

## Save up to 20% on IT spend with cloud

Cloud migration is typically driven by business demand, cost-savings and IT efficiency. However, to realise the full benefit of cloud migration, business leaders must understand the real business benefits for moving an application to the cloud.



Bernard Ford, CEO at One Channel

One Channel CEO, Bernard Ford says companies that have already migrated the majority of their business systems to the cloud save on average more than 20% in IT spending as a percentage of revenue and the benefits of cloud will continue to increase.

According to a new report from Gartner, public cloud-services technology revenues are projected to grow by more than 50% worldwide in the next three years, to about \$355bn in 2022.

It predicts that the global public cloud services market is set to reach \$266.4bn, representing a growth of 17%, up from \$227.8bn in 2019. Software as a Service (SaaS) will remain the largest market segment, which is forecast to grow to \$116bn next year due to the scalability of subscription-based software.

The second-largest market segment is cloud system infrastructure services, or Infrastructure as a Service (IaaS), which will reach \$50bn in 2020. IaaS is forecast to grow 24% year over year, which is the highest growth rate across all market segments.

Gartner says this growth is attributed to the demands of modern applications and workloads, which require infrastructure that traditional data centres cannot meet.

*“ Some people have a perception that the cloud means a single cloud. However, to really take advantage of the cloud, you need to understand that there isn't going to be just one cloud, but many of them ”*

As the world of cloud evolves, it's important to distinguish between siloed cloud environments versus a multi-cloud approach. When people say they are moving all their business systems to the cloud, they are essentially referring to the internet where information will be accessible anytime, anywhere.

### **One step further**

“However, with the concept of a multi-cloud world, it goes a step further. Although cloud services all run on the internet, they are often siloed. Cloud environments such as Microsoft Office 365, Salesforce and Zenefits provide critical services to businesses, but they don't easily interact with one another,” he says.

This leaves companies trying to piece together various cloud environments, and essentially creating a version of the former on-premises world, but in the cloud. In the former on-premises world, businesses would purchase a range of applications and then be faced with getting them to talk to each other.

Integration was the misery of many an IT department's existences, as was customisability and adaptability. While the cloud could make it easier, organisations may still wind up in the same silos as before in the on-premises world.

Ford says one of the exciting things that happened early on in the cloud computing era was that a set of open standards were defined. “These standards dictate the way pieces work for an individual application, but they also dictate how one application talks to another. This is what is known as cloud interoperability and is critical for businesses to not end up in a siloed cloud environment.”

Choose the right platform for the future. Businesses that have moved their systems to the cloud often use a wide range of applications. This is now starting to create real challenges with regards to scale, interoperability, cost-effectiveness, and integration.

### **Choose a central point for the multi-cloud world**

For businesses that want to be strategic and mitigate these issues, one of these applications needs to be selected to be at the centre of this multi-cloud world. It would make sense to anchor this in one that's the most critical for business namely ERP.

“You might call this a tiny bit self-serving, but I would offer up that an ERP system truly is the system of record for a business. If other systems stop or break, the business can generally move on. If the ERP system breaks, you can't order or ship products or bill your customers. Things stop so thinking about your ERP Cloud strategy as the centre point of this multi-cloud hub is something I would strongly recommend,” he adds.

Ford says companies that embrace the multi-cloud world are set up for success, they are light years ahead of their competitors, because they have chosen to centre their entire business around one main ERP platform that easily integrates into other cloud environments.

The IT department doesn't stress when the CIO recommends a new Cloud application that the ERP system must integrate into. The CFO has one less major headache to deal with, as the cost-effectiveness of the ERP platform enables the business to put their money where it matters most.

"Finally, their customers are happy because they can count on a business that is always taking orders, shipping on time and making their buying experience the best in the industry, creating customer loyalty like never before," he concludes.

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