Challenging the cloud revolution
Beyond the disruptive illusion

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Some niche and emerging enterprise IT suppliers, such as Salesforce.com, Google and Amazon, would have us believe that we are in the midst of a revolution. At the centre of this is the notion of 'cloud computing', a new way of delivering IT services that means we no longer have to worry about buying, implementing and operating all of that inconvenient stuff like hardware and software. As we look forward, so the positioning goes, organisations will simply be renting everything they need in terms of server capacity, storage and business functionality from service providers as they need it. Enterprise data centres will be a thing of the past and no-one will need to spend money on in-house development, operational and support resources.

The press and pundits have lapped this up big time. Journalists have written stories about disruption of the status quo, while consultants and analysts have stepped up with services to help customers deal with this new 'imperative'. Everyone likes a good revolution; it's good for coverage and good for stimulating new sales opportunities.

But how realistic is the vision and how much of a revolution do cloud computing concepts represent anyway?

Amidst the frenzy of media and marketing activity, it is interesting to look at how the more established enterprise IT incumbents, such as IBM, HP, Microsoft and Oracle, have responded. In the beginning, we saw some quite defensive behaviour from this camp, with an element of 'we can do that too' in reference to some of the ideas being proposed by pure-play providers. More considered responses then followed as the bigger players worked out how different aspects of the cloud 'nirvana' would be relevant to their customers in the real world, given the investments and relationships that were already in place.

As an example, IBM picked up on enabling architecture, and initially put the emphasis on cloud computing as means of optimising the way in which enterprise data centres were designed and operated. Microsoft, with its focus on enterprise software, then pointed out that moving everything into 'the cloud' was neither realistic nor desirable. It put the emphasis on blending internal capability with external services, coining the phrase 'Software plus Services' (S+S) to describe this notion.

While such alternative positioning was met by scepticism from the purists, much of it actually resonated much better with real customers than the more disruptive rhetoric from the 'everything belongs in the cloud' brigade. As time has gone by, a more mature view is therefore emerging that cloud computing is really just an umbrella term that pulls together the threads of a series of

developments that have been accumulating for long time. As such, it is not a revolution at all, just a natural evolution of the way in which IT services are delivered.

The Microsoft S+S notion is clearly in line this evolutionary view, acknowledging that cloud is not necessarily about replacing in-house systems, but augmenting or extending them with external services. The evolutionary mindset is evident in IBM too. In answer to the question "How have your product plans changed since the term 'cloud' emerged on the scene?", the aggregate responses from various spokespeople during a recent analyst day generally boiled down to, "Not much". This is not surprising, given that IBM has been investing in key cloud enabling capabilities such as dynamic virtualisation, automated provisioning, service oriented architecture, and so on, for many years. And, beyond architecture, IBM is also 'the Daddy' in hosted service delivery with decades of experience supporting customers from its huge data centre estate around the world. Embracing 'the cloud' therefore largely amounts to rearticulating a set of established core competencies, with a few changes in emphasis and some tactical developments around the edges. Indeed, the same can be said for HP.

Against this background, we have to give credit to Larry Ellison for his comments at an Oracle analyst day a few months ago:

"We'll make cloud computing announcements. I'm not going to fight this thing. But I don't understand what we would do differently in the light of cloud computing other than change the wording of some of our ads. That's my view."

So, while CIOs shouldn't dismiss the contribution of the pure-play providers, neither should they believe that these companies have hit on some magic new set of formulae for solving every IT problem into the future. The solutions emerging under the cloud computing umbrella represent just one dimension of the way in which IT delivery will evolve over time. The CIO's job is, as always, to consider the reality behind the hype.

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