digital business a
reality. Visit **https://www.capgemini.com/us-en/
service/cloud-services-2/**

About
Capgemini

A global leader in consulting, technology services and digital
transformation, Capgemini is at the forefront of innovation to
address the entire breadth of clients' opportunities in the evolving
world of cloud, digital and platforms. Building on its strong 50-year
heritage and deep industry-specific expertise, Capgemini enables
organizations to realize their business ambitions through an array
of services from strategy to operations. Capgemini is driven by
the conviction that the business value of technology comes from
and through people. It is a multicultural company of over 200,000
team members in more than 40 countries. The Group reported
2018 global revenues of EUR 13.2 billion (about $15.6 billion USD
at 2018 average rate).

Learn more about us at

www.capgemini.com

People matter, results count.