



Cloudy with sunny spells.

Daniel Steeves, a partner at private equity firm Hamilton Bradshaw Venture Partners, founded by James Cann, based in Mayfair London. The company specialises in advisory, buyouts, venture capital, turnarounds and real estate investments and development opportunities in both the UK and Europe. Daniel works closely with James Cann to provide collaborative and practical growth focused Business Advisory Services.

Daniel has had a diverse career of brokering deals in the ICT sector. He is a technology-focused change agent with thirty years leading and brokering complex growth-focused business solutions and technology programmes, Daniel leverages his deep technical background with a 'both sides of the table' understanding of the business, commercial and organisational views.

An outspoken crusader on all things cloud Daniel has stuck his hand in the air in an attempt to remove the fog from the cloud. Having bumped into Daniel on twitter and realising what he is trying to achieve I couldn't resist contacting him to get his views on cloud adoption in the UK.

David Dungay (DD): What are the biggest misconceptions when it comes to cloud adoption?

Daniel Steeves(DS):

- That it is one-size-fits-all. It doesn't.
- That security is all handled by the cloud provider. It isn't, necessarily.
- That it somehow is more than it is and that it is all very easy. Vendors may tell you that using cloud applications will nearly eliminate IT management needs, but managing cloud services is not that simple. From a consumer standpoint it is far simpler than running a business IT operation.
- That it somehow has to replace everything else... immediately. I am a fan of getting the maximum value out of your current investments but the forecasts and plans need to also consider future proofing of new projects.
- That it will be cheaper: yes, some things may well be, but you also need to consider additional costs ranging from increased network bandwidth requirements to changing and training your business operations to take advantage of a move to cloud.

DD: Can cloud live up to the hype? What potential damage could be done if an adequate service can't be provided?

DS: The damage is no different and no greater than that which can occur from other outages.

A few short years back a large UK Data Centre had a major air conditioning fault which crashed an entire facility consisting of public and private clouds. Most of the affected customers lost money and/or customers, as did C&W. Fast forward to last week and the week before with Amazon Web Service issues and outages, you have the same scenario: some will move on from Amazon to more robust offerings – at higher prices.

And of course a couple of weeks back we have the perfect examples

provided by Amazon for their recent outages (note the use of the plural) to show what can happen with commodity cloud offerings (and notice also that while Netflix and a bevy of other services were down, Amazon.Com was operating 24/7!) Amazon have subsequently lost customers, of course, but are likely to have learned something in the process and, we would hope, put measures in place to monitor and manage things better.

But lest we forget "Industrial-strength" systems which are meant to have all of the required safety and procedural 'bells and whistles' are also open to issue from time to time as is handily illustrated by the recent delivery of an 'upgrade' at Royal Bank of Scotland / NatWest.

DD: What are the major barriers to cloud adoption in the UK? How many of these are based on misinformation?

DS: I am starting to question whether misinformation is a fair term: as always happens with the introduction, adoption and adaption of technologies – and commercial models to deliver the technologies – there are growing pains, mis-steps and mistakes. It happens. Service Oriented Architectures, an approach whose day truly arrives with the advent of true utility computing – is only ready to have its day due to the early adopters. The early adopters pave the road by making mistakes and spending money: not all R&D happens in the lab!

Many of the barriers are more straightforward than imagined ranging from security through to integration with internal IT apps as well as some concerns around performance and reliability.

We also have the ever-present issues relating to Regulatory & compliance misapprehensions as to geographic location and the on-going issues of cost clarity and transparency of costs.

The final barrier relates to lock-in to long term existing contracts with existing technology provided through current Managed Services relationships

DD: How far is the UK being held back from cloud adoption by regulation and the Euro crisis? Is it just easier to sweat the assets you already have in place rather than rock the boat and financially commit to another type of service like cloud?

DS: The uninformed views of Neelie Kroes, European Commissioner for Digital Agenda, who claims blindly and without qualification, that the cloud "is safe, is secure... like a locker that only you have the key and can put anything you want... and that it will always be there" while contextually incorrect, actually proves the opposite! The views and information are incorrect but the spirit is strong to "get cloud out there".



As far as relating this to the Euro crisis, assuming that small and medium size business are part of the solution then anything that eliminates barriers and allows small business to advance and extend without big investments (or bank loans) can only be good. I only worry that they jump blindly and make unforced errors which some planning could often have prevented.

As for sweating the assets, the standard line is 'we are where we are' but I would suggest that the current situation be aligned with future plans and an overall re-quantification of forecasts occur: realising forecast ROI is a good thing but if the overall impact to the business can be improved and a loss to that previously planned ROI be replaced or augmented by making a change, then so be it.

DD: Are the customers getting the right cloud services? Are customers being pushed into cloud before they are ready and without adequate understanding of the cloud?

DS: Compared with real world, industrial strength managed service hosting solutions, 'consumer' cloud providers don't negotiate service levels with you: you fill out a form, they don't provide service managers with 24 hour service desk contact and more often than not the help desk is a web-form or maybe live-chat during core business hours ...which is fair because you get what you pay for.

I believe that the service providers intend to provide the best and most appropriate services to their customers and that the services business is somewhat different since customer relationships are not transactional but are, rather, long term with repeated, regular interactions. Unless the customer and provider can come to a clear and precise specification regarding requirements the provider can easily get it wrong.

DD: How far can we go with cloud adoption? Is it just a matter of time before we all have everything in the cloud or do you think there will always be a bit of mix and match (hybrid) between on-premise and cloud solutions?

DS: A quick definition: hybrid cloud is a cloud computing environment in which an organization provides and manages some resources in-house and has others provided externally – some applications are in the cloud, some are not. This is different from an application that is itself hybrid.

I see hybrid as at least a medium term answer for organisations with hybrid requirements and /or legacy systems requirements. Where they go from here depends on what comes next, both for the business and the technology that enables it. We have "arrived" at cloud but that doesn't mean we will linger here for very long.

DD: Where does the responsibility lie with educating the resellers and the end customers when it comes to cloud? Could the Telecom/ IT industry do with a bit of a knowledge brush up before we deliver these services across the board?

DS: To me this is, like it has always been in technology specifically but in business in general, a Darwinian answer: those who get it right will succeed and those who don't, won't. It is a cloud, after all, not a crystal ball.

Today's huge Indian outsourcing companies are those who, typically, took the plunge and made massive expansion in the years leading up to dealing with the "Y2K bug" ... today's medium tier Indian outsourcers are those who did not. What were large, traditional consultancies who moved heavily in the 90s and early 00s into delivering Managed Services rather than merely consulting about it have become the huge consultancies and outsourcers today and changed the landscape from the old days of the 'Big Six'.



Daniel Steeves, a partner at private equity firm Hamilton Bradshaw Venture Partners

DD: Is the consumption of popular devices like tablets and smartphones for use in the workplace driving cloud adoption? The advent of (BYOD) tends to create a headache for IT departments...could this possibly affect cloud uptake?

DS: This is one of the areas where cloud really can add some value to help diverse organisations with unmanaged BYOD environments adopt standards-based wireless security in a manner that is scalable and sustainable.

Now, centrally managing security policies in a private cloud can lessen anxieties but we still have a way to go to be able to mimic everything private in a public space.

DD: Where in the world should we be looking to emulate or learn from when it comes to making the transfer to cloud?

DS: Pretty much everywhere! Let's watch America for early corporate adopters and adapters as always but remember: this is not exactly new stuff so the innovative applications of this and other related technologies will come about as the questions arise and the problems get solved.

The technology has been around for a while but it is maturing and it is maturing into a brand new world of more socialised connectivity than we have ever seen before. Let's keep our eyes open to any approach to exploit the tech and deliver some serious value back to business, consumers and citizens!

If you want to hear more from Daniel about his thoughts on cloud visit his blog or follow his twitter.

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