



How to Talk to Your Board About the Cloud

5 Must-Haves for an Effective Cloud Strategy

Your organization is adopting the cloud in a big way. Beyond people using their favorite productivity apps, your enterprise leaders are using the cloud for critical business processes across virtually every function.

Whether you are the one enabling cloud services or users and lines-of-business are bringing them in, you are expected to have a handle on things. Your fellow executives, board of directors, and even your audit committee are starting to ask, “What’s our cloud strategy?” and “Is our cloud usage safe and compliant?” You need answers.

This paper will address the trends you need to know to help you talk to your organization’s leaders about the cloud, make the cloud a fundamental part of your organization’s growth, and articulate the components of your cloud strategy.

Key trends in the cloud

Today accounting for 23 percent of IT spend, cloud computing has accelerated because it allows people to get their jobs done more quickly, easily, and flexibly than traditional computing tools. Cloud apps – the most visible and adopted segment of cloud computing – have proliferated in enterprises and have now reached a tipping point. Total SaaS revenue is expected to grow to nearly \$100 billion by 2016. According to the Netskope Cloud Report, the average enterprise has 579 apps in use. Those include 60 marketing, 36 HR, and 29 finance/accounting, among other business-critical categories.

While you have ownership or responsibility for some cloud apps, people are now more than ever empowered to go outside of IT and deploy their own apps. This means they are procuring, paying for, managing, and using these apps without your involvement. Gartner predicts that by the end of the decade, more than 90 percent of technology spend will occur outside of IT. Believe it or not, this is a good thing for your business because it lets your users get their jobs done more efficiently. But it also means that there is no way for you to consistently manage and secure all of the cloud apps running across your organization, whether “shadow IT” or sanctioned, or to enforce the security or compliance controls that are so important for your business.



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The five must-haves of an effective enterprise cloud strategy

Regardless of which apps you're enabling and which are "shadow," you need a strategy. Unlike a plan, a strategy should articulate how you're going to create an advantage for your business, and the tools you're going to use to do it. The cloud can play an important role in your business, and you need to talk to your fellow executives and board about that strategy and get their buy-in and ongoing support. An effective cloud strategy will have five components:

- 1 Current state of affairs
- 2 Cloud's role in company success
- 3 Your cloud vision
- 4 Safe cloud enablement
- 5 Strategic roadmap and owners

Current state of affairs

For IT leaders who haven't done an assessment of cloud app usage in their environment, there's no scarier question than "How are we using the cloud?" To establish credibility, articulate current challenges, and gain buy-in for your vision and strategic plan, you need to provide your leadership an accurate assessment of the current state of affairs. This includes the number of cloud apps are in use in your environment, what they are used for, who uses them, their enterprise-readiness based on an objective yardstick, and your risk based on your usage of, and dependence on, them.

Cloud's role in company success

Before laying out your strategic plan, it is important to express the importance of the cloud to your business. Be sure to think broadly across multiple dimensions about the ways the cloud can impact your organization. This includes top-line growth, cost savings, and risk mitigation. Here are some suggestions based on Netskope customers' experiences to get you thinking:

- › Top-line growth. One of our customers in the biopharmaceutical industry uses the cloud to perform clinical trials for drug development. This enables them to be more thorough in their testing and reduces their time-to-market, thereby increasing their competitive advantage and revenue-generating window.

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- › Cost savings. One of our customers in the high-technology industry uses the cloud to take advantage of not just the latest tools, but the latest versions of those tools to innovate quickly. By using cloud apps, they don't have to go through the process of procuring, implementing, testing, and deploying software every time there's an upgrade. They simply take advantage of the latest features, saving them hard dollars, manpower, and the opportunity cost of time delays.
- › Risk mitigation. While at first blush, you may perceive the cloud as risky (and it is in many ways), the cloud can reduce some risk. With its lower barriers to entry and typical pay-as-you-go model, cloud services can reduce your dependence on a single vendor and put more control over the success of your projects in your hands. A media customer continuously tests the latest cloud-based marketing services in order to acquire customers at the lowest possible cost. Without the ability to rapidly test the efficacy of new services and move to the best tool for the job, the company would run the risk of being tied down to an antiquated technology and lose its competitive advantage.

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Your cloud vision

After you consider, prioritize, and quantify the ways the cloud can benefit your business, it's time to put together your vision. This should be a collaborative process with your line-of-business counterparts, resulting in a shared vision that you co-own. These peers will be your champions, and ultimately will have your back if and when you hit a bump in the road, so involve them early and form an alliance.

Your vision should align closely with your overall business strategy and contain quantifiable business results that you can track and report on over time. It should be staged, not accomplish too much all at once, and (over-) estimate the investment needed to get there. For all of its benefits, the cloud is not a silver bullet. You will still need to consider many of the costs, roadblocks, and setbacks associated with new software projects, such as purchasing decision-making, implementation time, lack of maturity of some offers, implementation technical snafus and bugs, IT and user training, and investment in controls for security and compliance. You will also need to consider how you will deal with the "shadow" part and whether you will try to onboard and migrate users to the best apps, let them be and monitor them, or control certain activities and protect data within them, or some combination thereof.

Safe cloud enablement

The three keys to ensuring safe cloud enablement include discovery, visibility, and granular control. We discuss discovery, or finding out how many cloud apps you have and how risky they are, in the first step, in which you assess your current state of affairs.

The second key, visibility, is about identifying and drilling down into risky usage of and/or sensitive data in the cloud apps in your environment, whether you manage those apps or not. You need to be able to answer risk, security, and compliance questions specific to your business. Some examples from Netskope customers include “Does any ‘confidential’ data reside in Google Drive, and if so, who has access to it?,” “Who’s sharing content outside of the company from any cloud storage app, and with whom?,” “Do we have any Payment Card Information residing in our cloud-based e-commerce or Customer Relationship Management apps?,” and “Are any of my non-U.S. users downloading personally-identifiable information from Human Resources apps?” In addition to answering these specific questions, our customers also ensure safe cloud enablement through constant monitoring, whether post-event analysis, specific events, or anomaly detection to understand things like excessive downloading or sharing from the cloud or logins from multiple locations, which can indicate security threats, out-of-compliance behaviors, and even the presence of malware.

The third key, granular control, is not about being heavy-handed. It’s about saying “yes” to cloud apps because you can be precise about your policies at the activity- and data-levels. After you understand which apps you have and what people are doing in those apps, you can decide which granular policies you want to enforce. That may include allowing cloud storage apps that meet a certain enterprise-readiness threshold, but blocking the upload of corporate content to all except for your sanctioned one. It may require anyone with the designation “insider” who’s sharing content outside of the company during your quiet period to provide a justification. And it may include a precise DLP policy to prevent your research team from accidentally uploading PHI to any cloud app.

The market segment that addresses safe cloud enablement, including discovery, visibility, and granular control, has a few different names and definitions. Gartner calls companies in this segment “Cloud Access Security Brokers,” and places the segment #1 on its top 10 list of security technologies for 2014. 451 Research calls the segment “Cloud App Control,” while IDC calls it “Cloud Gateways.”

Strategic roadmap and owners

Once you communicate your current state of affairs, strategic advantages of cloud to your business, vision, and how you’ll safely enable cloud apps, it’s time to put a stake in the ground. Create a roadmap with key milestones, timelines, and owners. Make your business counterparts key players in the strategy. They need to co-own it with you, not just in name, but also in shared goals and incentives, proper resourcing, regular meetings, and shared communications. Give those partners partial responsibility for presenting the plan to the executive team and board and for communicating its progress on an ongoing basis. And lavish those partners with praise when things go well so they link their own career success with the success of your project. If they win, the business wins, and you will have made it happen.

Summary

Your business is rapidly moving to the cloud in order to take advantage of all of the agility and productivity benefits the cloud brings. It’s time to get ahead of it. By talking to your executives and board about your cloud strategy, and by incorporating the five must-haves above, you will not only have an answer to their questions, but you’ll have a great one. And you and your business counterparts will embark on a successful and strategic cloud project that will benefit your company for years to come.