

SHAPING THE FUTURE OF BUSINESS

How digital transformation is accelerating
the response time during uncertain moments



Avaelgo

INTRODUCTION



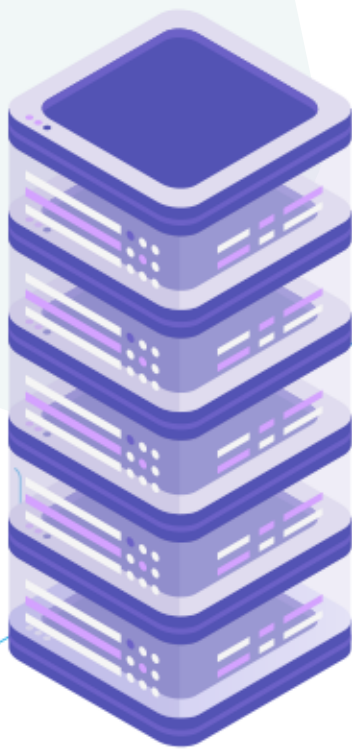
The world as we know it is changing rapidly and, in some cases, there's nothing we can do to stop that. What we can do, instead, is the type of response we're adopting to mitigate the downsides of such transformation.

Today, more than ever, we're in a very challenging situation. A time filled with uncertainty and fear is no good for any business. However, let's remain **positive** and also see the good sides. Any global or local crisis had the potential to open new opportunities for businesses, and to offer the `WHYS` many were looking for. Probably the most frequent questions we heard a few months back were ` **Why should I engage in a digital transformation journey? Why is it so mandatory for my business? Is a digital transformation process worth the effort?** `.

There's no doubt that digital transformation is what made companies adapt so quickly since the crisis started, and it is probably going to happen again in case of another similar situation. We can see how traditional business models are now shifting toward a digital model with new technologies that allow them to both survive in the unstable market and then thrive thanks to the gained agility. And one technology that represents the foundation of a successful digital transformation seems to be the hero these days: cloud computing.

Before these uncertain times, cloud computing was one of the leading technologies on the market, with continuous developments and tremendous advantages. Today, it is one of the **heroes** we read on the news as it saved both businesses and jobs. Still, many companies were reserved and decided not to adopt such technologies, considering that the traditional on-premises solutions were enough to keep their business moving forward. On the other hand, big companies saw the opportunities offered by the cloud, therefore 94% of them already use a cloud service. Even more, enterprises are becoming more proficient in using cloud computing technologies, as almost 70% of them now consider themselves "intermediate" or "advanced" according to recent studies.

Moreover, a Microsoft Office 365 analysis showed that small businesses with a growing potential are 50% more likely to prefer cloud services than traditional models, mainly because they manage to save significant budgets and reinvest them into their business development initiatives.



According to IDC, almost half of IT spending in 2018 was cloud-based, and the predictions say that it will reach 60% of all IT infrastructure and 60-70% of all software, services and technology spending by 2020. Simultaneously, almost 19% of cloud budgets are currently spent on cloud-related services, such as cloud consulting, implementation, migration and managed services, and Gartner expects this rate to increase to 28% by 2022.

But let's point one more thing - 80% of organizations are predicted to migrate toward the cloud by 2025, according to Gartner. However, isn't the current crisis possibly rushing this adoption rate? Isn't the cloud what helped large businesses around the world deploy a response strategy for this crisis in weeks, if not days? We believe the answer is YES to both, and we're highlighting here only one example: Microsoft, one of the leading cloud services providers in the world, reported 12 million new users on Microsoft Teams as a response to the increasing number of remote workers.

We can understand now why digital transformation and essentially the cloud is mandatory in any business environment. All these companies that already had a digital process in place are now in a very sweet spot. Even if almost all the markets have contracted due to the global crisis, things are better for those with a digital infrastructure in place, than those who just started to build one to support remote workers and contactless processes.

This paper is dedicated to all business leaders that want to understand how digital transformation can help their business mitigate the effects of a crisis situation, as well as why the cloud, the foundation of such digital initiatives, is the future of business.

DIGITAL BUSINESS

the ideal state for companies



“Longevity in this business is about being able to reinvent yourself or invent the future.”

Satya Nadella, CEO of Microsoft Corporation

Digital transformation is a complex process and marks a radical reconsideration of how a business uses technology, processes, and people to change business performance and growth significantly. Such an initiative requires cross-departmental collaboration in pairing business-focused philosophies with rapid development models. Usually, these digital journeys are undertaken to reach new business models and, therefore, revenue streams, which lead to further growth and development.

While digital transformation looks different in every company as the objectives might slightly differ, digital businesses share fundamental characteristics. Therefore, digital companies can be described as:



Cloud-based

Cloud-based services are economical and agile, allowing companies to choose the ones that meet their specific requirements and streamline their IT and infrastructure costs.



Innovative

Digital businesses are always trying new strategies and technologies. They are experimenting and learning from the outcomes. In many cases, such experiments lead to larger changes and innovations across a company.



Collaborative

A shared vision can only be achieved if every member of the organization is meaningfully involved. This requires employees and managers to work together at different levels of the company and across teams to harness trust, promote transparency and develop engagement.



Cultural

A digital business always requires executive teams to shift their attention away from traditional business models and hierarchies and empower employees to make decisions and contribute ideas that can improve the business and develop it.

Mobile

In the current society, end-customers expect ease and convenience from companies. Depending on how easy it is for a user to reach the products and services anytime, anywhere, on any device, the company will struggle or thrive in the market. That means they need to be on mobile, where more than 50% of the global online traffic is generated.



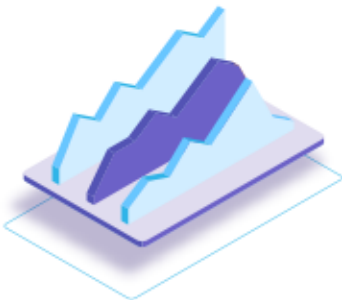
Continuous

When talking about digital businesses, we're not actually talking about a project with a start and end date. On the one hand, technology will continue to evolve and call for adjustments, which means companies need to keep learning and evolving. On the other hand, the consumers and the world itself are changing at a fast rate, which should determine the organization's interest to develop and remain sustainable, regardless of the condition.



Data-driven

Being a data-driven business doesn't only mean collecting and analyzing information about customers, but also about how things are working inside the organization. Moreover, in times of crisis, having a data-driven approach may be a gold mine for companies, as they are able to rapidly discover challenges and opportunities, therefore being able to make informed decisions for a common goal - business continuity.



Customer-centric

Last but not least, these changes are all focused on providing high-quality services and products to the end-customers and something more: unforgettable experiences.



Being digital seems the ideal state for companies, and as you can see, cloud computing stays on top of the list when it comes to it. But how exactly is the cloud driving effective digital transformation inside a company, and why is it so critical for reducing the response time in case of a crisis? Let's dive into this topic in the next section.

THE ROLE OF CLOUD COMPUTING IN DIGITAL TRANSFORMATION



"If someone asks me what cloud computing is, I try not to get bogged down with definitions. I tell them that, simply put, cloud computing is a better way to run your business."

Marc Benioff, Founder, CEO and Chairman of Salesforce

As highlighted above, digital transformation requires rethinking and, in some instances, significant readjustments. It also means stepping outside the comfort zone for many business leaders, but once this process is put in place, few things can unbalance it. If in the `few things` category you've included a global crisis, this might not be true. Let's explain a bit. A digital business would always watch outside its windows and understand what's happening in the world, how are consumers changing their behavior and act accordingly. In short, being digital means being extremely flexible to external influences.

These days, the effort to maintain the operations going further **puts cloud computing at a center stage for many organizations**. For some, this current situation may be an extremely stressful test of resources. But in general, the move that we've made as an industry toward a more cloud-based approach with great focus on scalability, reliability, distribution across zones, and regions is really helping us today. **Suddenly, companies understood the essential role that the cloud has.**

Cloud companies are dealing today with their own battle, which is a stress-test caused by the sudden spike in workloads and waves of new and, sometimes, inexperienced users. For example, **there has been a 775% spike in Microsoft's Teams usage in Italy**, one of the most impacted countries . The magnitude of this demand has led Microsoft to prioritize these crisis-related workloads so businesses can continue their operations even with their employees at home. But while there have been some challenges, Microsoft managed to maintain the uptime availability at a stable rate during this global outbreak, and no major cloud outages were attributable to the pandemic. Basically, for the cloud services providers, a crisis such as the current pandemic is just a hectic day at the virtual office. In fact, cloud companies' confidence in their ability to scale even further to support many more users forced to work and learn from home is so great, that some are offering free services to those impacted by the crisis. Isn't that amazing?

still...

WHY IS THE CLOUD WORTH THE STRUGGLE DURING A CRISIS LIKE THE ONE WE EXPERIENCE TODAY?



A crisis is a crisis, and no matter how positive we are, it will affect businesses one way or another. In these particular times, we see that businesses are facing challenges both on the financial side and also on the infrastructure side. No one was fully prepared to send their workers home and also continue to deliver value at the same pace as before. Still, the cloud made this transition simpler for many of them. Flexibility, scalability, and continuous collaboration are what make a business successful these days, and these are exactly the benefits offered by the cloud services. However, the list is not exhausted, so let's see why the cloud is worth the struggle in times of crisis.



Cost Savings

"Cloud computing is empowering; companies leveraging cloud will be able to innovate cheaper and faster."

Jamal Mazhar, Founder and CEO, Kaavo

If you are worried about the costs that would come with the switch to cloud computing, you aren't alone, mainly since the budgets are now calculated and recalculated daily, and different business scenarios have the budget at their core. According to a recent analysis, 20% of companies are concerned about the initial cost of deploying a cloud-based solution. But those who are comparing the advantages and disadvantages of using the cloud need to take into account more aspects than just the initial investment.

Once a business is on the cloud, the easy access to the company's data will save significant time and money. And, for those who are concerned that they'll end up paying for features they don't need or want, most cloud-computing services are following a pay-as-you-go model, meaning that if a company doesn't take advantage of what the cloud has to offer in terms of resources, then they won't have to pay it.

The pay-as-you-go model is also available for the data storage space needed to service stakeholders and clients, which means that businesses will get exactly as much space as they need, and not be charged for any space that they don't. Taken together, these factors result in lower costs and higher returns.



“Cloud computing is often far more secure than traditional computing, because companies like Google can attract and retain cyber-security personnel of a higher quality than many governmental agencies.”

Vivek Kundra, Executive Vice President at Salesforce.com

Many organizations have security concerns when it comes to adopting a cloud-computing solution, which is due to both remote working and the BYOD policies adopted by many businesses with reduced resources these days. After all, when files, sensitive data, programs, and other systems are stored in the cloud, how can you be sure that they are being protected?

Also, if you can remotely access your data anywhere in the world and anytime, then what's stopping a cybercriminal from doing the same thing? Let's shed some light on this topic. In essence, a cloud host's full-time job is to closely monitor security, which is notably more efficient than a traditional in-house system, where an organization must split its IT resources between a wide range of IT concerns, with security being only one of them (not necessarily the top of the list). And while a large number of companies don't even consider the possibility of internal information theft, the truth is that an astonishing percentage of data thefts occur inside a company and are caused by employees. When this is the case, it can be much safer to keep sensitive information offsite. Of course, this is all very abstract, so let's consider some specific numbers on this aspect.

RapidScale highlighted in one of their analyses that **94% of companies** saw a significant improvement in security after migrating to the cloud, and **91%** mentioned that the cloud makes it easier to meet compliance requirements. The key to this enhanced security is the encryption of data being transmitted over networks and stored in databases. Through encryption, information is less reachable by cybercriminals or anyone not authorized to access your data. As an additional security measure, most cloud-based services offer different security options that can be enabled based on the end-user.



Flexibility

“Cloud is about how you do computing, not where you do computing.”

Paul Maritz, CEO of VMware

Any cloud solution can provide businesses more flexibility overall compared to local server storage. Let's analyze a bit the current situation: online retailers are skyrocketing these days, but if they don't have the IT resources to support the increasing number of online shoppers, things can get very wrong in an instant. If you need extra bandwidth or more storage resources, a cloud-based service can meet these demands instantly rather than undergoing a complex and, in many cases, costly updates to the existing IT infrastructure. This improved freedom and flexibility can make a massive difference to the overall efficiency of an organization. A 65% majority of respondents to an InformationWeek survey highlighted that “the ability to quickly meet business demands” was one of the most important reasons a business should move to a cloud environment.



Business Continuity and Disaster Recovery

One of the aspects that pave the way to business success is control. Unfortunately, no matter how in control an organization may be when it comes to its own processes and data, there will always be things that are entirely out of their power, and we can see these days that even an increased demand of resources can lead to disasters, not to mention the natural disasters that happen every year. Downtime in a business's services can lead to lost productivity, revenue, and brand reputation. Still, it can also lead to the possibility of losing critical business data, which is far worse.

However, even if there may not be a way to entirely prevent or anticipate the disasters that could harm an organization, there is definitely something businesses can do to help speed their data and systems recovery, and cloud solutions are making this process quite smooth. Cloud-based services provide quick data recovery for a wide range of emergency scenarios. According to users' feedback, over 20% of cloud computing users claim disaster recovery in four hours or less, while only 9% of non-cloud users can claim the same.

The effectiveness of cloud Disaster Recovery solutions relies on two critical metrics: Recovery Time Objective (RTO) and Recovery Point Objective (RPO). Shortly said, RTO is the answer to the question: “How much time does it take to recover after a business process disruption?”, while RPO answers “Up to what point in time could the business recovery proceed given the volume of data lost during that interval?”. In both cases, the time is significantly shorter than on the on-prem solutions, making the cloud the preferred solution for this specific problem.



Loss Prevention

If an organization isn't investing in a cloud-computing solution, then all of the valuable data is inseparably tied to the office infrastructure it resides in. This may not seem like a problem most of the time. Still, the reality is that if a local hardware experiences even a small issue, a company might end up permanently losing critical business data. A more common problem than anyone might realize is that computers can malfunction for a wide range of reasons, from virus infections to age-related hardware deterioration, or simply human error due to stress (this is also very common). And, despite the possible best intentions, these devices that are part of the infrastructure can be misplaced or stolen (over 10,000 laptops are reported lost or taken every week at major airports).

In these situations, if a company isn't on the cloud, it is at risk of losing the majority if not all the information users had saved locally. With a cloud-based server, however, all the information uploaded in the cloud remains safe and easily accessible from any computer with a stable and reliable internet connection.



Valuable Insight

As we progress even further into the digital age, it's evident that the old motto "knowledge is power" has shifted towards a more modern and accurate form: "Data is money." And when the situation requires, businesses have to adapt very fast to the context. What can you find in the millions of bits of information that surrounds your customer and business? Sets of invaluable, actionable information that is waiting to be identified and leveraged by the company. Of course, filtering that data to find these insights can be very difficult unless you have access to the right cloud-computing solution.

Many cloud-based storage solutions offer integrated cloud analytics and a centralized dashboard to monitor the stored data. With this information on customers and business processes being stored in the cloud, any company can quickly deploy tracking mechanisms, and create tailored reports to analyze it, identify patterns or anomalies and act accordingly. From those insights, many organizations increase their efficiencies and design action plans to meet goals.



Increased Collaboration

Regardless of the fact that a business has two employees or more, they should be making collaboration a top priority. After all, there isn't much point to having a team if it is unable to work as a team. Cloud computing makes collaboration a simple process, and when we're dealing with social distancing and self-isolation measures, digital collaboration is what keeps a group united.

Team members can view and share information quickly and securely across a cloud-based platform. Some cloud-based services even provide collaborative social spaces to connect employees across your organization. And even if collaboration may be possible without a cloud-computing solution, it will never be as easy, nor as effective.



Competitive Edge

“With the cloud, individuals and small businesses can snap their fingers and instantly set up enterprise-class services.”

Roy Stephan, Founder and CEO of PierceMatrix

Even though cloud computing is increasing its popularity, there are still business executives who prefer to keep everything on a local IT infrastructure. Of course, it's their choice, but following this path places them at a definite disadvantage when competing with those who leverage the cloud benefits for a while now. To be more specific, if a business implements a cloud-based solution before its competitors, it'll be further along the learning curve by the time others catch up, and in times of crisis, this might be a lifejacket. A recent Verizon study showed that 77% of companies feel that cloud solutions give them a competitive advantage.



Automatic Updates

For those busy IT teams that have a lot to get done on a daily basis, there isn't anything more frustrating than having to wait for system updates completion. Cloud-based applications and systems automatically update and refresh themselves, instead of obligating the IT department to conduct a manual organization-wide update, which can be quite vast and extremely laborious. Having a cloud solution saves valuable IT resources, both in terms of time and money, and offers businesses the chance to allocate their teams on critical business tasks, instead of simple updates. PCWorld says that 50% of cloud users cited demanding less internal IT resources as a cloud benefit.

This list can certainly continue with other aspects and benefits of cloud computing when it comes to mitigating the effects of a crisis. Still, we believe these are the most important ones. We can see that cloud solutions can stay at the core of most company operations and turn even the most stressful processes into trackable and straightforward tasks regardless of the business size or industry. The future will be cloud-based, which will help companies move forward no matter what happens in the world.

DIGITAL TRANSFORMATION IN THE CLOUD

a success story



For many companies, these statistics and figures about the benefits of cloud computing might be trustworthy, but may not be enough to make them even consider such solutions. But when specific successful stories are highlighted, things can get very simple to understand. For this reason, we'd like to share a recent story from one of our projects.

The client that asked for our help was facing some challenges regarding their local email system, as well as security and compliance problems, which in these times can damage both the economic side and the reputation side. In addition to these, the company needed a centralized and automated management solution, able to ensure IT transparency, collaboration, enhanced productivity, and data backup. Let's highlight, on short, the main issues:

- No centralized management for the 130+ users and internal workstations, and when the time to move remotely has come, things got even worse
- Lack of control for the open-source email solution used by the company
- The open-source email solution had limited functionalities, causing significant productivity issues
- Security challenges - malware breaches that were hard to identify and fix, putting company data and users at risk
- Lack of predictability in terms of IT costs, which led to uncertainty in the company
- No information management solution
- No centralized backup solution in place, which was a considerable risk given the size of the company

Knowing these challenges, the Avelgo team has set-up successfully and implemented the Microsoft 365 solution, as well as Microsoft Azure for business infrastructure and applications. During this entire process, we had a set of objectives in mind. Therefore, we wanted to:

- Implement a centralized management solution with immediate results
- Optimize enterprise IT management and ensure transparency and predictability over the costs
- Implement an automated backup solution and reduce the human resources needed for such activities
- Address the security issues existing in the company

What we managed to obtain was satisfactory for both parties. The most important benefits that the client experienced shortly after the project ended were:



Improved productivity and collaboration

- The employees' collaboration increased thanks to the implementation of Teams solution for communication, document sharing, and online training.
- The productivity has also increased thanks to the latest technologies used: Windows 10 and Office ProPlus.



Enhanced infrastructure security

- Anti-malware and anti-virus systems for the email and data management solutions
- Data access control system both inside and outside the company
- Improved employees' security



Centralized management

- System Center Configuration Manager permits them to fully manage their users
- Centralized workstation management is now possible
- They can now classify their business data



Better compliance

- The centralized management system is hugely beneficial for monitoring the compliance levels in the company (GDPR and other policies)

Automated backup system

- The company has now an automated backup solution for their email, data, and existing servers, with no need for manual work

Since the project was a real success for the company, the collaboration is still in progress, and even if the external conditions are not favorable for any business these days, the client managed to implement digital processes to support the operations and ensure business continuity.

WHAT'S NEXT?

There is no doubt that without the cloud, we couldn't do many of the things we do every day—a list that has grown exponentially during this global pandemic. For example, it would be extremely challenging for managers and executive teams to access real-time business sales data for their companies from anywhere in the world, given the fact that most of the companies these days work with international teams and specialists. Companies would also have a harder time sharing and co-editing documents securely, with colleagues across the ocean – and even in their city since everyone is working from their own homes. Even short physical distances would present a challenge for collaboration between coworkers without the cloud.

The truth is that modern businesses have always counted on digital infrastructure and the latest technology innovations to support their continuous growth. But with this new set of restrictions created by the pandemic, more companies are recognizing the unquestionable value that cloud provides. Perhaps the most amazing thing about cloud technologies is the flexible options they provide, and now when companies need solutions they can implement and test quickly, it is an excellent tool. This vast and almost never-ending network of cloud-based platforms enabled the world to stay up and running throughout this crisis, with very few obstacles. We already see the rapid rise of telemedicine, an industry wholly enabled by secure cloud technologies, as well as other sectors that were almost fantasies a few months back.

Now, the question is :

How digitally prepared was your company for such unprecedented scenarios? Or maybe, do you still believe that the cloud is not a `must`?

ABOUT AVAELGO

Avaelgo is a full-service tech solution & managed services provider. Our focus is on delivering excellent customer experiences through transformative business solutions. We empower companies to redefine the way they do business by helping them choose the best available solutions, both short and long term.

Since 2006 we have been providing advisory, custom software development, tech support, and training services worldwide. We have hands-on experience with Cloud technologies since 2009. During all these years, we developed strong know-how to solve your business challenges. Our team of Microsoft Certified Professionals will exceed your expectations no matter what services you choose to work with us. We take great pride in our colleagues that have spoken at many of the most popular IT conferences and regularly deliver pieces of training on the newest technology.

Shape the future of your business with the cloud and a reliable partner!

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General Manager and Partner at Avaelgo, Microsoft Regional Director, Microsoft Azure MVP & Microsoft Certified Professional

“The cloud was just a buzz word a few years back, but I knew it would become mandatory for most businesses. After a decade of working with cloud technology, I am still surprised by its potential to reduce disruption in crisis times. And for those wondering how to make this more, my advice is - don't worry too much, find a team of specialists to take care of this and help you start leveraging the power of the cloud. Here is a video that might help you get started with your transformation.”



TUDOR DAMIAN

CIO and Partner at Avelgo, Microsoft Cloud and Datacenter Management MVP, Microsoft Certified Professional, and Certified Ethical Hacker

“Digital transformation is one of the best things that can happen to a company. Unfortunately, not all businesses understand that this is a long term process that requires a mindset change and they get to the point when their initiative fails. There are multiple things you need to consider when starting such initiatives and I’ve been highlighting them in one of our recent virtual events. Check the video before starting your own transformation.”

FLORIN LOGHIADE

Cloud Solutions Architect at Avelgo, Microsoft Azure MVP and Microsoft Certified Professional

“Digital transformation is one of the best things that can happen to a company. Unfortunately, not all businesses understand that this is a long term process that requires a mindset change, and they get to the point when their initiative fails. There are multiple things you need to consider when starting such initiatives, and I’ve been highlighting them in one of our recent virtual events. Check the video before starting your own transformation.”

JOIN THE #CloudMovement

Besides focusing on delivering high-quality services and support to all our clients and partners, we are also trying to share our knowledge. And we’re not alone. Since 2016 we’ve been gathering together technology professionals to share their experiences at Cloud Conference, a live event organized by passionate cloud specialists for cloud specialists.

www.cloudconference.ro