

Digital Systems & Technology

# AWS Cloud Migration: How Modernization Accelerates Value Creation

With cloud migration well underway, organizations are embarking on large-scale modernization efforts to improve the speed and economics of IT service delivery, boost business innovation and engage customers with new experiences.

## Executive Summary

Organizations have moved nearly half (48%) of their IT environments to the cloud, with 69% of IT environments expected to be cloud-based in the next 18 months, according to IDG's 2018 Cloud Computing Survey. One result of this steady migration is becoming clear: Companies are capturing real business value from their cloud investments, ranging from increases in ROI to improved collaboration and customer experiences.

A new IDG/Cognizant survey finds a host of business objectives fueling cloud adoption: improving the speed of IT service delivery, driving business innovation, ensuring greater flexibility in reacting to market changes and improving customer experiences. Regardless of the objective, cloud investments appear to be paying dividends.

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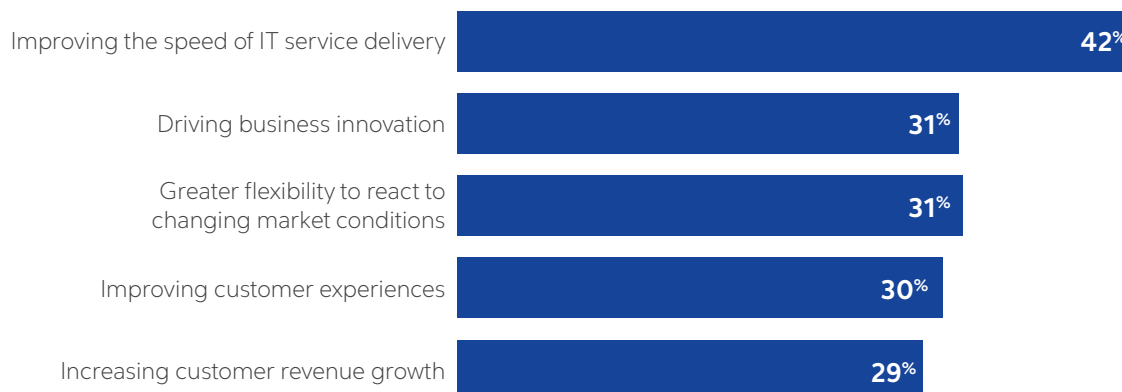


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## Top business goals driving investments in cloud computing initiatives

Multiple choices allowed



Source: IDG, July 2019, 198 U.S. IT decision-makers (itdm) at the director-level or above at companies that have begun or are actively planning cloud initiatives. Decision-makers are split evenly between IT-roles and tech-involved lines of business. Companies are selected to have either a minimum of \$1B annual revenue and/or 1000 employees.

Figure 1

The path to capturing value with the cloud is not without speed bumps. Common challenges include integrating cloud services with existing systems, and aligning IT and LOB priorities. It's also easy for the sheer scope of a cloud migration strategy to seem overwhelming when considered through the lens of digital transformation that impacts the entire organization.

To increase the odds of success, organizations should consider a more accessible approach to cloud migration that focuses on four core pillars: platforms, applications, data and experience.

These modernization initiatives can be addressed independently – based on priorities and resources – but also should be considered collectively within the context of a broad, strategic framework.

“We tend to look at modernization as all or nothing, but you can demystify it by decoupling modernization programs and running them independently of each other,” says Raja Renganathan, Global Head of Cognizant's AWS Business. “When embarking on a transformation journey, organizations can start with any of the four pillars, but not treat them as silos.”

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## The four pillars of cloud modernization

Organizations are channeling cloud-based investments across a variety of activities encompassing experiences, data, applications and development platforms as well as umbrella issues such as compliance and digital resilience. Given this diverse set of activities, it's easy to see how quickly an organization can bump up against resource constraints.

With activities split across multiple areas, it's clear cloud migration is not a one-size-fits-all endeavor. In the survey, experience transformation ranked as the top priority for cloud adoption, chosen by a quarter of respondents; this is 53% higher than the percentage of respondents who cited data modernization or application modernization as their top priority.

### I Experience modernization

Organizations are pleased with their progress toward experience transformation: 87% said they were on track or ahead of schedule. Experience transformation rises to the top of the modernization agenda because it is at the heart of myriad business objectives, from boosting customer satisfaction (89%) to maximizing profits (87%) and streamlining integration (81%).

### I Data modernization

Data transformation efforts, for which nine in 10 respondents claim are on track or ahead of schedule, are a top priority for organizations focused on meeting the demands of new technology (89%), maintaining a competitive edge (87%) and fostering better decision-making (85%). An adaptive data foundation, in the form of a cloud-first, AI-driven data ecosystem, is critical to unlocking the value in legacy data stores, and better understanding business and customer needs.

### I Application modernization

Application transformation provides a critical path to the cloud as a means of reducing the number of

## Cognizant and AWS: Collaborating for modernization

Driving digital value through the cloud is not easy. That is why Cognizant and AWS are bringing their collective strengths to bear to help organizations meet the demands of the modernization challenge. Cognizant, an APN Premier Consulting Partner, offers a wealth of consulting expertise and robust global delivery models.

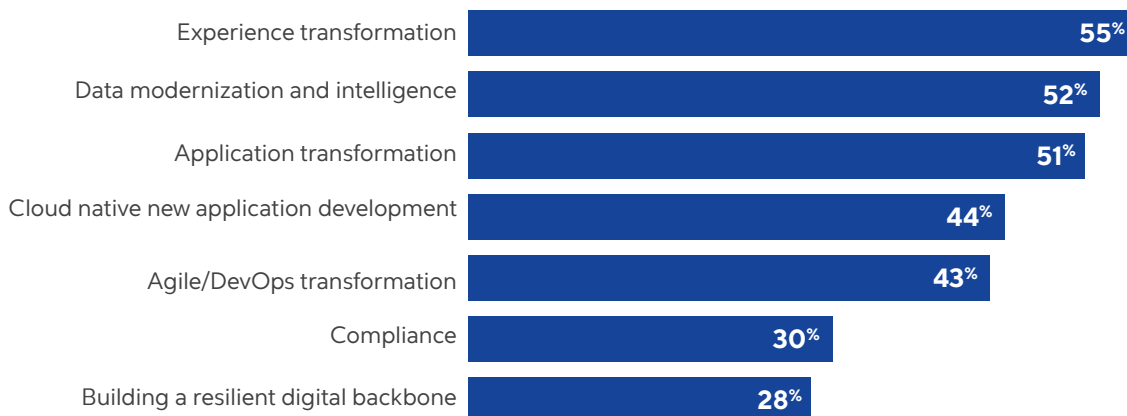
Coupled with the reliable and highly scalable AWS cloud infrastructure and app ecosystem, this collaboration provides a compelling framework for solving today's digital challenges. Services range from hassle-free transformation frameworks and blueprints for migrating application and data workloads and developing cloud-native applications, as well as a management platform that automates governance across the cloud ecosystem.

Regardless of where you are in your cloud modernization journey, Cognizant and AWS can help you plan, implement and manage an effective cloud transformation roadmap.

disparate systems (89%), streamlining applications (83%), and enabling IT to respond more rapidly to changes (83%). There is one level of disconnect between IT and non-IT respondents that bears watching: 78% of IT professionals were confident in their understanding of cloud and the reasons for application modernization, while only 45% of non-IT respondents voiced the same confidence. There's opportunity there for IT leaders to further educate business stakeholders on the benefits of application modernization.

## Cloud adoption activities

Multiple choices allowed



Source: IDG, July 2019.

Figure 2

### I Platform modernization

At a platform level, modernization via cloud migration encompasses a range of transformation initiatives, including building cloud-native apps, creating a resilient backbone embracing DevOps, migration of enterprises apps, and managing apps and workloads cost-effectively.

For this pillar, IT is more predisposed to modernizing platforms to ensure customer satisfaction than non-IT respondents (75% vs. 33%). At the same time, the survey found non-IT professionals are more likely to consider native cloud app development as a key to success in this new era of digital business, compared with IT respondents (92% vs. 83%).

### Capturing business value

Regardless of the starting point, the lion's share of respondents (94%) maintain they are generating business value from the modernization journey. Among the top-cited benefits are increases in ROI, improved collaboration and increased customer satisfaction.

Those not yet seeing value tend to be in the early stages of adoption. In addition, challenges to cloud adoption remain; in particular, 77% view integration of cloud services with existing systems as a significant or moderate obstacle.

### Next steps for accelerating value

As cloud maturity evolves, companies in search of next-level outcomes should consider the following strategies to accelerate business value:

**Pick a lane.** The survey underscores the benefits of cloud migration, regardless of the starting point. Prioritize based on your organization's specific needs, and focus initial investments accordingly to more easily justify migration costs. Quick wins will open new paths for investment, giving organizations the options to address core modernization pillars sequentially or in parallel.

**Embrace the stakeholders.** Do not underestimate the importance of change management to cloud transformation. IT leaders should engage across all key stakeholders – business leaders, partners, vendors, and customers – to discuss goals and

identify needs, which helps establish priorities. In most cases, involving the business in deciding what to prioritize and how to approach modernization assists with making the journey faster and more efficient. A purely technical view rarely is the right approach.

**Establish shared business outcomes and KPIs.**

Even if modernization pillars are orchestrated separately, having shared business outcomes and KPIs creates cohesion, builds consensus among stakeholders and ensures big-picture business objectives are met consistently. It’s also critical to establish shared policies around security and compliance to reduce organizational risk.

**Enlist the right talent inside and outside the organization.**

Cloud migration requires new skill sets, and needs will vary, depending on the modernization pillar underway. Organizations should identify, reskill and ramp up talent acquisition in key areas, either by recruiting new hires or enlisting partners. Seek out third-

party experts who have the ability to scale with new competencies and additional resources as migration efforts grow.

**Create a Cloud Center of Excellence (CCoE).**

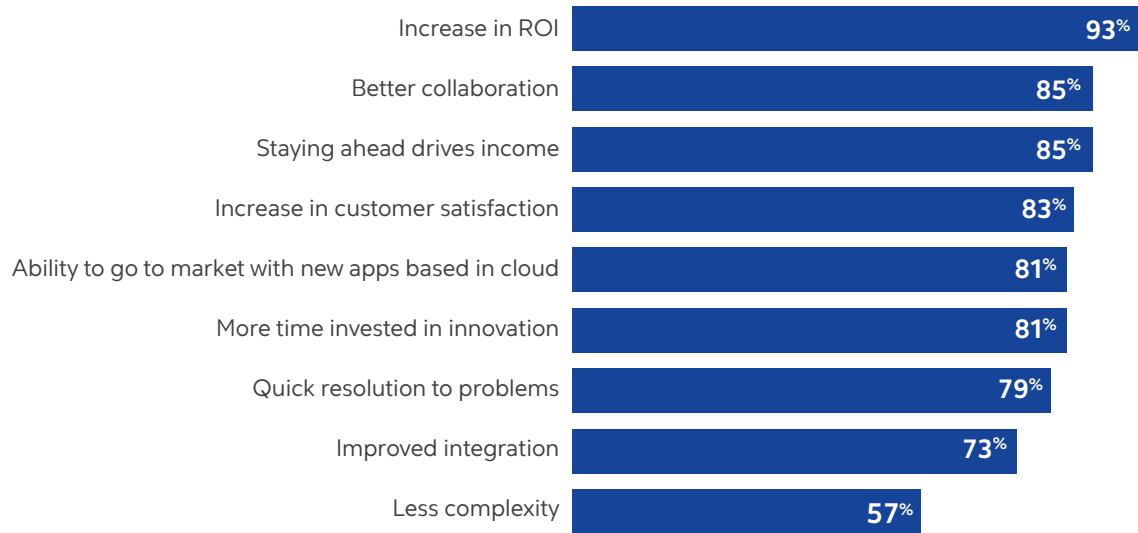
As with most substantive technology deployments, creating a CCoE can ensure projects stay on track and learnings are shared across the organization. A CCoE is a good model for governing overall cloud strategy, and is instrumental for promoting organizational visibility and best practices for managing cloud deployments and costs.

Cloud-based modernization is proving to deliver tangible business results, but IT and business leaders can do more to extract additional value out of their investments. By embracing a strategic, integrated migration plan, organizations can move beyond foundational IT modernization and reap the rewards of a fully transformed business.

To learn more about best practices for modernizing your core IT, visit [Cognizant AWS Cloud](#).

## How organizations generate value through modernization

Multiple choices allowed



Source: IDG, July 2019.  
Figure 3

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## About Cognizant

Cognizant (Nasdaq-100: CTSI) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 193 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us @Cognizant.

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