CLOUD SERVICE BROKERAGES: HOW CSB'S FIT IN A MULTI-CLOUD WORLD

Cloud technology continues to both support and disrupt the evolution of digital business. Not surprisingly, spending on cloud computing infrastructure and platforms is expected to grow at a 30% CAGR from 2013 to 2018 compared with 5% growth for overall enterprise IT. On top of this, an increasing number of enterprises—85% to be exact—are realizing the benefits of utilizing multiple cloud platforms to support employee productivity, collaboration, and business innovation.

However, this rapid adoption of multiple cloud platforms and providers creates a unique set of challenges for IT. More specifically, because CIOs must now orchestrate onboarding, managing, and delivering IT and business services from multiple portals and vendors they've had a tougher time ensuring consistent performance, security, and control within the multi-cloud ecosystem.

But what if there was a solution that could help you to select the best cloud services for your organization's needs, support line of business requirements, and meet IT demands across disparate clouds without jeopardizing performance or security?

Enter: cloud service brokers.

Before defining the concept of cloud service brokers, let's take a closer look at the challenges IT faces in the multi-cloud environment.

Navigating Multiple Clouds Presents Unique Challenges

1. Today's business users and application developers now demand immediate availability and unlimited scalability for cloud-based services.
2. The direct procurement of cloud services by business units leads to "shadow IT" because employees effectively "go around" existing corporate policies and security procedures. This usually occurs because IT is not closely aligned with the operational demands of specific lines of business.
3. The expanded use of multi-cloud platforms increases the security risk of the organization. Protecting company data as it moves from on-prem to multiple private and public clouds and back becomes critical but challenging.
4. IT must manage a shifting array of public and private cloud platforms—all with different capabilities, processes, costs, and performance levels. This not only becomes time-consuming but costs can spiral out of control if not carefully managed.

Cloud brokers have emerged as master orchestrators who can manage the complexity of multiple cloud ecosystems and transform businesses into digital enterprises.

Definition of Cloud Services Brokerage

Gartner defines cloud services brokerage or CSB as an, "IT role and business model in which a company or other entity adds value to one or more (public or private) cloud services on behalf of one or more consumers of that service via three primary roles including aggregation, integration, and customization brokerage." In this way, a cloud broker acts as the middle layer or intermediary between the purchaser of a cloud computing service and the sellers of said service.

Though still considered to be an emerging technology trend, the global Cloud Service Brokerage market is forecast to grow at a CAGR of 29.6% from $5.24 billion in 2015 to $19.16 billion by 2020.

Types of Cloud Brokers

There are three types of cloud brokers:

- **Cloud Aggregator**. An aggregator is a broker that packages and integrates multiple service catalogs into a single user interface. The client then selects as many or as few services that fit their specific business needs but will only pay a single bill to the broker. The cloud aggregator model is generally seen as a more cost-effective and efficient approach for the client as compared to purchasing each service individually.

  As part of their function as resellers, aggregators play a critical role in managing cloud provider relationships and services. The broker may also offer additional services on top of the cloud including security and governance (more on this soon). Overall, one of the main goals of the aggregator is to curate an actual catalog of services—providing a single pane of glass to all business and IT services—empowering agility and portability while saving time and money.
- **Cloud Integrators**. Integrators add value by automating workflows across hybrid environments through a single orchestration to improve performance and reduce business risk. Once migration is complete, the integrator can continue to provide support to the organization on an ongoing basis as needed.

- **Cloud Customizers**. As the name suggests, customization involves modifying existing cloud services to meet business needs. In some cases, the broker may even develop additional features to run in the cloud as required by the organization. This function is critical to building a fully configured cloud with improved visibility, compliance, and integration of key IT processes.

Benefits of Cloud Service Brokers

Cloud service brokers provide solutions that turn IT into a growth accelerator for end customers. Additional benefits of cloud services brokerage include:

Providing Expertise

CSBs serve to reduce the barriers to adopting, managing, and customizing services in the cloud because they fill in gaps in knowledge and skills. Of note, brokers are often hired to evaluate services from different vendors and provide the customer with information about how to use cloud services to power digital innovation. Once the research is complete, the broker presents the customer with a list of recommended vendors along with a comparison of service features, cost breakdowns, SLAs, and other criteria. In this way, the broker's tool kit and expertise fosters objective, accurate, and informed decision making.

Negotiating on Behalf of the Customer

Cloud brokers may sometimes be given the rights to negotiate contracts with cloud service providers on behalf of the client. In such cases, the broker is given the authority to contract services across several vendors which can be an excellent strategy to keep costs low. In addition, CSBs typically have pre-existing relationships with a number of vendors, and in some cases even have predetermined contracts, which helps to speed up the vendor acquisition process. This benefit is usually most common in the case of cloud aggregators.

Simplifying Operations

CSBs can help eliminate redundancies, optimize resource utilization, allow the IT organization to gain control of cloud consumption costs. Furthermore, having a real-time unified view of on-premise and public cloud resources also helps the organization to cut down on errors relating to managing multiple cloud platforms across the organization.

Reining in "Shadow IT"

Advisory firm CEB recently estimated that 40% of all IT spending at a company occurs without the knowledge or approval of the IT department. However, since cloud service brokers provide a unified cloud strategy, they can help to align lines of business with IT capabilities and improve the responsiveness of IT to the operational demands of the organization. IT can then transition from providing reactive support to delivering proactive solutions.

Reducing Risk

CSBs reduce the risk of migrating security services to the cloud by vetting vendors to ensure they meet robust security standards. This is especially critical in highly regulated industries such as

healthcare and financial services where data protection is paramount. Here, the broker automates cloud governance and compliance along with a single view to manage risk across the enterprise environment.

Overall, CSBs enable the secure migration of data, apps, and infrastructure components between

public clouds and private data centers including Amazon Web Services™ and Microsoft® Azure public clouds.

A trusted cloud services broker should enable you to govern your cloud without disrupting innovation by:

- Streamlining tracking of changes and configurations through integration with your service management processes.
- Providing users with upfront visibility into the cost of their cloud service choices.
- Reporting on usage and then managing the budget.
- Monitoring performance of cloud services to prevent downtime; and
- Separating departments or users with fine-grained multi-tenancy and role-based access control.

The Way Forward

As your organization gets ready for the next generation cloud, there's no better time to leverage the benefits of cloud service brokerage to remove complexity, boost productivity, and reduce the risk of shadow IT. These enhanced business outcomes will allow your organization to keep pace with the demands of rapidly changing business requirements and ensure agile delivery of innovative services.

BMC Multi-Cloud Solutions are uniquely positioned to help IT achieve the full benefits of multi-cloud ecosystems with via industry-leading, vendor agnostic solutions for these required capabilities by:

- Customizing cloud services to meet business needs,
- Managing a variety of platforms from a single console,
- Enabling high-precision analysis across different applications; and
- Uniting cloud and enterprise management tools and processes.

For more information how BMC solutions can help your organization navigate the complexity of multiple cloud ecosystems in order to forge ahead in today's digital economy, click here.