



Free Up IT and Focus on New Business Innovation

Shifting Application Management to the Cloud Can Help Reduce Costs and Increase Efficiency

The concept of cloud computing is anything but cloudy. It's a fairly straightforward proposition in which your organization relies on a third party to provide computing resources for consumption. The software, the IT infrastructure, and the platforms you need can all be provisioned by another organization, leaving your company to focus on core business objectives.

But don't let the simplicity of the concept fool you. The cloud is a powerful tool for transformation — offering ways to address complex business challenges, help improve operations, and deliver visible results. And cloud computing provides more options, starting with the form in which it's offered. For example, cloud technology can be deployed via three types of "stacks":

- **Software as a service (SaaS)** refers to the cloud-based provision of software such as SAP Cloud for Customer, and SuccessFactors or Ariba solutions.
- **Platform as a service (PaaS)** refers to services that enable organizations to develop and deploy core applications, such as SAP ERP, via the cloud through solutions such as SAP HANA Cloud Platform and SAP HANA Enterprise Cloud.
- **Infrastructure as a service (IaaS)** offers storage and computing resources that organizations can use to develop custom business solutions in the cloud, leveraging offerings such as SAP HANA Cloud Platform.

Across all three types of stacks, companies can realize many benefits, including reduced costs, simpler application management, and enhanced business development.

Move to a Flexible Operating Model

Cloud computing can help reduce traditional IT infrastructure costs through a combination of capital-expense reduction, flexible payment options, and reduced operational costs for internal IT resources. For instance, one of the key benefits of cloud computing is its on-demand, elastic nature, in which PaaS, SaaS, and IaaS stack resources are consumed only when needed, with organizations paying only for what they use. This approach helps align computing and storage demands

with business needs, and it means unused capacity won't sit idle as a capital expense.

Manage Processes, Not Technology

In many companies, IT departments are tasked with managing the company's core applications, such as ERP, customer relationship management (CRM), and human capital management (HCM) systems. Managing these complex landscapes can quickly eat up IT resources and, for the most part, doesn't help differentiate the organization or provide a competitive advantage. However, by moving some of this application management to the cloud, organizations can shift more of their budgets toward new systems and capabilities that can influence business growth.

Enable Business Innovation

Without the stress of managing everyday systems, IT can focus on creating new value for the company. The cloud offers a platform to experiment, innovate, and help mitigate risk. Lower operational costs and increased efficiencies can enable organizations to create more scalable, responsive IT departments that can launch innovative new endeavors and help remove performance barriers from existing business approaches.

Begin Your Cloud Journey

Despite the benefits of cloud computing, undertaking a cloud strategy often presents critical questions on how your organization should shift its activities and mindset. Deloitte has extensive experience assisting organizations in their move to the cloud, and understands the potential, the challenges, and how to help determine which cloud deployment option is right for a company's individual needs. Visit www.deloitte.com/sap or contact us at jbandla@deloitte.com or kdave@deloitte.com if you're ready to begin your journey to the cloud. ■

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