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catch

5 reasons to move to the cloud

83% of enterprise workloads will be in the cloud by the end of 2020. Here's why yours should be one of them.

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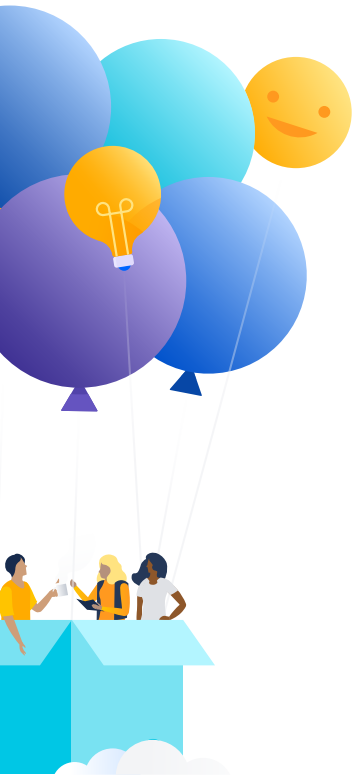
5 reasons to move to the cloud

By the end of 2020, experts predict that 83% of enterprise workloads will be in the cloud.

If you've been paying attention, you're probably not surprised. Cloud services are more secure, sustainable, agile, and cost-effective than ever before and companies are finding fewer reasons to stay on-premises (also known as 'on-prem'). In fact, 9 out of 10 new Atlassian customers choose cloud over on-prem–and even die-hard traditionalists are starting to make the move.

So, what's driving this mass move to the cloud–and why do experts think companies that haven't made the switch are already falling behind?

The answers lie with the top five reasons people make the switch. Cloud empowers businesses to:



1. **Scale faster and more affordably**
2. **Increase profits and lower costs**
3. **Improve speed and performance**
4. **Increase team productivity**
5. **Future-proof against competitive forces**

REASON #1

Scale (faster and more affordably) in the cloud

Search the term “scale your business” in Google and you’ll come up with almost two billion results.

The most surprising thing about that number is that it probably doesn’t actually surprise many of us. The topic is a popular one because no matter what size our businesses are today, most of us are planning to grow. We’d love nothing more than to serve more customers, solve more customer problems, and increase our profits along the way. We’d consider it a major win if our product use doubled overnight. And we all get a little starry-eyed when we hear a success story where companies exceed their goals by 200% or quadruple their team in a matter of months. Scaling is, for many of us, constantly top of mind.

But what most of us aren’t thinking about when we imagine that rapid growth – those overnight successes – is the one thing most likely to sink us if we grow too fast without it: **scalable technology**. Doubling product use sounds amazing, but if you don’t have the technology to support it, it’s a recipe for major incidents, unhappy customers, and stressed-out teams.

In other words, fast, smart, affordable scaling takes more than a spike in customer interest, more than great products and a culture primed for growth. It also requires systems that scale – in, out, up, and down – to meet the needs of your customers and teams, as soon as those needs arise.

If you want to grow without some major tech hiccups along the way, cloud technology makes scaling faster, smarter, and more affordable than on-prem servers – by a long shot.

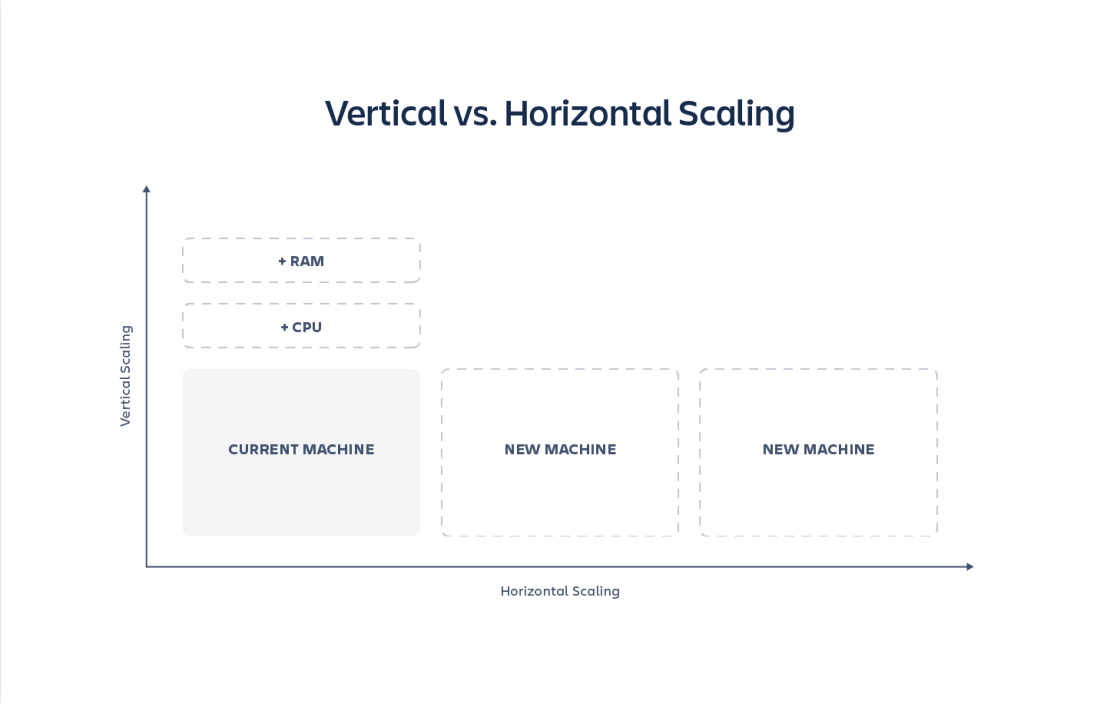
It all boils down to always having a flexible, responsive technology stack at your fingertips – no lengthy, expensive, manual upgrades required.

What is scalability?

Scalability is the availability of computing power, server space, and resources to grow (or shrink) with your business needs. If your computing power needs to increase, for instance, you want your server capacity to scale up to meet those needs. If your computing power needs to drop from 2 a.m. to 4 a.m. local time, you want your servers to scale down to use less resources (and cost you less money) during those slower hours.

Scaling in the cloud vs. scaling on-prem

Cloud is better for scalability because, **with on-premise installations, resources for scaling are finite**. If you need to keep systems running smoothly as your user base grows, your teams have to either add more computing power (CPU, RAM) to your existing machines (known as vertical scaling) or add more servers/machines (horizontal scaling).



The limitations of these physical resources mean that, for on-prem, both vertical and horizontal scaling are manual. Your IT department (with approval from management and procurement) needs to order servers and take machines offline to upgrade. They have to purchase and set up load balancers – tasked with balancing traffic across your servers to prevent overloads, slow-downs, and outages on a single server. The process can be slow and expensive, and it won't happen in an instant. You'll have to plan ahead.

On the other hand, **moving to the cloud lets you skip all of the manual steps of scaling on-prem**. Cloud systems can scale both vertically and horizontally, just like on-prem, but because the resources (additional computing power, servers, and machines) already exist, there's no lengthy, expensive approval and scaling process.

There's also no guesswork on cloud. With on-premise installations, your tech team is making its best guess as to how much computing power and how many servers you'll need. If they overestimate, you're paying for resources you don't use. If they underestimate, another long and costly manual upgrade with layers upon layers of internal approvals is in your future – potentially more than once. Not to mention that spikes in traffic will mean slow-downs, lost customers, or even major tech incidents, like the one that cost Facebook an estimated $90 million.

In many cloud solutions, scaling is automatic. If you're featured in WIRED Magazine and suddenly your product use doubles or triples overnight, your systems scale up to meet the demand. If, like Zoom, a global phenomenon turns you – in a matter of days – from a well-regarded business service into a household name, giving people access to everything from writing groups to weddings to grandma's bingo night, the cloud is already set up to handle that staggering 3,000% growth.

On the other side of the coin, if an unexpected event leaves you needing less computing power, the systems scale down, and you pay only for the power you need.

Don't want to scale automatically? Cloud offers other options.

Most enterprise companies choose to auto-scale in the cloud, letting systems scale up, down, in, or out based on real-time needs. But, of course, you can also choose a cloud system that gives you more manual control.

On-premise vs. cloud scaling options

Scaling on-prem

1. Need identified
2. Request additional resources
3. Decide whether horizontal or vertical scaling meets your needs
4. Calculate how many additional resources are needed
5. Approval process (may involve multiple teams, management + financial decision)
6. Approval
7. Purchase new resources
8. Install new resources

Possible downtime, cost avg. $5,600/minute

Automatic cloud scaling

1. Automatic (systems respond dynamically)

Manual cloud scaling*

1. Need identified
2. Request resources
3. Approval process
4. Contact vendor

Scheduled cloud scaling*

1. Plan ahead
2. Review historial/planned usage
3. Identify peak/low times
4. Establish plan with vendor

*Doesn't account for unplanned spikes or downturns in demand.

Manual scaling in the cloud is still simpler than manual scaling in an on-prem setup (the push of a button versus a lengthy process of requesting additional resources, scoping them, approving them, purchasing them, and installing them).

The downside to manual scaling (and the reason automatic options are sweeping the board) is that because it requires a human touch, it will cause delays when you unexpectedly need to scale quickly. It's also easy for the person responsible for scaling to forget to scale back down after increased demand, which means, once again, paying for resources you don't need.

Another cloud scaling option is **scheduled scaling**, which doesn't automatically grow or shrink with your needs, but can be set to increase during expected peak times and decrease during expected low points. This can work well if your needs are ruthlessly consistent, but still doesn't leave room for unexpected spikes and downturns.

To scale effectively in the cloud, you need the right technology. But you also need the right processes, teams, and company culture, which is why we devoted a whole guide to the challenges and best practices for rapid growth in the cloud.

Staying secure as you scale in the cloud

Ask on-prem businesses why they're hesitant to move to cloud, and the first answer you'll likely get is security. But here's the good news: **94% of businesses surveyed** said security got better for them **after moving to the cloud**. The fear around security risks is, survey says, solidly out of date.

How does the cloud keep you secure as you scale? The answer lies with rigorous security testing, disaster recovery plans, and encryption in transit and at rest, among other best practices. Not to mention that cloud secures systems at the individual user level, not just upon first entry into your system. This reduces the security risk of a fast-growing team by securing how people login, who has access to what, and when that access expires.

Good cloud systems also take a zero trust approach to security, which means security checks at every endpoint and for every user in the company.

The reason for a zero trust approach is simple: On-prem servers are typically protected by a company-wide VPN. If an attacker can get into the VPN, it's panic time, because now they have access to everything. Every system. Every tool. All your stored data. Similarly, if every user has access to the same level of security, an attacker only needs to hack one login to wreak havoc.

With cloud systems, instead of a single moat around your system, security takes the form of unique logins and frequent checkpoints where systems check identity and device credentials and act as security gates between each tool. Each tool is its own secure island and access to a single one doesn't automatically give access to the others. Each user login has its own permissions and doesn't grant access to every part of your systems.

This is how we make sure a vulnerability in one system or one login doesn't automatically endanger any other, which is probably why the vast majority of businesses experience improved security and peace of mind when they migrate to cloud.

Case study: VSCO

Does the fast, affordable scalability of cloud really make a difference? Ask VSCO's photography community and you'll get a resounding yes.

The company went from photography app to thriving subscription business with over two million users, seemingly in a single bound. And because they were dedicated to scaling fast and without service interruptions, they chose Atlassian Cloud to help them make their superman-style leap.

> **Ease of maintenance was the primary reason we migrated. We're a lean organization and we want to stay focused on delivering value to our two million members. It's hard to justify the time spent on internal tool upgrades when they don't directly contribute to our mission to help people fall in love with their creativity.**

As the power-user who led the charge to cloud, Sky Frostenson, Director of Technical Product Management, explains:

In other words, why use up your IT team's valuable time on server upgrades, load balancer purchases, and drawn-out approval processes that could be handled – and improved – by taking them off the IT team's plate altogether?

With Atlassian Cloud, Sky says, performance and uptime are solid. Scheduled service upgrades and downtime have all but disappeared. IT can focus its energy on strategic tasks instead of server upgrades. And Sky's team says the cloud UI feels cleaner and more flexible.

VSCO

Industry
Technology

Location
Oakland, CA

Company Size
Fewer than 500 employees

Products
Jira Software Cloud
Confluence Cloud
Jira Service Management Cloud
Trello

Marketplace Apps
Easy Agile Roadmaps for Jira
Zendesk Support for Jira

REASON #2

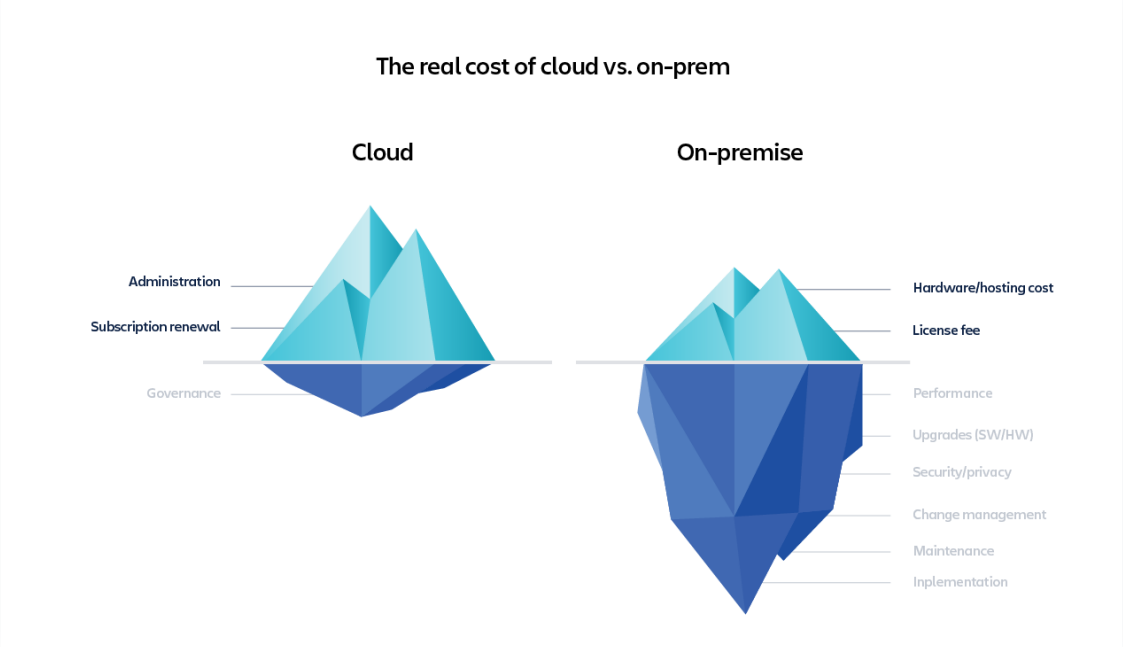
Increase profits (and reduce admin costs) in the cloud

Which is more expensive: hosting your tools on-premises (on-prem) or in the cloud? Ask a dozen people, and you'll get a dozen different answers. While businesses tend to treat it as a simple question, it's actually a rather complicated one.

If we're talking about the monthly subscription cost of cloud vs. software licensing, cloud typically looks more expensive. If we factor in the additional costs of migration from on-prem, cloud will almost always be a more expensive short-term investment. But when we look at long-term value, that's where on-prem starts to look less like the conservative choice and more like a consistent drain on your profits.

Why? Because, iceberg-like, the price tag of on-prem is mostly hidden, and bigger than you might think.

Systems downtime can cost three times as much as a year-long cloud subscription in a matter of minutes or hours. IT time and resources can be cut in half by a move off-prem. And that's not even factoring in operational expenditures and the cost of overprovisioning resources (which impacts the majority of on-prem companies).



In fact, right-sizing your servers by moving to the cloud brings in an average annual cost savings around 30%, according to a recent study of 35,000 servers. The cost of unused licensed software in the US and UK is a whopping $34 billion per year. And IT pros report an average of 20% overall cost savings after ditching on-prem, according to a study by Office 365.

So, **the real question here isn't what's cheaper – it's whether you're taking the long or the short view**. Are you comparing only the visible, up-front costs? Or looking at the big picture, factoring in the total cost of ownership – everything from IT time to server replacements? When you look past the tip of that iceberg, you'll find a long list of ways that cloud saves money in the long run. Here are five of the ways cloud can cut off that hidden iceberg of cost:

Reduce – or even eliminate – the cost of major incidents

The average amount a company spends on downtime is $5,600 per minute, according to 2014 research by Gartner. And since 2014, that estimate has only gone up, with more recent reports putting the figure somewhere around $9,000.

Of course, that's just an average – and some companies have a lot more to lose – like Facebook, whose 14-hour outage in 2019 lost them an estimated $90 million.

With on-prem, downtime falls squarely on the shoulders of your IT team, and it can you big in the form of line items ranging from revenue to internal productivity, SLA penalties, overtime, or on-call emergency pay.

This is one of the biggest opportunities for cost savings in the cloud. Instead of putting uptime on your team's plate and hoping your servers and systems can handle a major incident, you outsource those responsibilities to your cloud vendor. Atlassian, for example, guarantees 99.95% uptime, and if an incident does happen, we've got the resources in place to resolve it, quickly and without additional cost to you.

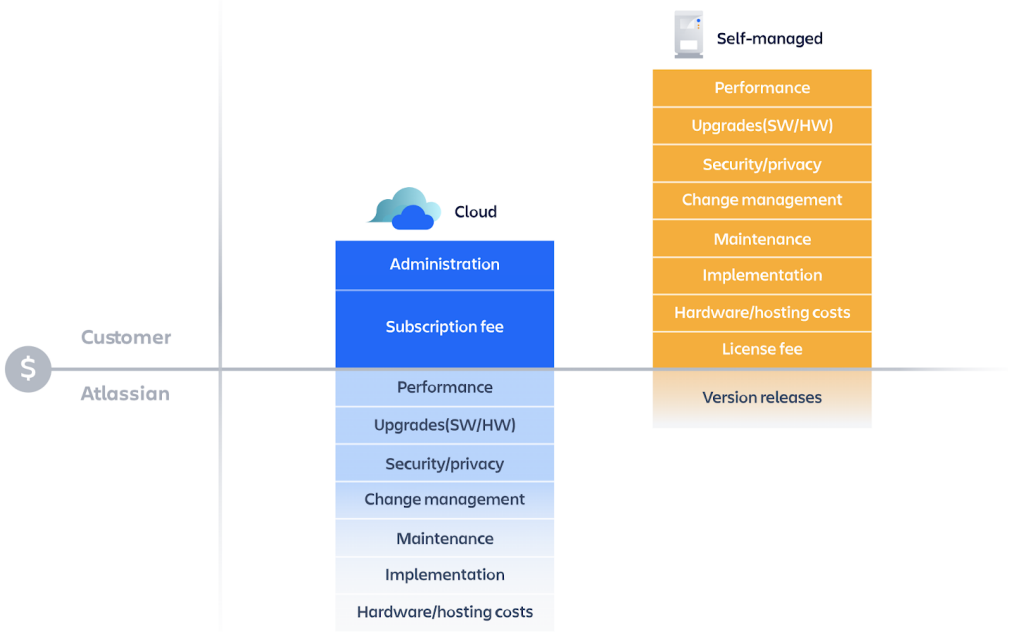
Contact your Atlassian Solution Partner today to learn more about responding, resolving and learning from major incidents.

Free up your IT team (because we all know time is money)

Make a list of all the things IT has to do to manage your on-prem servers and that list will get long fast. Performance upgrades. Scheduled upgrades. Security patches. Server replacements. VPN installations for remote access. Incident management. Change management. Manual integrations.

When you shift to the cloud, all those tasks fall squarely on the shoulders of your vendor. They're responsible for upgrading security and maintaining servers, replacing old technology with new, and regularly upgrading software to address feature requests and bugs.

Total cost of ownership:
comparing cloud and self-managed costs



This means your IT teams – who tend to be situated on the high end of the pay scale, by the way – are free to focus on strategic or urgent tasks instead of tedious ones. It's also why 74% of organizations say cloud gives their team a competitive advantage.

Reduce operational and physical costs

On-prem also comes with a lot of hidden operational and physical costs that simply aren't a factor with cloud. This includes:

Servers
With an average lifespan of 3-5 years, servers need to be regularly repaired and physically replaced.

Server support
Load balancers, climate control, server racks, replacement parts...in addition to the servers themselves, on-prem comes with some supporting hardware, parts, and physical assets that need to be purchased, maintained, and replaced at regular intervals.

Software renewal/licensing (and over-licensing)
Over-licensing costs US and UK companies as much as $34 billion per year, according to one study. To avoid this common pitfall, companies either need to keep rigorous track of who needs which software, or they need to move to the cloud, where the number of users can often be automatically tracked, updated, and viewed by admins.

Electric bills
If 80% of servers are overprovisioned, that means 80% of on-prem companies are using more energy than they need and paying higher energy bills than they otherwise would.

Real estate/space
Physical servers call for physical space, which means a move to the cloud can open up existing space for other uses or remove data center real estate from your budget entirely.

Maintenance
Server maintenance often calls for temporary staff or contractors, which is a line item you can ditch when you delegate that responsibility to your cloud vendor.

Asset management time/audits
The more assets your IT team has (including physical servers, load balancers, and parts as well as non-physical assets such as software licenses and databases), the more your asset management practice has to track. This means more time, resources, and mental overhead.

Reduce environmental costs

Most of us would love to be more environmentally friendly for no other reason than it's the right thing to do. But the additional good news is that when it comes to on-prem vs. cloud, the environmentally friendly option (cloud) is also the more affordable one.

The reason for this is, of course, that energy costs money. And using more of it than you need necessarily costs more. So when we say cloud is up to 98% more eco-friendly than on-prem, we're also saying it's cheaper.

Offload the cost of scaling

The vast majority of on-prem resources (80%) are overprovisioned, meaning companies are paying for far more computing power than they need. In those cases, a move to a cloud service that automatically scales resources up, down, in, and out saves these companies as much as 30% annually, according to research by TSO Logic.

The problem here is that, with on-prem hosting, your IT team makes an educated guess about how much computing power you'll need. If they guess too high, you're paying for resources – servers, load balancers, power – you don't need.

On the other hand, if the team guesses too low, a lengthy, costly manual scaling process is in your future. You'll need to add more servers or more computing power to meet demand – and that addition will require both money and manpower. Not to mention the weeks, if not months, of slow or unavailable services in the meantime, and the impact they could have on profits and customer loyalty. An incorrect guess in either direction, then, can have a major impact on your bottom line.

The solution here is to choose a cloud service with automatic scaling options. When usage spikes, your computing power grows to meet that demand. When usage slows, it scales down to save you money.

Calculating the cost of a cloud migration

The simplest way to calculate the return on any investment (including a move to the cloud) is this:

(Profit/gain from investment - investment) ÷ (investment) = ROI

So, for example, if you invest $50,000 in a migration from on-prem to cloud and you save or gain $50,000 per year after the migration, your equation would look like this over three years:

($150,000 - $50,000 = $100,000) ÷ ($50,000) = 2

In this example, your ROI over three years would be 2x (or 200%). In the first year, with that equation, you'd simply break even. In years two and three, though, you'd start to see real gains.

Now, sometimes it makes sense to do this calculation based on a year or two, but **most cloud savings grow over time**, since the up-front cost of a migration is a one-time expense and the savings on servers, software, IT, contractors, etc. are generally yearly savings. This means the ROI over time tends to chart up and to the right and understanding your true savings often means a calculation that spans multiple years.

In another example, if you invest $60,000 in a migration from on-prem to cloud and you save $45,000 per year in operating costs, your ROI in the first year will be negative (i.e. the one-time, upfront investment of migration cost more than you saved in year one). However, when expanded to a 3-year or 5-year model, the savings increase drastically.

In three years, you've more than broken even—and in year 5 you've almost tripled your investment.

Example

Calculating 1-year ROI

- Gain from migrating to cloud: $45,000 annual savings
- One-time migration investment: $60,000
- 1-year ROI: ($45,000 - $60,000 = -$15,000) / 60,000 = **-25% ROI**

Calculating 3-year ROI

- Gain from migrating to cloud: $45,000 annual savings x 3 years = $135,000
- One-time migration investment: $60,000
- 3-year ROI: ($135,000 - $60,000 = $75,000) / 60,000 = **125% ROI**

Calculating 5-year ROI

- Gain from migrating to cloud: $45,000 annual savings x 5 years = $225,000
- One-time migration investment: $60,000
- 5-year ROI: ($225,000 - $60,000 = $165,000) / 60,000 = **275% ROI**

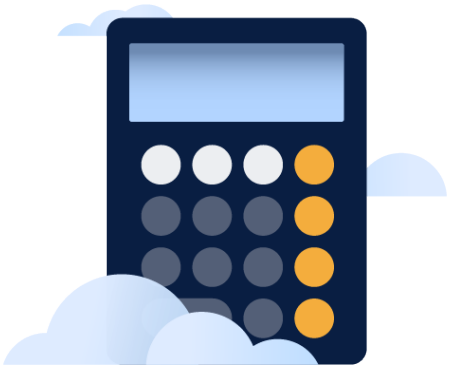
Organizations with a multi-year view of their technology investments tend to remain more competitive in the long-term and often see greater returns.

Calculating investment and gains

The tricky part of this equation is calculating the two numbers you need for your ROI. To understand your **initial investment** in migrating from on-prem to cloud, you'll need to add up the cost of professional services, internal resources, software licenses, data migration, cloud subscription, and any required re-training on cloud tools (if they differ from your on-prem tools).

Then, to calculate your **gains**, you'll need to add up savings on hardware, software licenses, energy, real estate/server rooms/data centers, maintenance (including both employee time and external contractors), asset management time, incident management time, change management time, security upgrades, feature upgrades, and IT team or reduced headcount.

More difficult to calculate before you make the switch – but still important – are the cost of downtime (even a reduction of one hour per year can save companies hundreds of thousands), performance gains, and time saved by non-technical teams who have faster access to new features that increase productivity, collaboration, and security.



Case study: Igloo Software

After a major outage that cost them three times as much as a Jira cloud subscription, Igloo Software decided to make the shift from on-prem to cloud. And that shift saved them big – not only on the cost of future major incidents, but also on admin time and scheduled downtime.

As their Senior Tools Admin James Seddon explains,

> **When we managed our own Jira server, every upgrade required at least two hours of downtime, and we had to schedule it after 8 PM, which meant a late night for me, the admin. Upgrades to Bamboo and Bitbucket, which we did separately, would also each take at least two hours.**

Another time-saver (and, therefore, cost saver) Seddon highlights is that users can configure features on their own–no admin assistance required. Since the switch, support tickets are down by a whopping 50% because users are empowered to do so much more of their own admin work.

IGLOO

Industry
Technology

Location
Ontario, Canada

Company Size
Fewer than 500 employees

Products
Jira Software Cloud
Confluence Cloud
Jira Service Management Cloud
Atlassian Access

REASON #3

Improve speed and performance in the cloud

42% of professionals say improving network performance is one of the top reasons to move to the cloud. And **the bigger your company, the more performance matters**. In fact, in companies with over 1,000 employees, 76% of leaders surveyed say they're adopting the cloud to improve the speed of IT service delivery.

How exactly does cloud make your business faster? There are six core reasons:

Better network performance

In 2019, network performance became the number one reason companies cited for moving to the cloud (up from #3 in 2018), according to a survey by INAP.

The reason for this shift might surprise you: customer retention. That's right, performance doesn't just impact your IT teams. If your systems don't perform, you're also likely to lose customers. And since retaining an existing customer is 5 – 25 times less expensive than getting a new one, network performance has a direct impact on the company's bottom line.

Uptime guarantees

Any cloud provider worth its salt will offer you an uptime guarantee (and the peace of mind that comes with knowing your systems will be available nearly 24-7).

Atlassian's Premium Cloud offering guarantees 99.9% uptime SLA and offers service credits if it has failed to be met. In our Cloud Enterprise plan, Atlassian increases that financial guarantee to 99.95%. Both plans include 24/7 support with response times in an hour or less.

> With Atlassian Cloud, I'm not waking up in the middle of the night because a node in the data center was down. That's a hugely positive aspect for me and my customers because I can ensure the best SLA possible.
>
> **LAURENT BORDIER**
> **Atlassian Admin, Lucid Motors**

Automatic performance upgrades

Automatic upgrades improve performance while also ensuring there's no lag time in getting to that better performance (since there's no manual upgrade process involved). This means you always have access to the best performing tools and never fall behind your competitors.

Faster product development and deployment

Another place cloud pulls ahead of on-prem hosting in the speed department is **continuous integration** (the practice of syncing developers' work throughout the day) and **continuous delivery** (deploying small software changes quickly and regularly).

CI and CD are best practices for both DevOps and Agile and have experienced widespread adoption among development teams. The primary benefit of CI is that it increases speed (and consistency) as your team prepares for deployment. The primary benefit of CD is that it gets changes to your users faster and in smaller batches that can be easily dialed back in case of an incident.

So, what does this have to do with moving to the cloud? Well, much like enabling remote work and distributed teams, while you can do CI or CD on-prem, cloud is generally faster and less complicated. After all, with cloud you have instant access to more computing power and more machines–which means you can run CI/CD tasks simultaneously. This can make these keystone practices significantly faster. Not to mention that most CI/CD software is cloud-based and integrates seamlessly with other cloud tools.

Automatic scaling and load-balancing

With on-prem hosting, computing power is always finite. You have a set number of servers, a set number of load balancers, and a set amount of power. This means that if your user base grows quickly or unexpectedly, your systems could slow to a crawl or–worse–go down altogether.

With automatic scaling in the cloud, computing power can scale up as high as it needs to in order to handle unexpected spikes in use. So, if your external user base quadruples overnight or you have to double your internal team size within a week to meet new demand, speed doesn't suffer.

Standardization

Some teams use a move to the cloud as a chance to streamline internal processes, embracing migration as an opportunity to improve speed and productivity both inside their tools and outside them–in process and culture.

Much like moving to a new house is often an opportunity to go through everything and get rid of things you don't need–like those shoes in the back of the closet that pinch your feet and that set of golf clubs you bought with every good intention and never used–a move to the cloud is a good excuse to take a good, long look at instances, workflows, documentation, team best practices, etc. and ask what is and isn't moving you toward your overall business goals.

Making the switch from on-prem to cloud

Overall, a move to the cloud is likely to improve performance, product development, and process speed. That said, **the one part of this process that isn't always fast is the migration process from on-prem to cloud**.

Don't know where to start with migration planning?

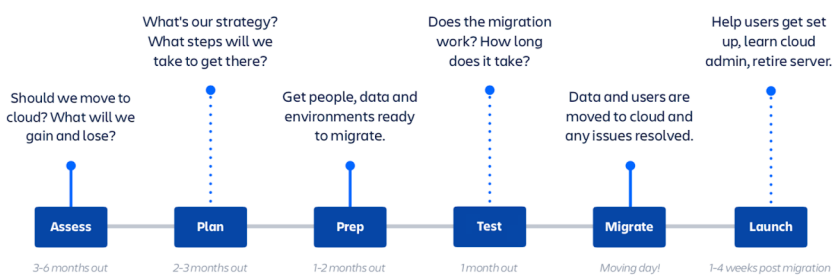
Whether you are looking to consult experts on the best path to migrate or figuring out how to consolidate instances or need custom APIs built - contact your Atlassian Solution Partner for help with migrating to the cloud.

There's a pervasive myth that the move itself is just like flipping a switch, but that's an oversimplification. The truth is that migrations take time and to do them well, you need a migration plan.

Migrating your assets to the cloud involves testing applications, accounting for bandwidth limitations, and allocating the appropriate resources–both internal and external–for the move. And these actions have timelines that vary wildly depending on your organization's size and setup.

A small company with a single server and no integrated services can easily make the switch in less than a week. But that's the fastest scenario. Most companies are dealing with a more complex set-up that involves integrated email, document repositories, and communication systems. And the larger and more integrated your systems, the longer you can expect your migration to take. The industry average is somewhere around one to two months, with larger companies with complex set-ups sometimes needing up to 12 months from inception to production and training.

Estimated Time Frame for a Large-Scale Cloud Migration



And that's just the technical side of the process. Once your systems have been migrated, it's important to factor in the time it'll take for you to train employees, secure cultural and team alignment across your new systems, and update any internal documentation to reflect changes in workflow, process, and how to complete tasks within your updated systems.

The key takeaway here should be that **when we talk about cloud increasing speed and saving money, that's the long view**. There is an up-front cost in both time and budget to get to that more nimble, agile, cost effective place. And the larger your company, the longer that timeline tends to be.

The important thing is to understand the long-term value you can expect from the migration. There's a reason **76% of leaders say they're adopting the cloud** to improve the speed of IT service delivery. Because those long-term gains are more important than the short-term work.

Case study: Domino's

If there are two things in this world that need to be fast, they're your pizza delivery and your DevOps process. Domino's is killing it on both counts.

Before they turned to Atlassian Cloud Premium,though, these pizza-making dynamos had a problem: process was slowing their DevOps workflows to a crawl.

The culprit in these slow-downs? Security. Tech changes were taking upwards of 20 hours of meetings and review to approve, and Domino's knew they needed to slash that number to the bone if they wanted to stay competitive.

Enter Atlassian Cloud Premium. Not only did Domino's now have automatic performance upgrades and guaranteed uptime. They had the tools they needed to sync security with DevOps and obliterate their lengthy security process.

As Michael Sheppard, Senior Application Security Engineer at Domino's, explains:

> We knew our developers liked using Confluence to collaborate and document requirements. Security just joined a workflow that already worked well. It takes a few minutes to fill out the form and about four minutes to get back the corresponding Jira security requirement tickets. What used to require more than 20 hours of meetings and review now takes minutes. This app solves a huge security pain point that is very prevalent in software development.

Industry
Services

Location
Ann Arbor, MI

Products
Jira Software
Jira Service Management
Confluence

Marketplace Apps Splunk for Jira Forty8Fifty Labs Forms for Confluence Scriptrunner for Jira Zephyr for Jira

REASON #4

Improve productivity in the cloud

There are many ways to improve your company's productivity.

You can hire top talent (top performers are eight times more productive). You can improve engagement (companies with engaged employees boast 17% higher productivity). You can reduce interruptions, minimize meetings,promote psychological safety, or even redesign your office space to boost productive hours.

You can also move to the cloud.

In fact, **nearly 80% of IT professionals say moving to the cloud improved their productivity**, according to research by Office 365. And **employees who use cloud apps and remote access are 13% more productive than their peers** – per a study from Stanford.

So, if you want to increase productivity, a move to the cloud is a good start. And since **low productivity costs companies $7 trillion annually**, according to Gallup, that move is likely to save you more than just a few more on-time project launches.-time project launches.

How exactly does cloud make your teams more productive? Here are four key ways:

Cloud shortens your IT team's to-do list

The most obvious way cloud sets your teams up for higher productivity is simply this: **it shortens the IT team's to-do list.**

With on-premises setups, IT teams are responsible for a long list of tasks – from server setup and parts replacement to handling major incidents and keeping up with the latest in security. With cloud, you outsource many of those tasks to your vendor, freeing the IT team up to focus on the highest value tasks for your business.

As Igloo's Senior Tools Admin James Seddon explains in his piece about moving to the cloud:

> Since we moved to cloud, our internal IT tickets have been cut by 50%. Instead of dealing with bugs or admin requests, I'm mostly hearing about new apps and features our users want to add, ultimately helping them do their jobs better and provide more value to our customers.

Airbnb's VP of Engineering shared a similar sentiment in an interview on their architecture:

> It is important for our engineers to focus as much as possible on the things that are unique to our business, not running a ton of infrastructure.

The move to cloud frees up IT teams to focus not only on the highest-value tech tasks for your business, but also your customers and employees. As an added bonus, it also impacts how you hire–shortening the list of must-have skills for the IT team and letting you hire people who have deep expertise instead of broad, shallow skillsets.

Cloud prioritizes focus and expertise

Reducing the number of tasks on your IT team's list isn't just about freeing up time. It's also about freeing up mental space–a more hidden consideration that has a big impact on productivity.

In other words: **the more tasks on your IT team's list, the less likely they are to do them all well.** In fact, error rates rise by 50% when we try to take on too many things at once. Workers with long to-do lists report elevated stress levels (and stress leads to disengagement and loss of productivity). And multitasking has a negative impact on not only performance, but also long-term brainhealth and IQ.

So, when we tell you that most IT teams are overburdened and constantly switching tasks, we're also telling you those teams are far less likely to be productive, creative, and strategic than their focused counterparts.

Removing the need for expertise in load balancers, server room climate control systems, and the latest on security is one way to lift the mental burden and create a more focused, more productive team. As Kishore Ramachandran, Vice President & Global Head of Information Systems at 274.ai, explains:

> Our strength is on the product side, not hosting. We wanted to piggyback on the scalability of a partner.

Companies can improve productivity by investing in easy-to-use tools, fostering a culture of psychological safety, and reducing technical debt–so says Google and so say we. Even better, these actions also improve work-life balance and reduce the risk of employee burnout. Great cloud products support all three.

Cloud unburdens your non-technical teams

It's easy to assume that all the time benefits of cloud go straight to the IT team. After all, their task list just got a lot shorter. But the truth is that cloud tools have productivity benefits for every team–from marketing to HR to sales and beyond.

One of the core reasons for this is **automation**. Automating workflows, documentation, and basic tasks not only shortens employee to-do lists. It also frees up that elusive, valuable mental space, reduces multitasking, and lets people focus on their strengths.

This shifts the focus to more important work tasks, and it also has a direct impact on employee happiness, productivity, retention, and engagement. After all, **people who use their strengths at work on a daily basis are six times more likely to be satisfied at work**, according to Gallup. They're also 8% more productive and 15% less likely to quit.

Another core reason cloud makes non-technical teams more productive? Because cloud tools tend to make small, regular updates.

This means instead of having to train teams on a long list of new features two or four times a year, they get a series of much smaller changes more regularly. And since small steps are easier than huge leaps,according to experts on habits change becomes less of a burden. It makes the learning curve feel less daunting. And it means teams have access to the latest features and security the moment they're available, so they can take full advantage of every new benefit.

Cloud fosters collaboration

Whether your teams work in a single office or all around the globe, **87% of leaders say** the cloud is a breakthrough for collaboration. And every study we've read agrees.

Collaboration drives perseverance, engagement, productivity, and highperformance. And collaborative companies are five times as likely to be high performing than their siloed peers.

Cloud fosters better transparency and collaboration between teams because those teams are better connected. Design, marketing, product, and engineering teams can all use the same system and connect it easily with the other tools they need to sync with.

Not to mention that cloud also makes it possible to move work forward **from any device**. This means teams can access your systems from mobile devices, allowing them to access work without a complicated VPN setup and making remote collaboration even easier

.As Simon Gowland, Global Head of Enterprise Technology for Afterpay, explains:

> After we had completed the migration, people went on their own and downloaded the mobile app over the weekend. All of a sudden, they were proofing workflows on mobile. **They didn't have to open their laptops on the weekend and they could still be effective, quick and efficient**.

The highest performing development teams are **24 times more likely** to use the cloud than their underperforming counterparts, according to Google.

Case study: Fair

If your company plans to grow–and grow fast–productivity is the key. Just ask Fair, who quadrupled their team in just nine months with the help of Atlassian Cloud Premium.

The transportation leader, committed to making car leases easy, affordable, and customer- (not dealer) centered, chose Atlassian Cloud Premium for its organization and efficiency. And that choice paid off big–and fast–with productivity increases upwards of 25% to 50% for many team members.

As Brett Lakey, People Operations Manager, explains:

> Everything from equipment to seating to software access for a new employee can be handled in one Jira Software ticket. **One of my team members was able to cut onboarding time in half.**

On the tech side, Software Engineer Michael Slocum has similar praise to offer:

> When we had 20 - 30 tickets related to bugs each week, I could do it by hand. But when it grew to 90 each day, I couldn't look at them all, let alone manage them...Now, I use Atlassian programmatically through the API to search, organize, and filter tickets at scale. **It's easily saved 25% of my time, and it's a way better way to organize information.**

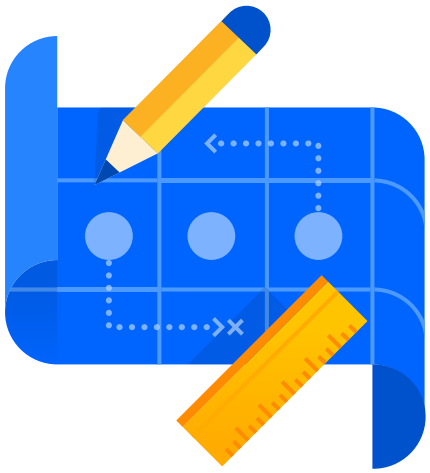
fair

Industry
Services

Location
Ann Arbor, MI

Products
Jira Software
Jira Service Management
Confluence

Marketplace Apps Splunk for Jira Forty8Fifty Labs Forms for Confluence Scriptrunner for Jira Zephyr for Jira



REASON #5

Future-proof your teams in the cloud

If there's one thing you should take away from these facts and figures, it's this:

Cloud is no longer a differentiator – it's a strategic requirement for long-term success. So says Forrester's Benchmark Your Enterprise Cloud Adoption report, and so say our clients, 90% of whom choose cloud software over hosting on-prem.

Ten years ago, moving to the cloud was about staying ahead of the curve – but no longer. Now, it's about keeping up, and providing customers and employees with the always-on services they expect.

74% of organizations say cloud gives them a competitive advantage, and by the end of 2020, 83% of enterprise workloads will be in the cloud. If you aren't among them, your teams may already be falling behind. If your competitors have instant access to the latest features and security upgrades and you don't, it's not hard to guess whose business is going to pull ahead of the pack.

So, how exactly can cloud future-proof your teams? Here are four ways:

Cloud gives you instant access to the latest features, security upgrades, and bug fixes.

When you keep your software and computing power on-prem, every time new features pop up (usually two to four times per year), a manual upgrade is in order. The obvious costs here fall on the IT team, who need both time and budget to make the changes and often have to schedule downtime that may have an impact on the whole organization.

The less obvious cost to the business is that, when you're upgrading only a couple times per year, each upgrade brings with it a lot of new features. This means **every time you upgrade, teams face a learning curve on features they've never seen before**. It also means, because you're introducing so many new things at once, there's a greater chance of also introducing some new bugs. And the fixes for those bugs might be three to six months off in the next upgrade.

With cloud, on the other hand, releases can be as small as a single bug fix or product improvement, enabled for a handful of customers at a time to lessen the risk of introducing a new bug. This means if something goes wrong, the change is easy to roll back and its impact is limited. Instead of waiting three months for the next release to fix a system bug, teams have the fix the moment it's ready. It also means customer feedback can be implemented quickly, improving your systems on a continuous basis.

And because new features are also rolled out regularly and in small batches, **it's easier for your teams to keep up with the changes instead of having to re-train themselves several times a year.** This not only keeps teams competitive by giving them immediate access to the latest features, but also keeps them nimble and connected to the systems they use every day.

Cloud helps you prioritize creativity and strategic work.

Hosting your software and products on-prem always requires more time from your tech teams. Scaling to provide your users with more storage, inventory, or computing power can take days, if not weeks or even months. Upgrades and security patches require regular time commitment (not to mention the mental overheard of scheduling and management). And any major incidents and the sometimes-middle-of-the-night scramble to respond to an issue or security breach is entirely on the shoulders of your IT team.

With cloud, all that extra work is outsourced, which means bug fixes, problem management, and major incidents are the responsibility of your vendor. This means the IT team can ditch tedious, fruitless work like installing new servers or troubleshooting issues in favor of focusing on the strategic and creative work that's essential and unique to your business. Moving support for servers, uptime, upgrades, and security patches off the IT team and onto your cloud vendor frees them up to respond more quickly to other requests – and it's likely to help you retain your top talent.

Not to mention that **most IT teams are already overtasked**. Internal support teams field an average of just under 500 support tickets each month, and it takes more than 24 hours to respond to each, according to a study by Zendesk. And being overworked is the number one reason employees (and particularly high performers) quit, as reported by Forbes.

Moving support for servers, uptime, upgrades, and security patches off the IT team and onto your cloud vendor frees them up to respond more quickly to other requests – and it's likely to help you retain your top talent.

Continuous releases also mean better security

48% of developers say they don't have time to spend on important security issues, which means if you're relying on your internal teams, security patches are probably taking longer than you'd like them to. With the right cloud vendor, this is not an issue. Security is prioritized and patches are released as they're available.

Learn more about cloud security at Atlassian.

Cloud empowers non-technical teams.

With on-prem, any change – whether it's a security upgrade, a new feature, or more computing power – has to go through IT. This not only burdens the tech team, but also slows things down for your non-technical teams, taking away their power to make quick improvements to their workflow, systems, and team dynamics.

With cloud, features like automated scaling and immediate security and feature upgrades mean teams can be nimble and agile. They can make changes to process and embrace new features and benefits that improve their workflows without going through lengthy approval processes, dealing with delays, or overburdening IT.

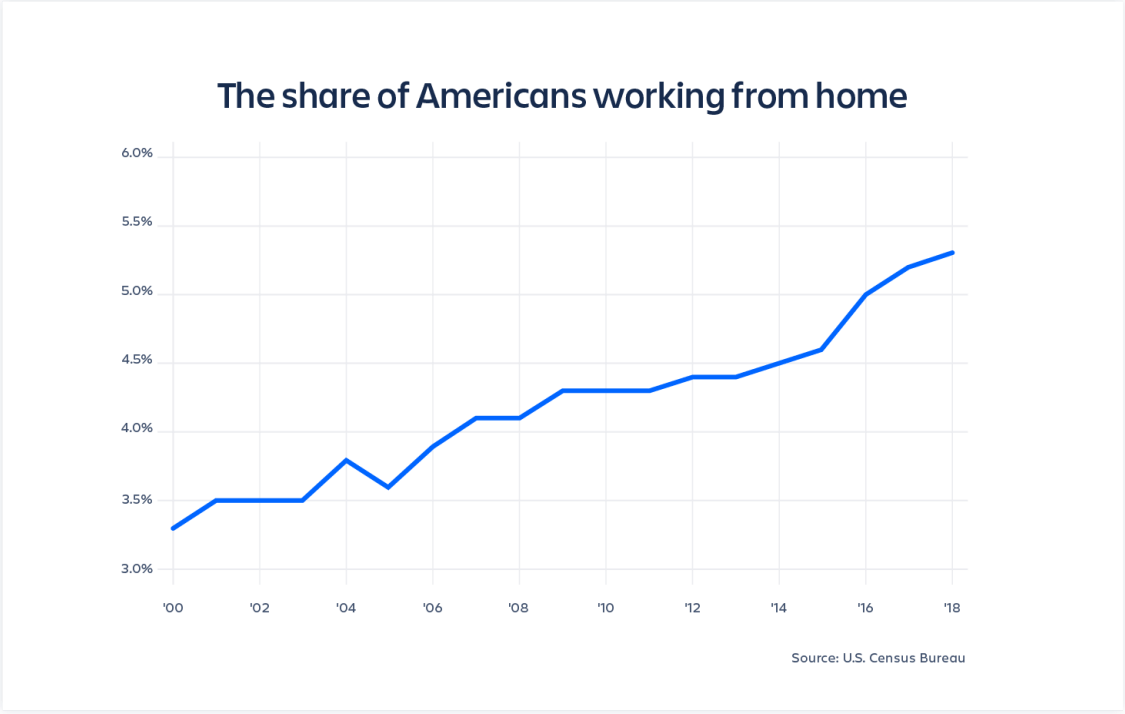
Studies regularly show that employee and team empowerment strongly correlate with job performance, satisfaction, and retention. So, the benefits here have a ripple effect, empowering teams to do the best job they can and giving those same teams autonomy, job satisfaction, a sense of company loyalty, and the confidence to go after audacious goals and and come up with creative solutions.

As Harvard Business Review explained after their own extensive study on the topic,

> Empowered employees are more likely to be powerful, confident individuals, who are committed to meaningful goals and demonstrate initiative and creativity to achieve them. They typically have the freedom to generate novel ideas and the confidence that these ideas will be valued.

Cloud simplifies remote work and distributed teams.

4.7 million Americans **already work remotely**. 95% of office workers say they want to work remotely. 26% say they've quit a job because it didn't support remote work. 66% think offices will be obsolete by 2030. And, as the COVID-19 pandemic has taught us, sometimes the ability to work remotely can become crucial in an instant.



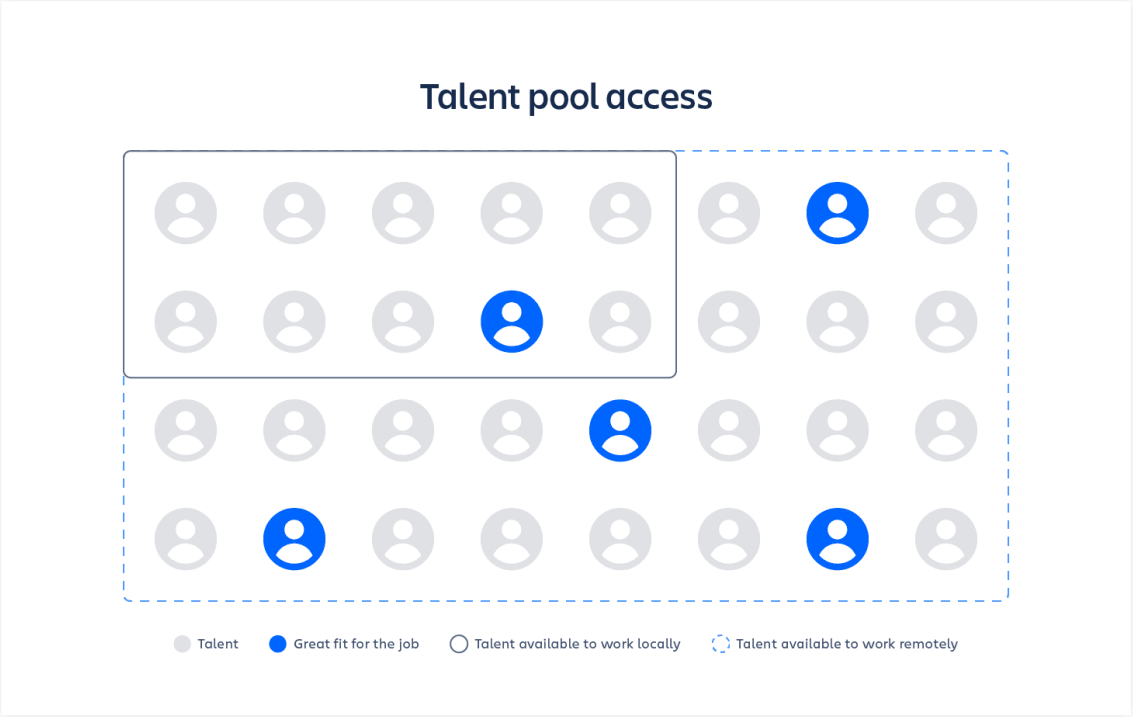
As the above data from the U.S. Census Bureau shows, remote work is trending upwards. And based on a recent report from Slack, this number has since jumped by nearly 25%, with an additional 16 million U.S. knowledge workers dusting off their home offices as a result of COVID-19.

For companies still fully on-prem, remote work is complicated. On-prem installations can be accessed remotely. But maintaining security while allowing access is a complex dance of passwords, firewalls, VPN barriers, and architectural limitations.

In contrast, cloud solutions are already accessible from anywhere with an internet connection. And cloud security is already built with remote work in mind (which is probably why 94% of businesses surveyed say security got better for them after moving to the cloud).

Even better, the same benefits that allow employees to work remotely – either full-time or at the drop of a hat in an emergency – also make it easy to support distributed teams.

The big benefit of distributed teams and remote work (aside from crisis management) is that it gives you access to a larger talent pool, both geographically and by opening positions up to those who have to work from home for reasons including disability or being a primary caretaker for an elderly parent or sick child.



Case study: InVision

74% of companies say cloud gives them a competitive edge, and InVision is one of them.

With over 5 million users, 800 employees, and a valuation of $2 billion, it might surprise you to learn that they have zero offices – the multi-billion-dollar business is fully remote.

The biggest challenge for a fully remote business is keeping everyone connected, which is why Wendy Stockholm, Director of InVision's BizTech IT department, was thrilled to find that Atlassian Cloud was built for collaborative, interconnected teams. In her own words:

> Our remote nature means you normally have to hunt down the person who knows the information you're looking for or the tool that has the right data. But by centralizing [with Atlassian Cloud] we now have one virtual space – somewhat of a physical representation of each department – where we can store knowledge and data, rather than relying on a person...This has helped keep us aligned, focused, and efficient. Reducing friction and disruption has been huge for improving visibility, reporting, and streamlining our practices.

Industry
Software & Design

Locations
Worldwide

Company Size
800 employees

Products
Jira Software Cloud
Jira Service Management Cloud
Confluence Cloud
Trello CLoud

Integrations
Jira for Slack
InVision for Confluence
Confluence Cloud for Slack

Planning strategically for your move to the cloud

So, you want to increase profits, improve IT service delivery speed, scale in an instant, free up your IT teams, run a more sustainable business, and have access to the large (and growing) remote talent pool? If you answered yes to even one of those questions, it's time to start considering cloud. And if you answered yes to all of them? It's time to make a strategic plan for the move.

So, what comes next? What do you need to do, plan for, and decide?

The answer is in your **cloud migration strategy**. It's in the planning, assessment, and testing that go on behind the scenes to ensure your move to cloud is successful.

Here are six ways you can start laying the foundation for a successful migration:

Evangelize cloud-first and get stakeholder buy-in

Technical changes without cultural change far too often fall flat, which is why the first step in any cloud migration is getting buy-in from your stakeholders and evangelizing your teams to think cloud-first.

How? By showing them the benefits–not just for the overall company, but for their specific goals. How will cloud make their lives easier? How will it support their team goals? How will it increase transparency, communication, collaboration? And how will it make the teams look good when it comes time to think about career advancement or recognizing company contributions?

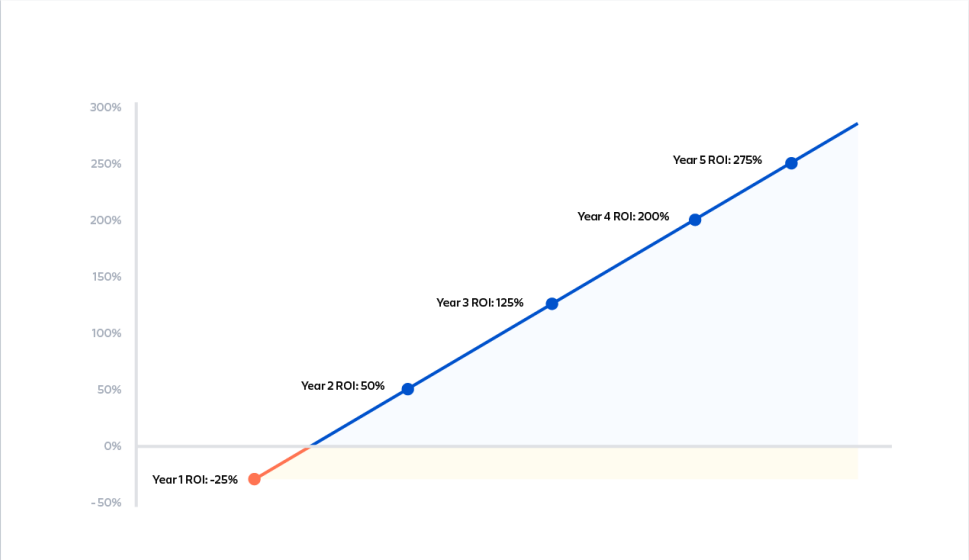
Use the data compiled in this white paper to make your case. You have our blessing.

Calculate the cost of your migration

Before you make the transition, it's important to understand the real cost–and the real savings–you can expect from a move to the cloud. Use the equation on page 18 to understand what you expect to spend now, what ROI you expect to see, and when you expect to see it. Bring that calculation to your stakeholder meetings. And don't sugar-coat it.

In many cases, the cost of migration means it can take a year or two to start seeing the real long-term savings of the move. Strategy is about taking a long view – choosing long-term value over short-term gains – and your calculations will likely reflect that.

Multi-year ROI from page 18 visualized:



Need a starting point? Contact your Atlassian Solution Partner to get an estimate on cloud value cost-savings.

Assess your needs and choose the right technology

How much data do you have? How many users? What tools and features does your team need? The earlier you answer these questions, the better prepared you'll be to choose the right tools (and the right vendor).

This is also an opportunity to look for places where you can reduce complexity. Are you storing data you don't actually need? Could you standardize custom workflows to simplify things?

Don't know where to start with migration planning?

Whether you are looking to consult experts on the best path to migrate or figuring out how to consolidate instances or need custom APIs built - contact your Atlassian Solution Partner for help with migrating to the cloud.

Migration is an opportunity to benefit from a more agile, scalable, affordable, future-ready technology, but don't forget that it's also an opportunity to assess processes, data size, and workflows to give your productivity and profits an even bigger boost.

Choose your migration method

There's more than one way to migrate from on-prem to cloud. And the "right" way for you will depend on quite a few factors, including organization size, the amount of data you're migrating, and which teams will be using your new cloud systems (among other things).

The three most common migration strategies are known as Lift and Shift, Start Fresh, and Optimize and Shift. Understanding the right approach for your team before you begin is a recipe for a smooth migration.

Looking for a more detailed step-by-step plan for every phase of your migration? Contact your Atlassian Solution Partner for 1:1 help.

Schedule regular reviews (and schedule them now)

In a fast-moving technical landscape, it's no longer enough to find the right solution and forget it. Cutting-edge teams regularly review their goals and the technologies that support them, asking questions like:

- Is there a better way to do things?
- Are there new features or upgrades we need in order to best support our business?
- Has anything changed in the last three months, six months, or year that we need to account for in our strategy or tools?

It's easy to think of strategy as a once-and-done process, and getting regular reviews on the calendar before you start is the best way to make sure they don't fall off the radar.

Set clear roles and responsibilities for cloud management

With a vendor taking the majority of manual work off your hands, it's easy to assume they'll handle everything else that comes up. The smarter approach is to make sure there are people on your team keeping an eye on things too. This includes decision-makers and admins, each with clear roles and responsibilities.

After all, over time your needs might change. The options from your vendor might change. Your teams will have a much deeper understanding of your business' needs and challenges than your vendor will. And clear ownership empowers teams to make decisions (on everything from what apps to keep to which workflows to standardize) and move forward.

It's also worth considering working with a dedicated Solution Partner who can help with everything from your cloud migration to agile processes, cloud governance, and more.

This need for oversight is one of the reasons it's so important for your cloud service to offer transparency and visibility into how teams are using tools, who's doing what, and where there are opportunity gaps in what your services offer and what your teams are taking advantage of. You'll also need an understanding of how your cloud services meet your security and compliance needs–and open lines of communication with your vendors if those needs change over time.

Cheat sheet: Why should enterprise companies move to the cloud?

Need a quick look at all the benefits of moving to the cloud? We've got you covered. Here's a cheat sheet to share with your teams.

Profit
Companies that invest in cloud mobility experience up to 53% faster revenue growth, according to Dell. And hat's not even factoring in the money you save on the hefty set-up costs and ongoing internal support required for on-prem.

Agility
65% of professionals say meeting business demands quickly is one of the top reasons to move to the cloud. And the bigger your company? The more speed plays a role. In companies with over 1,000 employees, 76% said they're adopting the cloud to improve the speed of IT service delivery.

Sustainability
Up to 98% more eco-friendly according to one study, cloud is the choice for companies that value sustainability.

Scalability
Scaling with on-prem can get pretty pricey and time-consuming, since you have to buy and deploy new servers in order to scale. Typically, scaling in the cloud is more flexible and instantaneous.

Time savings
Instead of focusing on infrastructure and architecture, your IT team can focus on supporting the business at a higher level.

No more manual upgrades
This is especially beneficial when it comes to security, which is upgraded quickly and automatically in good cloud solutions.

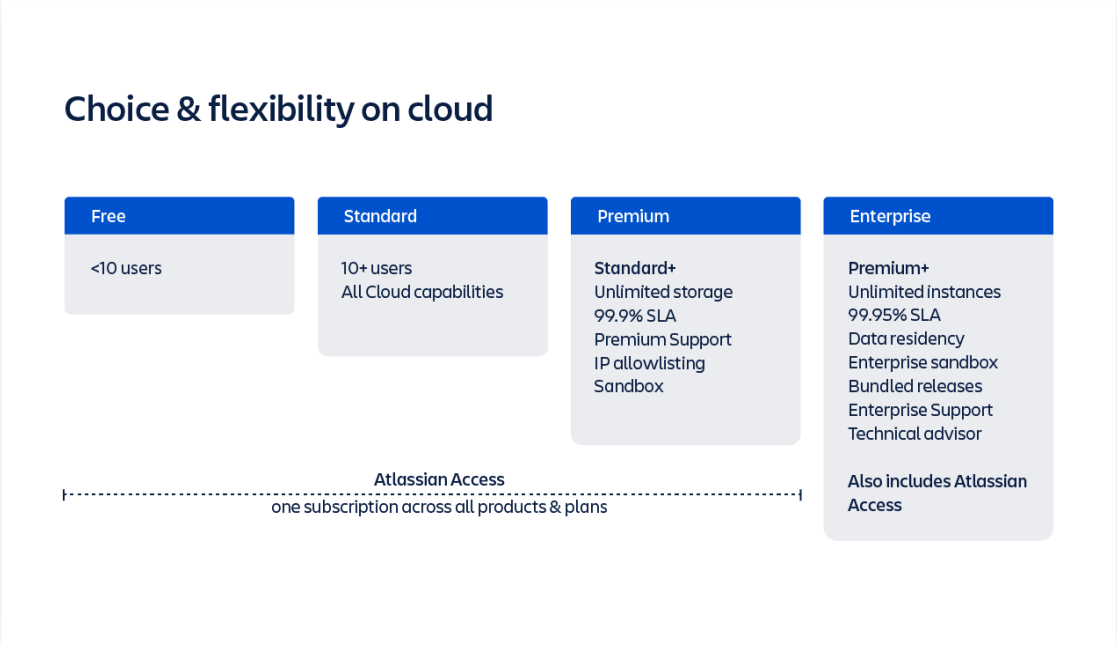
Remote work and distributed teams
4.7 million Americans already work remotely and 95% of office workers say they want to. Unlike on-prem, cloud solutions are made for distributed teams and remote work. They're already securely accessible from anywhere with an internet connection.

If you're not in the cloud yet...it's time.

The highest performing teams are 24 times more likely to use the cloud than underperformers. So, when we say staying on-prem is holding you back, we mean it.

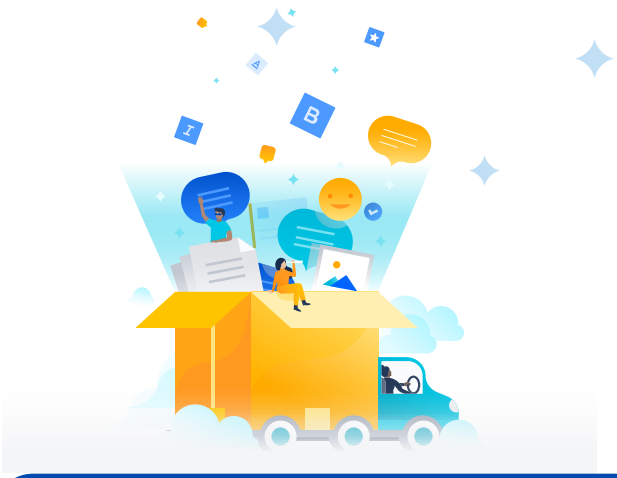
A move to the cloud isn't a button you can push to instantly increase profits, speed, productivity, scalability, and future readiness. But the time and cost it takes to make the move pay off big in the long term.

No matter your team size or growth phase, Atlassian has flexible plans and the tools you need in the cloud to not just keep up, but stay ahead.



Atlassian offers their most popular products completely free for teams of 10 or less to help unleash the potential of teams from startup to enterprise.

Atlassian Cloud Premium gives teams the confidence to **scale reliably** with **advanced features**, plus **a 99.9% uptime SLA**, **unlimited storage**, and **Premium Support**. Not to mention that enterprise companies benefit from large team discounts when they sign up with 101+ users.



Confidently plan your migration to Atlassian Cloud.

Catch provides end-to-end migration services:
- From diagnostics to full licensing strategy plans that ensure best fit for price and function for your cloud-based toolchain.
- We provide full implementation services as well as training and upskilling to ensure transitions are smooth and have maximum uptake.
- Ongoing maintenance and support provides hands off, reliable management of your operations, while reducing your TCO.

Get in touch with us today to find out how we can help you move into the future.

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ATLASSIAN