Contents

Preface xv
Acknowledgments xxi

CHAPTER 1 A Cloudy Forecast 1
Clounds Everywhere 2
Cashing In on the Cloud 6
Beyond Business 8
Clarifying the Cloud 11
Farther On 12
Summary 13
Notes 13

CHAPTER 2 Does the Cloud Matter? 17
Productivity Paradox 19
Competitiveness Confrontation 21
Summary 26
Notes 26

CHAPTER 3 Cloud Strategy 29
Insanity or Inevitability? 30
Democratization of IT 31
Industrialization of IT 32
Strategy 33
The Cloud: More than IT 35
The Networked Organization 38
Form Follows Function, IT Follows Form 41
Aligning Cloud with Strategy 42
Everyware, Anywhere 42
CHAPTER 4
Challenging Convention
What Is the Cloud? 50
Economies of Scale 50
Competitive Advantage and Customer Value 52
Cloud Ecosystem Dynamics 55
IT Spend 58
Issues with the Cloud 59
Summary 61
Notes 61

CHAPTER 5
What Is a Cloud?
Defining the Cloud 64
On-Demand Resources 66
Utility Pricing 67
Common Infrastructure 68
Location Independence 69
Online Accessibility 70
Difference from Traditional Purchase and Ownership 70
Cloud Criteria and Implications 72
Is the Cloud New or a New Buzzword? 73
Summary 75
Notes 76

CHAPTER 6
Strategy and Value
Access to Competencies 77
Availability 79
Capacity 79
Comparative Advantage and Core versus Context 80
Unit Cost 80
Delivered Cost 80
Total Solution Cost 82
Opportunity Cost and Cost Avoidance 83
Agility 83
Time Compression 84
Margin Expansion 85
Customer and User Experience and Loyalty 86
CHAPTER 19  Location, Location, Location  255
  Latency and Distance  255
  Circle Covering and Circle Packing  257
  Inverse Square Root Law  258
  Spherical Caps and the Tammes Problem  260
  Summary  263
  Notes  263

CHAPTER 20  Dispersion Dilemma  265
  Strategies for Response Time Reduction  266
  Consolidation versus Dispersion  268
  Trade-offs between Consolidation and Dispersion  269
  Benefits of Consolidation  270
  Benefits of Dispersion  271
  The Network Is the Computer  272
  Summary  274
  Notes  274

CHAPTER 21  Platform and Software Services  277
  Infrastructure as a Service Benefit  279
  Paying on Actuals versus Forecasts  280
  Installation  280
  Investment  281
  Updates  281
  Service-Level Agreements  281
  Continuously Earned Trust  282
  Visibility and Transparency  282
  Big Data and Computing Power  283
  Ubiquitous Access  283
  Response Time and Availability  284
  Multitenancy, Shared Data  284
  Cloud-Centric Applications  284
  Scalability  285
  Communities and Markets  285
  Lock-in  285
  Security and Compliance  286
  PaaS: Assembly versus Fabrication  287
  Innovation and Democratization  287
  Deconstructing the Pure SaaS Model  288
CHAPTER 25  What’s Next for Cloud?  329

Pricing  329
Ecosystems, Intermediaries, and the Intercloud  332
Products versus Services  336
Consolidation and Concentration  336
City in the Clouds  338
Spending More while Paying Less  339
Enabling Vendor Strategies  340
Standards, APIs, Certification, and Rating Agencies  344
Commoditization or Innovation?  345
Notes  349

About the Author  353
About the Web Site  355
Index  357