ALIGNING A CLOUD INFRASTRUCTURE TO YOUR BUSINESS STRATEGY
By now, most organizations have moved some aspect of their business to the cloud. The inherent benefits of cloud computing are clear to them, but many may not understand how—or why—to merge a cloud implementation with their overall business and growth strategy.

This matters because a lack of alignment with business strategy can result in untapped potential uses of cloud resources, implementation risks, and poor adoption by users. Ultimately, organizations may be unable to realize the full value of cloud computing to achieve business goals.

A carefully considered alignment of business and cloud strategies can be unexpectedly complex. It requires a strategic and informed assessment of current-and-future business goals, and an understanding of how the cloud can support them. Also needed will be buy-in and support from C-suite executives and business leaders, as well as a change-management program to help ensure the initiative is fully adopted by end users.

Any technology implementation is fraught with potential missteps, and a cloud transition is no different. Without tight business-IT alignment, organizations may not achieve the full value of the cloud—or even risk costly failure.

Why alignment is key

Some cloud vendors would have you believe that migrating applications and workloads to a cloud environment is a straightforward step toward a host of new business efficiencies. It certainly can be—but only if organizations first chart a meticulously planned business strategy that guides the transition.

The planning starts with a careful assessment of current business capabilities gaps and how the cloud can help organizations address these issues. This is, first and foremost, an evaluation of business goals that are core to overall strategic growth. Decision-makers should weigh the effectiveness of current business practices, and identify the specific problems the cloud can solve. For instance, many companies want to adopt advanced data analytics to uncover insights into new business opportunities and efficiencies. What stops them is limited on-premises storage and compute horsepower, as well as a lack of in-house data scientists. Cloud computing can provide an instant infrastructure for advanced analytics, with no need to purchase and maintain hardware and software.

This exercise in strategic planning can also help organizations understand and prepare for business needs for the next three-to-five years, and coordinate technology requirements accordingly. Beyond the individual business, stakeholders should also weigh how likely near-term changes in their market and industry will impact their business practices and strategy.

It’s also critical to consider current-and-future regulatory and compliance obligations before you begin a cloud migration. In doing so, you’ll need to assess your data-access management technologies, and the processes to support these tools. While leading cloud services are certified to provide compliance with regulations like HIPAA and PCI-DSS, it’s important to develop a compliance program that fits your individual business, and then match your needs against providers’ certifications.

Next, cloud project leaders should assess the current state of the organization’s technology architecture with an eye toward migration of applications that will yield the most expedient impact on business performance. A best practice is to categorize these applications as either operational or strategic.

Many businesses start by first migrating operational applications, which include comparatively simple software applications like communications tools. Strategic solutions, such as enterprise resource planning (ERP) and customer relationship management (CRM) systems, tend to be more complex and interconnected across the enterprise. It’s often best to gain experience by first moving simple applications with fewer interconnected dependencies.

Ultimately, a business-first cloud strategy can enable companies to rapidly achieve the full value of cloud computing: scalability, reliability, and agility, all at reduced costs. It can also help meet the requirements of today’s integrated ecosystem and build a modern platform for leading-edge technologies like artificial intelligence, advanced data analytics, and mobility, to name a few.

Getting the right people

Putting the business first in cloud initiatives will require a united front that combines executive leadership, lines of business managers, and end users.
Leading the initiative should be the CIO, CTO, or the chief communications officer. These executives must have a business-first mindset and fluency in both the language of the C-suite and IT. These skills will enable the project leader to articulate how an aligned cloud-business strategy can help streamline business processes and create operational efficiencies—typically at a lower cost than on-premises technologies.

First, win buy-in and backing from the C-suite. Top-down evangelism and support for the project will help underscore the business focus of the initiative. Next, organizations will need to get backing from lines of business leaders to help ensure that the cloud initiative addresses the needs of each function, including finance, risk, human resources (HR), legal, and strategic planning. Collaborate with these leaders to clearly understand and address their business and IT capabilities.

Of particular importance is the relationship between IT and business stakeholders. In a cloud environment, IT must act as a true partner to the business, not a back-office function that simply delivers technology services. To get there, IT must become fluent in the language of business as well as the company’s overall business strategy and objectives.

It doesn’t stop there. Engagement of end users is critical to realizing the expected business outcomes of the project, as well as use and early acceptance of the cloud application.

**Communicating change for a successful migration**

A transition to cloud computing will be most effective when business advantages are clearly and frequently communicated to top executives, business leaders, and end users alike. A proactive HR presence and an effective change-management program will be pivotal to success. Just how critical? A recent survey conducted by the Project Management Institute found that leading causes of failure when implementing strategic initiatives include poor communication (cited by 19% of respondents) and lack of communication by senior management (18%). Employee resistance to the transition, mentioned by 14%, suggests that project leaders did not adequately articulate user benefits and provide adequate training.

To help ensure user acceptance, the cloud project team should work hand in hand with HR to help coordinate communications and training. It’s important to build awareness in advance so that employees understand the implementation goals, timing, progress, and completion roadmap. Legacy workers, in particular, may need help understanding and using new cloud technologies.

What’s more, cloud-based businesses typically require fewer IT employees to operate and maintain hardware and software. Management should take this opportunity to reassign displaced workers to in-demand roles in areas like data analytics or mobile computing that are critical to business objectives. HR can help reallocate and train employees to prepare the workforce for the skills and challenges of tomorrow.

It’s best to start planning for workforce changes in the early phases of the project. Waiting until your program goes-live can result in unnecessary confusion and uncertainty—as well as lost productivity.

**A fine-tuned cloud migration**

A finely-tuned cloud implementation can enable you to prioritize and systematically achieve your business goals while lowering capital and operating expenditures. Getting there will require a proactive cloud transition program that is tightly aligned with your individual business objectives, executive vision, and workforce culture.

By assessing and understanding the full range of issues inherent in a cloud migration, and then creating a holistic strategy that fuses the organization’s business needs with cloud capabilities, better positions companies to achieve cost-effective growth and business benefits as well as prepare for future market challenges.

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1 Project Management Institute, Success Rates Rise: Transforming the high cost of low performance, February 2017.
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