HURWITZ & ASSOCIATES
Insight to Action

Smart or Lucky? Standing on the Shoulders of Giants

Lucy Versus Smart

- Luck means that you are at the right place at the right time
- Smart means that you recognize that you are lucky and you work to sustain your competitive advantage
- The key to success is having the right balance between luck and smarts based on a focus on solving customer pain

What Creates a Sustainable Company?

- Ability to innovate with new ideas
- Staying ahead of the competition both known and unknown
- Grounded in solving customer pain
- Game changing
- Breaking away from safety

Ten Rules for Success in Technology Markets

1. Follow the pain
2. Know where and how to listen
3. Don’t rest on your laurels
4. Study your market carefully
5. Don’t follow blindly

Ten Rules for Success in the Tech Market

6. Build relationships diligently
7. Focus on the value of products to customers
8. Prepare for perpetual change
9. Embrace innovation
10. Apply knowledge to new business requirements

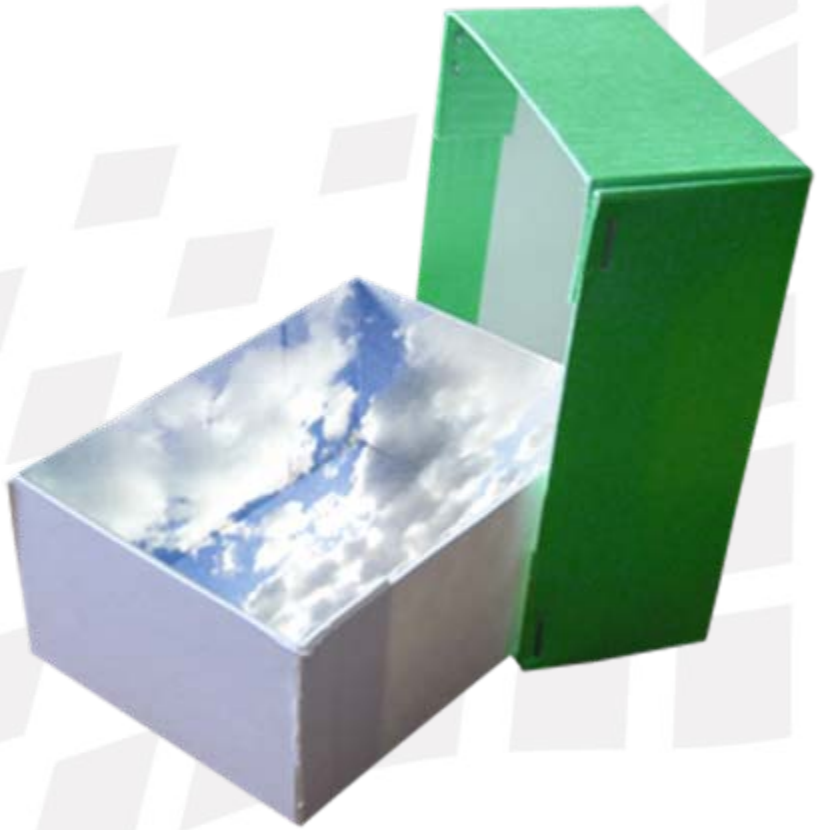
The bottom line

- Smart technology companies build on the value and lessons of the past
- They look to turn history on its head
- They look to solve the new problem based on what will demonstrate results
- They don’t copy; they leverage

Moving to Cloud Computing

Why is cloud computing so transformational?

- Addresses the requirement for perpetual change in business
- Provides a platform that can scale
- Provides the ability to improve the usability of resources
- Increases agility
- Allows business to focus



Cloud, Defined

"A model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction."

Essential Characteristics

- On-demand self-service
- Ubiquitous network access
- Location-independent resource pooling
- Rapid elasticity
- Measured service

Delivery Models

- Software as a service
- Platform as a service
- Infrastructure as a service
- Rapid elasticity

Deployment Models

- Private cloud
- Community cloud
- Public cloud
- Hybrid cloud

Data: National Institute of Standards and Technology, draft definition, version 14

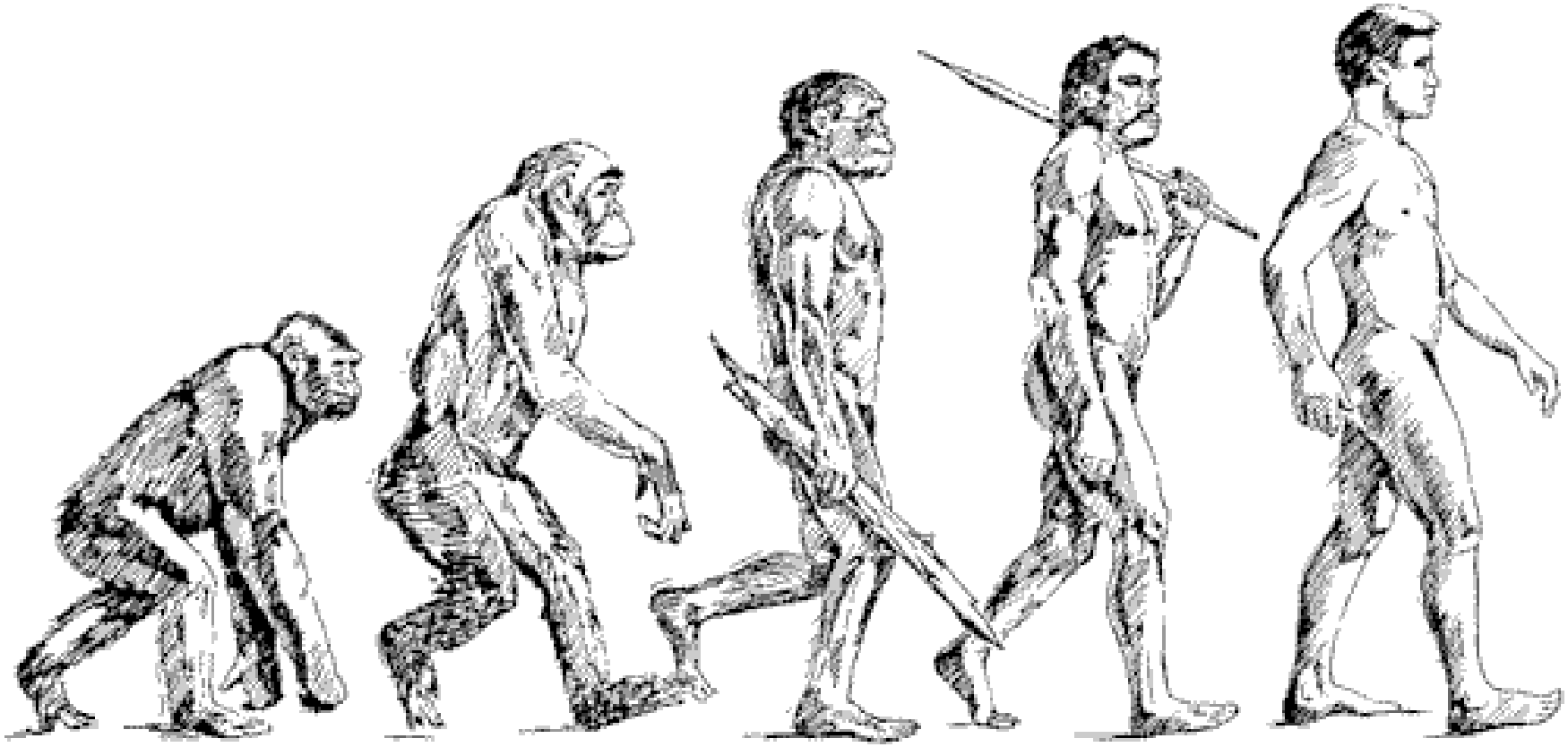
What are companies doing?

- Public Clouds
  - Capacity on demand
  - Test/dev
  - Short term projects
  - Departmental projects
  - Collaborations
- Virtualization
  - Server consolidation
  - Improving efficiency
  - Desktop efficiency
- Private Clouds
  - Internal purpose built environment
  - Improvement of existing data center automation
- Hybrid Environment
  - Combination of public services with private cloud
  - Some test/dev; some SaaS; some private cloud services

What is the cloud all about?

- An economic model based on defined repeatable workloads
  - Scaling workloads supporting highly predictable workloads (email, storage, repeatable service-based applications)
  - Environment optimized – hardware, power, operating system, management framework)
  - Self-service – provisioning and billing
  - Scale up and down
- A service management discipline
  - Managing and monitoring performance, availability, security, and compliance.
  - Monitoring quality and reliability

Mainframes Mini Computers Client/Server Browsers



Internet web applications grid computing virtualization cloud infrastructures

The evolution of the mainframe

- Most successful computing platform in the 1960s based on understanding customer requirements
- Declared dead in the 1990s
- Transformed in the 1990s with the addition of native Linux operating system, IBM server middleware, and expanded partner ecosystem
- Continuing evolution based on the need to scale for most important trend of the new decade: Cloud Computing

Why is Z important for Cloud Computing?

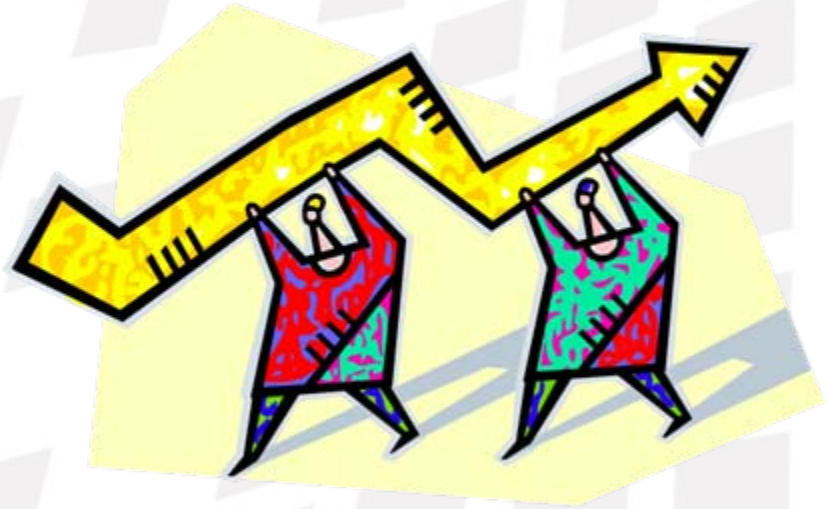
Scalability

Security

Reliability

Virtualization

Manageability



When do companies consider Private clouds?

- You have a virtualized, economical data center already
- Your business is IT-centric
- You are a service provider to your customers
- You need to support a community site
- You can create a revenue model for services
- You must support a dynamic partner ecosystem?
- Your compliance requirements are stringent

Clouds will be hybrid

- The world is never black and white – shades of gray
- Organizations have a huge variety workloads to support
- Organizations must support lots of legacy hardware, operating systems, customized applications
- Public clouds are most effective for highly scalable, lower risk, predictable workloads
- Compliance and regulations will help dictate decisions

The front office implications for the cloud

- Shifting focus from basic back office needs (develop/testing, capacity, etc.)
- New focus on innovative business processes
- Focus on customer experience in new ways