



“How to buy the cloud?”

22.11.22

@



**«MOVING TO CLOUD IS THE BIGGEST
RE-ENGINEERING OF ENTERPRISE IT
SINCE MINICOMPUTERS REPLACED
MAINFRAMES / WEB-BASED APPS
REPLACED CLIENT-SERVER
*(DELETE ACCORDING TO HOW OLD YOU ARE)»***

Agenda

1. Do you know what you buy?
2. Do you really know what you buy?
3. Do you really, really know what you buy?
4. Now we know what we buy!
5. But there are obstacles: The sourcing manager dilemma!
6. How we clear away obstacles? Learn & Teamwork!
7. Help! Vendor Lock-in!
8. Next Level please: FinOps!

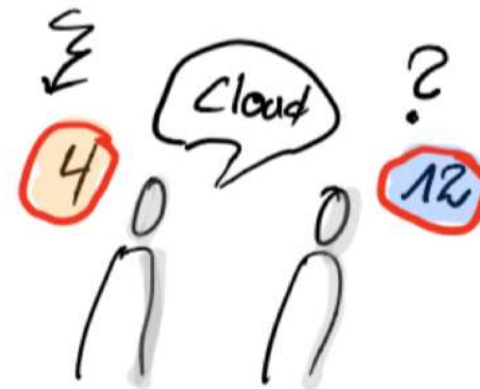
Do you know **what** you buy?

M365

	Public	Privat	Hybrid
BPaaS	1	2	3
SaaS	4	5	6
PaaS	7	8	9
IaaS	10	11	12

+ Kombinationen

Prozesse
Software
Infrastruktur



Typical large corporate
wischi-waschi... ;-)

Hyperscaler

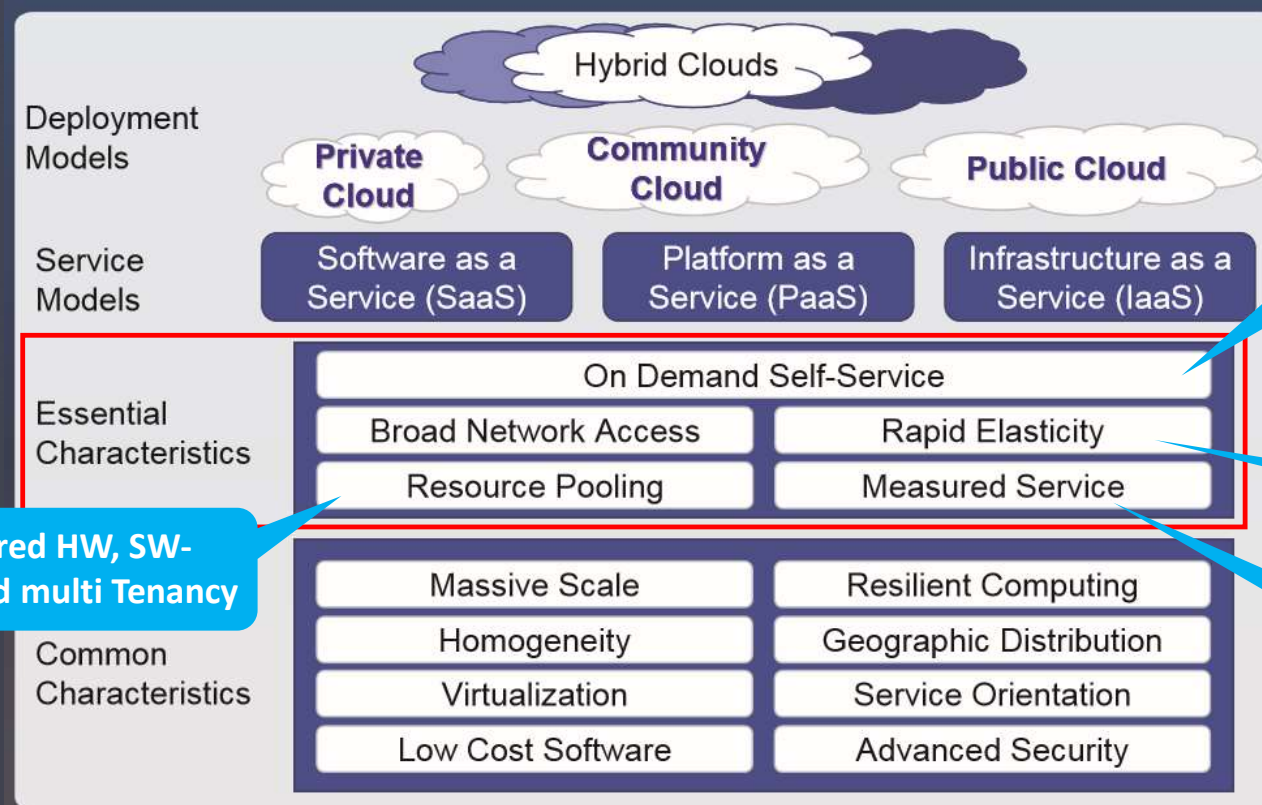
Quelle: Soberano Sourcing GmbH, Hansjörg Bühler

Do you **really** know **what** you buy?



Beware: IT-Marketing
uses the «Cloud» sale
sign for everything and
anything...

Do you **really, really** know **what** you buy?



Einseitige Provisionierung ohne menschliche Interaktion

Shared HW, SW-defined multi Tenancy

«technische Elastizität»
Up & down!

«finanzielle Elastizität»
(post pay-as-you-go)
basierend auf der technischen Elastizität

What makes «Cloud» actually cloud?

Quelle: NIST, 09.2011 (sic!)

Now **we know what** we buy!

- Private, Community, **Public Cloud**
 - Hybrid Cloud → Multicloud
 - Hybrid Cloud → Hyperscaler on-premises (eg. AWS Outpost, Azure Stack, ...)
 - Hybrid IT → on-, off-premises
 - **IaaS, PaaS**, SaaS
- How to buy the **hyperscaler** cloud!
- By the way? Is there such an offering in Switzerland?



Obstacles: The sourcing manager **dilemma!**

«Einkaufserfolg» vs. «pay-as-you-go»



- Measured daily, hourly, seconds, transactions, space, ...
- No upfront paying
- No contract duration
- No commitment

Clear away obstacles: Learn & Teamwork!

#50 - Riding the Architect Elevator to the Cloud
techleadjournal.dev/episodes/50

> TechLead
|.Journal()
_



The cloud is a change in operating model. It isn't IT procurement. If you don't change the way your organization works, the cloud is going to look much more like another data center.



Gregor Hohpe
Enterprise Strategist at AWS
and author of "Cloud Strategy"

Kann der Einkauf
Verhandlungen ohne die
Technik führen?
Ja klar, aber zusammen ist's
doch schöner...!

Clear away obstacles: Learn & Teamwork!

A Sourcing Executive's Guide to Negotiating With AWS, 2018: Part 1 — Preparation

Published: 26 July 2018 ID: G00357181

Analyst(s): Lydia Leong

Evidence

Gartner has been discussing AWS sourcing with its clients since 2008. These best practices are derived from more than 10,000 client discussions in 2017 and 2018. The clients we spoke with ranged from those just beginning to adopt AWS to those negotiating multi-billion-dollar multiyear deals.

- Many organizations initially adopt Amazon Web Services (AWS) in an ad hoc fashion. Sourcing managers are then asked to help formalize the relationship and negotiate contracts, but often need substantial assistance and input from the organization's technical cloud leadership.

Sourcing and vendor management leaders focused on negotiating cloud contracts:

- Partner with your organization's lead cloud architect — typically an enterprise architecture and technology innovation leader — to plan and execute an AWS negotiation that best suits the organization's needs.

Strategic Planning Assumption(s)

Through 2023, contracts will not be a meaningful point of competitive differentiation in public cloud infrastructure as a service (IaaS). Leading public cloud IaaS providers will continue to be relatively inflexible in contract negotiation, when compared with outsourcers. Nevertheless, customers will either accept these contracts or turn to resellers for better terms and conditions, rather than use less capable providers that offer greater contractual flexibility.

Help! Vendor Lock-in!

Don't Try to Solve Lock-In via Contractual Means

AWS does not offer commoditized services. Purchasing AWS should not be perceived as similar to purchasing servers. Rather, AWS should be treated more like an application platform with multiple components and a high degree of differentiation — and one that is likely to be a long-term component of an organization's application portfolio. Thus, sourcing managers need to adopt a sourcing approach that is more similar to the way that differentiated software components — such as management tools and middleware — are sourced.

In most organizations, differentiated software is chosen based on the specific features that are available, and on the value that is provided by the surrounding ecosystem. The solution cannot be readily replaced with another comparable solution. This is true for AWS as well, even though AWS has two significant direct competitors in Microsoft Azure and Google Cloud Platform. Where applications are placed is likely to be where applications stay — just like with other application platform technology choices.

Thus, the vendor lock-in problem is best-treated as an application portability problem. It is primarily the responsibility of cloud architects and application developers, not sourcing and vendor management. (See "Addressing Lock-In Concerns With Public Cloud Infrastructure as a Service" for guidance.)

Sourcing managers should treat AWS as a strategic, long-term vendor that is likely to be an important underlying component of their organization's application portfolio, unless their organization is specifically confining its use of AWS to short-term tactical needs. (An example of the latter is using AWS to host short-lived microsites for marketing campaigns.)

Long term, strategic decision – partnership!

There is no magic!
Move = Project

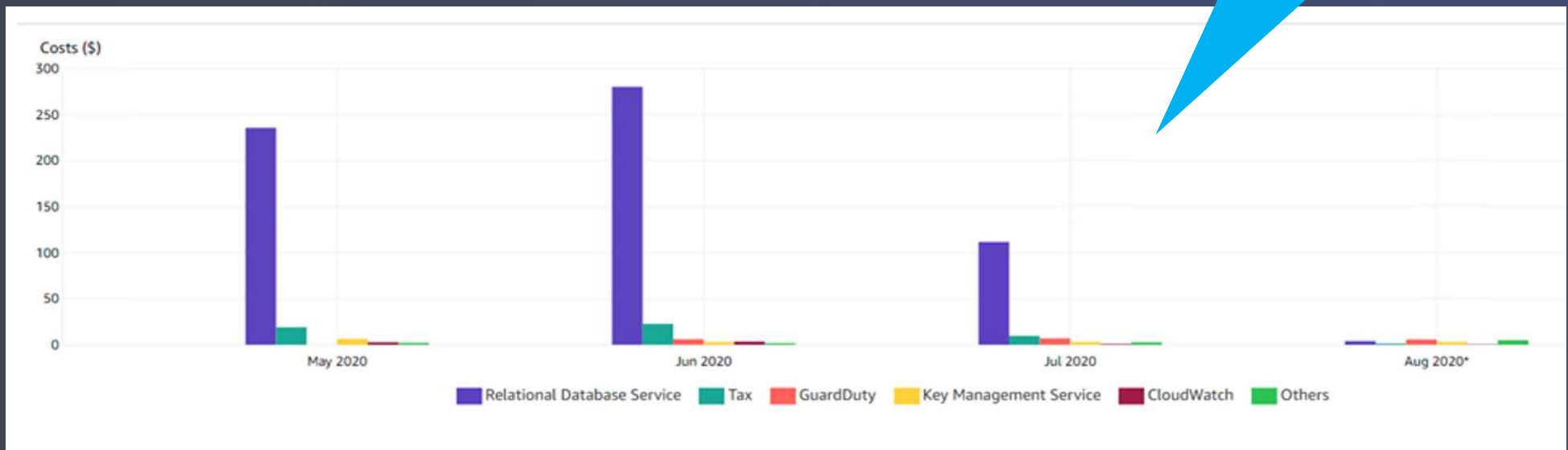
Containers can be a way
– but should not restrict
use of PaaS

Be fair! Think at SAP,
Oracle, MS, Cisco, ...

Next Level please: **FinOps!**

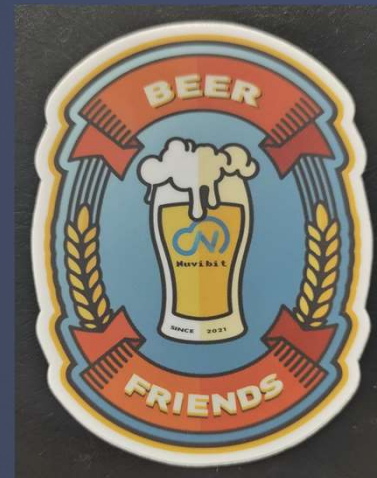
- Level 1: Pflicht, ITSM Modell mit pay-per-use
- Level 2: Pflicht, Charge back
- Level 3: Kür, ongoing, proactive optimization

- Analyse wo die grossen Kostenblöcke sind – Hebel am relevanten Ort anwenden
- Hier: RDS Umstellung auf RDS Serverless
- Reduktion innerhalb 2 Monate von 280 \$ auf 4\$ (98.5%)



Who is Nuvibit?

- Born in **2021** in Switzerland
- 100% **private** & founder owned
- Focus on public cloud & **AWS**
- Focus on large **AWS Multi-Account** Environments and **Security**
- Addicted to **Everything as Code**
- **Proven experience** in AWS Multi-Account Environments @ large corporates
- ...and we love **beer** & fun@work



Thank
you!

... and
cheers!

