

Move ahead with 'as a service'

How your business can continue to
evolve in the new era of advanced
off-premise services

Yes

Popular cloud technologies may have led the mass migration from on-premise technology to IT-as-a-service, but quietly following is a new wave of more sophisticated pay-as-you-use services. These include infrastructure such as unified communications and even contact centres, which traditionally have been based on-premise or in co-location facilities.

Furthermore, as enterprises get a taste for the consumption-based IT model, demand is increasing for the new breed of advanced IT-as-a-service.

When to migrate to IT-as-a-service

The shift to IT-as-a-service has been breathtaking in its speed and scope. IDC says 86 per cent of Australian enterprises are now using cloud computing, and the research firm estimates total Australian spending on public cloud services will treble in five years.

This demand has been largely driven by its headline attractions: cost efficiencies and being able to turn large capital expenditure spikes into more manageable, predictable operating expenses. However, IT-as-a-service has other benefits and potential ramifications that businesses should consider.

"It's largely about business agility," says Nick Sone, Director, Cloud and Datacentre at Optus Business. "As the pace of business increases, the need for technology refreshes increases as well. That doesn't really align with three- to five-year on-premise procurement cycles, or five- to 10-year enterprise software licence agreements. As business and markets ebb and flow, enterprises are finding they need infrastructure and services to be able to adapt much more quickly.

"By adopting a consumption-based IT model, businesses benefit from regularly refreshed technology without taking on the capital expense, complexity and lengthy rollout time of a typical on-premise upgrade."

Improved security is another benefit, says Kevin Bloch, Chief Technology Officer at Cisco Australia.

"I know a lot of people say cloud services are less secure. But as security threats become more sophisticated, it's going to be increasingly difficult for regular businesses like retailers, miners and banks to maintain the right level of skills and technologies to keep their systems secure," Bloch says. "For cloud and

hosted service providers, security is vital to their business. They can afford these security resources due to the economies of scale. Similarly, they can offer other specialised skills and resources that a regular business might find difficult to maintain."

That's not to say that IT-as-a-service is right for every situation. Moving all IT off-site is sometimes not practical for large facilities with complex integrations of multiple systems. An on-premise solution may also be necessary due to regulatory requirements for organisations that deal with sensitive or classified material, such as some Federal Government departments.

Of course, cloud and hosted solutions are also critically dependent upon the reliability and performance of the organisation's network or internet connection.

Taking the next step with UCaaS and CCaaS

Public cloud offerings such as software-as-a-service (SaaS) and infrastructure-as-a-service (IaaS) are largely popular due to their flexibility and ease of adoption. Customers simply sign up, select from a limited range of options and get started.

More complex solutions like unified communications-as-a-service (UCaaS) or contact centre-as-a-service (CCaaS) often require some level of customisation for each organisation. As such, they differ from off-the-shelf cloud products, but customising the service is vital to ensure it is tightly integrated with existing systems and provides a unified, workable environment for users.

Nevertheless, advanced solutions such as UCaaS and CCaaS are gaining momentum.

"Consumers expect to be able to engage with organisations anywhere, at any time and on any device, so we're seeing an explosion in demand from organisations for technology and services that offer multi-channel, multi-device support," says Mike Kearney, Director, Contact Centre Solutions at Optus Business.

"Trying to keep up with this trend with an on-premise facility is becoming increasingly complex and costly. CCaaS allows organisations to get the step-change in service that they require for their customers, but without the pain associated with upgrading

legacy environments to support the additional channels that customers are increasingly expecting.

"Also, through improvements in technology that enable better economies of scale, services like UCaaS and CCaaS are becoming more financially attractive. This is enabling more organisations to offer the flexible services that customers expect."

Managing the change to IT-as-a-service

Adopting IT-as-a-service is not without its challenges. The most critical of which is the potential to trade one layer of complexity – on-premise upgrades – for another. As Sone says, "If an organisation adopts multiple cloud services for different applications or business functions, that can actually result in a more complex environment. It can lead to a sprawl of data across those services and a challenge around consistency of user experience, along with multiple logins and identities for each user.

"We see the role of whole-of-business service providers like Optus as helping to stitch together those services to provide each customer's users with a unified and simplified experience."

Before migrating to IT-as-a-service, careful planning is vital to ensure an orderly transition of operations and long-term return on investment.

"Many organisations underestimate the transformation that IT-as-a-service requires internally," says Bloch. "First, there's the impact of the migration from on-premise IT and then there are the changes to business processes. Businesses need to look at how cloud or hosted services affect the supply chain from the customer through the organisation. This often cuts across business functions, and this means big changes to processes and how people work."

"If you don't plan ahead before you adopt any new technology, you will pay more in the long run."

How CIOs and IT managers can adapt

Along with business transformation, the roles of IT executives and managers are also changing as their organisations adopt IT-as-a-service. They're becoming less concerned with 'keeping the lights on' – although ultimately that's still their responsibility.

"IT managers need to adopt multiple roles, and one of those is being a service broker," says Bloch. "As organisations increasingly adopt multiple cloud and managed service providers, the IT department will need to manage all those providers.

"But they also have important roles in risk management and the security of their information assets, including personal identities and business data."

"At a more strategic level, CIOs should look to play a key role in advising and helping other managers with advanced technologies such as predictive analytics."

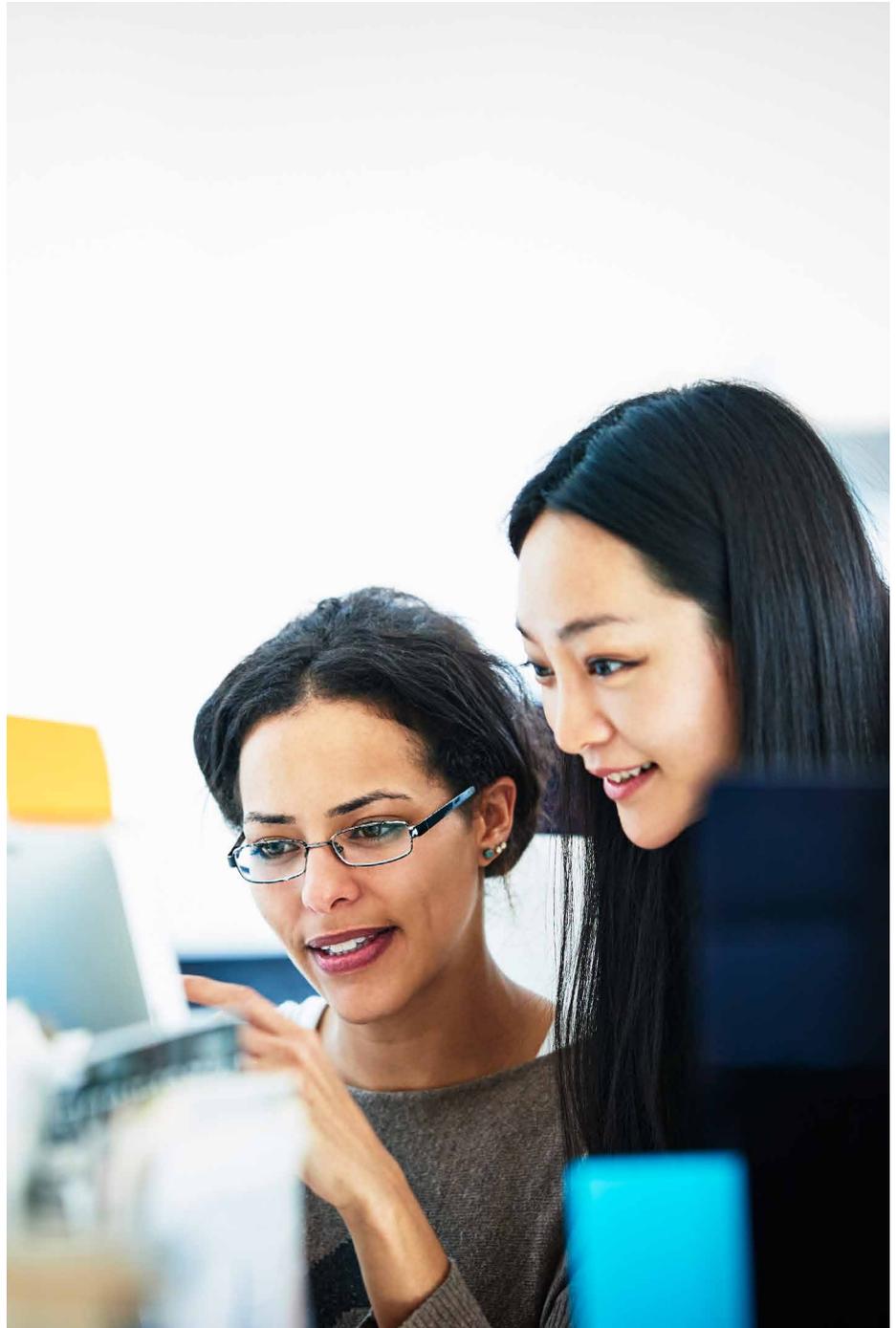
Sone agrees the roles of the CIO and IT manager are changing.

"They're becoming less reactive, tactical and operational, and much more strategic," he says. "Those who succeed will still have a strong understanding of technology, but they will also be analysts who are deeply aware of their business's needs and can articulate that in both a business and technology strategy.

"They need to engage more within the organisation and speak to all layers of the business, and create a technology strategy and ultimately add more value to the business.

"It's a radically different way of thinking for many IT people, but it's also a big career opportunity. They have the chance to offer their business a much greater value proposition."

Of course, transformation isn't easy for businesses or employees, but by planning carefully, choosing the right partner and embracing change, adopting IT-as-a-service can be a win-win situation for everyone.



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