



CREATING THE CASE FOR TRANSFORMATION

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“By 2012, 20 percent of businesses will own no IT assets.”

Gartner Highlights Key Predictions for IT Organizations
and Users in 2010 and Beyond
January 13, 2010

“Our prediction is that 80% to 90% of all data centers will be adopting some form of cloud computing in the next five years.”

Jill Exhaus, CEO AFCOM
Computerworld
May 9, 2011

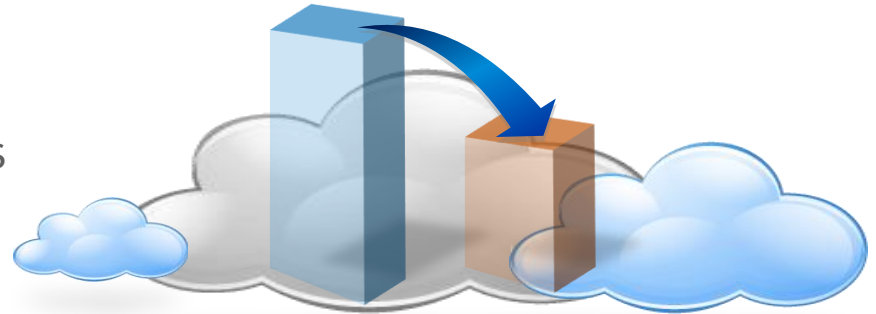
“In a short time, the hundreds of thousands of large-scale physical IT environments...will give way to as few as 10,000 cloud IT environments—80 percent of them private clouds, 20% public clouds.”

Virtual Strategy Magazine
December 15, 2010

What Can Cloud Mean to You?

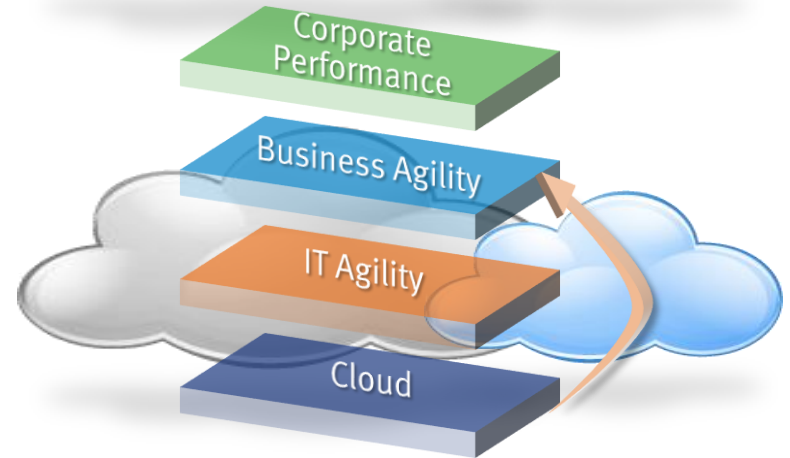
Increased Efficiency

- Cloud drives “across the board” savings
- Increases automation reducing operational costs

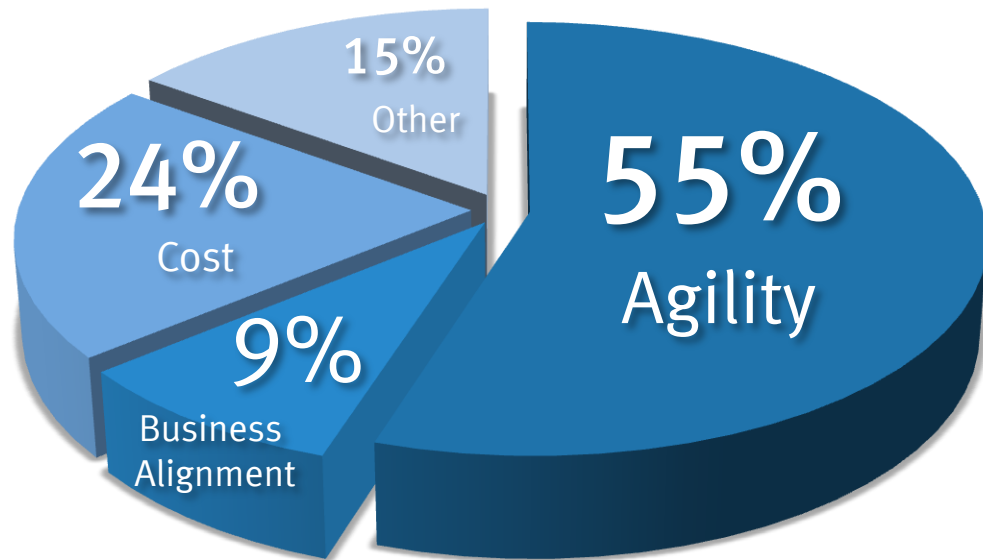


Increased Agility

- More IT resources devoted to innovation and value-add activities
- Productivity increased through greater IT responsiveness and end-user flexibility
- IT as a partner for new value creation



Agility is The #1 Private Cloud Driver



“The majority see agility and speed as the primary benefits of private cloud computing.”

- GARTNER

Source: “The Drivers And Challenges Of Private Cloud Computing”, March 2011, Gartner

Business Indicators of Agile Organizations



Revenue Growth

- Recognition of shifts in customer demands
- Launch new products and services
- Better engagement with customers



Cost Reduction

- Streamlined business processes
- Execution of business projects & initiatives
- Ability to scale resources to meet new demands



Risk and Reputation Responsiveness

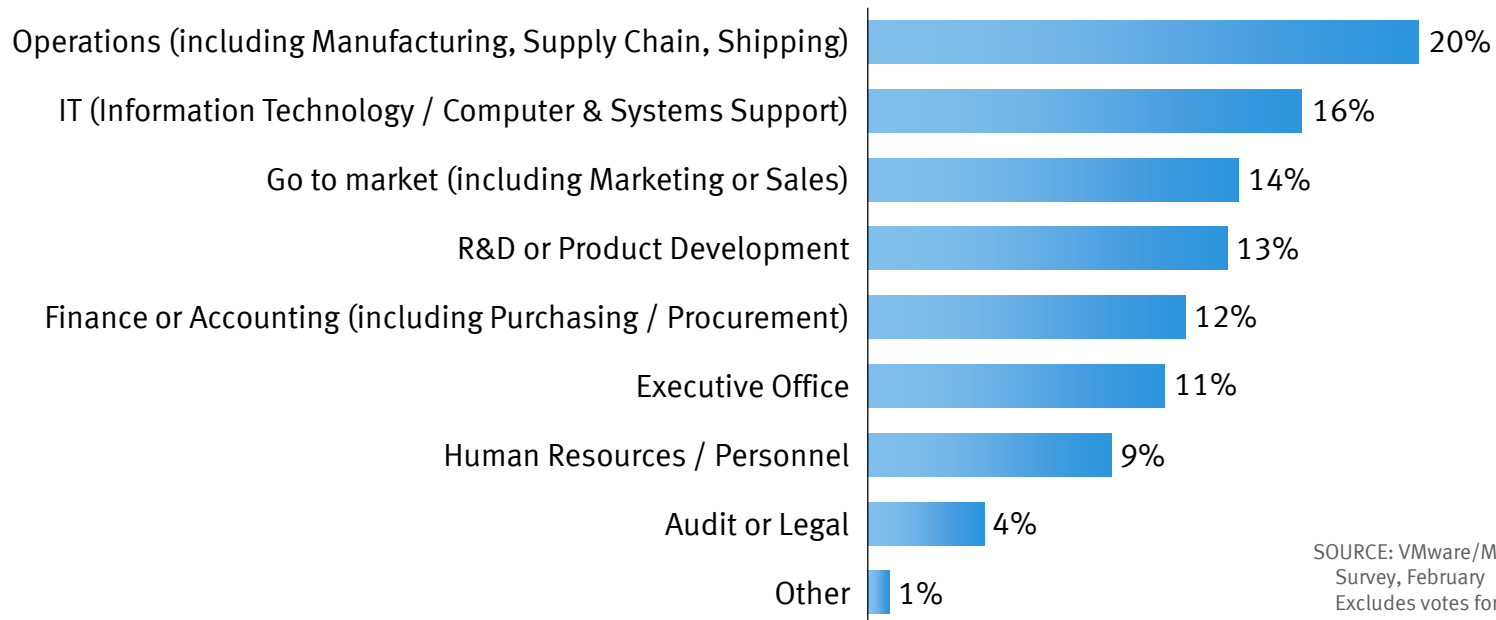
- Responsive to risks and crises
- Adaptive to external constraints (e.g., new regulations, market pressures)

SOURCE: McKinsey Business Agility Framework

'Extremely Agile' Companies Report IT as Among The Most Agile of Their Business Functions...

Of the following functions in your company, which would you describe as the top 2 most agile / responsive to change?¹

Base: 'Extremely agile' companies, n = 35



SOURCE: VMware/McKinsey Business Agility Survey, February 2011 – Q5a / Q2b 1. Excludes votes for own function

...while Companies That Are Not Agile Report IT as Among The Least Agile of Their Business Functions

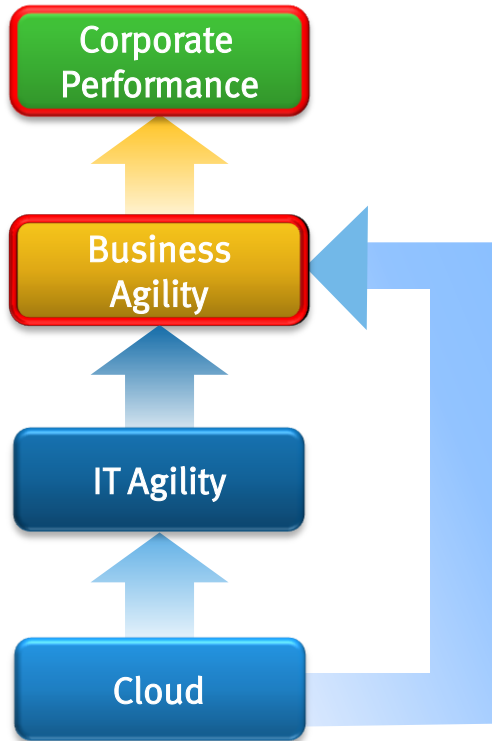
Of the following functions in your company, which would you describe as the 2 least agile / responsive to change?

Base: 'Slightly agile' or 'not agile' companies, n = 114



SOURCE: VMware/McKinsey
Business Agility Survey,
February 2011 – Q5c / Q2b

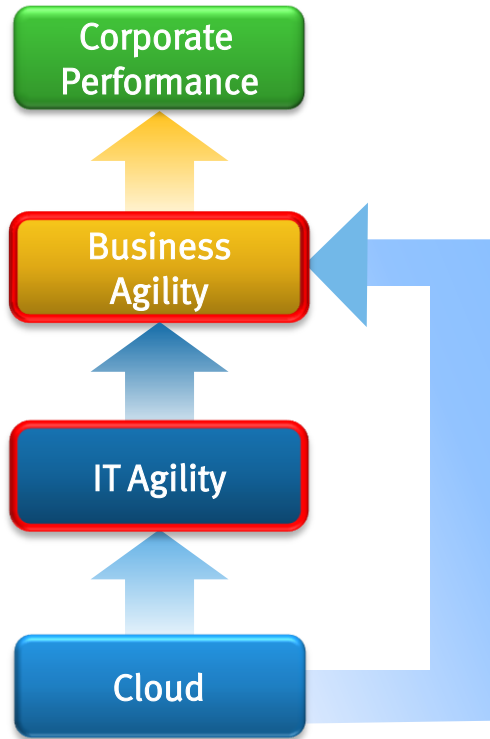
Cloud Directly Links To Business Agility



Financial performance of agile companies bears out the link between business agility and improved corporate performance

- 80%+ associate business agility with revenue growth, cost reduction, and risk management

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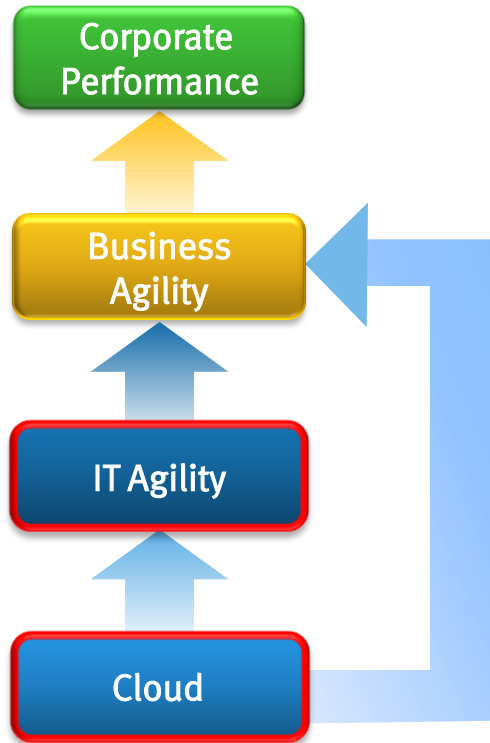


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Increased IT agility leads to increased business agility

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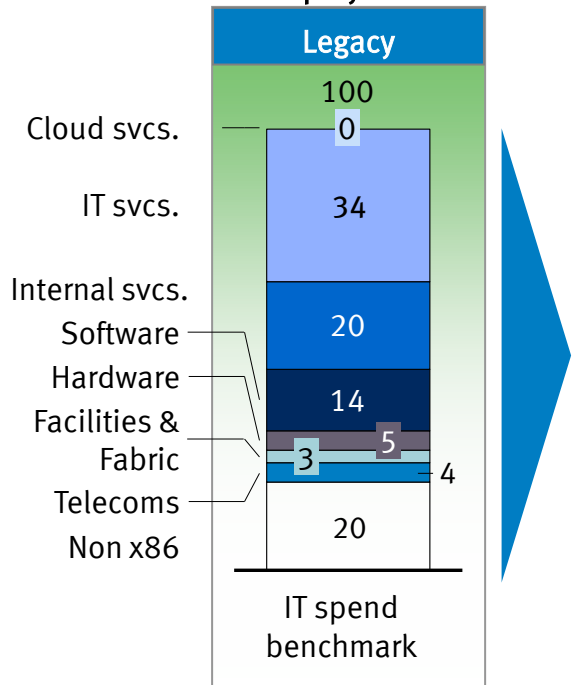
Increased IT agility leads to increased business agility

Cloud creates IT agility two ways

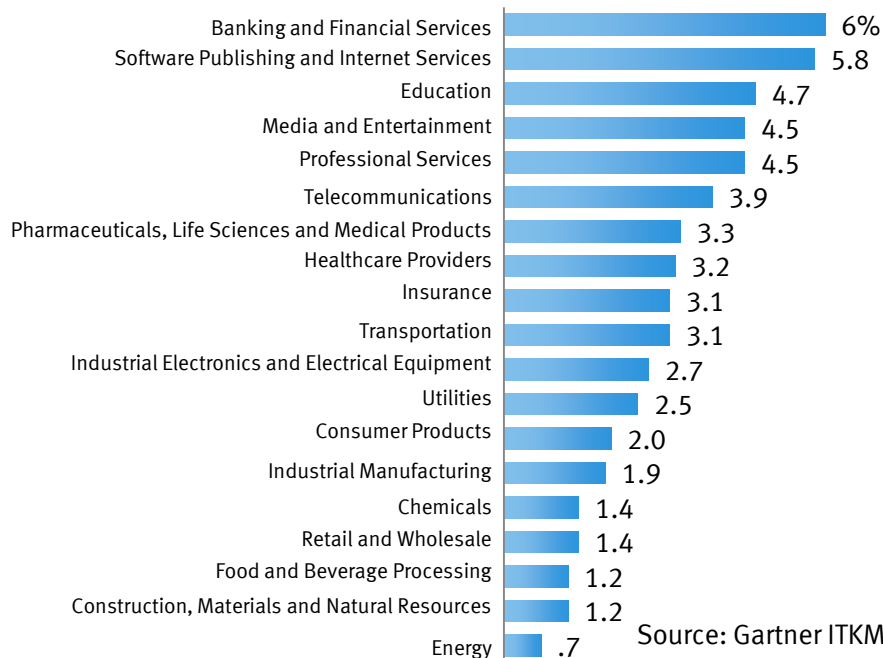
1. Strategic: Creates a pool of investment dollars and staff resources to devote to previously deferred business initiatives
2. Tactical: Streamlines processes to accelerate the responsiveness of IT to tactical business needs (e.g. provisioning time)

The Opportunity for Savings is Huge

CIO-level comparison of enterprise total IT spend for different deployment models



IT spending averages 3.5% of Revenue (Avg Company Size: (\$5.6B))



Source: Gartner ITKMD (January 2011)

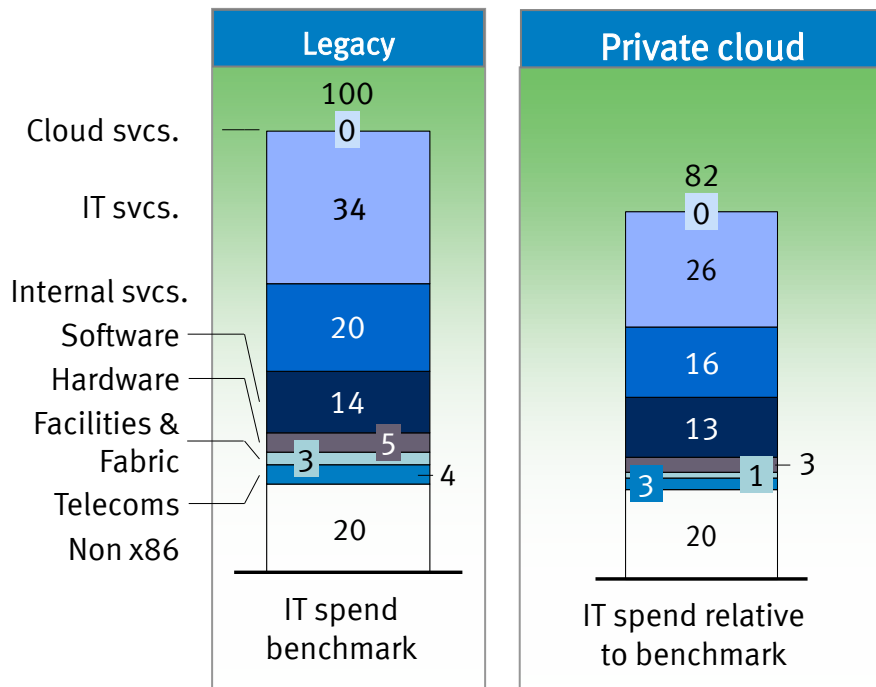
Assumptions: Based on typical finance sector IT budget; SaaS, Private cloud and IaaS savings modeled only for x86 workloads (assumed 80% of spend)

Source: EMC Consulting, McKinsey TMT Value Migration Database (Gartner, IDC compilation), Gartner IT Key Metrics Data 2009



Cloud Business Cases are Very Compelling

CIO-level comparison of enterprise total IT spend for different deployment models



Where are the savings?

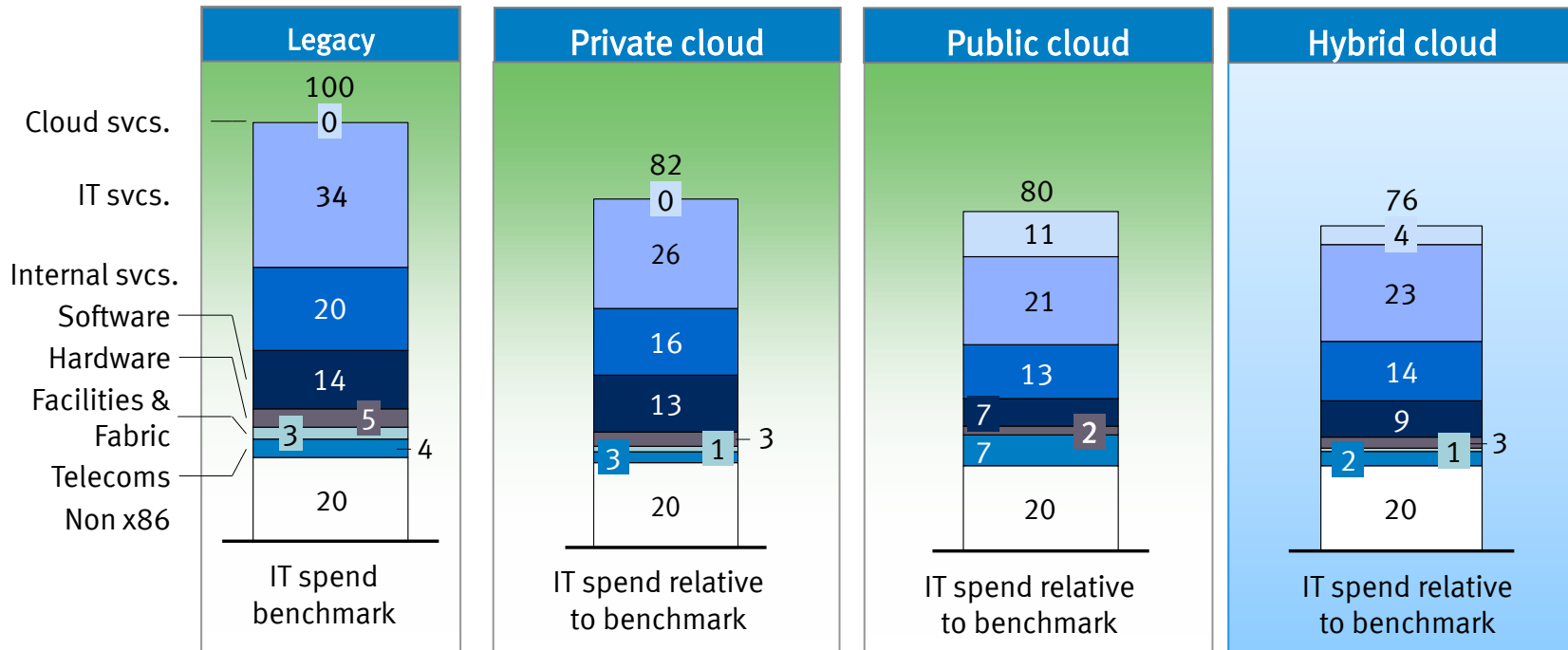
- External IT resources
- Internal IT staff and services
- Virtualization
 - Hardware
 - Software
 - Facilities & Fabric

Assumptions: Based on typical finance sector IT budget; SaaS, Private cloud and IaaS savings modeled only for x86 workloads (assumed 80% of spend)

Source: EMC Consulting, McKinsey TMT Value Migration Database (Gartner, IDC compilation), Gartner IT Key Metrics Data 2009

Challenge is Selecting the Right Cloud Model

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Source: EMC Consulting, McKinsey TMT Value Migration Database (Gartner, IDC compilation), Gartner IT Key Metrics Data 2009



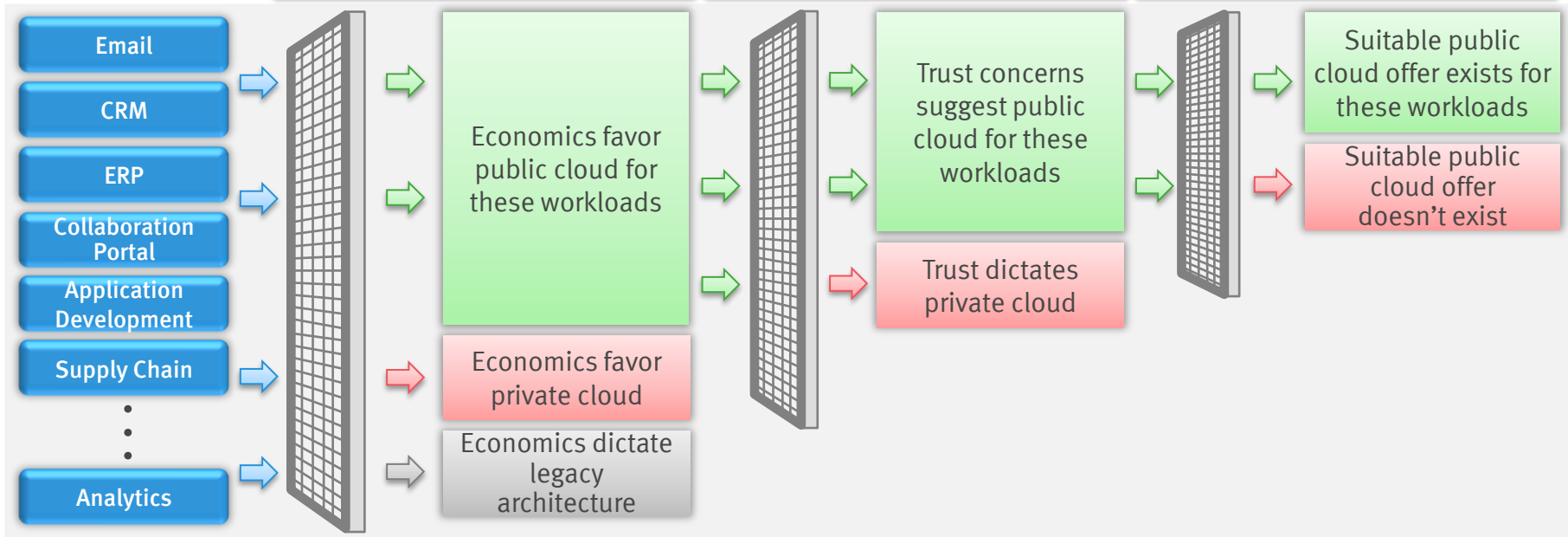
Align Workloads to the Right IT Model

Must Satisfy Economic, Trust & Functionality Requirements

Economic Evaluation

Trust Assessment

Functional Assessment



Trust Plays a Central Role

Lower trust requirements enable flexible deployment options

- Strong Inhibitor, Higher Needs
- Moderate Inhibitor
- Non-Inhibitor, Lower Needs

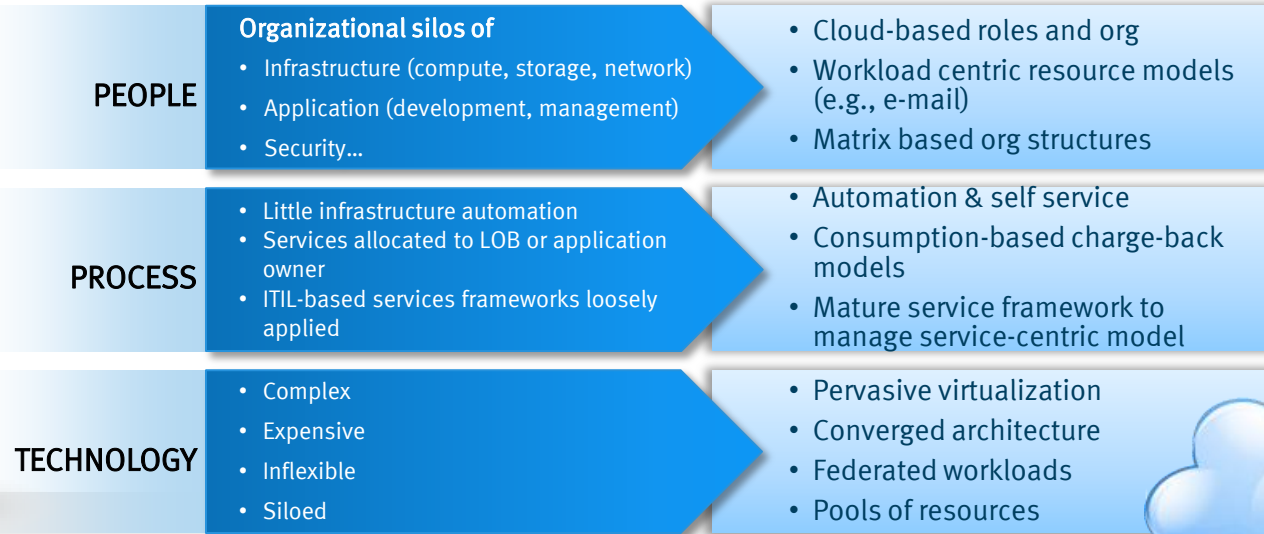
		Email	CRM	ERP	Collaboration Portal	Application Development	Supply Chain	Content Distribution	Information & Systems Management	Transaction Management	PeopleSoft, HR Applications	Analytics
Compliance	Law	Orange	Orange	Orange	Red	Orange	Green	Orange	Orange	Orange	Red	Red
	Standards	Green	Green	Green	Green	Orange	Orange	Orange	Orange	Red	Red	Red
	SLAs	Green	Orange	Green	Orange	Green	Red	Red	Orange	Red	Orange	Red
Governance	Enforcement	Orange	Orange	Red	Orange	Red	Orange	Orange	Orange	Orange	Red	Red
	Monitoring	Green	Green	Orange	Orange	Orange	Orange	Red	Red	Red	Red	Red
	Organization	Green	Green	Green	Green	Orange	Orange	Orange	Orange	Orange	Orange	Red
Risk	Uncertainty	Green	Green	Orange	Green	Orange	Orange	Orange	Red	Orange	Red	Orange
	Exposure	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Red	Red	Orange
Availability	Accessibility	Green	Red	Green	Orange	Orange	Orange	Red	Orange	Red	Orange	Red
	Recovery	Orange	Red	Red	Orange	Red	Red	Red	Red	Red	Red	Red
Integrity	Authorization	Orange	Red	Red	Orange	Red	Red	Orange	Red	Red	Red	Red
	Non-repudiation	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Red	Red	Orange	Red
Confidentiality	Commercial	Orange	Orange	Orange	Orange	Red	Orange	Red	Orange	Red	Orange	Orange
	Personal	Orange	Orange	Orange	Orange	Green	Orange	Orange	Orange	Orange	Red	Orange

Address People, Process & Technology

Achieving the end-state requires significant transformation

Enterprise IT

Cloud



Pacing Factors for Organizational Transformation



Technologists

- Deeper skills and expertise is no longer the path to promotion
- Breadth and cross-silo skills are the new paradigm
- Desire to make the transformation to converged skill set

Management

- Creation of compelling career paths for converged organization
- Convince technologists to transform skills to broader—not deeper—expertise
- Linking IT to the business (agility)

Where Should You Start?

Establish the vision, business case, and sponsorship



- Get grounded in how agile your IT is
- Understand the current cost for all elements of the IT by application workload
- Create a hypothesis for the IT cost reduction created by cloud
- Engage the business stakeholders to define the incremental business opportunities and where the identified savings will be reinvested
- Establish a cross-functional governance office and define a roadmap with key milestones

THANK YOU

Wrap Up

NEXT STEPS



Think more clearly about the cloud with EMC consulting

EMC OFFERINGS



Infrastructure, applications, access

EMC STRATEGY



Virtualize, standardize, automate, optimize, federate
EMC = efficiency, control and (most importantly) choice

CLOUD COMPUTING



Transform the data center and deliver IT-as-a-Service
1000s of private clouds, 100s of public clouds

“If you know not where you are going, any road will take you there.”

Chinese Proverb