



Leverage the Cloud to Support Digital Transformation



Your plans for digital transformation may have been interrupted by the pandemic, but this year will see more businesses getting back on track. In a recent survey, Gartner found¹ that 60% of CEOs anticipate economic growth in 2021 and 2022. In addition, 80% of the CEOs surveyed expect long-term changes such as establishing a permanent hybrid work model.

The pandemic caught many companies without a viable business continuity strategy. Gartner experts are seeing that the pandemic has increased most CIOs' interest in the cloud, which could have made responding to the pandemic more effective. They forecast² that end-user spending on the cloud will increase from approximately \$270 billion in 2020 to over \$397 billion in 2022.

Gartner also forecasts that the growth of cloud applications will support digital transformation more than ever before. Rather than putting mundane applications in the cloud, companies will reach for mission-critical digital transformation with applications that combine the cloud with technologies such as artificial intelligence, the internet of things, and 5G, among others.

Some people think the term is losing meaning because it is used so often to define any initiative that includes technology. However, it's most meaningful when it describes the process of integrating technology into all areas of your business, and especially those that have not used technology previously. You're not automating an existing process, you're using technology to change the nature of the process itself.

WHAT IS DIGITAL TRANSFORMATION?

Digital transformation changes both the way you do business and the way in which you deliver value to your customers. The move to digital transformation started out slowly but surely. Now, however, that transition is moving much more rapidly, in part, due to the pressures brought about by the pandemic.

HOW ARE BUSINESSES LEVERAGING THE CLOUD TO ACHIEVE DIGITAL TRANSFORMATION?

The cloud provides many capabilities that support digital transformation. For example, the pandemic quickly proved that businesses needed to support remote workers, a capability that wasn't available using on-premise applications. Businesses can leverage the cloud to take advantage of the following types of benefits:

Increased Security. While many business leaders are afraid of losing control of their data, the reality is that security in the cloud is more robust than security most businesses can provide on their own. Cloud providers have the resources to use industry-leading security apps backed by a staff of security experts. In addition, backups are created automatically, which reduces risk.

Reduced Costs. The cost of acquiring hardware and software, and staffing and maintaining a data center, can be prohibitive for an individual business. Using the cloud eliminates or significantly reduces those costs. Your IT staff doesn't need to address server maintenance and can apply their focus to more mission-critical tasks. The costs for cloud computing are also relatively low because you only pay for the resources you use.

Improved Business Processes. Working in the cloud gives you access to a range of new capabilities, such as machine learning and artificial intelligence, that run on more sophisticated servers than you may be able to maintain yourself. And many software providers are building applications that only run in the cloud. For example, sophisticated analytics can help you to drive business strategy as opposed to simply tracking what has happened.

Operating in the cloud will also give you new capabilities such as using advanced networking and collaboration tools to achieve the right results with a hybrid workforce.

Increased Efficiency. When you work with a trusted cloud partner, you'll have access to the most current generation of equipment. With more powerful servers and 24/7 maintenance, you won't experience the type of downtime that can plague a business.

You'll be able to use applications that you couldn't afford on your own, and you won't need to worry about making timely patches or updates to software. You'd be able to give your employees the latest tools at a fraction of the cost that you'd incur acquiring equivalent capabilities on your own.

Increased Speed and Reliability. If you need a new service, it's available to you almost immediately and with no acquisition cost. Cloud applications run faster and have a host of support staff to ensure that the application and the hardware are running smoothly.

Improved Scalability. Achieving digital transformation is typically a process, not an event. As you gain experience with new capabilities, you will uncover needs you didn't know you had. Rather than going through an acquisition cycle for new hardware and software, the cloud gives you the ability to scale quickly. Normally, you can increase computing power, resources, and bandwidth directly after purchase. And, reducing resources is just as fast. You can respond quickly to your market, which gives you a definite competitive advantage.

Cloud is the umbrella term for a range of technologies. These are the top technologies that support digital transformation:

WHAT TECHNOLOGIES ARE SUPPORTING DIGITAL TRANSFORMATION?

Cloud Voice: When the pandemic hit, many businesses had to send their knowledge workers home. Working from home became the standard, and many businesses are now preparing to continue the hybrid workforce model. Traditional telephone service can't support the type of digital transformation that is required to power today's hybrid work model.

Hosted voice over internet protocol (VoIP) solutions and unified communications as a service (UCaaS) are revolutionizing how employees communicate to each other and to customers. Cloud voice solutions allow all employees to use their telephones as if they were in the office, even if they are working from home on their own computers or a smartphone. They also support the popular collaboration software, Microsoft Teams, that can significantly improve collaboration among remote and in-office workers.

Infrastructure as a Service (IaaS): An IaaS provider offers internet-based IT resources on a pay-as-you-go basis. IaaS provides the foundation for your cloud computing and typically includes computing, storage, and networking resources. It's the provider that lets you reduce costs and staffing because you don't need to create and maintain your own data center with advanced tools. It's also easy to scale your operations since you can easily change the level of resource you need. You would be responsible for purchasing, installing, configuring, and managing your own software, including operating systems and applications.

Platform as a Service (PaaS): You can take advantage of a complete development and deployment platform offered by a PaaS cloud provider. PaaS includes the infrastructure such as servers, storage, and networking, but it also includes development tools, database management systems, and more. You acquire PaaS on a pay-as-you-go basis. It supports the entire application development process, from building and testing to managing and updating.

When you use PaaS, you can avoid acquiring your own development infrastructure and middleware. You also won't need to manage the software licenses for development tools. Typically, the service provider manages everything you need for development, and you manage the applications you create.

Software as a Service (SaaS): There may be times when you want to use a specific piece of software, but you don't want to be responsible for maintaining the software or the infrastructure to run it. For example, Microsoft Office 365 is acquired under a SaaS agreement. The SaaS provider offers a total software solution that you access on a pay-as-you-go basis. In effect, you are renting the use of an application that you connect to via the internet.

Other than needing to train your users, you can deploy SaaS quickly because you don't need to acquire and maintain the infrastructure or the software. And, you'll always use the latest version of the software with no effort on your part.

Security as a Service (SECaaS): SECaaS is a subset of SaaS, with a particular focus on providing managed security services. It is helpful for companies that don't have the budget to hire their own security experts. The cost for a SECaaS provider is structured on a monthly rental basis along with a cost per license purchased.

The SECaaS provider offers a centralized security system that consists of hardware and software that monitors and secures networks to ward off cyber attacks. The service provider keeps all virus software updated and performs administrative tasks such as log management.

The provider will often have security experts on staff to assist in detecting and responding to attacks.

HOW WILL YOU APPROACH DIGITAL TRANSFORMATION?

According to CIO.com,³ companies have sped up adoption of digital technologies by three to seven years, in part due to the pandemic. What that means is that your competitors are undoubtedly doing the same. CIO.com calls digital transformation a necessary disruption. The question now is how to choose among all the alternatives available to reduce costs and increase your scalability and agility.

One of the steps CIO.com describes in the journey to digital transformation is choosing the right strategic partners. Technology experts can help you determine how to proceed. They can assist you to reduce the time it takes for you to realize the business value from your efforts.

Sources:

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7 Ridgedale Avenue
Cedar Knolls, NJ 07927
201.934.7400

www.safari-solutions.com

