



What's the future for hybrid cloud strategies?

The future of the hybrid cloud strategy is the all cloud strategy.

As Nicholas Carr will tell you in his very readable book, *The Big Switch: Rewiring the World, From Edison to Google*, the delivery of IT services is consolidating into centralized, utility-type organizations like today's electric power utilities consolidated the 30,000+ independent electric power plants run by enterprises across the U.S. 100+ years ago.

After decades of many in the high tech industry talking about utility or grid computing, we are finally approaching the day when enterprise CEO's will no longer be burdened with the difficult decisions of upgrading major ERP systems or making enormous capital expense decisions and hiring armies of people to run their underlying IT infrastructure. They will be able to look to their cloud utility service providers for much of what they are obligated to run today.

Before we arrive at this attractive future vision however, there is a migration and a long, often arduous path ahead. In some cases, it will be fraught with danger as enterprises cross the chasm to true utility computing and centralized IT services. That chasm is the hybrid cloud where enterprises are operating some applications in their own data centers, some at third party hosting centers, some purchased as complete end-to-end application service (e.g., salesforce.com), and balancing a variety of other types of hybrid operating models.

Just like the hybrid automobile, for example the Prius, helped us migrate from fossil fuels to battery operated, electrical cars, there is a very lucrative business during this interim hybrid phase of our industry evolution and it will extend for a while.

Many of our clients are telling us that they fear that the transition to this hybrid cloud state will introduce lack of control and visibility resulting in business, operating, and regulatory risks of

concern. Similar to what car manufactures like Toyota did when they launched the Prius, by going overboard to make sure that the batteries last longer than any other component of a conventional car, I believe that those who are enabling this IT transition should proactively address the fear of lack of visibility and control during the hybrid stage as we head towards our desired future vision.

Of course some believe not all IT assets or applications will migrate to the Cloud and the same was true for power generation a hundred years ago. Many buildings, for example, have back up power generators today. Ultimately, however, there is a massive capacity utilization gain, economies of scale, and best practices benefits to be gained from the migration of IT assets and services to the Cloud. The real wins will be towards the end point.

While your hybrid strategy should be thoughtful and lucrative, its future lies in the 100% Cloud model.

With various forces combining to transform the IT landscape, how do you see the role of the IT department evolving?

The evolving role of the IT department may be at one of the most interesting stages of this function's history.

Given the migration of enterprise IT operations and data center operations to centralized outsourced providers or application providers, the IT professional has an opportunity to raise the bar of their role at their companies. Instead of being bogged down with lots of the administrative work associated with managing infrastructure or addressing device level performance, the IT professional now has an opportunity to focus her efforts on how to leverage IT resources and applications to make a real impact on an organization, to be a game changer!

Many of our clients are currently shifting the IT role in two ways: (1) IT is increasing its ability to relate and deliver directly to business improving activities and (2) the IT professional is migrating into more of a project management role on the execution side.

While many large enterprise organizations are hiring MBAs to help with this first shift, I believe this may be a temporary fad. There is enormous value in having someone who understands the IT process and capabilities interface with the business users and it seems to me the MBAs

would be the business users. Regardless, the IT professional does have an opportunity to evolve, moving up a series of stages of relationship to the overall business that the CIO Executive Council has defined as migrating from Service Provider to IT Partner to Business Peer and ultimately to Game Changer.

CIOs will continue to broaden their conversation at the management team level and bring more strategy to bear. They will spend less time worrying about daily operations that their vendors are managing and focus on how to best leverage those resources to move the dial on key performance metrics of the business - not of the devices deep in the guts of the IT utility.

On the execution side, IT professionals will need to get better and better at managing vendors, negotiating costs, facilitating the collaboration and implementation of these various vendors. While all jobs have some "grunt work" associated with them, none are as lucky as the enterprise IT professional whose seeing the grunt taken out of their work and the interesting stuff ramping up like crazy!

Rock on!

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