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## Forrester: Top 10 facts about private cloud

### Description

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Cloud is an essential component of every enterprise tech management strategy in today's era of **empowered employees and customers**, but sifting through market noise to design a robust cloud strategy isn't easy.

Your developers and business leaders are going around you to the public cloud because they value the autonomy, agility, and productivity they get from cloud services, not because it is cheaper. Your private cloud objectives should align to the experience they desire. Can you achieve greater cost efficiencies by operating a private cloud?

Yes, private clouds come with a long list of associated benefits (for example, scalability, cost savings, and developer enablement). However, most of these benefits are not inherent to all cloud deployment types and strategies. Why do enterprises struggle with private cloud?

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Technology management teams must become a credible cloud services provider and adjust their view of the business to that of a free-market customer. This transition isn't easy. The natural tendency of internal technology management teams is optimisation and cost-saving prioritisation rather than using cloud as a new technology to accelerate business success.

Before designing your private cloud strategy, Forrester recommends that all tech management leaders familiarise their teams with the following 10 private cloud facts to help set expectations and focus their team's efforts to maximise private cloud value.

#### **Fact 1. Cloudwashing is rampant, and you're probably doing it too**

Just because an environment carries the cloud label doesn't mean it actually delivers cloud value. Although 29% of North American and European enterprises report private cloud adoption, Forrester finds that actual adoption is quite low, with few enterprises enabling the core three components of a private cloud environment: self-service access; tracking and monitoring of resources; and full automation.

#### **Fact 2. Private cloud labels are applied to a range of environments**

From surveys, interviews and inquiry calls, Forrester sees an emergence of four private cloud approaches that are being driven by very different strategies, and thus have variant scope and outcomes. Each strategy reflects different priorities, budgets, sizes, keys to success, vendor selection criteria, and challenges. The four types are: enhanced virtualisation; test/development cloud (development cloud as dictated by IT); public-cloud-lite (built by the people, for the people); and transformational cloud.

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**Fact 3. Operational efficiency is good, but developer enablement is better**

A large focus for tech management investment over the past 10 years has been improving tech management's operational efficiency, but today's leading enterprises have shifted their engagement focus onto the business to help differentiate themselves from their competition by leveraging new technologies.

**Fact 4. Transformational hybrid cloud strategies move slowly**

Fixing the old and aligning the new isn't easy and doing both at the same time can be a long and arduous process. Can your developers wait that long? Although taking a transformational approach that targets all existing virtualised resources can be a strong long-term strategy, it's slow. It's important to provide dynamic resources to your product and marketing groups in the short term despite long-term efficiency goals.

**Fact 5. Top time-intensive steps: integration and the road to process automation**

It is not new resources that slow private cloud adoption but connecting these environments to your legacy systems of record, operational processes and helpdesk systems that slow it all down. Find the right minimal level of external integration and operational support that you need to make your initial cloud foray successful. Then plan for deeper integration on an as required basis.

**Fact 6. One environment does not fit all workloads**

Enterprises are no longer asking whether they should leverage public or private cloud as an all-or-nothing proposition. Instead, enterprises are asking when they should leverage public versus private cloud on an application/workload level where specific application characteristics align to certain deployment models. Leading enterprises take this a step further and look to optimise the entire application-sourcing strategy across various internal and external deployment options.

**Fact 7. Cloud economics is tied to public cloud, not private**

The promise of cloud-related cost savings is dependent on specific-use cases and is largely connected to public cloud, not private. Achieving cloud economics within a private cloud environment requires a large, diverse usage base, highly standardised costs, a pervasive chargeback system, and aggressive capacity planning and consolidation practices. This is out of reach for many enterprises due to policy and process.

**Fact 8. Private cloud return on investment (ROI) is a struggle without tracking employee efficiency**

Achieving ROI with a private cloud isn't straightforward and should not be your primary justification for the effort. There are countless published case studies that boast significant private cloud hard cost savings. The majority of these stories wrap virtualisation and consolidation savings into total savings, which represent savings unique to less mature enterprises.

**Fact 9. Private cloud must start with organisational structure change and effective incentives**

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Change isn't easy, especially when it means less perceived relevancy or effect for those responsible for making the change (inasmuch as their skills are no longer required). Automation, outsourcing, and cloud are all threatening changes to your infrastructure, operations and security teams. Designing and implementing incentives that reward change while showing a promising career path is essential for a successful private cloud strategy.

The foundation of any private cloud is to provide virtual infrastructure as a service (IaaS). But many enterprise infrastructure & operations (I&O) leaders want to provide a more complete development environment or use the private cloud to enforce enterprise architecture standards. As a result, they often say they want a platform as a service (PaaS), not just IaaS. But do you really need PaaS? The reality is that you probably need a blend of both, and looking at the public clouds as a proof point, IaaS and PaaS are blending.

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