ukcloud

BUDGETING AND AFFORDABILITY OF CLOUD

Perception among the user community that cloud is expensive. The results from our State of Cloud Adoption report revealed that cost/affordability is the biggest impediment to cloud adoption and digital transformation.

Here are 5 ways public sector organisations can overcome the cost and budgeting issues associated with cloud.

695.00
11.00
34.00
789.00

890.00
16.00
76.00
989.00

1

BUDGETING OPEX/CAPEX

Suppliers will work with both CAPEX and OPEX, and most should be flexible to adapt to any constraints.

What type of cloud?
Hybrid cloud or private cloud, part private or part public cloud — these types of combinations could help customers move to cloud in a way that fits with their CAPEX and OPEX availability.

83%

of organisations we surveyed believe misalignment of budget is an impediment to cloud

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2

80%

of organisations we surveyed fear runaway costs

AFFORDABILITY OF PUBLIC CLOUD

Budgeting in a predictable way
It's essential to look at the price models and to benchmark. When benchmarking, make sure to compare like for like (include electricity, security and management). Take into account value, longevity and future-proofing. Understand what's included in the price; consider the cost of upgrades and software improvements.

3

COST OF ON-PREMISES VERSUS CLOUD

It's important to look at the total cost of ownership when comparing the pricing of on-premises versus cloud. The cost of on-premises will include your server, storage, networking, racking and stacking. Also consider electricity, power consumption, and air conditioning. On-premises means maintaining a workforce with a set of high-end skills to manage your data centre and infrastructure. How does this compare with the cloud?

55%

of organisations we surveyed believe cloud is more expensive

4

81%

of organisations we surveyed value progressive technology

BUSINESS CASE

Making sure the business case is correct will ensure that the technology fulfils the needs of the operation which it is serving. Cloud is an excellent enabler for achieving digital transformation at a fast pace.

It may be impractical or cost-prohibitive for public sector organisations to store on-premises large amounts of data or develop the apps they need to analyse the data. A cloud provider will be continually investing in the latest technologies, therefore, future-proofing your business and ensuring business continuity.

5

PROCUREMENT

Tips on the procurement process and how to negotiate it in the right way.

1. Get the requirements right
What is the business outcome you are trying to achieve? Take a holistic view, not just technical focus. Proof of concept will help to flesh out the requirements.

2. Total cost of ownership
Think long term and include all costs. Make sure you are addressing all requirements and are comparing like for like in the business case process.

3. Evaluation criteria
What is important will be driven by the individual organisation's needs. The three aspects of price, risk and benefit need to be carefully considered to determine the value.

4. Utilisation of frameworks
There are a variety of frameworks available and should be considered. These are fast, have low overheads and pre-agreed terms and conditions.