



Demystifying Cloud Migration Using Estimation

QSM (in a nutshell)

- Software industry pioneers since 1979
 - 41 year track record of innovation and success
- Developers of the SLIM-Suite of project estimation, tracking, and benchmarking tools
- Time tested tools, services, research, & support help clients negotiate **achievable** project targets and plan more **effectively**, saving money and time



Planning for the Next Big Thing

What is Cloud Migration?

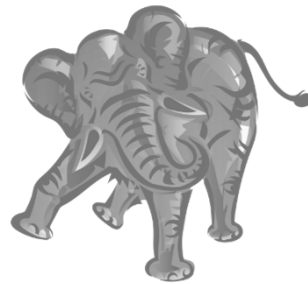
Simply put:

- Moving **data, applications, or IT processes** from one or more on-premise data centers to a virtual pool of computing/networking/data storage resources (the “cloud”) to take advantage of:
 - Increased scalability
 - Lower cost (compared to in-house hosting) or pay-as-you-use pricing
 - Flexible access from more locations
 - Performance
 - Enhanced security
 - **Bonus: Enables innovation!**



Grounding Cloud *Expectations* in Reality

- “Everyone’s moving to the Cloud!”
- “Cloud-first is the way to go!”
- “Just think of the money we’ll save!”



- “73% of organizations have **at least one application or a portion of their computing infrastructure already in the Cloud** – 17% plan to do so within the next 12 months”¹.
- “38% of IT departments feel pressure to **migrate 100% to the Cloud**”¹
- “50% expected significant cost reductions”²

Experience Can Be Sobering



- From two recent public cloud adoption surveys:
 - Less than half of respondents (**43%**) considered their most recent public cloud migration an **overall success**
 - **74%** were held back by **lack of relevant skills in their organization**
 - **40%** underestimated **application transformation costs**
 - **Only 38%** accurately predicted cloud platform costs
 - **58%** said **run costs were higher than estimated**
 - Firms also **underestimated non-platform costs** associated with running and maintaining service quality on a public cloud

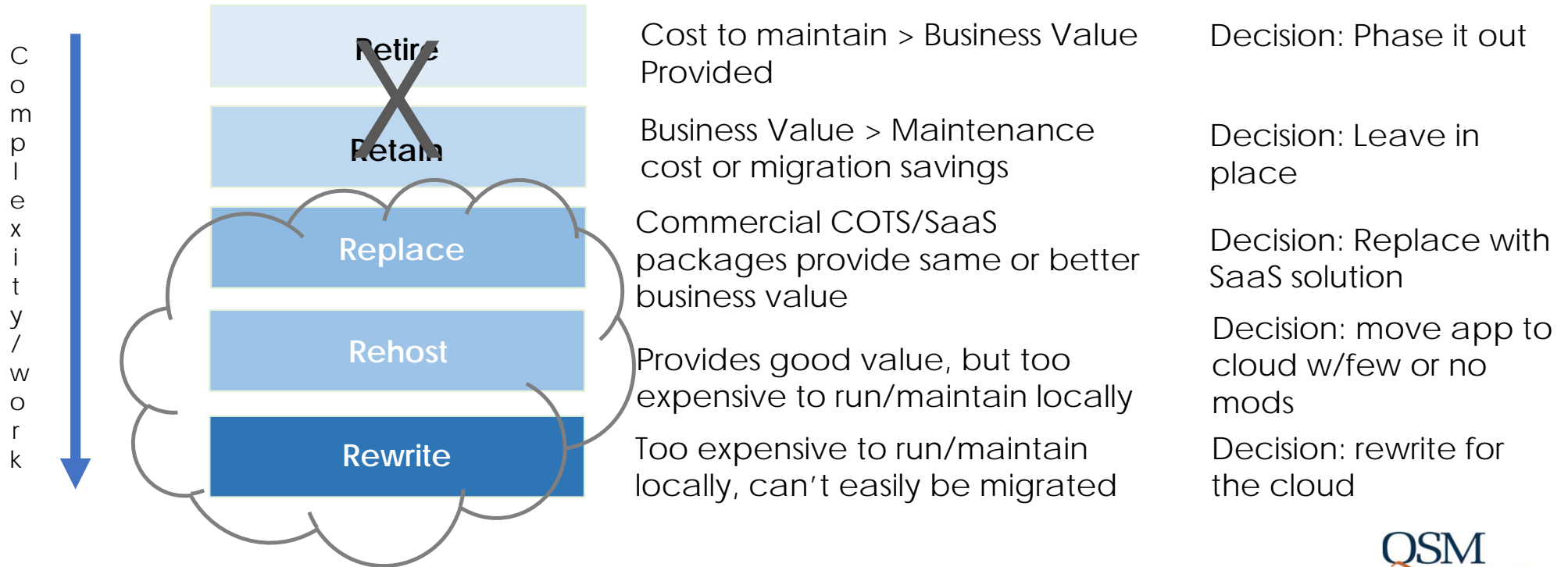
Estimating Cloud Migration Costs

- Three types of costs⁴:
 - **Current application/infrastructure costs & performance (TCO)**
 - Crucial input to vendor pricing calculators
 - Often underestimated (hidden and indirect costs)
 - Helps determine “cutoff point” when on-premise instances can safely be retired
 - **Cloud infrastructure costs**
 - Leverage vendor pricing calculators, but...
 - Don't forget to include staff/skills needed for operation/governance of cloud environment
 - **Cloud migration costs**
 - Most obvious/intuitive from estimation standpoint

Estimation Challenges

- Maintaining momentum = key to success, but...
- Time spent on discovery/planning/prioritization = key to accurate cost forecasts, securing required skills
- Robust estimation and risk management can help you:
 - Stay ahead of the skills gap (PPM, training)
 - Evaluate/select most efficient migration path
 - Prioritize workloads for migration
 - Re-evaluate/Re-prioritize work to stay ahead of the learning curve

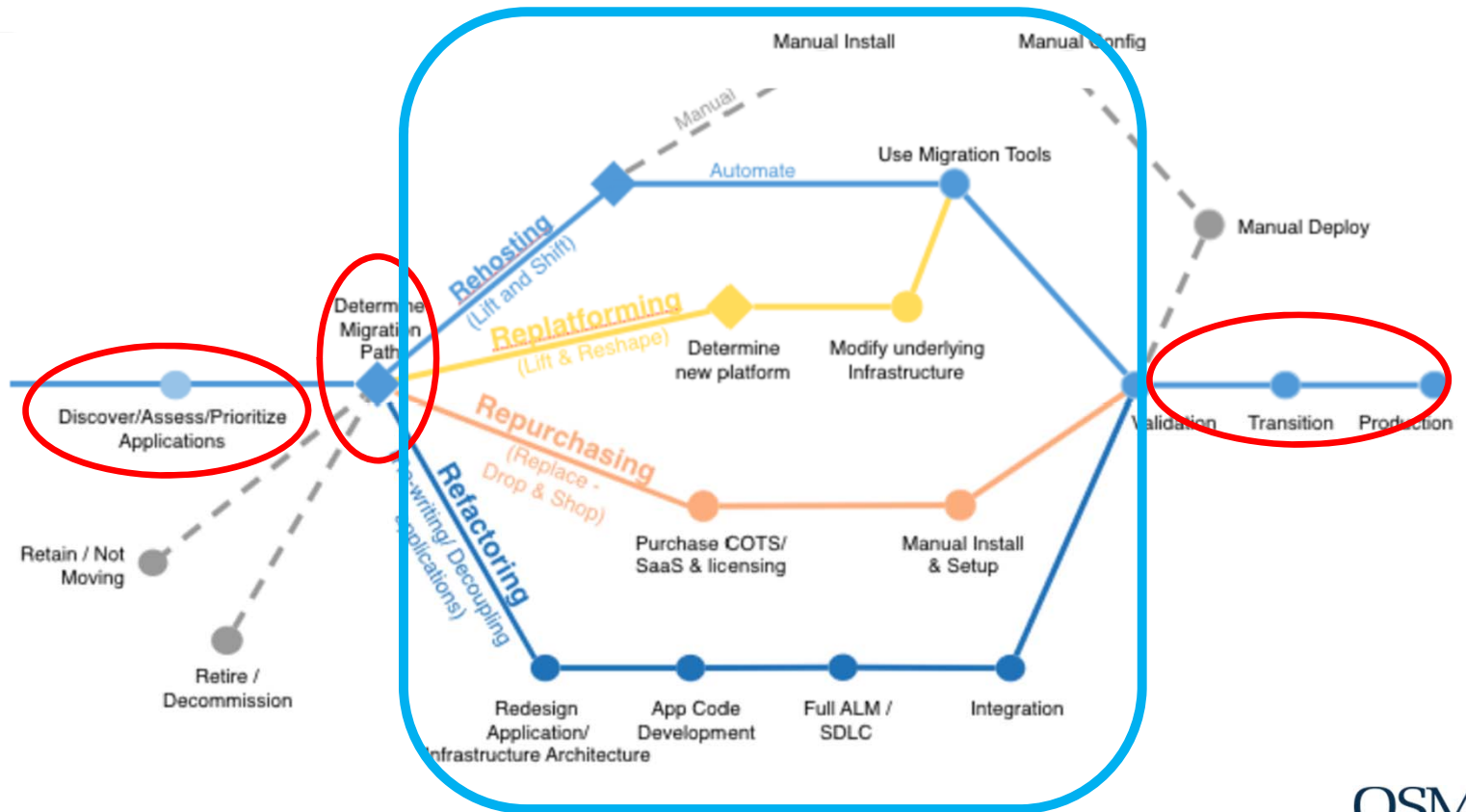
Cloud First or Cloud Smart?



Timely, Repeatable Estimates Enable “agile” Digital Transformations

- Quickly create/revise estimates
- Compare multiple scenarios, choose best migration path
- “Templatize” non-development costs for complex estimates
- Anticipate future resource demand (new skill sets)
- Ground estimates in proven performance

Different Migration Paths, Different Work!

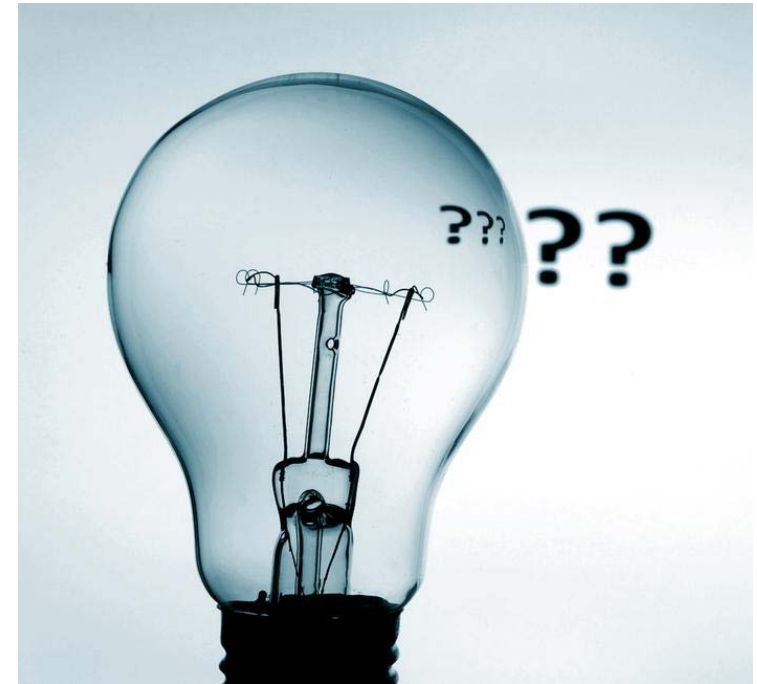


Summary

- Firms migrating to the cloud often *expect* big cost savings
 - ...but don't always *realize* the anticipated gains
- Difference between success and failure lies in careful up-front estimation/planning
- Fast, timely, repeatable estimation provides decision makers with solid intelligence to identify/overcome obstacles and plan for success

Questions?

- Watch for webinar replay
- Email Kate and/or Keith with:
 - Additional questions, comments, or suggestions
- Kate.Armel@qsm.com
- Keith.Ciocco@qsm.com



References and Resources

- **Slide 3.** Photo credit: Farmers Insurance. Retrieved from Farmers Insurance Hall of Claims <https://www.farmers.com/hall-of-claims/>.
- **Slide 5.**¹ IDG. (2018, August 14). 2018 Cloud Computing Survey. Retrieved from <https://www.idg.com/tools-for-marketers/2018-cloud-computing-survey/>.
- **Slides 5, 6.**^{2,3} Forrester Consulting. (2018, June). Maintaining Cloud Migration Momentum: Learnings Observed. Retrieved from <https://blog.rackspace.com/uk/maintaining-cloud-migration-momentum-infographic>.
Forrester Consulting (2017, May). Due Diligence Is The Cornerstone Of Public Cloud Migration Success. Retrieved from <https://go.cloudhealthtech.com/ar-due-diligence-cornerstone-public-cloud-migration-success.html>
- **Slide 7.**⁴ Peterson, Rob. (2018, April 23). How to Calculate the Cost of a Cloud Migration [Blog post]. Retrieved from <https://blog.newrelic.com/technology/calculate-cloud-migration-costs/>
- **Slide 9.**⁵ Orban, Stephen. (2017). *Ahead in the Cloud: Best Practices for Navigation the Future of Enterprise IT* (1st ed.). Middletown, DE. AWS.
- **Slide 11** (graphic).⁶ Orban, Stephen. (2017). *Ahead in the Cloud: Best Practices for Navigation the Future of Enterprise IT* (1st ed.). Middletown, DE. AWS.
- Don't forget to visit the QSM web site for [webinar replays](#), [articles and papers](#), [QSM research almanacs](#) (free!), [benchmarking references](#), and [blog posts](#)!

Speaker

Kate Armel, Director of Testing, Training, & Technical Support, has 20 years of experience providing technical and consultative support for software estimation, project tracking and forecasting, and industry benchmarking and metrics analysis.

She is currently responsible for client, internal, and technical support services; software testing and quality assurance; training, documentation and online help for SLIM-Suite and SLIM-Collaborate applications, APIs, and utilities; and technical writing, research, and analysis to support product development, research, and consulting services.

She also oversees data collection, validation, and data analysis for the QSM database and development of over 900 industry regression trends included with SLIM-Suite tools.

