Participant Questions and Answers

1. **Building on the theory of "keeping the base and move the peak", have customers had issues integrating their private environments with the public ones (as a single solution) and how have they overcome them?**

   Integrating private and public environments requires the client to "skate where the puck is going[1]". This concept is slowly being enabled today through the technologies from such companies as Eucalyptus, RightScale and Enstratus. In some cases the entire application is being burst to a different (public) cloud. Other parts of the application, when horizontally scaling, will burst that part of the application to a different cloud. Bursting from cloud to cloud requires the client to work closely with companies such as those listed above, and depending on the way in which the application scales, may require significant application work to enable the burst.

2. **Are offshore resources always cheaper than onshore?**

   Generally speaking, they are less expensive. However there are several things to consider including:
   - Where are you moving the work from? Resources in India may not be less expensive than those in other countries such as Mexico, etc.
   - How sophisticated is the work you would like to move? Can it be performed with the same number of resources, or will it require additional resources?
   - What are the infrastructure costs to enable the offshore work? Will it require an unusual investment in technology? Does it require high levels of bandwidth?

   These issues may complicate the decision, but generally speaking, if moving work from an industrialized country to low cost location, on a one to one ratio, it is less expensive.

3. **If an enterprise has private cloud because they have security requirements or applications that don't lend themselves to a shared environment, how can they "rent the peak" from public cloud providers?**

   - What is truly important is to understand the constraints that are prohibiting the use of public clouds. In the example you listed above, is the security requirement real, or out of fear? If fear, solutions may be able to be created to overcome those constraints. For instance, when Amazon EC2 experienced failures in their VA data center, those clients that engineered for that failure were not effected.
   - Depending on the application, it may be possible to burst the entire application to a public cloud, and in that case, the application would work the same in that environment, as it does in the private cloud.

[1] "Skate where the puck is going, not where it's been" refers to advice given to Wayne Gretsky during his formative years. In this context we are saying that the organization should invest in the resources that are part of a long-term plan and that will be available in the future.

- However, for an application to scale, either within one cloud environment or bursting across multiple cloud environments, some level of re-architecting of that application is required because many applications are not created to leverage this technology. Once the application is re-architected, it will be well suited to leverage cloud technologies and drive down the cost of operations.

4. **Is remote project management prudent, or should PM's be closer to the clients vs. RIMO-PM?**

   In any role that is moved to low costs locations, it must first be determined if face to face interaction is a requirement or not. For some projects, the project management role is required to be at the client site as that PM is critical to problem solving. PM roles on other projects are performed remotely either from a work from home or work from other city arrangement. In this scenario, there is little reason to have it onshore.

5. **If RIMO-based PM is viable, what would be the preferred/ideal circumstances?**

   It is viable, however the circumstances vary widely. Some things to consider include:

   - Is the role of the PM to be a scheduler or more involved in problem solving?
   - Do you have the tools and the disciplined processes in place to drive regimented interaction and deliverables?
   - Are team members able to be self starters, without need for intervention?

   Carefully consideration of the situation will determine if the circumstance lends itself to RIMO-based PM.

6. **Do you recommend a lift and shift or lift and transition moving to the cloud?**

   Each methodology has its merits. One positive of a transformation first approach is that you only transition those applications that are long-term, strategic fits for the organization. Transitioning first however may provide additional capabilities and tools to better enable a transformation. Each situation is unique and must take into consideration defining transformation, planning, executing and governance models.

7. **Typically how long does the assessment takes?**

   An assessment usually takes about 8 weeks, but may take more depending on the availability and granularity of the content.

8. **How many assessments has the Everest Group completed?**

   Everest Group has conducted over 80 IT assessments and strategies. Per our legacy business, each outsourcing deal requires an assessment to understand current state, and potential future state. Cloud computing models have added another dimension to these assessments.

9. **Do you factor in security aspects and training into your analysis and costs?**

   From a business perspective, security is factored into the decision as to the future state of the cloud. From a cost perspective, we will look at changes to the cost structure, as well as transformation/transition costs which should include training.

10. **How do you go about recommending 'service providers' for implementation of the transformation, Cloud or otherwise? Please elaborate on evaluation criteria.**

    Our process would be similar to that of outsourcing, we first want to understand the buyer's goals and constraints, develop a solution that fits the buyer's needs, invite or review/engage with those suppliers that we believe can meet the requirements of the solution. In the end, the buyer will make the decision. We ensure that the buyer takes into consideration all the variables that are important based on the goals and constraints identified.

11. **Cloud service is more than having a virtualized DC. There is a significant cost involved in establishing a Private Cloud. How does it compare with moving to a public cloud instead?**

    We are seeing the majority of the cost is dependent on the transformation cost of the application itself, e.g., re-platforming. Each application varies depending on the attributes of the application itself, and how/if you want the application to scale.

12. **What is the typical upfront investment needed for driving such initiatives and what is the breakeven period?**

    The typical upfront investment will vary depending on each application attributes. However, our approach is grounded by a business case and we will only recommend that which has a positive financial return.