

Oliver Schreiber, itelligence

Bringing clarity to the cloud



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For a majority of companies, IT is a mission-critical resource and is frequently outsourced to professional service providers. This outsourcing is designed to save money but many billing models for IT services are non-transparent and difficult to assess. Help is at hand in the form of the latest IT buzzword: Cloud Computing. Its proponents are promising lower cost levels, greater flexibility, increased scalability of use and transparency.

However: Is company data actually secure in the cloud? Oliver Schreiber is responsible for the global SAP outsourcing business at itelligence AG, one of the largest resellers and consulting partners of SAP AG worldwide. As an SAP Global Partner, itelligence offers its customers hosting as well as outsourcing solutions for running their SAP applications. Schreiber understands how companies benefit from cloud computing without having to sacrifice security. Cloud computing is currently THE technology trend.

What are the benefits of this technology?

Oliver Schreiber: One important aspect is the ability of infrastructure clouds to deploy centralized computing capacities more flexibly and efficiently. Computing resources are scaled according to demand and are billed on the basis of performance. The technological driver and the basis of cloud computing are state-of-the-art virtualization technologies which enable multiple systems and applications to be run “virtually” on a single physical server. This results in significantly improved hardware utilization of servers and storage facilities. And the end result? Substantially lower costs. In addition, it streamlines the management of data centers and guarantees high availability.

Despite the enthusiasm for the new technology, it is also the subject of increasingly vocal criticism. This relates primarily to security aspects.

Oliver Schreiber: Indeed there are risks associated with outsourcing mission-critical data to a common infrastructure shared with large numbers of other unknown users. For this reason, we see enormous potential in “Private Clouds”, that is, infrastructure clouds that are operated either within a company’s data center or by a service provider as a “Provider Cloud” for multiple customers. Privacy guidelines worldwide vary to a considerable degree and can nowadays be guaranteed at most at national level. For this reason, many of our customers want their data to be kept in Germany, the EU or, if necessary, in the US. This is why we provide a guarantee regarding the location of the data center, data security and data access.



Companies that rely on public clouds, that is, infrastructures in which it is unclear where the individual components are physically operated, could certainly end up in “un-secure” countries. They may then run the risk of failing to comply with regulations specified by authorities or auditors.

Are there other critical aspects?

Oliver Schreiber: Public clouds offer flexible and cost-effective standardized server and storage capacities, but with only limited supplementary services. In this regard, this capacity is not suitable for use with all applications. Furthermore, there are generally no guarantees regarding the availability of the application or response times.

It is often unclear what happens in the event of data losses or system crashes, as application-specific backups or restore procedures cannot normally be provided. In the SAP environment, it is therefore acceptable to use the public cloud as a test platform and “playground”.

However, we would still not recommend running productive SAP systems for security reasons.

How can one avoid the risks of cloud computing while availing of the benefits?

Oliver Schreiber: By combining the benefits of cloud computing with those of conventional hosting. With our “SAP Enabled Cloud” approach, for example, we offer a cloud-based operating concept for SAP solutions that is based on technology incorporated in a provider cloud hosted by us. Our customers profit from a flexible and scalable IT infrastructure. At the same time, we guarantee availability, response time and security in our capacity as the service provider. You could say: We bring clarity to the cloud.

To what extent do cloud solutions also impact on cost and billing models?

Oliver Schreiber: On the one hand, costs on the supplier side are reduced: Thanks to the virtualization of systems and the flexible use of capacities, hardware is simply better utilized. Naturally, lower operator costs are also of benefit to customers. However, more flexible deployment of IT services also makes it easier to plan in accordance with demand and to fix more realistic charges, for example. Requirements can be quickly and efficiently adjusted. Our preference is for the ‘pay what you need’ principle as opposed to subsequent settlement based on the ‘pay what you use(d)’ model. This ensures that there are no nasty surprises when it comes to IT costs.

What must companies wishing to outsource their IT structure and software to the cloud look out for?

Oliver Schreiber: The first step is to carry out a comprehensive analysis of requirements, which also includes the company's internal application know-how. For example, if SAP applications are to be outsourced, SAP itself acts as a contact partner – SAP certifies individual

partners as SAP hosting partners or, more recently, as SAP-certified Providers of Cloud Services. Service provider certification according to ISO 20000 for IT service management and ISO 27001 for data security also offer peace of mind. References from other customers are useful. How satisfied are they with the flexibility and the service, are costs under control and manageable? Anyone contemplating outsourcing should also pay heed to transparent and comprehensible billing models in which the Total Cost of Ownership (TCO) can be defined in advance and remains that way.

Outlook: What's your view of the market for cloud applications in the business environment?

Oliver Schreiber: Specifically in the SAP segment, we're seeing a large number of new web-operated applications based on the SaaS principle coming to market. SAP's SAP Business ByDesign software, for example, already offers outstanding usability and performance and provides partners such as itelligence with the basis on which to develop their own apps. In general, we expect the new applications in the SaaS sphere to be accompanied by a further reduction in the TCO of operating centralized applications such as SAP – along with greater flexibility and high levels of security. As a result, migrations between data centers and the use of disaster recovery scenarios to safeguard systems will be easier and more cost-effective.

itelligence SAP Enabled Cloud

