**Assignment 3 – Cloud Case Study Analysis**

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One aspect of cloud migration, a hidden cost or potential savings opportunity, is how the migration will be organized. In the case of the AEE cloud migration decision making process, would they use a top-down view of the migration process, or would they use the bottom-up approach, potentially missing out on organizational financial savings (Bignell, 2017)? A top-down approach would allow for redundancies to be mitigated, possibly combining resource use amongst several organizational units within the main organization. A bottom-up approach, where lower level organizational units each managed their own migration, could produce redundancies of effort, thus diminishing the positive economic impact of migration.

Not taking this aspect into consideration can also lead to missed opportunities to transform methodologies and prevent the possibility of needing more than one technology management team; one for the cloud and one for legacy applications and infrastructure (Bignell, 2017). It can also delay the completion of the migration, causing economic savings to be delayed as a result.

Overall, in the case of AEE, the migration seems to be successful. The IBM Institute for Business Value uses several Key Performance Indicators (KPI’s) to measure success and AEE has achieved success in the two most important;

1. Increase in revenue margin, and
2. Rate of change in reduction of total cost of ownership (TCO) (Kesterson-Townes, 2017).

They rightly chose the best of both worlds for their decision out of the three options they considered. They chose the lowest overall cost option while remaining agile and adaptive of the trending technology path. At the same time, they also saved costs on migration by keeping some of their invested technology (namely three servers that were essential to remain onsite and interact with their specialized technology) and practices to minimize the ongoing costs of cloud computing. Though they did enter a brief period where they were vulnerable to technology failure without warranty, they were lucky enough not to have such a failure and took a valuable lesson from the experience to commit to earlier planning of their next upgrade project.

As stated, AEE wound up keeping three servers for their specialized technology. One unconsidered aspect that may have helped with their ROI is the possible use of one or more Application Service Providers (ASP’s) (Kale, 2019, pp. 229–240). Since their technology was so specialized, to the point of requiring onsite connections to the servers, they might have considered an ASP to design specialized software for the tech, so that the servers could be hosted in the cloud as well, thereby completely eliminating their TCO. With such an ASP, onsite maintenance costs would be completely or nearly completely eliminated. They could also have liquidated the last of the physical technology they owned, downsized or reassigned IT staff, and repurposed the physical space the onsite tech was occupying, thereby accelerating their ROI with the financial savings.

References

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