# WAVESTONE

# THE G-CLOUD INITIATIVE IS IN DELIVERY MODE – WHAT DO YOU NEED TO CONSIDER ?

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THE G-CLOUD £60M GOVERNMENT FRAMEWORK WILL OFFER CENTRAL GOVERNMENT DEPARTMENTS AND LOCAL AUTHORITIES THE CAPABILITY TO PROCURE I.T. AND COMMUNICATIONS SERVICES SUCH AS INFRASTRUCTURE, PLATFORM OR SOFTWARE THROUGH CLOUD SERVICES SUPPLIERS. HOWEVER, IN ADDITION TO THE BENEFITS THAT CAN BE REALISED FROM THIS FRAMEWORK, THE CLOUD CAN ALSO CREATE NEW RISKS AND CHALLENGES. WHAT SHOULD CENTRAL GOVERNMENT DEPARTMENTS AND LOCAL AUTHORITIES CONSIDER WHEN PROCURING THROUGH THE G-CLOUD FRAMEWORK TO MAXIMISE THE POTENTIAL BENEFITS AND AVOID THE RISKS.

## WHAT DOES THE G-CLOUD FRAMEWORK OFFER?

Cloud services suppliers use virtualisation technologies to create and distribute IT and communications resources to clients on an 'on demand' basis through a private or public network. This delivery model will offer central government departments and local authorities a quicker and more agile system for the procurement, management and delivery of IT and communications services. It is meant to create an environment where shorter term, more flexible contracts are signed with suppliers to promote the adoption of new technologies and suppliers.

We have identified five top considerations you need to consider when using the G-cloud framework:

## INSIGHTS

## 1    OWNERSHIP, CONTROL AND PROTECTION OF YOUR DATA

When procuring data storage and processing services via the cloud services, you should be aware that:

- the physical data location will be chosen, owned and managed by the supplier. You must check if this is in compliance with your organisation's specific regulatory and information security requirements and consider if there are any restrictions on data being offshore
- data can be stored alongside other organisations' data therefore data segregation is a risk
- the level of security to which data backups are being secured will differ and must be considered.

## 2    BUSINESS CONTINUITY AND DISASTER RECOVERY

You should ask questions about the portability of your data to avoid lock-in or potential loss if the business fails. Investing in and procuring cloud services should not be treated any differently to any other IT investment. You must undergo the same due diligence and auditing process of your potential supplier's business in order to establish financial stability, address business continuity questions and assess disaster recovery options.

## 3    END TO END SERVICE LEVEL AGREEMENTS (SLAS)

When deploying cloud services, you will be signing up to sharing resources and infrastructure, which will be hosted by suppliers. Therefore, guaranteeing a certain level of service and managing it will be more of a challenge compared to more traditional IT services operating models. It is essential to place strong emphasis on considering, defining and planning how to manage end to end SLAs. The defined SLAs will need to specify the levels of availability, serviceability, performance and operation.

## 3.1 COST MODEL

One of the key drivers for moving to the cloud is the belief that organisations will no longer have to own IT assets, significantly driving down capital expenditure. It is essential that you have a clear business case backed up by a robust investment appraisal model in order to understand your new ongoing costs. Moving certain services to the cloud may prove a more expensive migration, for example, when dealing with bespoke government services.

## 4    OPERATING MODEL

Adopting cloud services will have an impact on existing organisational roles and the way an organisation operates. Therefore, you will need to have a clear definition of how your organisation will look and where responsibilities lie after capability migrates to the cloud services supplier.

- the IT governance structure and governing bodies will need to evolve to include vendor executives in the IT eco-system
- IT operating models and processes will need to change to focus on broad IT service management capabilities and not technology management.

It is vitally important to get the operating model right because it is the vehicle to enable successful execution of the strategy, to realise business case benefits and to minimise the risks of managing this new environment.

## 5    CONCLUSION

There will no doubt be uncertainties and challenges facing those who embark on procuring future IT capabilities through the G-cloud framework.

The right level of preparation and consideration should be invested into understanding your current environment and the impact of changing the IT delivery model on your organisation. In order to gain the commercial and operational benefits of migrating to a cloud delivery model you should undertake an extensive due diligence exercise to build a baseline of the existing environment and develop a business case for migrating to the cloud. You also need to carefully consider the implications of delivering and operating IT and communications services through the cloud.

## ABOUT US

Wavestone is an international consultancy that provides connected thinking, insight and capability to industry leading organisations. We work collaboratively with our clients to plan strategic business transformation and seamlessly turn strategy into action.

## FIND OUT MORE

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