**IMPROVE AGILITY AND RELIABILITY WITH THE CLOUD**

For growing businesses that need agility and reliability to compete, the cloud represents both a unique opportunity and a paradigm shift in the value of IT as a competitive differentiator. Savvy CIOs are finding that a *standardized, global* infrastructure has deep bottom-line potential. Because the cloud encompasses these characteristics, businesses can use it to:

* Save costs directly.
* React more quickly and efficiently to new business requirements.
* Increase reliability in several important ways.
* Potentially add revenue by making themselves more competitive.

Being able to directly align IT resources with new business requirements has been hugely difficult in the past, largely due to long and expensive purchasing and deployment cycles. The cloud represents a paradigm shift in IT computing because it can dramatically decrease deployment cycles and make purchasing considerations – at least in terms of planning and reaction – almost a non-consideration.

With an agile cloud infrastructure, you can:

**Exploit global business opportunities more quickly.** Bringing a new electronic product to market in a foreign country, for example, used to mean at best a new outsourcing contract to a data center in that country, requiring separate contract negotiations, IT process alignment, hardware and software deployment and testing, and possibly even new staff hires. By contrast a public cloud will:

* Already have a global presence that allows you to simply request servers deployed in a specific geographic locale.
* Negate the need for hardware purchasing and deployment because resources are virtualized.
* Significantly decrease software deployment and testing since the new servers can be based off images of your current – already functioning – production servers.
* Integrate with your existing on-premises technology, making maintenance simpler.
* Protect your existing software investment by providing full compatibility between on- and off-premises resources.

**Cut deployment time by huge percentages.** This agility was realized by Acumatica, which cut its time for deploying a new software-plus-service solution from two months to two hours.1 If your company has extended its private cloud into the geographic region in question, private clouds can offer the same benefits. If not, it’s a perfect example of when to consider combining private and public models.

**Enable business opportunity while decreasing IT investment.** Another example of the cloud’s ability to increase business agility is RiskMetrics. With 1,100 employees in 13 countries, RiskMetrics models over 4 million global securities daily. The company was being challenged by its customers asking for complex, on-demand financial simulation models, often generating bursts of demand on its computing resources that were 10x above normal usage. By moving these operations to the cloud using a pay-as-you-go model, RiskMetrics was able to meet these demands while decreasing its new data center costs because it only needs to pay for those resources as they are used.2

**Help improve IT reliability.** This involves many of the same processes that bolster IT agility:

* **Virtualization.** Virtualized servers are based off the same or similar images (copies of themselves). Virtualization not only decreases testing time, but it also increases reliability because IT staff in different locations aren’t configuring servers in different ways causing more points of possible failure.
* **Reduced server sprawl.** Whether in a public or private cloud model, virtual machines run in a higher density on fewer hardware servers. That means a lower chance of hardware failure and an easier time building reliable hardware fail-over protection.
* **Simplified disaster recovery and business continuity.** If all or even most of your IT infrastructure is virtualized, spinning up a mirror of your entire infrastructure becomes easy. And connecting users to it becomes equally easy as long as they have an Internet connection and you’re employing an identity management system that spans various computing scenarios.
* **Easier archiving and backup.** The cloud essentially allows you to outsource these functions while still maintaining direct management control. Any concerns about regulation compliance can be addressed by having cloud providers ensure that appropriate audit trails and log files exist with which to stay in compliance.

Increasing your IT department’s responsiveness to changing business demands can effectively contribute to the bottom line, and turn IT from a loss leader to a competitive advantage in the bargain. The cloud will also simultaneously allow IT to significantly decrease capital and operational expenditures.

By moving to a private cloud infrastructure, IT managers can decrease sprawling server and network purchasing by large margins. This has decreased the forecasted IT spend of some early Microsoft cloud customers by a factor of 10.3 Work with your cloud provider to find the right ratio and migration plan for your organization going forward.

**Getting started.** Start identifying the ways in which improved IT agility can help your enterprise: Exploiting new business opportunities? Easing the burden of M&A integration? Speeding procurement or order fulfillment? Build a wish list of capabilities from that discussion and use it as a map when planning the capabilities of your cloud infrastructure with your cloud provider.

1 Microsoft Case Study, *Software Company Efficiently and Cost-Effectively Delivers Software-plus-Services*, http://www.microsoft.com/casestudies/Case\_Study\_Detail.aspx?CaseStudyID=4000005777 (November 17, 2009)

2 Microsoft Case Study, *Financial Risk-Analysis Firm Enhances Capabilities with Dynamic Computing*, http://www.microsoft.com/casestudies/Case\_Study\_Detail.aspx?CaseStudyID=4000005921 (November 17, 2009)

3 Microsoft Case Study, *Siemens Expands Software Delivery Service, Significantly Reduces TCO*, http://www.microsoft.com/casestudies/Case\_Study\_Detail.aspx?CaseStudyID=4000005945 (November 17, 2009)