



JOBST ELSTER
Head of Content & Legal Market
Strategy, InsideLegal

Going Cloud First: Tomorrow's Vision or Today's Reality?

As more and more applications move to the cloud, a cloud-first strategy becomes an increasingly realistic enterprise option. And, as mentioned in previous columns, this is even starting to become a legitimate trend in the legal market. So what is this cloud-first strategy about, and what is its role in the legal cloud market?

“

Understanding the strategic business and financial drivers for a given initiative is key to defining the appropriate sourcing model.”

Cloud-first is a fairly self-explanatory business strategy built around the original goal of reducing IT costs by leveraging the benefits of using shared infrastructure and paying only for resources consumed. However, the business case for using cloud services is evolving from the initial focus on cost justification to a growing recognition of the dramatic role that the cloud can play in supporting the transformation to more agile, innovative business models.

IT industry analyst Gartner offers a pretty comprehensive checklist to help businesses identify what requirements they need to consider and how to set the framework for a successful strategy. Here are some of the key evaluation factors they recommend.

Business Outcomes and Financials: Understanding the strategic business and financial drivers for a given initiative is key to defining the appropriate sourcing model. Initiatives ought to align to an organization's overarching strategic goals and associated IT guidelines.

Applications Suitability: A robust inventory of the existing application portfolio should be established to determine potential constraints and establish the right deployment models. Also consider what it will take to integrate various applications and what might be involved in getting existing apps cloud-ready.

Operational Impact: Moving applications, information and workloads to the cloud also warrants a relook at the operational and business processes. Given that the management

model for cloud-based services introduces new tools and capabilities, it becomes essential to revisit and optimize the existing model. Moving to the cloud requires much more than changing the storage location.

Skills and Capabilities: Certain skills and capabilities, as well as the ability to hire, build or enhance those skills within the existing organization, are often required by cloud-first initiatives or across external partners, and these are important considerations for sourcing. Going to the cloud and offsetting internal cloud expertise might provide firms with an opportunity to level the playing field versus better-resourced competitors.



Agility: One of the biggest organizational drivers to shift to cloud is to unlock greater agility and improve the velocity of innovation. It is essential to evaluate how the cloud service to be sourced balances freedom and control, enables flexibility and access, and can be seamlessly integrated into the existing operational model.

Security: Security risks posed by the location and type of data must be assessed by considering how access to the data and

identities (i.e., users, connected devices) will be controlled and protected. This is particularly sensitive and critical within the legal environment and has for many years been the top reason firms are late to the cloud game. However, within the last two to three years, legal IT leaders are increasingly recognizing the security value that reputable native cloud providers can bring to the table. Based on how they operate and secure their own systems, cloud providers are in the best position to serve firms with heightened cloud security measures largely unmatched by internal processes and protocols.

Data Sovereignty: One point of hesitation in the adoption of cloud for firms with data outside of the United States has been the lack of local cloud data centers. Similar concerns in Canada, EMEA and Asia-Pacific are also being addressed, as mainstream cloud providers — including Microsoft (Azure) and Amazon (AWS) — continue to expand their geographical locations.

If you're wondering who is adopting a cloud-first strategy and excelling, look no further than Microsoft. The software giant's Q3 fiscal 2017 earnings are rosier than ever thanks to its cloud solutions. Microsoft now has 26.2 million Office 365 cloud consumer subscribers, while server products and cloud services revenue increased 15 percent. Azure cloud infrastructure revenue itself grew by 93 percent. And there's no plateau in sight, with the cloud-first arms race between Amazon, Google and Microsoft only beginning to heat up.

At the end of the day, the decision to go cloud first is not just a location choice, but a transformative process that will affect all aspects of the firm's operations and infrastructure. While it is not a simple fix or easy upgrade, the staggering rate of cloud-first adoption should encourage, not discourage. ■

ABOUT THE AUTHOR

Jobst Elster is InsideLegal's Head of Content and Legal Market Strategy. He has served as a legal market strategist for the last 17 years, advising companies entering the legal market, involved in mergers and acquisitions, and expanding strategic operations overseas. Elster regularly writes and speaks on legal technology, market research and leveraging market data, technology innovations and futures, legal marketing and big data.



elster@InsideLegal.com



twitter.com/insidelegal