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Video Transcript: Identifying Business Triggers for Cloud Solutions

An ROI Innovation Report

From the Cloud Computing Innovation
Series

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This document contains an edited transcription of a video roundtable session from December, 2009. Participants include Mark Kovarski, Senior Business Technology Consultant for Bank of Montreal; Rene Marquis, IT Director for the Laval School Board; and Doug Jones, Business Unit Executive, Cloud Computing for IBM Canada. The session was moderated by Michael O'Neil, Chief Content Officer for IT in Canada.

Michael O'Neil: Thank you for joining us for today's discussion on cloud computing and how to integrate it into business strategies. I'm Michael O'Neil of the IT in Canada web network, and I'm joined today by Mark Kovarski, Senior Business Technology Consultant for Bank of Montreal, Doug Jones, Business Unit Executive, Cloud Computing for IBM Canada, and Rene Marquis, IT Director for Laval School Board joining us on the video screen. Gentlemen, thank you very much for joining us.

In this session – the first of five discussing the IT/business decision process for cloud computing – we are discussing the business triggers that indicate an opportunity for a cloud-based solution.

Mark, let's start with you. Most often when we try to understand any issue we get told to “start at the beginning,” and for IT solutions, “the beginning” is generally a business situation that demands a technology-enabled solution. So let's go ahead and start here. What business situations, or requirements, or changes or demands, acted as a trigger for your recent cloud computing initiative?

Mark Kovarski: Well one of the areas was going global. That's definitely a key area that we wanted to pursue. So how do you go and have a reach in the global marketplace and not just in Canada? So cloud computing definitely helps in that space and that was one of the key drivers, amongst many other drivers.

Michael: So what was it about you, did you expand your business focus, and say, “now we need cloud to react to that?”

Mark: Correct. So as we grow in the market, in China for example, or Australia, how do we build our infrastructure and provide business functionality to those areas? So those are the areas that we focused on for the next period of time.

Michael: Thanks. Rene, let's ask you the same question. What is it within the Laval School Board that's prompted you to say, "You know, because of our business, it's important for us to investigate a cloud computing strategy within the board?"

Rene Marquis: Well, basically as you know, our role is to prepare the students to eventually become employees and to achieve that we must have access to technology. And there are so many students now involved that the number of our PCs is increasing just about every week. We needed to find a way to be

able to support the demand for those students with the resources we have at stake. So basically this is one of the reasons why we eventually built a large infrastructure based on the thin client. And this provides the students with access with all the software and space within the network. And it's also available either at school or at home, and it doesn't require any additional personnel to do that.

Michael: That's really interesting point. And Mark, your cloud initiative is also thin client focused, is it not?

Mark: Correct. So we've spent quite a bit of time looking at the whole space on virtual desktops. And definitely that's one area we want to explore. For example, offshore, we have scenarios where instead of hosting the virtual desktops yourself, why not spin up desktops for the duration of an engagement in the cloud and then tear them down and get the bill at the end of the day, just like a true utility?

Michael: And it seems like that would be responsive to the shifting nature of your international business, because it allows you to quickly move and...

Mark: Quickly react, and on demand, and yet have the elastic cost model, as I call it.

Michael: Rene, does that echo with you as well, this ability to react quickly to changing demands within the board, or within the student or the administrative or staff population, using the cloud?

Rene: Yes. You know our dream is to give each student the ability – or the ability of access, if you wish – to technology. And eventually we want to have every student within the school board to have access to his own PC. Cloud computing, through thin client, is certainly a very much easier way to do that, than having each of them having for example, a portable PC or a laptop, for example. Actually, we have a little bit of a difference with the marketplace, in the sense that we built our solution around open source. Because we have so many clients, it just made sense to us to investigate the use of a product such as Open Office and different products now available on the open source. Which makes sense within the educational market, because we're here to actually help people using technology and then to actually teach them about who offers a particular type of technology.

Michael: So you've raised two very interesting points here. One is that if you use a thin client, virtual client for your students with an open source software platform, you lower costs. So you're more able to distribute technology to many students. And the other is you start to teach students about the way the technology is built, through the use of a cloud based model.

Rene: Yes. Actually, we haven't found any problem at all with the students in terms of we have obviously PCs and Macintosh and thin client, also. They're all based on different platforms. And that's where the student goes, it doesn't cause any problem for them. Obviously, now with the thin client in the schools, in the classroom, we also give them the ability to go through a web-based, a web browser terminal, and they have the same interface that they have at school. So they actually access our thin client through Internet from home and they have the same visuals, same applications, same virtual space that they have at school. So it's really groundbreaking for us within the school.

Michael: So Mark, that must resonate with you as well, this need to provide a consistent interface for your clients, whether they're in one location or another, whether they're used to a PC, or a Mac, or a thin client?

Mark: Absolutely.

Michael: You guys would also have an additional obligation with regards to privacy and security of information. Does the cloud based solution help you to do that, particularly in some of these emerging countries where you're active?

Mark: Yes, you have to look at it on an individual case basis, an individual application basis. In general, we start off originally with the dev/ QA initiative, thin client for dev/ QA, then we move to different areas that are more mission critical down the road. The cloud computing is still evolving, obviously, but there are definitely use case scenarios today and we attempt them.

Michael: And what are the use cases that most readily accommodate a cloud based solution?

Mark: Development/QA environments certainly is one of them. We are also looking at high performance computing, where we have a base cloud solution built in-house today, but perhaps extending that elasticity beyond that into perhaps in our public forum. Those are the areas of interest today. Another area that we are also looking at very heavily in terms of desktops, is looking at cloud computing, particularly SaaS models, some sort of service model, to upload some applications that are today on a physical desktop, into a cloud type offering.

Rene: From a school board point of view, privacy is extremely important. Actually, if you think about it, if we have thousands and thousands of young students walking around with laptops for example, then you may have a real case for privacy invasions, people losing their equipment, or equipment being stolen away from them. In this instance, actually, thin client cloud computing makes a lot more sense in terms of safekeeping or safeguarding the documents or keeping the privacy from being accessed by someone else. So it's a different type of problem that we may have than a bank for example, but we're extremely focused on privacy, in terms of names and things like that.

Contributing as well, we need some safeguard on the document or information that's been kept in a safe place and also, just reminding in the terms of data, that the data has been backed up just about every day, every week, every month, all of that. For student or employees keeping all their documentation on the virtual network is a better way, a best practice if you wish.

Michael: I think that's a great point. We actually are posting a video with Ontario's information privacy commissioner Dr. Ann Cavoukian, that explores some of the connections between cloud strategies and privacy.

Doug, you've now heard both these gentlemen talk about using cloud as a way to enable many clients the flexibility and security in backup around their computer structure, and I know you have seen clients use cloud in many other different types of scenarios as well. Maybe you can describe a couple of the other common uses or exemplary uses of cloud in the client base that you deal with.

Doug Jones: Absolutely, these desktop examples that we talked about are really great examples. As we have already mentioned, development and test is also an area where clients are really looking towards getting high business value out of cloud. It allows them to reduce cost as well as provide better testing development cycles and processes in behind the scenes, so we're able to deploy applications a lot faster than you would in a normal environment.

Michael: There was also reference made to back up as another use of the cloud. Do you have plans to use the cloud exclusively for that?

Doug: Absolutely, we have several varieties of back up and recovery in the cloud environment. You take that same flexibility of being able to do computing anytime, anywhere, anyplace now you can recover back up anywhere, anytime, anyplace. It truly does provide that resilient computing environment regardless of where the end user may be.

Michael: That could extend both to the clients, as we have been discussing here, as well as to the more typical data center server environment as well.

Doug: Exactly, you could think of the end user as a client or the end user happens to be a server somewhere.

Michael: You know, we have heard the business triggers that prompted Mark and Rene to look at cloud as an answer to the business pressures that they're facing to get more and better compute technology at the hands of their users. How does that resonate with the clients that you deal with? What other kind of imperatives do you hear in terms of drivers to get people to look at cloud?

Doug: Well, it's interesting, cloud computing is coming to us at a time when we are recovering from a recession, so I find that a lot of clients are starting to look at cloud for the cost savings portion of it. But, once they look at it closer they're finding all the other business value that we have already mentioned. Some of it is actually just innovation, where clients are saying, "Hmm, we can use this for more than IT, we can use this to transform our business, potentially reach clients in places where we have never reached clients before, and apply new business models that we have never been able to do in the past."

Michael: I think we have heard from everybody now the agility and innovation are an important part of cloud. So, let me close off that by asking each of you for some summary guidance that our viewers can use to assess their own situation. Fair warning, I am going to ask each of you to come up with – and Rene, just to warn you, you will be first – ask each of you to identify three business triggers, business situations, requirements or changes in demands that you think a user might encounter that would demonstrate a need for a cloud solution.

So, Rene let's start with you. What are these factors might one of your IT directors encounter in their business which might ultimately result in them saying "I think a cloud based solution would be the best way to resolve this problem."

Rene: I would like to have – in addition to privacy – some of the back up procedures and capabilities. Plus, in cloud, what we really like is that the solution is largely scalable, and naturally, you just add computer power with the just in time. In time you can add on new users to the network, because you keep adding on new computing power which is centralized obviously, and it makes the management of the entire network a lot easier, because you keep all of this in house. We have found significant advantage in terms of reliability in the classroom.

See, my situation is a bit different than you would have in a business. For example, on a typical day I may have four, five or six different users on a client, on the same machine, and of course they may have

different behavior. Which is different from the business side where the typical employee is not trying to breaking their machines or not trying to mismanage the software or whatever.

So, the thin client in a school environment – cloud computing – is extremely beneficial because you have better reliability, and students have access to the applications and the software but they don't have any administrative rights on the system. It gives us an improved environment.

Actually, the students and the teachers prefer this type of solution, because when you get into a lab or typical classroom they know the equipment that is before them will actually work each time they go to use it.

Prior to that, we used to have, and we still have, a number of stand-alone units and these – you don't know who was using it the day before, or the morning before, and you may get a broken machine. So, it is really beneficial to all of us.

Michael: Thanks, so Mark we just heard from Rene: to sum up, the business triggers that a user might consider is the need to deploy the same unit across multiple users, the need for privacy, back up, and scalability. What would you say if you were advising your peers, "if you see these conditions in your business, maybe you should opt for cloud or at least consider a cloud solution?"

Mark: The three that come to mind are: the elastic cost model, so you pay as you go so to speak, the model of cloud is definitely one. The scalability factor becomes very important as well, as systems that you need to scale, instead of up-front cost, the cost of investing in your own infrastructure, how do you scale a system with the flexible cost structure? The other thing is time to market. I think it's a very important factor that needs to be considered.

Michael: I think that's one that increasingly, business management is demanding of IT – “Get me faster!”

Rene: I would like to add, on the IT side, we have standardized equipment, software and hardware, it is a bit easier to implement. Reduction of technical support...a lower purchasing cost for each of the different units – and in addition, we don't have any cost for software. It just makes a lot of benefit to IT as well.

Mark: If I may add, I think we are moving from an era of “simply IT” to an agile business technology era. That's where, in particular, I think cloud is very important – looking at the bigger picture, looking at innovation, as Doug mentioned, to meet those future business demands.

Michael: I like that, moving from an IT era to agile business technology era. So, Doug you get the last word here. What three business conditions would you ask your clients: “if you encounter these business conditions, cloud maybe something you at least want to consider as a strategy.”

Doug: Well certainly I agree with all the factors that have been mentioned so far, and agility is a big piece of that. We have clients that want to deploy new business applications rapidly. Applications, as already mentioned, may need to very flexible in nature, and we may not be sure what the workload or the demand is going to be within the IT environment. So, to be able to provide IT environments through cloud technologies very quickly, rapidly, in a lasting manner, becomes a huge value proposition.

Michael: Perfect, thank you, with that we will wrap up for this session. I'm Michael O'Neil; on behalf of the IT in Canada Network, thank you very much, gentlemen!