

REMOVING THE RISK & MYSTERY FROM CLOUD MIGRATION

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This is the first in a five-part series on cloud migration.

The complexity of migrating communications to the cloud is holding up modernization. Despite the apparent “inevitability” and benefits of cloud-based communications, the majority of businesses still operate premises-based PBX systems. In fact, analysts such as Gartner and MZA report that 80% to 90% of businesses still operate premises equipment.

These numbers stand in direct contrast to a [2018 Evolve IP study which found 70% of IT managers are now “cloud believers” for communications](#). It’s no surprise when you consider that cloud-based communications allow businesses of all sizes to consolidate their communications infrastructure, integrate applications and reduce the cost and complexity of their telephone systems.

Recent surveys, however, suggest that migration projects are fraught with risk and uncertainty. [A 2018 Dimensional Research survey of IT leaders reported that the majority of cloud migration projects “ran late and over budget.”](#)

For business telephony, [more is at stake than the migration project timeline](#).

When an outage or quality issue occurs, the resulting business impact can be devastating in terms of lost revenue, diminished productivity, and reduced customer satisfaction. These risks and concerns may explain why a vast number of PBXs are past their expected lifespan, with the average PBX now close to 10 years old.

Through this five-part blog series, we will break down the challenges and complexity of cloud communications migrations. We will also provide a series of recommendations to simplify migrations for both service providers and businesses caught in this holding pattern with their existing PBX infrastructure.

The Path Forward

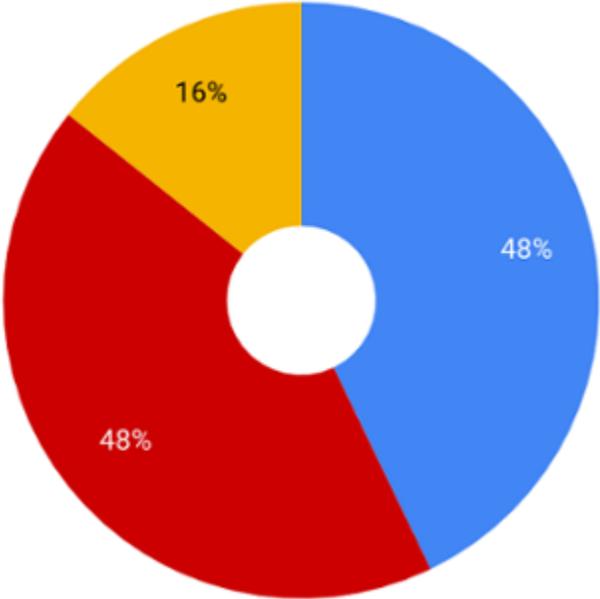
One of the biggest issues we will explore in this blog series revolves around risk. Specifically, where does the responsibility sit to de-risk and simplify migrations? Part of the challenge is that the responsibility currently falls between the communications service providers (CSPs) and businesses themselves.

On the CSP side, consider that many CSPs currently position two distinct communications offers: the first aimed at premises-based solutions (led by [SIP trunking](#) and network services), and the second aimed at cloud

solutions (Cloud UC&C). This combination of offers aligns well to a marketplace where you might see buyers in one of two camps. Those who prefer cloud delivery and those who prefer premises-based systems. IDC shows a relatively even split of “preference” for solution delivery captured in a 2017 study.

Preference for Solution Delivery (IDC, 2017)

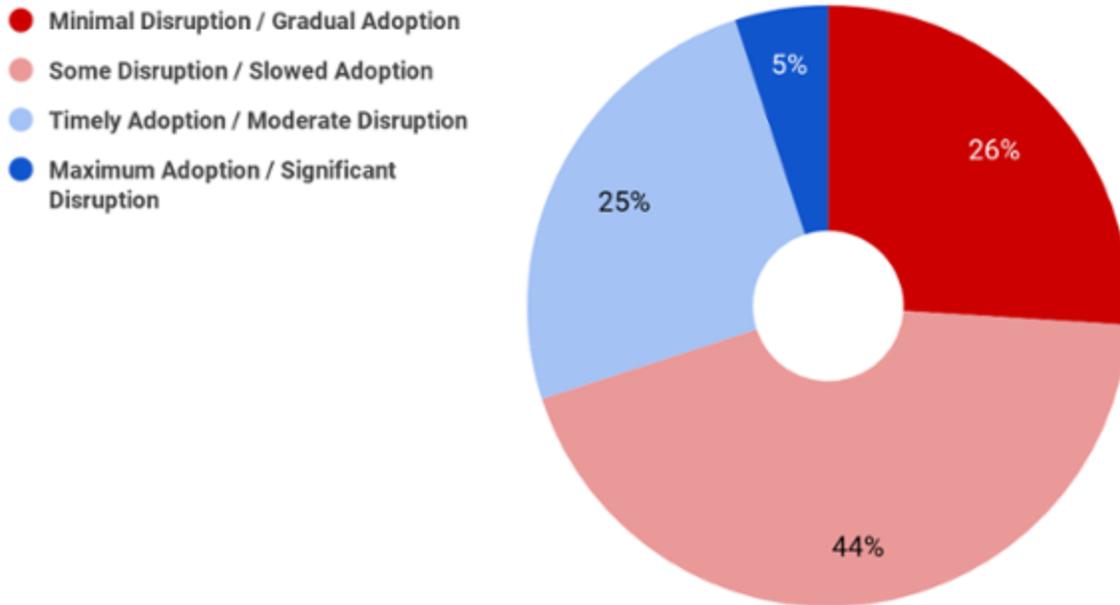
- Cloud
- Premises
- No Preference



Our view is that the above chart is flawed. It does not account for risk and disruption. What if you could actually reduce the risk of cloud migration from the buyer’s perception? How would the preferences for solution delivery change?

IDC provides another survey response that we feel better captures the feelings of buyers. The chart below asks buyers how they value new and beneficial services from cloud solutions vs. the potential disruption and risk associated with migration.

Value of New Features / Adoption vs. Business Disruption (IDC, 2017)



This chart shows that a full 70% of buyers (in the red and pink areas) are more risk averse and value lack of disruption over the benefits of new features. Only 30% (in light blue and blue) show a tolerance for new feature benefits, and only 5% admit to seeking “maximum” benefits of new services adoption. If you combine the two charts from IDC, it offers a more likely picture of service providers approaching the vast marketplace of premises-based PBXs. Service providers need to convince those interested in cloud solutions that they can minimize risk. For businesses that prefer premises-based solutions or have no preference, how many of that 58% are concerned about migration risk and would consider cloud if risks were minimized? To present “de-risking” options more formally to businesses, CSPs should consider adding a new family of services to their portfolio. These new service offers should bring pre-set migration paths to the cloud with a series of options to reduce migration risk. These pre-set paths and de-risking options may not fit every business requirement, but they will at least give the business a starting point to meet the CSP somewhere “in the middle.”

This approach leverages the strength of the service provider to “productize” how they do business. Implicit in productization is the ability for service providers to 1) simplify and 2) scale several key options for how their business customers move PBX communications to the cloud. This does not mean supporting the widest array of cloud-migration options. Quite the opposite. We

suggest CSPs consider a limited number of cloud-migration options and build operational practices around these models.

Once in place, CSPs may need to consider different sales and marketing strategies to make the case for migration services. They may spin-up a dedicated sales team and overlay experts schooled in consultative sales to win the trust of businesses, gather key requirements, and determine if the specific migration services are a good fit for the risks and uncertainty the business face.

On the business side, buyers have several key considerations. First, they need to beware of rip-and-replace offers presented by some CSPs as the “only” option for cloud migration. Second, businesses need more willingness to partner with CSPs. For businesses that see CSPs as commodity service providers, this approach could be challenging. Migration services and de-risking are anything but commodities.

Upcoming posts in this blog series will revolve around four key areas that explore how CSPs should productize migration service offers:

- Cut-over planning: build plans that start with risk minimization
- Hybrid solutions: take advantage of PBX deployment options to reduce uncertainty
- WAN options: use solution flexibility to work through WAN bottlenecks
- Phones and UX: drive better adoption and greater user satisfaction

Look for more information to come where we go into greater depth in points above. See how new CSP solutions and recommendations facilitate cloud migration and help businesses more rapidly realize the benefits of cloud communications.

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