

Speaker 1: Welcome to Cloud Dialogues, episode one. My name's Georgia Smith, and I am here with my co-host, Matt Gillard.

Speaker 2: Hi, Georgia. And listeners, excited to be here with you.

Speaker 1: Good evening, as it is in Melbourne. Shall we quickly talk about why we started this podcast?

Speaker 2: Why did we start this podcast, Georgia?

Speaker 1: Well, I think for me, over the last few years, obviously, I've had my head in the cloud for a few years now. So funny. Everybody clap. So I have my head in the cloud for a few years now, more specifically, AWS, and a little bit of Azure before I landed at AWS. But I think, even now, like I still find myself on the receiving end of lots of questions around how to do cloud in the right way, from a multitude of different organizations, but then also from just executives that I have worked with over the years. And some of them come to me and say, can you help me to understand what's going on?

Because I feel like it's too late to ask now. So I thought, well, maybe we should help them. And I think, from a business perspective, obviously, it's really critical to have a great vision and build a strategy using that vision when we talk about cloud. And a lot of the time, organizations have got a bunch of different executives really thinking about very separate things, whether it is cloud migrations or serve a refresh or whatever it is. So really, what I want to help everyone to do is to really consolidate that vision and use cloud to be the enabler to deliver those products and services. Obviously, that's what I've spent the last couple of years working with executives and different organizations to do. And it's something that I'm really passionate about. So I thought that we could use this opportunity as something that, as far as I'm aware and we're aware, hasn't been done before, is to give executives the ability to learn about cloud and hopefully, find way. Yes.

Speaker 2: It's kind of tough because I've had a background in enterprise IT over many years. And being working in cloud for the last few years, I've seen many struggles, I guess, with implementing cloud, no real lack of strategy, no... I guess, are they doing cloud for the right reasons or are they doing it because everyone else is doing it? Right?

Yeah. So I guess every customer has a cloud story. Part of those challenging moments, we can share that with our listeners, hopefully, to give them guidance on what not to do, but also things that have worked and what they can do to make their cloud journey successful. And there's always going to be mistakes and you're always going to be learning and iterating.

Absolutely. But I think with my tech background and bringing Georgia's business insights and her experiences, with the occasional special guest, we have some sort of ideas on guests that we'll bring

in in future episodes. We aim to make what we talk about hopefully interesting, but also...

The fingers crossed. ...help you gain... You, the listener, I hope we have more than one listener, gain new insights and ideas to help maximise the business benefit you get from utilising modern tech. And so modern tech being cloud, you know, cloud hyperscalers, it's usually the big three, but, you know, there's others. We talk about Oracle, maybe, we'll see. Or, you know, if you're using Cloud...

Speaker 1: If they pay us. That's right. If anyone at Oracle is listening.

Speaker 2: Yeah, that's right. So whatever hyperscale you use or plan to use, you might not actually be using Cloud. I'm sure you'll gain some insights, hopefully, from each episode. So today we're going to talk about... ...a lot of cloud operating models. I guess an operating model, everyone has an operating model.

Speaker 1: What does cloud operating model mean to you, Matt?

Speaker 2: It's a new way of operating IT, right? So it's... The way traditional enterprise IT is run is, you know, old-school silos, different teams doing different things. It's people, it's process and it's technology, and how you operate a business, really. So that's what operating model is in general. It's how you operate that business and how that organisation functions and covers everything from the tech that you use, the processes, the people that you have, and to be able to deliver some sort of value to whatever the organisation needs to deliver. And also, organisations can have multiple operating models, depending on the context that you're talking in. So there could be a product team, an application, a value team doing, you know, an operating model for the way they operate. And then, as we'll discuss in a little bit, you have the cloud operating model for how they operate in the cloud, which might be common across certain elements. So we're going to focus on the organisational or management side of the cloud operating model in this episode and, you know, some key elements of that, which are important to think about when you're starting your journey or continuing your journey in the cloud. I think one thing that

Speaker 1: I feel like I get asked a lot is, what are the boundaries of cloud operating model?

Speaker 2: Boundaries, what do you mean, boundaries? Like, where does it bend? It probably never ends.

Speaker 1: Yeah, that's definitely my answer. My answer is always, provided that I'm not talking to the whole organisation, that's right. Depending on the context, if I'm talking to executives, my view is that it is the whole organisation. And I think it's important to, like, have that view from the very beginning, right? Or at least, like, try to be sending that understanding from the very beginning, that in order to make the best use of cloud, which

is, cloud can do amazing things, right, for your customers and to help the executives. For our audience, cloud should be the delivery arm of your strategy, right? This is what we use to deliver on our strategy. And in order to do that, effectively, the whole organisation needs to be engaged. Yep.

I'm not saying the whole organisation needs to become IT operations. That would be terrible. Yeah, that would be bad. Well, the whole organisation, really, over time, needs to learn about how our cloud can be used. And I think it can start in different ways as well. And, like, you know, I've worked with probably more traditional organisations that started off with that migration journey.

And I think it's a great bias for action, right? Okay, we want to start, we just want to get everything migrated, or at least, like, you know, almost everything, to bar those few tiny things that are too complex.

Speaker 2: You never get to 100%. Legacy to migrate. No, and yeah, you know, nothing's ever perfect. That's fine. But it can be a good, you know, bias for action. It's like, well, if we get everything migrated over, then we can work a lot more quickly to innovate, right?

But then I've also seen it done the other way. It's like, actually, we're going to start using cloud as, like, an innovation arm. And I've seen that be very successful as well, right? Especially where you've got... executives, some of your peers maybe don't understand

Speaker 1: what the point of cloud is and need to be brought on that journey. And as you start kind of building that capability and starting to deliver small products and services, really seeing the value in that very quickly and how quickly things can be taken to market. And then that becomes the catalyst for that migration effort. Yeah, that's right.

Speaker 2: And also, you don't transition to a cloud operating model overnight. So you've got, you know, you have the event that happens and then you have a small team and you work out. There's no one size fits all. So you have to work out what works for your organization and having a small team, working out what works, make sure you document those processes, what works, keep doing it. And starting small, right?

Speaker 1: Yeah, starting small. I think starting small is critical. I think a lot of, you know, there's always, I guess kind of, we all want to do things that make a difference, right? But it doesn't need to be a big bang effort. It can actually start off with like three, four people doing some stuff in the, you know, 20 or 30% capacity of their time. And then that can deliver outstanding results because of how agile cloud can be utilized.

Speaker 2: And having those feedback loops. So things that don't work, stop doing them, change, you know, if you're not getting the

business, well, you'll know it's not working if you're not getting the business value. You've got to be able to measure that output and make sure that you're continuing to deliver value.

And if something's not working, you have to, you know, feedback, loop back, figure out what's not working and fix it, you know, try something else to get it to work.

Speaker 1: And I think as well as that, and like just going back to why we wanted to do this was, I think a lot of the time, the first time that a lot of executives will engage with any sort of cloud concept or like cloud issue or it's in a negative way. Like it's like, oh, you know, one department's built up, like has something's been left on or, you know, some high computer's been left on and it's built up whatever amount and someone's got one executive's going to another saying, hey, you've got to pay for this or whatever it is, right? Or, you know, something fails because it's not scalable because it's in a data center.

So that's another reason why I think we wanted to start this was to give some positive engagement on cloud because it's so it what it enables us to do is absolutely incredible. But unfortunately, in a lot of instances, the first, a lot of executives will hear about it is an issue or a problem.

Speaker 2: Yeah, exactly. It's always the negative, but the negative things are good because it makes you do something about it in theory. Not all organizations do that, but you know.

Speaker 1: Yeah, yeah, totally.

Speaker 2: Yeah, so so in the cloud journey, when do you think that implementing a cloud operating model is important?

Speaker 1: Before you've even started using cloud. I think when you're first starting out, and this is just a perspective from the clients that I have worked with over the course of my career, is that having starting off with those couple of one or one or either of those mechanisms in terms of like an innovation arm, like a product development, because that's what we really want. A cloud operating model really looks like a product development machine, right, as opposed to what IT operations was before. In terms of like, you know, oh, we've got a, we've got a rack new servers, we've got a plan

Speaker 2: for more capacity project related. Yeah, and then with that with cloud, we don't need any of that, or we don't need a lot of that, or it has to change, right? Just taking that to the next level, the cloud platform is actually a key part of the operating model. So in traditional IT, you have your silo teams building, you know, and I say silo, not in a negative way, but that's just how, how...

Speaker 1: More traditional IT operations here. Traditional IT

operations is done. Yes. Separate teams doing your separate tasks because they're separate skill levels. And it creates that accountability, right?

Speaker 2: It creates that accountability. It's just that we don't need any of that anymore with cloud. Well, some of it you need, but some of it you don't. So, you know, in the old way, you pass the work between teams. Usually requires project managers to get anything done to make the teams communicate with each other. With a cloud, cloud way of thinking, some of the team functions are removed, so you don't need VMware, hypervisor people, because your cloud provider takes care of that.

Yes. You don't need storage people because your cloud provider takes care of that. But as a result of that, some of the functions that other teams do are combined together. So, your operating system teams need to care a little bit more about storage and understand how that works. And other team functions, example, DBAs, they had to take care of the system and the application. You might have had a system DBA and an application DBA. And now you just really need an application DBA. Mostly to be able to tune the application. What's a DBA, Matt?

Oh, that's a good point. For anyone that doesn't know. A DBA is a database administrator. And tell me what a hyperscaler is. Oh, hyperscaler is a cloud hyperscaler is a, you know, the big three cloud providers.

Speaker 1: Okay. So, we're talking AWS, Azure, GCP.

Speaker 2: AWS, Azure, GCP, exactly right. Okay. And then everyone else. Just checking. Less than that. That's okay. It's good to provide those definitions.

Speaker 1: I'm sure a lot of our audience will not know.

Speaker 2: That's right. DBAs, database administrators are critical to most applications because most applications have some sort of database. So, improving the value that they provide, reducing the, I guess, undifferentiated heavy lifting, which is a bit of a mouthful, is what the cloud provider does. So, then these people can focus more on application related issues, improvements, making it quality and all that sort of stuff. So, you've got your cloud platform that's run by a bunch of people who kind of have similar skills to previously, but also new skills. And you treat your cloud platform, as you say, as a product because it's going to be continually improving. And your cloud platform is critical to your organization because that's where you migrate your apps. That's where you build out, you know, your business value really using the structure and it provides the guardrails to keep your company safe.

Speaker 1: And that should stem from the vision, right? Yeah. And I think that's a step that a lot of executive teams have missed is actually sitting down together and thinking, you know, if we think

about five years from now as an example, how do we want to be serving our customers in five years? What do we think that our customers will want to be, how do they want to be engaging with us in five years?

And therefore, if we set that vision of what we want our customer to think about us in five years after they've spoken to us, dealt with us, had a transaction with us, whatever sort of organizations you're running. What is the infrastructure that we need? What is the platform that we need? What are the applications that we need? What is the architecture that we need to actually deliver on that vision?

And then thinking, okay, we'll say we need to be able to do that. We want to deploy a new customer interface that we want to be using in maybe three years, ideally a lot sooner. But if we work backwards from that and thinking what applications do we need to get migrated first, that kind of starts setting the vision. For that, okay, well, from an innovation perspective, this is what we want to be achieving on whatever timeline, and therefore that's how we need to start that cloud journey.

Speaker 2: Yeah, and that dictates your architectural requirements for your cloud platform as well. So, depending on what you want to do, we'll define what your cloud platform looks like. And you start off slowly, as we said earlier, you start off slowly by taking, ideally taking team members that you already have, people who want to learn, some people don't want to learn and that's fine, other people do. So you've got to pick those innovative people to help kickstart that journey. And it's also important to, if you have no cloud experience, to get a trusted partner as well in to help you. So you can hire in, but you can also get a partner to kickstart your journey and work with your team to build out that platform. I've seen that work many times where customers seed their initial cloud platform with, you know, the partner teams and they upskill, cross-pollinate that skill level with other team members that you already have.

And then it starts off small, but then it starts to grow as soon as you start delivering the initial phase of platform, your product teams can then start using that platform to build their value for the business. Oh, the other thing, the other important thing about getting a partner who's done it before, well, hey, they've done it before. So they know a lot of the pitfalls and the problems that people can run into. They have deep relationships with the cloud vendors. So, you know, I work for an AWS partner and, you know, we have very deep relationships with AWS, for example. There are other organizations that have deep relationships with Microsoft and all that information helps because they get visibility over things that are coming up, you know, NDA, all that sort of stuff.

Which can help solve the problem. So you're building a platform on top of the hyperscalers platform, cloud providers platform. And they're continually improving their environment. So you should also be investing to improve your environment, which is built on top of

their environment to be able to meet your vision and what needs you have.

Speaker 1: And I think as well as that, like as non-technical executives, a lot of the time the first we hear about cloud migration is when we get a knock on the door about some sort of application that we're using. And it's like, oh, we need to migrate this. And obviously that's an important part of the journey for the overall organization is making sure that, you know, whatever the migration machine looks like, that they have the right information to enable applications and whatever needs to be migrated to cloud successfully. Or, you know, maybe, like for example, we might be the owners of applications that actually are very low use or low importance. And it's important that the migration machine gets that information. Even if that's just the feedback that it is, right? Like we actually don't think this is very important.

Speaker 2: And that's part of that migration plan. Yeah, yeah, yeah. Because you find actually it's like clearing up the...

Speaker 1: Especially in big organizations. Clearing up the trash. Clearing out the trash. Yes. Clearing up the trash. No, it is. It's so hard. Like, especially when you've got, you know, you're trying to do things as frugally as possible, right? And then you can't get answers out of the people that own the applications or are using the applications. And that makes it really hard to do the right thing by the organization. So it's frustrating as it is. Or, you know, you've got their own priorities and things that are front of mind.

But in order to enable organizations to really accelerate their innovation pathway, we need to get the migrations done, which means getting the right information at the right time to the right people.

Speaker 2: Yeah, exactly right. And part of the... So your cloud platform is providing a environment for your product teams, your workload teams. And a workload team is basically a consumer of your platform. And then, however, your platform is operated. So the operations of that platform takes care of security, improvements, and day-to-day, you know, maintenance.

Dealing with the cloud provider. Your workload teams, they also...they build on top of your environment. And they have their own operating model where they're operating their application, they're deploying their application. So you've got to provide those interfaces, standard interfaces for them to deploy their application. And how that operates is very different to the way they do it today with on-prem. So going back to the original discussion about iteration and fast feedback loops, especially if you're new, they need to work out.

There's so many different tools and ways to deploy applications. Totally. They've got to learn what works for them and what doesn't work for them. The organization...so your organizational structure can actually dictate how your cloud platform will look. So an

example of that is a large...you know, you might have a large multi-region organization with different teams in different regions or different business units, and they might have very different requirements for your cloud environment.

So there's like, I guess, three main topologies. So you can have a decentralized model, and in that case, if you do have that large presence, then you can have separate cloud platforms in each region run by separate teams to deal with those local needs, local requirements, data sovereignty, and other regulatory reasons, possibly. Then there's the centralized model, and that's the most common one for most organizations, where you've got a central team that looks after your platform, and then you've got, you know, workload teams or whatever utilizing that. And then you've got a federated model, which is like a minimal central team, and then some of the cloud operations go out to the product teams who deal with the separate training, separate features for particular regions.

So it's kind of a mix between the two. So centralized is always probably the one that is safe to start with, because usually you won't go out to everywhere straight away.

Speaker 1: You'll probably start with a small region. A phased approach is generally preferred, right?

Speaker 2: Yeah, phased approach. And you can always switch later to a... I mean, it's going to grow anyway, like... Exactly. And that'll... A lot of the time, the model that you choose, yeah, definitely... It'll be obvious because your organizational structure will dictate which one you use.

But again, along with everything in cloud, there's no fixed rules, and you can always iterate and change later. Agile. Agile, be agile. Feedback loops. Cool. I think we've covered most things that we want to discuss today.

Speaker 1: The only other thing that I wanted to just briefly touch on in terms of strategy and how it ties in with having the right governance. And I think something that I've seen used really effectively, especially in the last few years, is having obviously we've got our like IT, our executive that looks after our IT operations and our IT function, but then also having the executive sponsorship over that trend, like executive sponsorship additionally or even primarily sitting with another executive that looks after say like customer operations, right? And then those two executives work really closely together to make sure they are really aligned on the vision. This is where we're heading. And I know once, and I was saying this to Matt earlier, I was sort of starting work with an executive team and one of them sort of was saying he was like, oh well, our strategy changes all the time.

So I don't really see any point in setting it in stone. And I was like, okay, great. That's really good. The next time you think about it, can you write it down? Because having that clarity and obviously

things change all the time, right? And they should.

Speaker 2: We should be constantly revisiting. Businesses changing all the time, right? Absolutely. We should be constantly revisiting where we're expecting to be in five, ten, you know, five weeks time, exactly, supposed to five years. But making sure that how you have that right structure and

Speaker 1: executives that are in lockstep with each other over what is the most important thing in order to enable the strategy to be delivered.

Speaker 2: Yeah, that's pretty critical. Because being able to look back on your choices over time help, you know, what you wanted to do at one point is naturally, and you want to change it. It doesn't mean you're wrong. No, it just means you've changed direction and your everything needs to, everything that you're doing, you don't keep building out in that way. No. Because otherwise, the longer you're going in the wrong

Speaker 1: direction, it's going to cost a lot more to. Absolutely. So, absolutely. I think something that I've seen work quite effectively, especially in the last few years, is having another executive that is especially accountable for things like customer experience. Otherwise, what you find is IT is kind of working independently, doing migrations or whatever it might be, and they might be doing a great job, right? But are they doing the right thing first? Yeah, they're doing the right thing. They're doing the right thing? Well, we don't know because we're not sure we're heading.

Speaker 2: That's the problem, right? And that's part of that strategy question, right? Because you need to make sure when you're doing analysis of what you're migrating, is it the right, are you actually going to be using this in the next three years or maybe it's just going to... Maybe it's not important. It's not important. Yeah, it's your business. And that's the thing, a lot of things that you've done in the past don't translate well to cloud because there's better ways of doing it and you need to really take stock and really think about every application because as soon as you migrate it over, it's going to start costing you money that's visible and we'll talk about...

Speaker 1: In a different way. We won't get into financial management today. That'll be a topic for another episode. But yeah, it's really, really critical. So what's your key takeaway, do you think, from an operating model perspective? Executive sponsorship and strategy, having a aligned view on the strategy. And sometimes that might mean that we sit... And I have done this with a number of executive teams. We sit in a room and argue for a couple of days, but then we come to an outcome. And that's the most important thing.

Disagree and commit. Very important. Exactly.

Very important. It's okay to go down a path and then realize quickly that it's not going to work, but that's what cloud enables us to do really effectively. Throw stuff out that doesn't work.

Let's not keep going down the path. And I think as well, I remember I worked with a client not that long ago that was at the tail end of a significant implementation or a transition to some new... And I was like, why did the organization decide to do this? And they were like, I don't know.

Speaker 2: And I was like, okay. It's probably been through multiple people, right? Yes, exactly. And that reason disappeared. But I think it's important to revisit, right? And make sure we're not blindly going down a certain path because someone started it.

Yeah, that's true. I think my key takeaway for especially starting the cloud journey is getting a solid foundational cloud platform that you can build your operating model around from a people process tech. Make sure you're using the right... Minimize the services you're using. Train your people. Bringing people who have done it before to help kickstart the program.

It might seem expensive sometimes, but I think the value that you get back from that is far and above the expense. An example, I'm working with a client who they've never been in cloud before. We've helped build a platform for them.

Speaker 1: And a lot of organizations

Speaker 2: are in that situation, right? Exactly. And they didn't know, you know, they couldn't start themselves. So, you know, the small amount of resources on their end, a bunch from our end helped build that platform. And now that they're migrating applications. So, it took a little time.

Speaker 1: Oh, and I think a lot of organizations are, like even just the job market at the moment, looking for someone to just help them start. Because they're starting to think that they're falling behind. And they don't know where to start. So, that's an interesting thing that I've been on the receiving end of a few of those recently.

Speaker 2: So, thanks for listening. I hope that was helpful. And I hope you've learned something from it. The listener, not Georgia. And they're called Action. What's it called?

Speaker 1: So, obviously, we love feedback. So, if you would like to send us feedback, we would love that. You can send us an email at feedback@cloud-dialogues.com alternatively. Go to our website. Go to our website cloud-dialogues.com. And you can also, I would love to hear your questions. What do you want us to talk about? What do you need to know about? What do you need help with?

What's concerning you right now in terms of cloud? At this point in

time, we're planning to do fortnightly. We're going to start fortnightly and see how we go. We're in Melbourne together at the moment, which has been amazing.

But I'm normally I am based in London. So, please send us your ideas. There is an ideas box on our website. So, please send them through. And as always, of course, we'd love to hear feedback. Hopefully, there's a couple of people at least that have gotten to this point in the podcast. They're still listening.

Speaker 2: So, please go to the website. Type it in. You might have probably say the examples could be, you know, your cloud migration stuck. You might have, you don't know how to get started. You know, is there a topic you don't understand? So, we can help break that down hopefully. That's the plan at least.

Speaker 1: We look forward to hearing from you. So, until next time. Until next time, we will see you soon, hopefully. Bye.