Cloud-powered businesses:
How CIOs can shine in the boardroom

By allowing businesses to become more flexible, agile and responsive,
cloud presents a new opportunity for CIOs to enable value-adding innovation

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There's a growing recognition in all quarters that businesses everywhere need to become more agile, innovative and responsive if they are to succeed in an increasingly competitive global market. Not only that, but they have to do so in an era of rigid cost containment where budgets are being squeezed across the board.

Against this background, CIOs today have an opportunity to improve the fortunes of their businesses in a way that will boost both their job satisfaction and their standing in the organisation. The key to unlocking this opportunity, we believe, is cloud computing.

Whilst most organisations already have half a dozen or so cloud-based systems, these are often used by the IT department for activities like application development, testing and validation. But an increasing number of CIOs today are proving it is possible to go way beyond this and

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host many different business applications using cloud infrastructure – from simple websites and email systems to a widening range of business applications.

They have gained the promised benefits of reduced costs, increased market responsiveness, low-risk innovation and unprecedented flexibility – without compromising compliance, data security or reliability. By doing so, they are paving the way for their organisations to take advantage of what will be an even more compelling cloud-based future.

One of the drivers that has taken the market beyond the "early adopter" stage we were all talking about 18 months ago has been the cost-cutting imperative. It's not hard to obtain CFO approval for cloud projects that bring down the cost of commodity systems and services. It's now common for CIOs to use cloud infrastructure for websites, and there is also increasing willingness to migrate systems like email, CRM and sales. Even finance and accounting – which not long ago were considered to be off limits – have been pushed into the cloud to some extent by more than a third of organisations.

Fujitsu itself is travelling down this route. Having first evaluated each business service and system against a set of cloud applicability measures, we developed a cloud roadmap for each service. Fujitsu's trusted Infrastructure-as-a-Service is progressively being used to host business applications, alongside third-party clouds for expenses processing and a CRM application for the entire salesforce.

Leave your competitors behind
All this is good for bringing down costs, but we believe the most interesting opportunities arise when you start to think about how the cloud can help you add value to your business, by bringing innovations to market faster and improving agility to steal a march on your competitors. That's where the more cloud-savvy organisations are focusing now.

IT departments are continually approached by business colleagues trying to develop something new or more effective – either to improve business efficiency or bring a new product, service or campaign to market. For example, a marketing team might come up with an innovative

website idea. Or they may have a new campaign and need a website to be able to handle a potential deluge of enquiries – and they want it next week. In the past that would have required spare capacity readily on hand and available to take up the workload. Now, with trusted cloud infrastructure, such capacity can be called up in hours, and turned off again just as quickly, as required.

Cloud means that IT departments can say yes more often without carrying a constant cost of spare capacity. IT does not have to slow down new initiatives: it can be as responsive as any modern business and can enhance its reputation as the enabler of business efficiency and effectiveness. With some careful preparation and supplier vetting to secure a source of trusted cloud services, the next time a new business idea emerges from your team or from business operations, you will be able to take the brakes off innovation with a flexible on-demand infrastructure.

This ability to set up systems quickly and safely, as the business demands and in tight timescales, is one major benefit of trusted cloud services. For example, one well-known car manufacturer's marketing events are run at unpredictable times throughout the year. Its CIO now

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uses cloud infrastructure to support such initiatives and is able to stand up a full business service, with people, process and systems behind it, for the duration of each campaign.

Justifying investment in new growth areas or innovative systems has always been difficult as organisations cannot be sure of the level of demand that will result from the business initiative. Such uncertainty makes business cases harder to build and, as a result, many potentially lucrative ideas have remained just that –

ideas – because the financial benefits cannot be fully quantified in advance. We believe the cloud changes that equation.

Removing constraints on innovation

If you use cloud services, it's easier to justify innovative projects to the CFO and the board, because the business will only pay for what is used. There's no need to have accurate predictions that, for example, a new website will receive 10,000 hits between 10am and 12pm on its first morning, in order to justify the capital investment – as that investment is not required. Instead, expenditure tracks business usage, eliminating the need to estimate demand and investment risk, while opening opportunities for growth.

Removing the need to estimate IT capacity months in advance is liberating, not just for the IT department but for the business as a whole. As a result, it's possible to eliminate the associated over-provisioning for less successful initiatives and, equally, eliminate under-provisioning for highly successful ventures. Using trusted clouds to host applications for business innovations makes sense now that there are business-ready clouds designed to host business systems.

Using the cloud for business innovation is, we think, not only exciting, but a model that empowers the CIO to add value to his or her business as never before. The cloud effectively removes many of the constraints that previously hampered innovative business investment. Many organisations are already taking advantage of these new-found freedoms. And now, we believe, it's time for CIOs everywhere to have their chance to shine in the boardroom, enabling business initiatives with Fujitsu's trusted cloud service.

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