

# Insight

Simplifying cloud migration and the modernisation journey with Microsoft Azure

 Microsoft Azure



Digital transformation is a driving force in business. No matter the industry, organizations continue to accelerate digital initiatives to advance their business and gain a competitive edge. That focus is more important than ever today as the world begins to move into the era of AI.

The cloud has been vital in helping organizations adapt to changes in the business landscape and evolving customer demands. While early digitization strategies focused on understanding where and how the cloud could benefit the business, those views have shifted and become more encompassing. Organizations today see cloud as a critical part of their overall technology portfolio, whether that means a hybrid environment or going “all in” on the cloud.

Cloud has become an important tool for addressing top business priorities and to help organizations move faster, be more resilient and adaptable to change, and strengthen security postures. And yet, while organizations recognize the value and power of the cloud, getting started migrating to the cloud and modernizing resources can feel challenging.

We're committed to simplifying your cloud migration and modernization experience so you can deliver value to your organization faster.

Join us as we share insights on how you can make progress on migration and modernization initiatives, plus best practices for getting started with Microsoft Azure.

Enterprises are accelerating digital transformation

85%

of organisations will embrace a cloud-first approach by 2025<sup>1</sup>

86%

of respondents in a 2021 IDC survey noted that their organization had modernised more than half of its legacy applications – up from 65% in 2020<sup>2</sup>



<sup>1</sup>] Gartner, "Top strategic technology trends for 2022: 12 trends shaping the future of digital business," 2022. <sup>2</sup>] IDC White Paper, sponsored by Microsoft, "The Business Value of Migrating and Modernizing with Azure," doc # US49616022, September 2022.

## The business benefits of cloud

The inherent properties of cloud, including elasticity, high availability, security, scalability, and more, open a multitude of benefits for organizations. These benefits offer you ways to create significant business advantages while accelerating digital transformation initiatives.

Customers that adopt Microsoft Azure can improve:

	<b>Costs</b>	By shifting from a legacy capital expenditure model to a more flexible operational expenditure model, reduce costs, paying only for the resources and services you consume.
	<b>Built-in security</b>	Securing data and applications from cloud to edge without disruption to reduce risk with industry-leading, comprehensive, multilayered security.
	<b>Time to market</b>	Making it easier to innovate and bring new products, services, or enhancements to your customers at an accelerated pace.
	<b>Business insights</b>	Providing a path to unify disparate data sources and bring a richer understanding of your customers, products, and services through data insights and analytics.
	<b>Scalability</b>	Enabling you to meet surges in customer demand as needed, without straining your operations teams, infrastructure, or budgets.
	<b>Resiliency</b>	Helping you with disaster recovery and other backup strategies so you can ensure greater business continuity.
	<b>Cloud at your pace</b>	Making it possible to migrate at your own pace with solutions that simplify management and governance of cloud and on-premises IT estates.
	<b>Innovation</b>	Uncovering efficiencies and helping to attract and retain customers and employees with modern apps and infrastructure.
	<b>Sustainability</b>	Providing insights and reporting on your IT carbon emissions so you can more effectively make progress on your organization's sustainability goals.



Cost and operational efficiencies with Microsoft Azure

37%

lower three-year cost of operations<sup>3</sup>

391%

three-year return on investment<sup>3</sup>

Up to 85%

savings with Azure Hybrid Benefit<sup>4</sup>

<sup>3</sup> IDC White Paper, sponsored by Microsoft, "The Business Value of Migrating and Modernizing with Azure," doc # US49616022, September 2022. <sup>4</sup> <https://azure.microsoft.com/en-gb/pricing/hybrid-benefit/#overview>

## Value of cloud migrations and modernization

Making progress on your digital goals with Microsoft Azure starts with a migration and modernization journey. The two initiatives are closely related yet bring different advantages for you to consider.

Migrations involve moving applications, infrastructure, and data from your private, on-premises datacenter to the public or hybrid cloud. Migrations give you the foundation for an elastic, scalable, and secure infrastructure.

A cloud migration will help you start to realize several important benefits. For example, your organization may experience lower IT costs by rightsizing capacity, so you are only spending on the compute and storage resources that you use. When you need greater capacity, you can easily scale up usage, giving you a more flexible approach. You'll also be able to strengthen your overall security posture through Azure's comprehensive security controls, and benefit from Microsoft's \$1 billion annual investment in securing its cloud environments.

Modernization initiatives, on the other hand, involve updating existing or legacy applications to incorporate newer computing approaches, such as modern application frameworks or cloud-native technologies. Modernization allows you to innovate existing applications to provide better user experiences, greater business agility, and cost efficiencies. By adopting modern frameworks and technologies, you enable greater developer velocity, making it easier for your people to create, test, and launch new innovations.

Often, modernization projects build on migration to the cloud. For example, moving data to the cloud opens the door to gaining more value from the integration across your data and applications. Once your data is in the cloud, you can extend your cloud infrastructure foundation to apply more advanced analytics, or even integrate AI/ML approaches to glean richer and predictive insights from your data estate.



## Turn your data into a strategic asset

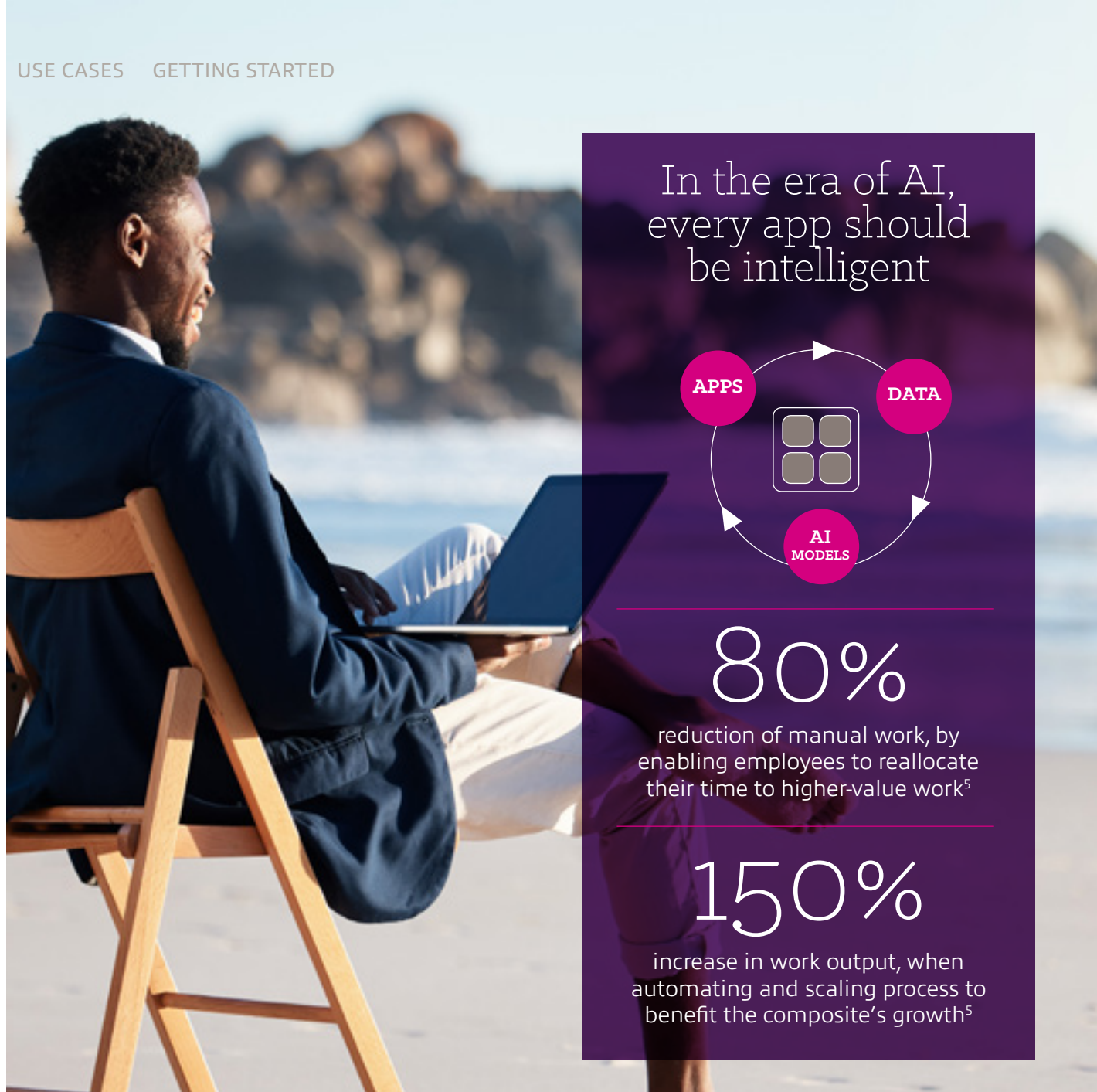
The world is changing, with new forces driving innovation every single day. One of the innovations on everyone's mind is artificial intelligence (AI) and what it means for the future. However, AI is already here; in the near future, all apps will be AI apps, giving businesses the security, agility, and velocity required to scale and transform.

Microsoft is leading the platform shift in the era of AI. Using the Microsoft Cloud to help harness the power of AI can help you drive value faster and shape the future of your business. We can help you leverage built-in AI that can help you differentiate from the competition and radically accelerate your organization's productivity.

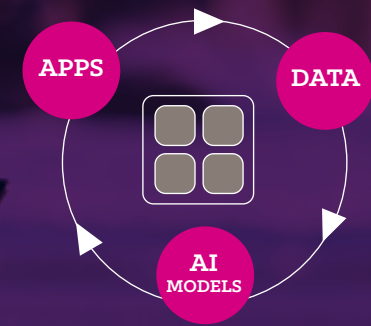
### How do you get started?

The first step to preparing your business for the new AI era is to get your data estate ready by migrating to Azure. This gives you the foundation for better AI experiences so you can build AI-powered applications in the cloud and drive developer and sales productivity. When you use products across the Microsoft platform, you'll bring together identity, applications, management, security and enterprise data to incorporate AI more efficiently across your business.

Microsoft is also committed to advancing the principles and practice of implementing AI responsibly. Security and trust are built into the platform and solutions right from the start, and purpose-built AI infrastructure delivers reliability, and performance at scale. And you always maintain control of your data; Microsoft will never use it without consent.



In the era of AI,  
every app should  
be intelligent



80%

reduction of manual work, by enabling employees to reallocate their time to higher-value work<sup>5</sup>

150%

increase in work output, when automating and scaling process to benefit the composite's growth<sup>5</sup>

<sup>5</sup> Forrester, "The Total Economic Impact™ of Microsoft Azure AI," April 2023.

## Turn your data into a strategic asset

When your data is in the cloud, you have the opportunity to turn it into one of your most strategic assets. Studies have shown that organizations that embrace the value of data fare better in adjusting to rapid market changes: they are able to be more agile, anticipate and predict change, and pivot as needed to better serve customers.

Yet for many organizations, extracting more value from data has not been easy. The volume, variety, and velocity of data are all accelerating, making it challenging to get a holistic view of data estates. That complexity makes it difficult to answer fundamental questions, like:

- What data do I have, and is it trustworthy?
- Are we managing all this data in a compliant way?
- Are people getting the data they need to make the right decisions?
- Are they getting this data fast enough?

A cloud-based approach to data can help you answer these questions by unifying and connecting all your data assets. You'll be able to scale and accelerate your approach to data so that you can harness and analyze a constant stream of data, applying analytics and AI to glean rich insights and drive better decisions.

In essence, you'll create a positive digital feedback loop where you'll be able to drive greater transformation to improve customer experiences, transform products and services based on signals from users, empower employees to be more productive, and more.



## Businesses that embrace data and analytics realize more benefits

54%

saw increase in  
revenue performance  
(16% for less mature users)<sup>6</sup>

44%

saw faster  
time to market  
(11% for less mature users)<sup>6</sup>

62%

saw improvement in  
customer satisfaction  
(15% for less mature users)<sup>6</sup>

54%

saw increased  
profit results  
(13% for less mature users)<sup>6</sup>

<sup>6</sup> Source: Harvard Business Review, "Understanding Why Analytics Strategies Fall Short for Some, But Not for Others," October 2019.

## Successful migration and modernization use cases

Migrating to the cloud is just the beginning. As you begin your journey to the cloud, you can take advantage of additional cloud capabilities that yield value in other areas.

Let's look at some of the most popular use cases explored by our customers.

### Legacy system modernization

Create a strong infrastructure foundation by moving legacy infrastructure to Azure. You'll be able to take advantage of Azure services that help boost performance and increase operational efficiencies for your organization.

### Accelerate innovation

With the pace of business continuously accelerating, organizations need to decrease time to market, ensuring new innovations are accessible to customers faster. Azure provides a fully managed platform with robust tools and capabilities to meet your application development needs—from migrations to legacy application modernizations to building new cloud-native applications, and more—so your people can make progress faster.

### Security and compliance

With security a top priority for business and technology leaders, organizations are looking to the cloud for all the ways it can help in protecting valuable data, apps, and infrastructure. Azure offers a secure cloud foundation with multilayered, built-in security controls and unique threat intelligence to help your security teams identify and protect against evolving threats.

### Data estate modernization

Many organizations today struggle to gain additional value from the large and distributed data estates within the business. Azure's data and analytics services provide a path to unify that data in the cloud and make it easier to gather, store, process, analyze, and visualize your data to gain better and more actionable insights for your organization.

### Application modernization

Modernize legacy applications to deliver enhanced experiences to your customers and employees. Azure also makes it easier to develop new applications, so you can build, manage, and continuously deliver improved application experiences.

### Support hybrid IT estates

Many organizations take a gradual approach to the cloud, migrating some core systems and applications but also maintaining legacy on-premises infrastructures and applications. Microsoft has built Azure with that reality in mind: it's designed to help you bring the agility and innovation of the cloud to your on-premises environments. Azure provides a holistic, seamless, and secure approach that's consistent across your on-premises and cloud resources.

72%  
of organizations have a  
hybrid cloud strategy<sup>7</sup>

67%  
of SMBs have workloads  
in the cloud<sup>7</sup>

### Key drivers

- Legacy systems/custom requirements
- Regulations and data sovereignty
- Latency and technical hurdles
- Consequence of no proactive strategy

7] Flexera, "2023 State of the Cloud Report," 2023.

## Flexible ways to get started

When approaching either a migration or modernization initiative, We provide flexible options for getting started. You can opt to handle the migration on its own or alongside modernization goals, depending on your organization's needs.

Focusing on the migration first provides the benefit of letting you reduce your datacenter footprint quickly. You realize more immediate cost savings as a result. And this approach allows more time for testing and optimizing applications to ensure cloud readiness.

Adding modernization workstreams while you are migrating helps you decrease your time to market. Rather than the most rapid cost savings, you'll be focusing more on unlocking application innovations that deliver richer user experiences and enhance productivity. At the same time, you'll have the opportunity to accelerate the velocity of application development.

Your approach doesn't have to be all one way or the other. You have flexibility to choose to directly migrate some systems and apps, while other systems and apps might benefit more from a modernization effort.

Even more importantly, you don't have to migrate everything at once. Azure gives you the flexibility to migrate at your pace, supporting you with hybrid solutions that make managing and governing cloud and on-premises assets easier and enabling consistent experiences across both domains.

Performing a Cloud Readiness Assessment can help you select your path forward, determine the effort required to migrate or modernize, and gauge the timing that would be most beneficial for your organization.

## Migration and modernization considerations

### What's the immediate business need?

- Optimizing costs
- Shifting from CapEx to OpEx
- Realizing cloud benefits quickly

### How hard is it to do?

- Complexity
- Level of skilling or retraining needed, or new staff required
- Cost and resources needed to refactor or rebuild

### Longer-term business goals?

- Time to market
- App innovation
- Productivity
- Application development velocity



7] Flexera, "2023 State of the Cloud Report," 2023.





# Insight<sup>®</sup>

Are you maximising  
your cloud?

Talk to us about your cloud  
vision and let us help you  
[maximise your cloud](#)

 Microsoft Azure