HYBRID CLOUD KEEPS GETTING STRONGER — BUT WHY?

Hybrid cloud is something we've recently talked about a lot here on TechGenix. For instance, we've learned something about Microsoft's hybrid cloud approach and how to manage it from a well-known expert. We've also examined whether the new hybrid multicloud approach can actually deliver on much of what it promises. And we've looked a year ago at how the battle for cloud supremacy was shaping up, and like most prognostications, we probably came out partly right and partly wrong.

Still, the trend toward hybrid cloud doesn't seem to be weakening. It's probably only growing stronger. And this raises the question of why this is happening. To help us get some kind of handle on where hybrid cloud is heading, I reached out recently to Kevin Beasley who is CIO at VAI, a company that is a leader in enterprise management software. Below are some questions I asked Kevin along with his responses on this subject.

MITCH:
What's behind the growing adoption of hybrid cloud solutions? What's driving businesses and other organizations in this direction?

KEVIN:
In the past, organizations with a complex IT environment or in highly regulated industries were reluctant to move to the public cloud, choosing instead to continue updating their on-premises datacenters. At the same time, organizations with simple workloads were choosing cloud-computing for its scalability and processing speed, allowing them to easily migrate all of their data to the cloud right away.

As a way to provide cloud services without moving all data off-premises or into a single cloud provider, hybrid cloud and cloud-based solutions rose in popularity. By keeping data on-premises or having to utilize multiple cloud providers while also transferring certain workloads to the cloud, companies could access their data with ease while also digitally transforming, saving costs and maintaining security. The cloud requires little maintenance and provides the necessary space for data to be housed. With this, companies are saving time and money along with the ability to share data among each involved party — including off-premises customers. Organizations are turning to hybrid cloud solutions to gain the accessibility and scalability of cloud storage without having to fully migrate to the cloud or to migrate to multiple clouds, whether a public or private cloud, since one cloud provider may not be able to provide all of the resources or applications necessary.

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MITCH:

Is it only large enterprises that are embracing hybrid cloud or are smaller companies also adopting these solutions?

KEVIN:

Companies of all sizes are implementing hybrid cloud solutions due to the flexibility it provides. Some businesses are hesitant to fully move to the cloud because they aren't informed on how the cloud functions and have security or privacy concerns. This is especially true for large legacy companies who have now embraced hybrid cloud. However, smaller companies face the same decisions on how they should store their data or migrate off-premises.

Both small and large enterprises are looking to hybrid cloud solutions for support. When adopting cloud-based solutions, different benefits apply to the wide range of unique needs each business has. When housing data in multiple clouds and/or on-premises, there is a heightened amount of accessibility — helping businesses manage their data with the added confidence that follows from security features.

MITCH:

Why aren't these businesses and organizations embracing public cloud solutions instead of hybrid ones? What are they afraid of, and do you feel their concerns are justified?

KEVIN:

Many companies, especially in industries like financial services or healthcare, typically have chosen to store their data in on-premises data centers or in private clouds, and not move to a public cloud due to security, privacy concerns, and regulatory requirements. While the popularity of cloud computing rose for businesses that could easily migrate their data to the cloud, it was more difficult for other organizations that had specific regulatory requirements. However, we've recently seen companies embrace hybrid cloud as a way to gain both the flexibility and efficiency of the cloud without moving all data off-premise, or by utilizing multiple clouds, and public cloud providers like IBM and Microsoft have taken notice and also offer private cloud. Microsoft recently announced new hybrid cloud tools aimed at companies that haven't embraced cloud offerings from big public players.

In general, I would say more and more companies are moving to the cloud to gain cost efficiencies, speed, flexibility, and enhanced security that the cloud offers, and hybrid is just one route companies are taking

Companies expressing hesitation to move to the cloud isn't anything new to the industry. The difference is that businesses are getting smarter about the different cloud-based solution options available to them and are choosing the software that works best for their industry and IT needs. Many solutions such as ERP now offer cloud-based options that can be customized for the business while ensuring security measures are met, which has helped companies see the benefits of the cloud without completely abandoning the IT infrastructure. In general, I would say more and more companies are moving to the cloud to gain cost efficiencies, speed, flexibility, and enhanced security that the cloud offers, and hybrid is just one route companies are taking.

MITCH:

IBM recently announced its Q3 earnings, and while the earnings were below expectations, both cloud and hybrid cloud revenue rose, which is the first increase since IBM's acquisition of Red Hat. What impact on the overall cloud market do you expect IBM's focus on the cloud to have going forward?

KEVIN:

IBM's ongoing focus on the cloud is huge for the market

going forward, especially from an organization who started as an on-premises computer provider. IBM's acquisition of Red Hat has furthered IBM's position as a top cloud player, and its revenue in cloud and hybrid cloud reflects this. For companies who have previously been anti-cloud or preferred to continue updating their traditional IT infrastructure, seeing the market shift towards more companies choosing the cloud than not choosing the cloud will have an impact on their future business choices.

At the same time, it's important to remember that while the cloud has been an option for a while, for smaller and more traditional businesses, especially ones with strict regulations, moving to the cloud hasn't always been a viable option. Instead, these organizations have slowly but surely digitally transformed on their own time and with their own IT investments, and might just now be considering moving to the cloud. For these types of businesses, offering many cloud-based and hybrid cloud options has come at the right time.

MITCH:

Any last thoughts on this topic?

KEVIN:

The migration to the cloud has been huge in recent years and is becoming the computing platform of choice, and I think we see this in IBM's earnings. At VAI, over 90 percent of our new businesses in the past year have migrated to the cloud. This is a huge difference from even a few years ago. While some established companies are hesitant to migrate, it's clear that the benefit of the cloud is starting to outweigh concerns. Many of our customers have chosen the cloud to gain the data visibility needed to make smarter business decisions, while still knowing that all security measures are being met. Cloud-based solutions have also become the best way for organizations to achieve large-scale technological change and implement software tools that increase efficiency and reduce costs. As long as providers and companies can align on the same goals and maintain what's best for the business, I think the cloud is here to stay and only going to continue to grow stronger.

MITCH:

Kevin, thanks very much for taking the time to talk with us about this.

KEVIN:

My pleasure.