

BUILDING A BRIDGE BETWEEN TODAY'S ENVIRONMENT AND TOMORROW'S TECHNOLOGY

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HYBRID IT STRATEGY AS A PATH FORWARD

Thought Leadership

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PAPER

EXECUTIVE OVERVIEW

Hybrid IT — an environment that encompasses a wide mix of assets as well as internal and external IT services — requires enlightened governance. At present, the specter of “shadow IT” threatens to put enterprises at serious risk. By acting unilaterally, lines of business take steps that could prove detrimental to the reputation of the enterprise.

While a series of triggers are now motivating IT leaders to rethink the management of their increasingly complex and diverse environments, it's clear they will need thoughtful strategies to effectively govern.

Forward-looking IT leaders are now actively adopting Hybrid IT strategies as a secure bridge from the present environment to a well-governed future that sensibly incorporates the next wave of technologies, particularly cloud-based solutions.

Given the immense complexity of Hybrid IT environments, most IT organizations are relying on solution partners to guide them through the demanding transitions ahead while providing the necessary management services, implementation and integration support. Choosing your partner wisely is a critical step in making the shift from the current to the future state.

BUILDING THE BRIDGE

There's a growing interest in Hybrid IT among industry analysts and thought leaders. The discussion has gained prominence as line of business (LOB) leaders increasingly act unilaterally to obtain the applications and capabilities they require. The question is whether IT leaders will adopt Hybrid IT strategies that address the governance and risk-related issues now facing their enterprises while ensuring LOBs meet their own demanding business objectives.

It's as if the members of a large group were standing on one side of a raging river wishing they could get to the other side. Indeed, some of the best (and most determined) swimmers may have already made the crossing. Knowing that others will drown if they try to swim, someone must construct a bridge to get everyone else across safely. Bridge building, however, is difficult work and requires the guidance and support of reliable experts.

Hybrid IT refers to the combination of internal and external IT services. It can mean a mix of legacy environments and cloud platforms. It can also stand for the integration of existing IT investments in time, resources, money, infrastructures, application development and security protocols with new technologies, particularly cloud-based.

Hybrid IT strategy is a perspective — an approach — on how to manage IT going forward. It addresses the array of technology issues, business expectations, security and control concerns, and diverse cost structures that emerge in today's complex and heterogeneous IT environments.

It is not enough to simply recognize the existence of Hybrid IT environments. As Gartner indicates, "The IT professional will be responsible for brokering solutions from available service providers, including themselves. This collection of external and internal service providers will create a 'market of functions' — functions that can be used to fulfill service contracts and can be easily swapped in and out based on policy variables (e.g., cost-effectiveness, geography and provider viability)."¹ As such, there is a pervasive need to develop a proactive strategy to meet the risks and seize the opportunities presented in a Hybrid IT environment.

It starts with the business challenges being addressed. Why the desire to add new technologies (in most cases, cloud) to the existing environment? Is it due to a specific, foreseeable event such as an acquisition, the end-of-life of a core application or the need to upgrade that application and potentially move it to a more efficient platform? Are you looking for a way to move faster and more efficiently? The ultimate goal is to take advantage of the promise of new technology while leveraging existing investments.

The cloud promises to address a problem that IT has always faced: how to reduce the level of capital costs while delivering a product or service to the market faster.

¹ Gartner, "Hybrid IT: How Internal and External Cloud Services Are Transforming IT," Chris Howard, Drue Reeves, Anne Thomas Manes, Bob Blakley, Dan Blumand, 8 February, 2012

WHAT'S DRIVING HYBRIDIZATION?

The increased pervasiveness of cloud technologies is the primary motivation for taking a strategic approach to Hybrid IT growth. In fact, Saugatuck Technology predicts that, by 2016, “75% or more of new IT will be cloud-based or Hybrid.”²

This pervasiveness can be attributed to the promise of cloud and opportunity for immediate gratification. **The cloud promises to address a problem that IT has always faced: how to reduce the level of capital costs while delivering a product or service to the market faster.** When IT no longer has to order, pay for, provision and manage a physical infrastructure, the cost of IT moves from a capital expenditure to an operational expense (making it more predictable).

Additionally, this shift frees capital to be used for strategic investments directly related to the core business. Bill Goodwin, in Computer Weekly, predicts that in 2013, “investment on capital projects will slow, as operational spending assumes a higher proportion of the IT budget.”³

At the same time, customer, partner and employee expectations have changed. As consumers, employees have grown accustomed to accessing and using information instantly. This revolution is extending into their work life. They now want to work remotely but still access sensitive data 24/7. Customers also expect this level of service (e.g., they want to do business on their own terms and at a time of their choosing). The demands of an always-on, always-available economy are driving new expectations.

In addition to the promise of cloud are the business realities facing IT today.

The pressures to grow the business are greater than ever. Executives are expected to get products to market faster and drive growth much higher – even as they reduce costs through increased efficiencies. Indeed, executives often don't have years to affect the bottom line – they may only have months to make a measurable impact.

But there are limits to what activities can be smartly and safely moved to the external or public cloud. Indeed, current investments in equipment, issues of security and control, and factors such as performance and availability can all favor continuing commitments to internal IT services and even internal/private cloud solutions.

2 Saugatuck Technology, “Cloud Business Solution Survey,” February 2012.

3 Bill Goodwin, “IT budgets to rise in 2013 despite downturn,” Computer Weekly, December 2012.

TRIGGERS FOR TAKING ACTION

Aside from the promises of new technology and the business realities that companies face, there are a number of triggers motivating IT leaders to rethink how they are managing their own Hybrid IT environments:

- **Transformational events:** These could be significant business-related developments such as a merger or acquisition, or IT-driven such as an application upgrade or datacenter consolidation. Transformational events provide an opportunity for companies to think differently about their infrastructure in light of new technology.
- **Reduction of distractions:** Enterprises are increasingly seeking ways to delegate management of IT infrastructure and activities, particularly when these elements aren't core to their business. As Gartner explains, one reason to externalize is to "refocus efforts on core capabilities while examining alternatives for noncore capabilities."⁴
- **Leveraging technology for responsiveness:** To increase responsiveness, you need the ability to "scale up" and "scale down" your IT capacity. With flexibility comes agility and the ability to focus on meeting line of business requests.

While such triggers encourage rethinking and reassessments among many IT decision-makers, they don't always lead to strategic thinking. Some IT organizations continue to be reactive— even as line of business leaders become increasingly assertive. As a result, IT governance issues may not be fully addressed or managed.

What are the risks of a reactive approach? Costs, for one, can become unpredictable as purchasing decisions become decentralized and master agreements are not sought. Issues of data security and protection also emerge as data assets are moved beyond the corporate firewall. In addition, issues of performance, uptime and availability can surface.

When IT loses the ability to govern its environment, it puts the enterprise and its brand reputation at stake. This is significant because IT is responsible for delivering the functionality of business operations in an integrated way to the end user. Applications are often interdependent and work together as a part of a process. By injecting IT decisions out of governance into that process, the ability to seamlessly deliver on the enterprise's business model can be impacted dramatically.

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⁴ Gartner, "Hybrid IT: How Internal and External Cloud Services Are Transforming IT," Chris Howard, Drue Reeves, Anne Thomas Manes, Bob Blakley, Dan Blumand, 8 February, 2012.

TAKING A STRATEGIC APPROACH

Acceleration into the cloud – and the adoption of other, potentially powerful technology platforms – is likely to continue unabated. As such, it is the responsibility of IT to ensure that these technologies are introduced where needed and when, in a strategic way that minimizes risk. There are three essential steps to developing a Hybrid IT strategy: 1) determine business needs; 2) conduct an audit; and 3) formulate your approach.

Determining business needs starts with having conversations with business leaders to target immediate demands and how new technology or functionality might address those demands. Such action establishes a proactive relationship between IT and business leaders. By actively assessing the requirements of the business, IT ensures requirements and expectations are fully considered and can begin the shift from merely supporting the business to becoming a strategic driver of business success.

Conducting an audit will expose gaps between the needs of the business and the ability of IT to meet those needs. This will provide the initial roadmap of workloads that must be hosted and managed internally, workloads that can be more effectively supported by new technology, and the value of working with a solution partner to help integrate both.

Questions to be considered as part of an audit include:

- What are all of the workloads in my environment?
- Which workloads are mission critical?
- Which workloads are regulated (and that IT has ultimate responsibility for)?
- Which workloads are perceived as critical by the lines of business?
- Which workloads are less critical?

Formulating a strategy based on the businesses needs and the potential performance gaps uncovered in the audit will ensure you are proactively and preemptively governing your IT environment. More than likely, you will manage legacy implementations (traditional dedicated hosting) and virtualized ones. You may have dedicated private clouds and access to public clouds. You will rely on partners for some IT services and manage others internally. You will continue to manage disparate environments, but you can adopt new technologies that are consistent with sensible IT policies.

Your strategy will recognize that as IT environments continue to evolve, the responsibilities and authority of an IT organization will also change. IT will invest less in developing specialists and more in becoming brokers of IT services – partnering with service providers to provide expertise where needed.

As Gartner indicates, “The result is Hybrid IT, where solutions are partially conceived, developed and managed in-house, but include external solutions from consultants, partners, suppliers, the cloud or wherever the solution for the business need is.”⁵

5 Ibid.

SEEKING GUIDANCE AND SUPPORT

As an IT leader, you are the bridge builder. You have to provide a solid and safe path from the current state to the future state. You have to leverage existing resources intelligently while supporting sensible adoption of new technologies and solutions.

These are complex matters, which will require expert guidance and support. The question is where that expertise will be found.

While some enterprises will choose to take a “DIY” approach to Hybrid IT, this option also requires evaluation to determine the cost and complexity involved. Too often “going it alone” creates a scenario where IT becomes almost an alternative business, and the opportunity costs are not considered ahead of time.

Relying solely on a technology vendor to help develop a Hybrid IT strategy can also result in unforeseen costs. In this scenario, the vendor typically provides a defined solution and the customer is expected to “make it fit,” owning the burden of managing, provisioning, etc.

Engaging with a service provider is, for most organizations, the most effective way to assess and address strategic Hybrid IT growth. Independent service providers typically do not lead with a product; instead, they start with an evaluation of requirements and align a solution against those requirements.

So what should you look for in a strategic partner to support Hybrid IT management efforts?

Here are several criteria that should be assessed:

- **People:** This begins with training and certifications, an especially critical factor for companies operating in regulated industries. Additionally, how does the partner handle change management? How does it mitigate the risk of human error?
- **Process:** Often this becomes a discussion around security. What is the partner's security posture? How does it handle physical security at its datacenter? Within its solution platform, what security is built into the architecture that supports that infrastructure and the data? Separate are considerations of performance expectations. What levels of resiliency and availability can the partner deliver? What about integration into change control and governance? How can a partner assist in understanding the client's overall IT and business objectives and work with them to meet both their immediate and long term goals?
- **Technology:** What is the breadth of the partner's solution portfolio? Companies don't just need a vendor, they need a partner that can give them the solutions to their needs (and evolve with them). Frequently companies are challenged with integrating legacy applications that are dependent on specific physical hardware and older operating systems with newer technologies. A partner must be able to help create a roadmap for integration of the legacy systems, over time and with care, into future IT objectives (and be able to support that integration when it occurs).

In addition to these basic criteria, stability of the organization (financials, ability to execute, proven success over time) should also be considered. Clearly, there's a lot riding on the partner (or partners) you choose. And, indeed, given the growing complexity of today's Hybrid IT environment, it's increasingly likely you'll need to choose one.

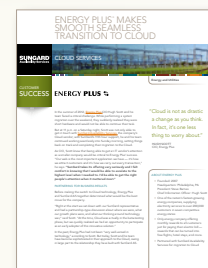
Case in Point

ENERGY PLUS

Energy Plus — one of the nation's fastest-growing energy companies — decided to make the jump to the Cloud in order to handle high rates of growth in a way that colocation services could not. But the team initially viewed the change as a "new and scary" idea.

"SunGard evaluated our individual needs and provided the best strategic recommendation to help us achieve growth and success — a tailored solution that wasn't just a quick 'out-of-box' fix." [Now] "We're solving today's problems with today's technology." — Hugh Scott, CIO, Energy Plus

[Download the case study to learn more.](#)



Customer Success:
Energy Plus

CONCLUSION

CROSSING THE BRIDGE

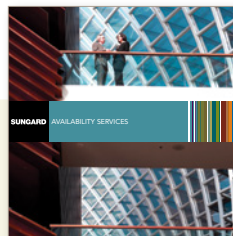
As an IT leader, your challenge is to provide enlightened governance amid mounting pressures, increasing demands and severely constrained budgets. Taking a strategic approach to Hybrid IT ensures you are at the forefront of today's IT decisions as opposed to passively reacting to the moves of LOB leaders.

But building the bridge from the present to the future is a demanding task, particularly given increasingly complex array of options to be assessed, assets to be managed, and vendor relationships to be overseen. Most likely, you'll need guidance from a proven and reliable partner to ensure the bridge is soundly constructed and your enterprise can safely cross.

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