Increased standardization and automation of related professional services can accelerate implementation of multicloud delivery models, benefiting clients and service providers.

Accelerating Cloud Transformation Is Hard, But Essential to Creating a More Effective and Resilient Organization

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Introduction

Why Is Accelerating Cloud Transformation So Critical Right Now?

COVID-19 will mark the inflection point when virtually every large organization finally understood the imperative to digitally transform itself or risk increasing irrelevance in its markets.

Digital transformation can help "flatten the curve" (i.e., the severity of the downturn for an individual organization), accelerating the timetable for reaching a future state that IDC calls the "future enterprise." This flattening of the curve (see Figure 1) can be done through a combination of the following, all of which can be accelerated through the adoption of cloud as a foundational delivery model:
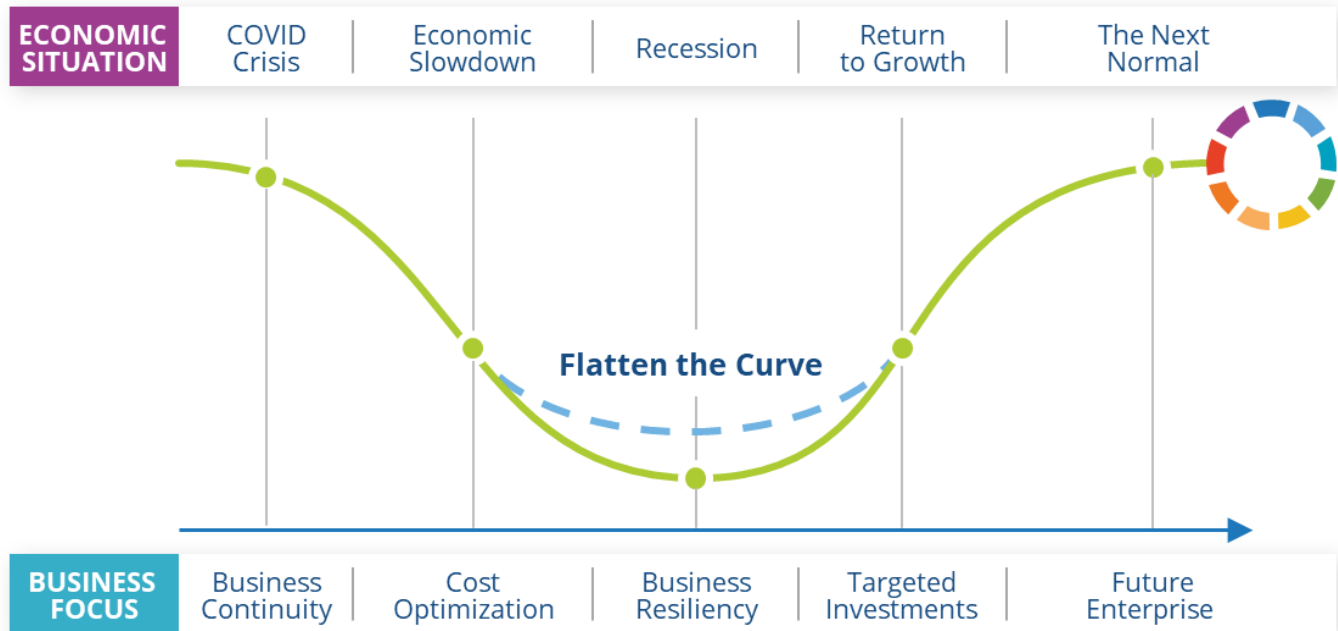
» Increasing ROI

» Reducing costs

» Addressing weaknesses in resiliency

» Capturing market share

IDC predicts that the number of organizations accelerating their digital transformations will increase from 36% today to over 50% by 2022. Cloud is foundational to all these transformations. If most organizations in your market are accelerating their transformations, and you are not, you will be at a disadvantage.

AT A GLANCE

WHAT'S IMPORTANT

Accelerating multicloud transformations, including automation of more standardized cloud migration and integration activities, allows professionals to focus on higher value-added activities such as deriving better data-driven insights or managing more complex, multicloud delivery models. Both activities increase the chances of becoming a more effective and resilient organization.

FIGURE 1: *The Five Stages to Enterprise Recovery*

ECONOMIC SITUATION	COVID Crisis	Economic Slowdown	Recession	Return to Growth	The Next Normal

Flatten the Curve

BUSINESS FOCUS	Business Continuity	Cost Optimization	Business Resiliency	Targeted Investments	Future Enterprise

Source: IDC, 2020

Why Is Accelerating Cloud Transformation So Hard?

While most organizations have adopted some form of cloud services, the know-how to implement secure multicloud solutions and then manage them remains highly specialized/complex. For example, for any given client, what workloads should be provisioned on what cloud services and in what order? Another example is that while containers such as Kubernetes are key to application development on the cloud, they still need to be managed. The proliferation of container management platforms and associated tools makes managing containers demanding. Besides acquiring the technical knowledge of the various tools, CIOs know this is a recipe for a challenging environment to govern securely.

Successful cloud migration/transformation requires an enterprisewide team. The IT department can get a legacy application running in the cloud, but true modernization and application functionality innovation require leadership from business stakeholders.

Change to a cloud delivery model is uncomfortable because it requires the following new levels of business agility:

» Skills are needed to manage IT consumption on the cloud rather than IT capacity on premises (including new skills for management of billing for cloud services from multiple cloud providers).

» Increased tempo of integration and acceptance testing is required to integrate frequent updates to cloud services (days or weeks instead of months or years).

» COVID-19 creates a clear and compelling reason to change now. Organizations that have not already invested in digital realize they are behind their competitors in creating the new revenue streams enabled by digital products and services.

Is There Anything That Makes Accelerating Cloud Transformation Easier?

Cloud service providers are building accelerators to help application developers build, deploy, and run applications using modern microservices architecture and OpenStack software components. Additionally, cloud service providers are using automation for streamlining container deployment and management and enabling portability and consistent governance across different IT infrastructures.

As the number of organizations undergoing cloud migrations increases, the associated metadata about these transformations creates a huge body of data that can be analyzed using artificial intelligence/machine learning (AI/ML) techniques, and the insight generated can help further increase the speed and efficacy of business operations as well as subsequent cloud migrations.

Benefits

What Are the Benefits of Accelerating Cloud Transformation?

In IDC's 2020 *Global Cloud Professional Services Buyer Perception Survey,* buyers indicated that the top 4 business purposes for implementing cloud solutions are the following (see Figure 2):

» Comply with regulations (some multicloud data management tools offer organizations the prospect of better oversight of the data they store, increasing the confidence in the ability to comply with regulations such as GDPR or the California Consumer Privacy Act)

» Create a more effective business (which can mean many things but often includes improving customer experience, creating new business innovations, and increasing business resilience)

» Improve operational efficiency

» Manage risk

FIGURE 2: *Business Drivers for Cloud Professional Services Projects*

Q *How important a business priority do you believe each of the following is currently for your company?*

(Mean score)

- 2014 (n = 75)
- 2016 (n = 126)
- 2018 (n = 107)
- 2020 (n = 71)
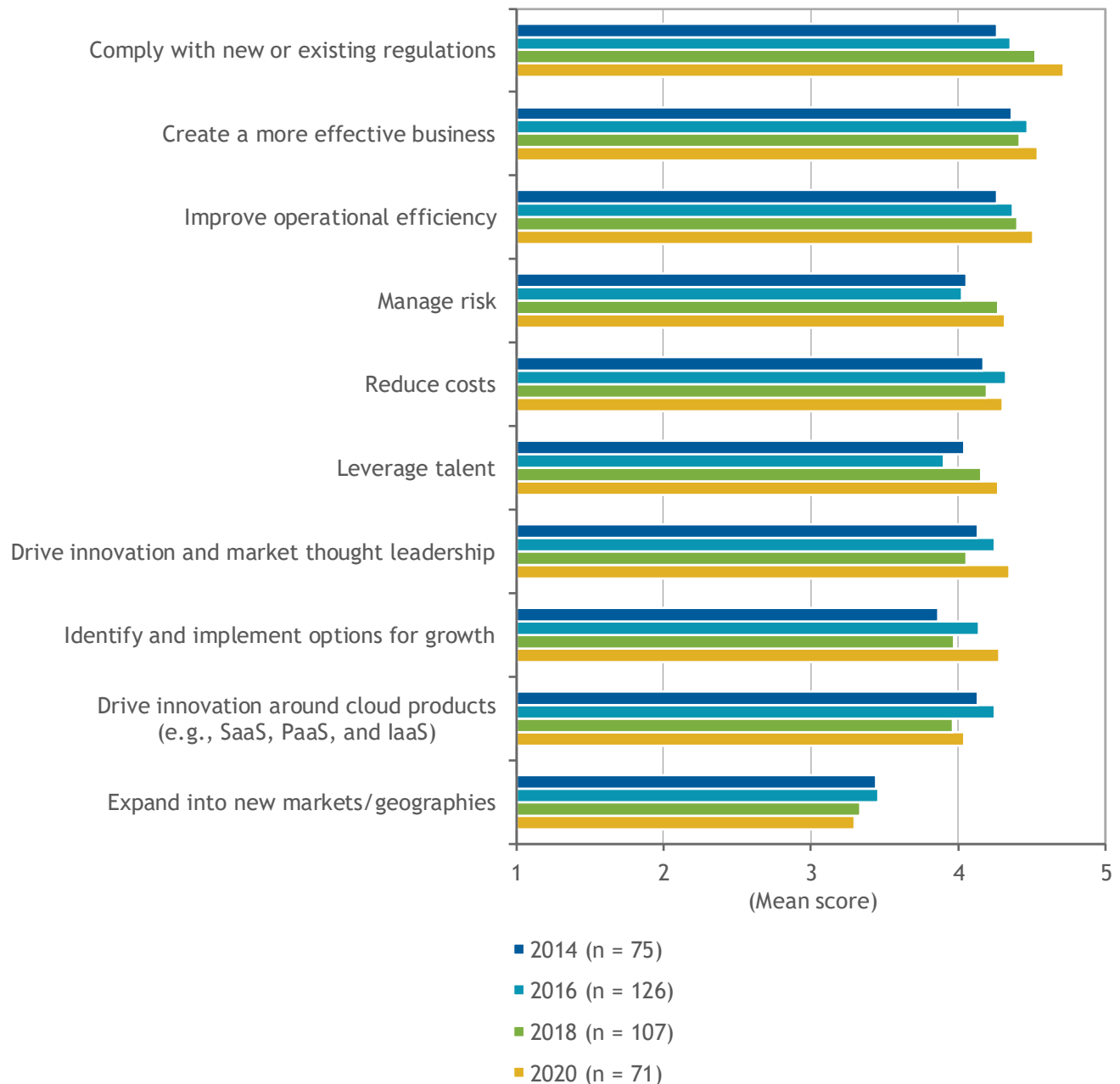
Notes:

Mean scores are based on a scale of 1–5, where 1 is not a priority and 5 is a critical business priority.

For 2014 and 2016, "drive innovation" was a single survey option, so direct comparison is not possible.

Source: IDC's Global Cloud Professional Services Buyer Perception Survey, 2014, 2016, 2018, and 2020

Using a third-party professional service provider can benefit organizations through a better division of labor in the following ways:

» The vendor provides multicloud management skills for implementation and operation.

» The vendor provides experience from past projects, coupled with implementation accelerators, to reduce implementation cycle time and to increase overall quality of implementation.

» Buyers are able to devote resources to next best activities (i.e., deriving better cost efficiencies for business operations, discovering data-driven insights from operational data created as a by-product of operating in a multicloud environment, or devoting more time and training data to improve machine learning capabilities).

Key Trends

One of the important trends related to the automation of cloud transformation services is the ability to free up highly skilled professionals to work on the cutting edge of what is possible but not ready to be automated, such as deriving better data-driven insights or managing more complex, multicloud delivery models.

As IDC has predicted for the past several years, the public clouds — and all the innovative services running on them — are beginning to extend out to customer premises and beyond. A new species of cloud — what IDC terms "local clouds" — is compatible with, and connected to, the major public cloud platforms. These offerings are poised to become widely deployed in on-premises datacenters and in distributed/edge locations.

IDC estimates that by 2023, at least 25% of public cloud deployments (as measured by computing core shipments) will be running in third-party, on-premises, and edge locations, powered by public cloud vendors' distributed cloud platforms (e.g., Red Hat OpenShift, IBM Cloud Private).

Considering Tech Mahindra

Tech Mahindra's mPAC solution, based on IBM's MCM solution and its integration with other Tech Mahindra solutions, is designed to help accelerate an organization's cloud transformation journey and assist in all stages of enterprise recovery using the following features:

» AI/ML solution (TACTiX)

» Cost-optimization solution (iCOPs)

» Automation and managed services framework (netOps.ai)

» Migration framework (MAC)

TechM's mPAC is an integrated solution focused on hybrid cloud resource provisioning, monitoring, capacity planning, metering, security, and policy implementation. This is achieved through a set of IBM tool functionalities and may need the addition of other open source or proprietary tools. Tech Mahindra's mPAC solution is based on IBM components such as CloudPak MCM, Ansible, and Watson as well as Red Hat OpenShift to provide an overall integrated approach for managing hybrid cloud resources.

The IBM toolset is primarily based on open source software, thereby enabling faster and quicker additions of new functionalities in its latest version, with a focus around automation, DevOps, AI/ML and containerization.

A typical use case implementation is around ITSM integration, with the TechM mPAC solution triggering a relevant playbook to ensure ticket creation and closure, approvals, email communication, DevSecOps tools integration, and updating a requester with the progress of the user's ticket request.

According to Tech Mahindra, all that a future telco or enterprise needs is to implement an integrated mPAC solution to become a digitally transformed organization.

Partner Quote

"As hybrid cloud becomes the new normal, enterprises can find managing cloud-based services and data across multiple providers to be challenging. Multicloud delivery can become a bottleneck for transformation, resulting in increased costs. IBM believes that the solution lies in the ability to orchestrate across all cloud environments using a single interface that offers open standards tools, self-service access to ready-to-use patterns, and built-in governance. Tech Mahindra's mPAC platform, powered by IBM MCM, delivers exactly that."

— *Dinesh Nirmal, General Manager, Cloud Integration, IBM Cloud and Cognitive Software*

Challenges

IDC has identified three challenges related to accelerating the implementation of multicloud delivery models:

» **Market inhibitors:** Specifically, the risk of lower multicloud adoption is due to:

   ■ Uncertainty about the length or severity of the COVID-19 pandemic (affects buyer sentiment)

   ■ Complexity of multicloud deployments and the associated scarceness of skills

   ■ General organizational resistance to change such as implementing multicloud

» **Integration:** It is imperative that IT product and services vendors serving enterprise datacenters and distributed/edge locations identify how their offerings will connect to the major cloud service providers' distributed cloud "stacks."

» **Competitive issues:** Based on prior evaluations of Tech Mahindra's cloud professional services offerings, IDC believes that the vendor needs to showcase its innovation focus as well as its industry knowledge more with clients.

Conclusion

IDC believes the cloud professional services market will continue to grow, especially with the advent of more multicloud management solutions and related automation accelerators. To the extent that Tech Mahindra can address the challenges described in this paper, the company has good opportunities for success.

About the Analyst

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Gard Little is Vice President for IDC's Global Services Markets and Trends research team, with program leaders that focus on worldwide services, IT consulting and systems integration, product engineering, both digital strategy and agency services, and digital transformation professional services.

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IDC Custom Solutions

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