

# BUSINESS ENABLER

Sachin Bhardwaj, Director Marketing and Business Development, eHosting DataFort, explains how the Internet of Things will increase the demand for cloud and managed IT services in the Middle East.



→ Digital transformation has become a major focus for many organisations in the Middle East. Today, businesses need to focus on newer technologies, which can help them transform into a 'digital business'. In fact, in the era of Internet of Things (IoT), organisations will need to rethink how they approach rapid digitisation.

According to Gartner, by 2020, 75 percent of businesses globally will be a digital business or will be preparing to become one. While many organisations have digital business transformation initiatives planned or underway, Gartner predicts that only 30 percent of these efforts will be successful due to lack of talent and technical expertise.

Faced with mounting costs and an increasingly complex IT environment to manage, organisations are now more than ever looking at managed IT services and cloud as an alternative to in-house IT infrastructure management.

## Why cloud?

Cloud services in the Middle East are growing significantly as businesses are seeing tremendous value in having

a scalable and flexible pool of resources at their fingertips. The assurance of lower IT costs and scalability has drawn IT decision makers to move their business-critical data and applications to the cloud. Also, the popularity of the pay-as-you-go model and having clearly measurable predictable IT costs is another driver towards cloud adoption in the Middle East. In fact, many organisations are considering to move to a hosted private or hybrid cloud model. Having said that, public cloud is not far behind.

Cloud hosting with a reliable cloud services provider is more secure than in-house server hosting. Service providers not only have a team of experts across technology domains, but they also constantly invest in and upgrade their technology, knowledge, skills and expertise in order to offer the latest hosting services to their customers.

A reputed services provider is also certified for various quality and security certifications and conduct regular security system audits. Owing to the fact that they run and manage systems for multiple customers, they continuously keep themselves

updated about the changing security threat landscape across verticals.

## Managed IT services – the obvious choice

According to IDC, the managed and data centre service markets in the UAE will grow at a compound annual growth rate (CAGR) of 19.8 percent between 2013 and 2018 to reach a total of \$971.8m by 2018. This acceleration is due to the increasing demand from core growth industries such as retail, healthcare, and manufacturing. Data centre hosting makes up approximately 18 percent of the Managed Services market revenue in the UAE. Industry sectors such as banking and finance, aviation, media, government, IT and telecom in particular, have taken to managed services as ensuring a 'secure and reliable system' is critical. managed IT services offer companies multiple benefits:

- At the strategic level, it allows companies to focus and leverage their resources towards their core business activities, rather than spending too much time on operational activities.
- At the operational level, it offers the skills and expertise

of a service provider to competently manage complex data centre requirements.

- At the financial level, Managed IT services reduce total cost of ownership and provide the benefit of a subscription based OPEX model.

This means that companies can continue to focus on their strategic business objectives; relocate funds on developing new applications and innovation; and indirectly win access to skilled resources, latest technology and best-in-class IT infrastructure.

Cloud and managed IT services can help organisations cut costs significantly and improve operational efficiencies tremendously. But where do they start? Companies need to put together a comprehensive plan for assessing their business objectives and goals so that they can be confident that they are making the right decision for their business. In the end, it is all about striking the right balance.

In the era of digital transformation, technology is a great enabler and cloud and managed IT services will help organisations in the Middle East become agile by providing them stability, scalability and most importantly – security. 