

COULD DATA SPRAWL

IN THE CLOUD COST YOU

YOUR JOB?

by Jeff Vance

CLOUD COMPUTING PRESENTS CIO'S WITH NEW OPPORTUNITIES AND NEW RISKS. WHILE THE CLOUD PROMISES TO TRIM COSTS FOR SUCH THINGS AS APPLICATION INFRASTRUCTURE AND DATA STORAGE, THE CLOUD ALSO CHALLENGES THE CIO'S ROLE AS THE "OWNER" OF HIS OR HER COMPANY'S MOST IMPORTANT ASSET: ITS DATA.

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espite the numerous cost-savings and productivity-boosting opportunities cloud computing presents, many organizations are struggling to take full advantage of them. Yet, CIOs face constant pressure to adopt new technologies in order to cut costs. As companies try to trim costs using the cloud, new data challenges emerge, and CIOs must cope with additional pressure from the rest of the organization. Without new data integration tools, CIOs risk losing control over the information they rely on, putting their very jobs in peril.

"The most important asset any company has – besides its people – is its data," said Sohaib Abbasi, chairman and chief executive officer of Informatica, a leading global provider of data integration software. According to Abbasi, the emergence of cloud computing presents an entirely new set of data challenges to IT organizations.

The first data challenges are logistical ones. How do you get your data into the cloud? How do you give your employees access to that data? How do you ensure that the data is secure?

Those are all significant challenges, but they are consistent with the challenges that IT must already manage. IT has strategies in place and tools at its disposal to meet these.

"A more pressing challenge is: How can you be certain that you are moving quality data into the cloud?" asked Juan Carlos Soto, senior vice president and general manager of the **Informatica Cloud** and B2B Data Exchange product divisions.

Most CIOs can't answer that question. Data can be entered, manipulated and changed by any number of people in any number of systems.

Who can tell what information is accurate and up to date?

Software-as-a-Service (SaaS) and cloud applications are often being deployed one application at a time, often department by department. In those cases, there is little planning and even less organization, and various business units often deploy cloud-based apps without first consulting with IT.

In an ideal world, CIOs wouldn't be accountable for systems deployed outside of their control. However, in the real world, CIOs are questioned every time problems arise whether or not their advice was followed.

Moreover, piecemeal cloud deployments usually fail to meet user expectations or their full potential, and to whom do employees turn when technology fails to deliver? That's right, IT. The very people they were working around in the first place.

DO YOU KNOW WHO OWNS YOUR DATA?

As a result of cloud application sprawl, IT can no longer claim ownership over all information. To non-technical employees, that may seem like a trivial concern. After all, what does it matter who owns information as long as the job gets done?

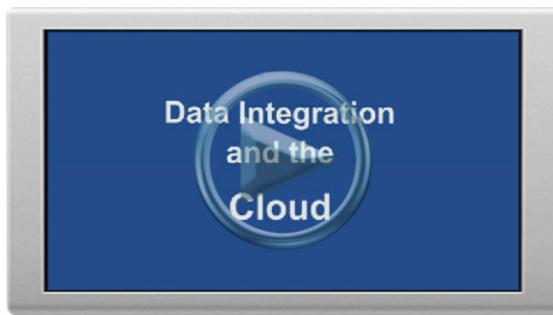
That's the problem, though. When IT loses control over information, IT and business goals are thrown out of alignment and productivity suffers. Organizations do not get the full benefits of the cloud if they cannot integrate those applications with existing

systems. Yet you can only integrate the data you can see. When data sprawls beyond IT's control, the cloud's benefits not only fail to materialize, but also are often trumped by the new problems created by the lack of planning and integration.

Worse, the lack of oversight means service providers have more control

over your data than you do. What happens if you aren't satisfied with the quality of service from your cloud provider and want to move to a different one?

What happens now is that vendor-locked organizations often take their frustrations out on the CIO.



Sohaib Abbasi, Informatica Chairman and CEO, and Juan Carlos Soto, Informatica SVP and GM, offer insights into data integration in the cloud. View at <http://bit.ly/azwXr2>.

THE 5 CHALLENGES THREATENING CIOs

Soto refers to the five most pressing challenges starting down CIOs as the "5 C's". These are the challenges that are the most immediate, that are constant across various industries and are almost impossible to solve using yesterday's technologies.

Those challenges are: cost, compliance, complexity, competition and credibility.

"CIOs are under tremendous pressure to cut costs," Soto said.

TOP 6 DATA CHALLENGES OF CLOUD COMPUTING

1. Ensuring that sensitive data is protected and secure.

2. Granting your knowledge workers timely, secure access to data.

3. Keeping data integrated and in sync so business users know they can trust the data to be up to date and accurate.

4. Offering self-service data integration tools so business users are able to leverage data across applications.

5. Maintaining IT's control over data as it moves into service-provider clouds.

6. Keeping business and IT interests aligned as data (and the control and management of that data) moves beyond the firewall.

IT organizations have been successfully trimming budgets for years, but cost-cutting eventually hits a limit unless radical changes occur. This is one reason trends like cloud computing get so much traction: they promise to relieve cost pressures.

CIOs also must now comply with an array of new regulations, while managing compliance in increasingly complex IT systems. At the same time, in a down economy, increasing your company's competitiveness requires improving business efficiencies by having the right information at the right time to make critical decisions. Balancing these demands can't take away the CIO's focus on bottom-line business goals.

"All of this adds up to the fifth challenge: The CIO's credibility is constantly questioned within the organization," Soto added. "Today business units are tempted to 'go on their own' without engaging IT. The perception by lines of business that their problems are unique and that they can't be quickly addressed by IT is giving rise to shadow IT projects, including SaaS sprawl, and ultimately undermining the broader organization's IT efficiency."

NEW HOPE FOR CHALLENGED CIOs

The situation is dire, but not hopeless. Cloud and SaaS vendors are slowly but surely becoming aware of these problems, and better solutions are emerging.

One such solution that has already caught fire is salesforce.com. "Companies increasingly turn to salesforce.com for their CRM needs," Soto said. "However, most information they need to

put into salesforce.com originally resided in a different CRM solution from a different vendor. Or it was trapped in legacy back-office systems.”

The challenge is to get the initial data into salesforce.com and integrate it back with rest of the on-premise data on an on going basis. After all, you don't want to simply trade one data silo for a different one. A shiny new silo is still a silo.

This is where platforms like salesforce.com's force.com have an advantage over traditional data silos. With an open design and readily available APIs, platforms like salesforce.com's spur application ecosystems. With an ecosystem in place, companies are able to leverage existing platforms to quickly offer new solutions to the new problems burdening CIOs. And with Informatica Cloud, a true SaaS data integration solution, customers are able to easily and reliably automate moving, monitoring and synchronizing data between cloud environments and back-end systems. This type of on-demand service addresses one of the biggest cloud computing challenges -- data integration.

DATA INTEGRATION IN ACTION: THE GULF OIL SPILL

Many of the data challenges staring down CIOs often seem too abstract to get the attention they deserve. The reality is, though, that many “abstract” data challenges must be solved to in order to tackle real-world problems. A case in point is the 2010 Gulf Oil Spill disaster. Cleanup efforts rely on all sorts of technologies, but without the proper data integration in place, those efforts are undermined. With something as drastic as an oil spill, poor data integration could threaten the health of workers, wildlife and natural ecosystems.

RAE Systems delivers sensor solutions to industrial, energy, environmental and government safety markets. RAE System's sophisticated sensors are playing a vital role in protecting cleanup workers during the 2010 Gulf Oil Spill response efforts, and it is imperative

that the company respond quickly to requests for repairs or replacements.

Using legacy systems, the cycle of repairing and replacing sensors was slow, time-consuming and costly. Fortunately, when disaster struck, RAE Systems was prepared.

The company had adopted the Informatica Cloud solution, which provides data synchronization between RAE Systems' on-premise Oracle E-Business Suite ERP application and its cloud-based salesforce.com implementations to fully automate the company's service-order process directly from their CRM system.



Sohaib Abbasi, Informatica Chairman and CEO, and Juan Carlos Soto, Informatica SVP and GM, provide an overview of Informatica Cloud. View at <http://bit.ly/bOvFY2>.

Data integration enhanced productivity and efficiency for the RAE Systems service team, while those in the field are confident that urgent orders will not be missed. The end result is safer working conditions, healthier workers and wildlife, and a much speedier cleanup.

That's the kind of success story that today's CIOs need the next time someone questions their role in the modern enterprise. ■