

# The Hype around Cloud Services Brokerage – and the Reality

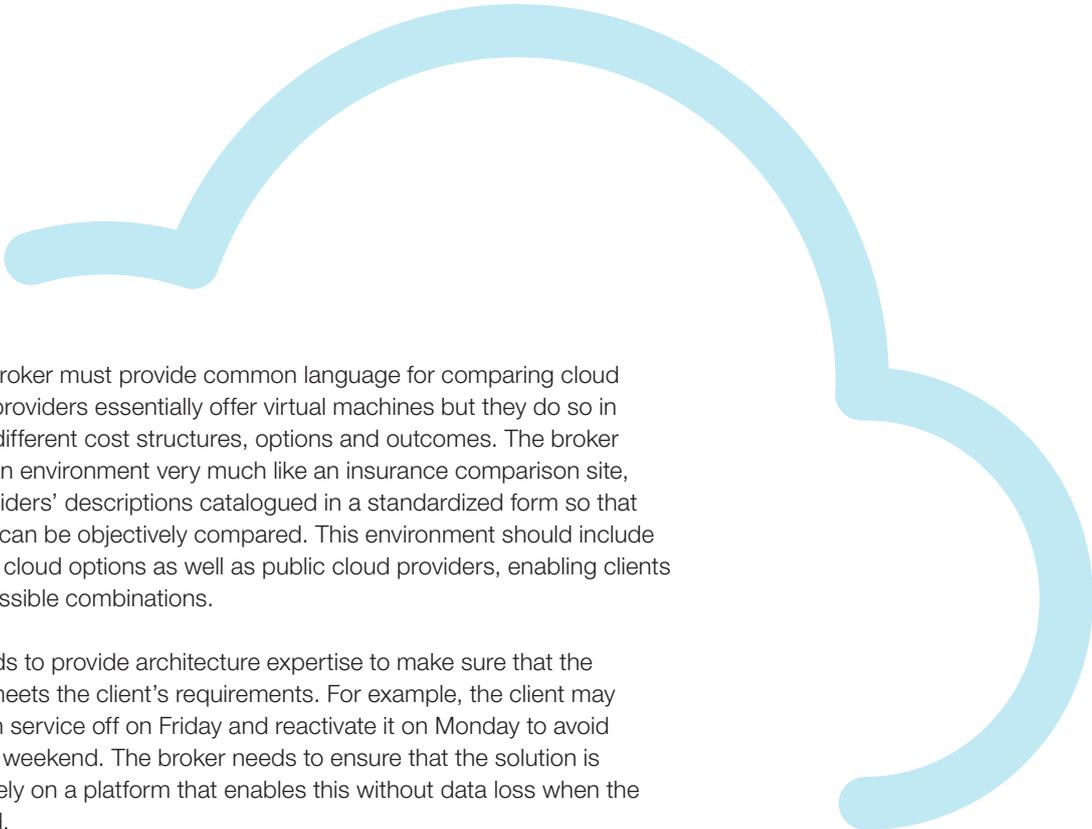


Various misconceptions surround Cloud Services Brokerage. Here we share our experience of what is actually happening in the market, and our views on what needs to happen next.

Although it is some time since Gartner first put forward its valuable definition of Cloud Services Brokerage (CSB)<sup>1</sup>, there remains a lack of clarity in the marketplace about what it is<sup>2</sup>. Some providers claim they are providing CSB when we would say they are simply automating provision. Some clients expect full service orchestration – an important objective but one that is not yet fully achievable. There is also a general tendency to underestimate what businesses themselves need to do to take full advantage of CSB. This paper sets out to clarify these issues.

## Beware of CSB “lite”

Some providers merely integrate a facility like Amazon Web Services into their commercial platform, automating provision, and then call it brokerage. This falls well short of what we believe brokerage should achieve, as outlined in our companion paper on *Cloud Services Brokerage: Flexibility plus Control*.



As a minimum, the broker must provide common language for comparing cloud providers. All cloud providers essentially offer virtual machines but they do so in different ways, with different cost structures, options and outcomes. The broker needs to construct an environment very much like an insurance comparison site, with the service providers' descriptions catalogued in a standardized form so that costs and attributes can be objectively compared. This environment should include and describe private cloud options as well as public cloud providers, enabling clients to evaluate all the possible combinations.

The broker also needs to provide architecture expertise to make sure that the solution envisaged meets the client's requirements. For example, the client may intend to turn a given service off on Friday and reactivate it on Monday to avoid paying for it over the weekend. The broker needs to ensure that the solution is designed appropriately on a platform that enables this without data loss when the service is reactivated.

The framework and supporting expertise should use the client's model to build a complete bill of materials which can then be adjusted to meet pricing constraints – for example, if the specification leads to a solution that costs \$20k/month and the budget is \$15k/month the client should be able to experiment with reducing the size of machines, changing the network connection, or reducing the support level.

Unlike an insurance broker, a CSB provider must go beyond helping with the selection of a solution to manage that solution on behalf of the client. As discussed in *Cloud Services Brokerage: Flexibility plus Control*, the broker should aim to offer all the service integrity and supporting services that clients would expect from a traditional outsourcing provider.

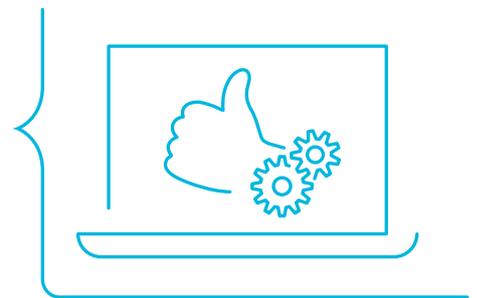
## Prepare for service orchestration, but don't expect it today

Some organizations conflate CSB with cloud-based service orchestration, a scenario where requirements can be flexibly provisioned from any supplier via a central platform and policy-based backbone.

The attractions of service orchestration are manifest and we agree that this is an excellent objective, but it is important to appreciate that the state of the market means that it is not yet achievable. One set of constraints is commercial: the providers are not, in general, ready to provide the requisite level of flexibility yet. Another is technical: while virtualization can make it easier and faster to switch between platforms, the return on investment does not yet justify frequent switches.

Without an appreciation of these complexities, there is a risk that organizations will adopt multi-sourced cloud solutions without properly understanding or addressing the complexities of vendor management.

Instead, CSB should be treated as a founding step towards service orchestration, and an important enabler of it. Brokers should provide an integrated platform for managing multi-sourced cloud services now. When the market becomes sufficiently mature to handle the commercial and technical complexities of service orchestration, their clients will be better positioned to transition to the model.



## Position the organization to make the most of CSB

The hype surrounding cloud benefits encourages some organizations to overlook the fact that getting the best out of cloud and CSB requires preparation on their side. Here we outline a few areas that clients would do well to consider. A competent supplier of CSB should be able to advise on, and if required help with, all of these areas, although they do not form part of CSB.



**Defining a cloud strategy.** Given that cloud is often sold on the basis of its flexibility and scalability, it may seem counterintuitive to recommend a pause for thought before adopting it at enterprise level. However, it pays to take a strategic look at the business need to use cloud and the targeted benefits, not least because doing so will make it easier to select the combination of services that provides the right level of flexibility and scalability at a justifiable price. In considering the strategy, it's important to get specific about usage, location of data and application portfolio, as facilities may need to develop and expand in future.



**Portfolio assessment.** Putting testing and new application development on the cloud is often seen as a “no-brainer”, and can certainly be a good way to get started with cloud. However, when it comes to using the cloud for production systems, it is important to evaluate the application portfolio to assess which applications are the best candidates for operation in the cloud. One approach is to segment the portfolio into those that are cloud-ready, those that need rework or special security provisions, and those that are not worth moving (perhaps because they are candidates for being replaced in the near future, or because they are used 24x7). Application design is a factor here, since some applications are intrinsically more scalable than others and therefore gain more from that aspect of cloud flexibility.



**Migration.** Carrying out a portfolio assessment will make it easier to migrate to cloud because the applications to be migrated will already have been selected for their suitability. Several other preparatory steps can be taken to ease the journey. One is virtualization of systems that are likely to migrate. By converting physical hardware into virtual machines, a business can achieve immediate benefits in terms of improved utilization, speed of deployment, and provisioning. When the moment to migrate to cloud comes, independence of software and services from physical hardware will make the transition straightforward. However, the most important preparation for migration – especially where continuity of service is business-critical – is to plan carefully. Planning should address not just technical aspects but also the business implications, including the impact on the retained IT organization and its responsibilities.



**Prepare for cloud and legacy service harmony.** For organizations looking to accelerate cloud adoption, being able to present legacy services and cloud services in a similar way through a single catalogue is a hugely powerful enabler for service comparison and ordering. Technical integration is more demanding, but increased virtualization of the current portfolio will allow more resources to be used in the same way regardless of whether they are in a data center or on a public, private or hybrid cloud. Special interfaces may need to be created, but interdependencies between systems can be accounted for during portfolio assessments. It may then be possible to bring forward some of the attributes of service orchestration to extend a broker's integrated platform for managing cloud services to manage legacy systems as well. Whilst many organizations won't be able to justify the cost of this today, this is essential ground work for enabling a more comprehensive service orchestration deployment in the future.

## Conclusion

CSB is an invaluable aid to making the best of cloud, and for furthering an organization's ambitions to harness digital technology cost-effectively for the realization of business strategy.

However, it is important to ensure that client expectations are aligned with those of the supplier, that the service offered is sufficiently comprehensive, and that the necessary planning and preparation takes place.

Providers of CSB should be able to help not just with the service itself but also with the planning of the journey and management of the transition. For organizations intending to embark on CSB, it makes sense to identify a suitable provider as early as possible and establish a dialogue with them.



1. Gartner Three Types of Cloud Brokerages Will Enhance Cloud Services, Daryl C. Plummer L. Frank Kenney, 11 May 2009
2. Gartner Hype Cycle for Cloud Services Brokerage, 2013, Michele Cantara, 31 July 2013



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