

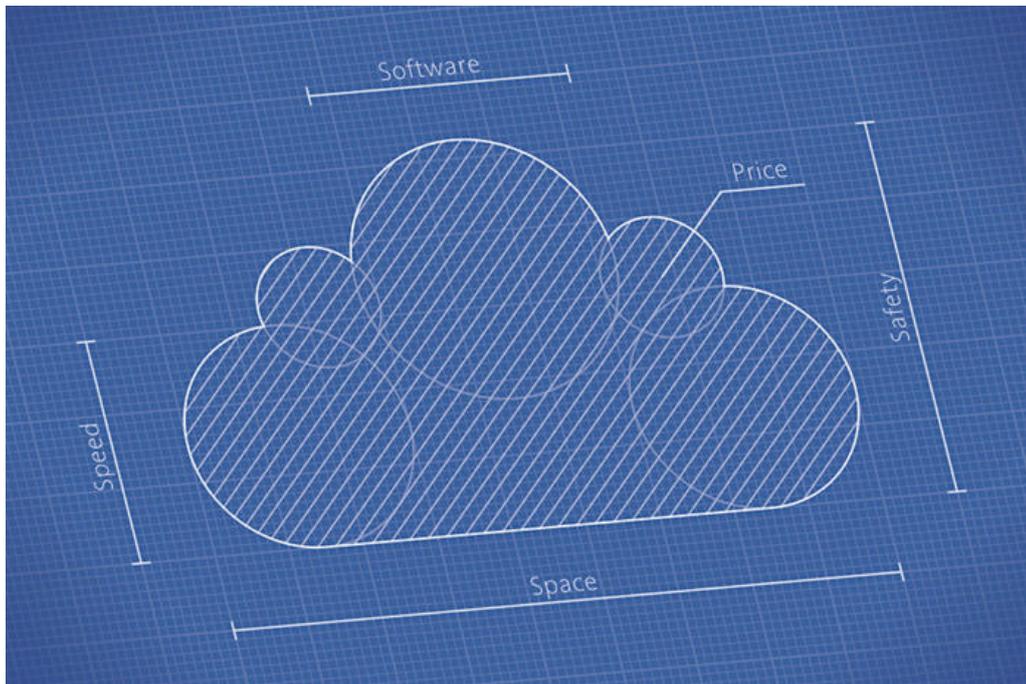
Proven Investment Principles Can Guide Your Cloud Strategy

Living in [Omaha, Nebraska](#), one cannot help but be influenced by [Berkshire Hathaway](#) and its CEO, [Warren Buffett](#), one of the wealthiest men in the world, when it comes to making investment decisions. However, the process that Berkshire Hathaway uses to make investment decisions has multiple other applications that include guiding you in making decisions about your cloud strategy.

If there is a company and an individual that epitomize the concept of “*buy and hold*”, they are [Berkshire Hathaway](#) and [Warren Buffet](#). Their basic premise is that you thoroughly research a stock before making an investment decision. As part of that research, you investigate the financials of the company, its management team, its reputation, and the products and/or services it offers. Then you determine the type of growth that company will experience in the future. Once that decision is made, you then buy and hold it for a long time.

However, buy-and-hold is not the only principle that Warren Buffett follows. His first rule of investing is: ***Never lose money.***

Companies should apply variations of both these principles when creating a cloud strategy. Once a company initiates and/or moves applications and/or data into the cloud, odds are that they will “*buy-and-hold*” them in the cloud for a long time assuming service levels and pricing continue to make sense. The more applications and data they store with a cloud provider, the more difficult it becomes for them to bring it back on-premise. Further, they can easily lose track of what data and applications their company has stored in the cloud.



The good and bad news is that public cloud providers such as [Amazon](#), [Google](#), and [Microsoft](#) have made and continue to make it easier than ever to get started with your cloud strategy as well as migrate existing applications and data to the cloud. This ease of implementing a cloud strategy can prompt organizations to bypass or shortcut the due diligence that they should take before placing applications and data in the cloud. Unfortunately, this approach leaves them without clearly defined plans to manage their cloud estate once it is in place.

To avoid this situation, here are some “investment” principles to follow when creating a cloud strategy to improve your chances of success to get the return from the cloud that you expect.

1. **Give preference to select proven, supported services from the cloud provider for critical applications and data.** Most organizations when they move need to start with the basics such as compute, networking, security, and storage. These services are the bread and butter of IT and are the foundation for public cloud providers. These have been around for years, are stable, and are

likely not going anywhere. Organizations can feel confident about using these cloud services for both existing and new applications and data and should expect them to be around for a long time to come.

2. ***Shy away from “speculative” technologies.*** Newly and recently introduced [Amazon](#) services such as [Lambda](#) (*serverless computing*), [Machine Learning](#), [Polly](#) (*text-to-voice*), and [Rekognition](#) (*visual analysis of images and videos*) among others sound (*and are*) exciting and fun to learn about and use. However, they are also the ones that cloud providers may abruptly change or even cancel. While organizations use them in production, companies just moving to the cloud may only want to use them with their test and dev applications or stay away altogether until they are confident they are stable and will be available indefinitely.
3. ***Engage with a trusted advisor.*** Some feedback that [DCIG](#) has heard is that companies want a more orchestrated roll-out of their computing services in the cloud than they have had on-premise. To answer that need, cloud providers are working to build out partner networks which have individuals certified in their technologies to include helping with the initial design and deployment of new apps and data in the cloud as well as the subsequent migration of existing applications and data to the cloud.
4. ***Track and manage your investment.*** A buy-and-hold philosophy does not mean you ignore your investment after you purchase it. You track cloud services like any other investment so take the time to understand and manage the billings. Due to the multiple options provided by each cloud service, you may need to periodically or even frequently change how you use a service or even move some applications and/or data back on-premise.



As organizations look to create a cloud strategy and make it part of how they manage their applications and data, they should take a conservative approach. Primarily adopt cloud technologies that are stable, that you understand, and which you can safely, securely, and confidently manage. Leave more “*speculative*” technologies for test and dev or until such a time that your organization has a comfort level with the cloud. While the cloud can certainly save you money, time, and hassle if you implement a cloud strategy correctly, its relative ease of adoption can also cost you much more if you pursue it in a haphazard manner.