

NETEVENTS

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Draft

*Debate I:
Is the Cloud Ready for Enterprise Planning,
Modelling and Analytics?
and Are Enterprises Ready for the Cloud?*

Chaired by: Jean-Baptiste Su

Tech Columnist, Forbes

Panellists:

Aman Neil Dokania	MD, Accenture Cloud APAC
Grant Halloran	Chief Marketing Officer, Anaplan
Bernie Trudel	Data Center CTO, Cisco Systems, Asia Pacific and Chairman of Asia Cloud Computing Association
Dr. Christian Busch	Associate Director, Innovation and Co-Creation Lab, London School of Economics
Thierry Lotrian	Director - Consulting, Deloitte Touche Tohmatsu

[Audio in progress] when I write about technology innovation at Forbes in Silicon Valley, so this week is a big cloudy week, here in, actually in Asia, with NetEvents in Singapore. I was in China just a few days ago and Huawei announced their Chinese medicine cloud, and obviously in Silicon Valley HP Enterprise just spun off their enterprise services to CSC to refocus on the -- on what, I'm not sure, because there's not much left at HP. Sorry that's a bad pun. But anyway, that's \$14b down in the toilet, excuse my French, I mean, down the drain, plus the \$8b that Microsoft just wrote down again for their mobile division this week, so that's --

Well, anyway, having said that, let's move on from value destruction to value creation. This is a -- and I'm very pleased to be heading that panel. So our research shows that the global enterprise cloud services market will grow 23% from now to 2020, so that's

just four years down the road, and that just in 2018 that's going to be, as Christian mentioned, a market that the over \$150b. So that's huge.

So what's driven cloud services? Well, that's software, software service companies like Salesforce, Anaplan, Slack, Dropbox, Box Service now, all these companies. Also is infrastructure as a service, like NTT. NTT is growing a lot in the US. They've just bought Dell's services arm. But also Amazon, Google, Microsoft Asia. Platform as a service is also a big driver, like Stripe in mobile payments, or Twilio, in telephony.

So, with the panel we're going to talk about all this, about what the cloud actually means, why companies are moving or shifting more and more to the cloud, and how.

So, just as a brief introduction, if you guys -- yes, there's only men. We are only men in the panel. Mark, is there --? Yes, there's something; let's think, for the next one, let's be more diverse, right? Just a --

So, a quick intro. Christian, we know who you are, so it's Bernie.

Bernie Trudel

Yes, Bernie Trudel, from Cisco. I'm the data centre and cloud CTO for the region for Asia Pacific. I'm also the chairman of the Asia Cloud Computing Association, so certainly, when it comes to data centre infrastructure and cloud, lots of thoughts and ideas on that. But I'll leave that to the panel discussions.

Jean-Baptiste Su

Great. Aman.

Aman Neil Dokania

Aman Neil Dokania. I head the cloud business for Accenture for APAC, based out of Singapore.

Jean-Baptiste Su

Thierry.

Thierry Lotrian

Thierry Lotrian, from Deloitte. I'm responsible for cloud analytics for Deloitte in Australia.

Grant Halloran

Good morning. My name is Grant Halloran. I'm the Chief Marketing Officer at Anaplan and very happy to be here.

Jean-Baptiste Su

Great. And so, and Anaplan is actually one of those unicorns that are -- is getting rarer and rarer in Silicon Valley, but you're there. You're keeping the flag. Fantastic.

So, Bernie, let's start with you. Cloud, we've been hearing a lot about cloud. Thank you, Christian, for the intro about, with the cloud, IOT, AI, I mean, it's lots of things going on. So if you do, using everyday words -- we're not necessarily specialists, so what is the cloud?

Dr. Christian Busch

Well, cloud computing typically is seen as shared IT services, in the sense that you get those services on demand. They're elastic. You pay for them per minute, if you want, or depending on how you sign your contract with your cloud provider and it's really across the whole IT spectrum, from infrastructure to platform, development platforms and so on, to a software service, to even business services.

So cloud means a lot to a lot of people and it certainly can be quite expansive and how that, how cloud then serves as a platform for other things like the Internet of Things and how that creates new business models, yes, is cloud. Obviously I can go on for some time, but I'm just trying to keep the definition brief at this point.

Jean-Baptiste Su

And cloud, the cloud would actually involve also networking, so we're talking about SDN, we're talking about data centres, we're talking about -- so that's impacting a lot of the different industry, a lot of infrastructure.

Dr. Christian Busch

Oh, for sure, and when we first started talking about cloud we always thought of public cloud, but certainly when you look at cloud or you look at IT in general, you're talking about a continuum from what's, if you want, on premise, traditional IT, to all the way out to public cloud, but also to the edge. So, especially when you talk about the Internet of Things, a lot of centres out on the edge and the maybe networking, the compute, and I know this might go into debates for next -- for tomorrow, but the compute, the storage, the network that you need out on the edge and how all of that combines together in a continuum, to create value for organisations.

Jean-Baptiste Su

Right, and at Cisco I think the IOT cloud, is that a fog? (Multiple speakers).

Dr. Christian Busch

Yes. You're well researched, Jean-Baptiste. Yes, so fog computing is something that we innovated with at Cisco and that's part of that continuum where you have cloud out on the edge.

Jean-Baptiste Su

Right, so Grant, I mean, we had a discussion earlier, and you're meeting with a lot of CIOs and IT executives, and one of the things you were saying is you don't really get

into the discussion. Is it on premise, private cloud, hybrid cloud? So what's really your experience in talking to the CIOs and IT execs?

Grant Halloran

Yes, so, to give you some context, Anaplan commercially launched, just over four years ago, and we've acquired 500 customers in that time, so one of the fastest software to service companies out there amongst the fastest ever.

What we're seeing, and I mentioned this morning, is that this idea of religion or ideology about how you deploy IT systems and services is really starting to go away. It's more about thinking from a customer perspective. So if you're an IT leader today your customers are the business folks, running the company, right from the CEO through to the lines of business leaders. What are the services, from a technology perspective, that these folks need, to get their job done and to achieve the vision of the company over the long term? So that's the starting point.

I think that -- we discussed it this morning that ultimately the choice of whether those technologies services are deployed from a cloud vendor, like a software as a service company, or deployed a software system that can be deployed in house but you might choose to put it in a hosting centre. Those are things that are a later discussion.

So what we're seeing with leaders is, what are the serves that our customer needs? They're not bringing a religious point of view to whether it's on prem or off prem at this point in time. So that, yes.

Jean-Baptiste Su

You also mentioned something, quite a revolutionary idea is that CIOs are not really the IT people any more, are more business oriented.

Grant Halloran

Yes.

Jean-Baptiste Su

So now it's scary, if IT is run by business people.

Grant Halloran

Well, yes, I mean, you're just starting to see that. I don't have a ready example, but I think Bernie mentioned that the CIO at Cisco is a very business oriented person. They're strategists, right, and I think every CEO of a major company today realises that technology is a fundamental part of their vision, right, in this digital age in particular. So the CIO is becoming increasingly important to the CEO, and yes, they're looking at it from a point of view that we have this massive palette of options now available to us. So they're looking of course at their systems and record, but increasingly they're looking at systems of innovation, and our point of view at Anaplan is that the vast majority of innovation is coming from software as a service centres, so --

Aman Neil Dokania

If I may add to that, I think consumption based pricing is also becoming an important consideration to move to cloud for CEOs.

Jean-Baptiste Su

That's a great segue, Aman --

Thierry Lotrian

Maybe one thing. I think all of this here you are always changing. I think it's becoming a business partner. It's responsibility for the business is to add business value, and using cloud as an enabler and technology as an enabler, right, and that's a shift, because if you look at his role and responsibility it is no longer to manage infrastructure, platforms and applications. That's really -- it's moving towards managing contracts, so a Chief Service Officer for the business, to add business value.

Jean-Baptiste Su

So it's actually a great segue in that's shifting more on why are enterprises shifting to cloud and obviously Accenture and Deloitte, you guys are helping companies do that. And I'm just going to put the idea like this. I mean, cloud is not cheap. You're not shifting to the cloud because it's cheaper. So why are you -- why are companies doing their digital transformation, are moving to the cloud?

Thierry Lotrian

I think, Jean-Baptiste, it's not a cost consideration. I think moving to cloud from a cost perspective is not the right thing to do. Really, I think, again, we need to look at cloud as an enabler for innovation, for disruption, for doing the same thing, or different things, differently. And if you look at Anaplan as a solution, they are really changing the way we are doing business planning in organisation and connecting predictive analytics with business planning capabilities across the enterprise, and that is unique, right, from a capability perspective. It's adding a lot of value to companies.

Jean-Baptiste Su

Aman.

Aman Neil Dokania

It's quite compelling, the move to cloud, if you look at it, all the benefits that have been talked about earlier, whether it's driving innovation, and that's perhaps one of the most important benefit is how do you have an innovation platform that gives you the speed and agility? And today, CEOs are not worried about your traditional competitors, but it's some of the new age, born in the cloud competitors that might come very fast in the next few years, and you won't even recognise them. (Multiple speakers).

Jean-Baptiste Su

Is it like you don't want to be Uberised?

Aman Neil Dokania

You bet. But I would say the cost savings are also very compelling. You move to a consumption based pricing. You're not building up your supply for unexpected demand, so you're balancing your supply to demand. You're not tied to long term commitments, right, and you're not paying for licences. It's all consumption based.

And the faster you bring your applications to market -- every incidence of business drives an application, so how do you go into the rapid application development environment, where you're fast enough to react to a business need. So the reasons are very compelling, and I think the cost factor will be different for different organisations.

Our topic is really around ER, PCR and moving to the cloud, and of course, some customers would go for a big bang approach, where they would move end-to-end ERP to cloud and you would see a breakeven point, perhaps by end of a year. It may take a little longer. But then other clients would go for some quick wins, so quick savings and apps which are ready, perhaps virtualised already, move them to the cloud. So you see some quick wins. But it's a combination of perhaps both strategy that helps enterprises.

Jean-Baptiste Su

Right, Thierry, you mentioned earlier about this, the different steps in that transition to that transformation, so perhaps you can --?

Thierry Lotrian

Yes, absolutely. I mean, to get back to your point, Jean-Baptiste, I think you need to Uberise before you get kodaked. That was a quote from our Chief Digital Officer, at the Hub 16 event in San Francisco a couple of weeks ago that I really liked, right. It's all about inside driven organisations. It's all about being -- driving a competitive advantage in the market, right, and the way to do that is really to develop a strategy around insight, being able to ask the right questions, and, Christian, you mentioned culture. Culture is a key enabler to that, but it's also about challenging the business processes within the organisation and make sure we get the right people.

What we call purple people. It's about people who have actually a technical skill set, as well as a business understanding of the business and the organisation, right, and these kinds of capabilities, you don't have many people in the market who have actually this knowledge. But it's also about data, data quality, data profiling, data integration and making sure that you have the right governance in place. And this transition from strategy, having a long term view, three to five years, understanding from an organisational perspective where you want to go, but also enabling this transition in the short term.

Jean-Baptiste Su

Right. With more and more disruptive technologies leveraging the cloud, Christian, you mentioned mobile, artificial intelligence. There's also VR, virtual reality, AR, augmented reality, IOT, so how do you see the cloud driving innovation? Is it, is the cloud actually accelerating even, innovation?

Dr. Christian Busch

Well, I definitely think so, and I see it on different levels. One of the levels, I feel, so I agree with your points, particularly within organisations, and I think an interesting thing we'll also see more and more is probably the role it takes, like in mergers and acquisitions. Particularly when you have larger companies acquiring smaller companies, being then easily integrated, the different systems, processes and so on. Also, when you look at everything, from, we talked about the home experience earlier, we talked about the company experiences and everything else, and I think everything that somehow has different players involved and that somehow has different approaches involved, is most probably facilitated by something that acts as a platform to facilitate that.

I think for me the cloud is much more than something where one organisation says, I have something from there, but for me the cloud is this scent box, like a lot of players playing in there and trying to figure out at the moment, how do we work best? Do we, like at Cisco, do we work with Ericsson on this, or do we work with so and so. Really trying to understand how do we then leverage the cloud for this, to make that easier? So I think the clouds, with all these security risks and dependencies, definitely could accelerate this.

One of the things I've always been interested in is when you work in more resource constrained environments. We work a lot on the African continent, for example, and it's quite still some way to go there, because you literally, to have the dependent infrastructure where you can actually do these things and where, when you have partnerships and then you're reliant on some kind of information and maybe that then takes longer, or it doesn't take -- so that also could take -- have certain brand risks.

So I think there are definitely those areas and those regions, I feel it's very contingent on in which region are we? What's the government regulations here that allow us to do different things, versus not? And then, dependent on this, the cloud can be extremely, extremely efficient and effective, but it can also be extremely harmful in those contexts where this infrastructure doesn't exist and people might be over optimistic.

Aman Neil Dokania

And if you take examples of some of these companies, which are cloud natives, born in the cloud, [Split Card] in India or [Rakuten] in Japan, then you see the innovation from them and it's based off dev ops culture and using [pass] and so forth. But that's not easy for an enterprise to do. So to move to a dev ops culture it takes time and it takes, for you to take pilot projects, move them to dev ops and then X-ray that in the

organisation, and you were earlier talking about how does an enterprise incubate that innovation with the large organisation?

One of the best practices I've seen with large enterprises that are very successful is they create a small targeted team which are responsible for the data for cloud, and the traditional IT. They are separate from the traditional IT, but they are also responsible for disrupting the rest of the IT and bringing that skill set and innovation within the larger IT organisation. That's where the leadership of the CIO, of the COO, becomes very important to incubate those teams, who look very different than the rest of the traditional IT, but they are very familiar with dev ops pass and so forth, and that's where the innovation projects [rates].

Thierry Lotrian

From my perspective, I think there are two types of organisations in terms of cloud, cloud adoption. One is companies who don't have a vision and a strategy in place and who take -- who do the same thing that they are doing on premise, and put that in the cloud. That is not driving innovation.

I think companies, organisation and the opportunity to really look at innovation, leverage cloud to drive this innovation, and if you look at Anaplan, as a company and what they are doing in that space it is phenomenal, right. And it's really, how do you adopt cloud that, looking at it from a different lens, with an innovation hat, right, and it's all about changing the business model, as Christian was saying. It's all about co-innovation. It's co-innovating with partners. It's co-innovating with customers to drive innovation.

What we did recently, we collaborated, co-innovated with one of our clients in New Zealand around manufacturing and we developed an app, in Anaplan, actually, around inventory optimisation. That, for me, is a unique opportunity to rethink about cloud and doing things differently.

Grant Halloran

Jean-Baptiste, I just want to thank Thierry for all the Anaplan plugs. (Multiple speakers) one of our great partners, as is Accenture.

I just want to make one point here. I think that we're in the midst of this paradigm shift. So last week I went and bought my 12-year-old daughter her first laptop. What was it? It was Google Chromebook. So, a whole generation of kids are coming through, and the idea of having servers and putting stuff on a server infrastructure just doesn't -- it's not going to make any sense to them.

The same thing is happening in business. Mark Hurd at Oracle - I mean you guys follow Mark. Reality is their business is shifting dramatically to the cloud. Why is that? Wall Street. Wall Street values a dollar of software as a service revenue at a much greater level than they do a dollar of maintenance. Why? Because it's fundamental economics.

So I think we've got two things happening here. One is the innovation that Thierry was talking about. A lot of the innovation, a lot of the capital in Silicon Valley is going into the companies like Anaplan because of their innovative mind-set., but it's also fundamental economics. The businesses that need to avail these services want time to value as the first measure for them. They want systems available in weeks and months not years, and they've lived through decades of those things.

So over time, fundamentally, the economics point that it's going to -- everything will be in the cloud. It's just a matter of time, and I think, to Christian's point, there are some marketplaces in the world that are much, much more aggressive with that and some that are a little slower.

Jean-Baptiste Su

So let's transition to some of the challenges that this transition to a cloud is still facing, and if anyone has questions, just raise their hand, your hand, and there is Mark in the back, who is coming with a mike.

So, security. I mean, Grant, you were talking earlier about this that there is no more this religious idea of is it something, is it on premise or is it out there in the cloud, and about deployment. But still security is one of the impediments to the deployment in the cloud. So what's your take on that? And you've been -- I mean, Anaplan has been -- went through a lot of security checks and so on.

Grant Halloran

Yes, it's fundamental to our business. Again, I go back to the economics. You have hundreds of billions of dollars being put into software as a service companies, around the world. So I'll talk from the applications perspective. Silicon Valley investors and other investors around the world are simply not going to invest in companies like us and allow security to be a massive obstacle, impediment, to us achieving (inaudible) that we can. So we lead on security today.

One of the very first meetings that we will have, we invite the IT security valuation team to the first meeting. Now that wasn't the case a couple, two years ago, right, and in this industry, (inaudible) for a while. Salespeople try to dodge that conversation as much as they can, until the very end of the procurement process. Today it's complete opposite for companies like Anaplan, because we contend that we are more secure than an on premise technology.

Bernie, Cisco being a super high tech company that's actually involved in this whole world, this organisation and others put Anaplan through the most rigorous tests and at the end of that process Morgan Stanley, Barclays Bank, they put us through such intense scrutiny, at the end of that they said, actually, you guys, we would like to partner with you, to continue to innovate with you on security.

So later this year we doing -- releasing a bring your own key technology, which enables the customers to manage encryption. We encrypt at rest and in transit ourselves, but we own the keys for that. Customers now are going to be able to manage their own keys. It's literally a physical device. It's pretty cool stuff.

So for us it's just an illustration of where we're innovating and our customers are partnering with us. They're joining our security advisory board to do that, because they're saying, this is immutable. We have to go there. We want to help you be the best at security in the world.

Aman Neil Dokania

That's very well said, and at Accenture also we see the same from our clients, where the concern around security is really getting alleviated and you see some of the US government departments like Defence and Security, putting that data really in the public cloud, whether it's CIA or Pentagon, so those are also driving that elevation on security.

But Anaplan is a great example of a SaaS company, but so is Salesforce and Workday, which are also doing the same around security, and then the public cloud providers, some partners of Accenture, such as AWS, Azure; if you look at their security then it's no less than any Fortune 100 company, how they would put the security in place. So the governance based compliance, everything is there.

Jean-Baptiste Su

But with -- the other challenge is if -- when a company, when an enterprise has different SaaS, different applications, so Salesforce is hosted there. Then they have their analytics, and with Anaplan's here, and then maybe an ERP with NetSuite over there. How -- I mean, the next challenge is how do you integrate? How do you make it work?

Thierry Lotrian

It's all about governance and security should be part of the strategy. It's an enabler to strategy. It shouldn't be a blocker for cloud adoption, because actually, I think the standards now from a cloud perspective, in terms of security, have completely changed and they are probably leading the way, compared to on premise securities. So, look, I think it has to be part of the strategy and we need to look at it from an enterprise perspective.

Aman Neil Dokania

That's where the cloud provider, the broker platform also comes in, to provide that integration of different instances of cloud, whether you have it in public cloud or SaaS, and you layer security on top of that service management and you also do your data integration using the cloud broker platform. Where does your data sit? How do you do data backup? How do you move data from public cloud to private or vice versa? What data do you retain? And if you look at some of the best practices, Accenture would follow it, our clients.

So I'll take example of AWS. They would have certain native controls on their platform. But Accenture would come in and partner with them to further do a security assessment and there are more security best practices on top of the cloud platform. So

that's true for the ecosystem. You drive that security assessment across the ecosystem of cloud providers.

Jean-Baptiste Su

Yes, Bernie, I know you're -- so hold that thought.

Bernie Trudel

Okay.

Jean-Baptiste Su

I want to ask you a question about performance, and I know we're running out of time, so, if you have questions, just raise your hand. Yes, it's coming. The mike is coming. So, Bernie, performance. That's another challenge on cloud computing, so how is it -- how do you solve this? I mean, you're an expert in infrastructure.

Bernie Trudel

Yes, and certainly the network plays a big part in that and for those of you who -- I know there's a lot of telcos here, and who feel that innovation in a network is all on the software side; there's plenty of innovation left on the hardware side also. And it comes down to things like security, like performance, both within, if you want, the cloud, but also connecting up that continuum from your on premise data centre all the way out to the edge.

And I just want to come back to a point because it's related to the CIO becoming more a business person. What we're seeing also is the CEO becoming more of a technology person, because understanding the technology, a bit like Christian said, I think it was one of your five pillars, technology, if I remember correctly, and technology's becoming an integral part of most businesses, and so CEOs need to understand technology and how that technology is going to help transform their business, and then, on the security side, and, to a certain degree, the performance, comes down to mitigating risk, right. Do -- is this technology, cloud, that I'm adopting, is that increasing my risk profile, or actually am I able to decrease my risk profile as part of it? So as a business person you need to understand that and how that fits in.

Jean-Baptiste Su

So, go ahead, introduce yourself.

Sandeep Bazaz, Frost & Sullivan

Hi, my name is Sandeep and I'm from Frost and Sullivan. My question is in Asia Pacific majority of the deployment are still private clouds, so when do you see the shift towards the public cloud, I mean, going? Because right now everyone is talking about private cloud. Because financial institutions or -- in other regions I talk to many players. Still there is private cloud developments are the majority. So when do you see that shift towards the public cloud?

Aman Neil Dokania

Maybe I'll take that and (multiple speakers) members can --

Jean-Baptiste Su

Aman, if you could repeat the question, just to make sure we get it?

Aman Neil Dokania

Yes, the question is - would you like to do that, or --?

From the floor

Yes. My question is majority of the deployments are in private cloud, so when will that shift towards the public?

Aman Neil Dokania

Yes. As I was suggesting earlier that it's different for clients, right. Today, if you look at certain clients then they would go for a big bang approach, and I'll give an Accenture client's example, like Rio Tinto, which is here in Asia, in Australia. It's a great example of a customer who is moving their entire SAP core systems and all the related SAP systems into public cloud. So that's a strategy they've taken and there are a lot of business drivers for them moving to completely a digital company, as a service model, consumption based pricing. So that's the journey they have taken and they are moving very fast.

But then you will see other companies that are taking more an approach of let's do the roadmap. Let's go for quick wins and savings from certain applications, which we think are ready to move to cloud, more to public cloud.

We increasingly see customers coming up with the public cloud first strategy and asking us for that, and hybrid cloud could be a starting point for onboarding into public cloud first, but eventually a lot of -- most clients would want to go to public cloud first.

Now, you mentioned financial institutions. Capital One, for example, is a good example of a financial institution moving to cloud, right, and if you talk to them they will tell you that the biggest struggle for them was more internal consensus and getting all the stakeholders to agree to move to cloud, and then, buy application, how do you justify the ROI and the savings to do that?

I think those are some of the challenges that banks have to also work out. I mean, it's not so much about security as we discussed earlier, but more about the plan and the business drivers to do that.

Jean-Baptiste Su

One last question, and I have got the sign from Manek, but one last challenge of cloud that option is regulators, regulations, so the data is in the cloud, and who owns what? So, if anyone wants to talk about regulators?

Bernie Trudel

Well, I'll just maybe put in a little plug for Asia Cloud Computing as part of this. So regulated industries definitely, there are a lot of blockers, if you want, to a cloud, whether those are real or just anticipated, if you want, blockers. So two of the areas, financial industry and healthcare industry, we've done some research around that, and so if you're interested in that there are some -- that research is made available publicly, so if you go to asiacloudcomputing.org, you can find this research; across Asia Pacific, what are the regulations around cloud for these two industries and how do organisations in those industries navigate around those regulations? And obviously these are shifting as governments and regulators keep adjusting those.

But they're there, and I think most regulators would agree that cloud computing is not a bad thing. You just need to go in with your eyes open.

Jean-Baptiste Su

Great. Well, thank you so much and join me with thanking our esteemed panel.

Manek Dubash

Thanks very much for JB.

[End]