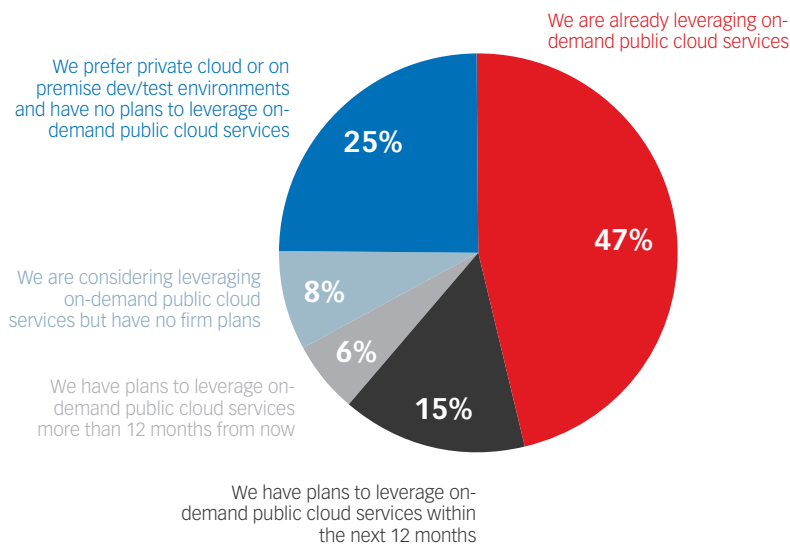


Taking a Hybrid Path to Cloud-Based Software Delivery

Mission-critical sensitivity and cost factors influence the decision on what to deploy in a public cloud versus a private cloud environment.

Almost half (47%) of organizations are already extending software development or testing environments to leverage on-demand public cloud services, while another 21% have plans to do so.



Source: IDG Research Services; Base: 53 qualified respondents

Cloud computing makes it attractive to move to a new delivery model for software and solutions. However, a recent survey shows that software developers are struggling with determining what applications to deploy in a cost-effective public cloud environment, versus in a private cloud that alleviates concerns about performance, security and regulatory issues. A hybrid approach that represents the best of both public and private clouds can deliver a cost-effective and holistic solution for developing and deploying cloud-based applications.

Enterprises are eager to take advantage of the benefits of software as a service (SaaS), using the cloud to achieve on-demand access. They want the ability to convert traditional capital expenses of on-premise software into the convenient pay-as-

you-go operational expenses that can scale up or down as needed.

IT and business managers at organizations that either develop or resell software solutions or create production environments are moving quickly to meet those demands. In a survey conducted by IDG Research Services on behalf of Concerto Cloud Services, 68 percent of the respondents indicated that they are already extending software development or testing environments to leverage on-demand public cloud services or have plans to do so.

When it comes to production environments, however, many find their move to a SaaS model slowed by legal and regulatory concerns, along with other issues stemming from an on-premise to a cloud model. The legal and regulatory issues of storing data outside a customer's data center are viewed as an obstacle by 47 percent of respondents. Almost as many, 43 percent, are troubled by changes to the business, such as transitioning from a project-based revenue model to that of streams of recurring fees. Some are concerned that low margins and price sensitivity may increase customer churn.

"We are seeing companies use a public cloud for testing and development and other noncritical workloads but are putting enterprise applications, such as financials and ERP, in a private cloud," says Greg Pierce, vice president of Concerto Cloud Services.

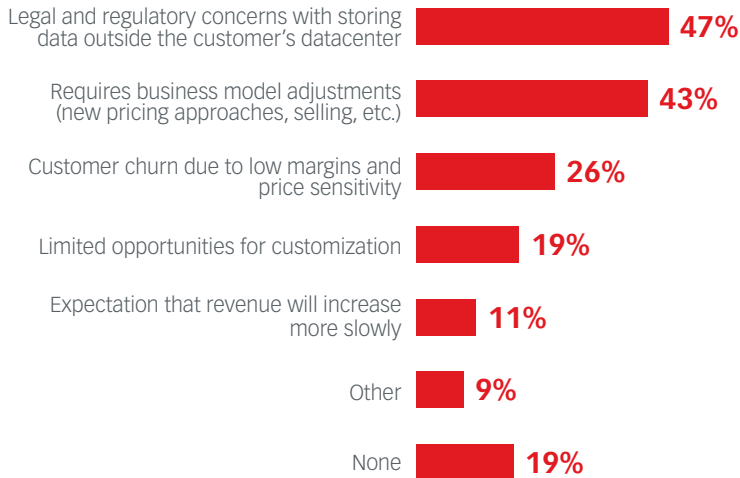
The flexibility and cost advantages of developing and testing software in a public cloud environment are virtually irresistible. But when it comes to deployment of production version mission-critical applications, a public cloud is not as appealing.

"Most enterprises with size and scale want a 99.99 percent service-level agreement, and public clouds just can't get there right now," says Pierce. Many organizations are also unwilling to house their financials, regulated data, intellectual property and other mission-critical information in a public cloud (or multi-tenant) environment, where they have no direct control over compliance and are likely to share servers and components with other organizations.

Some may be skeptical of storing data in an environment controlled by a large public cloud platform like Google, which analyzes the huge amounts of data passing through its servers.



Obstacles that may slow the move to a SaaS model



Source: IDG Research Services; Base: 53 qualified respondents

Microsoft Azure Environment Familiar to Many ISVs

Amazon Web Services (AWS) carved out an early lead with public cloud hosting, but continuing advancements in Microsoft Azure are appealing to ISVs—and their customers—that have been reliant on Microsoft environments for decades. Four out of 10 survey respondents indicated that their organization either already leverages or is likely to leverage Microsoft Azure for delivery of hybrid apps and infrastructure on demand.

As *Network World* noted late in 2014, “AWS has maintained that the public cloud can host any workload—and the company still believes that.” Although it has begun “gingerly” to accommodate some customer demands to support private clouds, “AWS notably does not have a private cloud management platform that is based on the same technology as its public cloud.”

The publication, in a separate article, noted that Microsoft Azure is appealing to enterprises in part “from the company’s experience in offering enterprise-grade services and integrating its platform with its existing products, which are widely used in the enterprise. An IT group that is heavily invested in Office 365 or Microsoft’s Hyper-V platform will find Azure to be a seamless extension of its existing operations, allowing customers to create a hybrid cloud.”

Microsoft claims that its support of hybrid architecture enables enterprises to “easily move workloads from the data center to Microsoft Azure or a hosting service provider’s data center, while still

maintaining a complete view of the infrastructure.”

Microsoft’s embrace of a hybrid approach provides ISVs with options for an effective hybrid cloud strategy and end-to-end integrated solutions for on-premise, hybrid and cloud scenarios—and to leverage resources across all three.

As appealing if not more so, says Pierce, is Microsoft’s ecosystem of partners that enables developers “to do pretty profound things and to interface with other partners to create, in some cases, complex and robust platforms for customers.” In October 2014, Microsoft announced the Azure Marketplace, an online store to bring together those partners and Microsoft Azure customers. That is expected to not only provide startups with ready access to the enterprise market but also alleviate the adjustment of existing ISV trying to adapt to a recurring-revenue model.

Taking the Hybrid Road

With many businesses fearful of storing sensitive information and hosting mission-critical apps in a public cloud, a hybrid approach represents the best of both worlds. A healthy mix of public and private cloud delivers a cost-effective solution for developing and deploying SaaS applications.

Concerto Cloud Services views virtual private cloud environments as ideal for applications that contain sensitive data, require powerful infrastructure and deem availability as absolutely critical. It has developed hybrid cloud platforms that combine public, private and on-premise solutions to deliver a holistic, customized cloud infrastructure.

“A public cloud provides an underlying pool of what, in the past, would have required an on-premise deployment of hardware and the software tied to it,” Pierce explains. “A virtual private cloud gives you not only the hardware and software components but also a dedicated environment with a security layer on top, as well as the management layer. It eliminates the need to have dedicated resources managing the underlying virtualization, operating system or the security pieces.”

As Microsoft continues to bolster the capabilities of Azure, ISVs focused on Microsoft environments can take advantage of it to build new applications or adapt existing applications that leverage the cloud and provide the most delivery flexibility. But to take advantage of this opportunity, developers must be able to create seamless integrations across on-premise, third-party and public cloud solutions to deliver a customizable, hybrid cloud platform to their customers.

For more information, please go to www.concertocloud.com