MAKING THE CASE FOR CLOUD

7 places to find savings
when building your business case

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Few Oracle customers would dispute the benefits of transforming their legacy infrastructure — reduced complexity, performance and agility, and lower, predictable costs.

But it's the last one that's likely to elicit a "hold on!" when you're pitching digital transformation to senior stakeholders and budget owners. They **want proof**, and that means your business case has to be flawless.

Building that business case isn't easy. While cloud and managed service costs are relatively transparent, **assessing the true costs** of your legacy infrastructure requires a very detailed assessment. The good news is that you're almost certain to find 'low-hanging fruit' — **cost savings** you can capture early on in the process.

Real-world example: Digital cloudburst savings over 5 years
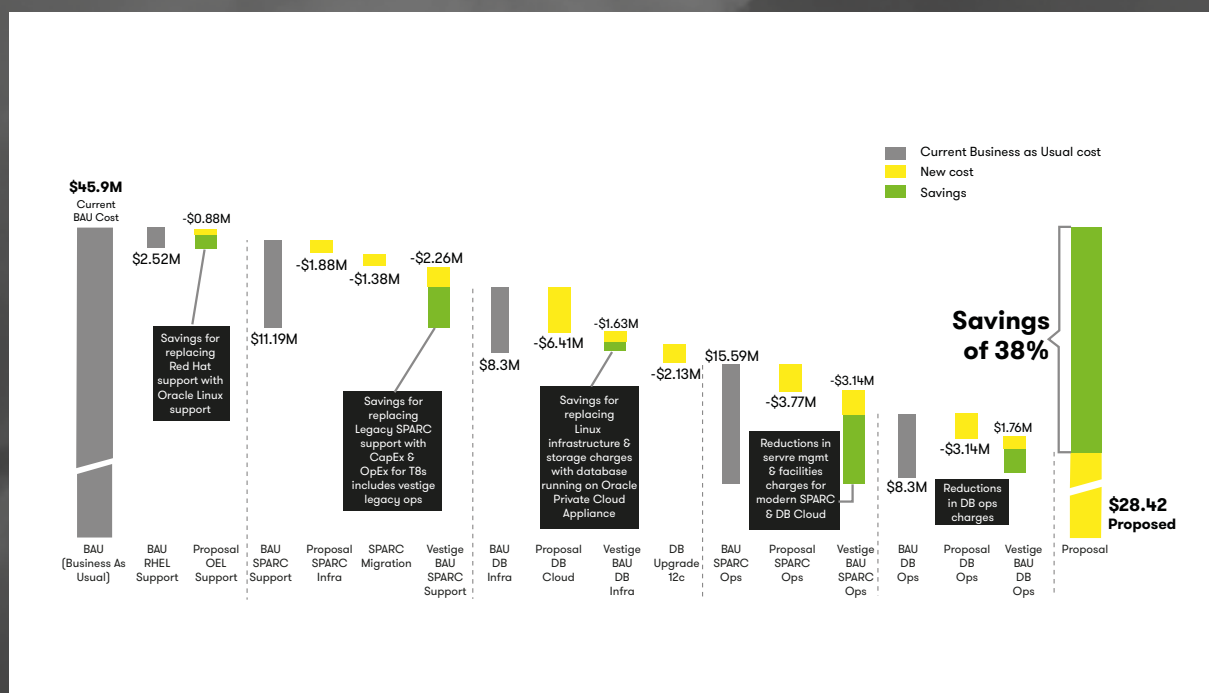
Actual projected savings for a worldwide technology manufacturer currently undergoing a digital cloudburst to modernise their legacy Oracle portfolio.

Here are seven areas to explore that will help establish a positive ROI in your business case:

1 Outdated, unsupported database versions

Customers are often surprised to find they are running applications which use outdated or unsupported database versions. These outdated, unsupported database versions are often a serious security risk and require additional staff to maintain across disparate applications and database versions.

2 Infrastructure consolidation

A detailed audit can help you uncover non-functioning hardware, poor server utilization, and computing assets that can be consolidated into more cost-effective platforms (you can learn more about DXC's Digital Transformation Assessment here. These 'orphaned' assets take up rack space, use power, and are often covered under expensive manufacturer support contracts.

3 High hardware maintenance fees

Maintenance charges make up a significant portion of overall IT operational spending. And it usually gets worse with aging infrastructure, as manufacturers often increase maintenance pricing on equipment nearing end-of-life. You may achieve significant savings by either retiring legacy hardware or moving to a less expensive parts and labor support model if available.

4 Licensing

If you're like many long-term Oracle customers, you may be struggling to decipher your legacy licenses. However, understanding these licenses represents a golden opportunity to whittle costs down. Oracle and other software providers are eager to move customers to more current (often cloud-based) plans, and may offer you significant incentives to replace legacy licenses with simpler, more cost-effective options.

5 Other Manufacturer and integrator incentives

On a similar note, manufacturers are eager to help you replace legacy infrastructure with updated options. These manufacturers know that aging environments, with their limited utility and rising costs, are a competitive risk. Most have aggressive programs to motivate customers to migrate, will typically work with you to build a custom proposal to address your unique technical and financial requirements.

6 Power, rackspace, and cooling

You also need to examine the 'real estate' costs of your legacy infrastructure. These can add up quickly, especially with aging, inefficient infrastructure. Migrating to modern platforms (whether on-prem, cloud-based, or hybrid) can take less room and generate significant savings while delivering improved performance.

7 Staffing and IT resources

Most companies have significant resources tied up in managing their legacy environments — managing, troubleshooting, and maintaining these environments consume a lot of IT person-hours. You should conduct a thorough cost audit of those resources, because a key benefit of transitioning to hybrid or cloud-based platforms and managed services is the ability to re-vector those IT resources to more strategic activities.

Beyond ROI — The Icing on the Cake

While establishing a positive ROI for transitioning your legacy environment is the top priority, it's equally important for you to articulate the other benefits of cloud migration — specific to your organization.

Take a critical benefit, capital preservation, as an example. Transitioning to a modern platform, especially cloud or hybrid, will reduce CAPEX and replace it with a flexible, OPEX-based model. Your business case should forecast, as accurately as possible, the reduction in capital spending over time, and recommend areas where that capital can be redeployed for greater strategic advantage.

The same approach can be used to customize other widely-accepted benefits of a modern infrastructure:

- ✓ Faster time to market
- ✓ Deeper customer and operational insights through analytics
- ✓ Improved agility and flexibility
- ✓ Creating a platform for future applications such as automation, AI, and IoT

Cloud Migration — An Easy Conversation?

Every large IT project, including cloud migration, comes down to a value discussion with executive stakeholders and finance. Without a positive business case, that discussion can be short, and perhaps unpleasant.

Imagine though, a conversation with your executive team that goes something like this?

> **"** We have a plan to upgrade to a modern infrastructure that provides better performance, increases security, makes us more competitive and agile, lowers our capital spending, and gives us a platform for innovation — all for less money than we're paying today. **"**

For help identifying the savings to build your Oracle Cloud business case, contact:

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