# Multicloud — the future of cloud

Why organisations are moving towards multiple clouds

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The benefits for a company or organisation of moving to the cloud are well-known. From banks and other consumer-facing businesses looking to deliver a better customer experience, to utility companies aligning around the internet of things to improve operations in the cloud — the ability to innovate at pace and at scale is critical for success in today's business environment.

The recent global pandemic served as a timely push to the cloud for many businesses that were dawdling, and the trend will only continue to accelerate. In the past year, businesses witnessed how important it is for operations to be able to move quickly — from managing remote working environments to adopting QR codes across business segments and far more.

Of course, as with any new technology, we have seen a maturation in the industry both in terms of the choices available as well as in organisations' approaches to cloud. Businesses are no longer going all-in on one cloud provider; instead, they are opting to establish a footprint across clouds from multiple providers, also called multicloud.

## Motives for change: simplification and modernisation

There are a few reasons for moving to multicloud, but they essentially centre around two key trends: simplification and modernisation. Leveraging the capabilities of multiple cloud vendors to simplify and modernise can help organisations connect more creatively with customers and employees, without being locked into a single cloud hyperscaler.

B2B companies can optimise their supply chains by working with partners in their chosen cloud environments. In the financial services industry, regulation is also a key driver. The Australian Prudential Regulation Authority, for instance, now mandates that banks have multiple cloud providers, to hedge against unforeseen business continuity risks.

### Simplification

On the simplification side, we are seeing an exciting trend toward the democratisation of technology. Cloud has enabled the creation of tools that are available not only to the IT department, but across the business. For example, we see a real maturity for flow-code and no-code tooling and how it can help businesses take an idea, create a prototype and even launch into production in an almost completely self-service manner.

**3 main obstacles to multicloud**
- Analysis paralysis
- Cost of change
- Organisational capability/ limitations

**3 success factors for multicloud**
- Define clear economic benefits
- Acknowledge you're going to hit the hard stuff
- Realise the value as you go

Leveraging the capabilities of multiple cloud vendors to simplify and modernise can help organisations connect more creatively with customers and employees, without being locked into a single cloud hyperscaler.

Distributing this kind of capability throughout the business means we are likely to see many emerging technologies become available across an organisation, with faster adoption rates. CIOs are no longer obligated to make long-term, capital-intensive investments, as technological fluidity is becoming much more important.

## Modernisation

At the same time, modernisation is shifting the focus from cloud, or even multicloud, to what we call pervasive cloud — no longer cloud vs. no-cloud, but essentially "cloud everywhere."

When cloud started, it was primarily public cloud on a service provider's server. The cloud's value has now moved to a full-stack approach in how a company orchestrates its technology.

Cloud technology is emerging at the edge, and cloud infrastructure is deployed at telecommunications exchanges, which gets the cloud closer to end customers. We're also seeing cloud deployed on premises. The definition of "public cloud" is expanding to include a wider range of "cloud technologies," and these technologies are going to be everywhere.

# The CIO's new role

These two trends — simplification and modernisation — have a direct impact on the role of the CIO, moving forward. Historically, CIOs have been primarily focused on infrastructure and "keeping the lights on." Now, the utility of those core underlying components is driving the CIO to focus on innovation.

Technology was previously seen as an enabler, but we've moved past that — technology is now a key driver of the business. CIOs need to focus more on the applications stack and developer tooling than they did in the past. The faster they can stop worrying about the plumbing and move up the stack, the better it will be for them and the organisation in the long run.

We've all heard the phrase, "Every business has to become a technology business." Typically, it referred to enhancing the customer experience. Now we're also seeing technology opportunities for businesses on the B2B side, through supply chain optimisation in the cloud. Thanks to cloud technologies, companies are now partnering and sharing best practices, and this ability to share data more freely and securely will drive real efficiencies.

For businesses looking to increase efficiency, supply chain optimisation is critical, especially in the retail industry. We're seeing some good examples of larger chains and department stores starting to ship online fulfillment from their retail stores, to increase efficiency. Having a cloud environment certainly helps with this, but multicloud is where you gain a real strategic advantage — the world is a multicloud place, so you need to have those capabilities in your organisation.

Multicloud gives organisations the ability to choose the right fit and avoid vendor lock-in, while delivering a secure network architecture and greater business benefits.

In addition to optimising the supply chain, we are also seeing businesses finding new lines of revenue by moving toward the as-a-service model in the cloud. Software as a service (SaaS) has been around for a long time, and now businesses are increasingly seeing new cloud-based opportunities emerge outside the software industry.

## Obstacles and success factors

### 3 main obstacles

CIOs looking to take advantage of multicloud and other technologies need to overcome three main obstacles:

- **Analysis paralysis.** Technology is changing at a rapid pace, and there is no real choice but to embrace it. We often see organisations miss opportunities to drive growth or efficiency because they are paralysed by trying to make the perfect technical decision. CIOs that adopt an agile mindset will be able to capitalise on opportunities, as the reality is that the technology is likely to change again, and soon.

- **Cost of change.** Organisations need to find innovative ways to reduce the cost of change. At the heart of any CIO's problems is a multitude of stranded assets, licenses and technologies that are holding them back.

- **Organisational capability.** We see way too many cloud journeys start enthusiastically, with a big bang and a lot of momentum, and then slow down when things become challenging. CIOs need to be prepared for the inevitable bumps in the journey and need to identify strategies to deal with challenges and keep projects from stalling.

### 3 key success factors

CIOs looking to lead the business on a successful multicloud journey should also consider three key success factors:

- **Define clear economic benefits.** Organisations tend to start with a solid business case, but once they get into the migration, they become overenthusiastic about all the potential new capabilities and can get thrown off track. To prevent costs from spiralling out of control, ensure that you have a strong governance framework.

- **Acknowledge you're going to hit the hard stuff.** You will hit the consequences of technical debt — prioritising speed over quality code, somewhere in the past — so you need to be prepared for what you will do when that happens. Don't try to reinvent the wheel. Instead, look to follow established blueprints of successful migrations.

- **Realise the value as you go.** Cloud is a journey, not a destination, and it is only one element in the transformation story. You must constantly re-evaluate and measure success.

# Multicloud and competitive differentiation

The "new normal" for business will be workloads in multiple locations and different combinations of cloud. Multicloud gives organisations the ability to choose the right fit and avoid vendor lock-in, while delivering a secure network architecture and greater business benefits.

CIOs looking to drive their organisation toward success with multicloud need to map out their workload requirements and select partners that will help them achieve their strategic goals — while providing the flexibility to adopt new technologies and operating models as the business environment changes.

All of these factors are key to successful transformation and competitive differentiation.

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**About the author**

Matt Cudworth is regional cloud practice leader for DXC Technology in Australia and New Zealand, with expertise across the implementation and use of hybrid cloud and multicloud, public cloud and cloud platforms for innovation and growth. Matt has also served as CTO of six diverse companies — including enterprise, start-up and system integrators.

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