



CLOUD-BASED MANAGED SERVICES:  
TIPS FOR SELECTING A PROVIDER THAT CAN  
HELP YOU RE-TOOL YOUR IT DEPARTMENT

F R O S T  S U L L I V A N

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Karyn Price  
Industry Analyst – Cloud Computing

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## INTRODUCTION

IT is in the midst of a shift in purpose. No more are enterprise IT departments simply asset managers; but rather, they are becoming innovators and providers of services that drive value within the business. Departments like yours are increasingly focused on problem-solving rather than maintenance. Fewer resources are being dedicated to managing each individual piece of hardware and software that is used within the business. Today's CIOs are strategists, innovators, and productivity drivers rather than simply asset stewards.

At the same time, the move toward hybrid cloud environments is making IT more complex and difficult to administer in a seamless manner. Many businesses struggle to design, implement, and manage hybrid cloud environments. In fact, in a recent Frost & Sullivan survey, 52% of IT decision-makers cite a lack of in-house expertise as hampering their cloud implementations. Of U.S. businesses that are using cloud today, 11% say that one of their top three business challenges is in recruiting, training, and retaining qualified staff. Another 11% state that cutbacks in staff make it difficult to manage their IT environments. One quarter say that simply keeping up with new technology makes managing their cloud environments difficult. Finally, a full 91% seek cloud implementation assistance, with 13% of those turning to a managed services provider.

Managed cloud services can be the bridge that spans the gap between internal resources and the IT department's needs. The right provider offers not only applications and infrastructure, but the expertise to augment your staff, and to manage resources to meet your business's needs and goals. The best providers are also deploying frequent updates, high security, and SLAs that guarantee performance.

In this report, Frost & Sullivan reviews the benefits of managed cloud services within an enterprise IT environment, and how such services can solve common IT management challenges. We also discuss the key functionality that a quality managed cloud services provider offers, as well as other considerations for your business as it makes an informed managed cloud services decision.

## WHAT'S HAPPENING IN YOUR IT DEPARTMENT?

IT professionals know that their organization must make a critical shift to be more strategic than ever. Your focus, and that of your team, must be on innovation and development. As such, IT departments are focused on an endless cycle of assessing and deploying services that drive productivity and efficiency within the business.



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CIO concerns are changing as well, from tactical to strategic. In 2013, just 9% of enterprises said the cloud was strategic to their organization. Two years later, the percentage soared to 85%. Today, your peers are worrying less about the best prices for hardware and software, or what bundle would best suit the business. Instead, CIO's are concerned with business goals such as:

- Speed of service delivery
- Time to market for new services
- Real-time responsiveness to business needs
- Creating a personalized customer experience
- Innovation as a competitive differentiator

Even as your peers focus on achieving strategic business goals, operational challenges remain. High on the list are:

- Optimizing and maintaining complex, critical ERP workloads, such as SAP or Oracle. Such legacy workloads often remain on premises, because they are perceived as being too difficult to migrate to the cloud.
- Migrating selected workloads to the cloud without disrupting operations.
- Ensuring that all workloads—cloud and data center—are secure, compliant, and supported with backup and recovery solutions.

To support achievement of all these strategic and operational goals, you need to ensure that your infrastructure is running optimally. So, the question becomes: what is the best way to effectively manage critical infrastructure components—the physical and virtual servers, the network connections and routers, and hardware that optimizes performance—without reallocating resources to routine management and optimization activities?

## THE MANAGED CLOUD SERVICE SOLUTION

Managed cloud services represent a strong solution for IT departments that want to focus more on service delivery and development. Managed cloud solutions create a partnership between the enterprise and the service provider: in which the provider contributes cloud technology, infrastructure, and expertise; and the enterprise retains control and oversight of application performance. The provider's cloud managed services can be limited to infrastructure hardware; or may extend throughout the cloud stack, incorporating automation and orchestration platforms, as well as proactive management of hosted or premises-based hardware and applications on behalf of the enterprise. Savvy providers bring to market more comprehensive managed service portfolios that meet the IT department's needs throughout the entire cloud lifecycle. Such offers often include additional functions like:

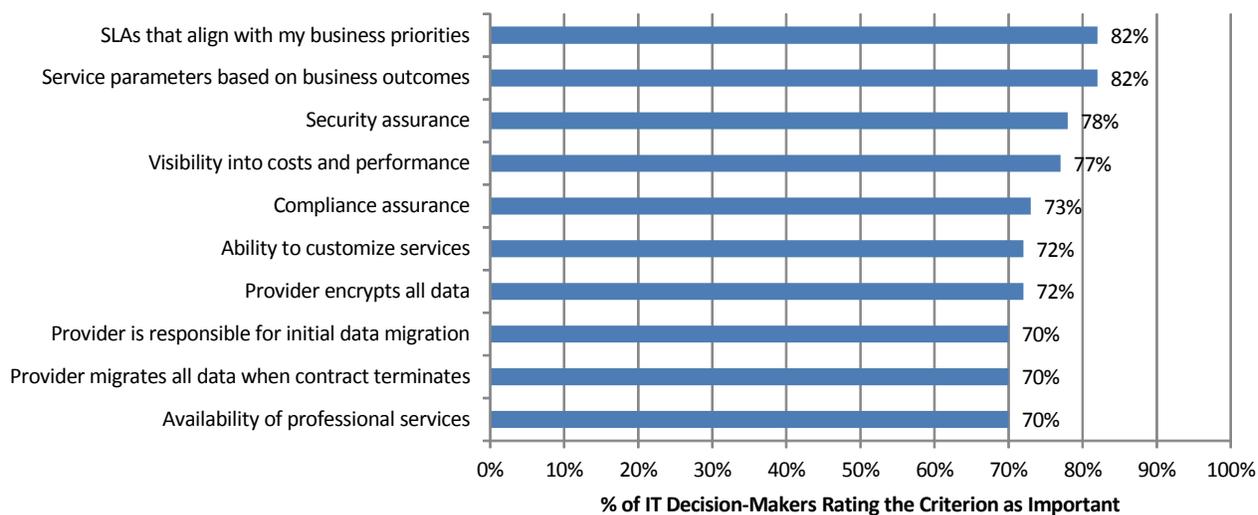
- Infrastructure design and deployment assistance
- Cloud governance and compliance assurance
- Workload transformation assistance, to move services to the cloud
- Application-specific management for critical workloads like SAP or Oracle

In addition, many managed cloud services can be customized to meet specific business outcomes. Some providers may offer latitude for personalized service-level agreements (SLAs), or offer SLAs that exceed standard cloud availability metrics.

### What Are CIOs Seeking in a Managed Cloud Service Provider?

If you, like many of your CIO peers, are facing increased pressure to drive faster service delivery, innovate regularly, and align your resources to meet business goals, you have likely looked at managed cloud services as an option within your department. According to Frost & Sullivan’s most recent survey of U.S.-based IT decision-makers, 35% currently use managed cloud services. Of those that use them, more than half expect to increase their usage by 2017. As they select providers, there are a number of key capabilities that are critical—most notably, “service parameters based on business outcomes”; “SLAs that align with business priorities”; “availability of professional services”; and “provider responsibility for data migration”—as illustrated in Figure 1.

**Figure 1: Criteria for Choosing a Managed Cloud Services Provider**



Source: Frost & Sullivan, 2015

### The Value of Managed Cloud Services for Your IT Department

As you seek new solutions that help meet strategic priorities, as well as reduce rote maintenance for your team, cloud managed services can not only provide asset management relief, but provide significant knowledge and expertise to help optimize the infrastructure in use within your business. By engaging the expertise of a trusted partner, your business will gain several key benefits.

First, you gain a finely tuned infrastructure that is configured to help applications and workloads run optimally today, while ongoing management enables the provider to suggest or make changes on your behalf to ensure maximum performance as usage or business demands change. With SLAs tailored to ensure that business needs are met, you are assured the best possible performance from your infrastructure investment.



With managed cloud services, you gain a finely tuned infrastructure that is configured to help applications and workloads run optimally today; while ongoing management enables the provider to suggest or make changes on your behalf, to ensure maximum performance as usage or business demands change.



You also gain a large measure of freedom as the managed cloud services provider augments your internal IT staff. As the managed service provider takes responsibility for routine management and maintenance of cloud infrastructure, you have the ability to re-direct your internal staff members to high-yield development activities and to roll-outs of new services. This allows more of your budget to be spent on strategic activities, thus furthering the internal shift from being a department of asset managers to a department of strategic innovators.

Some cloud managed service providers bring significant expertise in hybrid cloud management to the partnership, allowing you to split workloads, as needed, to optimize application performance; while addressing privacy, compliance, or budgetary concerns. By enlisting a knowledgeable managed services provider, you may have increased capabilities in hybrid cloud integration than you had using solely internal staff.

Managed cloud services often offer a higher degree of security than what businesses are able to deploy on their own. From network security to protection of virtual infrastructure—and in some cases, even integrated disaster recovery—managed cloud service providers help ensure that your workloads and data are safe and accessible.

Finally, the best managed cloud providers are able to guarantee specific levels of both uptime and service performance, and back those guarantees with service level agreements that will remunerate the business, should minimum performance thresholds be breached.

## WHAT SHOULD YOU LOOK FOR IN A MANAGED CLOUD SERVICES PROVIDER?

As you look for the right managed cloud service provider to meet your particular enterprise needs, consider the following as you search:

- **Core expertise in both infrastructure and workload:** Providers that have a strong background in both the management of infrastructure itself, as well as in application management and professional services, will be in the best position to understand your business needs, suggest configurations that will best meet those needs, and then execute on a day-to-day basis in a way that ensures your success.
- **Support for multiple hardware types and hypervisors:** Providers that can help your business match the right type of infrastructure to the workload being deployed—and in consideration of your budget—will ensure that your workloads are installed on infrastructure that can best support it, whether virtual or bare metal.

- **Hybrid management expertise:** Your chosen managed cloud provider should have the ability to split workloads or data between different physical and virtual environments, should such a configuration benefit your business. Hybrid cloud integration can be difficult; but with a knowledgeable provider, hybrid clouds can provide the best benefits for your business, from both a cost and performance perspective.
- **Customizable services and SLAs:** Providers that are able to guarantee specific service parameters, or tailor services based on your business outcomes, act as true partners that have a vested stake in your IT department's success. Look for providers with custom capabilities that suit your particular business goals and outcomes.
- **Migration Services:** Look for providers that have both standardized and automated the data migration process, in order to decrease costs and risk associated with the migration. Providers that have created standard, repeatable processes and a centralized, cloud-based delivery model will be best positioned to assist with the movement of data from differing infrastructures, with minimal disruption to the business. Also look for adaptable migration services with a variety of value-added features that can be chosen as needed.
- **Robust security features:** Look for providers whose security expertise and capabilities exceed what you can do within your own organization. Many providers offer features such as integrated redundancy or disaster recovery capabilities to ensure that regardless of the situation, your workloads and data remain accessible at all times.
- **Compliance assurance and related reporting:** Though many managed services providers tout their compliance capabilities, not all are able to prove compliance with comprehensive reporting capabilities. And if regulators governing your business demand proof of IT compliance, a provider's inability to report may prove costly.
- **Robust portfolio of managed services:** In addition to daily infrastructure management and security capabilities, most enterprises desire a provider that can assist with professional services tasks like environment configuration, IT or cloud governance, or management of specialized workloads, such as ERP or CRM.

## THE LAST WORD

As your IT department shifts from the role of asset manager to service provider and strategic business driver, it's more critical than ever to focus your resources wisely to gain the biggest impact for the investment. For many CIOs, this means turning to managed cloud service experts to assist with daily management of cloud infrastructure and services. Managed cloud partners allow your business to entrust routine management tasks to experts with the know-how to not only implement and deploy your cloud and related services, but to tailor configurations to ensure optimal function—giving your business the best platform on which to succeed.

But, in the highly competitive IT environment you face today, not just any managed cloud services provider will suffice. Your business should be seeking a partner with strong expertise in both the infrastructure and the related cloud workloads riding on the infrastructure. Without deep understanding of both components, it will be difficult to configure the cloud for prime function of the workload. You'll also want a provider that can support your hybrid needs, whether current or aspirational, including the ability to support multiple hardware, hypervisor, and platform types. Security and compliance are musts; and the ability to customize any portion of the engagement to suit your business goals and objectives is quickly becoming a must in the managed services market.

With a variety of managed cloud providers available in the market today, seeking an expert partner with both broad and deep expertise will set your business on a firm path to cloud success, both today and in the years to come.

### **Karyn Price**

Industry Analyst – Cloud Computing

Frost & Sullivan

[karyn.price@frost.com](mailto:karyn.price@frost.com)

**Silicon Valley**

331 E. Evelyn Ave., Suite 100  
Mountain View, CA 94041  
Tel 650.475.4500  
Fax 650.475.1570

**San Antonio**

7550 West Interstate 10, Suite 400  
San Antonio, Texas 78229-5616  
Tel 210.348.1000  
Fax 210.348.1003

**London**

4, Grosvenor Gardens,  
London SW1W 0DH, UK  
Tel 44(0)20 7730 3438  
Fax 44(0)20 7730 3343

877.GoFrost • [myfrost@frost.com](mailto:myfrost@frost.com)  
<http://www.frost.com>

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