

Innovating in the Exponential Economy: Chapter 2



Maximising data to deliver innovation: The role of multi-cloud

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As science fiction author William Gibson famously said, “The future is already here. It’s just not evenly distributed.” Amazing innovations are happening all around us, but they’re not occurring consistently. Businesses aspire to be innovative, to be ahead of the pack, but many of them are struggling to convert ideas into tangible, impactful products and services – at speed.

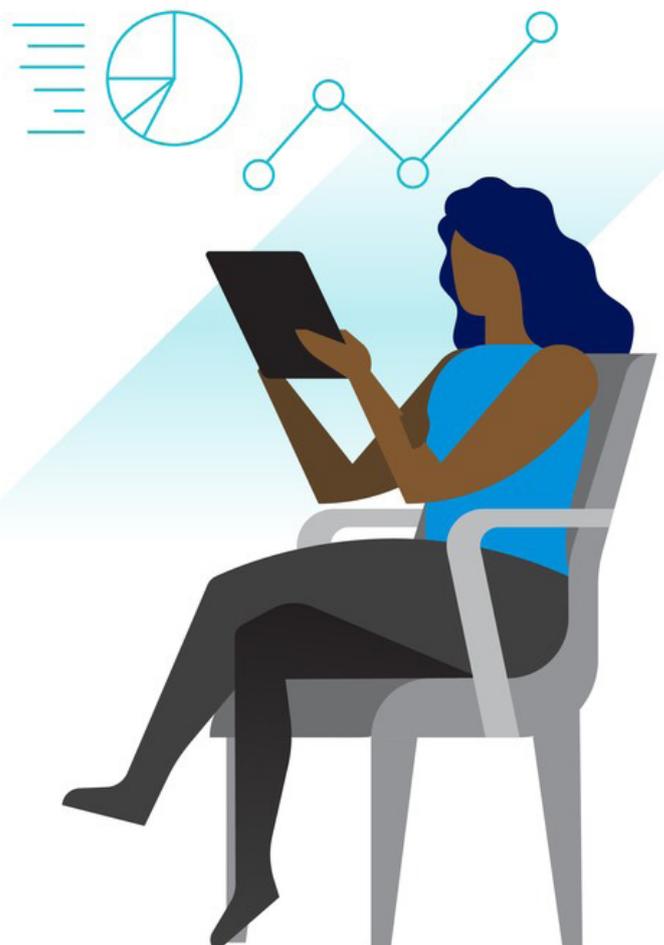
It’s something we call the ‘**innovation-execution gap**’. And this gap could be the reason many do not survive in today’s competitive landscape. According to [McKinsey](#), more than a third of organisations now look to tech to create strategic distance between themselves and their competitors, with the top economically performing businesses reporting bolder digital strategies and greater investment in emerging technologies like AI and data analytics. In fact, these top performers plan to spend twice as much of their overall tech budgets as their peers on building new digital businesses.

The economic benefits of using technology to innovate and get ahead of the competition are therefore clear, but despite this, most organisations have yet to truly harness the potential of their data. According to 100 C-suite executives in Forbes Top 2000 companies, surveyed by [VMware](#), nearly three-quarters (**70%**) of businesses admitted they are struggling to unlock the value of their data – directly impacting their ability to innovate. Supporting McKinsey’s research, more than half (**58%**) also feared falling behind the competition if they could not make better use of their data.

Organisations looking to close the gap between originating ideas and delivering them into the business by doing more with their data, should turn their attention to the cloud. In fact, in an age of most large businesses running multiple clouds, a multi-cloud strategy must become the de facto model for digital businesses. A way in which organisations can manage and use their data more

effectively when workloads are more distributed than ever. Data is increasingly being used and generated outside data centres, across multiple clouds and beyond national borders. This vital information still needs to get into the right hands, faster than ever before: into the hands of management – to make business decisions; customers – in the form of immersive buying experiences; and of employees – in the form of digital tools.

The way data is created and stored is also subject to a plethora of industry, national and international regulations. Balancing compliance and legal requirements with the organisation’s need to innovate is a constant pressure.



Addressing the complexities

Any innovation, whether powering wholesale organisational change, radically transforming the user experience or delivering ways to reduce costs and optimise processes, relies on a digital infrastructure that can support informed decision making. A multi-cloud approach creates this essential infrastructure – powered by data. In fact, **87%** of organisations are multi-cloud today, up from **73%** just a year ago, according to a study by [VMware](#).



Seven ways multi-cloud can help close the innovation-execution gap

- 1. Time to value:** The nature of business today means workloads must be up and running on any cloud quickly and easily. Being locked into a multi-year contract with a cloud provider and not consuming resources in the way they anticipated, hampers the ability of the business to move quickly. Instead, organisations should be able to consume cloud at the right pace to meet their spend commitment, avoiding wasted expenditure and allowing them to tap into required data sets when needed.
- 2. Agility:** As part of that freedom to choose any cloud, organisations should be able to move both new and existing apps quickly and easily to a cloud, with zero or minimal refactoring. Requirements and services are continuously evolving, and a company's multi-cloud infrastructure must be able to evolve as well. This also reduces friction linked to the migration of data, allowing the agility required to access and use data flexibly, and at speed.
- 3. Ease of management:** As customers embrace the multi-cloud model, they discover that greater choice can lead to a big spike in complexity. Businesses on this cloud journey need to move from being 'cloud first' – with a big focus on building customer-facing apps in a single cloud – to 'cloud smart' - where they have the freedom to choose the best cloud environments for their applications, with consistent management for security and control, and a cost-efficient use of private and public clouds.
- 4. Security:** This is a top priority for businesses. Being able to proactively monitor, detect and remediate security across clouds is critical. It should be baked into the platforms that organisations are using in a way that ensures upgrades happen on time, with support to minimise disruption in the event of an attack. This directly ties into the uptime and resilience required to manage data effectively, across workloads and at all times. For businesses looking to secure the distributed edge, **37%** of organisations that have started implementing Secure Access Service Edge (SASE) platforms report fewer security incidents.
- 5. Sovereignty:** The distribution and storage of data between organisations and beyond national boundaries has become an obstacle to its protection and utilisation. VMware's research shows us that **65%** of organisations are fearful of storing data that could help close the innovation-execution gap, due to compliance, regulation and local laws around data.

Storing sensitive apps and data on public clouds can cause complexities, for example, when companies are obliged by changing legislation to reverse out of a public cloud into the protection of a sovereign cloud, creating a compliance nightmare.

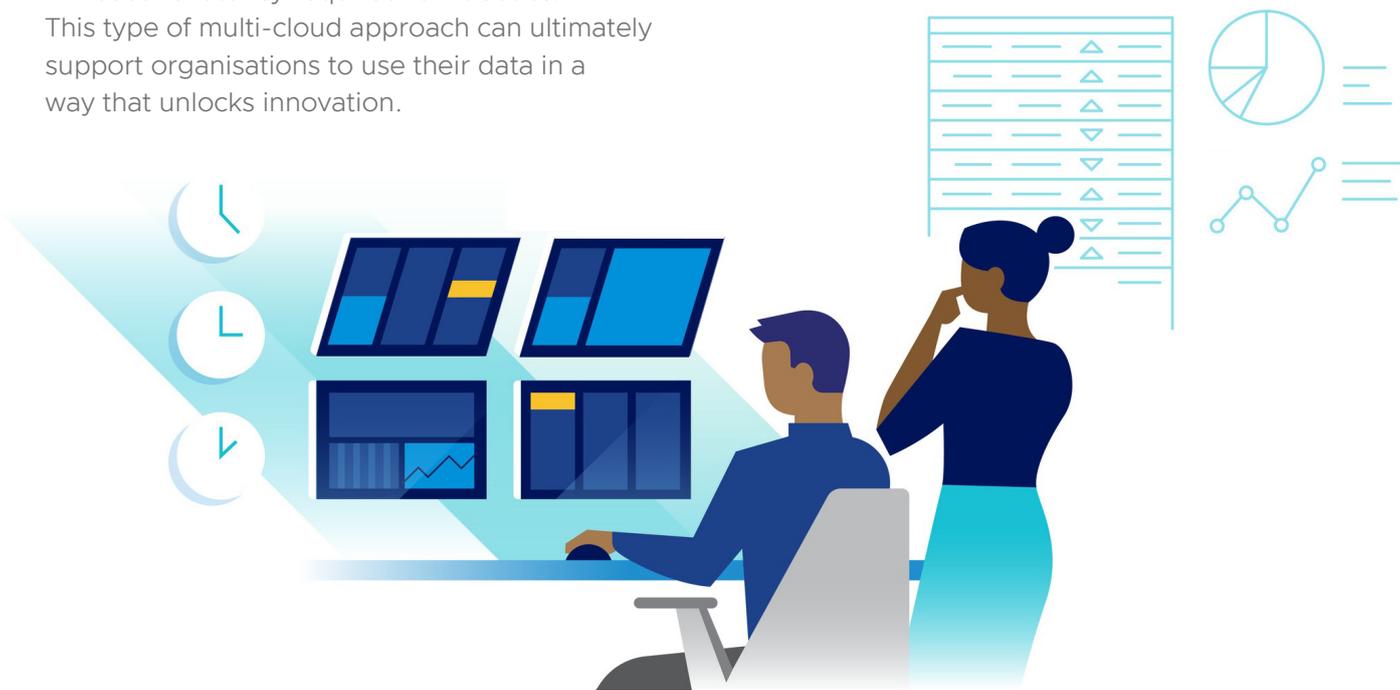
Having access to a sovereign cloud can provide the guarantees and assurances around these legal requirements, opening up the possibilities of innovation to entire industries that previously had no access to cloud services.

6. Freedom of choice: Organisations don't want to have to plan their entire cloud/IT/digital journey upfront; they want the freedom to adapt as their business needs evolve. That means having the freedom to adjust data utilisation as required rather than having to compromise on decision making by being locked into one cloud. A true multi-cloud strategy enables companies to incorporate the right mix of on-premises, private, public and edge cloud environments to meet their needs.

A German car manufacturer, for example, may use a private cloud for critical financial data, and a scalable public cloud for less critical data, such as marketing, HR and other operations. It may use a second public cloud for a specialist capability, such as the AI and data-crunching required to develop self-driving capabilities. At the edge, it could use local clouds for the millisecond latency required for robotics. This type of multi-cloud approach can ultimately support organisations to use their data in a way that unlocks innovation.

7. Future-proofing: No-one knows what new innovation the future will bring, not even two or three years ahead. Businesses need to be agile to respond to evolving opportunities and new challenges. With a multi-cloud platform, they will be equipped to adapt every part of their organisation as needed, including tech infrastructure and data management capacities, to have those same capabilities.

By deploying a multi-cloud approach, organisations can give themselves the foundations they need to make better use of their data today, and for what's around the corner. No more worrying about the implications for data sovereignty, decentralised operations or complex infrastructure, but a simplified, single way of managing multiple environments to get more from their data. And in doing so, finally close the innovation-execution gap.



Further reading

You can access a full download on our research [here](#).

More information on VMware's multi-cloud solutions can be found [here](#).

If you'd like to talk about any of the issues discussed or your multi-cloud journey, please reach out to me on LinkedIn.