Top 10 questions to ask about cloud computing

Cloud computing brings opportunities to make businesses more efficient and reduce IT costs. Before you fully embrace cloud technology, there are some important considerations for boards and management to discuss. Below are the questions you should consider when thinking about the cloud in your organization.

1. Security, risk and privacy
   **Who owns the data in the cloud and who has the rights to use it?**
   In a cloud environment, organizations rely on providers for storage, business continuity and disaster recovery, and as a result do not physically store all of their own data. It is essential to understand the implications this has on data protection. What security measures are in place to protect data in the cloud? Is your data appropriately segregated from other cloud subscribers’ data?

2. Monitoring and reporting
   **How do you monitor governance and provide assurance over the services migrated to the cloud?**
   Cloud computing requires a new mindset and new tools, however many organizations are still learning how to monitor and report on their data stored and functions performed in the cloud. Some commonly used techniques include regular compliance audits of cloud providers and defined procedures to handle incidents. What are your company’s procedures and what’s allowed for in your service agreement?

3. Vendor management
   **How are cloud services creating new vendor relationships and an increased reliance on various service providers?**
   Understanding how and where providers deliver their services is key to effective control. For example, some cloud providers rely on other cloud services to deliver their offerings. Considerations such as repatriation add new dimensions – getting into the cloud is easy, but transitioning out can be challenging. Some cloud services cannot be moved back to traditional on–site delivery, and terminating a cloud service may require significant lead times to enable transition.

4. Standardization
   **How do you balance the benefit of standardization in the cloud with the unique requirements of your business?**
   An ongoing ‘tug of war’ may develop as providers try to standardize the service to maximize operating efficiencies and reduce costs, despite businesses requesting more tailored solutions. Is your organization’s current IT environment too complex for a cloud model to add value?
5. Continuity of service

**What continuity procedures are available in the event of a loss of cloud service?**

A provider’s disaster recovery procedures should be integrated into your overall business continuity plans. These should include clear response times, service levels and remedies in the case of a sustained outage. Organizations must be prepared to independently assess a cloud provider’s ability to safeguard data residing in its systems and to vouch for the security of any data that is regulated for privacy and compliance. Also, how does this impact your approach to emerging and existing cyber security threats?

6. Compliance

**How will moving to the cloud affect the organization’s regulatory and compliance requirements?**

A flexible and adaptable framework should be adopted to manage emerging governance and compliance issues. Cloud services are still evolving and it is essential that you understand if your provider’s compliance models and controls meet your needs across multinational jurisdictions which do not have standardized regulatory or compliance requirements. Additional compliance costs should also be factored into cloud operating costs.

7. Finance and accounting

**How will cloud computing impact your finance team’s processes for investing in, monitoring and depreciating IT assets?**

It is important to understand the financial, accounting and tax implications of migrating costs from capex to opex. How does this impact the approach to budget planning around technology? Consider how cloud services are procured so that ‘shadow IT’ isn’t created as business functions procure cloud services.

8. Operational implications

**What are the implications for operational and IT functions when cloud services are integrated into the existing environment?**

The integration of internal and external (cloud) systems into a seamless business solution requires enhanced capabilities around enterprise architecture. It is essential that organizations understand the implications to internal functions, such as user support, reliability, scalability and business resumption planning.

9. The role of IT

**What implications will the adoption of cloud services have on the role of the Chief Information Officer (CIO) over time?**

The role of the CIO is evolving into one of a business partner who integrates a variety of services and provides IT solutions to the business. Over time, more resources will focus on business integration instead of the traditional IT capabilities around infrastructure, application development and maintenance.

10. Long term implications

**How can the board get comfortable as numerous cloud services and providers are adding to their organization?**

An overall technology strategy roadmap which incorporates the role of cloud is a pragmatic start. Cloud computing is more than an opportunity to enhance your speed to market and increase competitiveness. Bring in your CIO to develop and evolve this overall cloud enabled technology roadmap.

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