



# The Cloud governance framework a 'Digital CIO' needs

Aligning Cloud transformation to business outcomes



Traditional enterprises are adopting some of the lessons learnt from the agility, flexibility and transparency of consumer giants like Uber and Facebook. These learnings are usually IT-enabled innovations in process, customer engagement and velocity of incorporating market feedback. Enterprise leaders expect contextualized adaptations of these learnings when they make their Cloud journey.

In this paper, we share how to execute a Cloud journey that delivers on business expectations. We use the term 'Digital CIO' as a reference to an empowered CIO who is actively part of business transformation and not restricted only to the 'Run' and 'Change' agendas like many of their industry peers globally.

### Expectations from Cloud

Cloud transformation efforts at many enterprises are struggling to answer these questions:

- Is the enterprise deriving the promised business benefits?
- Is the flexibility of different units and markets across the enterprise increasing and do the new (Cloud) processes and IT elements provide the right design, principles, tools and policies to enable continuous evolution?
- Are operations, compliance, and security being addressed correctly; also are these pervasive and comprehensive to accommodate current and future needs?

The Digital CIO must enable his or her business leadership peers to achieve delivery outcomes that span the 'business as usual', 'change' and 'transformation' horizons. Each of those has dependency on the IT landscape elements such as equipment, services, and assets such as hardware and software.

For the past several years, Cloud has driven virtualization of applications, servers, storage, network and desktops to a state of often 'invisible infrastructure' yet the business outcome of the movement to Cloud is often mistaken as largely having achieved cost savings in infrastructure budgets. Indeed the newest tools in the Technology Business Management (TBM) space merely indicate the cost incurred per business project from different IT elements if cost centers are setup that way.

There is a pressing need to combine business outcomes with projects and investments via a systematic and inclusive governance model. This is not just for the journey to Cloud but when the relevant apps and business processes are being delivered from Cloud.

### The need for an apt framework for Cloud governance

An apt Cloud transformation framework should provide both best practices as well as configurability to need (See Figure 1).

The framework should be based on the principles of providing visibility and controls, accountability, agility, adaptability and value creation through performance. The model should provide holistic coverage to services, data, security, compliance, regulations, policies, vendors as well as a mechanism to mitigate risk to manageable level.

The framework should also offer a robust decision making rubric for balancing conflicting priorities as well as configurable mechanism for pragmatic levels of automation and orchestration across technology and business functions.



Figure 1: The 'beehive' model explaining the elements of Cloud governance

## Benefits of Cloud governance framework

Cloud brings a paradigm shift for an enterprise, from conceptualization of an initiative, solution design, solution delivery to operations. Correctly planned and executed, Cloud initiatives will unleash the benefits of agility, flexibility and quality, with dramatically lower cost/price points than legacy options. Cloud governance framework provides a mechanism for optimizing multiple concerns at the business leadership level such as

- Performance, Growth and Sustenance (CEO)
- Unified View of Cost and IT Utilization (CFO)
- IT Performance (CIO)
- Minimizing Cybersecurity risk and safeguarding data (CISO)
- Audit and Risk monitor (CRO)

## Effective Cloud governance framework

A Cloud governance framework should not be constrictive; it should be evolving and accommodating of various undercurrents – business, technology, resources, operations etc. built on a solid foundation of security, regulatory and compliance.

Cloud governance framework establishes a fine balance between the costs, business benefits,

optimizes technology and enables individual (business) units the ability to grow in line with the enterprise strategy and objectives. The ideal model ties all the relevant elements together thereby providing a robust and comprehensive framework for sustaining Cloud benefits.

Transparency between benefits/outcomes and costs/investments is an important element of overall Cloud governance. Usually, the cost of Cloud is viewed as various types of spends such as servers, storage, SaaS licenses, platforms, virtual networks, etc. The need is to leverage TBM principles to establish cost transparency for growing Cloud adoption, then associating these with projects and programs as well as the underlying progress and outcome measures. Applying TBM principles provides visibility into various types of Cloud spend areas with the IT towers and IT services and the functions or business units that are consuming the Cloud resources in the form of IT services (Applications, contact centers, etc.).

By doing this, Cloud benefits and investments can be planned and managed better. The schematic in Figure 2 provides an illustrative view on Cloud benefit and investment management approach.

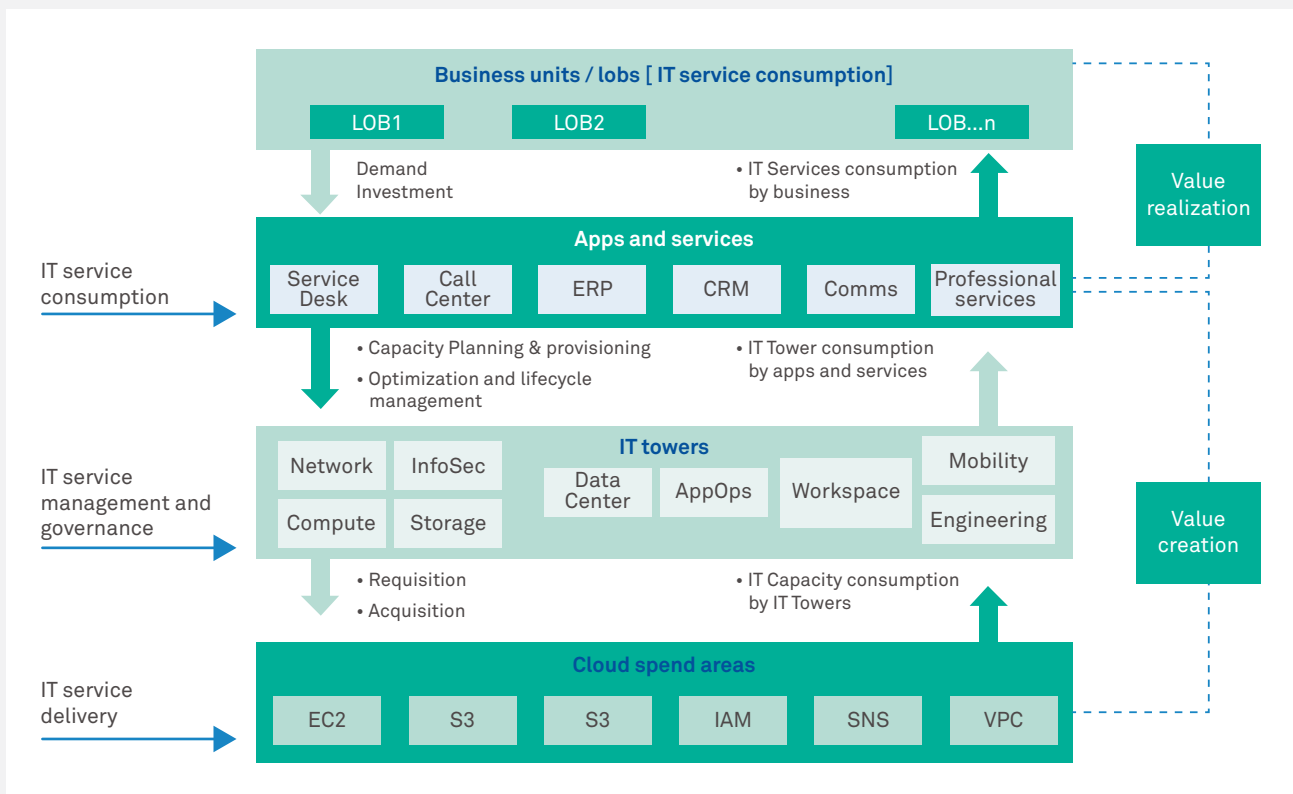


Figure 2: The 'stack' illustrating links between IT elements and financial outcome parameters

The illustrative dashboard in Figure 3 shows how a Digital CIO can enable business-aligned decision making by leveraging an effective Cloud governance framework. The decision criteria span

both costs as well as outcomes/impact and therefore permit stop/start/streamline project level initiatives conveniently.

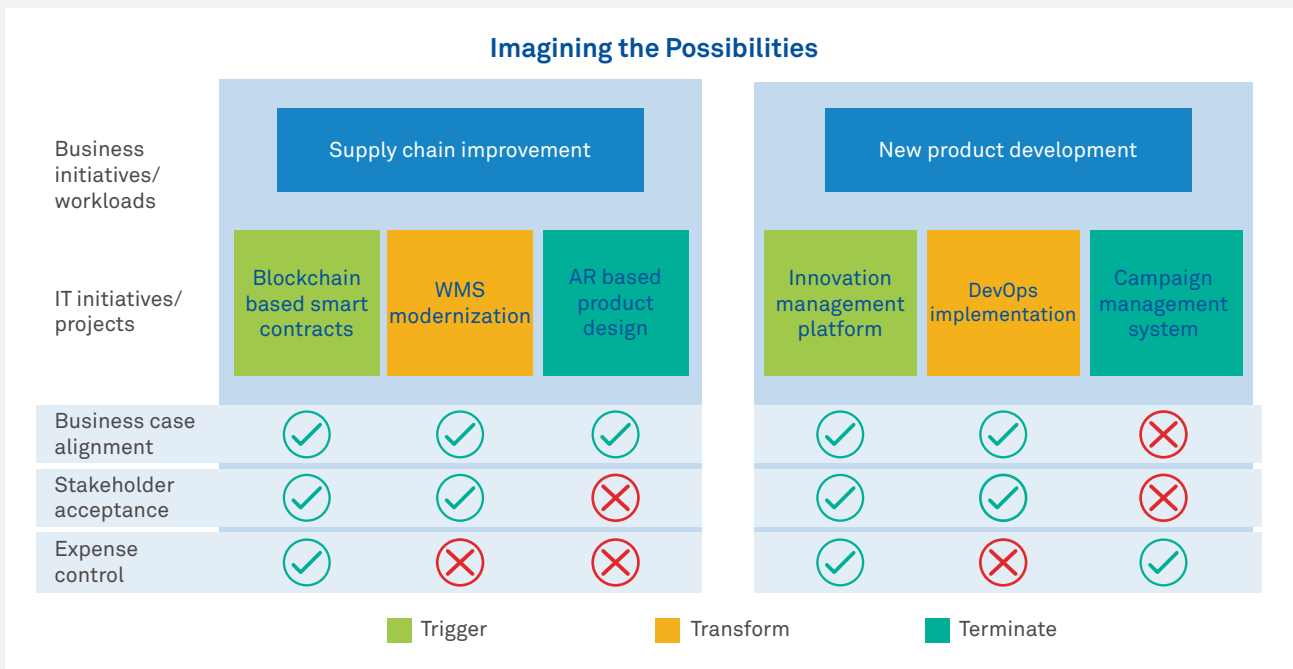


Figure 3: An illustrative dashboard that a 'Digital CIO' uses to enable business leaders to take insightful decisions on IT-linked initiatives

### About the authors

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