

Clear skies ahead...

Or a storm brewing?

In the month that CNME conducts Cloud Congress 2012, Ben Rossi brings together thoughts and perspectives from regional end-users and vendors on the impact of the cloud and the challenges it faces.

September sees the return of Cloud Congress, one of the region's leading events for insight into cloud technology in the Middle East.

Last year's event was all about the rising importance of cloud to Middle East enterprise. A year on and its importance is a given. What is now needed is an analysis of its relevance to the industry today and going forward, and the restrictions organisations face in its implementation.

The cloud is a big IT opportunity for the enterprise, by eliminating the requirement to over build infrastructure and allowing enterprises to access IT services on a per-usage basis, according to

Saad Khan, Regional Managing director at Ciena Middle East.

"This new model offers the opportunity to reduce costs and allows the organisation to focus on its core business. For example, 60% of the costs of a retail bank are typically associated to IT. The cloud allows the organisation to migrate to a usage-based model where it only pays for the IT services required; there is no need to overbuild to deal with peak time demands," Khan says.

Fadi Abdul Khalek, cluster leader for Gulf States at Oracle, says cloud computing is a significant advancement in the delivery of information and services.

"Cloud computing is in a way about



Saad Khan, regional managing director at Ciena Middle East

simplifying IT to users. By providing on demand access to a shared pool of computing resources in a self-service, dynamically scaled and metered manner. It also offers compelling advantages in speed, agility and efficiency," Khalek says.

"Today, cloud computing is at an early stage in its lifecycle, but it is also the evolution and convergence of several trends that have been driving enterprise data centres and service providers over the last several years. Cloud computing builds off a foundation of technologies such as grid computing, which includes clustering, server virtualisation and dynamic provisioning, as well as SOA (service-oriented architecture) shared services and large-scale management automation," he adds.

Mixed feedback

When it comes to the adoption of private and hybrid clouds in the region, there are often disagreements. Some believe it is picking up, whilst others believe implementation is still very low.

Khan says the Middle East is still lagging behind when it comes to cloud infrastructure, but the rise of cloud computing could accelerate the adoption rate of the latest solutions.

"I believe that a number of cloud providers entering the market could have an effect on the whole industry, giving enterprises access to the latest technology and enabling them to make business processes more efficient," he adds.

According to Informa, telecoms operators' worldwide spent \$14bn on cloud investments in 2011, and 0.2% of that investment took place in the Middle East.

Cloud adoption is increasing proportionately to the growing awareness of its capabilities, according to George DeBono, GM of MEA at Red Hat.

"Cloud can cover all manner of things, from increased capacity at peak times to cheap application development ramp up to lowering the cost of market entry. What we need to remember is that with cloud, there



Fadi Abdul Khalek, cluster leader for Gulf States at Oracle

private cloud, the final step, management tools that make IT-as-a-service possible are increasingly becoming a hot topic," he adds.

Holding it back

Despite opinions that cloud has become a priority, or at least a strong consideration, for Middle East organisations, there are still perceived challenges that are holding adoption rates back.

Typical apprehensions that exist for managed services apply in the case of cloud also, says Rajesh Abraham, head of product development at eHosting DataFort.

"However, the mindset is changing as the organisations want their servers in-house and are now realising the value of working with external service providers.

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is no one-size-fits-all definition, deployment or solution. Each customer will have their own variation and as such, it is why we say that you need to be very careful when executing a cloud strategy that it is truly yours and not someone else's," DeBono says.

Dominic Docherty, MD at BIOS ME, says cloud is becoming the top priority for CIOs in the region.

"What we are seeing in the Middle East is that around 80% of companies - from huge government bodies to SMBs - have now implemented virtualisation at some level. That virtualisation is now providing a foundation upon which they can build components of cloud solutions," Docherty says.

"The second step, unifying the compute and storage platforms is something we receive daily enquires on. To complete the

Companies are looking at the private cloud which can be implemented in their own premises or at a service provider data centre. The second factor is lack of awareness amongst enterprises with regards to availability of local providers offering such services," he adds.

Khalek cites his interaction with different Oracle customers across the Middle East and Africa in noticing the concerns holding customers back from implementing cloud solutions.

"Security and service level agreements are the major reasons holding back customer adoption for public cloud. The need for upfront CAPEX investment, the absence of executive support and a well established cloud business plan, and fragmentation of cloud computing solutions

are further barriers - and this is exactly what Oracle is trying to help its customers to overcome," Khalek says.

In terms of implementation, it appears that software-as-a-service (SaaS) has taken an early lead in adoption.

Travers Nicholas, specialist manager at EMC Turkey, Emerging Africa and Middle East, believes that infrastructure-as-a-service (IaaS) will be the first to take on serious levels of adoption, along with hosted applications-as-a-service, like MS Exchange and Sharepoint.

"These simple foundations address a common need in all organisations, are end-user-accessed and do not rely on any specific applications to be useful. The same cannot be said for storage-as-a-service, for example, whereby the majority of today's solutions are actually linked to an application that integrates with them rather than directly with the end user," Nicholas says.

DeBono refers to a "horses for courses" situation based on the vertical industry that an organisation is in.

"Some industries will gravitate towards an IaaS whilst others will move forward with platform-as-a-service (PaaS). I believe that storage is one of the forgotten aspects of cloud, and only now are organisations waking up to the importance of this. It is all well and good to make your data more readily available, however if you do not



George DeBono, GM MEA at Red Hat



Rajesh Abraham, head of product development at eHosting DataFort

replicate your data and provide it in a true elastic scale-out manner, then your move to cloud may be questionable," he says.

Gaining momentum

A comparison between the findings of research from Quocirca, commissioned by Oracle in 2011 and 2012, indicates that cloud computing is gaining momentum among Middle East businesses.

The second cycle of the research in 2012, conducted among 100 companies in Saudi Arabia and the UAE, revealed that 22% of companies see cloud computing as integral to their business strategy - double the number from the first cycle of research that was conducted in 2011.

56% of companies were reported to have plans to adopt some form of cloud technology in the near future, yet a large number were still unsure as to which technology to select and how to proceed.

Compared to their European counterparts, Middle Eastern businesses were said to be still in the fact-finding phase of their cloud plans. 52% of those planning to adopt cloud said they would opt for a private cloud approach, yet more than a third of those admitted they did not know which model to adopt.

Abraham also predicts this year to see increasing popularity for IaaS as there will



Travers Nicholas, specialist manager at EMC Turkey, Emerging Africa and Middle East

be more providers offering infrastructure services.

"Companies are cutting down budgets on infrastructure and are looking at IaaS as it is more viable and cost effective. We have also seen an increase in customer enquiries for these services. It has also been observed that companies are investing heavily in virtualisation," he says.

"As companies are now adapting to this change, they are using more of IaaS where virtualisation becomes the platform for cloud. Companies in the region now realise that cloud is useful to access information from any device irrespective of the location. For most companies, scaling up infrastructure dynamically is important and therefore the use of cloud based solutions," he adds.

But a far bolder prediction comes from EMC, which predicts that large enterprises will adopt a private cloud model for most of their IT over the next couple of years.

"Our daily interactions with some of the largest IT shops in the region confirm this view. This also resonates with what leading analysts are projecting, which is that private cloud deployment will grow much faster than public cloud adoption. Private clouds would be welcomed in most data centres and are a logical evolution," Nicholas says. ■