



# CASHING in on the CLOUD

**IT IS NOW FOUNDATIONAL TO EVERY BUSINESS**, meaning IT is either an enabler or an obstacle to evolution, adaptation and growth. After all, there is a strong correlation between IT agility and business innovation. So the way business engages with IT is changing. Not only charged with maintaining technology, IT is now responsible for leveraging and optimizing available technologies to effectively drive business value and enable growth through innovation. Accomplishing this requires understanding and embracing technology opportunities and following a checklist for growth as set forth in this paper.

**CTO**

*Custom Solutions Group*

## UNDERSTANDING THE EVOLVING ENVIRONMENT

In recent years, a host of disruptive technology trends—including mobility, big data, virtualization and cloud—have significantly impacted how businesses operate. As a direct result, agility and innovation have taken center stage to satisfy the customer's constant thirst for creative new products and services.

 **rackspace**  
the open cloud company

The most progressive IT organizations are transitioning from functional cost centers struggling to resolve day-to-day issues into transformational and even strategic leaders capable



“The IT center of the future is one that combines cloud when necessary, on premise

when it’s useful, virtualization when applicable. And, all these resources need to connect together to best serve business needs.”

— Gerardo Dada  
director of product marketing  
Rackspace Hosting

of serving as true partners to various lines of business (LOBs). And, even more encouraging, the onslaught of new technologies means IT is in a position to positively impact the organization’s growth potential. This shines through in the November 2012 [CIO Tech Poll: IT Economic Outlook](#), which spotlights potential avenues where IT can impact business value. Specifically, 81 percent of respondents see revenue growth as a crucial priority.

However, revenue growth is only one of the key areas of opportunity. Customer satisfaction (78 percent), improving product capabilities (69 percent), cost cutting (65 percent) and the ability to innovate for competitive advantage (57 percent) all surface as crucial priorities as IT leaders help navigate organizations through today’s ever-changing business environment.

## EMBRACING OPPORTUNITY

Fortunately, IT leaders are openly accepting the challenge. According to the 2013 *CIO Magazine State of the CIO report*, 63 percent of survey respondents say the majority of their time and focus is spent on aligning IT initiatives with business goals. When looking year-over-year, this number only continues to blossom. In addition, improving business value registers as a key strategic goal for IT leaders. Simply put, IT leaders are looking for creative ways to better leverage technology and in-house talent to advance their organizations.

CIOs see even further potential in serving as a true partner rather than as a functional service provider. Within three to five years, many CIOs aspire to spend their time on more strategic activities, including driving business innovation (54 percent), developing and refining business strategy (45 percent) and identifying opportunities for competitive differentiation (41 percent).

As organizations move maintenance-intensive tasks into the cloud, IT leaders have the ability to shift talents away from functional tactics to perform revenue-generating development activities instead. As such, CIOs are changing their hiring patterns, putting a constant focus on IT talent with an understanding and appreciation for the growing need for innovation and strategic alignment with the business.

The optimism bodes well for today’s organizations, yet achieving these goals will undoubtedly require a calculated approach.

## CHECKLIST FOR GROWTH

**STEP 1: SEEK UNDERSTANDING AND ALIGNMENT.** A thorough understanding and effective alignment of services with both the immediate and long-term goals of LOB partners is undoubtedly the most crucial step in delivering sustainable business value. As such, in embracing this transformational role, IT must internalize the concept of offering IT as a service. This represents a true evolution in the way IT operates, transitioning from a reactive, functional, utility-like organization to a proactive catalyst for better business outcomes—channeling savings and efficiencies to new applications, services and initiatives that advance key business goals.

For most IT organizations, alignment means meeting the business’s growing desire for access to IT to be as simple as Google, as social as Facebook and as fast as Amazon, explains Gerardo Dada, director of product marketing with Rackspace Hosting. “The thought is, if I can order any of 100,000 different products from Amazon and have them at my doorstep in the morning, why does it take me 20 steps and two weeks to order a PC from the IT department?” he says. “It is incomprehensible for the modern worker, and the same expectation is being applied to all aspects of the business.” As such, when a business unit wants to create a new team or enter into a new geography, it expects IT to be able to immediately address the various technology requirements associated with adding 50 new employees, new websites, etc.

The focus needs to be on leveraging today’s technologies in a way that provides lines of business with self-service capabilities. In this equation, IT still controls the information, still applies security policies defined for the company and, most importantly, makes best use of resources. However, the business team no longer has the excuse that IT is too slow. Instead, IT is pushing the lines of business to move faster through empowerment.

**STEP 2: BECOME AN ENABLER.** Currently, [statistics show](#) that IT managers spend up to 80 percent of their resources maintaining and updating old systems, leaving very limited time and resources to innovate. Yet, fortunately, IT leadership responsibilities will change significantly as organizations embrace a transformational model—giving IT the opportunity to move beyond alignment to fulfilling the LOB needs.



## ABOUT RACKSPACE ENTERPRISE CLOUD SOLUTIONS

Powered by an elite team of Sr. IT Strategists, Architects, Solution Engineers and Sr. IT Consultants, the Rackspace Enterprise Cloud Solutions enables enterprises to harness the power of the hybrid cloud. Our extensive [Advisory](#) & [Professional](#) Services portfolio offers end-to-end solutions for our customers. Begin your Fanatical Support® experience with a complimentary [IT Evolution Workshop](#), where our strategists help to define a cloud strategy and actionable roadmap that will propel your organization toward its optimized solution. Contact us at 1-800-440-1249 or send us an email at [advisory\\_services@rackspace.com](mailto:advisory_services@rackspace.com) schedule your workshop today.

Continue the conversation in the [Enterprise Cloud Forum on LinkedIn!](#) Along with 670+ other IT professionals, our Rackspace Senior IT Strategists and Cloud Solution Architects debate some of the most controversial topics facing the enterprise.

Not only does this improve operations, it allows organizations to leverage innovation, which in turn fuels revenue generation.

“Lines of business want to move faster in response to changes in the marketplace, as well as the ability to do more testing, grow into new geographies or change business models if necessary,” says Dada. “These are all things that allow a company to grow, and at the same time each has an IT dependency.”

This is why IT needs to reinvent itself as an enabler. The movement around big data is a prime example. “It’s how you get smarter about the customer, recognize growth opportunities and make better business decisions. But big data is useless unless you can act on it. And, how you act on it is through IT empowering the business with analysis,” he says. “This is what allows an organization to enter new geographies or ways of transacting business or launch new initiatives. This is where IT wants to work.” This is where IT *needs* to work.

For IT to be an enabler, it must transition into an adaptive organization with a hybrid model. Rather than being an owner of everything that happens, IT becomes a broker. In today’s model, successful IT is really

about coordinating while providing governance and guidance. “When IT is responsive, it puts the burden to innovate on the business,” he says. “IT is an enabler and coordinator rather than the team that spends all of its time managing servers.”

**STEP 3: ASSESS ENABLING TOOLS.** Accomplishing this goal is most often the direct result of embracing and deploying proven tools and solutions that ignite innovation. While the specifics understandably vary by organization, a properly structured cloud environment can help drive innovation and expand opportunities for revenue generation.

Correctly planned, a cloud deployment provides the business with the flexibility to design, develop and deploy market-ready solutions without having to procure costly infrastructure; the responsiveness to answer market demands and shift focus without completely retooling; and the scalability needed to embrace new offerings.

Without the cumbersome need to deploy new, on-premise IT resources to begin or complete a project, computing resources are available, literally, at the flick of a switch. Within a cloud environment, lines of business no longer need to wait for provisioning infrastructure, which cuts the time from “idea to implementation” to mere minutes, instead of the weeks or months it once took in a legacy world.

Cloud computing takes a lot of the day-to-day, non-value-add IT headaches out of the equation. Server malfunctions, infrastructure bottlenecks and other typical IT roadblocks no longer weigh on IT’s shoulders, freeing those resources to innovate, whether that is designing new products or working to boost the company’s competitive edge.

By strategically deploying a cloud environment, IT leadership empowers progressive teammates with the ability to experiment, elaborate on prototypes and test potential new offerings—all typically impossible with traditional infrastructure. IT essentially arms in-house staff to capitalize on core competencies and generate value for the business by moving key IT segments into the cloud and letting external experts keep tabs on the day-to-day workings and ongoing maintenance of the infrastructure.

In assessing the tools and technologies needed to make the transition, it’s important to realize that it is software that allows IT to operate using the “as a service” model. “You provision collaboration, big data business intelligence, all as a service. This requires the use of tools like the cloud and open standards so that things can move freely,” says Dada. “Of course, this is truly a journey and is not something you are going to complete in a year. You need to work with your business counterparts to always address areas of opportunity and then find ways for IT to stay in alignment.”

It's also important to realize the cloud is continually evolving—meaning businesses need to avoid locking into one model that could potentially cripple an organization's ability to remain nimble in years to come. Instead, businesses must find models that are flexible, adaptive and embrace openness. "Marrying the organization with one vendor or way of doing things makes it hard to evolve," says Dada.

**STEP 4: SEEK ASSISTANCE.** For IT, cloud should resemble a journey that fosters a positive shift in both time and assets, so that in-house talent can focus on offering market-ready innovations rather than functional maintenance operations.

The idea is to look first at the standardized processes that add no business value, but consume tons of resources—such as patching operating systems, planning data center capacity or updating software. Managing the Exchange server is a good example of a non-revenue-generating, high-maintenance, yet business-critical workload frequently managed in the cloud. It is complex and difficult, and mobility and security only prove to complicate the task. Not to mention the hard and expensive-to-hire skills required. Yet, everyone expects Exchange to just work. Having a specialist handle this task frees IT resources for strategic opportunities such as big data, elastic websites as well as testing and development.

"While cloud, virtualization and other technologies can help, it is the idea of outsourcing non-core IT responsibilities that can make a big difference. Smart IT leaders are getting out of the data center business

because they understand it is a distraction to operate a data center and they will never do as good a job as a specialist," he says.

While there is great promise in a strategic cloud deployment, especially through innovation, misguided cloud decisions could prove devastating. Specifically, selecting the wrong platform could actually stifle innovation.

Fortunately, there is no reason for IT to partake in the journey alone. Aligning with a solid managed service provider can play an instrumental role in determining the best strategic fit. For instance, the right provider should be able to demonstrate the value of alternative cloud structures (public, private, hybrid) as well as help steer the organization away from typical adoption pitfalls.

## CONCLUSION

Becoming a strategic enabler is an opportunity for IT to not only evolve its operations, but also deliver value to the organization and its various lines of business through continual innovation. And, in the end, it's enabling tools, like cloud, that make it all possible.

"The future is one where all technologies get connected so that there is less control and more coordination," says Dada. "The IT center of the future is one that combines cloud when necessary, on premise when it's useful, virtualization when applicable. And, all these resources need to connect together to best serve business needs." ■

### ABOUT RACKSPACE

[Rackspace Hosting](#) (NYSE: RAX) is the [open cloud](#) company, delivering open technologies and powering more than 205,000 customers worldwide. Rackspace provides its renowned [Fanatical Support](#) across a broad portfolio of IT products, including [Public Cloud](#), [Private Cloud](#), [Hybrid Hosting](#) and [Dedicated Hosting](#). The company offers choice, flexibility and freedom from vendor lock in. Rackspace has been recognized by *Bloomberg BusinessWeek* as a Top 100 Performing Technology Company, is featured on *Fortune's* list of 100 Best Companies to Work For and is included on the Dow Jones Sustainability Index.

For more information, visit [www.rackspace.com](http://www.rackspace.com).