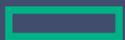




How to Keep in Control of Your Data and Systems in the Cloud



Hewlett Packard
Enterprise

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Introduction

Increased cost efficiency, time savings, user-friendliness, or scalability: The reasons for a Cloud migration for IT service companies are manifold. However, with the increased use of Cloud solutions, concerns regarding control over the systems in the Cloud Infrastructure and over migrated data have arisen. As a result, many IT service providers are unsure who controls, secures, and protects systems and data in a Cloud Infrastructure.



“The migration of entire IT environments and sensitive data to the Cloud is certainly associated with risks and challenges. However, our years of experience with Cloud Infrastructure solutions demonstrate that **with the right security measures, IT service providers can significantly reduce the risk of control and data loss.**”

Ueli Schwegler, Director of Cloud Infrastructure at Xelon

In this whitepaper, Xelon’s experienced Cloud experts explain how IT service companies can maintain control and sovereignty over their data and systems with a cloud solution powered by HPE.

How IT Service Companies Benefit from a Cloud Migration

Cloud solutions are playing a more important role than ever in the IT service sector. In numerous surveys, IT decision makers and market research firms such as Gartner or the publication “Towards Data Science” have named the Cloud as the undisputed leader among technology trends.

Swiss IT service companies are also increasingly adopting Private, Public, or Hybrid Clouds. Below you can find an overview of the major advantages of Cloud migration for IT service providers.



Cost efficiency

Instead of hoarding computing power with your own bare-metal servers and having limited room for expansion, the Cloud enables the creation and operation of a tailored IT environment. **With a scalable Cloud Infrastructure, you can expand your service portfolio without significant investment costs** and implement change requests by your customers in no time. Public Cloud solutions are often offered in attractive pay-as-you-go models.



Maximum data security

In IT disasters such as cyberattacks, major fires, or floods, **your customers do not lose valuable data** because it is stored externally.





Better customer relations

Reselling Cloud services ensures recurring revenue as these services are often provided on a monthly basis. Additionally, customer loyalty is improved as IT service providers can **offer a wider range of options and collaborate with customers to design individual solutions.**



Increased market share

Depending on the customer's goals, budget, and innovation potential, Cloud resellers can engage in **up-selling or cross-selling**, thereby expanding their market share.



Increased market share

As mentioned above, with Cloud solutions, there is no need to set up your own hardware. Thus, the IT service provider is no longer responsible for hardware procurement, regular hardware updates, and maintaining ideal conditions for server rooms.



Scalability

According to the consulting firm Accenture, Cloud technology enables companies of all sizes to “quickly scale and adapt, accelerate innovation, drive agility, streamline processes, and reduce costs.” Growing businesses, in particular, benefit from the **option to adapt their IT environment quickly.** Reasons for this may include new customers, additional projects, or hiring new team members. Cloud services allow IT service providers to expand IT infrastructures with a click and implement changes flexibly.





Creating an attractive work environment

Agile teams require a flexible and stable IT infrastructure. Access to applications must be possible from anywhere in the world and with multiple devices. **The Cloud is always available, providing IT talents with the ideal working environment.** In recent years, IT infrastructure has become a significant factor in workspace design and employee retention.



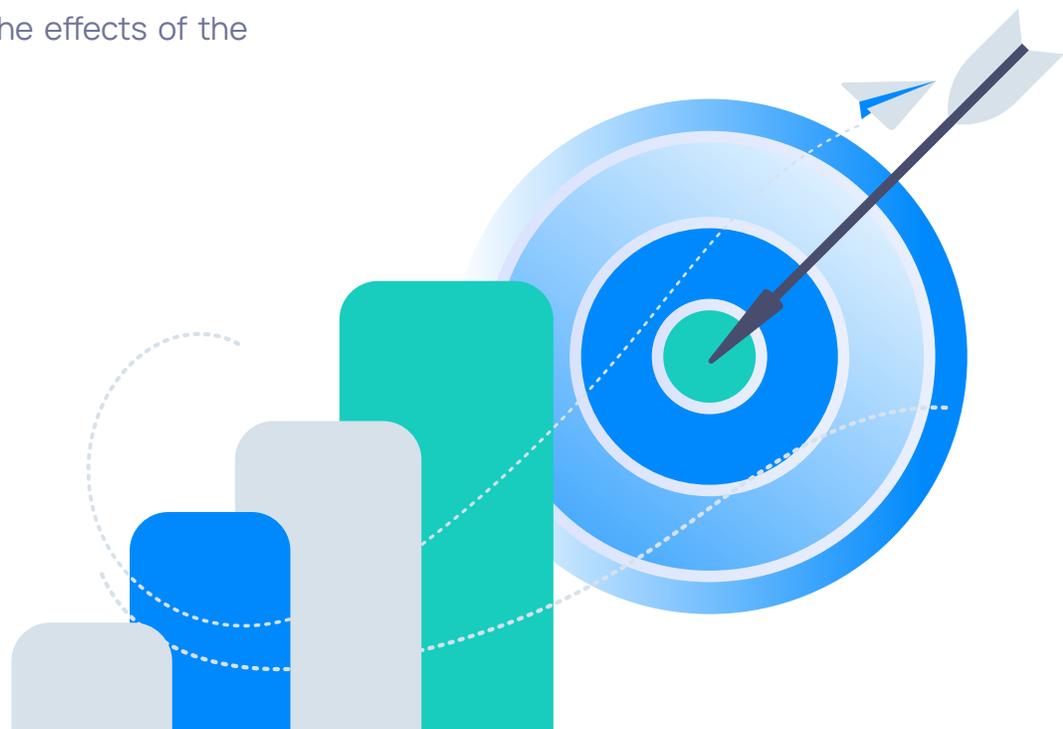
Mitigating the ongoing ICT skills shortage

The shortage of skilled personnel in the ICT sector persists. By outsourcing hardware and IT infrastructure management to reliable Cloud Infrastructure Providers, IT service companies can mitigate the effects of the skills shortage.



Increased focus

Instead of performing routine tasks with high automation potential, **IT service providers can focus on core business activities** thanks to collaboration with a trusted Cloud Infrastructure Provider.



Afraid to lose control? These are the main concerns IT service providers have before moving to the Cloud

At Xelon, when planning Cloud migrations for IT service providers, we regularly encounter the following questions regarding control over Cloud Infrastructures:

- Who controls and approves the creation of servers now?
- Who is responsible for the delivered performance and who authorizes the billing?
- If someone creates a server in a customer's system or adds more CPU or disk space to a server in a customer's tenant: Who ensures that this is billed to the customer?
- How can we ensure that the internal processes are accurate, so that the correct invoice is generated at the end of the month?

According to Swiss Cloud pioneer and Xelon founder Michael Dudli, there are three challenges related to control in the Cloud, which we have summarized below.

1

Point 1 revolves around the **issue of trust**, or rather, the establishment of trust, which must naturally occur first. “As a customer, you are entrusting your data, a lot of valuable information, and critical operational systems to an external partner. It is essential that you can trust your Cloud Infrastructure Provider,” explains Michael Dudli.

2

Point 2 concerns costs. “Many IT service companies still have not entirely understood how billing works in the Cloud. They are, for example, wondering how the hourly billing works, with consumption-based pricing, and so on. There is still considerable uncertainty in this regard.”

3

Point 3 is the **loss of control in terms of service ownership**. In Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) models, IT service providers delegate responsibility for the hardware and virtualization layers. These layers are managed by the Cloud Infrastructure Provider when using IaaS and PaaS, with all the advantages and disadvantages. “A disadvantage is certainly the loss of control. You can no longer control every cable. On the other hand, an advantage is that you don’t have to control every cable and install hard disks. When encountering service ownership for the first time, many Swiss IT service providers are not fully aware of what this means in practice. It is sometimes unclear what they can expect and how things will ultimately change for them and their team,” says Michael.



“I believe that **these three hurdles must be overcome to start a successful Cloud project**. Our experience with hundreds of customers and more extensive studies show that a Cloud migration brings efficiency improvements, increased speed, enhanced security, and easier scalability to the IT infrastructure.”

Michael Dudli, Founder and CEO of Xelon

What to consider when choosing a Cloud Infrastructure Provider to ensure maximum data security

Data is often referred to as the most valuable currency of the digital era. It allows companies to deepen customer relationships and increase market share. Data is ubiquitous, and it is assumed that the volume of data will grow exponentially in the future.

At the same time, **hacker attacks and data theft** regularly make headlines. Cyberattacks can incur costs in the millions and cause irreparable reputational damage. Companies must guarantee the security of all stored personal data, including employee and customer data. If data is compromised (accidentally or intentionally) and it is revealed after a cyberattack or data breach that the affected company had not taken suitable security measures, fines and sanctions are imminent. Many companies take years to recover from the consequences of hacker attacks or data theft, and for some it even leads to their downfall.

“IT service providers are aware that data privacy, compliance, and cybersecurity can make or break success. That is why, before choosing a Cloud Infrastructure Provider, they should inquire about data security measures.”

Ivan Fischer, Head of Sales at Xelon



Here is a list of what you should consider in terms of data security when choosing a Cloud Infrastructure Provider.

Data Location in Switzerland

The location of data centers plays a crucial role. In times of data breaches and hacker attacks, most companies, as well as their end customers, want to know where their data is stored. Cloud Infrastructure Providers based in Switzerland must adhere to Swiss data protection laws and can thus guarantee the highest data security standards for IT service companies.

Cybersecurity and Backups by the Cloud Infrastructure Provider

When partnering with an IT Infrastructure Provider, the external partner typically takes care of the security of your IT environment. **With a Cloud-based infrastructure located in Swiss data centers, you no longer need to worry about cybersecurity and protection against hacker attacks.** In addition to integrated security programs, packages from Cloud Infrastructure Providers often include **automatic backups, disaster recovery, business continuity, and IT emergency planning.** The external partner also takes responsibility for software and hardware, regularly conducts system patching to minimize security risks, and ensures the functioning of systems.



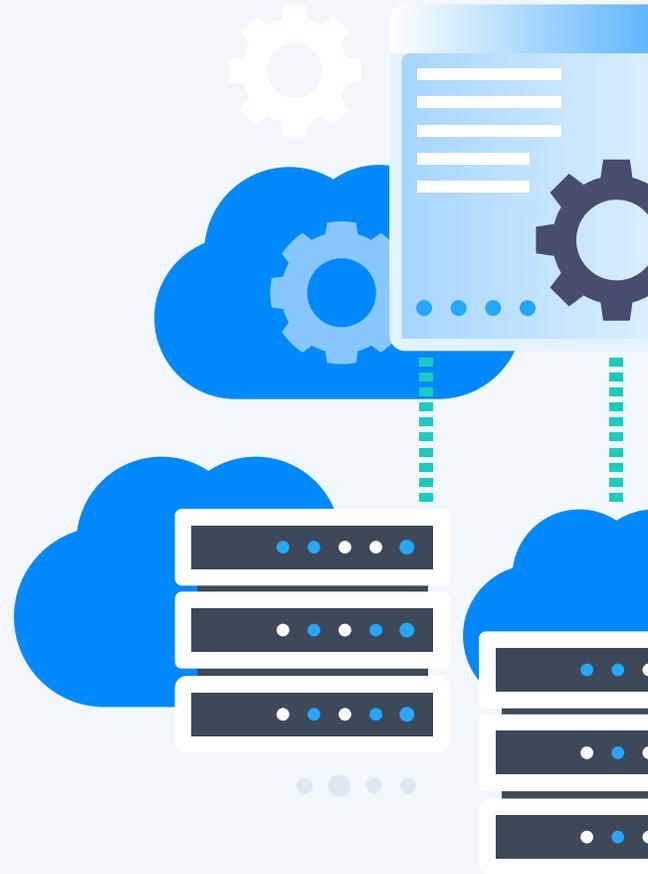
Many Cloud hyperscalers like Amazon or Microsoft are headquartered in the United States, where access to company data is practiced under the Patriot Act without judicial oversight. This is not allowed in Switzerland. **We, therefore, recommend collaborating with a Swiss Cloud Infrastructure Provider for maximum data security.**

Response to Problems

An important factor in choosing a Cloud Infrastructure Provider is how they handle problems. What are the average response times? Is there an option for on-site personal support? What is the emergency response plan? Do you feel taken seriously and understood? With a local provider, customers are not just numbers. **If an issue arises, your personal point of contact at the Cloud Infrastructure Provider can respond quickly and offer support.**

Thorough Preparation for the Cloud Migration

In the initial phase of a Cloud migration, the Cloud Architects of the Cloud Infrastructure Provider should work with you to **determine which type of Cloud makes sense for your company based on your requirements.** Define which data and systems should be moved to the selected Cloud solution.



“With the right preparation, **entire IT infrastructures can be moved to the Cloud of your choice in a matter of days**, without causing extended work interruptions. We have assisted hundreds of IT teams in transitioning to the Cloud and know that close support during migrations is crucial.”

Lars Nestler, Platform Support Specialist at Xelon

How to avoid cost overruns in the Cloud

In addition to data security, the issue of costs in Cloud Infrastructures raises questions for many IT service providers. Who is authorized to create servers on the Cloud Platform? Where does the primary responsibility for managing the costs of the Cloud Infrastructure lie? And how are services billed to end customers? In the next paragraphs, you can read about how to address the most common challenges associated with cost management in the Cloud.

Ask yourselves the questions below to prevent a cost overrun in the Cloud.

→ Control

As a system administrator, whether with a hyperscaler like Azure or a local provider like Xelon, you can set up a server in the portal. In contrast, with on-premises infrastructure, there used to be a hardware procurement process. Nowadays, for efficiency reasons, most IT service providers want system administrators to set up servers independently. This results to a certain degree in a **loss of control**. Who controls and approves how many servers are created for which customers?

→ Reporting

Another task that requires allocation of responsibilities is reporting. Who reviews the activities? Who authorizes the invoice at the end of the month? Who ultimately assumes the primary responsibility?

→ Billing

Cloud solutions are often offered in a pay-as-you-go payment model. This means that you only pay for services actually consumed. Invoicing should be closely linked to reporting. If someone creates a server in a customer's system or adds more CPU or more disks to a server in a customer's tenant – who ensures that this is billed to the customer? How can it be guaranteed that the internal process is accurate so that the correct invoice is generated for the customer at the end of the month?



Clarify in advance with your Cloud Infrastructure provider how billing works in the Cloud.

In the Cloud, it is essential to know how much CPU, RAM, and hard drive space is needed to make a comprehensive calculation for an entire project. According to our Cloud experts, this is often not a complex calculation, but it requires a **shift in thinking** compared to earlier times when hardware was simply ordered – often too much – and virtual machines were allocated as many resources as needed. This changes with the Cloud because you can save money through careful planning. Every saved gigabyte of RAM and every unused CPU core leads to lower costs.

“Additional tip: When comparing costs between on-premises infrastructures and a Cloud-based IT infrastructure, it is worth taking a close look. Costs for on-premises infrastructures are often underestimated.”

Ivan Fischer, Head of Sales at Xelon



Would you like to have the costs of a Cloud Infrastructure calculated for your company?
[Request a non-binding quote here.](#)



If you don't want an employee to create a server, then you don't have to grant that person that right. In this case, **clear processes and guidelines regarding user permissions** are advisable. This means that if a team member wants to create a server, the server should not be created directly, but an email trigger should be sent to the department head. As a result, the server can only be created after approval has been granted. Additionally, a notification is triggered so that, for example, the accounting department, department head, and the Head of Operations are informed that someone has created a server and can check if it is correct or not. **Managing user rights** is another important consideration in a Cloud migration. The larger the team, the more challenging it becomes to maintain control if access rights and responsibilities are not properly regulated.

Equally important as controlling access and permissions for your employees is the **billing of services to end customers**. If you create a server or add more CPU or RAM for a company, you must ensure that this is invoiced to avoid being stuck with these costs. This can be a manual process or an automatic report. It is also advisable to have an API integration that extracts costs directly. In practice, there are various approaches. Smaller IT service providers often use a manual process where they receive reports and then allocate and bill them to customers. Larger companies typically use an API integration to automate the process, minimizing potential sources of error.

Thank you for downloading our whitepaper about control in the Cloud!



Ueli Schwegler
Account Manager

[Please contact me on LinkedIn](#) or [write me an email](#)

so that we can schedule a conversation. I am looking forward to connecting with you!



As the Director of the Cloud Infrastructure Unit at Xelon, I understand the concerns of IT service providers. The issue of control often arises in customer discussions when it comes to moving an IT environment to the Cloud. As mentioned at the beginning, data and system migration do not come without risks. However, by choosing the right Cloud solution, these **risks can be minimized**. Depending on compliance and data protection requirements, budget, and available in-house expertise, our Cloud Architects design the appropriate Cloud solution for every scenario.

With a customized Private Cloud from our Swiss data centers, for example, you have **100% control over your IT infrastructure**, including data and costs. This allows you to execute projects with elevated compliance standards more easily and cost-effectively. With a scalable Public Cloud from Xelon, all your data, too, remains in Switzerland, and thanks to the pay-as-you-go billing model and transparent invoicing, you maintain control over costs. Hybrid Cloud solutions combine the best of both worlds, enabling tailored IT infrastructures with the desired level of control over systems, data, and costs.

I hope this whitepaper has addressed some of your concerns. I would be happy to demonstrate in a non-binding consultation how **Xelon's Cloud solutions can help you avoid a loss of control**.