

# Build the Right Cloud Operating Model to Deliver Better Business Outcomes

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# Is Your Cloud Operating Model a Source of Organizational Conflict?







# There's No One Best Model





# Fundamentals of a Good Model

- General **consensus** on the model.
- Executive **sponsorship**.
- Formal mechanisms for collaborative **decision making** on cloud strategy, policy and process.
- Clear allocations of **responsibility**.
- Cross-functional **collaboration and sharing** of best practices.



**Cloud Heroes**

**VS.**



**Tiger Teams**



# Approach to a Good Model

- **Product Mindset:** Internal stakeholders are customers of the model. Leverages cloud provider services — doesn't compete with them.
- **Empowerment/Enablement:** Business-outcome-driven cloud enterprise architecture function.
- **Execution:** Cloud delivery functions (engineering, ops, security, etc.), such as a cloud platform team.
- **Adaptive:** Willing to evolve.



**Exclusionary**

**VS.**

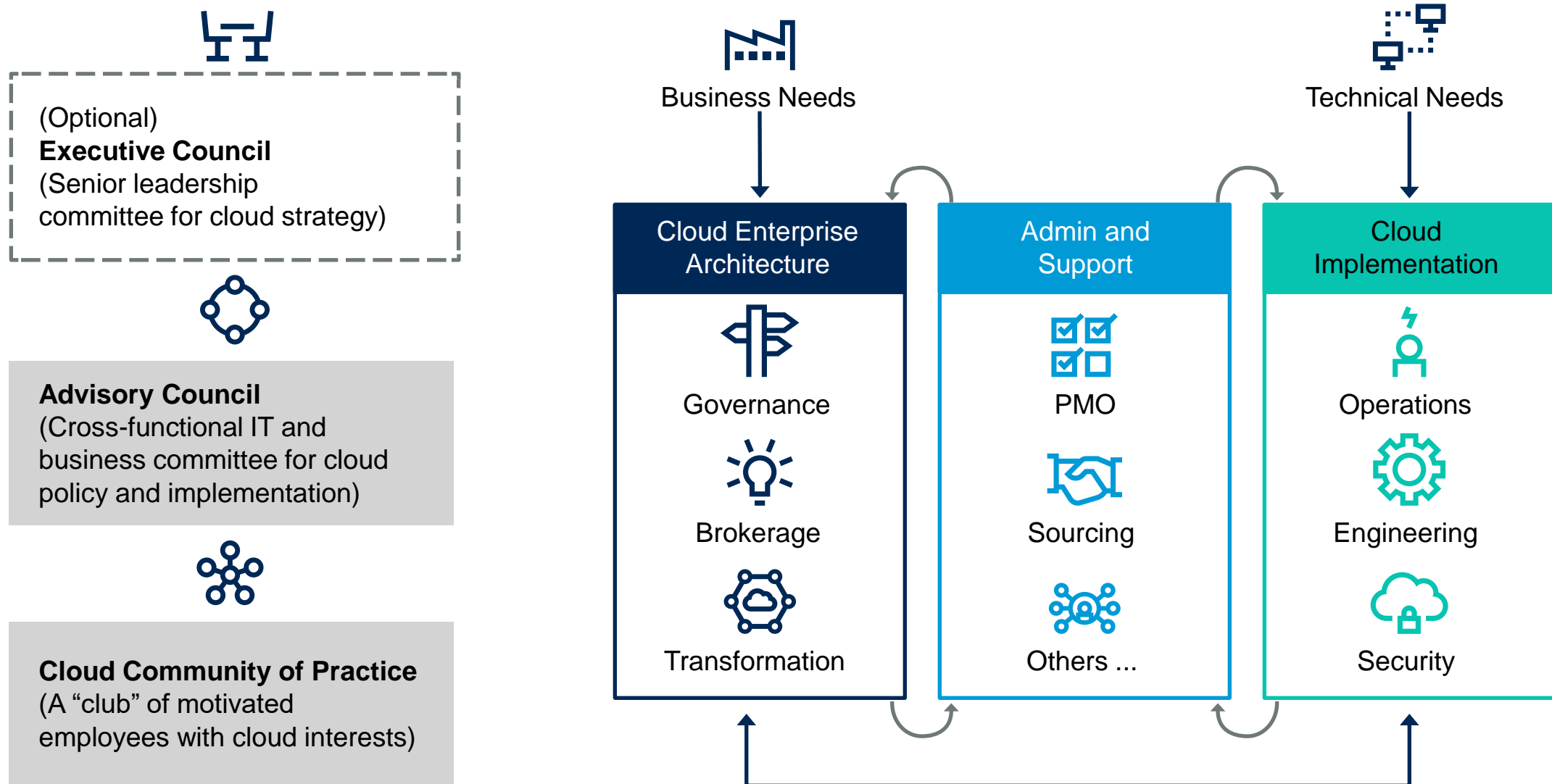


**Cooperative**



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# A Conceptual Cloud Operating Model





# Three Key Steps

1. Start with cloud architecture/cloud center of excellence.
2. Build cloud delivery functions.
3. Involve the community.



# Step 1: Cloud Architecture (CCOE)



## Governance

- Cloud strategy
- Cloud economics
- Policies
- Guidelines
- Guardrails
- Standards
- Best practices



## Brokerage

- Solutioning
- Reference architectures
- Provider selection
- Sourcing collaboration
- Innovation management

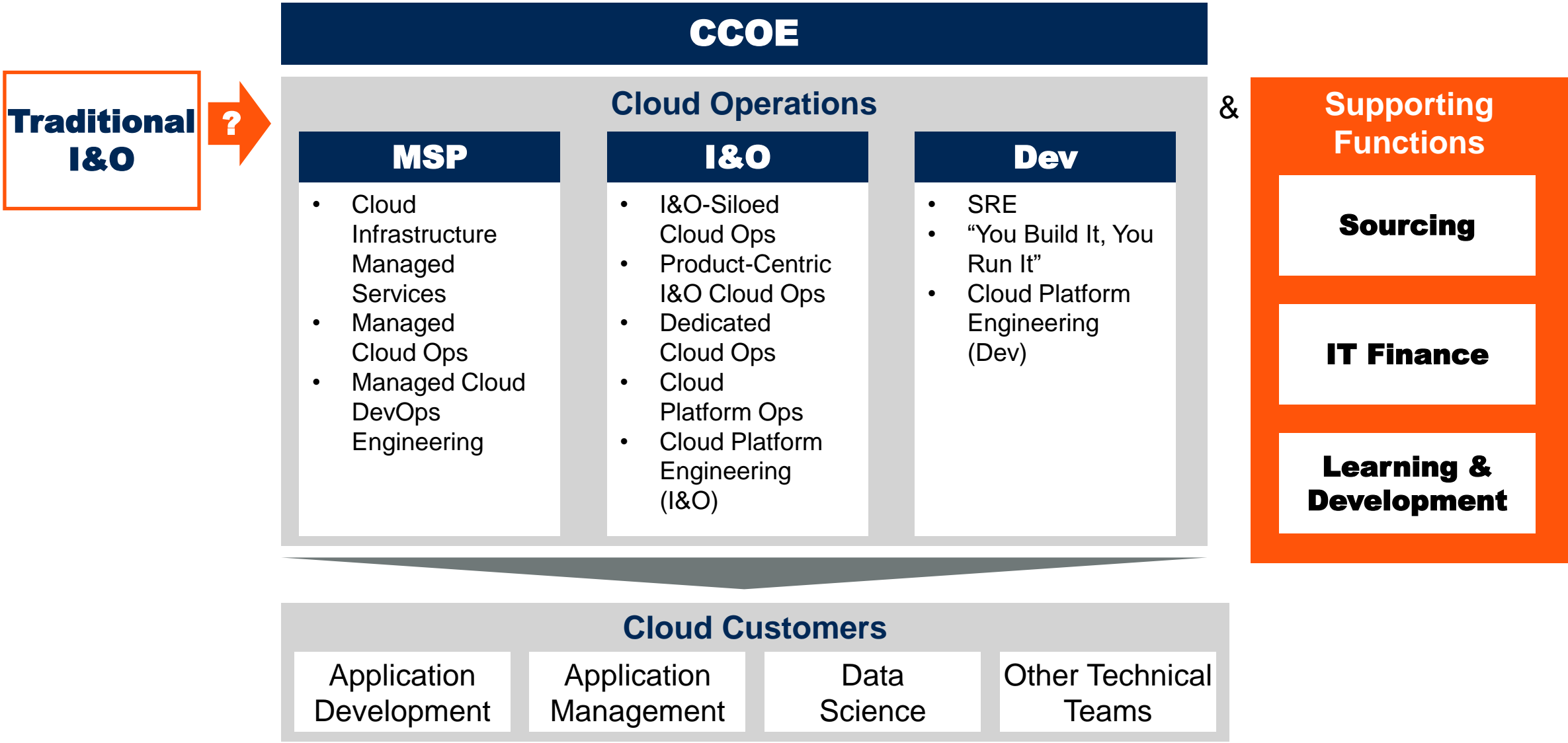


## Transformation

- Change leadership
- Cloud evangelism
- Community of practice
- Collaboration
- Knowledge sharing
- Training



# Step 2: Cloud Delivery and Supporting Functions

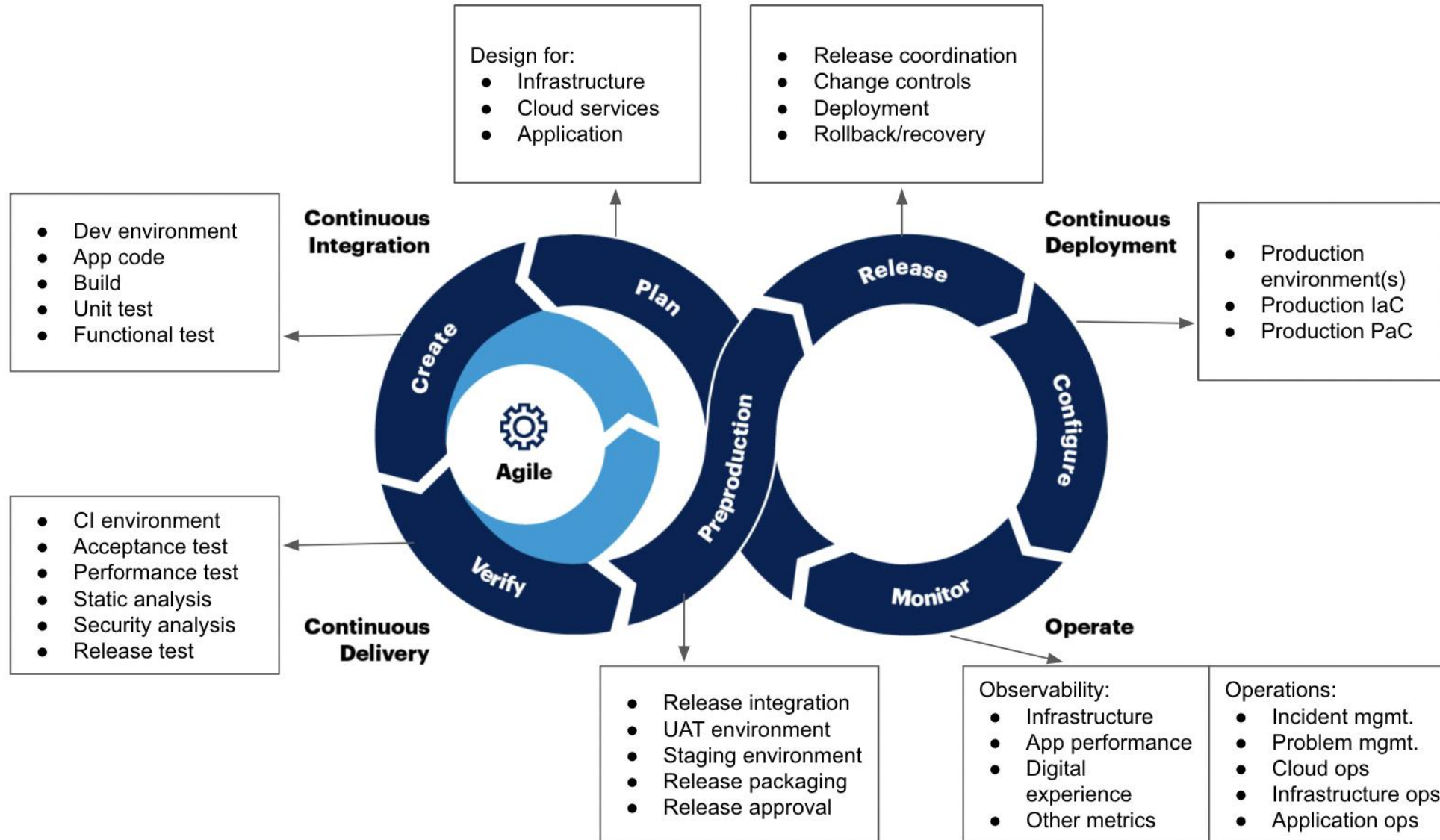


# Choosing a Management Style

Style	Migration	Infra Change	App Change
Hybrid	Lift & Shift	Minimize	None
Cloud-Optimized	Lift & Optimize	Rearchitect	Little to None
Cloud-Native	Lift & Transform	Rearchitect	Refactor

You May Pick Different Management Styles for Different Apps.

# Decide Balance Between Dev and Ops Teams





# Step 3: Cloud Community

**Board of Directors**

**Regulators Legislators**

**Customers**

**Citizens**

**Partners**

**Business Units**

**Employees**



## **1. Cloud Computing Advisory Council**

- Large cross-functional committee
- Provides input to the cloud center of excellence



## **2. Cloud Center of Excellence**

- Small team of cloud architects
- Guides cloud adoption across organization



## **3. Cloud Community of Practice**


- Any employee working on a cloud project
- Shares cloud knowledge across the organization

# Recommendations

- ✓ Build an evolutionary cloud operating model with C-level sponsorship and clear lines of responsibility.
- ✓ Establish a cloud center of excellence to provide cloud governance, brokerage and transformation capabilities.
- ✓ Separate the EA functions of the CCOE — empowerment and enablement — from the execution functions of other parts of the organization.
- ✓ Rethink I&O for the cloud.
- ✓ Establish a cloud computing advisory council and at least one cloud community of practice to foster cross-functional collaboration around cloud adoption.

# Action Plan for CIOs

## Monday Morning:

- **Review** your cloud strategy to ensure organizational alignment around key adoption principles.
  - **Assess** the current state of your cloud operating model. 
- If you are using cloud, then you have a cloud operating model.

## Next 90 Days:

- **Gain** cross-functional consensus on your future cloud operating model.
- **Establish** a pilot effort for the next stage of that operating model.

## Next 12 Months:

- **Plan** and evolve your cloud operating model.
- **Learn** from mistakes and iterate on the model; do not be afraid to pivot.



# Recommended Gartner Research

- 🔍 [How to Design a Cloud Operating Model and Build a Cloud Center of Excellence](#)  
Lydia Leong
- 🔍 [Solution Path for Implementing a Cloud Center of Excellence](#)  
Lydia Leong
- 🔍 [How to Implement a Cloud Operating Model](#)  
Lydia Leong
- 🔍 [Comparing Cloud Operations Approaches](#)  
Lydia Leong
- 🔍 [Accelerate Your I&T Operating Model Transformation by Overcoming Challenges](#)  
Donna Scott

Access to Gartner research is subject to entitlement. For information, please contact your Gartner representative.