Cloud: making sure the enterprise is digitally ready, always

Commercial leaders prioritize cloud to support business in a changing environment

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Cloud: accelerating digital business

The new digital world presents several challenges for chief commercial officers (CCO), chief digital officers (CDO), and marketing heads. Cloud has been a critical enabler of resilience over the last few years. Now it is driving digital change to enable enterprises to thrive in a digital economy.
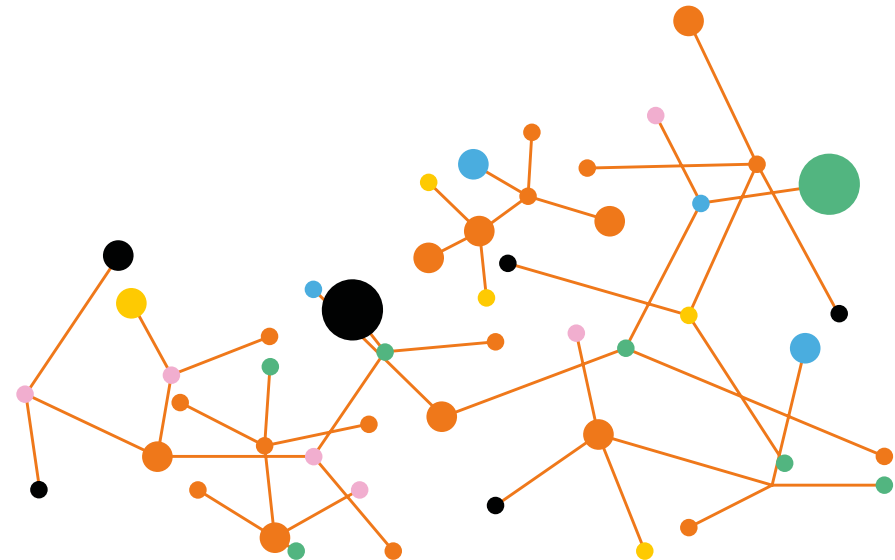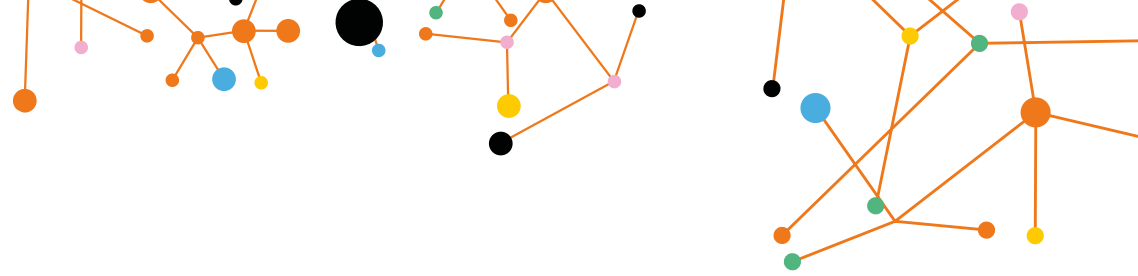
McKinsey[1] highlights four key areas that CCOs, CDOs, and commercial leaders can drive digital response. These are number resilient leadership, recrafting digital strategy, rebalancing the product roadmap, engaging with customers, and updating agile practices to speed up remote delivery. Cloud is central to all of these.

The 2021 Gartner Board of Directors survey found that 69% of enterprises had accelerated their digital business initiatives and moved far faster than before the pandemic arrived. CDOs in organizations need to assume digital initiative responsibilities, according to Gartner.[2] The CDO must "infuse their enterprise strategy with data and analytics thinking", it says. Cloud computing analytics can streamline business intelligence by making it easier to harvest, analyze and present data insights across departments for smart decision making.

Cloud also has the power to enhance an enterprise's overall performance, enable new revenue streams, increase profitability, strengthen resilience and provide invaluable customer insight via data and analytics.

The next generation of cloud can help to build a more integrated and harmonized enterprise. It can enable increasingly complex supply chains, and help sales and marketing functions to collaborate better and share data for smart decision-making.

This guide discusses how the cloud can deliver business outcomes in three key areas: advancing innovation, business resilience and digital transformation.

Cloud to drive enterprise innovation

CDOs must understand how technology can bring fresh ideas to the market as a source for growth and business value. Cloud is already proving its value in enterprises, creating new business models and revenue streams.

Innovation is critical to business growth. CDOs and their counterparts are increasingly digital influencers on emerging digital business models and technologies. They must understand how to harness the power of the cloud to fundamentally change the way business is done and increase sales and profitability. This means balancing efficiencies with innovation.

For most enterprises, the next big step for the cloud is to address digital and business innovation. CDOs and CCOs can help educate the enterprise on the commercial possibilities cloud creates and how they can be achieved.

CDOs are central to driving innovation, working closely with teams across the organization to create innovative digital solutions from products and services to processes and business models. The CDO should manage the overarching innovation strategy, expand the innovation ecosystem and develop digital talent.

Importantly, the CDO should measure the ROI on innovation investment in digital projects linked to an organization's KPIs. This can be used to demonstrate the impact innovation has on the bottom line to the board.
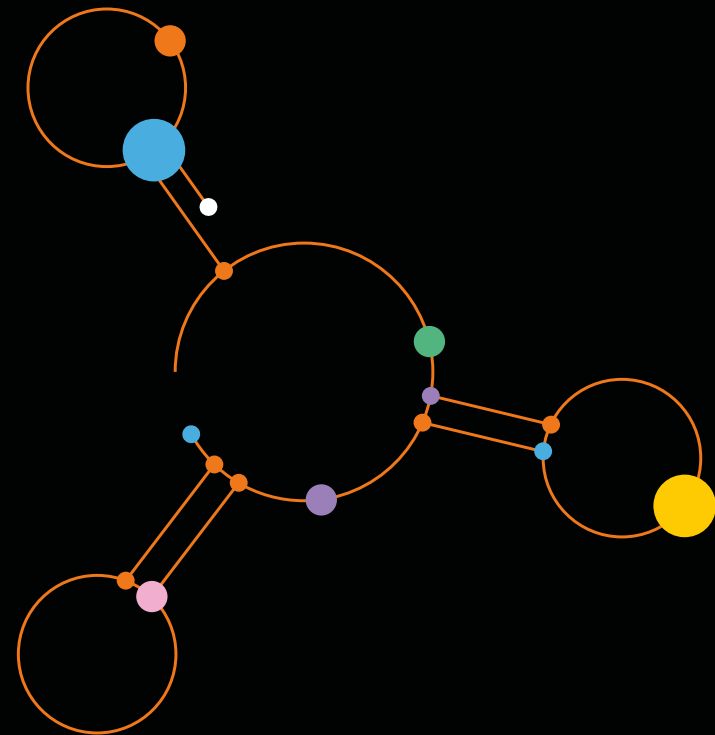
Joining forces to innovate

CDOs understand it is almost impossible for companies to develop business solutions in isolation; cross-fertilization with other industries is crucial. CDOs are thus looking to co-innovation projects that allow them to pool skills and share risks and rewards, often in the development of joint commercialization plans.

A strong co-innovation ecosystem helps bring new ideas, market knowledge, and skillsets to the forefront. APIs in the cloud, for example, allow enterprises to create service networks, turbocharging innovation, and connecting businesses in ways that were not possible before, such as travel and hotel booking.

Co-innovation not only helps CDOs to implement business strategies that generate revenue streams and launch more compelling products more quickly, but it also enhances user and customer experiences.
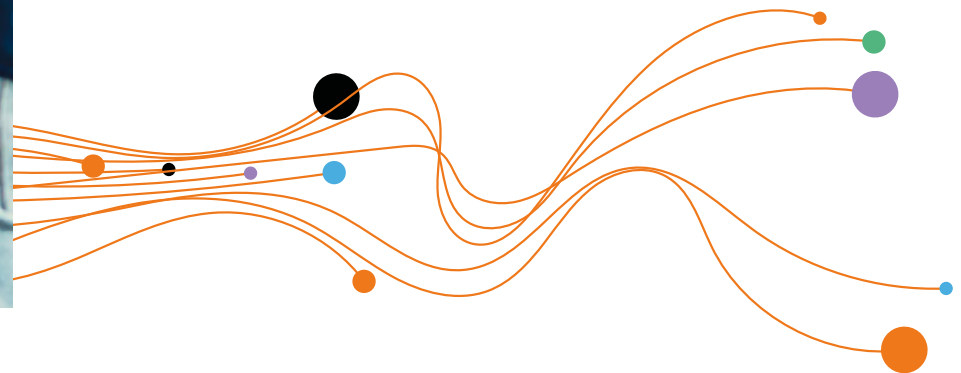
How the cloud can help to achieve business resilience

The CDO is responsible for crafting an enterprise-level digital transformation and overseeing its execution. As part of this change, enterprises need to be adaptive and digitally resilient. Cloud services give enterprises the elasticity they need.

Cloud offers a significant opportunity for increased productivity and competitive advantage as well as maintaining business continuity. But it isn't as easy as it sounds. "Simple can be harder than complex. You have to work harder to get your thinking clean to make it simple," said Steve Jobs. The same can be said of creating a cloud strategy to meet a long-term digital vision and build business resilience.

Enterprises have always focused on traditional business resilience, such as the capabilities to respond to business disruptions and restore operations as quickly as possible. These are very much grounded on functions and processes rather than digital realities. Resilience is also about restructuring business models. Here, CDOs can leverage cloud to create new business models that will bring greater value to the business and the customer.

Modernizing IT and applications

CDOs need to look closely at what they want to achieve from a business outcomes perspective and then have a modernization plan to reflect it. For example, data and technology can help forge closer, more valuable relationships with customers to increase sales.

This will require either rearchitecting, rebuilding, or replacing applications. The trick is to select the right application for the right approach and the ones that will give the best business value.

Data is now at the epicenter of any commercial agenda. Cloud-based analytics are invaluable in providing the CDO with insight that can grow, retain and satisfy customers. At the same time, these insights can help identify bottlenecks in the business and generate new levels of efficiency.

In 2022, enterprises focused on digital resiliency will adapt to disruption and extend services to respond to new conditions 50% faster than ones fixated on restoring existing business/IT resiliency levels.[3]

There are four key areas linked to cloud migration that are important for the CDO:

01 The CDO must know exactly how the enterprise will benefit from moving to the cloud, and what new business models cloud-based systems will drive, such as an enhanced payment platform.

02 Look at the enterprise's value chain for additional business opportunities. Cloud can significantly enhance the way employees, partners and customers link up across the supply chain. This could include improving manufacturing operations through better data collection, for example.

03 Outline and rank your commercial goals in moving data and applications to the cloud. Marketplace differentiation and top-line growth are often critical. You are likely to need access to emerging technology such as artificial intelligence (AI) and the internet of things (IoT).

04 Once you have decided on the best cloud deployment, look carefully at the cloud services that best suit your commercial needs. For example, Platform as a Service (PaaS) can support agile programming and faster time to market.

Adopt microservices as part of your cloud migration

Many enterprises are using the opportunity of moving to the cloud to modernize the architecture of their applications to facilitate new business capabilities and improve developer productivity in launching new products and services.

Microservices provide a new way for enterprises to build web-based applications. Why should commercial leaders care? Because they can potentially dramatically improve business agility. Gartner defines a microservice as "a service-oriented application component that is tightly scoped, strongly encapsulated, loosely coupled, independently deployable and independently scalable." DevOps teams and microservices working together allow businesses to move much faster in delivering new features and services.

A promise of greater resilience

Microservices come with the promise of greater resilience, such as in fault isolation, better scalability, easier usability speeding up innovation, leading to greater agility, elasticity, and faster time to market. But there are issues about complexity and lack of in-house expertise that need to be addressed.
An example of how microservices works in a real-world environment can be found at streaming giant Netflix. The company has opted to break down its application into multiple independent services to increase flexibility, scalability, robustness, and reliability. This approach to digital transformation enables CDOs to make scaling new services faster and more cost efficient, for example.

Many organizations struggle to build a strategy around application modernization, thanks to architectural complexity, and lack of automation. With microservices, the number of components increases hugely, which makes them very difficult to manage manually. The skills gap and access to technologies to modernize applications is a significant challenge, especially when refactoring or building cloud-native services using DevOps microservices.

CDOs looking to benefit from microservices will need to assess the right level of granularity, and the organizational changes required. By taking this careful approach, microservices can deliver on the promise of business versatility, scalability and agility.

Organizations now consider 24% of microservice applications to be business-critical, of which 42% would directly result in revenue loss if they suffered downtime.[4]
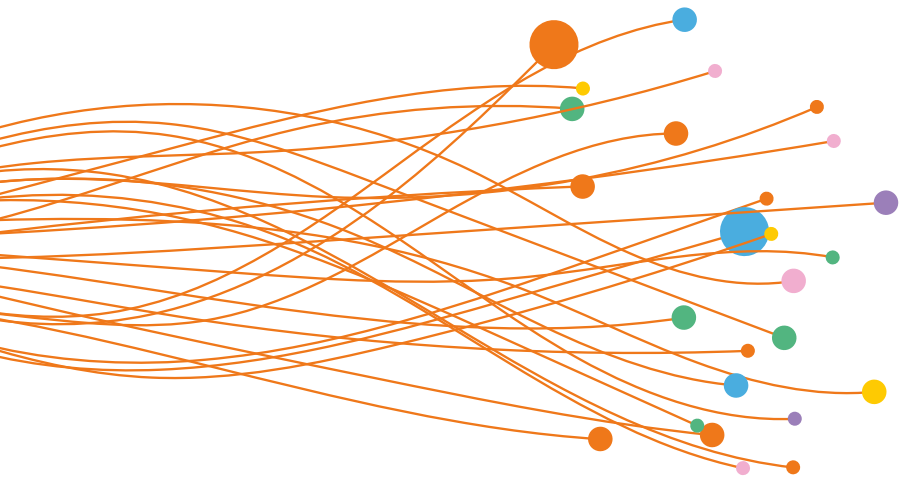
Secure assets in line with compliance and regulations

The regulatory landscape for cloud computing continues to be highly complex, especially if it is moving around a multicloud environment. Effective data governance in the cloud continues to be a concern for business leaders.

Digitization is making it difficult for traditional governance to keep up with the way technology and business are changing. As a result, commercial needs to work closely with C-suite executives from all business units to update policies and practices in line with digital transformation. With digital accelerating the speed of business, compliance is paramount. Otherwise, a host of issues arise, including security holes and cost overruns which can dent reputation and the bottom line.

Cloud governance is fundamental to the success of cloud migrations and adopting cloud at scale. It enhances data security and manages risk, by making sure data is processed and stored securely.

Governance covers cloud computing policy, cloud provider relationships, cloud solution architecture, and workloads, guiding on managing risks and outcomes. Setting it up can be highly time-consuming. Weak governance, however, is asking for trouble down the line, which is why it is essential to invest time and effort in the exercise. If enterprises don't have the skills in-house, they should turn to outside experts for advice and guidance.
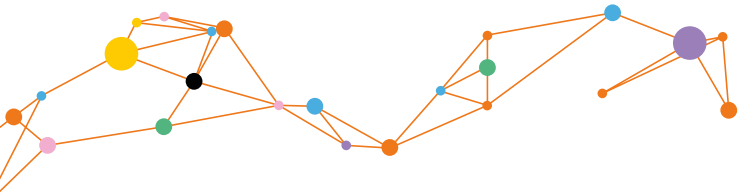
Managing data in the cloud

Data is commercial's digital currency. Data can provide insight into customer behaviors, predict outcomes, improve decision making and enhance competitive advantage. Cloud makes accessing data from any place, anywhere easy. This data, however, must be managed under the rules and regulations of the countries in question. Data sovereignty issues must be addressed at the beginning of any project.
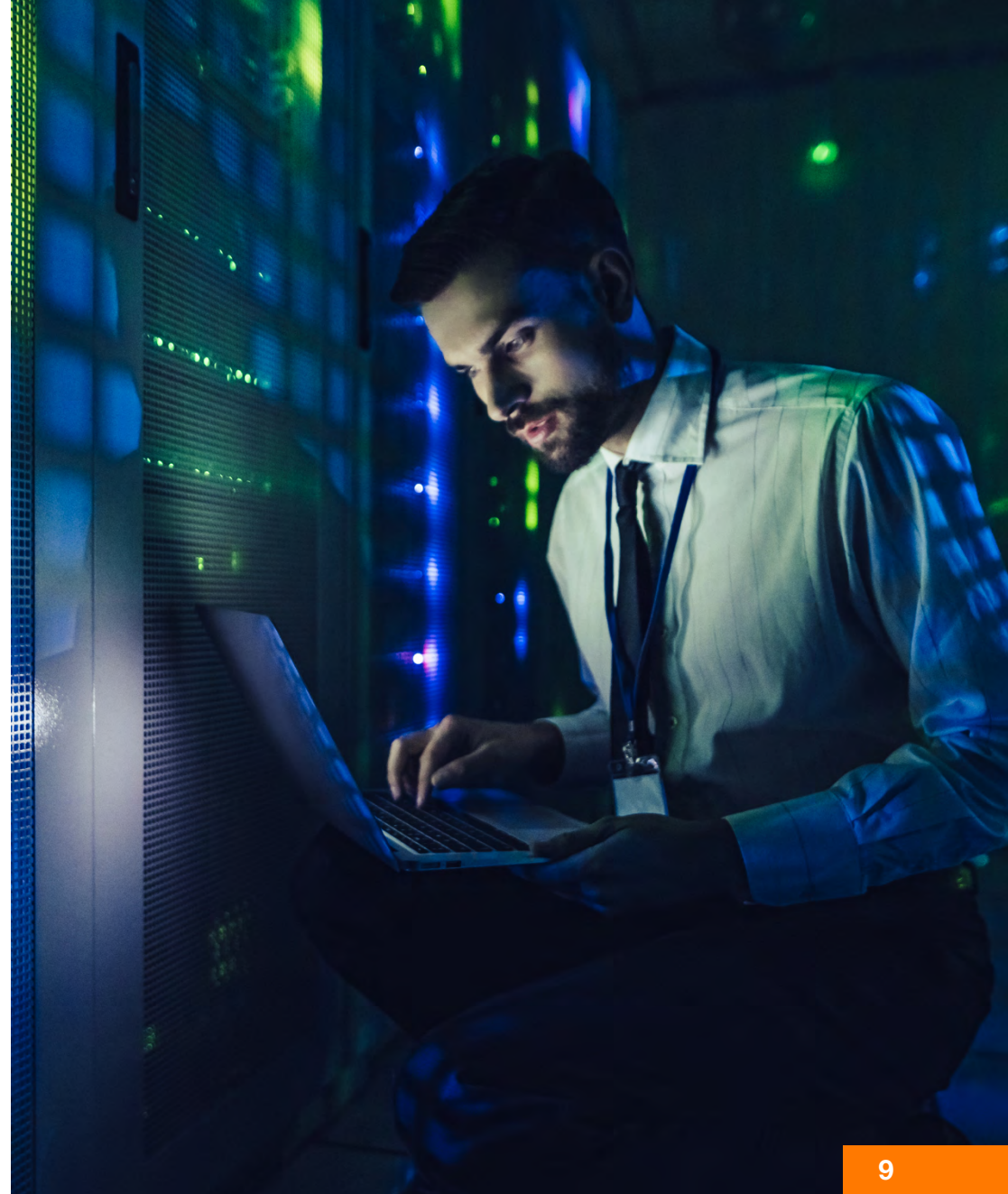
Data location is a critical factor when moving to the cloud. Choose a cloud provider, which offers locations that meet data sovereignty requirements. You also need to take security and control into account. You need to be able to trust your partner to be fully compliant and protect your data.

No cloud provider is the same. As part of due diligence, a consultant can help you evaluate cloud providers. Look at where your data will be stored, what security tools are in place, and how compliance requirements are managed.

For enterprises struggling with the administrative side of the cloud, a managed service provider (MSP) may be the answer. They provide the management layer between the enterprise and the cloud provider. This allows the IT team to outsource cloud complexity, freeing up their time for revenue-generating projects. MSPs can also provide a valuable bridge to the cloud, allowing IT leaders to speed up and assess the skills gaps.

Global public cloud end-user spending to grow 18% in 2021.[5]

Plan for transformation with your cloud strategy

Sustaining the pace of digital transformation is proving difficult for commercial leaders. The pandemic forced ad hoc changes in how businesses needed to operate to survive. Now is time to assess what cloud means for your organization and how it can help achieve business outcomes.

Although the cloud has been vital for business operations over the last year, companies should not forgo a carefully planned cloud strategy to get to the cloud faster. Cloud is not a destination or a specific technology platform, it is a continuous journey that can deliver on flexibility and agility through automation and agile practices.

Cloud migration can be a very complex undertaking. It embraces new models and adds new layers of technology. Going it alone can be a demanding task. This is why IT leaders are increasingly turning to cloud experts to help them plan their end-to-end cloud journey and ensure their cloud environments adapt and grow with the business.

64% of enterprises either will be early adopters of new technology or will aggressively seek out new technologies.[6]

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Dealing with the cloud skills gap

Commercial leaders need to be aware that there is a growing skills gap in cloud infrastructure and security levels that can adversely impact business plans. According to Gartner, most enterprises are "flying blind" when it comes to the skills they need for digital transformation.[7]

According to IDC,[8] this ongoing skills shortage is partly due to more comprehensive digital transformation initiatives. IT has become more integral to business processes, and rapid technology deployment in areas such as cloud and automation means that skills demand is outstripping supply. The analyst firm maintains that enterprises will need to invest in developing, sourcing, and matching skills to remain competitive. Some legacy skillsets can transfer to cloud technologies, but upskilling is required.

The CDO is fast reshaping the way enterprises use technology and data to achieve business outcomes. People and skills are central to digital transformation. CDOs should work with human resources to plan current and future workforce needs, and develop skills to meet business goals. This may involve working with a trusted service provider that can provide the digital skills necessitated by the business going forward.

Organizations that increase funding of digital innovation are 2.7 times more likely to be a top performer than a trailing one.[9]

Master of change

All businesses today need to be digital players to survive. Cloud offers scalability, flexibility, and speed to market. Cloud offers enterprises the ability to capture data and analyze it to provide customer insight and offer services as an application program interface (API), for example, to connect with other businesses as well as customers.

The most successful cloud deployments increase business efficiencies, control costs better, and provide a robust platform for innovation, allowing enterprises to adapt according to market changes.

Enterprises already on the cloud journey are no longer looking for a solution. Cloud is now part of a strategic move to define the future of the business. As a result, enterprises seek out partners that complement the organization's capabilities, be it migration and application enhancement or co-innovation.

Whatever level of maturity you are at in your cloud journey, it is key to seek out a partner who can provide technical expertise, provide innovation support, and co-innovate.

Why Orange

Commercial leaders are highly influential in a change in any enterprise. However, their success depends on overcoming challenges, spotting business opportunities, and helping implement digital solutions that enhance both efficiencies and innovation.

Around one-third of cloud migrations fail. Why? Because business has not understood where and how it is most appropriate to use the cloud. Successfully navigating secure cloud deployment is not easy and requires careful planning. Cloud also requires continuous monitoring to benefit from new functionality and tools. The hyperscalers, for example, are constantly expanding and enhancing their offerings to launch new digital solutions, reduce risk, and scale services quickly to support business growth.

If you are going to work with the cloud today, create and discover new markets, you must adopt a "born in the cloud" mentality, where services are created for cloud delivery. Bringing legacy thoughts and processes to the cloud environment is setting an enterprise up for failure.

The CDO is a key stakeholder in the cloud journey. As such, you must ensure you map your cloud strategy on business outcomes and not technologies. All parts of the cloud infrastructure must be orchestrated to ensure the enterprise gets its agility, scalability, resilience, and performance benefits. This is where a trusted and skilled cloud partner comes in.

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