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BEST PRACTICE GUIDE

Ensuring business continuity and growth with a cloud ecosystem

Modernizing without disruption

Contents

Business continuity is often conflated with system uptime, but that's only part of the equation. In addition to security and reliability, continuity is about helping businesses act on new opportunities and grow along with their customers in today's fast-moving environment. Cloud enterprise software is the gateway to this brand of continuity, giving businesses a secure and reliable platform that enables quick responses to upcoming opportunities and the ability to address market needs as they arise.

This best practice guide looks at the six most important ways the cloud can help your organization achieve business continuity with the most significant benefits possible.

If your organization previously reviewed and dismissed the value of the cloud, it's time to re-evaluate. Decisions that made sense last year, or even the previous quarter, probably look very different through today's lens.

1. Improve critical system reliability

Even when you do everything right, the unexpected can still happen. Natural disasters strike, equipment fails, and human errors occur. Even if you took proactive steps to mitigate risk, it's still up to you and your team to race to recover when disaster strikes and ensure actions are quickly and correctly taken to get back online. And time is seldom on your side.

Losses caused by critical system failure can be financially staggering—**a study** by cloud data protection company, Infrascale, reported that the cost of unexpected IT downtime can be up to $50,000 per hour.[1] And downtime can impact more than just revenue and productivity. Customer service levels, company reputation, and brand value can all suffer with potential far-reaching effects.

Many organizations rely on key resources, such as hardware and applications, to not only help run the business, but also help get the business back on track after disaster strikes. Unfortunately, as hardware and applications age, they become less adept at meeting business needs and are less reliable resources for disaster recovery. In fact, an aging IT infrastructure can sometimes even be a catalyst for disaster. Some of the dangers of relying on older systems include:

- Hardware failures that require replacement, or hardware ages to the point where the vendor no longer supports it
- Older software (ranging from operating systems to applications) that reaches end-of-life and which needs to be upgraded or replaced
- Application functionality that doesn't keep up with the changes required for the business to continue functioning—requiring continual customizations and point-to-point integrations

It's essential that organizations not only address any immediate challenges in maintaining business continuity, but also endeavor to ensure that these challenges don't occur in the future. A software-as-a-service (SaaS) model, in which applications are hosted in the cloud, offers a viable antidote to these potential issues. With a SaaS solution, managing and maintaining the hardware and software (including keeping applications upgraded to the most current release) falls to the service provider, whose entire business model is structured around ensuring all hardware and software resources are operational, reliable, and up to date.

2. Leverage the technical skills of your cloud solution provider

Over time, businesses evolve their enterprise ecosystems to address new needs. While this is the natural progression of enterprise business solutions, it can often create a hodge-podge of disparate systems—some of which are relatively new, others woefully outdated—that only a handful of people understand how to manage and maintain successfully.

But even the people who truly understand all the nuances of the enterprise ecosystem eventually leave the organization. If replacement talent isn't immediately available, the organization faces a much greater risk of mission-critical systems failures that can result in significant damage to the business and potential loss of revenue.

At the same time, enterprise applications and the systems required to support them are growing increasingly complex. Tight IT budgets and the knowledge and expertise needed to maintain those applications make it increasingly challenging for organizations of all sizes to keep such technology running optimally.

Adopting a cloud application comes with multiple benefits toward addressing skills issues:

- Cloud providers devote significant resources to ensuring their sizeable staff are well-versed in all relevant hardware and software technologies—old and new
- Cloud providers maintain and update comprehensive knowledge bases for their technical staff, ensuring that institutional knowledge is retained

Access to this technical expertise allows organizations to leverage the extensive knowledge and experience of the cloud provider to keep business applications up and running.

3. Simplify mergers and acquisitions

Mergers and acquisitions are a common way for organizations to grow, especially in today's highly competitive markets. Unfortunately, due to their complexity, they often bring numerous immediate challenges that affect virtually all departments. IT teams are often charged with providing the underlying infrastructure that will allow organizations to operate successfully under a new configuration. This can be a monumental undertaking, and often occurs with little warning, regardless of how much day-to-day work already exists.

Mergers and acquisitions require major changes in organizational makeup. Business applications that support the organization need the ability to handle changing workloads to provide corporate-wide visibility and accessibility in an evolving geographical footprint. Other factors can further complicate the scenario, such as when the organization that's acquired or merged is located in a different country with unique reporting and regulatory requirements.

Cloud solutions excel at solving these problems because they're specifically designed to handle an organization's growing and varying workloads, and can be accessed from virtually anywhere on the globe with an internet connection. Cloud solutions can also be utilized to create a foundation on which a unified view of all data can be shared across the extended enterprise to give an organization the level of corporate-wide data visibility required to make informed decisions.

4. Continuously innovate without disruption

Many organizations today still rely on legacy, on-premises platforms that provide reliable and consistent results. These on-premises platforms, however, are typically very limited in their ability to support some of the most innovative and differentiating technology advancements available. Whether it's robotic process automation (RPA), big data, or machine learning (ML), most extremely innovative initiatives aren't feasible for on-premises applications.

Business initiatives such as big data investments (e.g., data lakes, data warehouses, and IoT capabilities), ML, and AI can be extremely difficult to plan, deploy, and even manage in an on-premises environment. The up-front investment can be huge, with a high risk associated with capital investments of new, on-premises technologies where the organization has little previous experience.

Cloud ERP

Unified data
Data lake capabilities work across systems to deliver actionable information

Flexibility
Ability to add and modify systems as the business grows

Collaboration
Embedded collaboration, document management, and business process management

Durable architecture
One application can be upgraded, replaced, or even fail without taking the entire network down

Specialization
Specialized functionality without limiting and costly customizations

Personallized data
Personalized homepage for specific roles, teams, or areas of interest

Cloud solutions can help businesses introduce new innovations while minimizing disruption and risk. Cloud infrastructure provides the dynamic scalability to handle variable usage and peak loads, without impacting mission critical systems or incurring additional resource and infrastructure costs.

Cloud infrastructure also provides an excellent foundation for extensibility. Multi-tenant cloud users benefit from continuous product enhancements delivered by software vendors on a regular basis. This helps ensure that the platform is always on the leading edge of industry and market requirements, without the disruptions normally associated with the traditional software maintenance and upgrade cycle.

For most organizations, utilizing these technologies as agile cloud services can offer the best possible option for efficient deployment and practical innovation.

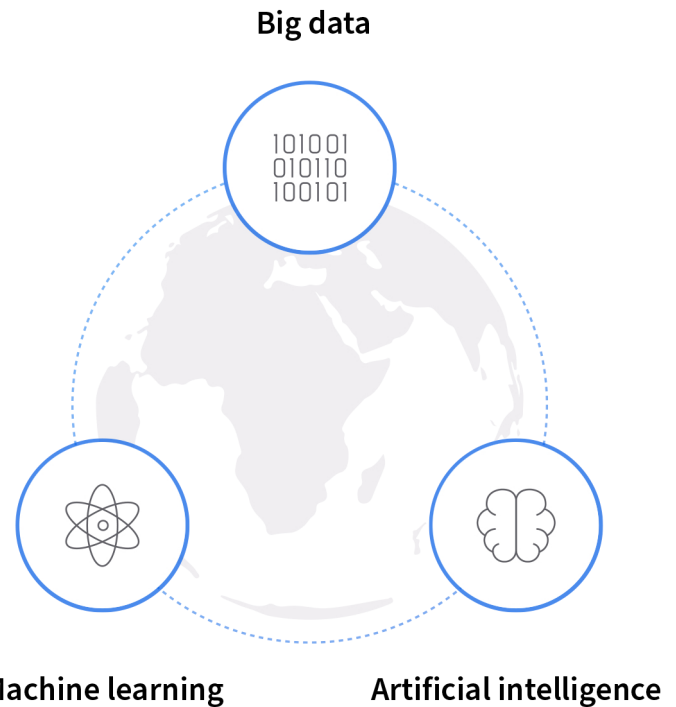## 5. Defend against security breaches and malicious attacks

Bad actors with malicious intent are continuously evolving their strategies and attempting more creative and sophisticated security breaches. The potential threat of cyberattacks and security breaches can be taxing on IT teams and organizations that need vigilance, resources, talent, and educational resources just to stay ahead.

SaaS solutions offer a safe, secure environment to keep an organization's digital resources safe. In a SaaS solution environment, infrastructure and application security are managed by the service provider, whose dedicated resources can continuously monitor systems for security breaches and threats. This, in turn, enables a faster response to any potential problem or identified security risk.

Big data

Machine learning   **Artificial intelligence**

Industry-leading cloud service providers invest millions of dollars every year on their internal security measures, including:

- Training and tools to analyze existing services
- Constant updates to multiple levels of protection (including network- and host-based detection and protection)

The ability of industry-leading cloud providers to safeguard their customers' valuable data requires investments and available resources that most organizations can neither afford nor justify.

Moving to a cloud service can allow an organization to isolate and protect its internal networks and the valuable data it stores on internal systems. In the current era of end-to-end value chain collaboration, third-party vendors and suppliers often require integration with an organization's enterprise resource planning (ERP) system. If that ERP system is hosted in a cloud service, vendors and suppliers will never need to connect to the organization's internal network. As a result, multi-tenant cloud customers enjoy less risk because security and uptime are dramatically better when managed by world-class experts.

> **The fact that our data can be managed and protected by an industry leader like AWS gives us confidence in our data security and is much safer than us managing it onsite with the uncertainty that our firewall is protecting our on-premises server."**
>
> IKE BABBITT
> Vice President of Operations, Babbitt Chainwheels

6. Reduce IT costs

For many organizations, on-premises enterprise ecosystems and custom modifications come hand-in-hand. These customizations require a steady stream of resources to maintain, along with a seemingly constant cycle of upgrades and updates that often don't manage to keep up with the latest innovations.

Many upgrade expenditures are not necessarily even focused on adding new capabilities to the business (such as ML or AI) or enhancing existing functionality (such as improved business process management). In fact, technology research company IDG **reports that** the top priority for CIOs is cybersecurity (based on spending).[2] But right behind that is spending on business intelligence (BI) and analytics tools, which can directly improve how an organization manages its business.

Implementing new systems and capabilities on-premises can represent a huge capital investment, whereas cloud solutions can offer a much higher return on investment (ROI) due to the savings and flexibility of the associated operating expenses. Organizations that leverage the capabilities of an industry-specific cloud application can further reduce (or even remove) the need for customizations, increasing ROI even further.

Cost for the same application footprint

LEGACY	Recurring investments in infrastructure	Software maintenance	IT staffing	Steady stream of major upgrades	Disaster recovery

CLOUD	Complete cloud subscription

For on-premises solutions, the cost of infrastructure, maintenance, upgrades, and disaster recovery capabilities typically add up to more than the cost of a cloud subscription for the same application footprint. Economies of scale make deploying and managing software in the cloud more cost-effective for hundreds or thousands of users across organizations.

Why cloud and why now?

By moving to the cloud, organizations can replace most legacy customizations with deep industry functionality, reduce their risk via world-class security and uptime, and benefit from continuous technology enhancements. Constrained IT departments can't provide the same scalable level of service, and neither should they have to.

Even the 2020 global pandemic hasn't stopped organizations from recognizing the value of the cloud. A **survey** from marketing strategy organization, Spiceworks Ziff Davis, indicates that cloud services will account for 24% of IT spending in 2021—a sizeable jump from 21% in 2019.[3] This increase is at least partially driven by the need for organizations to better support remote work capabilities.

Moving from a heavily customized system to a multi-tenant SaaS product can be a big step for any organization. Nevertheless, as the workplace and enterprise ecosystems continue to evolve, so do the upsides of cloud services.

[1] Infrascale, "Infrascale Survey Highlights the Heavy Costs of Business Downtime," May 13, 2020, press release.
[2] "CIO Tech Poll: Tech Priorities 2020," IDG, February 26, 2020.
[3] Spiceworks Ziff Davis, The 2010 State of IT: The Annual Report on IT Budgets and Tech Trends, September 15, 2020.

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