



Cloud Storm Chasers

News, insights and expert commentary on trends and innovations in cloud computing.

The Rogue Cloud Runaround

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There's a quiet crisis brewing in how organizations are adopting the cloud. Cloud services and apps are getting more popular by the day, but instead of driving enterprise innovation, they're stifling it. The use of cloud services outside the control or knowledge of IT has led to the emergence of what technology leaders increasingly refer to as "the rogue cloud." This bona-fide platform is growing fast and taking hold in many global organizations, yet it lacks the proper security, technical, and financial controls any IT leader would demand.

It's a problem hiding in plain sight. Just look around at the cloud deployments popping up in your own organization, or look to research reports. Gatepoint Research's [SimplyDIRECT September 2012 Cloud Pulse Report](#) found four out of ten responders interested in cloud computing initiatives, with the following month's report finding nearly eight out of ten complaining their organizations "only occasionally" deliver new services quickly enough.

The [CA Technologies Innovation Imperative](#) study of over 900 global business and IT leaders mirrors these results. It found that in 60 percent of the organizations, the business occasionally "circumvents IT and purchases technology on their own to support a new project."

We've seen this story before, with everything from PCs to departmental LANS to web servers. Frustrated by how long it took IT to get things done-and often feeling like IT wasn't really even interested in helping-business units brought in lower-cost, user-friendly IT tools to solve their immediate business problems. And they worked, at least in the short run.

But eventually, these rogue projects ended up costing the organization more money, time, and effort, because they had to replace and/or migrate these now entrenched IT solutions with standardized technologies blessed by IT. The reasons for the forced standardization included:

- The extra, and often hidden, costs of maintaining multiple technologies adopted over time by individual business units.
- The extra costs of one-off purchases of similar technology or services by individual business units, losing the economies of scale IT gets from centralized purchasing.
- The extra cost of extracting, cleansing, and moving data among multiple, departmental-level technology silos for accounting and [analysis](#).
- The security, regulatory, legal, and other risks incurred by business units spawning their own computing environments without oversight or even the knowledge of IT, legal, etc.
- Innovation opportunities lost due to a lack of knowledge about and integration with other systems the organization is running or initiatives under way.

This same pattern of hidden costs, chaotic procurement, and random deployment is repeating itself with the rise of the rogue cloud. Consider the [Role of the CIO Research](#), commissioned by CA Technologies, where 55 percent of respondents didn't know what cloud services their in-house IT operations offer, 40 percent said their firms lacked a clear procurement policy for IT services, and 68 percent said they believe cloud services can be used without IT involvement.

Sadly, while this departmental- or division-level cloud adoption solves immediate problems, it paves the way for higher costs, lost opportunity, and a lack of innovation. To prevent this, IT departments need to take several actions.

- Accept and even embrace the cloud when it is a better choice than in-house systems, using IT's experience with legacy systems, industry requirements, and the regulatory environment to ensure proper security, technical, and financial safeguards.
- Become the in-house expert at vetting and recommending cloud offerings. That demonstrates the hard-won knowledge IT has gained over the years, and fulfills its mandate as the corporate protector of security and data integrity.
- Understand that today, IT's job demands more than executing individual projects on budget and on time, evaluating and implementing new technologies, and ensuring good strategic alignment between IT and the business. It also means continual assessment of the skills and capabilities of internal and external service providers-including those in the cloud-and focusing on those who can deliver innovation with the requisite security, compliance, and cost-effectiveness.

The advantages of the cloud are real and too compelling for business leaders to ignore. But the risks are also too great for IT to ignore. It's up to IT executives to help their colleagues on the business side devise better answers to their computing needs, and vanquish the rogue cloud before those risks come home to roost.

By Robert L. Scheier

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