UPLOAD TO THE CLOUD

ACN REVISTS CLOUD COMPUTING TO DISCOVER THE LATEST DEVELOPMENTS FROM THIS EVER-EVOLVING MARKET

BY ALEXANDER SOPHOCLIS PIERI

n March, 2017, Gartner released its latest forecasts for the global public Cloud service market. Detailed in both Gartner's *Forecast Analysis: Public Cloud Services, Worldwide, 4Q16 Update* and *Forecast: Public Cloud Services, Worldwide, 2014-2020, 4Q16 Update* reports, the global public Cloud services market is projected to grow 18% in 2017 to total $246.8bn.

The market intelligence firm also noted that the highest growth will come from Cloud system infrastructure services, which is projected to grow 36.8% to reach $34.6bn in 2017. The largest segment lies with Cloud application services, which is forecasted to grow 20.1% to reach $46.3bn.

The software-as-a-service (SaaS) market is forecasted to see a slight slowdown in the coming years with the increased maturity of SaaS offerings, alongside the increasing popularity of financial applications. Despite this development however, SaaS will remain the second largest segment in global Cloud services.

Other predictions from Gartner include increased growth in the infrastructure compute service space, stemming from increased demand for the migration of infrastructure to the Cloud, as well as a drive towards increasingly compute-intensive workloads in both the enterprise and start up environment. The latter includes artificial intelligence (AI), analytics and Internet-of-Things (IoT).

Cloud in the Middle East

In addition to public Cloud adoption trends in both infrastructure as a service and software as a service, Gartner also expects increased traction in software-defined data centres for private

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> "MOVING TO THE CLOUD IS NO LONGER A THEORETICAL QUESTION – IT IS AN ESSENTIAL MOVE FOR MIDDLE EAST ORGANISATIONS OF ALL SIZES AND INDUSTRIES. ORGANISATIONS THAT DO NOT ADOPT CLOUD SOLUTIONS WILL BE LEFT BEHIND IN THE DIGITAL ECONOMY."

HICHEM MAYA

Cloud in the Middle East. Furthermore, the company has projected that the Middle East and North Africa's public Cloud market will grow by 22% in 2017 to reach $1.2bn.

When discussing which Cloud models have grown in popularity over the last year, Santhosh Rao, principal research analyst, Gartner, shares: "Application hosting and infrastructure services such as disaster recovery as a service (DRaaS) and backup as a service (BaaS) are gaining traction.

"Traditional disaster recovery can be expensive to set up a second backup data centre. As a result, some Middle East organisations are leveraging the services of DRaaS providers to ensure application availability requirements are met," he adds.

Alongside the growing popularity of hosting traditional applications in the Cloud, enterprises in the Middle East have also shown greater interest in deploying technologies, such as IoT, particularly in the government and public sector, oil and gas, energy, and utilities.

In terms of SaaS, the most widespread adoption has typically been with Microsoft Office 365, followed closely by applications in both HR and payroll. Despite this however, further traction of both IaaS and SaaS within the region has been held in check by the lack of local data centres by Amazon and Microsoft. The main obstacle has been data sovereignty issues.

"The Middle East is a little behind the global Cloud adoption

curve, mostly because of the lack of hyperscaler data centres by major players. One these local data centres are activated, then we expect a surge of interest to the public Cloud in the Middle East," comments Rao.

"There is also strong potential for Middle East telcos and service providers to expand their Tier-to-Service solutions from medium-size enterprises to large enterprises."

Data sovereignty and evolving market demand

One of the more pressing issues currently occupying public and private sector organisations based in the Middle East is that of data sovereignty. Due to strict regulatory requirements within the region, sensitive information, which can comprise of employee, customer and citizen data, must both be stored and analysed on premise within the country.

Coupled with the fact that the Middle East market lacks enough in-country data centres, as well as demand for Cloud technologies to support the development of new services and a digital economy, the issue has become a real dilemma.

"Cloud solutions are helping Middle East organisations to have real-time visibility on their operations, cut costs, and automate essential applications so that employees can focus on higher-value and mission-critical tasks. The Cloud also helps to accelerate innovation, as innovation is often subject to constraints from legacy

Data sovereignty remains one of the main challenges hampering Cloud deployment in MENA.

and potentially complex infrastructure," explains Hichem Maya, head of Industries – MENA, SAP.

"With SAP recently announcing plans to launch in-country data centres in Qatar and the UAE, we are committed to ensuring that organisations can meet data sovereignty regulations while gaining full benefits of the Cloud. SAP data centres and our solutions also leverage global best practices in having strict data privacy standards."

Despite the challenge surrounding data sovereignty, Maya is quick to point out the positive growth for Cloud in the region. He shares that the UAE, Saudi Arabia and Qatar remain the three fastest-growing Cloud markets for SAP in the GCC and Middle East.

Both public and private sector organisations within these three markets boast strong ICT infrastructure, numerous forward thinking CEOs, as well as government drives for technologies that support digital economy success.

The head of Industries highlighted a handful of recent SAP implementations, which include Qatar Petrochemical Company's digitisation of its operations. Conducted in close partnership with IBM, the producer of low-density polyethylene enhanced its

spend management with SAP Ariba, human resources with SAP SuccessFactors, and enterprise resource planning with the SAP HANA platform, in line with goals of Qatar National Vision 2030.

Another success story lay with Abu Dhabi Distribution Company's adoption of Clariba that delivered real-time e-government services to more than 300,000 businesses and consumers. Falling in line with Abu Dhabi National Vision 2030, the implementation utilises Big Data analytics to help Abu Dhabi Distribution Company's customers to better manage their utilities billing and consumption.

"Middle East organisations view moving to the Cloud primarily as a solution to their business challenges. With the exponential rise in data, generated from mobile devices, sensors, emails, video, and social media, Middle East organisations face a pivotal moment in using real-time analytics to drive cut costs, make faster and better decisions that meet the needs of their customers and citizens, and deliver innovative new business models," explains Maya.

"Moving to the Cloud is no longer a theoretical question – it is an essential move for Middle East organisations of all sizes and industries. Organisations that do not adopt Cloud solutions will be left behind in the Digital Economy.

Stephen Fernandes
executive vice president -
TransSys Solutions.

"GIVEN THE ECONOMIC SLOW-DOWN, WE ARE WITNESSING A SIGNIFICANT SHIFT TO AN OPERATING EXPENDITURE MODEL DRIVEN BY COMPANIES' NEED TO BETTER MANAGE THEIR CASH FLOWS. THIS EXPLAINS THE HIGH GROWTH IN CLOUD COMPUTING INFRASTRUCTURE."

STEPHEN FERNANDES

"In the Middle East, SAP is seeing strong demand for hybrid Cloud solutions — allowing organisations to keep their core business applications on premise, while sending non-essential business applications such as email to the Cloud," he adds.

The right type of Cloud

Another key player in the region's Cloud market is TransSys Solutions, an Oracle Platinum Cloud Select Partner with a customer base across 30 countries. With offices in the UAE, Saudi Arabia, Kenya, and Malaysia, the company also maintains several development centres across India.

Boasting extensive experience in aiding companies in their Cloud transition journey, TranSys' expertise includes Cloud deployment services on SaaS, PaaS and IaaS, across a variety of platforms. Their long history with Oracle Cloud leaves them in a position to recognise the traits of both a successful Cloud deployment and a failed one.

"Some of the attributes of a successful Cloud migration strategy include identifying the business drivers viz revenues or cost, targeting the right non critical applications, involving the users early on amongst others. Building development platforms using a PaaS model helps to use customized and industry specific bolt on solutions," explains Stephen Fernandes, executive vice president - TransSys Solutions.

"CIOs should look at evaluating their IT landscape and identify their noncore areas to move to the Cloud. Given the economic slowdown, we are witnessing a significant shift to an operating expenditure model driven by companies' need to better manage their cash flows. This explains the high growth in Cloud computing infrastructure."

The executive vice president went on to add that CIOs should also consider moving computing infrastructure assigned to development and testing to the Cloud, through a PaaS model. He also added that the market for Cloud deployment has begun to move towards hybrid Cloud, a scenario where organisations retain their core systems on premise, while transitioning non-core systems to a suitable Cloud platform.

An additional factor that often springs up when Cloud deployment is being considered is that of security. Both privacy and security of data is often enough, the biggest obstacle for companies deciding whether or not to commit parts or the entirety of their operation to the Cloud.

Adding to the complexity of the challenge is often enough the state of the organisation's legacy systems, but Fernandes is quick to point an additional worry around "recent proliferation of shadow IT by business decision makers is a security officer's worst nightmare come true."

Still, security on Cloud platform are typically more reliable as they are regularly upgraded with patches and upgrade controls.

"Leading Cloud providers such as Oracle, Microsoft, Salesforce, Google, and service providers such as AWS, Rackspace, Verizon, BT , have high levels of security compliance, frameworks, and platforms inbuilt across their entire delivery and customer facing interfaces," explains Fernandes.

"In many cases, they can provide higher levels of security compliance than those in-house, provided end-users can migrate their security policies to the Cloud." ∎