



CEO Level **CLOUD SURVEY**

2018 REPORT



INTRODUCTION

Overview & Thank You

First let me say we are deeply grateful for all the CEO's who participated! The survey covered over 5000 CEO level executives of similar mid-sized businesses across the US. Your businesses are the growth engine for employment and over 70% of you told us Cloud was important to your business. So, clearly how easily and effectively you are able to tap the Cloud matters. With this quick survey summary, you'll see what your peers are facing. And, you may find you are not alone with some of your concerns.

Survey Goal

Our goal in sharing.....

This heat map of CEO level view of the Cloud is to help you pin point areas to pay attention so you can get ahead of the challenges. We believe this is the best way to empower you to better achieve the outcomes you want with the Cloud.



Cloud Friction Concerns

After identifying common hot spot areas, we spoke with some of you to dig in deeper. What we heard was some frustration with friction in adopting the Cloud and in some cases costly do-overs. We learned that the typical journey to the Cloud was initiated by a C-level business objective that then translated to an IT directive. As a result, in most cases the details were purely defined and informed by an IT lens which in some cases included outside IT consulting. This is perhaps unsurprising, after all this has been the common way the C level has gone about tech enablement before Cloud. The past need not define the future. Perhaps it's time to re-examine the approach. By some metrics nearly 70% of the CEO's in this survey have concerns which are creating an undue burden on them.

Is there a better way?

CEOs told us they're looking to avoid Cloud friction and lead their teams to better outcomes. We spoke to many of you about your access to best practice guidance via external resources such as professional associations, advisory services, or training. We learned CEOs were pressed for time and lacked easy cost-effective access to these resources. To fill this gap, we decided to create some guides to help you. This report is part of this series of executive advisory material. To kick things off you'll find 6 actionable recommendations in this report based on our research with CEOs. Let's first review the survey results to understand the common ground between you and your peers.

One quick note:

For simplicity and without impacting relevance all percentages have been rounded to nearest whole number.

CLOUD IMPORTANCE



To understand what importance CEOs of mid-sized businesses place on the Cloud we asked one question:



How do you rate the cloud in terms of importance for your business?

An overwhelming majority (70%) of CEOs said Cloud is important to business.

For mid-sized businesses Cloud falls primarily into two main buckets:

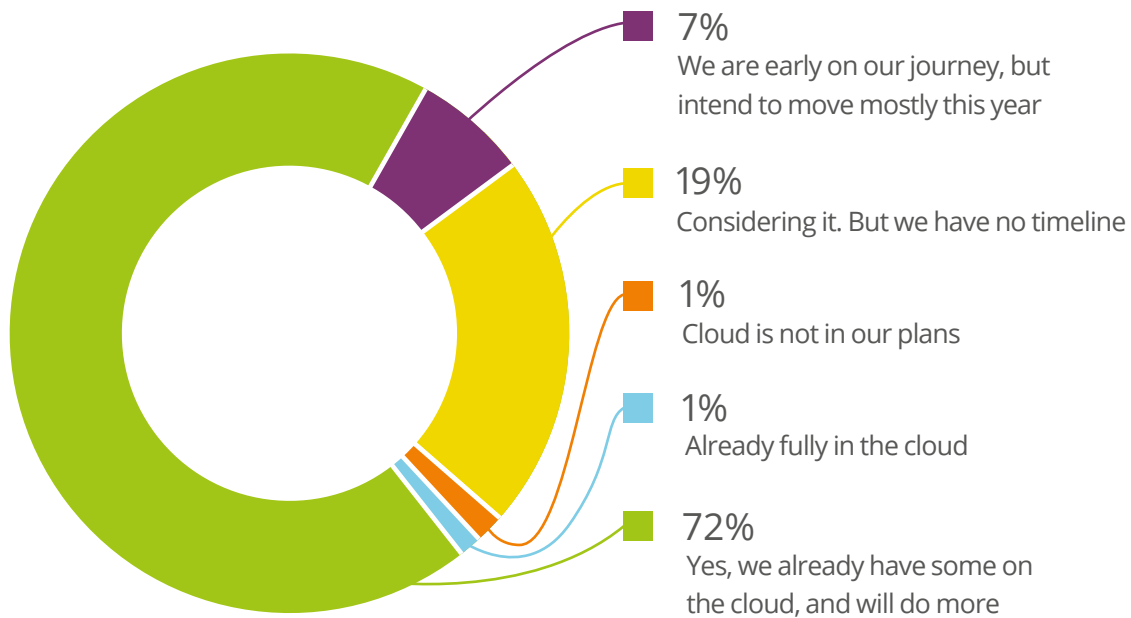
1. Infrastructure (IaaS) or server type clouds such as Amazon AWS, Microsoft Azure, or Google GCP.
2. Software as a Service (SaaS) Clouds such as Salesforce or Microsoft Office 365 or Google Apps.

The majority of survey respondents replied with respect to concerns around execution, implementation and cost with respect to Infrastructure clouds. This is likely due to SaaS (software) solutions being more defined with less variables involved with respect to migration.

Current State – Cloud Adoption: _____●

To assess where these companies are in terms of adopting the cloud we asked the following question:

Are you looking to move some of your Apps to the cloud?



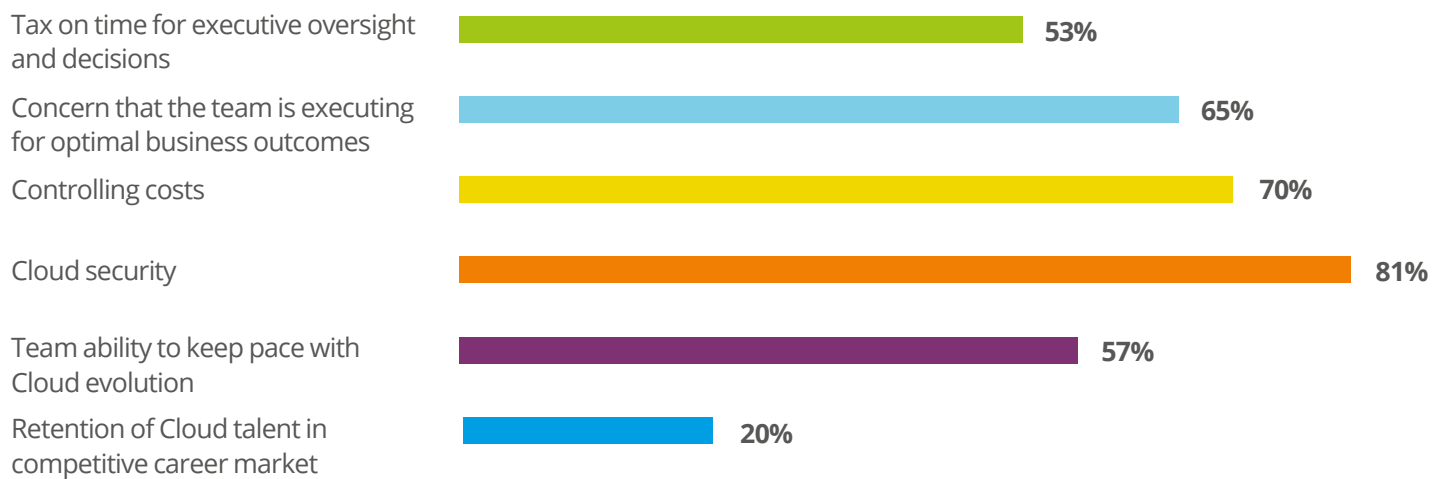
Cloud is not just for the Fortune 500 or tech startups. Seventy two percent of mid-sized companies in the US that participated in this survey have already made some part of the journey to the cloud and seek to accelerate that this year (2018). An additional seven percent are looking to begin this year. One percent is already fully on the Cloud. That gives us a total of 80% of mid-sized businesses being on the Cloud at some level or another this year. Nineteen percent of the remaining companies are looking to migrate but don't have any timeline, and only 1% have no plans at all.



Heat Map Of CEO Cloud Concerns: _____●

Having established a current baseline in terms of relevance of the Cloud we then wanted to generate a heat map of CEO concerns. The chart below shows the 6 key areas of concern along with what percentage of CEOs who shared the specific concern.

If using or considering the cloud - what concerns you?



- The majority of CEOs expressed more than one concern. Indeed, at least half of CEOs were worried about 5 out of the 6 key hot spot concerns. That's quite a burden across such a broad range of concerns.
- To help CEOs reduce this strain we've outline 6 recommendations in line with each of the hot spot areas of concern.



6 Recommendations:

Besides the obvious negative impact of Cloud friction is another insidious hidden element. For every minute a CEO spends overcoming friction, that's a minute they lose from pursuing higher value objectives such as strategy for growth. And, let's not forget CEOs are people. So, friction also takes its toll on health and emotions. Read below the 6 recommendations to help reduce this tax on you.



1. Security

Do you know what your IT team is doing? Security breaches occur more often due to lapses and internal issues.

a. Develop a “security first and always” culture company wide

This can best be done with CEO leadership initiating and nurturing conversations. With so much else to do it's easy to default to a “set and forget” security model. Set and forget security is a model from the past that's too often become a habit. But it poses a real danger in today's ever evolving threat landscape.

b. Test your security often

The threat landscape is always changing. Consider accredited third-party testing and validation of your security at least on annual basis and at the design and implementation of any new service on the Cloud. Even if you are subject to PCI, HIPPA or similar third-party testing don't assume that's sufficient.

c. Go above and beyond

Excellence comes from going beyond norms. It's now surprisingly easy and cost effective to do so. For example, look at tools that can provide automated testing. Threats don't start or stop on the network. So, beyond network testing look at different tools for different purposes such as testing software security, or to identify out of date internal policies etc. Know and understand which of these tools your team should be using relevant to your business.

d. Develop a good 360-degree view.

Specifically, understand the different possible attack surfaces. Just as locking your front door but leaving the back door open is not secure so too you must know what all the surfaces are (windows and doors so to speak) and where bad actors might get in or harm you in other ways.



2. Cost

Cloud promotes a pay as you go model which easily can lead to costs spiraling upwards. Cost should be classified into categories to help CFOs and CEOs make better informed decisions. Doing so helps CFOs take steps to benchmark and rationalize costs. Creating a user charge back model also helps define spend to employee / productivity value. Here are some thoughts to get costs under control.

a. Idle resources can cost.

Are you over provisioned and therefore wasting money on under or unutilized Cloud resources?
Is there a way to periodically kick out a report to check this?

b. Optimized Design.

Is the architecture cost efficient while meeting your other needs?
When was the last time this was re-examined?

c. Software Architecture.

Refactoring your code can yield big savings by availing yourself of new options beyond just the infrastructure on the Cloud.

d. Employee Utilization.

Paying someone a full-time salary when you only need them part time is a hidden cost to your business. How do you uncover this? And how do you know when it's time to outsource for fractional resources as a more cost-effective model?



3. Execution

Over half of CEOs were worried about getting things done on time and right. Better execution is a function of experience and good collaboration. Yet, finding a way to put these in place can be a challenge. One way to avoid the hazard of poor execution and re-dos is to develop a framework. This framework should have a periodic audit cycle to report efficiency and alignment to your business objectives.





4. Team Skills & Staying Current.

The blistering rate of innovation on the Cloud makes it hard to stay current. AWS for example releases 1000+ new services a year. How will your team keep up?

a. Workshops & Training Certs

You could provide incentives for your employees to improve their skill sets.

b. Outsourced Support.

Many companies are now outsourcing so as to augment their staff capabilities. This way internal staff can focus on core competencies driving higher value instead of being distracted trying to keep up with the rapid pace of Cloud evolution.

C. Temp Hire.

Another way to go is to hire thru a staffing agency perhaps for example, temporary staff for project-based support.



5. CEO Oversight

CEOs often find themselves at the nexus trying to reduce drift between business objective and IT alignment. CEOs who establish transparency and clarity with some sort of keystone reference point find it much easier to stay on track.



6. Talent Retention

Only a small percentage of CEO survey respondents were concerned about Cloud talent retention. This could be because they've not yet experienced loss of key talent. Nevertheless, it'd be wise to consider the risk and how to mitigate it. An AWS certified Cloud resource for example, can fetch north of \$110k a year. Recruiters are always trying to lure them at trade events, workshops or LinkedIn. Top tier talent often receives 3 and 4 figure signing bonuses. And, it's going to get worse. As the cloud accelerates in depth and breadth this will increase demand for talent. Business risk is real when someone with the keys to the castle so to speak leaves unexpectedly.

CLOUD QUICK START VISUAL GUIDE

To help CEOs with the “6 Recommendations” noted above, we created a quick start reference guide. A copy of this is available upon request at no cost. The guide covers the “8 Steps To Successfully Adopt Cloud”. Please send your request from your business email to ceo-advisory@apexdatacom.com

We understand you’re busy so we made the guide in an easy to understand visual format. Deepen your understanding in just 15 minutes. You’ll be able to use it as sort of cheat sheet to help you guide your team. While the emphasis for CEO involvement in Cloud tends to be at the start, we noticed there’s a hazard to limiting focus to just the initial phase. The top 2 concerns (security and cost) came up after companies had already developed some maturity on Cloud. It’s clear therefore, that CEOs need a way to return to some touchstone at any point in their Cloud lifecycle to stay on track. Accordingly, the guide covers all aspects from the beginning through the entire lifecycle.

The guide will help CEOs and CFOs better co-create success with their IT team. Our intent is to provide CEOs a vital executive foundation to achieve better outcomes without getting into the technical weeds about Cloud.

Here are some key takeaways you can expect:

- **2 Things to do before IT begins**
- **A methodology to create better IT alignment**
- **The top 3 pitfalls to watch for with Cloud**
- **1 Way to save tens of thousands per year**
- **How to know you’ll get the right Cloud design**
- **Beyond Cloud what you must consider**

To request your copy at no cost please email ceo-advisory@apexdatacom.com

Other Resources: _____●

Listed below are other ideas CEOs could consider to empower themselves to alleviate the burden they face with the Cloud.

1. CEO workshops. Besides professional associations, CEOs have other low or zero cost resources. One example, are workshops put out by leading third party providers. These workshops are often full day tailored executive briefings.
2. Consulting for C-level beyond IT.



Achieve Better Business Outcomes With Better Cloud

8 Steps To Success Every CEO Must Know

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