

Top 10 Things to Look for in a Managed Cloud Services Provider

An Executive Brief Sponsored by DXC Technology

As managed cloud services gain traction in the market, the number of providers that offer such services continues to grow. But not all managed cloud service providers are alike. For example:

- Some are cloud service providers that manage only their own public and private cloud infrastructure.
- Some are VARS or system integrators that are looking to capture a slice of the cloud market—but may have little experience in hosted cloud or applications.
- Some specialize in a single application or infrastructure type.

What are the most important criteria to look for in selecting a managed cloud service provider? To gain market insight, Frost & Sullivan surveyed 400 IT decision-makers that currently use managed cloud services, to understand what criteria they used in making their decision. Their top responses follow.

Criterion #1: Service parameters based on business outcomes (cited by 82% of IT decision-makers)

Your organization is unique, and so are your cloud needs. Different workloads call for different solutions, based on application-specific requirements for security, performance, availability, cost, data residency, and more. Be sure your managed service provider doesn't manage your cloud workloads according to some sort of generic "one-size-fits-all" parameters, but allows you to have visibility and input into key service parameters.

Criterion #2: Service Level Agreements (SLAs) that align with my business priorities (cited by 82%)

Many cloud and managed service providers limit their availability SLAs to infrastructure uptime; they do not take responsibility for application availability, which can be impacted by problems with software updates, problems with orchestration, and more. If your applications require always-on accessibility, find a service provider that is willing to work with you to configure your cloud service to meet your application's availability requirements—and that is willing to stand behind the assurances with an SLA.

Criterion #3: Security assurance (cited by 78%)

Security concerns remain one of the top constraints to using cloud for sensitive workloads, primarily because IT leaders feel they have little control or visibility into security surrounding cloud workloads. Be sure your managed cloud service provider has built security best-practices into its own infrastructure and processes; and also offers access to security experts that are able to help you assess and address vulnerabilities to your own workloads.

Criterion #4: Visibility into costs and performance (cited by 77%)

To today's organizations, out-tasking cloud service management does not mean abdicating responsibility. Organizations expect near-real-time visibility into how their cloud workloads are

operating; and the data is used by both IT and Line of Business managers to make strategic decisions about investments. Choose a managed cloud service provider with a sophisticated management platform that integrates with other management tools you use, and provides granular detail about infrastructure usage, costs, and performance of applications.

Criterion #5: Provider is responsible for backup and recovery of data (cited by 75%)

Regardless of where a workload is hosted or who is managing it, IT organizations are responsible for ensuring that both applications and associated databases are appropriately replicated, backed up, and recovered, as needed, in a secure and timely manner. Public sector organizations and some commercial enterprises are also responsible for complying with applicable data sovereignty regulations, for both primary and backup data. Be sure your managed cloud service provider is able to configure your cloud services to meet your needs for data sovereignty, as well as replication and recovery times.

Criterion #6: Easy to use management and reporting portal (cited by 76%)

In the digital era, IT decisions are no longer the sole domain of the CIO organization or technical employees; instead, line of business managers are wielding influence over how their applications are deployed and supported. To ensure that non-technical employees have access to the cost and performance data they need to do their jobs, be sure the technology platform used by your managed cloud service provider offers a rich array of data in a user-friendly interface.

Criterion #7: Compliance assurance (cited by 73%)

Data sovereignty laws, local and regional data privacy regulations, and evolving industry standards challenge every organization. This is especially true for public sector organizations, which are subject to strict laws regarding where and how personal data must be maintained. In a cloud environment, in which the customer may have little control over where and how data is hosted and transported, compliance can become a significant concern or even a liability. If your managed cloud provider is to be a true partner, make sure the provider has expertise in the regulations that your data is subject to, and will proactively work with you to be sure your data is compliant, even as the regulatory environment changes.

Criterion #8: Ability to customize services (cited by 73%)

The cloud services under management represent just a portion of your total hybrid IT environment. As your needs change and evolve, as new technologies come to market, and as your environment becomes increasingly interconnected via APIs, you will rely on your managed cloud service provider to work within the broader context, optimizing and integrating a range of workloads. Avoid a narrowly-focused provider; instead, look for a managed services partner with deep expertise in a broad array of products, services, and technologies. Such a provider can offer a technology-agnostic perspective, enabling you to optimize and integrate not just specific cloud services but also hybrid workloads that extend from the premises to the cloud.

Criterion #9: Provider encrypts all data (cited by 72%)

Concerns about data breaches are prevalent in both premises data centers and in the cloud. For organizations that maintain sensitive data—for example, personal medical records or financial or social security records—encryption is critical. Organizations expect the cloud center to provide at least the same level of encryption, if not greater, than they provide in their own data centers;

although, that is not always the case. Be sure you don't take a step backwards when it comes to data encryption in the cloud. Your managed cloud service provider should support your needs for encrypting data, both in transit to the cloud and at rest in the cloud.

Criterion #10: Longevity/stability of managed service provider (cited by 72%)

The market is flooded with providers offering to manage your cloud services—with new entrants every day. Attracted by the promise of recurring revenue and the low-barrier to entry (from providers that leverage readily-available cloud infrastructure services and management platforms), such providers have invested little, and may be gone tomorrow. And because many proprietary cloud platforms do not facilitate easy migration, your workloads and data may be locked-in with a provider that is gone before your contract ends.

While the cloud market is barely a decade old, the principles of a successful managed services offering—including tried-and-true methodologies to work with complex organizations; sophisticated, user-friendly technologies; experience with data center infrastructure; deep relationships with leading technology and application providers; a broad and integrated portfolio of adjacent managed and professional services—take much longer to build. For your managed cloud service partner, insist on a market leader with a long track record of success.

Not in the Top Ten: Low Price

Interestingly, cloud survey respondents placed “low price” at the bottom of the criteria for choosing a managed cloud service provider. That represents a change in thinking from several years ago, when “cost reduction” was a major driver for cloud decisions. Of course, every organization is looking to manage costs effectively. However, those who are using managed cloud services understand that many other features and considerations provide greater total value to the organization, and they rank those criteria higher on the list.

The Last Word

With the right managed cloud services partner at your side, you are well positioned to facilitate your organization's transition to a new, technology-enabled future. Your partner can ensure that your cloud services and infrastructure are run optimally, according to your priorities. That leaves your own team free to pursue strategic goals. But make sure you select a partner with the experience, flexible offerings, next-generation technology, and security and compliance expertise to properly manage your critical cloud workloads. As you implement your hybrid cloud strategy, the right managed cloud partner can make all the difference

Lynda Stadtmueller

Vice President – Cloud Services

Stratecast | Frost & Sullivan

lstadtmueller@stratecast.com

About Stratecast

Stratecast collaborates with our clients to reach smart business decisions in the rapidly evolving and hyper-competitive Information and Communications Technology markets. Leveraging a mix of action-oriented subscription research and customized consulting engagements, Stratecast delivers knowledge and perspective that is only attainable through years of real-world experience in an industry where customers are collaborators; today's partners are tomorrow's competitors; and agility and innovation are essential elements for success. Contact your Stratecast Account Executive to engage our experience to assist you in attaining your growth objectives.

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, works in collaboration with clients to leverage visionary innovation that addresses the global challenges and related growth opportunities that will make or break today's market participants. For more than 50 years, we have been developing growth strategies for the Global 1000, emerging businesses, the public sector and the investment community. Is your organization prepared for the next profound wave of industry convergence, disruptive technologies, increasing competitive intensity, Mega Trends, breakthrough best practices, changing customer dynamics and emerging economies? For more information about Frost & Sullivan's Growth Partnership Services, visit <http://www.frost.com>.

CONTACT US

For more information, visit www.stratecast.com, dial 877-463-7678, or email inquiries@stratecast.com.