



# The Real Distinction Lies Beyond the Cloud

## ENTERPRISES MUST ADDRESS TWO SETS OF ISSUES TO TAP FULL POTENTIAL

The pivot from premises-based IT systems to the Cloud has created significant opportunities for many enterprises, as well as some serious challenges. Companies of all sizes—and their counterparts among healthcare and educational institutions, government agencies, NGOs and nonprofit organizations—want to take full advantage of the power of Cloud-based systems and applications. So far, some enterprises have successfully adopted a Cloud strategy. But many others are wrestling with the realization that the Cloud is not quite as plug-and-play as it is sometimes portrayed.

As Huron and others have pointed out, moving to the Cloud today requires careful planning and expertise. Technology integration is not yet where it needs to be, and hybrid environments are the norm. More often than not, today's solution is a mixture of Cloud and on-premises systems. However, with expert planning and management, the migration can be successful and yield the desired result: an enterprise-wide system that is ready to serve current and future needs.

So what has to happen for an enterprise (be it a company, healthcare organization, university, or other institution) to move beyond the pivot point to the full potential of a Cloud-based environment?

**In our experience, there are two major sets of issues that must be addressed:**

### 1. Integrated Approach

First, a successful Cloud strategy requires that an enterprise be fully prepared to take a well-crafted, fully integrated and high-quality approach to getting to there from here.

The initial stages of this effort are relatively simple: Identify the resources and develop the plan to make the migration over time. But, as with so many plans, the devil is in the details. In this case, the plan must include answers to these questions:

- How do we integrate disparate systems into one enterprise system?
- How do we organize enterprise information to work across the systems that reside on premises and in the Cloud?
- How do we fully realize the potential of EPM, analytics, business intelligence, Big Data, HR and CRM with applications that are customized to the enterprise's needs?

- How do we make sure that the migration plan fits with our standards of project management and our benchmarks of quality?

The magnitude of the process can seem daunting, especially for smaller companies, but in reality the migration strategy can consist of a manageable number of smaller, faster projects that can be brought together as a whole over time. Vertical industry expertise can be tremendously helpful and a short-cut to building out an integrated model. However, these projects need to be part of a whole, and in our experience they must be driven by two guideposts: integration and quality. Some companies and institutions are comfortable with a rapid transition to the Cloud, but many others believe it is important to have checks, balances and mile-markers in place to ensure that the project is being carried out to organizational standards of integration and quality. Working with a partner that can help to balance—and effectively guide—the process to those standards is essential to success.

## 2. The Role of the C-Suite

The second, and deeper-reaching, set of issues involves the leadership roles that the C-Suite—particularly the offices of the CFO and the CIO—need to play in guiding the organizations' transition. The Cloud gives the office of the CIO an opportunity to think differently about how systems and strategy need to work in tandem. There is also the opportunity to break down historical biases on systems and strategies, as well as the barriers and silos that have traditionally separated “staff” from line” functions.

Cloud-based systems and data also have profound implications for the office of the CFO. Until recently, EPM and analytics have been used in accounting and reporting environments primarily as a means of identifying ways to identify, control and cut costs. Now, advanced analytics can become more integral to the dialogue. By bringing other functions closer to the strategic plan, these analytics can now be used to analyze ways of boosting revenue, enter new segments, and create new product strategy. CFOs and their teams can—and must—become partners with the entire enterprise.

## Developing New Skills

Organizations need to be asking themselves what skills are necessary—in the C-Suite and throughout the organization—to maximize the value of the data in the Cloud? How can companies and institutions organize and staff themselves to take full advantage of the rich and deeply insightful information that can come from an integrated Cloud system?

In our view, the way forward requires business people who are data savvy individuals—“fluent” in both data modeling and statistics. It will also require a very different mindset from that which is currently taught in business schools. Simply put, building and navigating spreadsheets will not be a sufficient skillset in the year 2020. The Board of Directors and the office of the CEO must assure that the company is making the correct external resource and internal hiring decisions as it moves forward in the evolutionary data-rich, Cloud-based environment.

There are numerous examples that illustrate how companies can overcome the integration and organizational barriers to maximizing the value of Cloud-based systems and data. Many organizations are recognizing how they can use data as an asset of the enterprise, if they can effectively move it out from behind the walls of silos... a “feat” that an approach focused on integration and quality can facilitate and accomplish quite easily. But this pivot point has to be viewed realistically and managed properly in order to live up to its promise. Organizations need to make certain that they have the right internal and external resources to bring it to fruition.

In the foreseeable future, enterprise information—regardless of where it “lives”—will make quantum leaps forward to providing ubiquitous and realtime information throughout organizations. Adept enterprises should be moving with realism and determination to address the key issues that will allow them to rise above the current conundrums of the pivot to the Cloud and embrace its full potential.

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