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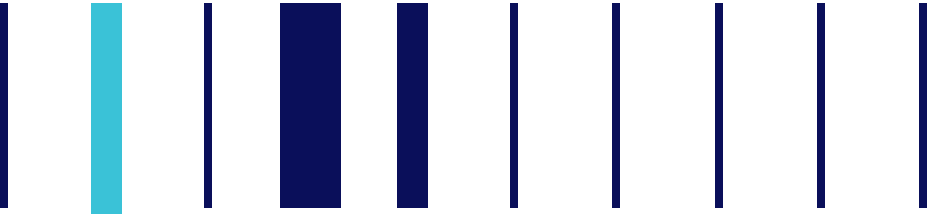
From cloud migration
to digital innovation

**Why digital transformation
will mean going 'beyond
cloud' in 2020**

Capita

Contents

Introduction

> "Without a sound vision and strategy that inspired the move to cloud in the first place, it's easy to lose your way, become overwhelmed with the challenges, and become a victim of cloud overspend."

Could too much focus on 'cloud' be clouding the issue?

As organisations continue to navigate the challenges of cloud migration, the need to stand back and take a look at the bigger picture has never been more urgent.

No matter how smooth or successful the transition, cloud itself is not the end of the story; taking an innovation-led approach is the only way to effect real transformation. The unique problem today's organisations face is not only how to adopt cloud technologies effectively – but how to tap into the right capabilities, platforms and services for your organisation, and become a true digital innovator.

While digital transformation is the goal that everyone's focusing on, we need to be changing more than technology for the future digital world. We need to consider how digital can become a vehicle for true and extensive organisational transformation. As Bloor put it, "we should be talking about business outcomes and value creation"[1].

This latest research asks IT leaders from a cross-section of industries about their journeys towards cloud and digital transformation. Our interest was in how the original aims and strategic goals of the business shaped their migratory paths and influenced the outcomes and the speed at which they saw business-defining benefits. We also wanted to understand the real-world experiences of those organisations as they moved towards cloud – and what learnings could be gleaned from them to help others accelerate the benefits.

> "Cloud itself is not the end of the story; taking an innovation-led approach is the only way to effect real transformation."

Interestingly, when it comes to key transformational priorities for today's migrating enterprises, 'cloud migration' itself stands out as the number one priority (72% of organisations), leading the way against digital transformation (61%), process automation (45%) and related processes such as AI and machine learning (31%).

This begs the question of whether the current focus on 'cloud' itself could be a misaligned goal, and whether it could be causing today's migratory organisations to 'overlook' the real goals they started out with. Critically, cloud is not an end in itself, but an enabler for more innovative ways of working. In other words, cloud adoption is a critical foundational step towards opening up real transformative opportunities offered by digital platforms and services. But it's important not to mistake the journey for the destination.

The biggest priorities for migrating enterprises:

72% Cloud migration

61% Leading the way against digital transformation

45% Process automation

31% AI and machine learning
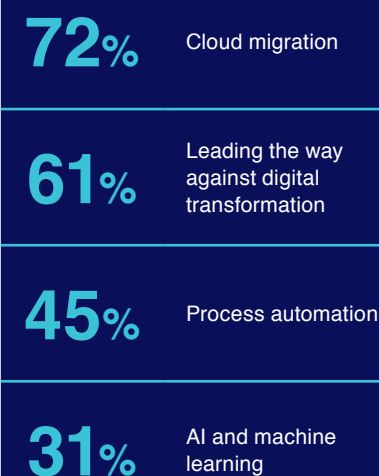
Moving the focus from 'cloud migration' to 'digital innovation'

While some forward-thinking organisations are able to keep their eye on the goal, the complexity of the migration process tends to introduce delays and cost-implications that decelerate progress. Without a sound vision and strategy behind the need to move to cloud, it's easy to lose your way, become overwhelmed with the complexity and skills required, and end up focusing too much on firefighting. This has led many a migrating organisation to fall victim to overspend, finding themselves in a digital impasse that is hard to move beyond.

The learnings and outtakes of this research will be key to helping other businesses accelerate the benefits from their own migration journeys – delivering transformative outcomes that go beyond their own internal processes to touch the lives of clients, customers and service users along the way.

"Without a sound vision and strategy that inspired the move to cloud in the first place, it's easy to lose your way, become overwhelmed with the challenges, and become a victim of cloud overspend".

In our experience, the next step is very often helping organisations reconnect with the original goals and motivations that prompted their digital transformation. Helping them identify where they are on the road to digital, spot the biggest stumbling blocks, and find more resourceful ways to get around them. After all, digital transformation is all about developing a culture of innovation that changes the way you operate, relate to customers and harness market opportunities as an organisation.

Our recommendations

For this reason we will introduce our key recommendations, focusing around five themes related to the process that starts with cloud migration – and moves closer and closer towards continuous digital innovation – with transformative outcomes. The last section of this report will look at these themes in more detail.

The first three emerge directly from our research: the importance of having a **digital vision**; ensuring you've got the right **skillsets** on board; cultivating a **collaborative approach** across the organisation.

In addition we present the voice of Capita, to add two further recommendations, focusing on ensuring you maintain **governance** once you are in the cloud; and, finally, the importance of approaching and maintaining a cycle of **continuous innovation**, looking at how you can reduce the complexity and accelerate the process of leveraging cloud-native services for transformative digital outcomes.

> "In this evolving environment of new business models and digital thinking there is a constant flow of change from the new and novel to the industrialised. It doesn't matter if you are in media, electronics or paint manufacturing, and it impacts everything from project management to purchasing to finance."
> Paul Bevan Research Director – IT Infrastructure, Bloor Research[2]

Foreword

Mark Cook
Divisional Executive Officer, Capita

The importance of an effective cloud strategy

"In sharing with us their goals, wishes, aims and some of the key challenges they've met along the way, these 200 migrating enterprises have offered us real insight not only into the challenges and beneficial outcomes of the move to cloud, but how 'destination digital' can itself become an all-consuming journey – one that can inadvertently take the focus away from the original organisational goals that prompted the move to cloud.

It's no longer enough to think of cloud as simply an updated infrastructure. Today the move to cloud is driving a spirit of innovation right across the enterprise. In every industry, every market, we see cloud being adopted as a foundational technology that paves the way for advanced digital services to be rolled out – whether that's AI, RPA, complex data analytics or machine learning.

One of the most important questions raised by the research is how far today's IT leaders are able to see beyond cloud as a means to an end – while staying focused on their original transformation goals and aspirations. As more and more organisations undertake the complexities of the transformative digital journey, we are beginning to see how easy it is to lose sight of both the strategic birds-eye view – and the innovation mindset.

Every migration journey is unique in both its destination and starting point. While some organisations are either 'born' digital or can gather the resources to transform in a relatively short space of time, the majority will have a much slower, more complex path. Many larger organisations will have heritage technology and processes that can't simply be lifted and converted but will need some degree of 'hybrid by design'.

This points to the importance of individually designing and pressure testing each journey to ensure it will successfully bring the organisation closer to actual business goals. It's not enough to simply aim for cloud. We need to deeply consider how we can use cloud as an enabler for revenue growth, and to pave the way towards more productive, cost-efficient and future-ready ways of working.

This research shows the importance of having a clear vision and purpose for cloud. Our recommendations really highlight this point. As organisations transform, they need to continuously align IT and lines of business leadership in terms of goals, vision, direction and mindset. This will be critical to ensuring organisations fully unleash the potential of cloud as an enabler for deeper transformation, automation and continuous evolution."

"We need to deeply consider how we can use cloud as an enabler for revenue growth, and to pave the way towards more productive, cost-efficient and future-ready ways of working".

Business transformation only succeeds with the right leadership and by getting your people on board with the big idea.

Paul Bevan
Research Director – IT Infrastructure, Bloor Research

It's time to rethink transformation – and focus on business outcomes and creating value

"I am delighted to be part of this insight initiative by Capita to help refocus IT leadership on the strategic priorities of their individual cloud journeys and adopt the collaborative processes that will help bring them to fruition.

Cloud has somehow become synonymous with digital transformation and digital transformation itself is often viewed as a discrete project. The reality is that all businesses are in a state of permanent transformation to new business models. To deal with this, businesses need to be mutable. In other words, be able to cope with being in a permanent state of reinvention.

Business transformation only succeeds with the right leadership and by getting your people on board with the big idea. You need to think in terms of employee engagement, collaboration and fostering an environment for creativity and innovation.

In all of this business change, technology is the driver. The shift to cloud, social, mobile and other emerging technologies is at the heart of supporting your change. We have been evolving our research focus for the past five years and believe

we are in a new data-driven era of software-defined business, and big software which allows organisations to effectively virtualise their entire architecture.

With data as the cornerstone of your solution, you will consider all of the options to deploy the right infrastructure, be it cloud, on-premise or a mixture of the two, for each of the many insights you are looking for. You will look at application modernisation and Software as a Service, with a focus on user experience.

You'll need to deal with the opportunities of IoT and the explosion of connected devices – and look to apply AI and automation across the whole technology map to both add value and remove costs. This approach allows you to abstract, personalise and optimise all business processes for true business agility... on an ongoing basis."

Results

Agility has always been a key driver to cloud – especially in an age where organisations need to create a culture of innovation and openness.

Cloud migration – the current trends

Transformational Priorities

Almost three quarters (72%) of our respondents selected cloud migration among their top three priorities, followed by digital transformation and process automation, indicating that among UK enterprises at least, nothing is quite as important as cloud right now.

Organisations must remember not to become too fixated on 'cloud migration' as if it were the end goal, but to keep their original organisational and business goals in mind. Cloud migration is very much a means to an end, opening up a world of digital enablement – with rich technology applications such as robotic process automation, artificial intelligence, big data analytics and mobility/remote working. This leads to the question of whether the purpose of innovation is being forgotten in the race to cloud.

Embrace hybrid

True transformation requires organisations to embrace a fully integrated model, blending the best of modern digital technologies with tried-and-tested heritage IT, and a culture of innovation.

What's clear is that, for the majority of organisations, having this kind of vision and clarity is the core challenge. So those that do manage it will be at an advantage over the rest.
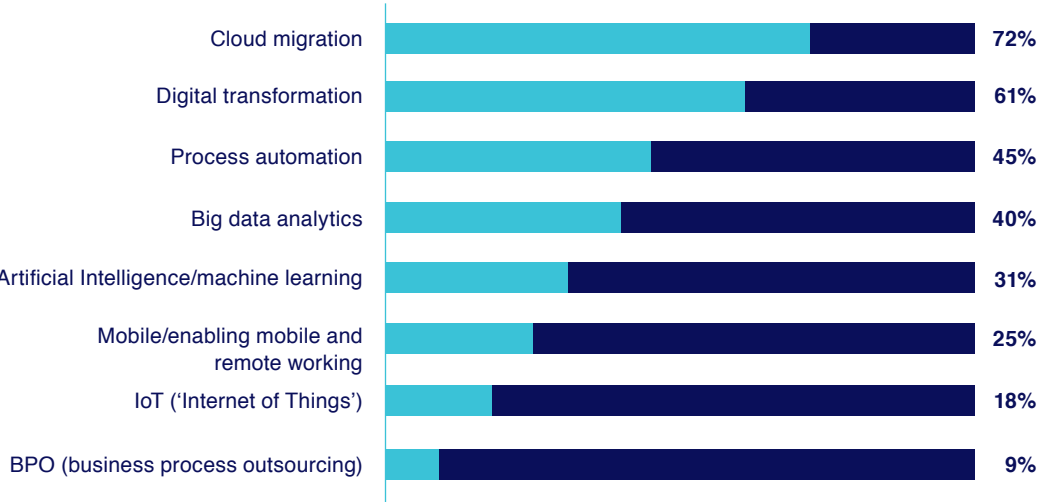
Drivers – reasons for moving to cloud

Agility has always been a key driver to cloud, especially in an age where organisations need to create a culture of innovation and openness, often expanding teams and increasing capacity at a moment's notice[3] to improve customer services.

Additionally, organisations are increasingly under pressure to offer the kind of differentiated service experiences that are only possible in the digital era. These brand-defining experiences can offer a direct source of revenue growth for organisations through innovative use of cloud, while paving the way for more efficient ways of working.
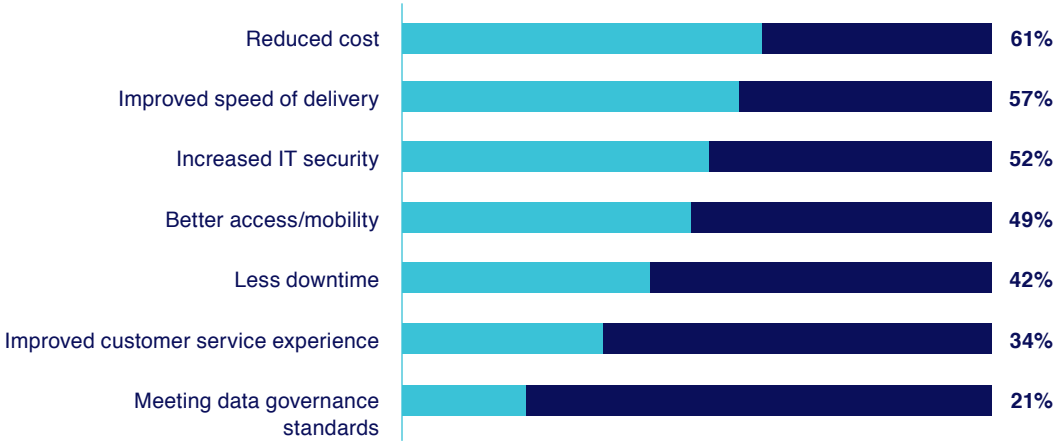
However, our research shows that internal processes rather than customer experience are still more likely to be top of mind when moving to cloud. In fact the most common drivers were focused on reducing costs (61%), accelerating delivery times (57%), and increasing security (52%).

Cloud migration – the number one priority

Cloud migration	72%
Digital transformation	61%
Process automation	45%
Big data analytics	40%
Artificial Intelligence/machine learning	31%
Mobile/enabling mobile and remote working	25%
IoT ('Internet of Things')	18%
BPO (business process outsourcing)	9%

"What are your organisation's current transformational priorities?" asked to all respondents (200), showing a combination of responses ranked first, second, and third

Drivers for migrating to cloud

Reduced cost	61%
Improved speed of delivery	57%
Increased IT security	52%
Better access/mobility	49%
Less downtime	42%
Improved customer service experience	34%
Meeting data governance standards	21%

"What are the main reasons for your organisation moving to the cloud?" asked to all respondents (200)

As the pressure for new user-focused services grows, it will be increasingly important for IT leaders to take a broader look at the extensive transformation benefits that cloud enables. For many organisations this will involve realigning the focus away from the internal process towards customer benefits. Once again this brings us back to the importance of having a fully integrated transformation strategy.

Results

Today many organisations are moving without a real understanding of where they want to get to – aiming for 'pure cloud' but find themselves some way down the road in more of a hybrid place.

From planning to moving – the process of migration

On average, organisations started planning to migrate data, applications, and systems to the cloud in 2015, and only started the actual migration process in 2016.

What this tells us, is that despite cloud being talked about for a number of years, the act of migration is new for many organisations. This not only suggests a cautious, almost reluctant approach to cloud migration, but that organisations are setting aside on average only one year to plan their migration. With less than adequate planning time, we can expect to see clear implications on the outcomes of these digital journeys.
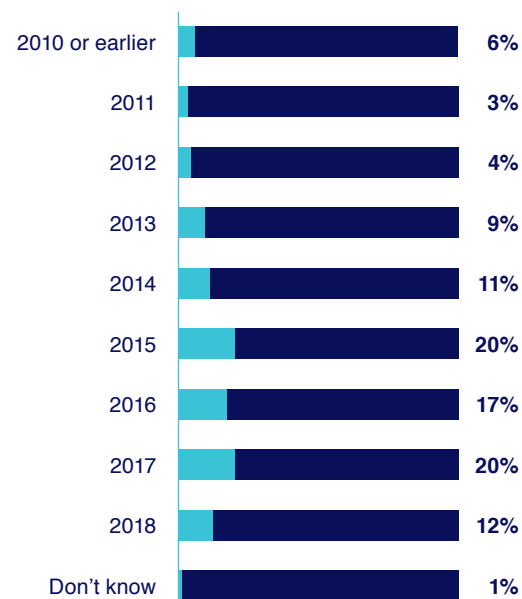
On average, those organisations asked had migrated 45% of their workloads and applications to the cloud, suggesting they've reached about halfway in their migration journey. What's more, progress correlated closely with organisation size, with the largest organisations (5,000+ employees) having further to go.

However, given what we do know about the transformation journey itself – that it can take longer than people anticipate, and can also go along some unexpected routes – we can't know for sure if those organisations truly see themselves as halfway along the route, or if their journey has branched off – for example towards a more hybrid end solution.

45% of organisations asked had migrated their workloads and apps to the cloud

Planning to migrate

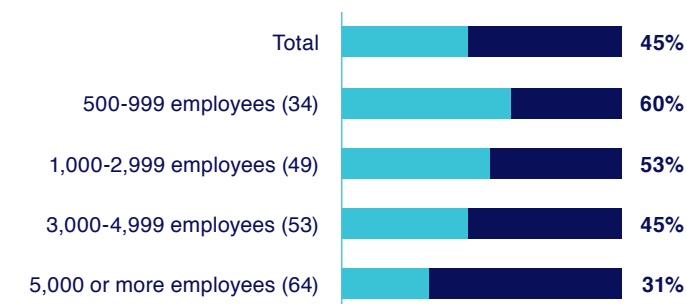|	
2010 or earlier	6%
2011	3%
2012	4%
2013	9%
2014	11%
2015	20%
2016	17%
2017	20%
2018	12%
Don't know	1%

Analysis showing when respondents' organisations started planning to migrate data, applications, and systems to the cloud. Asked to all respondents (200)

Migrating

2010 or earlier	2%
2011	1%
2012	5%
2013	5%
2014	7%
2015	11%
2016	19%
2017	28%
2018	23%
Don't know	1%
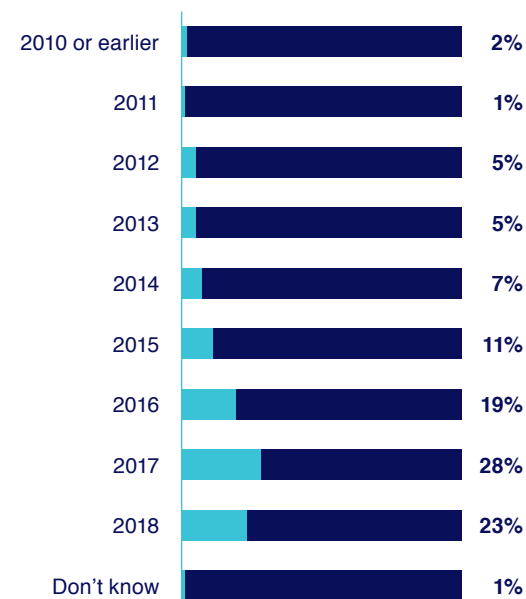
Analysis showing when respondents' organisations started migrating data, applications, and systems to the cloud. Asked to respondents whose organisation has already started the cloud migration process (200)

The ongoing migration journey

Total	45%
500-999 employees (34)	60%
1,000-2,999 employees (49)	53%
3,000-4,999 employees (53)	45%
5,000 or more employees (64)	31%

Analysis showing the average percentage of respondents' organisations' workloads and applications that have been migrated to the cloud. Asked to all respondents (200), split by organisation size.

Today many organisations are moving without a real understanding of where they want to get to – aiming for 'pure cloud' but find themselves some way down the road in more of a hybrid place. While there are probably good reasons for this, without a real understanding of how they got there, this 'accidental adoption' of hybrid may mean organisations haven't yet explored how they can make hybrid work for them. Often we find there is more strategic work to be done to enable organisations to fully leverage the benefits of both the newer cloud-based platforms and their heritage IT estate within an integrated hybrid model.

Results

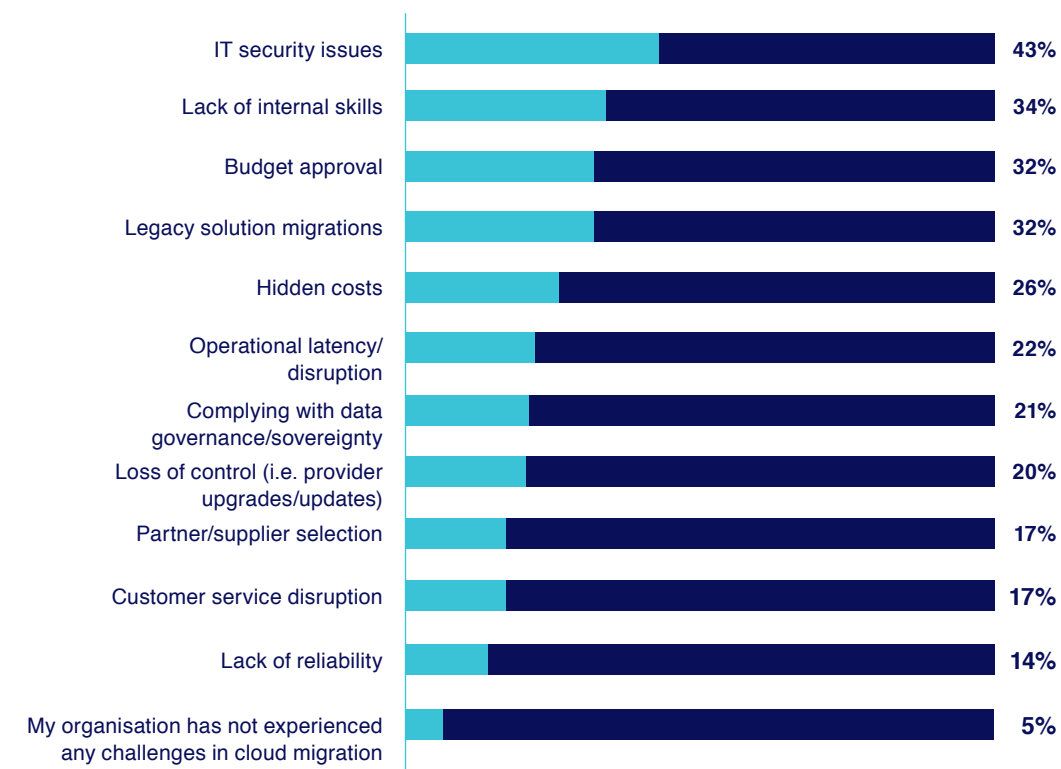## Challenges along the way

No journey is without its obstacles.

There are many challenges when migrating to cloud, not just exasperation at the length of time that the average migration seems to be taking.

Nearly half (43%) of our respondents found security to be one of the greatest challenges they had faced during their migration so far. And that wasn't the only difficulty highlighted.

Gaining budget approval (32%) and/or progressing legacy solution migrations (32%) were encountered by almost a third. Given that these process-driven challenges are likely to affect larger organisations all the more, this may perhaps account for why these organisations tended to be further behind in their migrations.

Challenges during migration

| Challenge	%
IT security issues	43%
Lack of internal skills	34%
Budget approval	32%
Legacy solution migrations	32%
Hidden costs	26%
Operational latency/disruption	22%
Complying with data governance/sovereignty	21%
Loss of control (i.e. provider upgrades/updates)	20%
Partner/supplier selection	17%
Customer service disruption	17%
Lack of reliability	14%
My organisation has not experienced any challenges in cloud migration	5%

"What have been the greatest challenges during your organisation's cloud migration journey so far?" asked to respondents whose organisation has already started the cloud migration process (200)

And the challenges continue to spiral. Cloud migration not only appears to be taking many organisations longer than they had hoped for, but regularly adds up to more than initially accounted for. All in all, this is leading to just over half of respondents (58%) agreeing that so far, cloud has over-promised and under-delivered.
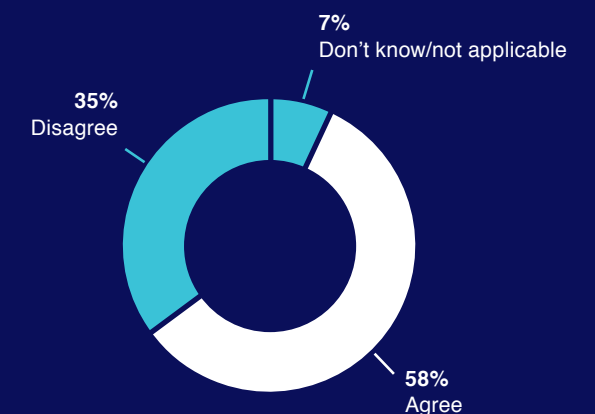
Spiralling challenges with cloud

Cloud is more costly than envisaged

4%
Don't know/not applicable

54%
Disagree

43%
Agree
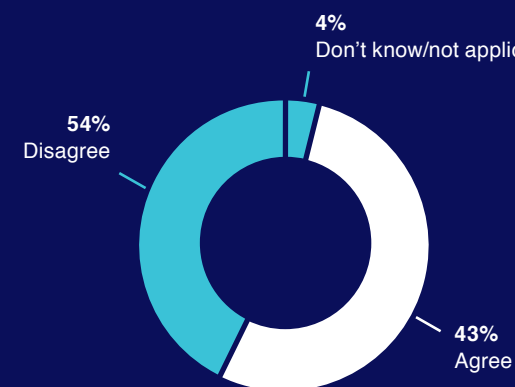
Analysis showing the level of agreement with the statement "cloud has been more costly than we had envisaged". Asked to all respondents (200)

Cloud has over-promised and under-delivered

7%
Don't know/not applicable

35%
Disagree

58%
Agree

Analysis showing the level of agreement with the statement "so far, cloud has over-promised and under-delivered". Asked to all respondents (200)

These respondents are no doubt feeling disillusioned and disenfranchised with the process of cloud migration, but they need to remember why they started the process in the first place, and align their migration process to shared goals by working closely with line of business.

Results

This makes it more critical than ever to ensure organisations are being led from the top – that they can agree collaboratively on where they're going.

Overcoming escalating challenges

In the meantime, the challenges are only likely to escalate.

Half (50%) of respondents found their organisation had to rearchitect more workloads and applications to optimise them for cloud than they expected.

Cloud migration – putting in more, but getting out less

Less than we expected	10%
The amount we expected	40%
More than we expected	50%
Don't know	1%
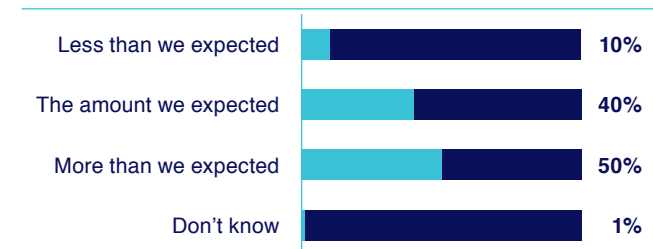
"In terms of rearchitecting the workloads and applications to optimise them for cloud, your organisation needs/needed to do:" asked to all respondents (200)

While only just over a quarter (27%) found that labour/logistical costs have decreased – a key driver to move to cloud in the first place.

Decreased	27%
Remained largely the same	38%
Increased	34%
Don't know	2%
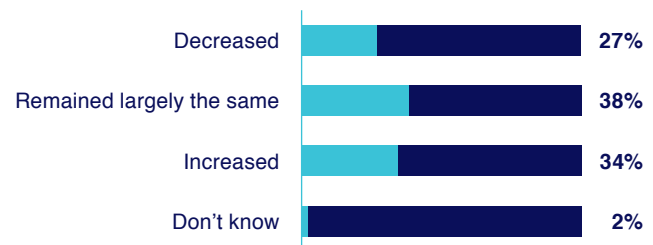
"As a result of migrating to the cloud, your organisation's labour/logistical costs have:" asked to respondents whose organisation has already started the cloud migration process (200)
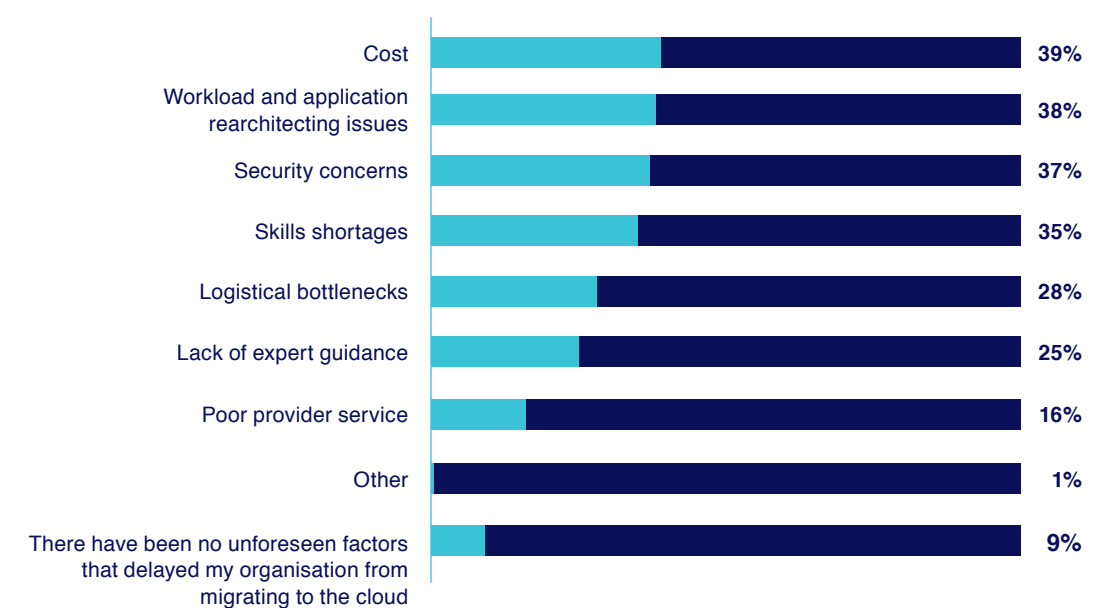
50% had to rearchitect more workloads and applications than expected

27% found that labour/logistical costs have decreased

Once we bring multi-cloud and hybrid into the picture, it introduces new complexities to the transformation journey. We know that 57% of businesses are already moving rapidly towards hybrid IT[4] and that the vast majority (90%) will have adopted hybrid management capabilities by 2020[5].

Gartner tells us that, by 2022, public cloud services will be essential for 90% of business innovation[6], and that 80% of organisations will overshoot their cloud IAAS budgets by as much as 40%[7]. This makes it more critical than ever to ensure organisations are being led from the top – that they can agree collaboratively on where they're going, and they recruit the right support for the journey.

Another unforeseen challenge is that many organisations are finding they know less about cloud migration than they had thought, coming up against a skills shortage (35%) and/or lack of expert guidance (25%). This lack of knowledge and expertise is likely causing many of the struggles encountered, and is only compounding the challenges of rising cost and rearchitecting issues.

Unforeseen factors in cloud migration

Cost	39%
Workload and application rearchitecting issues	38%
Security concerns	37%
Skills shortages	35%
Logistical bottlenecks	28%
Lack of expert guidance	25%
Poor provider service	16%
Other	1%
There have been no unforeseen factors that delayed my organisation from migrating to the cloud	9%

"What unforeseen factors, if any, delayed your organisation's efforts to migrate to the cloud?" asked to respondents whose organisation has already started the cloud migration process (200)

Results

The benefits of cloud

Benefits of cloud

And yet, for all its challenges, the majority (86%) of respondents agree that the benefits of cloud are compelling enough to outweigh its downsides. For over three quarters (76%), moving to cloud has driven an improvement in IT service levels, while two thirds (67%) report that cloud has proven more secure than on-premise.
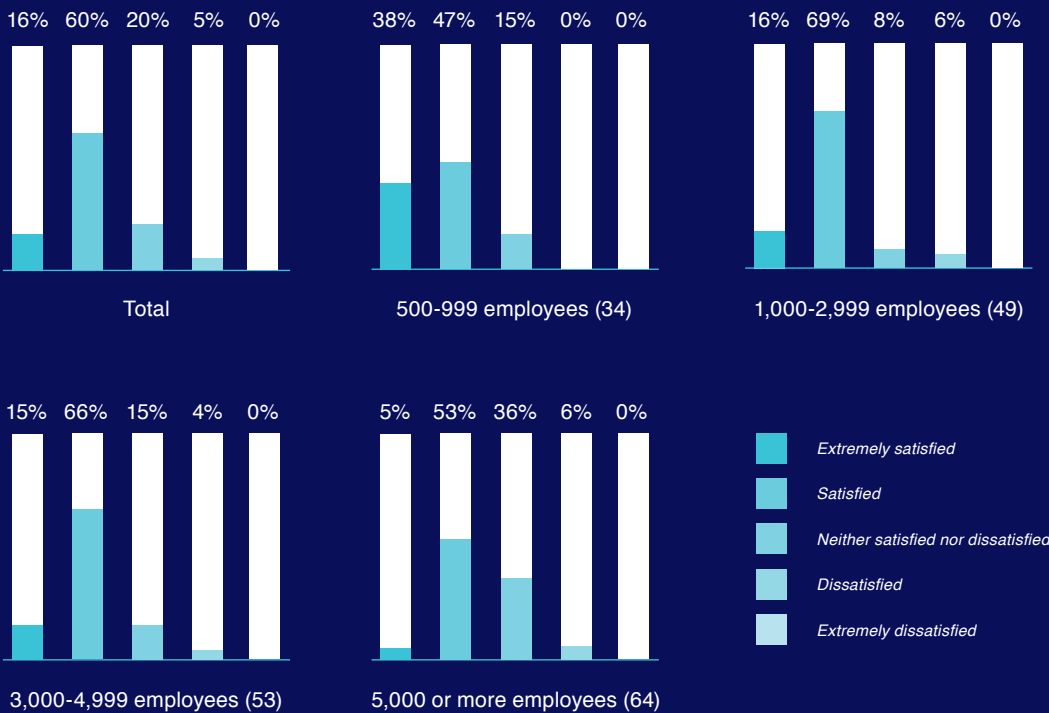

86%	76%	67%	64%
The benefits of cloud migration have outweighed its downsides	Moving to cloud has driven an improvement in IT service levels	Cloud has proven more secure than on-premise	Moving to cloud has reduced the prevalence of shadow IT
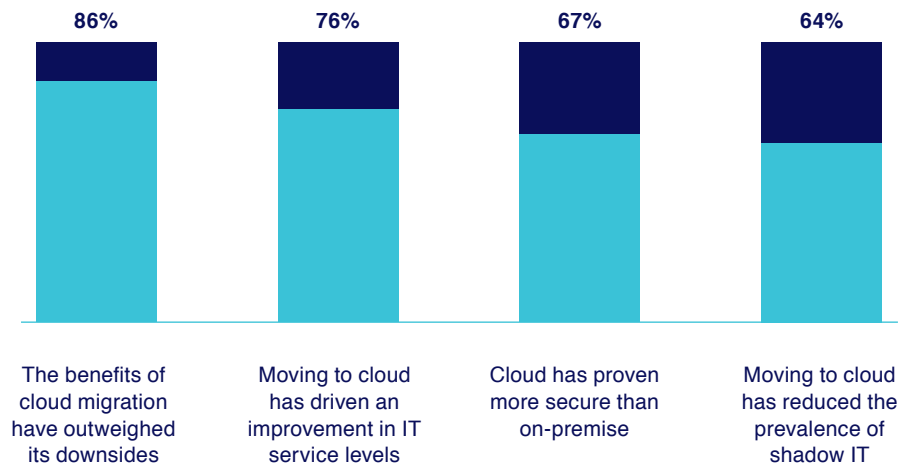
Analysis showing the percentage of respondents who agree with the above statements. Asked to all respondents (200)

What's more, in the long run, and with the right strategy and planning approach, we know that the benefits of cloud can accelerate processes, improve performance and significantly reduce costs – key drivers for adoption in the first place.

What's more, in the long run, and with the right strategy and planning approach, we know that the benefits of cloud can accelerate processes.

Cloud migration satisfaction to date

In the final analysis, there is definite room for improvement in the experience of respondents to their cloud migrations to date. Despite all the challenges, over three quarters (76%) claimed to be satisfied with their cloud migration. However, only 16% were extremely satisfied, indicating that most organisations have not yet seen the full benefits of their digital investment in terms of transformative potential.

16%	60%	20%	5%	0%

Total

38%	47%	15%	0%	0%

500-999 employees (34)

16%	69%	8%	6%	0%

1,000-2,999 employees (49)

15%	66%	15%	4%	0%

3,000-4,999 employees (53)

5%	53%	36%	6%	0%

5,000 or more employees (64)

- *Extremely satisfied*
- *Satisfied*
- *Neither satisfied nor dissatisfied*
- *Dissatisfied*
- *Extremely dissatisfied*

"How satisfied or dissatisfied are you with your organisation's cloud migrations to date?" asked to all respondents (200), split by organisation size.

Recommendations

To enable this transformation in all its richness, the most important first step is to articulate that vision and unite teams and stakeholders across the organisation.

"The findings in this report by Capita resonate with some of the messaging in our Cloud Computing *Trends to Watch* research[8] and I am pleased to share my views on cloud adoption, and why we need to start thinking differently."
Roy Illsley, Ovum

Through the research, five key insights have emerged around the transitional processes UK organisations are currently experiencing on their journeys to cloud.

These insights are opened up here into recommendations that will assist any organisation ready to take the next step towards transformation, and aiming to truly maximise the potential of cloud in a digital world.

1. Create a digital vision

As we've already established, cloud is not an end in itself. Much more than a way of updating your IT processes, cloud is now fundamental to staying competitive in an increasingly agile market that demands fast access to innovative digital services and platforms that can deliver brand new user experiences, increased efficiencies and more productive ways of working.

True transformation, Bloor says, consists of change that is sustainable, impactful and far-reaching for the organisation[9]. Ideally it will increase revenue, improve user satisfaction and cut costs. Aiming for transformation however, requires real clarity of vision and a simple, bold and ultimately far-reaching strategy that will lead to a positive change in your current approach and an increase in the value you create.

To enable this transformation in all its richness, the most important first step is to articulate that vision and unite teams and stakeholders across the organisation. You will need an agreed business strategy, a detailed plan of what your hybrid destination will look like and a shared understanding of the wider outcomes to be achieved.

At Capita, we're helping our customers achieve deeply transformative outcomes in areas of the organisation way beyond IT, enabling them to reach brand new digital destinations with powerful impact. In many cases we're doing that by helping them design the ideal combination of traditional and modern IT platforms for their future.

2. Skill up for digital

Working in the cloud requires new technical skills, an appreciation of diverse platforms and an understanding of the inherent complexities.

We anticipate that the digital skills shortage, reported by a quarter of respondents, and lack of adequate guidance reported by almost a third, will both contribute to delayed transformation journeys and are likely to slow down the benefits. Our research discovered that as many as 90% of migrations had been delayed due to one or more unforeseen factors.

Successful transformation journeys involve considerable investment of time and resources in order to build up the right skillsets, expand teams and deliver ongoing training and up-skilling across the board. As Ovum has shown[10], the continuous evolution of cloud means skills need to be constantly updated as our collective understanding of what cloud can deliver grows more sophisticated.

Leading cloud providers are continuously adding new solutions that enable even greater innovation, requiring more holistic management by cloud users. This is why it will be so important to spend time assembling the right team and talent and investing in future skills before embarking on any transformation journey.

Roy Illsley from Ovum argues that the move to adopt cloud more widely increases the challenge for CIOs as they deliberate between the 'lift and shift' approach, which is faster and simpler, but doesn't fully tap into the inherent benefits of cloud, and the more complex, 'move and improve' approach, in which the workload is effectively rewritten as a cloud-native technology, and benefits from the inherent scalability and agility of the growing cloud environment[11].

These choices will only increase in complexity as organisations move towards hybrid cloud environments. Which is why the most successful enterprises of the hybrid and cloud era will be those that form collaborative partnerships for long-term transformation.

Whether it's dealing with cloud security issues, governance, business integration, product and service delivery or organisational change, the range of new technical skills and visionary thinking required in the cloud era makes it progressively harder to simply 'go it alone'. As we saw, at least one third of respondents found their migration journeys were stalled by lack of skills (35%) and/or expert guidance (25%).

Certainly as we move towards a more complex future, building close collaborations with third party experts who can offer insight and guidance at critical junctures will be a key part of the transformation journey.

35% found their migration journeys were stalled by lack of skills

25% found their migration journeys were stalled by lack of expert guidance

[8]Ovum: *Trends to Watch 2020 – Cloud Computing* report [9]https://www.bloorresearch.com/mutable/
[10] [11]Ovum: Trends to Watch 2020 – Cloud Computing report [11]As above

Recommendations

> **Moving to cloud is not simply a way of updating your IT. Digital transformation can be a highly complex and challenging journey.**

3. Collaborate for success

Do you and your business units share the same transformation goals? Are different parts of the organisation able to come together to work effectively towards a common goal?

Moving to cloud is not simply a way of updating your IT. Digital transformation can be a highly complex and challenging journey. Ultimately though, it's a hugely effective way of modernising and moving towards a shared digital vision – with far-reaching outcomes. But really embracing this transformative potential requires a radical departure and shift of mindset – moving from traditional ways of working towards a more agile, collaborative way of building the future.

> **As IT spearheads the transformation process, it's vital to stay closely connected to these fundamental business goals. Successful collaboration means building a solid partnership for success with experts from both within and beyond the organisation.**

It means consolidating your vision by integrating the expertise of your insider's view with the clarity and fresh thinking of an outsider's perspective, helping you to both zoom into the detail and stand back and see the bigger picture – on each step of your journey.

This shift will not happen without a concerted effort across the organisation to adopt a more synergistic approach. Today's IT teams have reported that they're putting in more effort (as many as half found they had to rearchitect more workloads than expected) and getting less than they expected from cloud – with, for example, labour costs often staying the same or even increasing. Much of this may well be down to a failure to really pull together a joint vision before embarking on the journey to cloud. Only when you have complete alignment between IT and lines of business will you begin to see the transformative results you expect and demand.

4. Governance – controlling costs and standards

Moving from on-the-ground to in-the-cloud technologies will be a time of huge transition, and growth – and one where it's very easy to lose control of an increasingly complex IT estate. The cloud currently supports approximately 20% of workloads, according to Ovum[12], with a focus on CRM, ERP systems and databases.

As enterprises increasingly move these core business systems and mission-critical workloads to the cloud, the pressures will only increase, not just in terms of reliability and service quality needs but, critically, in terms of governance, security and data protection.

20% of workloads are supported by the cloud currently[12]

By its very nature, cloud enables more open, agile and collaborative ways of working, where centralised control is relaxed and innovation can come from anywhere within the organisation. PAAS – a range of platform-based services, often purchased through a marketplace – is now the fastest-growing service line according to Ovum[13]. However this relaxing of control and increased fragmentation can introduce new vulnerabilities if not adequately managed, both in terms of access and spend. Often, a culture of 'shadow IT' can creep in, which can lead to cloud overspend, compromised security and increased risk of compliance.

This is why it's so important to ensure you have all the right governance plans and policies – including good management and visibility capabilities – to mitigate risk before you begin to migrate – and that you continue to manage your governance management and auditing responsibilities on an ongoing basis once you're in the cloud.

And it's not just compliance that's at stake. Around half of our respondents indicated that spiralling costs (45%) and security issues (55%) had become an ongoing concern during the migration process itself.

With a sound governance model, cost escalations and security and integration concerns from company-wide purchases of public cloud services from Azure, AWS and more, can be properly managed. Good governance gives you proper control over cloud access and spend across both cloud and heritage IT estates, while still encouraging innovation by pre-empting and serving the changing needs of the organisation.

5. Create an innovation mindset

Your next step may be to move closer towards the cloud, but your real and ultimate goal is more likely to be around fully enabling your transformational potential as an organisation. Our research showed markedly low levels of satisfaction with cloud outcomes during and following migration, suggesting that, despite having taken all the right steps, many organisations haven't yet worked out how to fully realise the potential of cloud.

Once the fundamentals of transformation are in place, the challenge is to keep working towards an open, innovation-led mindset. It's this mindset that will help you make the most of all the new cloud-native tools and capabilities available to you in the public cloud domain, ensuring you continue to innovate using best-practice architecture design principles, without increasing risk.

As Bloor Analyst, Martin Banks says, "all businesses are now (even if they don't accept it yet) in a state of permanent transformation to new business models". Banks is describing a new approach for continuous transformation that Bloor have termed 'Mutable Business'[14].

According to Bloor, every industry sector is in a state of continuous change, and is subject to disruption by smaller, smarter organisations using a combination of emerging cloud technologies and digital ecosystems.

The task for each of us, whether private, public or government funded organisations, is to use the same cycles of innovative thinking to come up with brand new ways of creating value, generating revenue or offering services – and outperform the challengers.

Bloor's research in this area demonstrates that digitally savvy enterprises that get this right generate more revenue, enjoy bigger profits and are worth more on the stock market. But the same applies to public services. In the modern era, public service users are the same private enterprise customers who are being led down digitally enriched multi-modal user pathways.

As we embark on a new era of national life outside the EU, UK government agencies and public departments are in a unique position to set new standards in terms of public administration, cross-departmental working and providing up-to-the-minute digital services that bridge regional divides[15].

Talking about a programme of "continuous improvement", Bloor have introduced the idea of "short throws" consisting of short transformation projects working to manageable milestones and timeframes – rather than a single long-term strategy of change. As Bloor put it – "you need to think in terms of competing with yourself, constantly. You need to transform your organisation into a 'Permanent State of Reinvention'".

Your ongoing task will be to deliver deeper digital transformation, automation and continuous business evolution to increase productivity and drive better outcomes – well into the future.
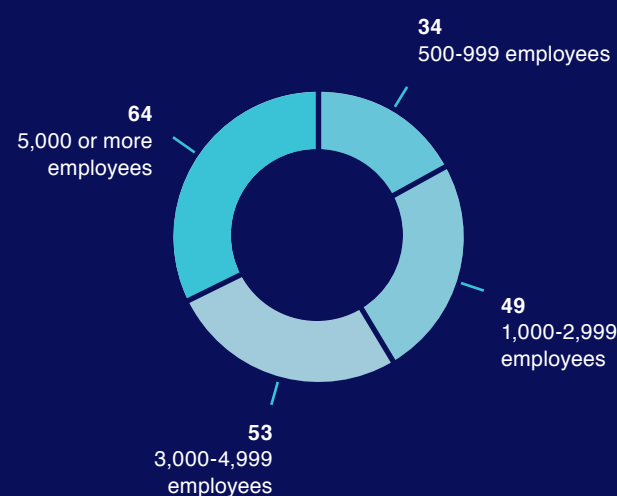
Methodology and Demographics

We asked 200 UK IT decision makers whose organisations were either migrating to cloud, or planning to migrate to cloud about their priorities, challenges and future outlook with respect to cloud migration.

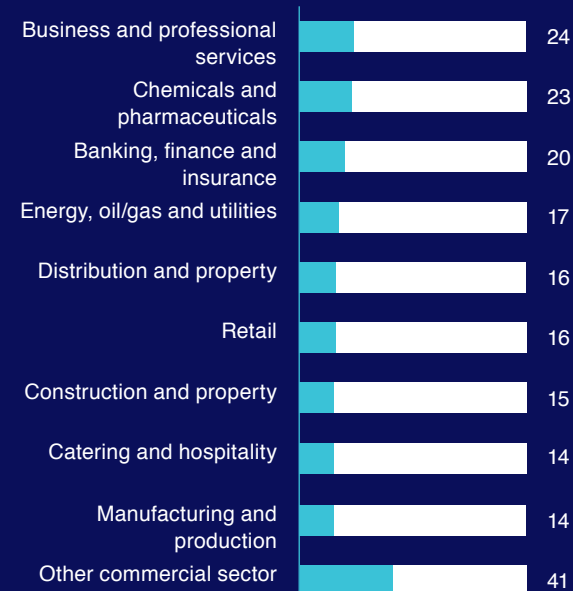The split between organisation size, sector and cloud migration plans are shown below.

Demographics

Organisation size

64 5,000 or more employees

34 500-999 employees

49 1,000-2,999 employees

53 3,000-4,999 employees

"How many employees does your organisation have globally?" asked to all respondents (200)

Organisation sector

Sector	Value
Business and professional services	24
Chemicals and pharmaceuticals	23
Banking, finance and insurance	20
Energy, oil/gas and utilities	17
Distribution and property	16
Retail	16
Construction and property	15
Catering and hospitality	14
Manufacturing and production	14
Other commercial sector	41

"Within which sector is your organisation?" asked to all respondents (200)

The Trends of Cloud migration research was conducted by Vanson Bourne on behalf of Capita.

Acknowledgements

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