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# BT and Cloud

## Planning two steps ahead

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### **In a nutshell:**

While the cloud computing market is in its infancy at the moment, if or when it does take off, organisations will find themselves with some significant challenges. A recent discussion with John Gillam, a Programme Director in BT's IT Services Team, provided insights into how BT is intending to help.

### **Key points:**

- If cloud computing activity ramps up in Enterprise space, the number of services consumed and service provider relationships to be managed will proliferate very rapidly
  - Assuring service levels to the business when systems become dependent on resources and functionality from many sources, both in house and external, will be a challenge
  - Through an ambitious plan, exploiting SOA based monitoring and management capability, BT is readying a brokerage and management service to tackle some of the issues many suppliers are currently avoiding
  - With the aim of providing end-to-end service level agreements, from third party back-end resources to the desktop, however, delivering on the promise won't be easy.
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Lots of people are talking about cloud computing, and while we still have some issues with definitions in this space, there is no getting away from the fact that we will increasingly be presented with the option of consuming IT resources and/or application functionality as a service over time. As of today, however, with a few exceptions, mainstream businesses are doing little more than listening with interest and perhaps kicking the tyres in this space. The stage we are at now is very much the early market in which customers (or potential customers) are gaining experience, familiarity and, if appropriate, confidence to do more.

The next step, and we would hesitate to put a timescale on this, is towards more serious adoption of cloud technology and services in the mainstream. By this, we mean moving beyond experimental or exceptional use to exploitation of what's on offer to solve everyday needs. As organisations move into this stage, they will probably be focusing on specific, discrete requirements, with a relatively well bounded scope of activity that is easy to get their arms around from an implementation and operations perspective.

At some point, assuming that cloud offerings actually deliver on the promises we are hearing, we step over the line into the next stage, which is one of broader adoption across various operational domains and application areas. If organisations get to this point through 'natural' organic growth in the use of cloud offerings without proper planning and process, they are likely to end up in a fragmented and risky mess. Why? Because coordinating operations, service levels, support and maintenance across in house systems, many cloud services, and many service providers is going to

be complex and challenging. In specific terms, there will be physical integration level dependencies, commercial and contract level dependencies, and the interesting question of who is responsible and accountable for what when things go wrong or need changing.

And this situation, which is essentially two steps on from where we are at the moment in terms of adoption activity, is what BT is preparing for as it thinks about the role it will play in relation to cloud. While still work in progress, BT is putting together an SOA based operational architecture that is designed to tackle many of the performance monitoring and management complexities that larger organisations are destined to face. This architecture will be used as the foundation for a hosted/managed service offering aimed primarily at controlling the way in which internal and external resources are mixed, often dynamically, to meet business requirements.

The componentry required to enable this includes a collection of monitoring and management software, some owned by BT, some licensed from others, coupled with a range of business service management (BSM) related best practices for defining appropriate metrics, service level agreements (SLAs) and operational processes. In implementation terms, the 'control layer' of the architecture then lives in a BT hosted cloud, and incoming third party service streams or resourcing requests (e.g. for compute power or storage capacity) are then routed through it and/or managed by it. With the right kind of tentacles reaching into the organisation itself, the plan is then for BT to be able to offer end to end SLAs for applications supporting key business processes, from the back end resources, wherever they might reside, right through to the desktop.

Zooming out to look at where BT fits within the overall cloud landscape, the basic proposition is not to compete with cloud services offered by Amazon, Microsoft, IBM, Google or more specialist players such as Salesforce.com. It is more to help with the management of how such services are exploited in a safe and efficient manner to meet the performance, functional and commercial requirements of the organisation, from initial due diligence on candidate services (the importance and challenge of which should not be underestimated) through to ongoing operation. As part of the mechanics, BT is anticipating that it will act as a commercial intermediary for third party providers in many cases, and there is even the possibility to include aggregated chargeback accounting in the equation.

Now this kind of managed service is not the only way to deal with the complexities that will arise as cloud based activity is scaled up and out. Players like IBM, HP, Microsoft, Oracle and CA are beavering away on the tools that will allow you to take care of things yourself.

We suspect, however, that if BT can pull off its ambitious plans in this area, there will be two types of opportunity for it. The first is with forward thinking organisations that are smart enough to see where things are headed, have an affinity for outsourcing, and decide to proactively appoint someone like BT as a broker, aggregator and managed service provider.

The second opportunity is with those who get themselves into a mess trying to manage the complexities without the right tools and processes and need bailing out – i.e. someone to take the problem off their hands. This may not be very glamorous, but it's a situation that BT is very used to dealing with in the network management domain, so it's in its comfort zone here in terms of proposition, business model, due diligence and so on.

The thing we really liked about BT's plans was its forethought in thinking a couple of steps ahead of where the market is at the moment, rather than jumping on the cloud bandwagon and working up a bunch of 'me too' offerings that it could undoubtedly do if it wanted to. The challenge, however, is going to be scoping the proposition in such a way that it is both sellable and buyable. The problem of taking responsibility for end-to-end performance that is dependent on a mix of in-house, BT and third party resources is not a trivial one, and if there are too many exclusions and safeguards from a BT liability perspective the service will lose its appeal. There will also be the question of whether BT is able to muster teams with the necessary industry knowledge and business process expertise required to take care of the process orchestration needs that are going to be an integral part of the mix. Initial target industries and domains are already being considered, however, so this angle will hopefully be covered by the time BT comes to market.

Perhaps as importantly at this stage, no one really knows how cloud related activity is going to evolve, and with a service offering that is still currently at the proof of concept stage and probably

won't come into its own for another couple of years, there's a lot that could happen to undermine it – not least the emergence of competitive offerings from traditional hosting companies.

That said, BT is one of the few players out there that is considering the implications of the cloud market really taking off, acknowledging the complexity and reality that so many are avoiding at the moment. For that reason alone, it could be a good supplier to bounce ideas around with as you firm up your views and plans around cloud – even if they are still in their infancy.

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