



A Whitepaper for Corporate Decision- Makers

Ensuring Business Success in the Cloud: Selecting the Right Provider to Optimize Application Performance

An Independent Analysis Published on Behalf of PTC.

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Executive Overview

Businesses of all sizes across nearly every industry are racing to adopt new strategies and solutions to achieve corporate objectives in the face of unprecedented market and competitive pressures.

In this context, moving business applications and processes to the cloud has become an increasingly common approach to lower costs and address changing business requirements.

Although there are numerous cloud services providers available, many organizations struggle to select the right partner and to procure, deploy, and administer the right cloud services to meet their application management needs.

To improve their chances of success, THINKstrategies has seen many business and IT decision-makers gravitate toward cloud services organizations that can provide not only the infrastructure functionality they need, but also a full lifecycle of application management services.

This more integrated approach to cloud services can enable organizations to achieve greater application reliability, security, and performance to satisfy their escalating business needs.

This white paper will explore the forces driving cloud services growth, outline the challenges organizations face in selecting the right outside provider, and provide a list of specific questions to ask providers to help assess the best way to meet all of your cloud-based requirements and achieve your corporate objectives.

Forces Driving Cloud Services Growth

THINKstrategies believes that four macro-market forces are fueling the migration of business processes and enterprise applications to the cloud:

- Continued economic and political uncertainty is forcing corporate executives to reduce the cost of ongoing operations and seek a more agile operating model. This has led many corporate decision-makers to adopt cloud-based services that allow them to shift spending from CapEx to OpEx.
- Rising competition and declining customer loyalty are driving businesses to become more responsive to rapidly changing market forces. These forces are driving businesses to adopt cloud-based services that help them react more quickly to customers' shifting needs and competitive responses.
- Changing workplace dynamics are resulting in more employees working outside the traditional, centralized office. Today's mobile workers rely on remote access to corporate resources that they might need to share with others. These trends are driving organizations to adopt cloud-based services that support and encourage greater collaboration across more dispersed workforces.
- More tech-savvy workers lead to demands for more responsive and easy-to-use applications. This is driving organizations to adopt cloud-based business services that mimic the user-experience of today's consumer apps, making them easier to use and share.

Taken together, these forces have created a massive business rush to the cloud as organizations of all sizes seek to reap the following benefits:

1. Accelerated deployment of application functionality without significant upfront capital investment and staff resources
2. Greater agility and the ability to obtain the latest software versions more quickly in response to rapidly changing market forces and business requirements
3. More accessible business applications that can be utilized to their full potential more easily by an increasingly dispersed and mobile workforce.
4. Shared software resources that encourage greater collaboration and permit better security and control across the enterprise.

As a result of these tangible benefits, nearly every industry survey and market forecast shows IT and corporate decision-makers becoming increasingly comfortable about the idea of moving their business applications to the cloud.

Challenges Moving Business Applications to the Cloud

Despite the clear benefits that can be derived from today's cloud services, many organizations lack the in-house expertise and experience to move their business applications to the cloud successfully. In fact, a recent survey conducted by THINKstrategies and INetU shows that 43% of the organizations surveyed had stalled or failed implementations.

In order to migrate a business application to the cloud successfully, companies need to align the full lifecycle of software development, deployment, support and optimization processes and skills

Although many public cloud services promise that applications can be deployed quickly and easily, configuring them to fit within an organization's existing systems, software, and business processes is a more complicated task. Compounding the integration challenge is the need to protect against threats to application and data security. Further, public cloud service providers often lack the specialized skills to deal with the particular application management requirements of individual software solutions.

As such, organizations can't expect to "set it and forget it" when it comes to deploying software in the cloud and ensuring optimal application performance.

The challenge is compounded by the proliferation of cloud players which is making it increasingly difficult to evaluate and select the right provider. THINKstrategies refers to this phenomenon as the 'Cloud Rush' effect.

Today's cloud players include hosting companies, systems integrators, technology vendors, managed service providers (MSPs), and independent software vendors (ISVs). They each have specific strengths and weaknesses, but the reality is that most lack the specialized skills and hands-on experience to address the specific application management needs of a particular business solution. For example:

- Hosting companies are proficient at providing application connectivity and storage, but often are much less knowledgeable about the unique needs of specific applications.
- Systems integrators typically understand how to weave together various data sources but are less expert in application connectivity issues.
- ISVs and technology companies usually know their software and systems better than anyone else, but are not always organized to deliver application

management services or have little experience ensuring the availability, performance, and security of their own applications in the cloud.

Choosing the Right Cloud Services Provider

The challenges that businesses commonly face that many organizations require a higher level of assistance deploying or migrating business applications to the cloud suggest that they require significant ongoing support in order to gain full value for their investments.

The view of THINKstrategies is that ISVs are in an especially advantageous position to offer the right mix of specialized skills and application management capabilities to best assist their corporate customers with the full lifecycle of support required to maximize the value of their cloud-based solutions.

However, it is critical that the ISV have the capabilities, experience, and ongoing commitment to providing full service application management in the cloud.

In particular, the experienced ISV cloud services provider has three important advantages:

- No one knows how to manage a specific application better than the software vendor that developed the solution. The vendor best understands the particular data center infrastructure required to ensure the availability and performance of their applications, especially as needs change over time. Their staff knows how to properly configure the applications, right-size the necessary servers, and maintain and update the software to optimize performance.
- The software vendor is also incented to invest in leading edge application management and reporting systems to support proactive application monitoring and tuning to ensure end user satisfaction. They also have the application-specific skills and experience to make sure the latest software updates and security patches are implemented to safeguard the user's applications.
- The software vendor's cloud services group is almost by definition more tightly integrated to the company's technical support, R&D and product management organizations than any outside provider, which makes it easier not only to meet their customer's immediate needs, but to support ongoing issue resolution and continuous application improvement to satisfy the user's evolving requirements over the long haul.

Key Questions to Make the Right Choice in the Cloud

Although the ISV with experience cloud services is often the best choice, business and IT decision makers should ask any potential provider the following questions when selecting a cloud services partner:

1. Does the provider have the staff with the right skills and experience to migrate our specific business application(s) to the cloud?
2. Does it have the monitoring and reporting systems in place to ensure the applications are performing at an optimal level?
3. Can these systems perform important application management tasks, like software updates, on a continuous basis?
4. Can the provider keep pace with today's escalating security challenges?

5. Is the provider properly positioned and equipped to take advantage of the latest software innovations?

While many cloud services providers can boast about the cost-savings associated with their services, far fewer can demonstrate the specialized skills and experience to improve the performance, availability and security of critical business applications. Therefore, it is imperative that IT and corporate decision-makers carefully assess the credentials of the providers they're considering.

Summary and Conclusions

A combination of unprecedented challenges is driving organizations of all sizes to leverage an array of cloud-based services to streamline their operations and capitalize on more powerful on-demand resources to support their changing workplace and market requirements.

Although many of today's cloud services providers promise that they can deploy critical business applications easily, few organizations have the expertise and experience to provide the right cloud application management skills and services to meet their specific business needs.

Therefore, THINKstrategies recommends that IT and corporate decision-makers work with 'best-of-breed' ISVs that have a successful track record of hosting their applications in the cloud and providing the full lifecycle of application management services to ensure long-term performance and success.

This independent analysis was published on behalf of PTC.

About PTC

PTC delivers technology solutions that transform the way manufacturers create, operate, and service products. Founded in 1985, PTC employs 6,000 professionals serving 28,000 businesses worldwide.

PTC Cloud Services helps business and IT leaders rest easy with the knowledge that solution performance is assured by the most experienced PTC software and IT administrators on the planet. With PTC Cloud Services, dedicated application specialists ensure rapid deployment, secure hosting in a private cloud-based environment, and 24/7 application management for peak performance, end user satisfaction, and maximum business flexibility and value.

Learn more at www.ptc.com/services/cloud

About THINKstrategies, Inc.

THINKstrategies is the only strategic consulting services company formed specifically to help our clients better understand and capitalize on the business implications of the transformation of the technology industry from a product-centric to a services-driven business model. The company's mission is to help our clients re-THINK their corporate strategies, and refocus their limited resources to achieve their business objectives.

THINKstrategies has also founded the Cloud Computing Showplace (www.cloudshowplace.com), an easy-to-use, online directory and resource center of SaaS, PaaS and IaaS solutions worldwide, organized into over 90 Application, Industry, Service and Enabling Technology categories. The Showplace also includes information and insights regarding industry best practices.

THINKstrategies also hosts the Cloud Innovators Summits (www.cloudsummits.com), executive forums focused on key business opportunities and challenges created by the Cloud, including the Cloud Channel Summit, Cloud Analytics Summit and Connected Cloud Summit.

For more information regarding our unique services, visit www.thinkstrategies.com, or contact us at info@thinkstrategies.com.