



Adopt a cloud-first IT strategy

Cloud provides both technological
and business innovations.



Adopting a cloud-first strategy

It's a safe bet your organization has been migrating some of its IT operations to the cloud. Good. Everybody's doing it, for good reason. Cloud is the future. It enables agility and scalability. But chances are, you're struggling to meet some of your goals. Maybe you're not getting all the discounts and incentives your cloud service provider promised. Costs are going up. Perhaps your internal customers are becoming jaded, slowing their embrace of the new technology and making it harder to realize the cloud's benefits.

These things happen—more than many chief information officers would care to admit. Because for all the noise about the cloud over the past decade, this is still new territory for a lot of companies. Eight years after a panicked Jason Segel told Cameron Diaz that “nobody understands the cloud,” many organizations still don't—at least at a level that lets them efficiently tap its full potential.

Here are six common scenarios we find when CIOs tell us they're having trouble getting their cloud migration strategy off the ground or keeping it afloat—and some ideas for avoiding or overcoming them.

01

Reluctant or insufficient funding

Whether feeling burned by previous cloud initiatives or unswayed by the current business case, the board or the chief financial officer isn't willing to commit the financial resources needed to launch a cloud initiative or continue it to fruition. Perhaps the business plan exhibits poorly understood or defined objectives. Maybe it doesn't promise cost savings. Or maybe it promises unrealistic savings.

CIOs can improve their odds of winning the funding they need by developing a clear understanding of why the cloud initiative at hand matters to the business and

then articulating that message to all stakeholders. Where applicable, the CIO may want to reframe the business case away from cost savings, which may or may not be realizable, and focus more on how the initiative can support the organization's vision and overall cloud strategy—including its goal of becoming a more data-driven, agile enterprise. Identifying the specific metrics that will help to prove out the business case, and allow for tracking of progress, also can help.

02

Security misgivings

Even today there are chief information security officers who mistrust security in the cloud. Even where they recognize that leading cloud service providers boast world-class security protocols, they may still fear repercussions with regulators when shifting systems to a cloud environment, perhaps due to concerns that the data and cyber security controls upon which the organization has become reliant will not translate to the new environment. In still other cases, they may see a mismatch between the organization's plans for taking advantage of data and its strategy for protecting it. At one extreme, they may see security being

treated as an afterthought, or, at the other, freighted with burdensome manual protocols and guardrails.

To address these concerns, CIOs can develop a roadmap to cloud migration that establishes a secure landing zone on the data and cyber security front, leaving the organization well prepared to meet any regulatory requirements. They also can be sure to identify security risks upfront and create security protocols appropriate to those risks, along with a governance model appropriate for a cloud environment.

03

Cultural, process and talent hurdles

Not everyone is open to new ways of doing things. CIOs working at organizations with a risk-averse culture and entrenched ways of doing business may find internal stakeholders resistant to or unprepared for change, or mistakenly inclined to believe that existing processes and practices will extend easily to a new cloud environment. They also may find themselves confronted with skills gaps in their own workforce.

As is so often the case, planning for and leading through change starts at the top. Change works when senior leaders not only voice but also demonstrate their commitment to

change. Success is further enabled when the CIO involves representatives from every part of the business touched by a shift to the cloud in planning for the move. These people can become cloud champions, rallying other workers to embrace the initiative. Where skills gaps exist, it will be important for the CIO to provide upskilling opportunities to employees and tap outside expertise if needed, either by adding talented new hires or bringing in third-party experts.

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04

Development team stuck in first gear

Big transformations begin with incremental steps. Still, organizations shifting functions to the cloud are sometimes disappointed to see their development team moving at less than warp speed. The explanation may lie in differing opinions about which cloud platform to use, or in challenges with integrating security as a shared responsibility throughout the migration process. If the organization is trying to simply lift and shift an on-premise application to the cloud, it also may be finding that critical data and applications are being left behind on legacy systems and need to be integrated with the new cloud application, adding additional workloads.

Managing these issues becomes easier when organizations adopt a DevSecOps (development, security, and operations) strategy that builds security into the software development lifecycle from the get-go. CIOs also can consider implementing a bimodal management style in which some of their teams focus on exploiting legacy systems and applications and updating them for the digital world, while others explore opportunities to take advantage of the cloud, probably targeting front-office operations first.



05

Midproject meltdowns

Digital transformation is hard. Inevitably, even projects that start well begin to lose momentum or veer off plan. Common culprits include a failure to factor dependencies between various IT systems into the transformation plan, or a discovery that redundant tools and processes need to be supported. It also is possible, owing to fatigue or competing priorities, that the people responsible for the transformation have lost their enthusiasm. Alternatively, a lift and shift of applications from legacy on-premises systems to a cloud environment may have been completed, but without sufficient planning for what happens next. In other words, no roadmap has been prepared for exploiting the opportunities the cloud environment makes possible.

Where the problem ties to unidentified dependencies, organizations can scan for those dependencies and then build application runbooks that catalogue standardized

procedures for addressing them. To recharge teams that have lost their drive, CIOs can consider establishing a dedicated “migration factory”—a team of people from both IT and the business who, supported with the right tools, will carry forward the migration to the cloud. If a bimodal management style has been adopted, this may be a good time to rationalize the tools, processes and roles required to make that model work. Finally, where the next steps after a lift and shift are uncertain, organizations can again convene cross-functional teams from the business and IT to determine whether it makes sense to modernize the function or application in its current state or, at least for the moment, continue operating it as is.

06

The landscape shifts

There are many ways that transitioning IT functions to the cloud can stumble even deep into the undertaking. Early cost estimates may have been unrealistic, leaving the program dependent on securing additional funding that disappointed board members may be reluctant to authorize. Alternatively, new cyber threats or changes to the organization’s overall digital transformation strategy may be imposing new challenges. Perhaps the scale of the undertaking has surpassed the capabilities of the team responsible for it. Or maybe the migration needs to be speeded up in order to exit contracts that were connected to old ways of doing things.

In instances like these, the entire cloud initiative may need a reset. In collaboration with the board, the CIO may want to develop a new, multiyear plan for the initiative that spaces milestone goals over a longer period of time but still provides for quick wins along the way. The CIO may want to stand up an architecture review board to define a cross-functional target architecture for envisioned end state, and, if it hasn’t been done yet, establish a migration factory to drive the whole program forward.

At KPMG, we apply deep domain knowledge and long industry experience every day to helping clients tap the full potential of the cloud. If your organization is struggling with any of the challenges described above—or if you want to make sure the cloud strategy you’re developing now accounts for and minimizes those challenges—we invite you to reach out to us. We’re happy to talk. Please contact:



Chris Panneck
Principal
CIO Advisory
214-840-6781
cpanneck@kpmg.com



Mark Shank
Principal
Tech Enablement
410-949-2795
mshank@kpmg.com



Marcus Brakewood
Director
CIO Advisory
512-917-8039
mbrakewood@kpmg.com

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