

Example Business Case

Realizing the need to significantly reduce the expenses associated with its shared services based delivery of IT services, a global energy company turned to Everest Group to assist in developing an infrastructure solution that explored the use of cloud service models as a means of meeting its objectives of reducing cost, achieving flexibility, and being scalable.

After determining that parts of the workload portfolio were suitable for private and public delivery models, Everest Group designed and developed a robust cloud solution construct; created an RFI to which 16 initially selected cloud providers responded; down-selected the group to a short list of four; and negotiated two of the primary prospects' bids down by 40 percent.

Based on the pricing received from the final service provider candidates, the client is positioned to opt for up to 30 percent in total cost of ownership, or TCO, savings over five years.

Today's IT organizations need to respond to unprecedented demands for efficiency and flexibility. Some of the more common drivers for efficiency and flexibility include ongoing budget pressures and the need to do "more with less"; ever increasing demand for increased business agility and responsiveness; the need for security and regulatory compliance; and the ongoing consumerization of IT.

The good news is cloud IT services are able to meet the market needs and create game-changing opportunities for enterprises.

Nevertheless, migration to the cloud is not without its own set of challenges. Many enterprises struggle with developing a cloud strategy and migrating due the lack of internal expertise. Also adding to the level of difficulty is the need to cut through the hype of service providers to determine the true business value.

Everest Group provides advisory services to guide enterprises based on their particular environments and goals. Some common challenges Everest Group helps clients address include:

Cloud Rebalance

For many enterprises, the right first step to the cloud is to explore and test the value of different cloud models and platforms in their environments. Everest Group services help clients with the following:

- **Opportunity assessments** provide a high-level review of the business and IT environment to determine where cloud technologies could drive substantial improvements in agility, responsiveness, and cost efficiency.
- **Cloud pilots and Proofs of Concepts (POCs)** demonstrate value or test the viability of a public, private, or hybrid cloud solution for a particular use case or portion of the IT environment.
- **Cloud adoption benchmarks** provide insight into how peers and competitors are utilizing cloud to improve agility, create competitive advantage and reduce costs.
- **ITO contract reviews** assess contractual flexibility enterprises have to migrate to cloud models in the context of current service provider outsourcing relationships.

Cloud Strategy

For enterprises seeking to explore and capture value from cloud solutions in a more systematic manner, Everest Group defines the cloud components and provides deliverables to successfully deliver business value. These include the following:

- **Vision development** can help enterprise leadership share the cloud migration strategy with the IT organization and business units and serves as a guide in early decision making in the cloud adoption plan, so long-term goals can be achieved.
- **Cloud roadmaps** help enterprises identify overall objectives for cloud migration and enable the organization to prioritize and align migration activities across application and workload portfolios.
- **Business cases** help organizations identify the value of the different cloud delivery models across their application and workload portfolios. A business case can be used to obtain stakeholder approvals and funding for a cloud migration.



Cloud Migration

Enterprises using cloud to drive broad IT modernization and transformation efforts often face new, unique implementation challenges. Everest Group can provide support for key activities required for a successful outcome, including the following:

- **PMO support** provides an external boost during the transition. Clients often experience a spike in PMO requirements during a cloud migration. Everest Group can provide resources where and when needed – executive advisory services, full-program leadership, and analytical support and execution.
- **Change management** is often an effort that is taken too lightly during cloud migration. Everest Group will help develop and execute a plan for the IT organization and the business units affected.
- **Cloud sourcing** strategy involves identifying service providers that have the capabilities to support an organization's current and future needs. More importantly, Everest Group will help engage the service providers that will provide flexibility and not require a lock-in situation or an imbalance of power in a relationship.
- **Cloud Service Provider (CSP) management** requires an understanding of traditional service provider management and new concepts due to the dynamics of managing usage-based services with lower service level agreements. Everest Group helps enterprises establish service provider management programs that enable them to effectively orchestrate new, next generation IT environments.

Private Cloud Advisory Services

Large enterprises for which a private cloud solution offers the best option face a set of challenges similar to that of the public cloud service providers. Everest Group provides the following related services to help them design a delivery organization that meets the needs of their internal customers:

- **Service catalogs and charge back models** are critical as business units experience the flexibility that cloud technologies can offer. Everest Group helps IT organizations develop these service delivery management tools.
- **Demand management** involves effectively anticipating and forecasting business demand for internal cloud services and their impact on capacity requirements. Everest Group helps IT organizations effectively design and implement demand and capacity planning models required to support large scale, private cloud deployments.
- **Service effectiveness** involves ensuring necessary service delivery, enablement, and support processes are designed and implemented in support of internal cloud service provider models.

Governance and Organization

One of the most underestimated challenges that enterprises face during cloud migration is the required internal governance and organizations changes. Everest Group can help you overcome these with the following services:

- **New organization design** is required to help the organization be successful within the context of cloud-enabled, next generation IT environments. Everest Group can assist with defining needed activities and implementing the necessary changes in skill sets.
- **New governance models and policy frameworks design** allow key stakeholders to influence the direction of the strategy and execution. Everest Group can advise your leadership on how to build the necessary models and policies.
- **Innovation** and the ability of business users to experiment to leverage the flexibility and agility of cloud is a key benefit of next generation models. Everest Group can help you define the best approach that will enable and accelerate business-led innovation, while maintaining required IT governance and oversight.

Tap Everest Group's 20 years of experience

We understand that your cloud solution challenges are ultimately business issues. Let our knowledge of the services industry landscape help you with your complex problems. Use our strategic expertise to implement these new models to meet your organization's growing need for efficiency and flexibility.

About Everest Group

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and Management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories. For more information, please visit www.everestgrp.com and research.everestgrp.com.

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