Resultant

# Building the Case for **Cloud Migration**

**Cloud environments have become increasingly affordable with innovative technologies that enable organizations to run applications, manage workloads, and store data in the cloud. Research from Zippia shows that:**

**94%**
**of enterprises** use cloud services.

**67%**
**of enterprise infrastructure** is cloud-based.

**92%**
**of businesses** have a multi-cloud strategy.

While some organizations execute cloud migration to proactively save costs or increase agility and flexibility, others may not think about it until on-prem servers and infrastructure are reaching the end of their life cycles. Moving infrastructure and data away from an on-site data center to the cloud is a major decision worthy of careful forethought—including asking questions you may not have previously considered.

## WHY ARE ORGANIZATIONS MOVING TO THE CLOUD?

**Knowing the factors behind your competitors' moves to the cloud can help clarify your own decision about whether it's right for your organization.**

To handle data needs on site, organizations must purchase hardware, accommodate servers with adequate space and cooling, complete connections, and install software. They need to engage personnel to oversee, maintain, and troubleshoot operations. Smaller organizations may face challenges with required upfront costs that impact their cash flow.

Larger enterprises can more easily absorb these costs, especially when they calculate cost per year throughout a system's lifecycle. Even so, when Emirates moved from on-site infrastructure to the cloud to reduce costs and better respond to demand fluctuations, it estimated savings would top **$1 million annually**.

Maintenance and upgrades for on-prem systems carry cost to both the organization's bottom line and productivity. A mechanical failure or physical disaster can put the company out of commission for long stretches while skilled technicians outside the organization remedy the problem.

When companies opt to move all their data needs to the cloud, there's no large initial investment required. Upgrades happen automatically and seamlessly; data backups are ensured and redundancies built in to eliminate downtime in the event of virtual or physical disaster.

Unlike on-site infrastructure where organizations either invest more capital for increased resources or lose money when their capacity exceeds workloads, migrating to the cloud gives them infinitely more flexibility. With a cloud deployment, organizations can add or reduce storage capacity and computing power as their needs and requirements change, even if that's frequently. Most providers offer pay-as-you-use pricing, so organizations pay only for what they need.

Cloud migration offers other benefits including increased security, greater reliability, faster implementation times, and high availability.

| ON-SITE INFRASTRUCTURE | VS | CLOUD STORAGE |
|---|---|---|
| Hardware and software expenses | | No upfront costs |
| Maintenance and troubleshooting | | Slightly higher monthly costs |
| System Administration | | No staff or maintenance needs |
| Expensive to expand | | Flexible and easy to expand or reduce |
| Impossible to reduce | | |

## WHAT ARE THE MOST IMPORTANT CRITERIA TO EVALUATE BEFORE MOVING TO THE CLOUD?

- **Security:** Data breaches can occur regardless of whether a system is on-prem or cloud based. Having the necessary security measures in place is vital, especially for industries regulated by compliance requirements. Cloud systems offer dedicated security that's more easily scalable as regulations change.
- **Need:** The best way to gain a competitive advantage is to proactively address your own company's needs, not to simply copy what competitors are doing. Is there a legitimate need for your organization to move to the cloud now? If you have a paid-off, in-house system that's serving your organization swimmingly, now may not be the time.
- **Data structures:** What data structures are you currently using? Are they the right ones, or is there room for improvement? Building your desired data structure in the cloud prior to migration ensures the data transfer will be as seamless as possible.
- **Data volume:** Evaluate existing data to determine how much historical data should transfer. This will affect cost and how long the migration takes to implement.
- **Data pipeline:** Determine a plan to manage and maintain the continuous flow of data to the cloud after the initial transfer and how data will be made available across your systems.
- **Impact:** How a cloud migration will impact your organization's culture is an often-overlooked factor in success or failure of the initiative. Expert help with **organizational change management** will ensure a successful migration.

### CRUCIAL PREPARATIONS FOR CLOUD MIGRATION

1. Develop a migration plan with accurate estimates of resource requirements.
2. Identify the correct timeline and strategy to keep existing data and systems running smoothly during the transfer and tool change.
3. Make sure your team is fully on board and ready to adopt the new system.

## WHAT ARE THE BIGGEST CHALLENGES ORGANIZATIONS ENCOUNTER WITH CLOUD MIGRATION?

- **Accurately estimating and planning for the resources needed to complete cloud migration.** Missing the mark can delay implementation or require post-migration changes, all of which impact efficiency, productivity, and cost. A well-thought-out cloud migration strategy can mitigate this.
- **Keeping business operations smooth while migration is in process.** Implementation timeline and strategy are key to keeping current business processes from being adversely impacted by the move. Expert help can optimize task execution.
- **Adoption.** Leading by example and thorough training will make people comfortable with the change and demonstrate the benefits so they're invested in making the move.

## WILL CLOUD MIGRATION SAVE YOUR ORGANIZATION MONEY?

**Infrastructure cost savings are one of the main reasons organizations move to the cloud, but each situation is different.**

To get down to the granular level of your organization's specific circumstances, you'll need to compare the capital expenditure of keeping infrastructure on site to the operational expenditure of migrating to the cloud.

If hardware and infrastructure are at the end of their life cycles, a move to the cloud will show quick benefits. But if your organization currently operates on-site infrastructure with the capacity to effectively handle workloads, you'll see a slower ROI. Even in that case, you must contend with the fact that the amount of data being generated and processed every day keeps increasing exponentially. The cloud's ability to scale effortlessly gives the flexibility to expand infrastructure cost-effectively as data increases.

**Here are three situations wherein cloud migration provides cost savings:**

- Current data management hardware or software is near end-of-life.
- Current system inadequately meets speed or storage needs.
- Company expects a shift in data management needs beyond current capabilities.


## HOW DO YOU MAKE THE BUSINESS CASE FOR A CLOUD MIGRATION?

Thoroughly evaluate how migrating to the cloud can make business processes more efficient, benefit team members, and make both people and processes more productive. Points of consideration include the volume of data your organization uses and how easy it is for teams to access it when and where (particularly of concern for distributed workforces) they need it.

## HOW LONG DOES CLOUD MIGRATION TAKE?

It primarily comes down to scale: the volume of data, number and complexity of systems, and quantity of tools your organization wants to move to the cloud. Scale influences which approach to use for migration.

- **Rehosting:** Lift the organization's entire technology stack from on-prem to the cloud. The cloud environment is an exact copy of the on-site infrastructure. Often the fastest way to migrate but demands that current technology stack is already optimal.
- **Re-platforming:** Similar to rehosting, this includes adjustments to optimize the environment for the cloud.
- **Re-purchasing:** Switch tools and platforms to cloud-native products like SaaS applications. This is ideal for organizations with multiple legacy applications.
- **Re-factoring:** Rebuild all applications and systems from scratch. This is the most expensive and slowest option but provides the most futureproofing.

## WHAT DOES A CLOUD MIGRATION COST?

**The factors that work together to influence cost include**

- **Setup costs.** While there's no heavy upfront investment as there is with on-prem hardware, there's still a cost to set up a cloud environment and possibly purchase licenses.
- **Maintenance.** There's a monthly fee for providing the infrastructure and any tools your organization uses such as CRMs, marketing tools, sales platforms, analytics tools, storage, and databases.
- **Executing the migration.** This includes costs of data transfer, building virtual infrastructure, and labor from specialists like cloud architects and developers.

## CONCLUSION

**Migrating to the cloud can give enormous benefits to your organization**, but it's not a decision to make impulsively, or simply because everyone else is doing it. It's a decision to reach after thorough examination of your current and desired states of operation, asking and answering specific questions, and mapping out a strategy and timeline that best serves your organization.

## ABOUT RESULTANT

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