Partly Cloudy with a Chance of Data Breach?

How to Define Your Optimal Risk Cloud Solution

Boeing

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About Boeing

“Our purpose and mission is to connect, protect, explore and inspire the world through aerospace innovation”

• The world’s leading aerospace company

• Provides products and support services to customers in 150 countries

• Designs and manufactures commercial and military aircraft, rotorcraft, electronic and defense systems, missiles, satellites, launch vehicles, and advanced information and communication systems

• Headquartered in Chicago, Boeing employs more than 170,000 people across the United States and in 68 countries

• More than 140,000 of our people hold college degrees, including nearly 35,000 advanced degrees, in virtually every business and technical field
Agenda

- Common cloud service models
- Cloud solution options
- Market snapshot (potential suppliers)
- Consumption models / use cases
- Key negotiating points for cloud contracts
Cloud service models

“Cloud computing” is a model for enabling on-demand network access to a shared pool of computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal effort or service provider interaction.
Cloud leverage areas

- End User Computing
- Service Desk
- Voice & Mobility
- Web
- Collaboration Tools
- Data Centers
- Server & Storage
- Data Network
- Operations Management
- Site Operations
Discuss…

- How is your enterprise using cloud solutions today?
- Do you think there will be increasing or decreasing demand in the future?
- Where do you expect your focus areas to be?
- What benefits have you noticed?
- What challenges have you had to work through?
Cloud solution options

**Engineering, Operations & Technology**

### Internal Hybrid Cloud

**Benefit**
- Security and compliance
- Data Center efficiency gains (virtualization)
- Internal skill development
- Leverage legacy tools

**Risk**
- CapEx model
- Higher investment and admin costs
- Release management/configuration control
- Increased IT complexity and arduous change

### Private/Public Hybrid Cloud

**Benefit**
- Surge capacity on demand
- Legacy infrastructure conversion to cloud
- Maintain security and separation of data
- Segmentation security

**Risk**
- Network security
- Requires extensive data management
- Higher investment costs
- Integration and interoperability

### Private Cloud

**Benefit**
- Eliminates legacy Data Center infrastructure
- Security and compliance
- Modernized integration and interoperability
- Demand management through charge-back

**Risk**
- CapEx model
- Requires provisioning to the highest demand
- Release management/configuration control
- End-of-Life equipment costs

### Public Cloud

**Benefit**
- Economies of scale
- CapEx to OpEx investment model
- On demand/pay per use efficiency
- Transparent infrastructure version updates

**Risk**
- Security and compliance
- Vendor Lock-in
- Cost overruns
- Redesign costs for migration

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## Market snapshot

*As of Oct 2016

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*As of Oct 2016
Discuss…

- How do you manage demand across your enterprise?
- How do you know your consumption roadmap for cloud?
- Have you identified use cases where DIY is appropriate?
- How have you managed the risks of cloud utilization?
Consumption model / use cases

To IT
(Provider Model)

Risk $$$$  
• Production / mission critical  
• Enterprise enabling  
• High risk data  

Thru IT
(Broker Model)

Risk $  
• Maximize speed to market  
• Leverage enterprise spend (discounts)  
• Manageable risk data  

Around IT
(DIY Model)

Risk $$  
• Early innovation  
• Pre-production  
• Low risk data  

Prod  

Dev / Prod  

Dev
Key negotiation points for cloud contracts

- **General**
  - Indemnification
  - Limitation of Liability
  - Confidentiality and Data Privacy
  - Notice
  - Use of Subcontractors

- **Quality of Service**
  - Backup
  - Security
  - Availability
  - Network Response Time

- **Commercial**
  - Renewals and Termination
  - Termination for Convenience
  - Pricing
  - SLAs

- **Exit**
  - Data Retrieval at Contract End
  - Post-Termination Assistance
Discuss...

- Q&A
Thank you!

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About the presenters...

**Paul Becker** is responsible for IT Infrastructure Architecture strategy at Boeing. Sourcing support for RFx sourcing development and negotiation on ITI contracts. Implemented governance strategy for a sourced international vendor center. Certified trainer of sourcing, procurement, and governance. Supported contract change management, negotiations, governance and operations for large multi-national companies Delloite & Touché and Verizon Communications.

**Lawrence Kane** is responsible for Strategic Sourcing Functional Excellence in IT. A Boeing Designated Expert in IT Sourcing, member of the SIG University Advisory Board, and member of the IAOP Training & Certification Committee, he advances thought leadership in strategic sourcing, benchmarking, and supplier innovation as a frequent speaker at industry conferences. He has saved his company more than $2.3B by architecting sourcing strategies, designing full sourcing lifecycle management processes and tools, conducting procurements, negotiating with suppliers, and benchmarking resultant contracts. He is also the best-selling author of 17 books.
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