PRIVATE CLOUD CREATES BUSINESS SUCCESS STORIES

A CONSUMER CONNECT INITIATIVE

From Left to Right: Paresh Shah (Global CEO, Allied Digital), Srinibash Sahoo (Sr. Vice President & Head – Technology, DSP Blackrock), N Kamalanand (Associate Director, Ernst & Young), Anindya Das (Principle Technology Consultant, VM Ware)

Private cloud can accelerate your company's growth

Enterprises will press the acceleration pedal to cloud based services in coming times reports Swati Soni

Private cloud computing is, the latest value-add in IT where every company is seeing a push to manage business agility with cost-effective IT. But first, what is cloud computing? Cloud computing provides subcription base access to require size and type of systems including software via the Web regardless of the user's location and equipment. It relieves users to concentrate on their core competence and farm out other business activities to specialised service providers.

In the process, cloud users can elasticize their IT capacity - often designed to cater to a few moments of peak demand - and convert a large proportion of these fixed costs into variable costs. Another advantage is that technology can be quickly configured to the business' needs, and even taking care of business continuity and the business no longer needs to worry about maintenance resources and generic information security. Since only services that are actually consumed have to be paid for, this opens up great potential saving opportunity for business customers. In theory, this business model should be a boon for newly-founded companies that have yet to establish their own infrastructure, and for small and medium enterprises (SMEs) that need to face up to the challenge of bringing their IT to the scale of biggies.

"In the cloud ROI event, eminent CIO of a large known mutual funds business, expressed optimism in adopting private cloud model that gives good ROI for a 3 to 4 year TCO," expressed on anonymity.

SECURE COST CUTTING:

It is eminent that along with IT agility, cost is a second big factor. Improved solutions in security have reduced the apprehension for -cloud based services. Standardisation is getting established. Thus paving way for a strong value position to embrace cloud based IT services, whether it is infrastructure, software or a platform based service.

"In today's dynamic enterprise thriving on IT, CXOs look for agility, cost savings and improved manageability, cloud computing is one such highway route. We play the role of cloud service navigators to travel along with the enterprise to make a successful journey," explains Sanjiv Patki, Chief Operations Officer at Allied Digital.

Cloud solutions are delivered through a simple three step methodology consisting of assessment, design and implementation.

"True ROI value, apart from the direct cost savings, can make a success story only if the organisation adopts a maturity roadmap in terms of people and processes apart from technology upgrades. Like in our private cloud solutions, we help businesses transform their existing infrastructure to an agile environment that is well- aligned business needs. Clear predictive cost planning, infrastructure elasticity and operational efficiency add value to your business," informs Paresh Shah, Global CEO of Allied Digital.

PRIVATE CLOUD BRINGS A NEW DIMENSION TO IT SERVICE MANAGEMENT:

For a company to progress and move to the next level comprehensive package by the service provider can enable small and medium enterprises to fast track to scalable IT just like a large enterprise. "We have one-stop fully managed (including hosted) enterprise infrastructure and secure and DR-ready environment. It is an OpEx Model pricing that gives a good competitive edge to the SME. Allied Digital uses cloud acceleration tool kit to bring the enterprise on the cutting edge of technology. "To maintain business stability and continuity, SME segments are on a lookout for easy and cost-effective managed DR services. Allied helps enterprises to setup an effective DR plan to safeguard business continuity with effective RTO and RPO," says Adil Wadia, Chief Enterprise IT Architect of Allied Digital.

NITIN SHAH
Chairman and Managing Director, Allied Digital

"Virtualization is at the center stage to adopt the cloud computing technology. The computing resources are used virtually in a shared and secured manner cost effectively, thus it becomes the game changer in terms of how computing is being used and the business is being carried out."

READY TO USE ERP SERVICES:

Many enterprises need ready business services on an OpEx model, with no licensing issues and a complete managed environment. Allied offers specific solutions in JD Edwards, SAP Business One, Parts Warranty management and IT Service Center that are ready for use. "This enables enterprises, do rapid service configuration equipped with on-boarding capability and ready training materials to make the service up and running for desired time and guaranteed uptime. Industry Analyst Gartner sees Allied as a key player in this space," says Patki.

Allied offers a comprehensive ecosystem for software vendors to rapidly launch their applications and productise them in the cloud space

SECURITY ISSUES AND CLOUD SERVICES

"There are cloud architectures proposed by various vendors, which Allied digital adopts as the base platform and tops this with security enhancements, end-users experience, integrated enterprise dashboard using its integrated service delivery framework and value-added migration tool kits. Allied, being an end-to-end managed service provider and systems integrator, thus differentiates cloud service management stack to enable seamless deployment of all business services and private cloud environment," apprises Paresh Shah.

The biggest perceived hurdle in private cloud computing is security compromise. "We have enhanced security management tools and services that safeguards cloud applications," says Wadia. "Also, the tool kits help smooth transition and portability of applications in cloud space," concludes Wadia.

HOW ALLIED DIGITAL TECHNOLOGY IS DIFFERENT

1. Full managed service stack from hardware to applications.
2. Best of the breed base cloud architecture platform from leading industry vendors.
3. Ability to virtualize applications and support application and data migration.
4. Simplified service management using its "Integrated Service Delivery Framework"
5. ISO 270001/20000 certified service operations facility.
6. Consultative, ROI target driven approach for enterprises to adopt a hybrid cloud service model, using industry known assessment kits and security services.
7. Simple portal interface enables easy management of enterprise IT operations in a holistic way, with crisp analytics.

GARTNER'S TAKE

"It is generally accepted that the adoption of cloud-based solutions leads to a reduction in capex. This is particularly true for the public cloud. For the private cloud, one needs to look at the kind of investments, in terms of new virtualization hardware and software, setting up a better network, and security apparatus. While it is often assumed that cloud solutions will lead to a reduction in capex, this should be validated for each cloud adoption effort. Our advice is to do a proper calculation, including capitalization of software.

Gartner INC. "The Impact of the Cloud on Free Cash Flow of IT Operations" by Biswajeet Mahapatra, Gartner, published 3 August 2011."

Biswajeet Mahapatra
Gartner

A FEW USERS SPEAK ABOUT THE CLOUD SERVICES AND HOW IT HAS BENEFITED THEM

"Cloud is main stream for India SMB however we see a cautious cloud adoption by large enterprise and government. Cloud Providers need to engage intensively with enterprise customers to educate them on cloud and demonstrate Proof of Concept to encourage cloud adoption."

Kamalanand N.
Associate Director
Ernst & Young

"The benefits of Virtualisation are very, very real . . . Increase in performance, resilience and flexibility apart from having a big cost advantage and a positive impact on the environment. It may not be the norm right now but it is just a matter of time when it will be."

Ritu Madbhavi
Senior Vice President – IT
Draft FCB Ulka Advertising

Common Myths

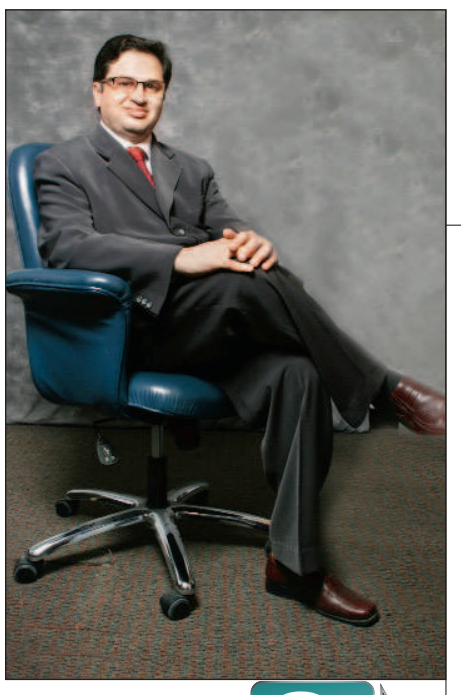
MYTH 1: STANDARD CLOUD ARCHITECTURE SUFFICES THE PRIVATE CLOUD SERVICES NEED.
Answer: Standard Cloud Architecture have restrictive adoption because there are constraints on OEM hardware capability, virtualisation depth, cloud management and security limitations.
Allied Digital's cloud stack is more robust, broad-ended and a best-of-breed architecture stack.

MYTH 2: CLOUD SERVICES ARE STILL INSECURE.
Answer: Security has improved a lot recently, right from virtualisation to holistic monitoring of security and identity management.
Allied Digital provides enhanced security analytics leveraging its SOC (Security Operating Center) 24X7 monitoring and correlation.

MYTH 3: ENTERPRISES HAVE LIMITED CHOICES IN SELECTING PRIVATE CLOUD SERVICES AND LOT OF OPTIONS FOR PUBLIC CLOUD.
Answer: What enterprises need today is a guiding role that can help them migrate strategic applications into cloud and create a true business case and still be in control of their IT.
Allied Digital plays the role of a navigator; a consultative approach to guide enterprises for cloud services.

MYTH 4: ENTERPRISES FEEL THAT THE CLOUD SERVICES PROVIDE A MAJOR CHALLENGE FOR IT MANAGEMENT CONSOLIDATION.
Answer: Cloud Services do provide a new dimension for IT Service delivery. However, enterprises can leverage partners like Allied Digital and its tools and technologies to give a single snapshot view of all IT Services across the enterprise.

MYTH 5: THERE ARE VERY FEW SUCCESS STORIES IN PRIVATE CLOUD YET.
Answer: Due to various business scenarios like transformation, technology referral through virtualisation, ERP availability on cloud and enhanced security, enterprises are seeing success stories already, where the business case is coming as a reality.
Allied Digital can name a few enterprises that has already successfully migrated some of the enterprise applications to private cloud.



Paresh Shah
Global CEO, Allied Digital

Paresh Shah, Global CEO of Allied Digital gives an insight into Value for cloud computing

What are the new trends in private cloud computing?
Private cloud is gaining serious attention from CIOs. Many mid-to-large organisations now have more virtual than physical servers. They are looking forward to broader and comprehensive managed service models and orchestration options.

The new trends seem to be the following -

- Active private cloud implementation initiatives.
- Inclusion of mainstream business applications in the plan.
- Adoption of cloud orchestration toolkits.
- Look out for cloud-aware managed services.
- DR and backup services will continue rapid adoption.

Can we combat security concerns in private cloud computing?
Security has always been a holistic approach, which applies to private clouds too. Security in private cloud, though a perceived concern, has greatly improved. Vendors such as VMware have greatly matured toolkits. However, we understand that running business processes requires addressing more areas such as -

- Additional data security during transport to and from enterprise systems and DR plans.
- Augmenting identity management requirements.
- Threading domain compliance across changed business processes as they span between systems and users in-and-out of enterprise.
- Most importantly, we recommend that enterprise adopt a managed security service model that does 24x7 monitoring, business rule driven correlation of logs topped with periodic health check tests and enterprise security audits.

How to calculate ROI in clouds and what are the ways to measure ROI?
We know that cloud adoption brings cost savings. It is also true, that cloud adoption introduces new IT management challenges such as SLA realisation, capacity management and cash-flow/P&L planning. However, that should not be a concern if the enterprise is already mature in its people, process and enterprise technology roadmap. That implies, driving change and following ITSM best practices on a cloud-aware enterprise level service delivery platform like Allied's integrated service delivery framework.

- ROI planning involves doing P&L at business unit level, it is especially critical for private cloud environments.
- Recognising cost components such as, cost of energy, DR solution, resources, interest, tax shield, total asset costs, long and short term financing, IT demand elasticity planning and of course, Green IT benefits along with total asset costs.
- Organisations use balanced scorecards to determine ROI targets. Post that exercise, they use measurement parameters such as EVA ("Economic Value Added") which determines contribution of IT to create shareholder value or use DuPoint analysis. Of course, the parameter selected has to be aligned to objective of enterprise IT operations to make it a success.

How is cloud computing different from utility, on-demand and grid computing?
Cloud and grid both could have common technical architecture similarities. However, cloud computing provides a customer-friendly interface to subscribe to required IT resources, so the enterprise can run multiple tasks on those resources. Grid computing implies running a single task across various pre-configured IT resources, each resource doing a subtask. Utility and on-demand computing are more a business model to rent resources on need basis without any knowledge of the underlying architecture.

Is cloud computing the same as software-as-a-service?
Software-as-a-service provisions one instance of software for a business unit or an enterprise as a whole. However, cloud computing when adopted as a model by enterprise, serves as a central repository of IT resources (which can include software too) that can be consumed by multiple business units.

What types of services are available via the cloud computing model?
Various services including, infrastructure, storage, virtual desktops, software or platform or even business process

How do vendors charge for these services?
Obviously, subscription based model by default. This could be per user, device, transaction, bandwidth, time or storage limit.

What types of applications can run in the cloud?
More and more application types are moving to cloud. Of course, public and private cloud setups bring their own flavors to suit respective applications. Today apart from test and development environments, and B2C applications, core enterprise applications are also gaining popularity, especially with private clouds. Certain analytic applications are also being driven to cloud models.

How can I make sure that my applications run with the same level of performance if I go with a cloud vendor?
Some key essentials for ensuring the same level of performance are -

- Adopt or follow a matured approach to driving IT services management across the enterprise. That implies, implementing the change in people, processes and technology.
- Determine new WAN requirements and related optimisation kits.
- Re-design process SLAs and adopt comprehensive SLA management tools.
- Ensure the enterprise ITSM platform serves as a single point of IT management across the enterprise.
- Provision efficient data migration plans to-from enterprise to meet consolidated and committed real-time data needs for the business process.
- Leverage end-to-end cloud (consulting, implementation and support) services such as Allied's "Cloud Navigator" to guide through the journey.

Success story of FCB ULKA

Ulka gains from Private Cloud

THE CLIENT:
A Leading advertising firm in India, which serves more than 100 clients.

SITUATION:
With business growth, there was a proliferation of servers along with an increase in the portfolio of applications.

In the current model, many of the servers' resources were barely utilised and maintenance of the system put a strain on the IT team.

Administrators were also concerned about the energy consumed by the increasing numbers of computers, which was contrary to the company's emphasis on environmental sustainability. High power consumption was also resulting in high cooling costs.

The main data center at the head office was filling up and could not handle the current rate of growth indefinitely. They were not able to achieve economies of scale with many servers underutilised.

The company wanted to consolidate the hardware environment to reduce energy consumption and costs. It also wanted to make it easier for the IT department to manage and ensure reliability of its server infrastructure.

SOLUTION:
Transform Enterprise infrastructure to an on-premise private cloud environment with BCP.

Deployment- phased manner

- The deployment began in January 2011 and was completed in May 2011.
- 15 virtual servers running on 4 hosts.
- 50 gigabytes (GB) fixed size virtual disks were created for operating system partition.
- Virtual memory or the page file size is limited to 20 GB. This ensures hardware memory is utilised more efficiently.

BENEFITS:

- Substantial cost savings with ability to scale.
- Reduction in IT administration.
- Space Saving.
- Centralized 2 tier backup.
- Dynamic Resource Allocation.
- Reduced power utilization by 10KW and a decrease in cooling requirement