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# Top 10 Tips for Avoiding the Most Common Mistakes in Cloud Strategies

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21 May 2020

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Published 21 May 2020 - ID G00725536 - 17 min read

Initiatives:Cloud Computing

Many organizations have no cloud strategy or think they have one. This research describes our top 10 tips to enable enterprise architecture and technology innovation leaders to devise cloud strategies that will maximize the benefits that their organizations derive from cloud services.

## Overview

### Key Challenges

- Many IT departments compromise the effectiveness of their cloud strategy by assuming that it concerns only IT. They devise their strategy without input from other parts of the organization and then try to “sell it” to the business.
- Many organizations believe they don’t need an exit strategy because they don’t expect to bring anything back from the cloud. Those that create an exit strategy tend to focus on extricating themselves from contracts, ignoring important issues such as data ownership and egress charges.
- Organizations often believe they have devised a cloud strategy when they have instead created a cloud implementation plan. This means they haven’t considered business outcomes or asked “Why cloud?”.
- Many organizations that haven’t devised a cloud strategy compound their mistake by believing it’s too late to create one because they’re already using cloud computing. Others believe that creating a strategy will require them to move everything to the cloud.

## Recommendations

Enterprise architecture and technology innovation leaders responsible for devising a cloud strategy:

- Maximize the effectiveness of your cloud strategy by involving the business and functional areas in its formation. For example, leverage expertise of those in the actual business units as well as the HR, legal and finance departments.
- Devise an exit strategy that will give you agility, enabling you to respond to the ramifications of unforeseen events. Make it wide-ranging and reasonable, covering issues such as backup, data ownership, portability and lock-in, as well as legal and contractual issues.
- Separate your cloud strategy from your implementation plan, making your strategy the decision phase. Move discussion of how to select providers, migrate workloads to the cloud and manage the use of cloud computing to your cloud implementation plan.
- Create a cloud strategy that explains why you're using cloud computing and describes its role in your organization. Make your strategy a "living" document, updating it frequently to enhance its effectiveness.

# Introduction

Almost every organization uses cloud computing, but many still don't have a cloud strategy or even a cloud implementation plan. Organizations won't be able to take advantage of using cloud services without a sound cloud strategy. A cloud strategy explores and defines the role that cloud computing should play in the organization. A cloud strategy isn't a plan to migrate everything to the cloud.

A good cloud strategy should be concise, consisting of 10 to 20 pages or slides. It should cover the things discussed in this research and in "The Cloud Strategy Cookbook, 2019." It should be a living document that is updated regularly. The cloud strategy should be driven by business strategy and should provide guidance to those who will implement it. It must coexist with other strategic efforts, not try to redo them (see "Formulate a Cloud Strategy in the Context of Your Overall Strategy").

If the document exceeds 20 pages, it's probably not a strategy. If it includes many Gantt charts and checklists, it's probably a cloud implementation plan, which should be the next step. If it talks about *how* to move applications to Amazon Web Services (AWS) or Microsoft Azure, it is not a cloud strategy.

Organizations that do create cloud strategies often make many mistakes in them. Table 1 shows the 10 mistakes we see most often in cloud strategies. This research explains how to avoid them.

**Table 1: The Top 10 Mistakes Organizations Make With Their Cloud Strategies**

| | Top 10 Cloud Strategy Mistakes |
|---|---|
| No. 1 | Assuming it's an IT-only strategy and not involving the business, operations, legal, finance and procurement |
| No. 2 | Not having an exit strategy |
| No. 3 | Combining or confusing a cloud strategy with a cloud implementation plan |
| No. 4 | Believing it's too late to devise a cloud strategy |
| No. 5 | Equating a cloud strategy with "We're moving everything to the cloud" |
| No. 6 | Saying, "Our cloud strategy is our data center strategy" or "It's all in or nothing" |
| No. 7 | Believing that an executive mandate is a strategy |
| No. 8 | Having a single-vendor strategy for all things cloud |
| No. 9 | Outsourcing development of your cloud strategy |
| No. 10 | Saying, "Our strategy is cloud first" is the entire cloud strategy |

Source: Gartner (May 2020)

# Analysis

In the course of reviewing hundreds of cloud strategy documents, we have seen each one of the top 10 mistakes listed in Table 1 occur frequently. Following are recommendations that can be considered best practices in avoiding those mistakes.

## No. 1: Involve the Business, Not Just IT

The most common mistake that organizations make with their cloud computing strategy is to assume that it concerns only IT. But cloud computing isn't only about technology. People outside IT have skills and knowledge relevant to a cloud strategy that IT professionals don't have. For example, those in the HR, legal and finance departments have skills and knowledge that would make their input to a cloud strategy valuable. Cloud adoption will impact every one of these organizations. They need to: (a) be prepared; (b) contribute to the overall strategy to ensure successful adoption; and (c) look for ways the use of cloud could benefit their specific functional area.

In addition, governance is usually part of a cloud strategy, so it makes sense to invite those you're governing to also have a say in the strategy. Don't make the mistake of devising your strategy and then trying to "sell it" to the business. If you've already devised an IT-only cloud strategy, use the strategy's living document status to involve the business at the next scheduled update. It's never too late. Business and IT should be equal partners in defining the cloud strategy. Cloud has an impact on other areas within an organization and they should be driving the cloud strategy as well.

Enterprise architects and others tasked with creating a cloud strategy should actively seek to leverage the input, expertise and knowledge beyond IT. One way to ensure that is to ensure that the effort is focused on the true strategic level (where that expertise is truly needed and appreciated) — not deep in technical minutiae that will not gain the interest and participation needed.

## No. 2: Devise an Exit Strategy

An exit strategy outlines considerations regarding extricating yourself from a cloud decision if you need to. Many organizations, however, believe they don't need an exit strategy because they don't expect to bring anything back from the cloud. Although application repatriation from cloud back to a traditional data center is rare, it's vital to have an exit strategy, even though you may never use it. This effort should also consider the possibility of changing providers, not just bringing workloads back on-premises. Also note that this is a strategic discussion at this point. The details of actually exiting a specific service will vary and would be considered in more detail in operational exercises. Some regulators, mainly in the EU and those focused on financial services, are mandating an exit strategy. An exit strategy is vital for many reasons, including:

- You may want to move all or part of your estate from one cloud provider to another.
- Generally, you should have an exit strategy for everything you do.
- Good business strategy dictates that you have contingency plans for unforeseen events, including those affecting your cloud usage.

Devising an exit strategy is difficult, which is another reason why many people don't create one. It requires you to examine and discuss many areas. Of the organizations that create exit strategies, many focus on how to extricate themselves from contracts with their cloud providers. They concentrate on terms and conditions, and SLAs. However, in addition to contractual issues, you must also analyze:

- Data ownership
- Data protection, including backup
- Movement of your data to another location
- Egress charges
- Security
- Architecture
- Portability of code, data and skills
- The supporting infrastructure for the cloud service, including networking, management tools, integration and third-party services to address dependencies

A cloud strategy, by default, should enable scale up, but also scale down. So, in addition to "exit," there's also a "scale down strategy," which is extremely useful in today's climate. SaaS contracts, for example, tend to be fixed. Three-year contracts and IaaS reserved instances come with good pricing, but taken too far can be restrictive (see "COVID-19-Induced Downturn Will Disrupt SaaS Pricing Models").

## No. 3: Separate Your Cloud Strategy From Your Implementation Plan

Many organizations confuse a cloud strategy with a cloud implementation plan (also known as a cloud adoption plan or cloud migration plan). But a cloud strategy must come first. It's the decision phase in which you decide the role that cloud computing will play — if any — in your organization. A cloud implementation plan comes next, putting the cloud strategy into effect.

Strategic planning starts at the top of the organization (from the CEO and board of directors, and often found in an annual report) and describes the organization's vision. A cloud strategy is part of the next level down in the organization's three-layer strategic planning architecture with other strategic plans, such as the data center strategy, security strategy and architecture strategy. The cloud strategy must align with those other strategies and the organization's vision (see "Formulate a Cloud Strategy in the Context of Your Overall Strategy") In an ideal world, the alignment of these strategic efforts would be happening already, but in reality, a proper cloud strategy project can be a catalyst for creating the connections and rationalizations needed for an even broader IT or technology strategy.

There is often an existing security strategy that may or may not be current. The security strategy may even state that the organization shouldn't use cloud computing. In this case, devising a cloud strategy would violate the security strategy. Alignment here is critical and often will involve a negotiation between the responsible parties.

Sometimes the cloud implementation plan is called a strategy. But it isn't. It's probably far longer than 20 pages and extremely detailed, although it may contain some aspects of strategy. If you have such a document, refactor it. Use it to begin forming two separate documents: a cloud strategy and a cloud implementation plan.

If your document addresses the issues covered in "The Cloud Strategy Cookbook, 2019," it's a cloud strategy. However, if it discusses how to select providers, migrate workloads to the cloud and manage the use of cloud computing, it's a cloud implementation plan.

## No. 4: Factor in What You've Already Done

Many organizations believe it's too late to devise a cloud strategy if they're already using cloud computing. But it's better late than never. You may be using cloud but don't really know why. Ask yourself why you're using cloud computing and what its role is in your organization. If you can answer those questions, then you have given at least informal thought to your cloud strategy. If you can't answer those questions, or if the answers are not documented anywhere, then you need to devise a cloud strategy. That doesn't mean bringing things back from the cloud and starting again. Your strategy will start from where you are and factor in what your organization has already done. Assess your organization's use of cloud computing. Examine and document its:

- Achievements
- Mistakes
- Lessons learned

Your cloud strategy should reflect what you've learned and ensure that you don't repeat any mistakes you've already made. Making your strategy a living document is vital to its success.

## No. 5: Keep an Open Mind

Don't equate a cloud strategy with "We're moving everything to the cloud." Many organizations make this mistake. It deters many from devising a cloud strategy because they think it means they'll be forced to start using cloud computing for everything.

Keep an open mind when devising the strategy — don't reach any conclusions before you start. For this reason, it's best that someone other than a cloud expert devises the strategy. An enterprise architect is an ideal person to do this. The role's broad viewpoint is helpful when looking at cloud strategy.

Moving everything to the cloud happens when extenuating circumstances exist, such as having to align with a data center strategy of exiting the data center business in two years. In such circumstances, your cloud strategy must align with and accommodate that. Also, a cloud strategy is not just about moving — the question is also where to put new workloads and data.

## No. 6: Align Your Cloud Strategy With Your Data Center Strategy

Many organizations confuse their cloud strategy with their data center strategy. They may plan to shut down their data center and call that plan their cloud strategy. But that isn't a cloud strategy. Make your cloud strategy and data center strategy separate. However, ensure that your cloud strategy aligns with, and factors in, your data center strategy and any other strategic plan that affects the role that cloud computing will play in your organization. Cloud strategy decisions are workload by workload, not data center decisions.

It's common for organizations to at first adopt an "all or nothing" approach. But this demonstrates a limited view of cloud computing. Although the main cloud providers enable you to "lift and shift" your data center, recognize that this is more applicable to execution of a data center strategy than a cloud strategy. And it usually won't deliver all the benefits of a cloud environment.

It's especially vital that you align your cloud strategy with your data center strategy if your organization has decided to consolidate its data centers or eliminate them. You'll have to build a cloud migration plan (for workloads that will go to the cloud) and find a home for everything else (including data center outsourcers, colocation providers, etc.). Not everything can easily go to a public cloud provider. Some things, such as workloads running on mainframes and minicomputers, typically aren't virtualized. You may need to move some things to a colocation provider or data center outsourcer. You may need to keep a small data center. Ensure that your cloud strategy accommodates any such requirements and helps you implement it.

## No. 7: Base Your Strategy on Target Outcomes and Business Imperatives, Not Mandates

Your strategy for using cloud computing should not be, "The CEO said so." Many organizations adopt cloud computing because the CEO, CIO or the head of a business unit believes that doing so will result in cost savings. This is a very common mistake and one of many myths that continue to exist in the cloud world (see "Revisiting the Top 10 Cloud Myths for 2020"). However, cloud computing doesn't always save money, [1] and this objective alone shouldn't form the basis of a cloud strategy. Rather, the best way to take action is to view the executive directive as sponsorship to develop a cloud strategy, not as a cloud strategy in and of itself.

Base your strategy on achieving target business outcomes and business imperatives. When speaking with people about moving workloads to the cloud, always keep the connection to the business issues, ensuring that you know why workloads are moving to the cloud and what the goal is. Usually the goal is to achieve:

- Cost savings and efficiency
- Agility, speed and innovation

Sometimes you may not be able to achieve both, so you'll have to examine the driving factor for the move to the cloud. While both may be desired, prioritization is necessary (see "Your Cloud Strategy Needs to Be Bimodal").

Agility can mean scaling down. Scaling down can be just as important as scaling up in some instances. Often, this brings discussion of issues around elasticity and sharing — characteristics of cloud sometimes compromised. Cloud strategy development is an exercise in trade-offs.

## No. 8: Accommodate Many Different Options

Some organizations consider themselves to be a [fill in your favorite vendor] shop. In those cases, they may simply follow that vendor's cloud offerings into pursuing a single-vendor cloud strategy. But not only is this not a real strategy, it also doesn't take into account the multiple types of cloud services and the reality that most vendors don't offer all services — especially at the SaaS level. However, cloud computing isn't just infrastructure as a service. It includes PaaS and integrated IaaS and PaaS offerings. It includes SaaS solutions such as Workday, Salesforce, Box and Office 365. It's almost impossible to source all your cloud services from one vendor if you take the necessary broad view of cloud computing. Although vendors such as IBM, Microsoft, Oracle and SAP provide many offerings spanning IaaS to SaaS, they may not be best of breed for all of them.

To exploit cloud computing, devise a cloud strategy that includes different options:

- Cloud — IaaS, PaaS and SaaS
- Multicloud (using the same type of cloud services and features from multiple public cloud providers)
- Hybrid (using different types of IT solutions that work together)
- Distributed cloud
- Noncloud

Most organizations start with one cloud IaaS provider. They move numerous things to that provider and are usually pleased. As they haven't usually devised a cloud strategy before starting, they gradually start to think about the ramifications of being too dependent on one provider. They then think about things such as their exit strategy and principles such as multicloud.

If you've already done 10 to 15 projects with one cloud provider, a procurement-based approach might be to encourage people to put other projects with a different provider to introduce competition into your organization's use of cloud services.

Although you may be pleased with the cloud provider you started with, other vendors might be better for certain types of workloads. This makes use of a functional or best-of-breed approach. For example, if you believe that a particular provider may be a good choice for workloads involving machine learning and analytics, you may utilize this approach and try to steer those kinds of workloads toward that vendor.

You may have a multicloud environment, perhaps as the result of mergers and acquisitions. If so, devise a multicloud management approach, starting with a "single pane of glass" to enable you to start managing these different environments from different vendors.

In some cases, usually at a more mature stage, an architectural approach is warranted. Analyze portability and lock-in.

Devise a broad strategy. Ensure that it accommodates multiple types of scenarios, multiple kinds of cloud services, multiple vendors and noncloud environments.

A qualified cloud architect can provide good recommendations on the approach that will work best for your organization (see "Cloud Architects: What They Do and Why You Need One").

## No. 9: Use Third Parties for Implementation, Not Strategy

Outsourcing your cloud strategy may sound attractive, but don't do it — it's far too important to outsource. The last thing you want is a cloud strategy that is done for you for free by a cloud provider. Instead, use third parties — even the cloud provider — for implementation. This can be a cost-effective way of procuring the scarce cloud skills your organization needs.

Providers may promote cloud strategies for customers based on, for example, moving from having 30% of their workload in the cloud to 40% in the next year. Such measures are usually more aligned to a provider's strategy than yours — you shouldn't base a cloud strategy on them. The only time you should use such measures is if you have a data center strategy that says, for example, you must exit the data center in two years. In such cases, these types of measures can be helpful.

Devise your own strategy by working through "The Cloud Strategy Cookbook, 2019." Gartner is here to support you as you do so. We can work with you on an ongoing basis through our inquiry service.

## No. 10: Make Your Strategy More Than "We're Cloud First"

Cloud first (or "cloud smart" as the U.S. government, the originator of the term, now calls it) is an excellent principle for many organizations. You should consider it for inclusion in your cloud strategy. A cloud-first approach means that if someone asks for an investment and it meets the relevant criteria, the default place for them to build or place this new thing is in the public cloud. They would need a good reason to put it elsewhere. But a cloud-first principle shouldn't force people to use the cloud; that's a cloud-only policy.

However, just stating that the organization is cloud first or cloud smart is not an entire cloud strategy. That is only one aspect of it. Follow the advice in "The Cloud Strategy Cookbook, 2019" when devising your strategy.

# Evidence

[1] "Revisiting the Top 10 Cloud Myths for 2020"

# Recommended by the Author

Cloud Computing Prime for 2020

7 Elements for Creating a Pragmatic Enterprise Cloud Strategy

Top 10 Strategic Technology Trends for 2020: Distributed Cloud

Cool Vendors in Cloud Computing

Hyper Cycle for Cloud Computing, 2019

## Recommended For You

Revisiting the Top 10 Cloud Myths for 2020

The Cloud Strategy Cookbook, 2019

Cool Vendors in Cloud Computing

Cloud Computing Primer for 2020

'Distributed Cloud' Fixes What 'Hybrid Cloud' Breaks

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