

# Leveraging Hybrid IT Now to Power Digital Transformation

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## Executive Summary

Cloud is a dominant force in enterprise software today. Global market turbulence is forcing some companies to accelerate moving parts of IT to the cloud sooner than expected to adapt to new customer demands. For others, it is forcing a pause in transformation, making cloud projects occur over a longer time horizon than expected. Both scenarios create a hybrid IT environment — a pragmatic, smart strategy that will be prevalent for a long time as CIOs use it to reduce compute costs, manage data, provide a stable platform on which to innovate faster for competitive advantage, and power growth.

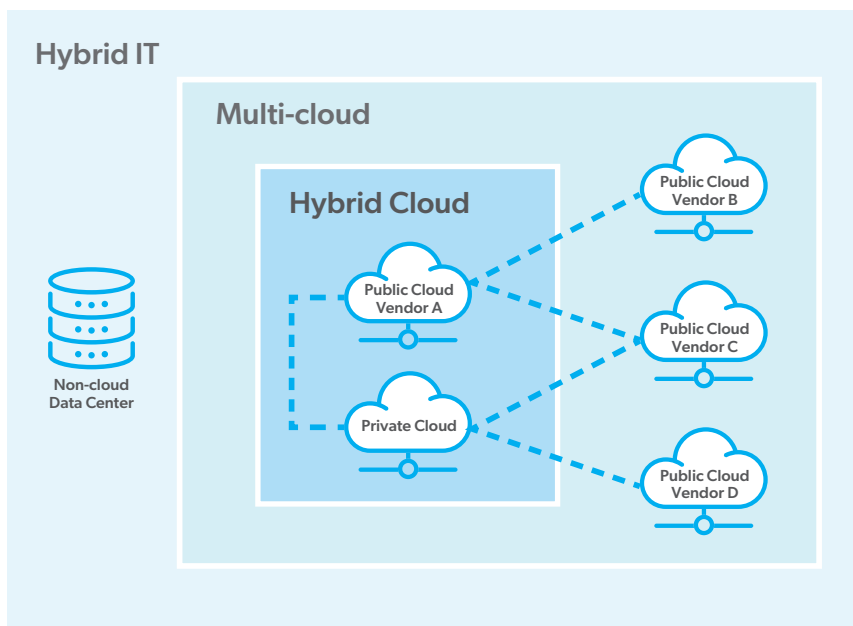
## Hybrid IT is Mainstream

What is hybrid IT? Hybrid IT is an IT environment containing a mix of cloud and noncloud hardware and software. It is the leading strategy that companies are using to selectively move data or workloads to cloud-based environments while retaining other technology in a noncloud environment.

The hybrid IT environment can contain a variety of hybrid operating models including multicloud (cloud services from multiple providers), hybrid cloud (public and private cloud), or some combination of both in addition to noncloud components (Figure 1). In fact, most companies already use more than one cloud provider.

A frequent scenario for many enterprises is running traditionally licensed software in their local data center (noncloud) in conjunction with new, modern SaaS cloud applications acquired from one or more vendors (cloud). In some cases, the licensed software (noncloud) may be “lifted and shifted” to a hyperscaled infrastructure-as-a-service (IaaS) provider such as AWS or Microsoft (cloud). Both scenarios are common hybrid IT configurations.

Figure 1. Hybrid IT Illustrated



*Interest in hybrid cloud computing is rising, as evidenced by a 15% growth in requests for hybrid cloud discussions from Gartner clients over the past three years.”*

Gartner: **“Distributed Cloud’ Fixes What ‘Hybrid Cloud’ Breaks”** 24 April 2020 - ID G00441616

<sup>1</sup>2018 Gartner Cloud Adoption and Usage Study cited in “Are You Ready for Multicloud and Intercloud Data Management?” ID G0037644

## Things to Expect During a Cloud Migration to a Hybrid Environment:

- Aligning with stakeholders on what's expected before and after the migration.
- An analysis of your existing applications. Here, your existing applications will be classified by complexity, dependencies, size, and whether they're production versus nonproduction.
- Mapping the migration sequence of your applications and data.
- Identifying what's required to make each application compatible with the cloud and whether there is a corresponding business case for a cloud transition.
- Prioritizing each application migration and its timeline. Here, you'll outline each application, the data being migrated, when it's migrated, or if it should be migrated at all.
- Developing a foundational hybrid IT infrastructure that facilitates integration across hybrid IT components and platforms.
- Testing each migrated application and associated data to validate content, accessibility, and performance.

Adapted from Velocity News  
["Comparing Your Cloud Migration Paths: Conventional vs. Accelerated"](#)

## Why Hybrid IT Matters



*A hybrid cloud strategy is simply more practical since it allows CIOs to adopt a value-driven approach to the technologies that best serve the organization. And that holds true for public or private clouds. Simply put, the hybrid approach offers most CIOs the best way to fully exploit what clouds have to offer.”<sup>2</sup>*

*- Khaled Assali, Vice President of Product Management, Tuangru*

Digital transformation does NOT require starting over with all new cloud-deployed applications and infrastructure. Hybrid IT solutions are a pragmatic reality for most companies — their noncloud solutions provide a foundation on which to execute their digital transformation roadmaps. Incremental transformation steps such as moving application development and testing workloads, disaster recovery capability, data warehouses, and massive amounts of data (as in IoT) to the cloud, or strategically investing in cloud SaaS applications, are all examples that result in a portfolio of cloud and noncloud environments — aka **hybrid IT**.

Given the significant amount of time, money, and man hours that companies have invested in their current IT environments — including significant customizations — it is difficult to justify abandoning solutions that are performing well as needed. Although some companies can simplify their compute needs enough through virtualization to make a full move to the cloud, most will have some technology (whether infrastructure or applications) that remains in a noncloud form — such as complex, business-critical applications.

Recent market changes have forced some companies to put cloud projects on hold. For others, the timelines for their cloud roadmaps have accelerated to adapt to new customer demands. Yet a paced migration approach is still necessary because existing solutions can't be replaced all at once, or it may not make business sense to replace them at all. For companies experiencing either scenario, a hybrid IT architecture model will prevail. The transition period will likely last for many years while cloud projects make incremental shifts to a company's portfolio of hardware and software. Hybrid IT will persist during the transitional years; for some it may exist indefinitely.

Another factor that is contributing to the duration of the hybrid IT scenario is a lack of functional parity in cloud products when compared to their noncloud counterparts. Many IT components (particularly highly complex, customized applications that require significant compute horsepower) don't have a 1-to-1 functional equivalent in the cloud. CIOs are choosing to virtualize their infrastructure and wait for cloud products to mature. As they wait (that is, sweat their existing assets), they are investing in cloud services that enable business priorities.

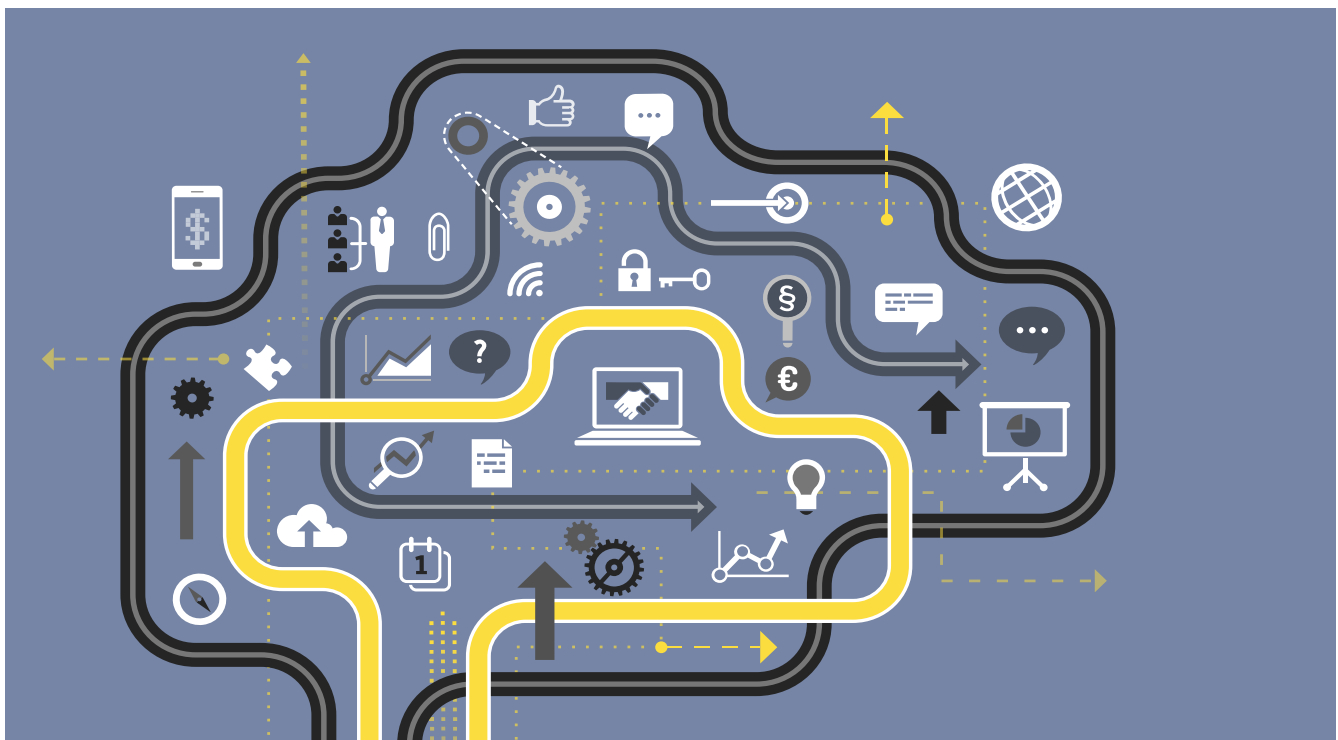
<sup>2</sup> IEEE Computer Society, ["Why Hybrid IT Makes Sense for Your Organization"](#)

## The Power of Hybrid IT and Cloud Computing

A hybrid IT model allows CIOs to focus on cloud investments that create differentiation, reduce costs, support innovation for competitive advantage, or power growth. In most cases, companies won't be throwing out all of their noncloud solutions any time soon (if at all), particularly where the solutions are working well, and/or moving them to the cloud won't improve the business. The opportunity cost of an expensive full-scale cloud migration across every ERP suite component in some cases can steal from innovation and position an organization behind its competitors who are focused on strategic, high-value investments that drive immediate business value. For example, most companies don't need to swap out their ERP systems for new Oracle or SAP SaaS products.

A hybrid IT environment lets noncloud hardware and software that is meeting business needs coexist with cloud services. Instead of moving nondifferentiating enterprise applications such as ERP to the cloud, keep them in a noncloud state. Use strategic cloud projects not just to enable, but accelerate, transformation through digital technologies. Examples of cloud options that can be leveraged in a hybrid IT environment include using Coupa for procure-to-pay, IOT to create digital connections with customers and vendors, low-code/no-code application platforms for professional and citizen development, and headless commerce.

A hybrid IT environment provides CIOs the flexibility to support wherever the business roadmap is going without forcing wholesale technology replacement. This helps reduce the costs of technology change, particularly if capabilities that change frequently (or need to scale quickly) are lifted out of the core ERP suite and moved to the cloud.



# Global Enterprises Embrace Hybrid IT as a Key Element of Their Support Experience

## Tempel Steel — Innovation Goal: Transform to a Data-Driven Company

Tempel Steel is the world's leading independent manufacturer of precision magnetic steel laminations for the automotive, motor, generator, transformer, and lighting industries. It was driven to innovate to compete in the burgeoning hybrid and electric vehicle (HEV) market sector. It needed to invest in cloud and analytics solutions that propelled innovation and growth. This included deploying electronic data interchange (EDI) for e-commerce, advanced database security, and a new SaaS human capital management (HCM) solution.

Budget constraints meant shifting resources from “keeping the lights on” to deploying cloud capabilities. Temple Steel's hybrid IT environment started with a decision to keep its Oracle ERP in a noncloud state and using independent, third-party support services to free up people and budget for innovation. Since implementing a hybrid IT model, it has balanced its cloud/noncloud focus by upgrading its noncloud Oracle database to 11g.



## Metropolitan Water Reclamation District — Innovation Goal: Completely Transform the IT Landscape

Tasked with revitalizing an aging and deeply entrenched IT environment, Metropolitan Water Reclamation District of Greater Chicago (MWRD) architected a strategy to completely transform the IT team and its impact on MWRD. The existing ERP solution — SAP Business Suite — remained internally deployed (noncloud), but support was pivoted to independent, third-party services in order to liberate 50% of the maintenance funds previously consumed by a huge annual commitment to SAP's support services.

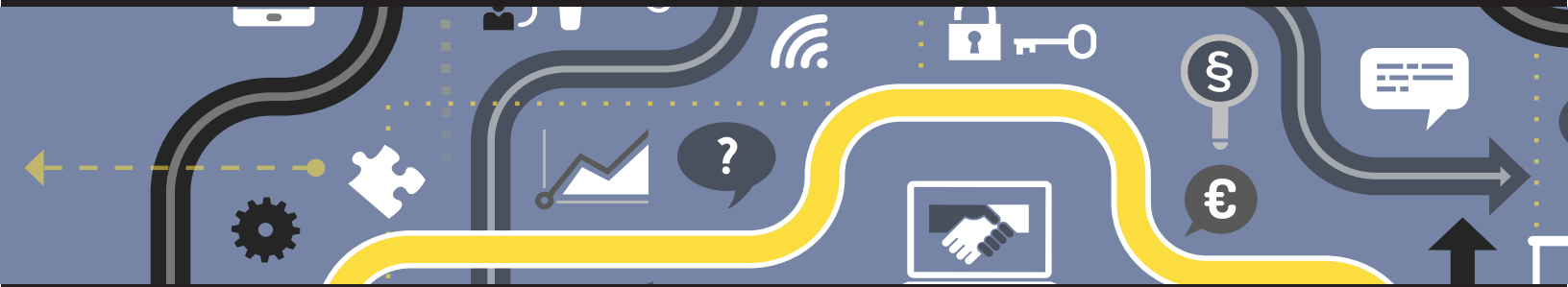
A portion of the reallocated budget was invested in a cloud-based information technology service management (ITSM) application — a system that formalized the design, delivery, and monitoring of MWRD's complete portfolio of IT services. This move to a hybrid IT environment has helped position MWRD as a role model for the utilities industry.



## Hybrid IT Is Real, It's Pragmatic, and It's a Smart Strategy

Hybrid IT has staying power that positions it as a long-term IT strategy. As companies use the cloud to help create differentiating capabilities, they shouldn't lose sight of the noncloud elements of their IT portfolio. A balance must be struck between investments in — and support of — cloud and noncloud capabilities. Allow business priorities such as cost management, innovation for competitive advantage, and growth to drive the makeup of the hybrid IT environment.

Learn more about hybrid IT and hybrid cloud options at:  
<https://www.riministreet.com/solutions/objective/migration-to-cloud/>



# Rimini Street<sup>®</sup>

## Worldwide Headquarters

3993 Howard Hughes Parkway, Suite 500

Las Vegas, NV 89169

Toll Free: 888-870-9692 | Main: 702-839-9671

Fax: 702-973-7491

info@riministreet.com [www.riministreet.com](http://www.riministreet.com)

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