Connecting the dots to capitalize on hybrid cloud
Introduction

According to IDC, the market for next-generation technologies is set to increase by 85% by 2021, with hybrid cloud providing the platform that will power this rapid growth.

But what does this mean for your business and how can you be sure that you and your customers can take full advantage of this next wave of technology advancements – driving profitable growth and successful business outcomes?

This Tech Data White Paper – ‘Connecting the dots to capitalize on hybrid cloud’ – explores:

- What hybrid cloud really is and the current rate of business adoption
- The impact hybrid cloud is expected to have on the IT channel
- How to succeed in hybrid cloud and where the biggest opportunities lie
- The business value and key benefits of hybrid cloud
- Real-world examples that illustrate the reality and ROI of hybrid cloud
- Why working with Tech Data can provide you with the best possible support and enablement, when developing your hybrid cloud offering
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What is hybrid cloud?

Hybrid cloud has become one of the biggest talking points in the IT channel today, but there’s often a debate over what it really means for business. Some organizations view ‘hybrid’ as any environment that includes a mix of both on-premises and cloud computing. From a business perspective however, a hybrid computing environment needs not only to have a mix of on-premises infrastructure and private, third party and public cloud services, but most importantly, effective orchestration between the different platforms. This enables IT teams to move workloads between private and public cloud platforms as business needs and IT costs change – ensuring greater flexibility and investment protection, optimized costs and resources and improved data deployment options.

Hybrid cloud environments are essentially all about providing every workload with the right platform at the right time. So an organization may choose to host sensitive or business critical workloads on-premises for example, but use a third-party public cloud provider for deploying less critical resources or hosting temporary workloads, such as test and development environments.

According to a 2016 study from IDC, the reality is that nearly 95% of businesses in 31 countries have now built an infrastructure that uses ‘multiple private and public clouds based on economics, location and governance policies.’

However, the report also revealed that these ‘multi-cloud’ environments are often adopted without the knowledge or input of IT leaders, meaning that they are unlikely to add significant value for the wider business and instead, bring additional complexities and costs to the organization’s computing environment.

That said, the report found that organizations are beginning to take hold of their strategies more effectively – moving from ‘multi-cloud’ to hybrid cloud environments, with 73% pursuing a hybrid cloud strategy and on-premises private cloud spending projected to grow by 40% over the next 2 years.
Business leaders are increasingly focused on managing the transformation that will ensure they not only survive, but thrive, in today’s data-driven, digital world. This means they are constantly having to make important decisions about which technologies and platforms to adopt – keeping up with the demands of their own users, their customers, and the competition. This need to change dynamically means that most organizations are recognizing the need to adopt true hybrid environments that will make effective use of both public and private cloud solutions and services. For IT solution providers, this means having a comprehensive portfolio of on-premises and public cloud solutions that make it easy for customers to quickly access the right IT services at the right time – regardless of platform or delivery.

**According to Forrester’s cloud predictions, the global public cloud market will jump from $146 billion in 2017 to $178 billion in 2018 – with the market then continuing to grow at a 22% p.a.**

- Public cloud platforms represent the fastest growing segment and will generate $44 billion in 2018
- By the end of 2018, more than half of global enterprises will rely on at least one public cloud platform for digital transformation

It’s no secret that the leading public cloud platforms, such as Amazon Web Services (AWS), IBM Cloud, Oracle Cloud and Microsoft Azure, have dramatically changed the technology landscape by making complex IT solutions and services accessible to a mass market. The fact that any business can simply ‘sign up’ and use a feature-rich Machine Learning platform or even a collection of advanced Data Analytics tools in a matter of minutes, without a significant upfront investment, is testament to the success of cloud computing as we know it today.
Whilst this model has undoubtedly disrupted the enterprise IT market and left a number of established vendors playing catch up, the reality is that right now, there is a real need and demand for solution provider partners that are able to understand and support traditional enterprise computing models, as well as delivering the new breed of public cloud solutions. The majority of organizations still have a sizeable on-premises IT estate that contains significant levels of sensitive business data and legacy applications, which may prove difficult or expensive to migrate. Hybrid cloud provides a practical and effective bridge between traditional enterprise IT and modern cloud-based architectures.

Whilst this clearly represents a significant opportunity for solution providers, there are also some significant challenges.

1. Transitioning from a financial model based on transactional business, to one that relies on recurring revenues requires significant investment in terms of both time and resources, as well as a step change in customer engagement, from a transactional relationship to one that’s based on supporting both current and future needs. On the plus side, making this transition will bring significant advantages in the long-term – providing greater financial stability and strengthening customer relationships.

2. Solution providers will need to develop new kinds of services and provide the orchestration and security that will seamlessly connect the public and private cloud solutions that will be used within each customer’s hybrid environment. They will need to become much more closely-involved in managing the quality and speed of technology adoption by their customers throughout its lifecycle – helping organizations to make the most of the increased agility and control that hybrid cloud brings.
In Forrester’s ‘2018 Trends in Cloud Transformation’ report, 451 Research highlighted the following key trends:

3 Cloud consumption will overtake cloud building as the primary driver of IT spending

As the market transitions to a hybrid world, the focus will move away from building clouds and services, to creating environments that ‘just work’ without the need to consider the underlying infrastructure.

4 IT service providers will be the vanguard of the platform revolution

Those IT providers that can transition from providing point products and services to helping their customers ‘manage transformation’ will have a significant competitive advantage – delivering unified platforms that take advantage of a hybrid IT approach to offer public and private ‘as-a-service’ solutions in a fast, consistent and scalable way.
Connecting the dots for hybrid success

To help customers drive successful digital transformation strategies, partners also need to transform their own business models – developing end-to-end strategies that ensure they can support organizations with a truly hybrid approach to IT service delivery. Your customers will increasingly look to you as their trusted IT solution provider, to deliver the pervasive intelligence and invisible infrastructure that will allow them to focus on driving business innovation and profitable growth.

As customers have started to move away from traditional on-premises, physical IT infrastructures to take advantage of the undoubted benefits of cloud environments, the speed of change has been a big challenge for partners whose comfort zone lies in selling server and storage solutions. With vendors looking to quickly re-focus their solutions to compete with the likes of Amazon Web Services (AWS) and Microsoft Azure, partners with no expertise or experience in the cloud have been left feeling uncertain about the direction their business needs to take. A staged transition provides the answer – steadily increasing the percentage of business and IT services from on-premises to cloud, by partnering with those organizations that can complement your own areas of expertise. The goal is to ‘connect the dots’ – developing and delivering end-to-end solutions, from the datacenter to the edge.
Where do the biggest opportunities lie?

1. **Datacenter transformation**

   Work with Tech Data Cloud Solutions to find the right mix of technology, platforms and in-depth business knowledge to support the latest application and data demands – building solutions that seamlessly span traditional IT, private and public cloud. Helping your customers develop a hybrid approach to their IT infrastructure is key to success – providing a safe and secure storage space, where data and applications can be easily accessed and running costs are kept to a minimum.

   Cloud technology is specifically designed to scale in line with changing business needs – giving organizations instant access to the additional storage space and bandwidth needed to support business growth. Help support your customers’ business transformation initiatives by ensuring optimum flexibility and performance, with minimum downtime, cost and complexity.

   Converged and Hyperconverged Infrastructure solutions are the answer to increasing business demand for dynamic hybrid cloud development and provide the perfect foundation for private cloud. They avoid complex architectural planning, compatibility issues and operational uncertainties - reducing IT overheads without compromising on performance or scale.

   Supporting your customers in migrating applications from traditional IT infrastructure to cloud-based platforms will be critical – determining which workloads should move to a new platform and when. IT DevOps is one area that definitely belongs in the cloud – improving security, accelerating innovation for competitive advantage, and providing a simplified and unified approach to managing workloads across multiple environments.

2. **Enterprise security**

   Those IT providers that can transition from providing point products and services to helping their customers ‘manage transformation’ will have a significant competitive advantage – delivering unified platforms that take advantage of a hybrid IT approach to offer public and private ‘as-a-service’ solutions in a fast, consistent and scalable way.
**IoT & cognitive**

As businesses embark on their digital transformation journeys, cognitive solutions have a radical impact on how they engage with their clients – turning vast amounts of data into valuable insights and competitive advantage. To make this possibility a reality, your customers need access to a cloud platform that can deliver all the performance, speed and agility to support their strategic initiatives.

The exponential growth in the number of Internet of Things (IoT) devices is seeing a huge new wave of investment and development that will create new opportunities for the whole channel. With interest in and demand for IoT applications rising fast, Tech Data is working closely with vendors and partners to develop specializations – harnessing the cloud services that are a pre-requisite to entering the IoT market.

The advent of edge computing means that data can now be gathered from multiple devices and sources at the edge of the network, rather than moving data back to a central point for analysis. This reduces network traffic and latency – enabling the kind of real-time decision making that can drive significant competitive advantage. Cloud is the key enabler and foundation upon which intelligent edge solutions depend – extending their availability and potential for driving deeper insights.

The next wave of cloud computing that will drive the growth of public cloud is Artificial Intelligence (AI), with an increasing number of Cloud Service Providers gearing up to offer a comprehensive stack that delivers AI as a Service. With AI dependent on massive amounts of data and high performance computing that can identify key patterns and make accurate predictions, this practice area represents a huge opportunity for Tech Data partners.

**Modern workplace solutions**

Today’s evolving workplace technologies present both opportunity and disruption for the IT Channel and its end user customers. The pace of change can be overwhelming, and it’s critical to understand which technologies are right for the business and both when and how to implement. Employees push for increased mobility, personalization and flexibility in the workplace, while senior business leaders and IT teams are often focused on controlling access, standardizing processes and ensuring compliance. As your customers continue to transform their workplaces, Tech Data Cloud Solutions can guide you through the changing technology landscape and evolving business challenges – ensuring that you are perfectly placed to deliver the right solutions at the right time.
How can you transform your business model for hybrid cloud?

There is no doubt that Cloud has changed the way that IT services are delivered and consumed beyond all recognition. With a myriad of consumption models to choose from however, you’ll need to help your customers make the right decision for their business not only based on the more obvious factors such as cost and location, but also taking their specific strategic needs into account.

**Keeping pace with the speed of change**

When it comes to delivering technology at speed, working with Tech Data Cloud Solutions provides partners with the advanced capabilities needed to design, automate and deliver successful services. Whether it’s helping you to expand your cloud footprint by designing new solutions, automating MSP services, or building white label services that enable you to develop your own cloud marketplace ‘as-a-service’, Tech Data’s in-depth support and partner enablement solutions prove invaluable.

According to the 2018 CIO Tech. Priorities Study by IDG, IT leaders anticipate focusing the majority of their IT budget on **predictive analytics (47%)**, **business continuity and disaster recovery (47%)**, **public cloud (46%)** and **hybrid cloud 45%**. The study also highlighted that CIOs expect data analytics, cloud and the Internet of Things (IoT) to have the greatest business impact over the next 3-5 years.

![Pie charts showing the distribution of IT budget priorities: 47% predictive analytics, 46% public cloud, 47% business continuity and disaster recovery, 45% hybrid cloud.](image)
The business value and key benefits of hybrid cloud

1. **Reduce the cost of IT ownership**

   The main reason customers cite for choosing to deploy cloud solutions is to reduce the total cost of technology ownership. Public cloud services can certainly help to cut costs by taking advantage of the economies of scale that cloud datacenters provide – avoiding the capital and operational expenditure from hardware, power, facility upkeep and infrastructure staffing. This enables organizations to free up budgets that would have been focused on refreshing legacy infrastructure, so that digital transformation initiatives that drive business value can be pursued. However, as always, there’s a balance to be struck when deciding which workloads should be moved to the cloud. The cost, complexity and risk of migrating some business-critical applications will mean that they are more suited to an on-premises platform, which is why a hybrid approach delivers the best possible return on investment.

2. **Enhance operational efficiencies**

   A hybrid cloud environment enables organizations to quickly provision resources across an entire ecosystem – rapidly deploying the solutions and services that are needed to meet critical business demand. This can greatly reduce the time spent on problem solving, whilst also enhancing the agility of enterprises in responding to market changes and customer expectations.

   From an IT perspective, bringing cloud solutions into the mix enhances operational efficiencies by ensuring fast and affordable access to the latest infrastructure, middleware and apps. Rather than simply ‘putting up’ with legacy solutions, the latest third-party cloud-based API services can be plugged in to deliver advanced services – driving significant business value.
3 Accelerate innovation

Cloud adoption fosters innovation because it can transcend geographic, industrial, organizational and operational barriers. When data is siloed across different business functions, it’s impossible to gain the full visibility needed to drive deep business insight. Evolving the use of cloud from a technology-led platform to a business enablement tool, hybrid cloud solutions drive a data-centric approach that will help to support expansion into new markets, create new revenue streams and transform to new business models.

4 Drive a competitive advantage

The agility of cloud enables organizations to go to market faster with new products and services – innovating at speed to stay ahead of market demands. Moving to a software-as-a-service (SaaS) model helps organizations implement market-leading solutions quickly, with minimal impact to existing infrastructure. This ensures they can not only meet, but exceed customer expectations – disrupting the marketplace as opposed to running the risk of facing disruption.
The reality and ROI of hybrid cloud

Optimizing data visibility and value with BI and analytics

Tech Data is expecting a surge of cloud business activity fueled by the increased adoption of BI and analytics solutions and is preparing to help partners take full advantage.

The digital era has brought with it an explosion in the amount of data available to organizations. However, it has little value when tucked away in silos, which is why Business Intelligence (BI) and analytics are being seen as the next big area of opportunity by many in the IT channel. It is also going to fuel further demand for cloud services; with many analytics services already being offered on an ‘as a service’ basis. most of the data used by BI systems will be drawn from the cloud.

Companies can use the insights BI gives them to spot and to take opportunities, make better use of resources and run their operations more efficiently and effectively. From a partner perspective, introducing customers to BI through a basic dashboard solution will typically lead to demand for more sophisticated data management and digital analysis solutions.

Driving meaningful insights in real-time with edge computing

Edge computing enables organizations to analyze data and draw meaningful insights on the spot— but it’s the cloud that makes it possible.

Edge computing will see smarter IoT devices and AI being used to collect and analyze data. Potential applications include multi-layered physical security, control of temperature and environment, the delivery of services at events or in stadiums, the management of crowds and public spaces, of machinery and resources in factories, warehouses and distribution centers, and of vehicles and traffic.
Making new connections with the Internet of Things (IoT)

The expected explosion of Internet of Things (IoT) devices will see a massive new wave of investment and development that will create new opportunities for the whole channel.

Gartner has predicted that there will be 20.4bn connected things in use worldwide by 2020.

That’s a number that might seem hard to comprehend, and perhaps even to believe, from where we stand today. Yet there are deemed to be 8.4 billion connected things in use already and total spending on endpoints and services will have reached almost $2 trillion this year.

And just about every IoT device that is available on the market today will depend on cloud-based apps and storage resources. As the IoT market develops it will drive increased demand for cloud services and create many new opportunities for the channel. This is happening already. The small number of specialists in commercial IoT that can be identified today are struggling to meet demand for their expertise.

Interest in and demand for IoT applications is rising fast – especially in manufacturing, warehousing and logistics, smart buildings, and agriculture. Tech Data is already working with specialist IoT companies like NEXIONA to help them build a channel and meet the excess demand they can no longer service on their own. For resellers, integrators and developers who get involved early and develop a specialization in IoT, the opportunities should be very good indeed.
Why work with Tech Data Cloud Solutions?

As a global leader for technology and cloud solutions, Tech Data has a vitally important role to play in enabling our partners to understand, deliver and manage hybrid cloud solutions that will achieve the best business outcomes for their end-user customers.

We are continuing to expand our reach and capability with public, private and multi-cloud services, whilst taking advantage of our leadership in the datacenter to support private and hybrid cloud solutions. We’re developing more sophisticated aggregation platforms and services capabilities – enabling solution providers to bring multiple elements together to meet the needs of customers in specific markets and industries. We’re also building on our partnerships with leading IT vendors to deliver the latest converged and hyperconverged solutions, supported by our in-depth expertise and experience in driving business value throughout the customer lifecycle.

Tech Data’s entire strategy is focused on helping our partners to deliver and support hybrid environments that will enable digital transformation and improved outcomes for their customers. Our approach also gives solution providers a platform from which they can transform themselves into capable and trusted providers of hybrid cloud solutions – building their own value and expertise to gain a competitive advantage.

While it provides the foundation for these new models, the cloud is simply the delivery method. It enables us to ‘connect the dots’ and bring all the technologies and public and private services together.

We are in an exciting and crucial stage in the development of the cloud market. Hybrid is the future and the shift that is now taking place is something that both Tech Data and its partners must capitalize on right now. There is a tremendous opportunity to expand the value that the IT channel delivers – helping our customers develop their skills and capabilities, accelerate business development and maximize value-creation and margins. We must work in partnership to lead the way in driving hybrid cloud adoption – quickly and effectively.

You can find more information about the wider opportunity of becoming a Tech Data Cloud Solution partner by visiting: techdatacloud.eu or techdatacloud.com