



The 7 Deadly Sins of Failed Cloud Projects

A WHITE PAPER

Cloud computing provides more choices than ever, putting increasing pressure on enterprise IT to satisfy the demands of their internal customers. Business users want better applications, higher availability, and faster performance. Technical users need rapid access to testing and development platforms. Finance executives want to lower costs and understand the impact of IT spending on the business. Existing computing platforms can't keep up with the pace of today's business, driving enterprises to explore the benefits of cloud computing in their datacenters.

But how do you put together a good solid cloud strategy that satisfies the diverse needs and expectations of all the stakeholders?

At Cloud Cruiser, we've experienced hundreds of enterprise cloud deployments and have seen the best and the worst of outcomes. It should come as no surprise that a good solid plan with a well-defined use case, the right project team, and measurable success criteria is the common denominator in all of the success stories. But sometimes what seems obvious still doesn't make its way into reality until you fully internalize the impact of bad decisions.

In this white paper, we'll explore what we call 'The 7 Deadly Sins of Failed Cloud Projects' - a collection of traps to avoid and tips to keep you on the right track to cloud success.

#1: Overly focused on technical outcomes

“It’s not my fault that nobody is using it. Our Cloud works flawlessly!”

The Trap

Let’s face it - clouds are technical marvels. And while a primary objective of cloud computing is to simplify the acquisition and consumption of IT resources by business users, underneath the covers lies a complex web of technology. That’s why cloud initiatives are typically led by highly technical IT resources. Aligning the technical requirements of the applications and data sources that make the business tick with the features and functionalities of different cloud solutions requires an experienced team of IT resources.

The trap that many cloud projects fall into, however, is that the project team begins and ends with IT, with little interaction or input from the business users that consume and pay for the IT services they deliver. Thus, success criteria gets focused solely on technical results - ‘speeds’ and ‘feeds’ - versus specific business objectives.

The Result

What happens when your cloud strategy gets more heavily weighted towards ‘technology’ versus ‘business impact’? Well, most likely, you’ll end up with a technical marvel that doesn’t get used by the business it was built to serve.

How to Avoid

Include senior members of your business audience on the project team from the very beginning. Make sure that they are actively involved in the project scoping process and clearly articulate their business success criteria.

#2: Poor understanding of the intended audience

“What do you mean who are the users? It’s ‘The Business’ of course.”

The Trap

It’s hard to resist the many bells and whistles of cloud so sometimes IT organizations fall into the trap of building a ‘super cloud’ with no specific use case or audience in mind. The cloud may have all the features you could possibly want - self-service provisioning, elastic compute, and more - yet lack the most basic functionality required to satisfy the essential needs of the business.

Often times IT doesn’t have the time or the resources to focus on both the technical and the business components of the cloud strategy so human nature prevails and IT focuses on what IT does best - technology. As a result, a thorough requirements definition is not performed and the goals and objectives of the cloud strategy don’t align with the business objectives of the intended audience.

The Result

Without alignment with the business audience, there is little chance that the cloud project achieves the desired business outcomes and therefore adoption of the cloud project will be low. In addition to causing further disconnect between IT and the lines of business, the enterprise can waste hundreds of thousands of dollars in a failed cloud deployment.

How to Avoid

Get very specific on who the users of your cloud are going to be:

- How many users will there be?
- What are their roles?
- Where are they located?
- How will they use the cloud?
- What will they be using it for?
- What are the specific pains they hope to address?

#3: Ambiguous or misaligned success criteria

“The #1 goal of this Cloud initiative is to increase business agility!”

The Trap

The cloud is full of buzzwords (*‘the cloud’* being one of them!) - and many project teams fall into the trap of building a cloud strategy based on buzzwords, not specific business requirements. Goals like improving business agility, scalability, and productivity are well-meaning but too vague to be measured in any meaningful way.

Time pressure on delivery often leads the project team to accept these ‘high level’ goals instead of investing the time to scope out very detailed business requirements and their relevant success criteria.

The Result

Without very specific, measurable success criteria, there is no way to determine if the objectives of your cloud strategy are successfully achieved. For example, the cloud may indeed provide your business with the ability to dynamically scale compute resources during high-peak loads. But without specific metrics in place, you won’t be able to measure criteria such as speed, volume, or cost - leaving you wondering if your chosen cloud model is the most efficient choice. And how did this capability help you achieve the needs of your business? For example, how many more orders were you able to process? How did it affect the performance of certain workloads? Again, without specific measurable success criteria in place, you’ll never transform your buzzwords into tangible results.

How to Avoid

Ask the following questions about each success criteria

- Can I measure this objective?
- How would I measure it?
- Who would care about this objective?
- How does this objective measure project success?

#4: Poorly defined milestones

“We were already 6 months behind schedule, and didn’t know it yet.”

The Trap

Another trap that cloud projects fall into is trying to go too big too fast instead of breaking the project into bite-sized pieces with realistic milestones. This is typically the fallout of previously mentioned traps where the objectives of the cloud project are not well enough defined or tied to specific use cases. Without these clear success criteria, the project falls prey to ‘scope creep’ and any milestones that might have been defined at the onset of the project become irrelevant or unachievable.

Milestones that are set too far apart also increase the chance of the project falling off track. Good cloud projects involve key stakeholders from different parts of the business and unless milestones are short and clearly defined, those stakeholders move on to other priorities.

The Result

The result of poorly defined milestones is that the cloud initiative runs out of steam due to lack of results. Executive confidence gets eroded and the project runs the risk of fizzling out.

How to Avoid

Keep the scope of your cloud project manageable. Pick a very specific use case to start with and “nail it, then scale it.” When the opportunity cost is small, the chance of success increases.

Clearly define both technical and business milestones at no more than 1 month increments and ensure that all members of the team are present at each review session. It’s critical to keep the entire team engaged so that there are no costly course corrections required later in the project.

#5: Failure to accurately project demand

“How many users in 12 months? Your guess is as good as mine!”

The Trap

Surprisingly, many cloud projects are launched without any regard for history. Oftentimes, time pressure or a lack of proper tools causes the project team to skip the critical step of assessing and understanding the historical demand for the IT services they are moving to the cloud. At best, they may have a lump sum of total usage but rarely do they take the time to segment that usage by audience or understand the patterns of consumption that may help them target the most appropriate cloud deployment plan.

The Result

A lack of quantitative usage data typically results in a supply and demand problem. Without a clear understanding of how IT services are currently being utilized (how much, how often, and by whom), it's almost impossible to plan a proper cloud strategy.

Let's say you're a university and you're scoping out a private cloud solution to handle your student registrations. Without a clear understanding of consumption patterns, you might end up dramatically over-provisioning your private cloud (to the tune of hundreds of thousands of dollars) when it might make more sense to reduce your private cloud capacity and just burst to a public cloud during high-peak registration periods.

How to Avoid

To avoid costly over- or under-provisioning mistakes, you have to understand your existing demand at a very granular level. You need to build or invest in a tool that not only collects IT usage data, but also ties that consumption information to actual users and trendlines so that you can appropriately map your demand to the right cloud solution.

It's also important to forecast future consumption so you can right-size your cloud solution and project costs and ROI.

#6: Inability to track success measures

“We’ve got great success criteria, if only we could measure them!”

The Trap

Sometimes project teams fall into the trap of defining very detailed success criteria for their cloud project without any clear method for actually measuring them. For example, the order processing function for a retailer may want to reduce the time it takes their customers to place an online order. Or the billing department for a cloud service provider may want to eliminate costly credits they have to apply to resolve customer billing disputes. While these are very specific business goals for a new cloud solution, they are only useful if you have the tools and processes in place to automatically measure them.

The Result

The project team’s success criteria becomes ‘slideware’ - impressive looking objectives and metrics that quickly are abandoned due to difficulty in tracking. The executive sponsors lose confidence in the project because there are no measurable results to identify the success or failure of the project. The project risks being stalled in the pilot phase because the executive staff does not want to invest in an unproven solution.

How to Avoid

Choose success criteria that lends itself readily to measurement. Success criteria should include both technical and business criteria that are very specific and have a clear means of measurement for both the ‘before cloud’ and ‘after cloud’ states. You should create a ‘mock’ dashboard of criteria to ‘truth test’ that all factors are significant in making a ‘go’ or ‘no go’ decision.

Use a solution or collection of solutions that can help you automate the measurement of success criteria. This will vary depending on your specific use case but will likely require a means of collecting detailed consumption, cost, performance, and capacity information about your identified workloads.

#7: Failure to define & measure financial impacts

“Lots of usage, but I don’t know whether costs have gone up or down”

The Trap

IT financial management is often brought into cloud projects late in the game, or not at all, and thus the appropriate financial success criteria are overlooked. Lowering IT costs is typically one of the key drivers in cloud adoption, however, without the appropriate financial personnel and tools in place, the cloud project is likely to remain heavily weighted in technical metrics versus financial metrics.

The Result

Without the appropriate financial personnel and success criteria in place, there is no ability to measure or predict the financial impact of the enterprise cloud strategy. The business runs the risk of moving forward with a cloud deployment model that may pass the technological ‘sniff test’ but cost significantly more than their existing technology, alternative cloud deployment models, or other vendor solutions.

How to Avoid

Bring an IT Finance team member into your project early and have them define the key metrics of financial success. They should create a ‘before and after’ cost model for the cloud project, such that cost savings can be clearly articulated to senior management and aid in the decision to move forward with the cloud plan.

One of the key benefits of cloud is the ability to offer metered resources to your consumers. Make sure you instrument your cloud to assign financial (cost) information to usage by audience. This enables IT finance to understand the true cost of workloads and more easily align IT spending with the goals of the business in the following ways:

- Match IT services to demand
- Control costs / impose fiscal responsibility
- Identify areas for cost optimization on ongoing basis
- Make financial intelligence accessible to key stakeholders

The Company

Founded in 2010 and headquartered in Silicon Valley, California, [Cloud Cruiser](#) offers an innovative cloud financial management solution that was built from the ground up to support the cloud economy. It maximizes freedom of choice for enterprises and service providers by providing dynamic financial intelligence, chargeback, and billing across heterogeneous IT environments. The company's key strategic partners include: Microsoft, HP, Cisco, VMware, Amazon, Openstack, and Rackspace.

The Solution

Cloud Cruiser gives you an end-to-end view of your organization's IT usage and costs across public, private, and hybrid clouds, as well as traditional IT environments.

The product transforms and enriches your IT data to enable enterprises and service providers to perform the following high-value business use cases:

- showback/chargeback/multi-tenant billing
- service analysis
- consumer analysis
- profit maximization
- demand forecasting
- rate modeling
- what-if analysis

Contact Us

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- www.cloudcruiser.com
- info@cloudcruiser.com
- +1 844-223-9737 (USA)
- +316250-66-463 (Netherlands)

