



IDC's Cloud Strategy Assessment

# RESULTS REPORT

Sponsored by

**HITACHI**  
Inspire the Next

### Table of Contents

- The Intelligent Core Powers Business Processes of the Future
- Introduction
- Ranking Explanation
- Your Ranking
- Cloud Migration and Application Modernization
- Cloud and Multicloud Status
- Realizing the Value of Data
- Recommendations

### Executive Summary

Thank you for taking the next step to your cloud Journey and completing the IDC Cloud Strategy Assessment. Based on your answers, this report will highlight some of your organization's key strengths and potential areas for development in relation to your cloud strategy.

The IDC Cloud Strategy Assessment ranks organizations by three maturity levels — **Cloud Starter**, **Cloud Practitioner**, and **Cloud Master**. Organizations must strive to master all three dimensions to realize the true value of cloud and data.

The report will:

1. Share insights across these same three key sections as the IDC Cloud Strategy Assessment —**cloud migration and application modernization, multicloud status, and data value realization**. It breaks out the specifics of each dimension, with tangible advice on how to progress to the next stage of cloud adoption — making the insights focused and highly actionable.
2. Help you understand what sets the Cloud Masters apart from their peers and competitors.
3. Suggest which best practices can help make your cloud and data transformation journey successful.

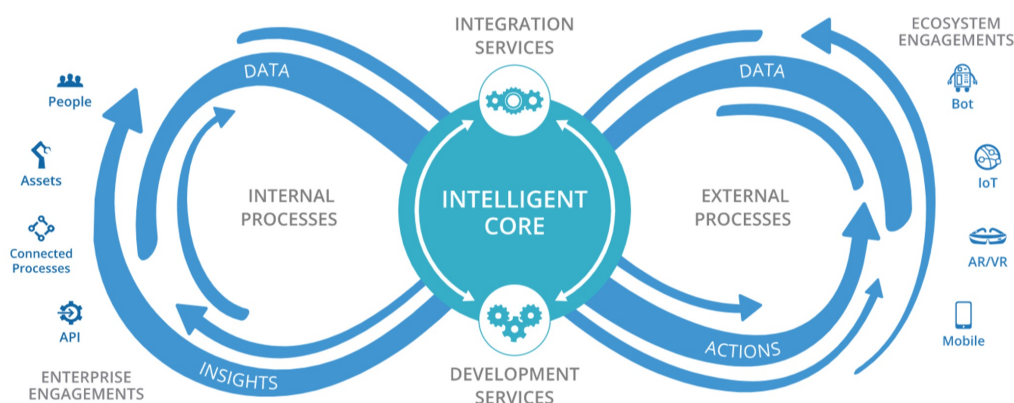
Based on your responses to IDC's Cloud Strategy Assessment, your organization has been rated at the second highest level of cloud maturity — a **Cloud Practitioner**. This means your organization is generally in line with the rest of the industry and has prepared itself for the highest levels of cloud and data success.

The better an organization is in its vision, execution, and ability to overcome challenges along the way, the higher it is in the maturity curve — giving it a competitive differentiation.

***Knowing how you score in relation to the IDC model and where improvements can be made helps to focus your efforts — resulting in quicker time to value from your cloud and data transformation investments.*** Read the complete report to get a better understanding of your organization's cloud maturity stage and what steps to take.

**The graphic below represents IDC's model for the new digital platform—** we believe this is the essential foundation on which to launch and scale your digital transformation (DX) initiatives.

The foundational services do not go away. IT governance, a modern architecture and applications, integration, and development services are the enablers of this new digital platform.



Internal data is collected through connected assets, employees, connected processes, and other data streams. This data circulates through the data core, in turn transforming the data into insights. Those insights circle back into the organization as improved internal processes.

Data from external processes enters through engagements with customers and their devices, bots, AR/VR devices, connected vehicles, and other technologies. As this data circulates through the intelligent core, it is transformed into actions that can be taken to improve engagements with the ecosystem.

## Introduction

Cloud adoption is critical for successful IT modernization to support digital transformation initiatives. Competing in the global economy for customers, investment, and talent requires instant access to relevant data and IT resources that don't compromise on speed, scale, security, or costs.

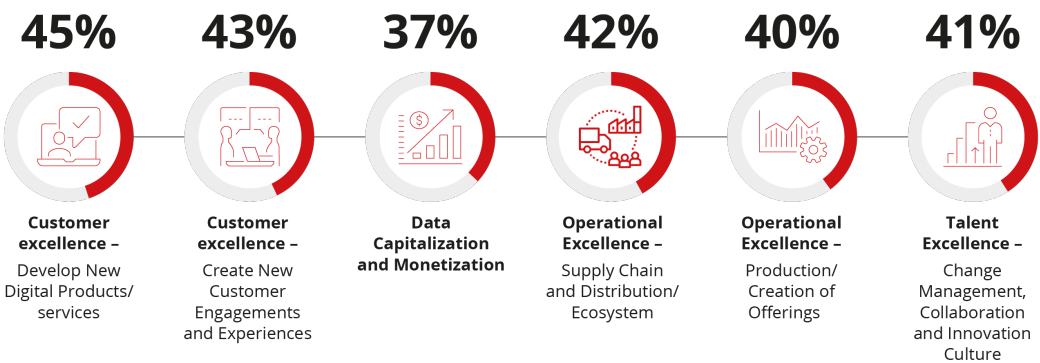
*A well-thought-out cloud strategy and consistent execution of this strategy delivers the flexibility and scale that underpins digital business success and data transformation.*

The key priorities for organizations accelerating their digital transformation journeys are IT modernization, successful cloud adoption, and progress in becoming data driven. They want to use cloud and data transformation initiatives to improve efficiency, business performance, and the speed of innovation. Delivering on digital business mandates requires a well-thought-out cloud strategy and set of technologies to drive innovation, all without compromising on cost control, security, or regulatory obligations. Providing a flexible IT delivery model and relevant data at speed, while aligning with business needs, is critical.

*Cloud and data transformation initiatives improve efficiency, business performance, and the speed of innovation.*

*Developing a successful cloud and data strategy will be the bedrock on which to digitally transform your organization in a scalable and agile manner.*

### Organizations top Digital Transformation (DX) priorities based on its Digital Transformation vision, strategy and roadmap?



Source: IDC DX Leaders' Survey 2019; Europe, N=400

## Ranking Explanation

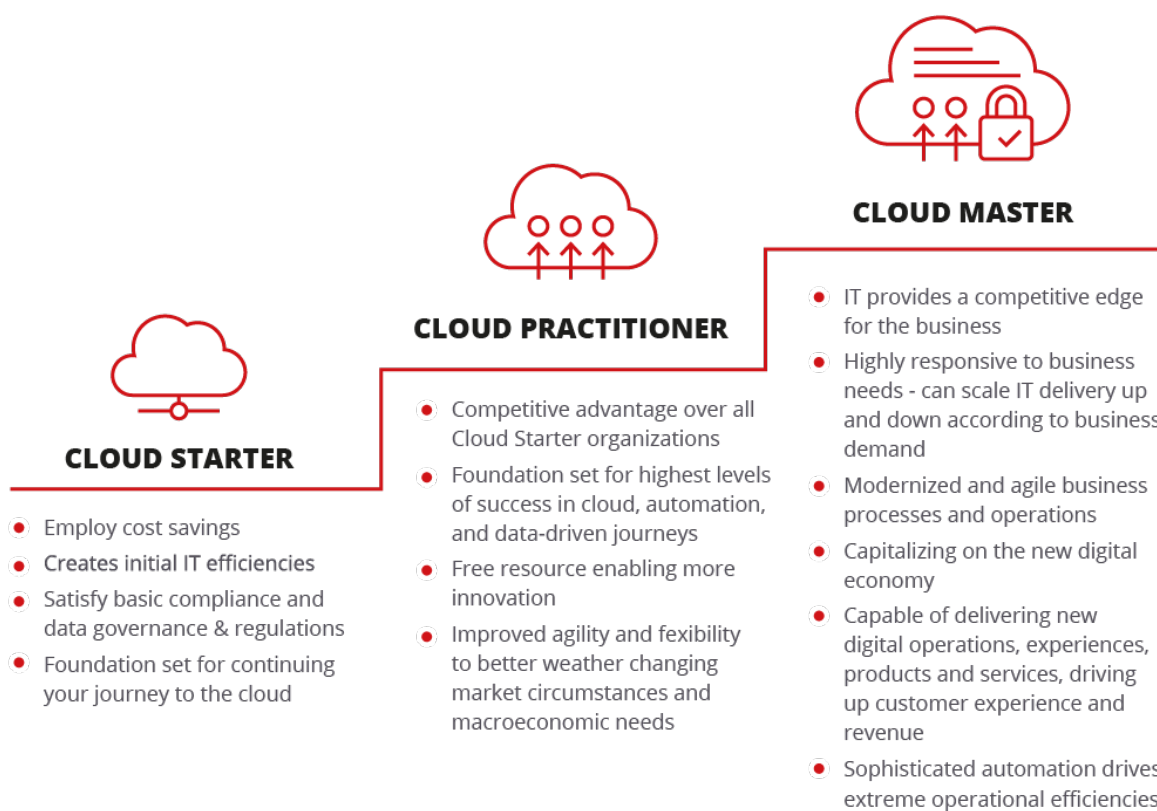
Organizations that view cloud as a critical technology and the foundation of their digital transformation — and not just a tactical way to save costs — will be in a better position to capitalize on new digital initiatives, yield higher returns, and ultimately make cloud strategy a success.



*The key to successful digital transformation is the ability to make IT a business enabler by leveraging cloud and business data.*

*The better an organization is in its vision, execution, and ability to overcome challenges along the way, the higher it is in the maturity curve — giving it a competitive differentiation.*

The IDC Cloud Strategy Assessment ranks organizations by three maturity levels — **Cloud Starter**, **Cloud Practitioner**, and **Cloud Master**. Organizations must strive to master all three dimensions to realize the true value of cloud and data.



### *Key Differentiation Among the Three Cloud Usage Levels*

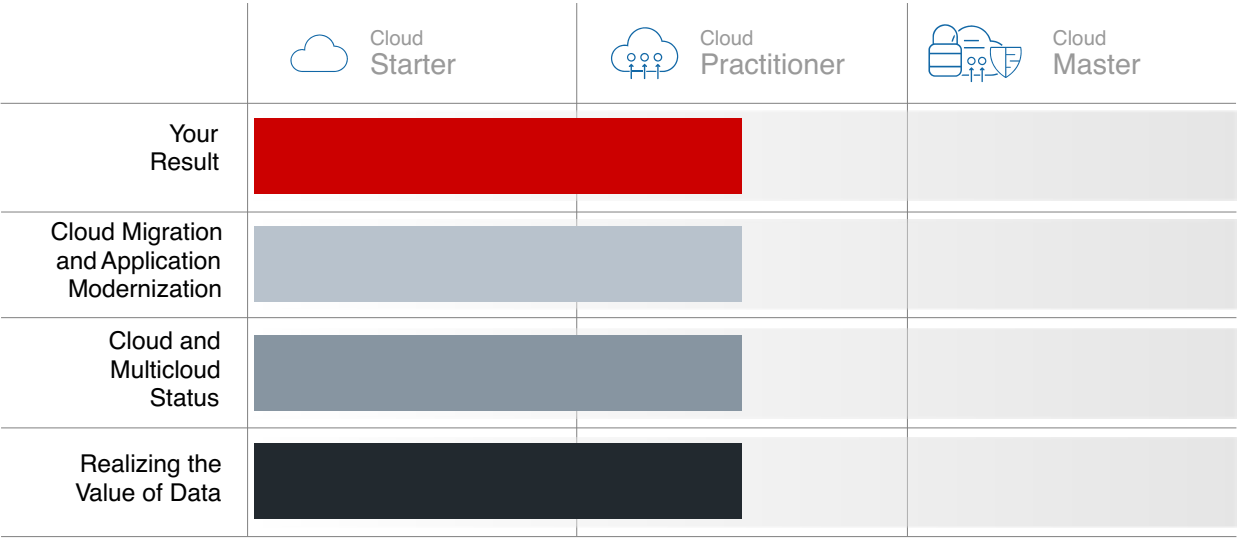
*Organizations can only successfully compete in the global economy if their cloud and data-related strategies are world-class and the execution is consistent and adaptive, and takes advantage of the relevant cloud and data-enabling technologies.*

*IDC predicts that by 2022, 50% of global GDP will come from digital services and products.*

## Your Ranking: Cloud Starter

Well done. Based on your responses to IDC's Cloud Strategy Assessment, your organization has been rated at the second highest level of cloud maturity — **Cloud Practitioner**. This means your organization is generally in line with the rest of the industry and has prepared itself for the highest levels of cloud and data success. While you are doing well, there is still a bit more to do to be fully cloud and data ready. To create a true competitive advantage, your focus must shift from a tactical approach to a more strategic, fully aligned way of thinking across all areas of the business.

The following chart shows your overall score and how you scored in each subdimension. This snapshot enables you to quickly identify your strengths and areas for development. The report will break out the specifics of each dimension with tangible advice on how to progress to the next stage of cloud adoption.



## Initial Recommendations:

*While you are doing well, there is still a bit more to do to be fully cloud and data ready. As a Cloud Practitioner, your key priorities should be to:*

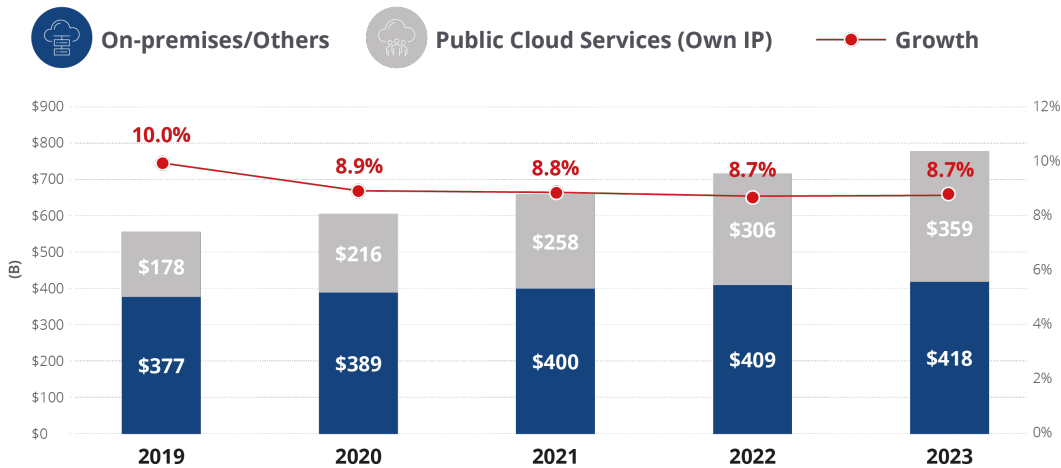
1. Define and measure metrics to track migration and application operations in public cloud
2. Standardize migration processes and workload evaluations and automate operations
3. Overcome the complexities of cloud operations to further progress and scale your cloud migration and modernization strategy
4. With the amount of potential complexity and a shortage of digital skills, seek outside assistance where possible to accelerate your move to a cloud-enabled and data-driven organization

Cloud Practitioner organizations have already addressed the low-hanging fruit, seen the business benefits of the cloud strategy, and have the determination to make progress. They need to maintain the momentum and invest in transforming legacy business processes and legacy applications to graduate to the next stage.



## Cloud Migration and Application Modernization




Welcome to the cloud migration and application modernization chapter of this report. *IDC research shows that an effective cloud adoption and legacy application modernization strategy, built on the right fundamentals, is a critical element of a successful digital transformation strategy. A consistent and planned strategy to migrate to cloud-like, services-driven infrastructures and to transform legacy applications enables enterprisewide digital transformation.*



Source: IDC Semiannual Software Tracker, 1H19

Cloud adoption trends

This section will assess your maturity and progress in key areas of cloud migration and application modernization and help determine where you need to focus to get the best results. It is based on what's driving your key investment decisions, the challenges you are facing, and how initiatives are being prioritized within your cloud strategy.

	 Cloud Starter	 Cloud Practitioner	 Cloud Master
Cloud Migration and Application Modernization	You are here		Enables technical and business agility, speed and improved resiliency Competitive advantage through unique process improvements Automation drives further operational efficiency, freeing up resource to focus on innovation New customer applications and service delivery capabilities drive enhanced levels of CX

In respect to your cloud migration and application modernization progress, your score for this section indicates that you are in line with your Cloud Practitioner peers.

You are well on your way, but you need to maintain momentum to stay in line with your fast-moving peers.

To improve further, have a look into individual assessment areas within this section to identify areas for improvement and key best practices to help you progress further.



### Question 1

#### What is the key driver of your cloud migration and application modernization strategy?

When you find that your competitors are moving to the cloud, it is an opportune moment to investigate if cloud could make sense for your organization as well. Once your competitors and even potential disruptors from outside your industry are using cloud services, they might leapfrog your organization thanks to the operational benefits and the greater innovative potential that cloud provides. To progress to the next level of cloud maturity, you should not only investigate the use of cloud as a defensive move, but really open up to the transformational potential that cloud brings and find out how you can build new products and services based on the functionality that cloud provides.

#### Key Benefits of Application Modernization



### Question 2

#### To what degree are these challenges impacting your cloud strategy?

As a Cloud Practitioner, you have already tackled some important cloud challenges and are on a par with your Cloud Practitioner peers. The move to the cloud is more than a simple technology upgrade — it is transforming not only your technology platform but also your processes, your staffing requirements, your security procedures, and how you collaborate with other parts of your business.

#### Recommendation:

To move to the next stage of cloud maturity, you need to:

- Define the starting point for your cloud journey.
- Do an audit of the challenges you encounter in implementing your cloud strategy, rank them in order of importance, cost, and complexity, start with the easy ones to achieve some quick successes, and plan to address the more complex challenges.
- Reach out to an experienced partner for additional resources, support, and guidance.



### Question 3

#### Looking at your 2-3 year strategy, please rank the importance of the following initiatives?

You are prioritizing a fair number of cloud-related initiatives. As a Cloud Practitioner, you are on a par with your peers on your cloud journey. A typical cloud journey starts with creating IT efficiencies within the datacenter, freeing up IT resources and satisfying security, regulatory compliance, and data governance requirements.

#### Looking forward:

- As a next step, organizations are typically looking to implement an agile, cloud-based application architecture using microservices and containers.
- Finally, they are building an intelligent core to implement and scale analytics, machine learning, and artificial intelligence.
- To do that, they need to automate and orchestrate the exchange of data within their ecosystem to develop new digital experiences that drive customer satisfaction and revenue.

***As a Cloud Practitioner, you have already started to address the more complex initiatives that are taking longer to implement and you are getting ready for the next big step.***

### Question 4

#### To which degree are these cloud migration challenges faced by your organization?

Where to start your cloud journey and which workloads to migrate is not an easy decision.

First, you need to establish if there is an organizational need to move to the cloud. While we are seeing a broader trend in the industry, with an increasing number of organizations moving to the cloud, it might not be a good fit for your organization to have every workload and application in the cloud; it all depends on your specific workloads, performance requirements, data sensitivity, regulatory compliance concerns, etc.

Once you have decided that cloud is going to be part of your IT infrastructure mix, you need to determine:

- Which applications are a good fit for the cloud
- Which migration strategy fits to which application class
- How complex the migration is going to be
- And, last but not least, if you have the right cloud skills internally or if you need to select an appropriate external partner for support

As a Cloud Practitioner, you have already defined your starting point and understand the migration complexities of the different classes of applications. You are on a par with your peers.

***As a next step, you need to devise a migration strategy (lift and shift, refactor, transform, etc.) for each application class and choose an experienced cloud migration partner if you don't have the skills in-house.***



## Cloud and Multicloud Status

Cloud is the launchpad for digital transformation, with **69% of organizations operating a multicloud environment today**, according to IDC's 2019 Multicloud Survey. Given the advancements in cloud solutions and the importance of security, resilience, cost transparency, and compliance, cloud adoption is more nuanced today.




**Successful enterprises are committed to enterprisewide IT transformation in a sustainable and compliant way**, making multicloud and hybrid cloud a natural evolution. How they navigate through the multicloud complexities and develop unified monitoring, workflow management, cost management, and compliance determines their multicloud success.

The realization is dawning among savvy enterprises that there is no "silver bullet cloud" that answers all IT issues. **Organizations therefore seek to build an interoperable, hybrid, and multicloud IT infrastructure to gain the benefit of cloud without compromising on core IT values of security, resilience, and compliance.**

This section of the report assesses your organization's cloud and multicloud status by evaluating:

- Your cloud usage
- The maturity of hybrid or multicloud environments
- The objectives you have set in relation to your multicloud initiatives — that is, how aligned are your multicloud strategies with business outcomes
- How well you are executing on your hybrid and multicloud strategies

Cloud is seen as an operating model rather than a destination.

	 Cloud Starter	 Cloud Practitioner	 Cloud Master
Cloud and Multicloud Status	<div>You are here</div>		<div>Developers and LoBs are able to leverage best of breed cloud capabilities from any cloud of choice Enhanced digital performance everywhere, through dynamic data and application portability Faster innovation with access to rich capabilities, drives up CX</div>

Your overall score in this section indicates that you are in line with your Cloud Practitioner peers with respect to the progress you have made in cloud and multicloud adoption. You are well on your way, but don't think of stopping just yet. You can look into individual assessment areas within this section to understand what changes you could make to your cloud and multicloud capabilities for further progress in your cloud maturity.

### Question 5

#### Which of these environments represents the majority (>50%) of your IT estate?

You are operating in a hybrid cloud environment which is a combination of public cloud services and private cloud services connected through a common control plane. You may have some new cloud-native applications in the cloud and have adopted a private cloud to boost your on-prem applications.

***By 2021, over 90% of enterprises worldwide will rely on a mix of on-premises/dedicated private clouds, several public clouds, and legacy platforms to meet their infrastructure needs.***

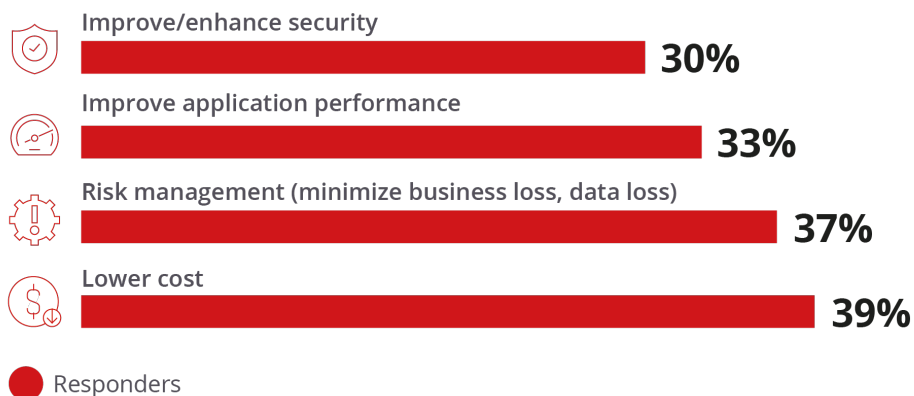
If you want to take your strategy one step further, you can move to a higher degree of automation, API-based application network and a unified management strategy.

### Question 6

#### Which one of these cloud benefits is the most vital to your business?

You are using cloud services for advanced reasons such as managing technical debt and ensuring innovation isn't slowing down, this is good. **Try focusing on the next steps, such as driving specific customer experience objectives with your cloud strategy and even turn to capitalizing on data to gain a competitive edge.**

#### Key Drivers for moving to a Cloud Architecture



### Question 7

#### To what degree are these challenges faced around cloud operations and management

Getting cloud operations and management right is critical for running a successful cloud practice

Your score for this question indicates, you have moved beyond several of the early stage challenges in setting up an efficient cloud operations and management practice.

**To improve further**, you need to ensure good visibility and control of your IT infrastructure, both on premises and in the cloud; **invest in multicloud monitoring, management, automation, and orchestration tools to reduce the need for error-prone manual tasks; set up a strong security, data governance, and regulatory compliance framework; and make sure that you manage your cloud expenses tightly.**

Once the foundation is in place, you can look at API management, integration, and interoperability, as well as implementing a CI/CD pipeline to automate cloud operations.



### Realizing the value of data

*Data is at the heart of digital transformation and gives enterprises a competitive advantage.*

*Data on its own doesn't mean anything — it is how enterprises treat it as a valuable asset, work with it, manage it, and capitalize on it that brings about the real difference.*

*Data-driven organizations are more confident about delivering better customer experiences and take confident business decisions.*




Capitalizing on and monetizing data is a journey and requires organizations to consider the full data life cycle, from collection to storage to management to analytics

Is there a culture in your organization of treating data as an asset? Are IT confident of delivering the right data to the right hands at the right time without compromising on security and privacy?

*"Creating the right foundation to share, manage, and collaborate on data is critical to innovate and improve decision-making capabilities in the digital era"*

Carla Arend, IDC, 2020

This section of the report assesses the stage of your organization's data capitalization vision and strategies based on the maturity of your data-driven objectives and your progress in the data value realization journey.

	 Cloud Starter	 Cloud Practitioner	 Cloud Master
Realizing the Value of Data	<div>You are here</div>		<div>Data Stewards and engineers can leverage a solid data foundation to launch on new capabilities, services and products, driving revenue from data</div> <div>Stronger resilience against security breaches and data access anomalies</div> <div>First mover advantage - confidence in data-driven decisions, accelerates speed to market</div>

Your overall score in this section indicates that you are in line with your Cloud Practitioner peers with respect to the progress you have made in realizing the value of your data. You are well on your way, but don't think of stopping just yet. You can look into individual assessment areas within this section to understand what changes you could make to your data monetization capabilities to further progress your cloud maturity.

### Question 8

#### At what stage are you on your data value realization journey?

You have made a really good start in your data value realization journey and continued to maintain that momentum.

**There is a real culture of treating data as an asset in your organization** This demonstrates master like capabilities in this area. ***You have a real opportunity to make data-driven strategies your key differentiator*** But it is a continuous, multiyear, multidimensional journey.

***As a next step, you should explore advanced analytics and go beyond that to AI and ML-based data strategies.***

### Question 9

#### Please indicate how critical these data driven objectives are to your data strategy / organization?

IDC research indicates that the cloud strategies and data strategies of organizations are increasingly converging.

*To build a great data strategy, you need to create a data map to gain visibility and control of your data, and improve the quality and speed of your data delivery so that you can use the data to create a competitive advantage. You also need to hire data experts to gain new insights from your data and deliver new data-driven revenue streams.*

As a Cloud Practitioner, you have already mastered the early challenges on your data value realization journey. Working with a strong partner can help to accelerate your data realization journey.

### Recommendation

Thank you for taking this cloud migration, application modernization, and data capitalization maturity test. This demonstrates your ambition to succeed in your digital transformation strategies and is a good starting point to set you apart from your peers. We hope you have been able to identify the weaknesses and strengths in your approach, and have gained some tangible advice to help make progress, while developing a competitive edge.

#### Final recommendations to progress to the next level of maturity.

- *Define the starting point for your cloud journey.*
- *Do an audit of the challenges you encounter in implementing your cloud strategy, rank them in order of importance, cost, and complexity, start with the easy ones to achieve some quick successes, and plan to address the more complex challenges.*
- *Reach out to an experienced partner for additional resources, support, and guidance.*

As you plan your digital strategy, and work on aligning technology investments to business outcomes, you need to work with a partner to modernize your digital core — to build agile applications and infrastructure to power innovative business models. This includes planning a road map for cloud migration and application modernization, leading to business transformation. To learn more about optimizing cloud to accelerate digital innovation, please click here:

<https://www.hitachivantara.com/go/cloud-services/>

## **HITACHI** Inspire the Next

Hitachi Vantara, a wholly-owned subsidiary of Hitachi, Ltd., guides our customers from what's now to what's next by solving their digital challenges. Working alongside each customer, we apply our unmatched industrial and digital capabilities to their data and applications to benefit both business and society. More than 80% of the Fortune 100 trust Hitachi Vantara to help them develop new revenue streams, unlock competitive advantages, lower costs, enhance customer experiences, and deliver social and environmental value.