USING CLOUD AS DIGITAL ENABLER

Digital transformation is unstopable. We see the necessity of this transformation: our customers expect more for less and are looking for the intelligence and experience we should get from every IT solution. Our business is sailing closer to the wind, with more IT being used to gain customer loyalty. In addition, everything has to be faster. Today's smart piece of software is tomorrow's legacy.

By Peter Schepers, winner of the TIMMIE award for most innovative leader as entrepreneur and CEO of Itility in 2014.

To think of something not yet invented can be tricky. In everything around us we see potential intelligence we would like to use to make things and services smarter. Data volumes are unlimited and instantly available. If you are capable of analyzing this data and combining it into smart functionalities, it can increase your revenue. And maybe even more importantly: it will increase long-term customer loyalty. Actually, today you have to know your customer better than he knows himself. It's no sinecure.

Supply chain management
Once you have decided to place your customer at the center of your transformation journey, you will notice a decreased need to 'make' IT. Buying in then becomes more attractive – where possible and where you can find a suitable (and affordable) semi-finished product. The cloud is an interesting (virtual) marketplace for this; supplying hardware, virtual hardware and mainly lots of software pieces for your digital puzzle. Our brothers in the manufacturing industry led the way: a supply chain has to be managed – and so does the cloud. And there lies the challenge. Ordering a cloud component is a piece of cake compared to managing a cloud supply base within an enterprise, where there is a continual supply of IT applications based on semi-finished products from the cloud.

CIO in the squeeze
The CIO is in the squeeze: he is a supply chain manager, but also a product manager. His customers are seldom clear-cut and their needs vary widely. Some want IaaS, and some PaaS or SaaS, and some even want solutions. However, none of them have any interest in the cloud base; a credit card will suffice. The CIO dives into the important 'verticals' in his organization, which can range from his CRM landscape to his manufacturing, or even to the IT environments of the software department. For these verticals, we click together the cloud puzzle pieces, whether or not into physical hardware – but who is still interested in that?

Software at the heart of things
Whether you call it integration or assembly, it takes place mainly through software. Software is the tool that allows everything to communicate with everything else: semantics in an almost physical form. Software ensures that software communicates with other software, and that hardware communicates with other hardware. Software sticks the semi-finished products of the cloud together. Software is essential to digital – it is the *'digital glue'*. The question is whether we are sufficiently aware of this fact: the cloud goes hand in hand with software and thus with software engineers, who ultimately make the digital solution. This is a challenge for the CIO, as he does not often deal with the software guys. Moreover, bad software can make your cloud structure pretty complex.
So besides being a product manager and supply chain manager, the CIO is also a software manager.

Cloud control
So what needs controlling? Keeping a grip on the use of cloud components is mainly driven by the wish to keep a vertical grip on the whole IT application or platform. Costs, capacity, availability and security. Software is available for this as well – or you can make your own reports. There are many initiatives by the various suppliers: nice user-friendly software or simple APIs for good management of the cloud supply chain. However, it is not simple, as we are already shopping at a variety of cloud suppliers. There is no enterprise that uses only one cloud supplier.

"ACTUALLY, TODAY YOU HAVE TO KNOW YOUR CUSTOMER BETTER THAN HE KNOWS HIMSELF"

Part of the furniture
The cloud is not waiting at the door – it has been part of your furniture for a long time already. However, we do not focus strongly enough on the cloud base. In other words, how should I manage this new supplier that won't leave the couch? How should I structure the purchasing behavior?
Yet, it is a good idea to look at it together with the internal customer, as your own product manager has to weigh up these considerations on his digital journey. And then there is the software: it is important to put it in order and keep a tight hold on the architecture strings.