

Move From Cloud First to Cloud Smart to Improve Cloud Journey Success

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Organizations pursuing a cloud-first strategy often find this approach evolving into a cloud-only approach despite some use cases being a poor fit for cloud. This research describes five cloud-smart best practices that can help I&O leaders accelerate their journey to the cloud.

Key Challenges

- Many organizations' expectations for cloud do not align with their ability to execute, making it difficult for I&O leaders to design a strategy to meet business goals.
- Existing IT governance and foundational practices don't always adapt to the more dynamic nature of cloud, creating more security and compliance issues for I&O leaders to address.
- Many decision makers believe that a cloud-first approach maximizes speed, limiting I&O leaders' ability to adopt other approaches for their cloud journey.
- Cloud vendors' offerings are growing more complex, slowing I&O leaders' efforts to orchestrate a successful cloud migration.
- Organizations' circumstances do not always align well with cloud initiatives, complicating I&O leaders' efforts to orchestrate a successful cloud migration.

Recommendations

I&O leaders responsible for planning and delivering cloud and edge infrastructure should:

- Close the gap between cloud expectations and reality by identifying obstacles to a successful cloud journey and collaborating with decision makers to set realistic goals and expectations for cloud initiatives.
- Reduce the risk of security breaches and compliance violations by creating an automated governance strategy that encompasses cloud services and technologies.
- Speed cloud migration by using a selection process of faster, easier, valuable, efficient, repeat (FEVER) to prioritize workloads to move to cloud.

- Improve performance and cost savings by focusing on simplicity to architect your cloud journey.
- Improve the success of cloud initiatives by championing workload migrations that reflect the organization’s cultural preferences and its technological and regulatory environments.

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Strategic Planning Assumption

By 2023, more than 60% of organizations that have adopted a cloud-first strategy will replace it with a cloud-smart strategy.

Introduction

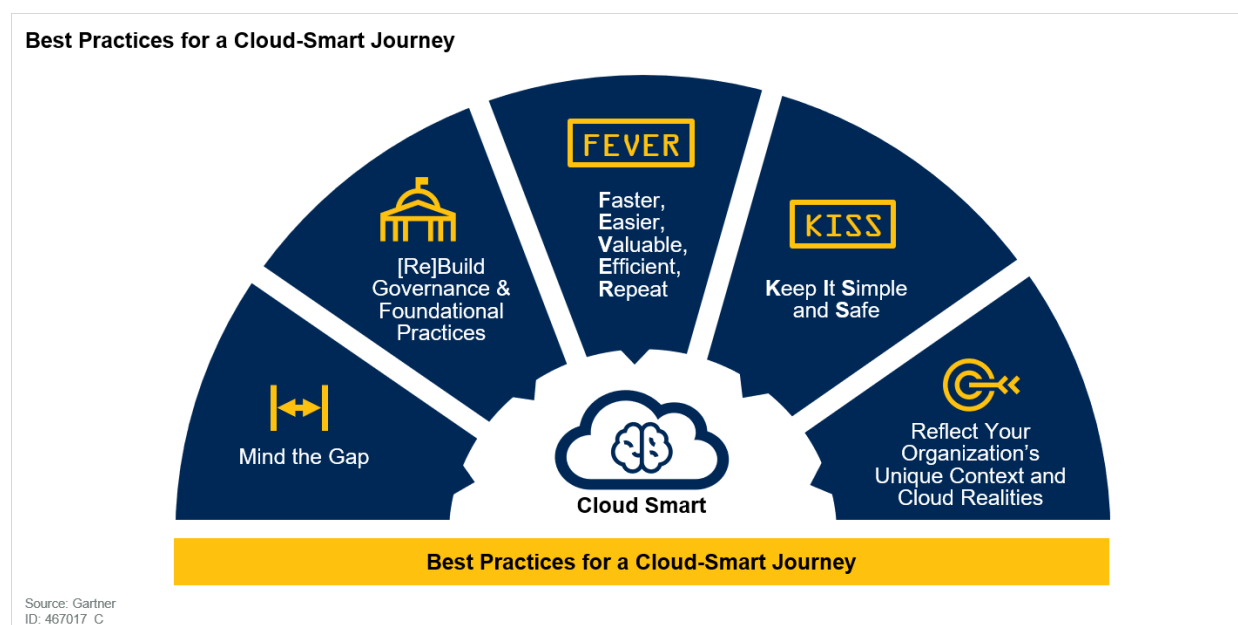
For nearly a decade, cloud first has been the prevailing approach to cloud adoption initiatives as organizations sought to drive digital transformation and modernization. But cloud services evolved over the years, adding features and complexity that can muddle the rush to cloud with additional potential risk. Cloud technologies are also at the root of transformational, cultural and organizational shifts, requiring organizations to review and align their strategies with current realities.

The dynamic nature of cloud requires organizations to shift their approach from *cloud first*, which prioritizes cloud adoption and legacy modernization above other considerations, to *cloud smart*,

which balances cloud adoption with the organization's unique circumstances and goals, and business value.

How can I&O leaders ensure successful cloud adoption initiatives that align with their organization's priorities and deliver value? This research presents five best practices common to cloud-smart initiatives (see Figure 1).

Figure 1. Best Practices for a Cloud-Smart Journey



Analysis

Close the Gap Between Cloud Expectations and Reality

Many organizations' goals and expectations for cloud do not align with their ability to execute. Through several years of interacting with clients executing cloud journeys,¹ Gartner has observed that the following gaps are common:

- **Gap between the organization's aspirations and the ability of in-house staff to execute.** I&O teams often lack the technical, financial and strategic skills that would be required to meet what can be inflated expectations regarding a transition to cloud (see "Essential Skills That I&O Leaders Must Build Through 2022").
- **Gap between the expected gains from cloud versus the reality of what cloud can deliver.** An unrealistic view of the benefits that cloud can deliver can lead to disappointment with cloud initiatives (see "Build the Right Justification for Moving to the Cloud").

- **Gap between the organization's business strategy and its cloud strategy.** When the cloud strategy does not align with the business strategy, even a successful move to cloud will fail to deliver expected business results (see "Formulate a Cloud Strategy in the Context of Your Overall Strategy").
- **Gap between the existing and required operating model, or between the existing and required foundational practices such as governance, compliance and security** (see "How to Build a Cloud Center of Excellence" and "Grow Cloud Security Skills").

I&O leaders must identify gaps and obstacles that could prevent a successful cloud journey. In addition to the lack of skills mentioned above, these could include a lack of necessary resources or low maturity in fundamental practices such as governance, compliance and security. In addition, I&O leaders must make decision makers aware of any existing technical or local cloud limitations. Addressing these gaps enables the organization to set realistic goals and expectations for cloud initiatives and focus resources on real value and gains.

Create an Automated Governance Strategy

As organizations embrace cloud computing, they discover that existing IT governance and foundational practices adapt poorly to the more dynamic nature of cloud and that cloud poses new complexities and challenges. Cloud services have evolved to the point that they offer 10 times, or even 100 times, more configuration options than on-premises equivalents, making it impossible for existing practices to keep pace.

Ungoverned cloud adoption or poor foundational practices put organizations at risk of security breaches, data loss, compliance issues and budget overruns. I&O leaders must create and automate a governance strategy to reduce the risk of losing control of their environment.

Establish a Cloud Center of Excellence (CCOE)

Interactions with Gartner clients adopting cloud services reveal a trend among centralized cloud governance teams: the creation of a cloud center of excellence (CCOE). The CCOE enables central IT to express the CIO's cloud strategy, enables the business to choose the best solutions, provides governance through policies and cloud management tools, and gathers and disseminates cloud best practices.

The CCOE has three core pillars:

- **Governance.** The CCOE creates cloud-computing-related policies and selects governance tools. In collaboration with a cross-functional team, it creates policy enforced by the organization's mixture of tools and approved organizational processes. This approach provides appropriate risk management as well as financial management.
- **Brokerage.** The CCOE assists users in selecting cloud providers, architects cloud solutions and collaborates with the sourcing team for contract negotiation and vendor management.
- **Community.** The CCOE raises the level of cloud knowledge in the organization by capturing and disseminating best practices. It does this through a knowledge base, source-code

repository, cloud community of practice councils and training events, as well as through outreach and collaboration throughout the organization.

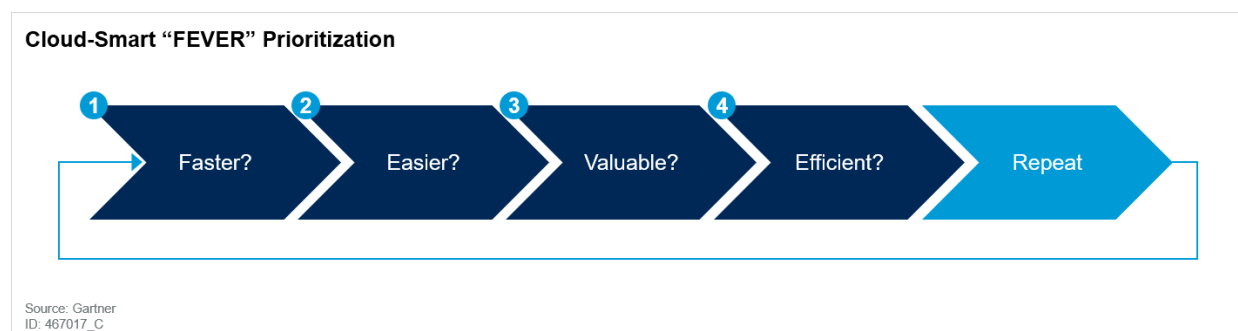
I&O leaders must build cloud governance and foundational practices appropriate for cloud by continuously adapting existing practices to the dynamic nature of cloud. They should use the CCOE to lead cloud adoption and governance (see “How to Build a Cloud Center of Excellence”). The CCOE should focus initially on creating policies and guidelines before selecting governance tools and additional foundational practices. I&O leaders should prioritize delivering speed, agility and innovation to the business in a sustainable fashion. This should be based on a combination of governance provided by the CCOE, a cloud operating model and a cloud adoption framework designed to reflect the realities of their organization.

Get Cloud-Smart “FEVER”: Faster, Easier, Valuable, Efficient and Repeat

Shifting from cloud first to cloud smart does not sacrifice speed. It is an approach designed to deliver results quickly by leveraging previous cloud experiences and lessons learned. It focuses on creating sustainable business value by aligning fundamental cloud attributes such as speed, agility, innovation and cost-efficiency with the attributes and goals of your organization.

To achieve this goal, I&O leaders should prioritize the workloads to move to cloud by using a “full circle” continuous loop selection process: faster, easier, valuable, efficient and repeat (FEVER; see Figure 2). This allows them to deliver results in waves of migrations according to the organization’s delivery capacities.

Figure 2. Cloud-Smart FEVER Prioritization Process



Here’s how I&O leaders can prioritize. Implement a process for selecting the workloads to migrate to cloud that prioritizes speed, simplicity and business value. Perform this process in multiple rounds, or waves. In the first wave, maximize value by moving the “lowest-hanging fruits” — the fastest, easiest and most cost-efficient workloads. In the second wave, move the second-fastest, easiest workloads. Continue in that manner until all that remains are workloads that cannot be migrated quickly or easily, or workloads that would deliver the least value or benefits or would incur higher operating costs in the cloud.

Focus on Simplicity With KISS (Keep It Simple and Safe)

Vendors like Amazon, Microsoft and Google add hundreds of new features to their cloud offerings every year. Adoption of these new features, combined with complex legacy applications or deeply integrated workloads, creates additional challenges and risk for the organization, slowing many journeys to the cloud.

To address these challenges, adopt a “keep it simple and safe” approach. This variation of the KISS principle (an acronym that reflects a design principle that most systems work best when complexity is minimized) acknowledges that complications may introduce new challenges and undesirable security impacts in the cloud. Reducing the complexity of your cloud journey can improve focus, clarity of vision, speed, cost savings and security.

Reflect Your Organization’s Unique Context and Cloud Realities

The cloud is a great fit for many workloads and use cases, but not all applications and workloads benefit from cloud (see “Revisiting the Top 10 Cloud Myths for 2020”). Cloud services have regional or local differences, such as proximity factors or networking latencies, local services availability, and local regulatory requirements. In addition, priorities and circumstances vary from organization to organization — for example, capital expenditure versus operating expenditure preferences; existing life cycle of legacy investments; or unique data privacy, control and security considerations.

I&O leaders must champion cloud initiatives that align not only with the context of their organization but also with local cloud realities, like proximity and regulatory factors. Ensure a successful journey to cloud by protecting your organization and its investments while supporting cloud initiatives that enable speed, agility, innovation and cost-efficiencies.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

“Leadership Vision for 2020: Infrastructure and Operations Leader”

“Forecast: Public Cloud Services, Worldwide, 2017-2023, 4Q19 Update”

“Creating Strategy at the Speed of Digital Business”

“The Cloud Strategy Cookbook, 2019”

“Formulate a Cloud Strategy in the Context of Your Overall Strategy”

“Decision Point for Choosing a Cloud Migration Strategy for Applications”

“Solution Path for Implementing a Public Cloud Adoption Framework”

“Scaling Digital Business Requires the Continuous Delivery of Incremental Value”

“Improve Your Enterprise SaaS Implementation With This Three-Step Process and Checklist”

Evidence

¹ Gartner has had more than 10,000 client conversations in the past five years that have involved governance of cloud services. This research is based on best practices derived from those conversations.

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