

Cloud computing: separating myth from reality

Insights to help you move forward confidently with digital transformation

Across industries, many enterprise leaders believe and understand that cloud computing is here to stay. Globally, public cloud services market revenue is projected to reach US\$411 billion by 2020, compared with \$260 billion in 2017, according to research firm Gartner, Inc.¹ Cloud technology in all its forms—software, platform, or infrastructure as a service—is rapidly becoming essential to the needs of business today. With cloud computing, organizations can simplify IT, save costs, scale rapidly, drive standardization and user adoption, and start getting ahead of tomorrow's needs when it comes to customer engagement, the supply chain, the workforce, a simplified finance function, and more.

Despite the short-term and long-term advantages, some executives remain uncertain about the next steps or have lingering questions about the benefits of moving to the cloud. For many leaders, separating the cloud myths from the facts can prove daunting. Start here, with these insights that can help you bust big myths about the cloud and start moving confidently toward a cloud-enabled transformation of your organization.

“No matter where you are on your cloud journey, we can show you the art of the possible with SAP® solutions”





Myth No. 1

Moving to the cloud is too costly.

"Costly" is a relative term. The cloud *can be* costly – but costs should be weighed against benefit and return once requirements and migration plans are in place. Rapidly evolving business demands, for example, can dramatically alter cloud-related requirements. Meanwhile, new technologies are dramatically redefining the art of the possible with the cloud. Because migrating to the cloud is not a true "plug-and-play" proposition, and many enterprise leaders underestimate what a migration or implementation involves, some organizations can be surprised by the costs of a cloud transformation. Without a clear understanding of the potential benefits—without a clear business case for moving to the cloud—the focus on costs can overshadow the return on investment. Knowing the value that cloud solutions can bring—not just the costs—can help manage expectations.



Myth No. 2

The benefits of the cloud aren't substantial enough.

As vendors adopt a "cloud first" stance for many solutions and product updates, organizations that move to the cloud may have a competitive advantage—no matter the size of the enterprise. Cloud solutions continue to offer abundant and increasing functionality. And with the help of an end-to-end solution provider like Deloitte, you can configure SAP cloud solutions to the specific needs of your industry and your business. For larger organizations, rapidly deployable cloud solutions like SAP S/4HANA® Cloud can help support growth or the unique needs of certain business units, such as new acquisitions or foreign subsidiaries, for example. For smaller organizations, the cloud can help you position your organization to tap new opportunities and tame growth challenges.

"Teaming with Deloitte can help you make the journey smoother, unravel myth from reality, and chart a course for achieving tangible, measurable value."



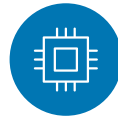


Myth No. 3

Cloud is too risky.

All digital technologies and all business models come with inherent risk. In a hyperconnected world, no system is immune from cyberattack, insider threats, data leakage, or related risks. No transformation project is a guaranteed success. Market changes, new competition, regulatory issues, and other factors can require you to change your cloud strategy overnight.

Because the risks are real, Deloitte provides a set of resources and capabilities that can help clients reduce risk on their SAP cloud journeys. For example, our “business first” approach leverages our Enterprise Value Delivery (EVD) methodology to ensure that technology investments align tightly with clear business objectives. The maturity of SAP software goes a long way toward mitigating risk with cloud projects. By working with Deloitte, you can add an extra layer of capabilities such as managed cloud services to provide active, hands-on oversight of cloud applications and infrastructure—helping you to avoid service interruptions and address issues proactively.



Myth No. 4

Cloud computing is still an immature technology.

Like other evolving technologies, cloud is advancing every day. Those who wait for the next generation of cloud offerings may find themselves missing out on tangible benefits as competitors leverage cloud technology to sharpen their competitive edge. Across industries, leading organizations are not waiting. Many view cloud technology as evolving but necessary, and they are leveraging it effectively today. Some, for example, are tightly integrating cloud software solutions such as SAP® Ariba® offerings, SAP® Integrated Business Planning, and SAP S/4HANA Cloud to streamline supply chain processes, boost information transparency, and improve decision-making across the board—all the while tapping the cloud benefits of cost savings and scalability. Others are confidently turning to infrastructure solutions delivered by Deloitte and running solutions in a private or hybrid cloud. Still others are turning to solutions like SAP Cloud Platform to extend the power of existing applications, build modern analytics platforms, or support new Internet of Things business models. Turning the cloud to your advantage may depend less on the maturity of the technology and more on the power of your imagination.



Myth No. 5

Moving to the cloud will be easy.

Cloud technology can help organizations streamline and simplify their IT landscapes and their business processes, reducing needs around capital expenses and infrastructure while helping to save costs. But migrating to the cloud requires more than simply plugging in technology. It requires an ability to address a host of considerations—data migration, the business-specific capabilities of solutions, change management, governance, systems integration, security, and more. Deloitte can help organizations do this.

A cloud transformation is more than a plug-and-play project or a traditional system implementation. It requires progressive thinking and an ability to align technology with your business needs and processes—for today and for the future. Migrating to the cloud is a journey. Working with Deloitte can help you make the journey smoother, unravel myth from reality, and chart a course for achieving tangible, measurable value. Moving forward with the cloud will require a vision of your “to be” state—your destination—as well as a strategy for getting you there. We can help.

“Turning the cloud to your advantage may depend less on the maturity of the technology and more on the power of your imagination.”

Reimagine the potential of the cloud

Moving forward confidently with a cloud-enabled transformation starts with insights. Deloitte can help you sort cloud facts from cloud fiction. No matter where you are on your cloud journey, we can show you the art of the possible with SAP solutions, help you reimagine everything required for an effective cloud-enabled transformation, and help turn your cloud vision into a reality. Ready to reimagine the potential of the cloud? Contact us to get the conversation started.

Krishnakant Dave

Principal, Deloitte Consulting LLP

Email: kdave@deloitte.com

[@kkdave](https://twitter.com/kkdave)

Misa Rawlins

Specialist Leader, Deloitte Consulting LLP

Email: mrawlins@deloitte.com

[@misa_rawlins](https://twitter.com/misa_rawlins)

www.deloitte.com/SAP

SAP@deloitte.com

[@DeloitteSAP](https://twitter.com/DeloitteSAP)

Matt Gibson

Sales Executive, Deloitte Consulting LLP

Email: magibson@deloitte.com

[@matthewlgibson](https://twitter.com/matthewlgibson)

Mike Hansen

Sales Executive, Deloitte Consulting LLP

Email: michhansen@deloitte.com

[@Mikehansen62](https://twitter.com/Mikehansen62)





About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 245,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.