



# Optimizing Your Hybrid IT Environment

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# Executive Summary

Hybrid IT environments — the mix of in-house technology assets with third-party solutions such as colocation, managed hosting, and cloud — are here to stay.

**Done right, hybrid IT can meet the disruptive challenges of today's digital transformation and can make technology a true differentiator in the digital economy of tomorrow.**

Optimizing hybrid IT environments requires detailed planning, strong commitments from senior executives and directors, the right IT skills and resources, a resilient workforce capable of adapting to new processes and business functions and the right technology partners. Optimization is an ongoing process that requires fine-tuning and the continuous assessment and implementation of new solutions as appropriate to achieve IT efficiency and business objectives.



## Benefits of Hybrid IT Optimization

- ✓ Increased agility
- ✓ Increased revenue
- ✓ Reduced risk
- ✓ Improved IT efficiency and effectiveness
- ✓ DX enablement

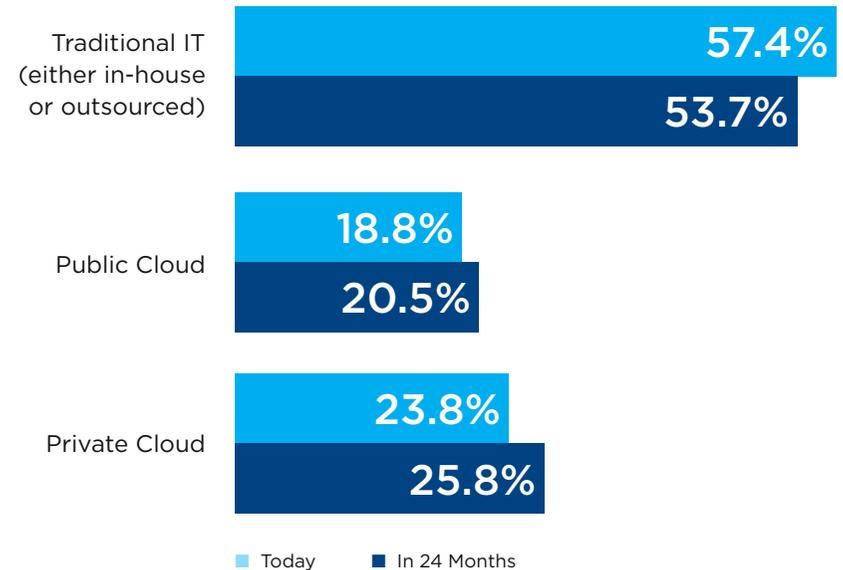
**Optimize Your  
Deployment Model**

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# Hybrid IT Environments Are Here to Stay

IT infrastructures are increasingly complex and heterogeneous. Newer solutions such as cloud provide strong alternatives – not necessarily replacements – to traditional sourcing methods such as on-premise, colocation, hosting and managed solutions. With restrictions related to legacy technologies, data sovereignty, and regulatory conditions, existing hardware and software (and IT resources) will remain viable sourcing options. However, they may not be able to meet the demands and the emerging technical requirements for business agility and digital transformation. This is where hybrid IT solutions become strong alternatives.

## IT Budgets Are Shifting



Source: IDC CloudView Survey, 2016, n=11350



**Hybrid IT is a mix of in-house assets and resources with third-party offerings and solutions.**

# Hybrid IT Infrastructure Options

Hybrid IT environments utilize two or more of the following infrastructure options:



## On-premise/self-managed

This is the traditional deployment model in which end users employ an IT department to manage IT assets — hardware and software — owned by the company. With the possible exception of new startups, virtually 100% of businesses will use this deployment model.



## Colocation

The practice of using a third-party datacenter for the housing of servers and other IT devices is called colocation. End users retain ownership of the servers but use the building, bandwidth, power and security services of specialized providers.



## Hosting

There are several varieties of hosting (shared, dedicated, virtual) that are offered by third-party providers. In this deployment model, vendors provide not only the datacenter facility, security, and power and cooling, but also the servers and required storage.



## Managed IT

A managed IT solution transfers the responsibility of managing and monitoring IT systems to a third-party provider. For a predictable monthly fee, managed IT providers manage IT assets either on the customer premises or in a vendor-owned datacenter.



## Cloud

The underlying principle of cloud, in any of its variants, is the use of network and IT assets of third-party providers for SaaS, PaaS, and IaaS. Companies can choose to deploy private clouds where the cloud infrastructure is not shared by multiple customers, but the underlying infrastructure is largely the same.

**Hybrid IT is a sourcing strategy that leverages multiple sourcing options to improve scalability and agility and, if done right, helps shift IT capital and operational costs and streamline IT management.**

# What is Optimized Hybrid IT?

Optimized Hybrid IT occurs when the combination of technology assets and deployment models are designed and managed to drive efficient and effective IT support.

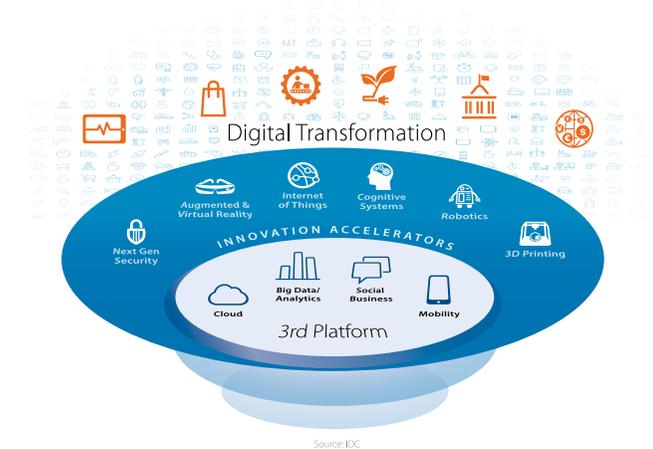
## The Disruptive Impact of Digital Transformation

The disruptive impact of digital transformation (DX) is about to be felt in every industry as enterprises ‘flip the switch’ and massively scale up their DX initiatives to secure a leadership role in the DX economy,” said Frank Gens, Senior Vice President and Chief Analyst at IDC.

By 2020, **50% of the G2000 will see the majority of their business** depend on their ability to create digitally-enhanced products, services and experiences.

By the end of this decade, **70 percent of all enterprises** will have fully articulated an organization-wide digital transformation strategy and will be in the process of implementing that strategy.

To remain competitive and agile during this disruption, organizations need to optimize their hybrid IT environments.



In 2019, enterprises worldwide will spend **\$2.1 trillion** on technology and related services to implement and manage **DX initiatives**.

# Benefits of Optimization

## Agility

Optimized hybrid IT environments that can scale and shift rapidly to the most appropriate sourcing model can allow organizations to quickly respond to:

- ✓ Emerging opportunities faster than competitors
- ✓ Business and market disruptions — both environmental and non-environmental
- ✓ Customer and employee needs

## Increase Revenue

Optimized hybrid IT allows businesses to improve time to market for new products/services, lower the barriers to enterprise grade IT and new markets, and support innovation.

## Reduce Risk

The appropriate mix of sourcing models can improve control, insight and security, which is critical for regulated industries but can benefit all organizations given the ongoing threat, cost and customer perception of security breaches.

### CLOUD FOR BUSINESS AGILITY

**57%**

of organizations  
WW are using  
cloud “heavily”

**15%**

more say they are  
light users of cloud

Source: IDC CloudView Survey, 2016

## Improve IT Efficiency and Effectiveness

Optimized hybrid IT allows IT to streamline resource usage and allocation by using and paying for what is actually consumed as compute, storage, and network resources. It also improves IT performance through improved orchestration, cost optimization, and quality of service. IT resources can be redeployed to more strategic initiatives while third parties manage and monitor infrastructure.

## Enable Digital Transformation (DX)

Optimized hybrid IT provides a robust, secure and agile foundation for mobility, social, Big Data, analytics and IoT solutions. Businesses are increasingly adopting digital solutions to transform their business to take advantage of emerging customer demands and expectations and an optimized hybrid IT environment can be the catalyst.



The average cost of a data breach in 2017 was **\$3.62M**. Only **28%** were due to human error. **47%** were attributable to malicious or criminal attack.

Source: Breach Level Index by Gemalto and SafeNet

IT resources can be redeployed to more strategic initiatives while third parties manage and monitor infrastructure.

# How to Optimize Your Hybrid IT Environment

Building an optimized hybrid IT environment requires detailed planning, strong commitments from senior executives and directors, the right IT skills and resources, a resilient workforce capable of adapting to new processes and business functions and the right technology partners.

**There are four primary areas of focus that an organization should consider when optimizing its hybrid IT environment:**



1. Internal



2. Solution



3. Datacenter



4. Solution partners



# 1. Internal Considerations

The shift to an optimized hybrid IT solution will require changes to the structure and scale of the internal IT department and its responsibilities. The movement away from traditional, established IT delivery and support models will be challenging and require the greatest amount of consideration.

- ✓ Define your business strategy generally as well as how it relates to IT ownership and capital and operational IT costs
- ✓ Identify how IT supports the business strategy and current IT gaps and opportunities for service enhancement and cost reduction
- ✓ Prioritize and assess your current workloads to determine the optimal deployment model
- ✓ Develop a business case that outlines the optimized hybrid IT roadmap and its measures of success



## 85%

of enterprises  
will be multi-  
cloud by 2018



## 2. Solution Considerations

There is a variety of technical issues that have to be considered when businesses move to an optimized hybrid IT environment. These technical considerations are both internal and external, such as cloud requirements for seamless integration and orchestration between infrastructure models.

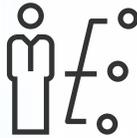
- ✓ Infrastructure, hardware, software and services required for business applications and systems
- ✓ Security — physical, data, resiliency
- ✓ Regulatory compliance and “must have” certifications
- ✓ Unique hardware specifications
- ✓ Workload scalability or unique processing
- ✓ Orchestration and automation requirements
- ✓ Financial considerations — capital and operating costs



## 3. Datacenter Considerations

Whether a hosted, colocated, private or public cloud offering, the datacenter's capabilities, configuration and construction will play a critical role in the effective optimization of hybrid IT solutions.

- ✓ Security — physical and data protection
- ✓ Risk profile, location
- ✓ Certifications and qualifications
- ✓ The facility, power and cooling
- ✓ In-country and international locations
- ✓ Scope of available services: colocation, hosting, managed IT (professional services), cloud, connectivity



## 4. Solution Partner Considerations

Increasing the reliance and use of external providers requires the development of trusted relationships with partners and suppliers. Aside from the technical considerations of optimized hybrid solutions, there are other, equally important, provider considerations.

- ✓ Quality or level of service, IT expertise
- ✓ Security practices, qualifications and procedures
- ✓ Price and commercial terms
- ✓ Ease of use and understanding of the offering
- ✓ Product roadmap/future direction/growth strategy

# Future-Proofing Your Optimized Environment

Disruptive innovations and competitive pressures will continue to challenge business operations. Optimized environments will need to adapt to these changes and be constantly fine-tuned.

**New technologies and offerings should be considered and adopted as appropriate.** Leading third-party providers offer the latest technologies and practices, helping to ensure the security and availability of key infrastructure services.

IDC believes that success in the DX economy will depend on the ability to build robust “data pipelines” that flow both in and out of the enterprise. Organizations need to focus on optimizing their hybrid IT environments so that they can adapt to the disruptive force of DX.

**Businesses that are unable or unwilling to evolve will be eclipsed by those that are technologically agile, secure, and resilient.**

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