

ANYTHING AS A SERVICE

The journey to “Anything as a Service” drives agility and flexibility.

Disruptive forces such as new technologies and the empowerment of consumers are putting pressure on businesses to show that they can quickly adapt to change. To succeed under these circumstances, executives need to adopt flexible business models that enable their organisations to move quickly to seize opportunities.

A key way to become more agile is to move from a traditional IT service model to ‘anything as a service’ (XaaS) using cloud computing. XaaS refers to the delivery of services – including infrastructure, applications, software or platforms – over an agile platform that allows businesses to respond quickly to market changes.

An XaaS platform also allows IT and business managers to easily determine the cost of individual services, and allows those services to be delivered over any type of network – rather than from a specific location.

This model enables businesses to reduce their capital outlay on equipment such as servers and storage devices and to adopt a pay-as-you-go model.

XaaS also typically ensures companies can increase the proportion of their overall IT budgets directed to innovation, at the expense of business-as-usual operating expenses such as infrastructure maintenance.



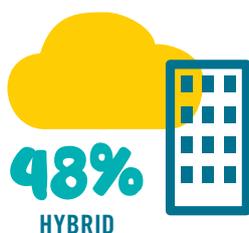
A PROFOUND CHANGE

XaaS represents a profound change in the way IT services are delivered to businesses. But there is no shortcut that allows companies to bypass the transformation required to obtain the benefits of this new model.

Many businesses are already venturing down the XaaS path. The *Optus Future of Business Report 2012* revealed that, within the next three to five years, more than 42 per cent of Australian organisations planned to adopt a hybrid cloud – a combination of in-house and outsourced cloud services¹. Our experience at Optus is that organisations increasingly intend to move functions such as email and collaboration, backup and archiving, and development and testing into a cloud.

However, those planning their cloud and XaaS migration should be aware that the process can carry an element of risk. A company that does not establish XaaS on a sound platform may unleash a storm of disruption, discontent and confusion. For example, failing to establish consistent policies and back them with a robust, adaptable cloud platform can expose sensitive data and compromise the service commitments made by IT to business units.

The use of cloud computing is set to rise as organisations embrace more flexible IT models. In three to five years, 48% expect to adopt hybrid cloud, while 41% plan to use private on-premise cloud solutions.



A THREE-STAGE PLAN

So how should organisations approach the journey towards XaaS? We recommend adopting a three-stage process that spans foundation, transformation and enablement.

1. FOUNDATION

Business buy-in and justification: To realise the benefits of XaaS, businesses need to secure sponsorship from a range of people within the business. Executive sponsorship can help break down barriers within the organisation, with buy-in from the chief financial officer important in delivering the required cultural, process and policy changes.

Ideally, the team promoting XaaS – typically the IT division – should also obtain sponsorship from divisions such as the business units and support functions such as marketing and human resources. This adds weight to the business case and helps communicate it in terms relevant to various groups within the organisation. For example, the case can be put to the chief executive officer that XaaS can help deliver an edge over the company's competitors.

The changing role of IT: Companies must also change the way their IT teams view their role. The traditional function of IT as 'technology gatekeeper' is incompatible with a model where business units can independently dial up cloud services.

The move to cloud computing presents an opportunity for the IT team to direct its energies towards managing service levels and outcomes – thereby becoming more relevant to the business.

Benefit quickly by understanding your IT environment: Many businesses do not fully understand where applications reside in their environment and what aspects of their infrastructure those applications rely on.

By undertaking a discovery exercise, organisations can identify the applications and infrastructure components that can be moved to the cloud for immediate benefit.

Optimise your current environment: Many businesses believe that, in order to move to the cloud, they need to replace or remove their current infrastructure. This may be the case for legacy or non-consolidated infrastructure, but may not necessarily be so for other systems.

Take a business that has just purchased a new mainframe, or is holding 80 per cent of their customers' data in a Unix-based system as an example. These organisations can obtain fast returns by optimising their environment before starting their cloud journey in earnest. For example, by wrapping service management and orchestration or automation toolsets around their environment, they can reduce operating costs, improve productivity and boost service availability.

Leverage a private cloud to scale out: Managed internally or by a third-party provider, a private cloud enables business units to access resources using self-service capabilities. It also allows organisations to cost-effectively scale in line with demand.

Governance and management are key foundations: While cloud computing provides great opportunities for businesses, it must be used sensibly.

To minimise risk to sensitive data and business-critical functions, organisations need to implement governance frameworks that suit their individual circumstances and apply them using strict rules.

Another crucial step is to deploy a standardised management platform. This can help businesses implement a private cloud and ease the transition to hybrid cloud and XaaS IT delivery models. A highly functional platform may also shorten the software development lifecycle and standardise the way infrastructure and platforms are delivered as services to the business.

In addition, to accrue benefits from future service delivery models, organisations should make their applications portable across private and public clouds.

¹ Optus Future of Business Report 2012, page 26. *Based on IT respondents.

2. TRANSFORMATION

Implement a hybrid cloud to maximise access to resources: Once this foundation is established and the business and IT teams have bought in to the 'as a service' model, an organisation can move from a private to a hybrid cloud. A hybrid cloud is a combination of internally and externally provided cloud resources.

Businesses that adopt this model can access a virtually unlimited pool of resources to support demand peaks and sustained growth. They can also improve the redundancy of critical infrastructure, applications and information.

Transparency, auditability and standardisation are crucial: For organisations to properly manage this type of environment, they must make sure their business units' use of cloud services such as infrastructure-as-a-service and software-as-a-service is fully transparent and auditable.

This includes developing and applying a cost model that ensures business units are charged for their consumption of cloud services.

With a proper governance model in place, businesses can ensure that standard security policies and practices are applied to applications and information, regardless of where they reside.

This governance framework should be robust enough to manage service levels and workflow across multiple service providers within the organisations' cloud ecosystem, enforcing access policies and ensuring regulatory compliance.

3. ENABLEMENT

XaaS – the final step: The final step in the cloud journey is to move to the XaaS model to open up new horizons of flexibility and agility.

Link demand, capacity and costs to allocate resources efficiently: By combining policies, culture and technologies to allow anything to be delivered as a service, organisations can transparently link demand, capacity and costs. This enables business units to allocate resources to the projects that deliver the greatest return, and reallocate them quickly and easily in response to changes in the project's lifecycle or market conditions. They can also dial resources up and down on a true pay-as-you-go basis.

Make an 'as a service' menu available:

Establishing a robust governance framework that manages elements such as a self-service portal and federated identity management can allow the IT function to make a menu of 'as a service' offerings available to business units.

THE BENEFITS OF 'AS A SERVICE'

Organisations can reap considerable benefits at each stage of the journey towards adopting XaaS. One company embracing the possibilities of cloud computing and XaaS is Australian and New Zealand accommodation provider Mantra Group.

In late 2011, Mantra Group deployed a private cloud based on networking, computing, storage and server virtualisation technologies from globally recognised vendors. This platform has allowed the company to virtualise key applications and make services accessible to its whole organisation.

Twelve months on, Mantra Group has streamlined the delivery of IT services and found it can respond faster to the demands of its business units and changes in the market.

Early adopters such as Mantra Group are already seeing the benefits as they execute aggressive growth plans. The three-stage approach to XaaS outlined in this paper can help businesses position themselves to reap similar rewards.

ADOPTING XAAS CAN GIVE BUSINESSES OF ALL KINDS THE AGILITY NEEDED TO SEIZE OPPORTUNITIES AND DIRECT THEIR IT BUDGETS AWAY FROM KEEPING THE LIGHTS ON TO CREATING VALUABLE SERVICES.

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