



Navigating the cloud continuum:

Key considerations for choosing the right environment for your business

2022

White Paper

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State Of Cloud

As the business landscape evolves, so too does cloud adoption. In Australia, we're seeing a new wave of cloud adoption, with many businesses reversing from the 'all or nothing' cloud strategy they dove into in the wake of major global disruptions.

They're now headed towards having a mix of public cloud and private cloud to address the challenges they experienced around security, governance and compliance, app compatibility, and costs. Discover the latest cloud trends in Australia and how you can create the best environment for your business.

State of cloud in Australia

The watershed events of the past few years really turned up the pressure on Australian businesses. While change has always been a fact of life — customers, employees, and technology are ever-evolving — it snowballed at a speed and scale we've never seen before. Businesses had to quickly reinvent how they work, how they sell, and how they provide services. This led a mass migration to cloud services.

Analysts predict cloud spending will continue growing through 2022 and beyond. According to Gartner, Australian companies are expected to increase their public cloud spending to \$18.7 billion in 2022, up nearly 32% from \$14.2 billion in the previous year.¹ Almost half of CIOs in Australia and New Zealand said they reserved new or additional funding for cloud services this year (44%).²

The research firm attributed its forecast to the rise in demand for cloud-native apps that can run uniformly and consistently in any environment; database platform-as-a-service, a third-party managed service that monitors and maintains databases for businesses; and artificial intelligence-powered features to support activities like managing data, unearthing valuable insights, and establishing continuous backup and recovery.

¹ 'Public cloud services spending to hit \$18.7B in Australia' (online article), ARN, April 2022

² 2022 CIO Agenda: An Australian and New Zealand Perspective (report), Gartner, October 2021

Did you Know?

81%

of Australian businesses with 200+ employees use cloud services (ABS, FY20)

85%

of Australian businesses intend to move to hybrid cloud (Telsyte, 2021)

Hyperscale service providers also increased their presence in the ANZ region in 2021, such as Amazon Web Services (AWS) with new on-premises zones in Perth, Brisbane, and Auckland, and the Microsoft Azure data centre in New Zealand, adding to the three currently operating in Australia.

However, while frontline digital applications and employee productivity is rapidly moving to the public cloud or to the hyperscale vendors, there are many legacy and core business applications that remain either on-premises or in the private cloud.

Here's a closer look at the key trends Orro - a leading provider of platform-enabled secure networks, digital infrastructure, and managed services - is seeing emerge in Australia.

Cloud Glossary

01 Public cloud

Infrastructure managed by a third party

02 Private cloud

Infrastructure hosted either within an organisation's own data centre, or that of a dedicated Managed Service Provider

03 Hybrid cloud

Combination of a public cloud service and a private cloud service

04 Multi-cloud

Next evolution of hybrid cloud, combining multiple public cloud services and private cloud resources

What we're seeing in the market

Retreating from the 'cloud-only' strategy

A few years ago, many companies decided to go all in on cloud, moving their entire workloads to public cloud providers. But what we're hearing from our customers is that many legacy and core business applications have not been working well in the cloud, or that there's a significant amount of work needed that doesn't make sense from a financial perspective.

This has led to businesses revisiting their cloud-only strategy. They're gravitating towards hybrid cloud — the applications that make sense are moved to the public cloud while the rest are kept on-premises or in their private cloud.

Private cloud gaining momentum

There's often more flexibility in a private cloud. This is why many customers are moving away from an on-prem environment, but not necessarily jumping into hyperscalers.

In addition, the cost of running your application in a private cloud is less than the cost of running it in hyperscalers. That's because it's easier for businesses to make agreements with a private cloud provider and be very specific around what they want. They can lock in costs for many years, not just a monthly or yearly basis.

More businesses migrating to Microsoft 365

A significant trend we're witnessing among our customers is the rapid uptake of Microsoft 365. The biggest benefit of moving to Microsoft 365 is that businesses no longer need to spend resources maintaining their infrastructure, from Office suites on end-user desktops through to Exchange servers. Microsoft takes care of this in the background.

Additionally, they get to unlock the full suite of productivity features available to them within Microsoft 365. That ranges from real-time collaboration on Office 365 documents, through to the use of Teams for meetings.

“ The public cloud-only model that many businesses raced into is now in their rear — view mirror. Roadblocks around cost, security, compliance, vendor lock-ins, and app compatibility have driven many businesses towards hybrid cloud, as they're able to choose the best environment to run each workload and store critical data. For some businesses, it makes more sense to continue using their on-premise server - so they can maintain control over who can physically access their servers — while also taking advantage of public cloud services. For others, a single private cloud is a better option, financially and from a flexibility standpoint. It's just about figuring out what's right for you. ”

Jonathan Plaskow, Director of Cloud Services, Orro



Key considerations:

Think technology.

Think partnerships.

Technology considerations

How much does it cost to manage and maintain your current infrastructure?

Before you start weighing up your options, you need to consider the total cost of ownership of your current infrastructure, whether that's on premises, in the cloud, or a combination of both. This includes one-off and recurring expenses associated with hardware, software, vendor support, managed service providers (MSPs), and internal staff.

What will be the cost of migrating your apps and workloads to a new environment?

When you're evaluating your options, you need to consider how much it would cost to migrate your apps and workloads — whether it's a simple lift-and-shift or refactoring and reworking your applications — as well as the cost of managing and maintaining those workloads and apps in your new environment. It's important to keep in mind the expenses of retraining or maintaining operational teams internally, or the cost of having an MSP take care of everything for you.

How will you keep your environment secure?

The operational complexity of securing cloud resources is increasing. If you just put workloads into a server in the cloud, and just use the default configurations, it's not going to be secure. You also need to have real-time alerts and monitoring in place as well.

How will you maintain regulatory compliance?

If you have specific regulatory requirements your business needs to meet, for example Payment Card Industry Data Security Standard (PCI) compliance, your technology setup doesn't just need to be configured to keep you secure from cyber threats, it also needs to be set up to keep you in compliance with those regulations. Likewise, your monitoring needs to keep an eye out for regulatory breaches, as well as direct cybersecurity threats.

“Many businesses spend too little time thinking how they would move and run their apps, data, and workloads in a new environment — later realising that no cloud model fits all use cases or business needs. To make an informed decision, you need a detailed understanding of the current state and the desired future state of your IT infrastructure — including flexibility, scalability, and the costs of migration, app modernisation, security, compliance, and ongoing maintenance. Yes, there's a lot to consider and a lot of choices to make, but you don't have to do it yourself — the right MSP is out there, ready to help and stand by you at every step.”

Daniel Greengarten, COO, Orro

Partnership considerations

How well does the MSP understand your line of business applications?

It's vital that your MSP is well-versed in the types of applications your business uses — including how they should interact with one another.

Due to the architectural differences in how applications run in the cloud compared to on-premises data centres, they may require significant changes to be able to work together seamlessly in your new environment. Your MSP should be able to help you define the best approach to modernising your applications.

Does the MSP have specialist teams or generalist teams?

The big problem with generalist teams is they can be a jack of all trades and a master of none. Instead, what you need is a partner that offers you dedicated expert teams with deep knowledge and experience in key areas such as networking, cloud services, and cybersecurity.

Does the MSP understand your cybersecurity and compliance needs in the cloud?

Especially if you're a regulated entity, such as a financial institution or a government agency, you need an MSP that not only has extensive knowledge of cybersecurity within cloud environments, but can also help you manage your regulatory obligations and other organisational risks.

How can the MSP provide ongoing support?

Successfully managing your cloud environment goes beyond the initial setup, and takes more than just a "set and forget" attitude from your partner. You need a full-lifecycle MSP that plays an active ongoing role in monitoring and optimising your cloud costs, as well as managing risks, compliance, governance, and cybersecurity issues.



In today's world, with technology changing so fast and unexpected curveballs being thrown our way, it's best to hire for the long-term. You don't want a partner that will get you all set up, then leave you to it. You need a partner that's with you for the long haul, doing the heavy-lifting in the background to make sure your technology continues to give you a competitive advantage. This means monitoring, managing, updating, and optimising your IT infrastructure, systems and services, so you can keep up the momentum at every twist and turn.



Cameron Quilty, CRO, Orro



Why partner with orro

No two businesses are the same. No two solutions can be either. With Orro, you get a partner that not only helps you deploy network, cloud, and security solutions that meet your unique needs, but also manages them to ensure you're always getting the most out of them — creating a central point of monitoring and response.

Trusted by over 500 customers across Australia, Orro brings together specialist teams with deep expertise in networking, cloud, and security to support your business, no matter your size or what stage of the technology lifecycle you're at.

We don't just set and forget. Our experts are invested from the get-go and we're here for the long haul — helping you understand your capital and operational expenses, so you're in a better position to optimise infrastructure costs early, as well as helping you create the ideal environment for your apps, data, and workloads.

Our strong relationships with world-leading technology companies means you have access to the best solutions in the market and to expertise that can finetune those solutions to fulfil your organisation's unique needs. We retain the highest levels of certification across multiple top-tier partners, including VMware, Cisco, HPE, Microsoft, and Fortinet.

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[Learn more about Orro](#)

“ We've definitely reduced costs by making the move to Orro, but the true benefit for us is that our IT is simplified because Orro manages everything for us.

We needed a partner that understood our business and could guide and support us throughout our transformation journey. Orro has really been with us every step of the way. ”

Andrew Webber,
CTO, LabourPower

Ready to explore next steps?

Get in touch for a personalised
assessment of your environment and
insights on how to move forward:
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