



Cloud Computing for the Enterprise

Governing the Adoption of Cloud Computing

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Agenda

- Necessity for governance in cloud computing
- Key IT governance focus areas as applicable to cloud computing
- Development of a cloud computing business case
- Ensuring value realization
- Considering pricing models
- Key control options that can be considered
- Vendor selection

Necessity for governance in cloud computing

- Will cloud computing deliver lasting economic benefits to enterprises?
- What's the best usage model?
- How to maintain a low risk profile?
- Can we live without cloud computing?
- Is cloud computing already pushing us ... to attend seminars? Why?

Trade-offs (Cloud computing Vs Traditional)

- Some cloud platforms restricts the flexibility (e.g. you cannot change the OS).
- But cloud computing is flexible in terms of cost
- Cloud providers may do a better job in security (than many of our businesses). Perhaps not.

Trade-offs (Cloud computing Vs Traditional)

- Generally, more reliable. But who would take the blame for a failure?
- Great risk reduction due to no capital expenditure. Does this undermine the issues?
- Many cloud service offerings. Can we mitigate the risks due to increased choices?

Necessity for governance in cloud computing

- Cloud computing attempts to eliminate many problems.
- It creates new opportunities
- It changes the cost structure
- It changes the risk
- **Then again, we need governance!**

Definition:

“IT governance is the responsibility of executives and the board of directors, and consists of the leadership, organizational structures and processes that ensure that the enterprise’s IT sustains and extends the organization’s strategies and objectives.”

Key IT governance focus areas

- Strategic alignment
- Value delivery
- Resource management
- Risk management
- Performance measurement

What's the impact of cloud computing?

Development of a cloud computing business case

- Understanding the economics

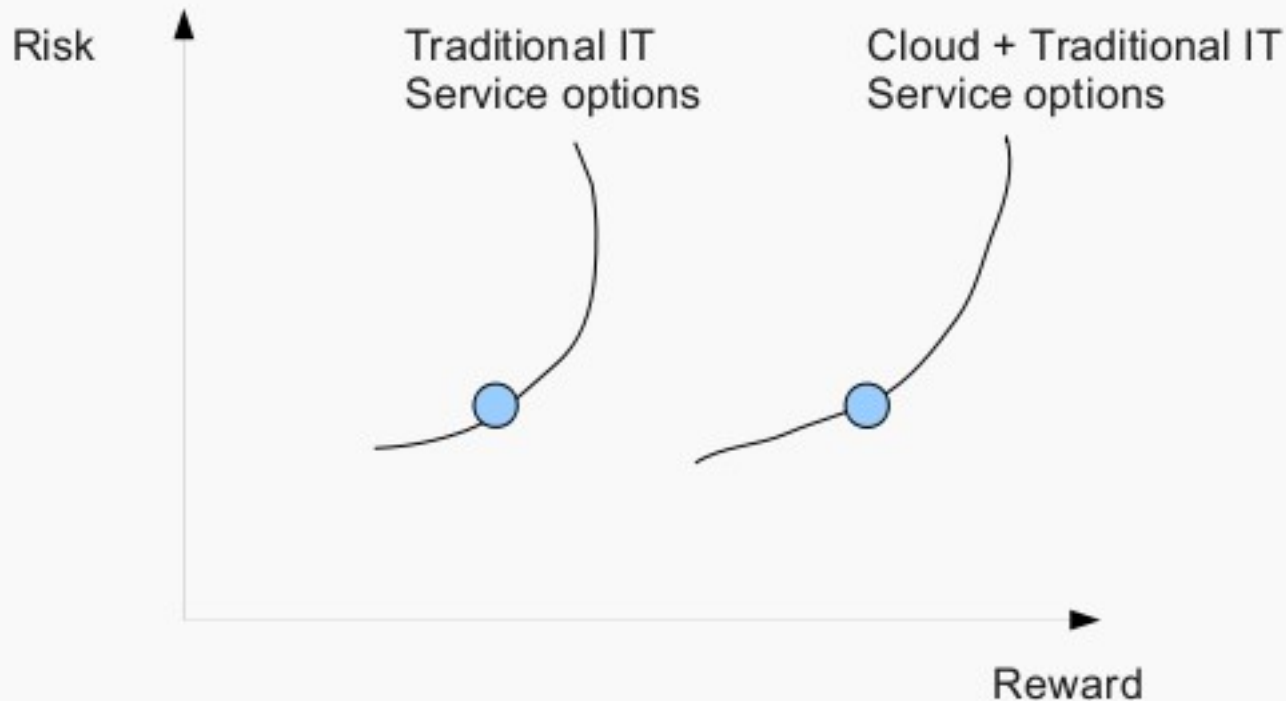


Development of a cloud computing business case

- Which is better?
 - Traditional IT
 - Cloud computing

Development of a cloud computing business case

- Which is better?
 - Traditional IT
 - Cloud computing
- **Neither is superior, but the combination is.**



Development of a cloud computing business case

- Factors that affect your options
 - Nature of the IT service
 - Future growth expectations
 - Business's risk appetite
 - Legal and compliance requirements
 - Cost

Development of a cloud computing business case

What is a business case - “in the first place”?

Ensuring value realization

- Focus on
 - Value governance
 - Portfolio management
 - Investment management

Tip: ISACA's ValIT framework is a great resource

Considering pricing models

- Standard per hour pricing
- Reserved resources pricing
- Discounts during low utilization periods
- Per data volume (transfer, stored) pricing
- Per user pricing (SaaS)

Amazon Elastic Cloud:

<http://aws.amazon.com/ec2/#pricing>

A simple calculator

<http://aws.amazon.com/calculator>

Key control options that can be considered

- Using a private cloud
- Prepare for your cloud and vendor failure
 - What valuable assets are in the cloud? Be clear.
 - Sufficient skills around
 - Regular backups (to your own backup environment)
 - “Fire drills”
- Valuables should be locked and monitored
- Monitor the security events – your cloud vendor may tell you the bad things happening

Vendor selection

- Seek transparency
- Seek trust
- Does the vendor provide implementation details of their offerings? At least to some degree?
Investigate.
- Are there independent auditor reports?
- Certifications



Thank you