CXO FOCUS

DELIVERING BETTER BUSINESS OUTCOMES FOR CIOS

ACCELERATING INNOVATION WITH ONE PLATFORM TO RUN APPS AND DATA ANYWHERE

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NOVEMBER 2023

Facing increasing demand and complexity

CIOs operate a complex technology portfolio consisting of multiple datacenters, enterprise applications, edge computing, and mobile solutions. This diversity has resulted in an explosion of new apps, exacerbated by uncontrolled app development, each generating and storing data that requires analysis for valuable insights. Enterprise IT simply can not keep up with armies of developers, builders and a growing set of siloed technologies. IT are also chartered with applying security, sovereignty, compliance and performance while managing costs.

AI has also increased the challenges facing Enterprise IT. IT must overcome the complexity, inefficiency and security challenges for generative AI and AI/ML applications, including data privacy, sovereignty and governance. For example, AI models rely on huge datasets that may be generated at different point locations.

Therefore, Enterprise IT needs AI-ready infrastructure that is easy to get started and run across both core and edge, and that delivers all the power and integrated data services that developers and data scientists need.

Consequently, the infrastructure needed to operate the modern digital enterprise has grown, as have operational costs and complexity.

This change in an organization's technology environment has often risen organically through the business needing to respond to changes in the market, mergers and acquisitions, and, more recently, geopolitical events and the pandemic. IT has deployed point solutions and infrastructure that enabled the business to adapt. However, this complexity does not always deliver a cost-effective technology operating model and, in the long run, can hamper the use of data.

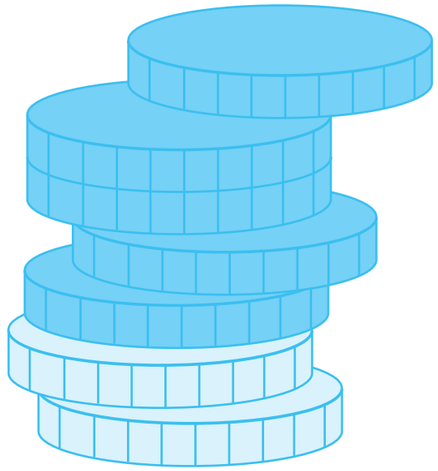
It is a widely understood tenet of commerce that business processes, products, and operations must sometimes be simplified and centralized. Yet the rise of cloud computing as an enterprise technology has not, to date, seized the same opportunity. Simplification and centralization can reduce cost overheads, break down business silos, improve collaboration, and lead to greater sustainability. Centralizing the management of a multifaceted cloud infrastructure can deliver the same business benefits.

Businesses typically look to centralize operations in response to resource limitations, aiming to standardize services and improve data management. Similarly, enterprise cloud computing faces these same issues. As with peers in finance, human resources (HR), sales, and marketing, many organizations are looking for efficiency and simplicity from their cloud resources.

Enterprise cloud computing, in particular, has added to the complexity of the technology landscape. The cloud offers businesses the ability to swiftly deploy IT services in new markets or provide significantly higher levels of capacity for events, such as a sales push. While this agility has effectively curbed capital expenditure, unmonitored operational costs can escalate and become challenging to align with tangible business outcomes. Concurrently, managing a diverse array of cloud services introduces an additional layer of complexity.

In an era of global technology skills shortages, CIOs report that finding specialized skills for each of the cloud platforms used within the business is becoming harder and more expensive. Business analysts Gartner reports that the time to recruit a new employee has increased by 18%, placing increased pressure on existing employees. And according to the most recent Enterprise Cloud Index survey related to the recruitment and retention of cloud talent, 80% of respondents identify IT and cloud talent recruitment and retention a concern for their budgets in the coming year. Rising talent costs are not the only issue CIOs face. Application workloads that use high levels of public cloud computing can expand costs beyond what business lines and business technology leaders expected, especially if those workloads are data intensive. A number of CIOs report that if data needs to be moved from one cloud provider to another, cost and technical barriers can reduce the agility the public cloud promises. Moving applications closer to one another and on the same cloud provider is one solution, but again, refactoring applications from one cloud to another can be time-consuming and with hidden costs.

And with AI workloads, while the learning models are often developed in the public cloud, the data used is available in datacenters and at the edge. So, deploying AI workloads securely once where they can be leveraged quickly and anywhere, are challenges many IT organizations are grappling with today.



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New Hybrid Cloud Estate

These pressures are driving CIOs to look for and deploy a technology estate that reflects the diversity of their business needs. The 2023 Enterprise Cloud Index report finds that over half of businesses (59%) use more than one IT infrastructure, typically made up of private and public cloud providers, multiple cloud providers, hosted data centers, and on-premises datacenters. Similarly, the report reveals that 12% of organizations are using a combination of multiple cloud providers and a private cloud. This blended approach is becoming increasingly popular, with 38% of survey respondents reporting they are adopting a hybrid cloud estate in the coming year.

The challenge for CIOs is that without the right tools in place, this new hybrid cloud estate can blur the visibility business technology leaders need to see the performance and costs of the estate. Workloads and data that is not in the most efficient and effective area of the hybrid cloud estate will consume compute that could have been used to deliver better business outcomes.

Therefore effective workload management within a hybrid cloud environment can give a business the competitive edge it needs in the marketplace. Good workload placement can see applications operating with the best business continuity, governance, performance, security, and cost management included.

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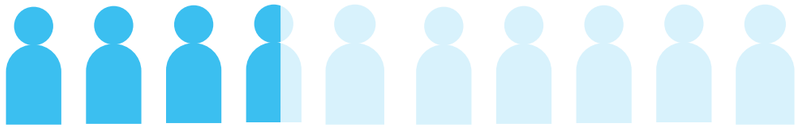

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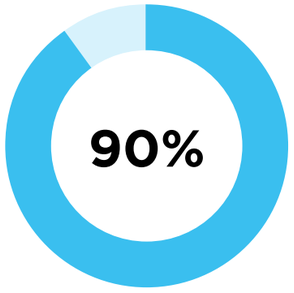
A new cloud operating model

Rising demand and increased choice cannot be managed in traditional ways. CIOs must adopt a fresh operational approach to navigate the complexities of multiple cloud environments. Businesses must maintain effective data governance (especially in an era of data regulations, AI, and data sovereignty); they need to be able to cope with skills shortages and changes to cost structures and budgets. These challenges, however, should not hinder the organization's or IT's ability to remain agile and responsive to changing demands.

According to the ECI report, over 90% of organizations said that a unified operating platform would be beneficial for their business. With a unified operating platform, organizations can benefit from a mixed IT environment as all applications and data can be seen and managed centrally. With a unified platform in place, CIOs can standardize processes across applications, infrastructure, and data, ensuring uniformity and efficiency.. The platform operates independently of the technical variations with the organization's diverse infrastructure, delivering a single, unified place for running all applications and data.

That same standardization also prevents the business from being locked down to one provider according to the skills or ability to refactor an application. Instead, applications can be developed once and then run on the most effective infrastructure, whether that be public or private cloud, or at the edge.



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Nutanix Cloud Platform provides CIOs with a software stack for managing public and private cloud as well as fast-growing edge computing locations. This platform also enables the management of compute, containers, networking, storage, and VM support. And this same software platform running across datacenters, edge, AWS and MSFT Azure ensures that IT organizations can extend to public clouds as needed, save on migration times, deliver "always-on" availability, mitigate exacerbated costs, all the while having the operational simplicity of one platform.

Bottom Line...Centralizing and simplifying IT operations is good business. The benefits of a hybrid multicloud operating model can best be realized when organizations use platforms that enable the same levels of business-outcome thinking that they use for optimizing sales operations, finance processes, or the supply chain.

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