

# Is it worth it? The pains and gains of cloud migration.

The long-term benefits weighed  
against the short-term challenges.

White Paper by



**Businesses of all sizes and across all industries are on the move to the cloud. While small and mid-sized companies can make the cloud transition quite quickly and easily, for enterprises with a rapid proliferation of workloads, the process is much more complex.**

**Cloud technologies change the way businesses consume resources, allowing them to act instantly on market opportunities by providing the means to do so at the right time. Nevertheless, behind all the merits of the cloud, there are also some pitfalls and risks companies need to anticipate on their way to the cloud.**

## Pain Points of Cloud Migration

### Calculating TCO

Many organizations are moving to the cloud to reduce costs. Primarily, they want to avoid the investments and hurdles of maintaining hardware and software at their own data centers. However, to accurately estimate their savings, they need to know the total cost of ownership (TCO) of their on-premises environment.

“The TCO goes far beyond comparing the initial investment in the infrastructure to the recurring price of a cloud IaaS (Infrastructure as a Service). With a variety of factors to evaluate, it is easy to overlook some significant costs. TCO calculations often fail to capture costs such as hardware lifetime, electrical consumption or IT staff training and turnover,” explains Remy Vandepoel, Technical Cloud Evangelist at OVHcloud.

### Building the Business Case

Of course, cloud migration is not just about cost savings. It's about gaining new capabilities from the scalability, flexibility and geo-redundancy offered by cloud-based infrastructure. Determining business advantages and setting the company's goals are crucial for successful cloud migration. For one company, accelerating IT agility may be the major benefit, while for another, it may be improving collaboration between remote teams. Every company needs to define its own set of valid reasons for the cloud transition.

## Change Management Processes

Like any major change, migration to the cloud may have broad implications on various levels, from the application architecture to essential business processes to end-user cloud adoption. A cloud transition should therefore be managed at all levels.

People tend to resist the unfamiliar, even those who say they are in favor of the change. Reshaping the IT ecosystem and shifting to the cloud can cause uncertainty and confusion, which can impact productivity. Coupled with poor communication and a lack of change management processes, this can easily derail the cloud migration process.

## Legacy Applications

Legacy systems are often the reason why organizations delay their cloud transition. Custom-built, siloed applications are the backbone of many enterprises and can't be rehosted easily. Companies may choose to replace or refactor legacy applications.

Refactoring means a complete makeover of the source code, which is a time- and resource-consuming process. On the other hand, replacing software will be disruptive to business operations. In the end, organizations are left wondering: Is it worth it?

## Benefits of Moving to the Cloud

### Shifting Costs

No doubt, cloud adoption is a way to optimize IT costs. These technologies change how businesses spend their money on IT. For example, the capital expenses of purchasing infrastructure would shift to recurring operational costs of cloud resources. Additionally, a hosted cloud solution frees businesses from certain operational costs related to vendor contracts, warranties and regular maintenance.

### Agility Boost

To shake up the market and get ahead of the competition, enterprises need agile IT departments delivering scalable and on-demand resources. Cloud computing, with pay-as-you-go billing and dynamic provisioning, helps companies to develop, test and market new products faster than ever. In highly competitive digital markets, migration to the cloud is no longer just a means to save time and money but also an important factor in ramping up revenue.

## Compliance Needs

For industries like finance and healthcare, ensuring regulatory compliance is essential for business operations. In the past, security issues and lack of compliance were often deal-breakers for those industries. As cloud services mature, more enterprises are moving to hosted private clouds with their critical data, shifting some of the responsibility for compliance to security-conscious providers.

PCI DSS standards list more than 300 controls and security features that must be set up to process card numbers securely. To simplify a long and costly process of getting certified on the entire IT system, companies choose hosted private cloud to store and process their payment and customer data on a reliable and compliant infrastructure.

“OVHcloud, as a hyperscale cloud service provider, holds responsibility for infrastructure security and compliance in this area, removing some of the burdens from enterprise IT teams,” says Julien Levrard, Compliance and Security Manager at OVHcloud.

## Improved Collaboration

With the increase in the number of remote employees, businesses stress the need for efficient teamwork and communication. Companies that operate on the cloud can provide staff with the necessary tools to share files and update workflows in real-time, enabling employees to view the progress of their team members. Fostering close-knit teams virtually can speed up projects and improve job satisfaction.

## Short-Term Pain, Long-Term Gain

Although the migration process can be fraught with challenges and pain points, in the long term, transitioning to the cloud brings about significant benefits for organizations, from cost-efficiency to productivity improvements and the fostering of closer collaboration.

Moving an on-premises infrastructure to the cloud is a big decision. It requires a solid plan to address all the challenges, including those often overlooked, such as end-user cloud adoption. IT managers must remain focused on the long-term gains and partner with a cloud computing provider that will help to overcome any obstacles that may arise.

OVHcloud US is a subsidiary of OVHcloud, a global player and Europe's leading cloud provider operating more than 400,000 servers within 43 data centers across four continents. For over 20 years, the company has relied on an integrated model that provides complete control of its value chain, from the design of its servers to the construction and management of its data centers, including the orchestration of its fiber-optic network. This unique approach allows it to independently cover all the uses of its 1.6 million customers in more than 140 countries. OVHcloud now offers latest generation solutions combining performance, price predictability, and total sovereignty over their data to support their growth in complete freedom.



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