# FROM A HESITANT LEAP OF FAITH TO A CONFIDENT STEP FORWARD

## CLOUD SERVICE USE BY SME

Giving Shape to Ideas

# SUMMARY

Overall, the adoption of cloud-based solutions by businesses has accelerated as the benefits of more predictable costs, improved security and resilience, and enhanced mobility have allowed organisations to become more agile and efficient. Although small and medium-sized enterprises (SMEs) clearly see these advantages and are open to these solutions, some of them are still hesitant to adopt cloud solutions for business-critical core business processes such as enterprise resource planning (ERP) as they simply struggle to find the right point to start and the right partner. With the exponential growth in data, and faced by a need to compete in a fast-moving digital age, the decision to stay with outmoded legacy systems can mean that SMEs risk falling behind. With the benefit of a long-term perspective and a deep understanding of our customers' businesses, Konica Minolta is helping SMEs get up to speed and take to the cloud.

Today, businesses are experiencing an exponential increase in data. Research by IDC has predicted that by 2025 the global data sphere will grow to 175 zettabytes – soaring from 33 zettabytes in 2018.[1] Businesses and employees are on the front line of this evolution. Within their latest Intelligent Information Management Report, M-Files shows how essential it is for business success to be able to deal with these huge amounts of documents: 86% of workers experience challenges when it comes to searching for information they need to do their job, because in many cases documents are not named or filed correctly. 83% of workers even had to recreate a document which already existed because they were unable to find it within the data ocean.[2]

This flood of data is challenging workers and infrastructure alike. Both employees and IT decision makers are seeking solutions to free themselves from repetitive and unnecessary tasks. Meanwhile, the legacy processes and IT systems relied on by SMEs are being taken to the brink of capacity.

## ANNUAL SIZE OF THE GLOBAL DATASPHERE

The importance of Information Management is rapidly increasing to manage data effectively, as data volume is exploding.

**ZETTABYTES**

| Year | |
|------|--|
| 2025 | |
| 2024 | 175 ZB |
| 2023 | |
| 2022 | |
| 2021 | |
| 2020 | |
| 2019 | |
| 2018 | |
| 2017 | |
| 2016 | |
| 2015 | |
| 2014 | |
| 2013 | |
| 2012 | |
| 2011 | |
| 2010 | |

Data Age 2025, IDC sponsored by Seagate, 2018,
https://www.seagate.com/files/www-content/our-story/trends/files/idc-seagate-dataage-whitepaper.pdf
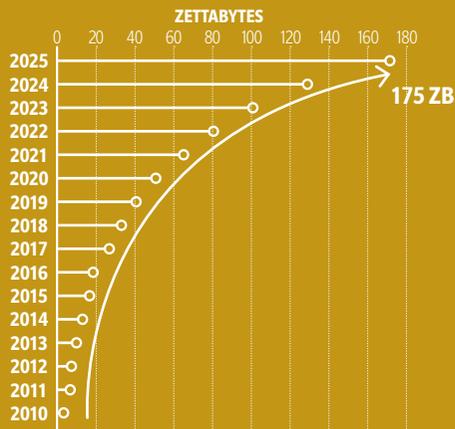
# 86%
## OF WORKERS EXPERIENCE CHALLENGES WHEN SEARCHING FOR INFORMATION, BECAUSE DOCUMENTS ARE NOT NAMED OR FILED CORRECTLY.

Intelligent information management benchmark report 2019; M-Files; 2019;
https://go.m-files.com/Global-IIM-Benchmark-Report-EN-US.html?utm_source=blog&utm_medium=blog-cta&utm_content=iimbenchmarkreport-stats&utm_campaign=blog-cta
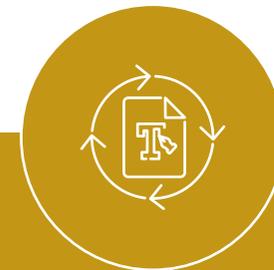
# 83%
## OF WORKERS HAVE TO RECREATE A DOCUMENT WHICH ALREADY EXISTS BECAUSE THEY WERE UNABLE TO FIND IT.

Intelligent information management benchmark report 2019; M-Files; 2019;
https://go.m-files.com/Global-IIM-Benchmark-Report-EN-US.html?utm_source=blog&utm_medium=blog-cta&utm_content=iimbenchmarkreport-stats&utm_campaign=blog-cta

# DRIVING AN UPTAKE IN CLOUD-BASED SOLUTIONS

These pressures have already reached a tipping point in large companies, forcing comprehensive digital transformation. Alongside such change pro-grammes, there has been a corresponding expansion in the use of cloud-based solutions. This has proved decisive in enabling swift transitions to new infra-structure and applications, while also providing businesses with the agility and scalability needed to succeed. Businesses have also benefited from the greater simplicity and cost-effective nature of using cloud solutions, for example, as all hardware maintenance and software updates can be managed externally.

Cloud solutions also offer advantages in business-critical applications such as IT security and backup management, but also in areas such as digital contract management and signature processes. With regard to security, cloud services can often prove especially compelling, as in many cases security can be deliv-ered to a higher level than could be provided in house. Especially for SMEs which are not able to allocate sufficient inhouse resources to data security cloud solutions can prevent severe consequences to the business caused by data breaches: for example companies that have suffered a privacy breach lose up to 88% of their customers and 75% of those that stay consider leaving.[3] In the enterprise market, confidence in the cloud has now reached the point where cloud solutions are seen as a mainstream choice for even mission-critical processes such as ERP. Gartner describes the enterprise market as shifting to a "cloud-first" mindset  and estimates that by 2020 more than 50% of outsourcing contracts will be influenced by IT and cloud services.[4]

**COMPANIES THAT HAVE SUFFERED A PRIVACY BREACH LOSE UP TO**

# 88%

**OF THEIR CUSTOMERS.**

Top 10 Jaw-Dropping Records Management Statistics of 2018; Corodata, 2018; http://corodata.com/hipaa-violation-horrors

# 50%

**THROUGH 2020, CLOUD ADOPTION STRATEGIES WILL INFLUENCE MORE THAN 50% OF IT OUT-SOURCING DEALS.**

Gartner, Gartner says worldwide public cloud services market to grow 18 percent in 2017, 2017

# SMES SLOWER TO EMBRACE THE CLOUD

Despite the fact that virtually all the benefits of cloud solutions are equally applicable to small and medium sized organisations – and arguably more so, for businesses unable to independently develop enterprise-grade capabilities in areas like security –, SMEs are now slowly becoming more open towards cloud solutions, although they have been more hesitant to embrace this change than large companies. Although many have adopted some cloud and Software-as-a-Service (SaaS) solutions, the latest Cloud-Monitor 2018 by Bitkom shows that SMEs still lag behind when it comes to outsourcing core applications.[5]

However, this is now changing as the pace of digitalisation along with pressures such as tougher regulatory requirements are forcing a reappraisal of the opportunities offered by cloud solutions, which have never been so diverse or relevant. Today there are cloud and SaaS solutions that cater to virtually every type and size of business, making a model that was once more oriented towards large companies equally attractive to SME. However, this very diversity is itself a challenge for SMEs that lack the experience, resources or expertise to take that first leap of faith. They need the right partner, like Konica Minolta, to design these solutions the way they need it.

## LARGER COMPANIES PLACE BUSINESS-CRITICAL APPLICATIONS INTO THE CLOUD

| | Overall | 20-99 employees | 100 – 1,999 employees | >2,000 employees |
|---|---|---|---|---|
| Rather used for uncritical applications, environments and workflows with lower volumes | 39% | 40% | 34% | 29% |
| Rather used for critical applications, environments and workflows with high volumes | 7% | 7% | 7% | 33% |

Bitkom, Cloud-Monitor, 2018

# AN EXPERIENCED GUIDE TO FINDING YOUR CLOUD

Working alongside a partner experienced in supporting SMEs can be the most effective way to break through this initial barrier. Paired with analysis-based and strategic consulting, this partner is able to offer service and solution packages that address a broad variety of IT needs. Ideally such solutions also reflect changing developments and needs within the company: Konica Minolta, for example, can implement a Microsoft Dynamics 365 solution that unifies, amongst others, enterprise resource planning (ERP) and customer relationship management (CRM). These processes are increasingly merging in companies – and in this way, they are being brought together in one tool, too. Beyond this, an IT services partner can provide a full range of datacentre services as well as the implementation of Office365 cloud and other solutions, including digitalisation process outsourcing (DPO). Services include IT-infrastructure-as-a-service (IaaS), monitoring-as-a-service and backup-as-a-service – all of which can be directly tailored to suit the requirements in the customer environment.

From the perspective of such a supplier, Yoann Fortini, ITS GTM Manager, Konica Minolta Business Solutions Europe GmbH, explains: "We are seeing increasing interest from SMEs which have no experiences with cloud-based solutions, yet the key barriers to adoption tend to still be concerns about security and reliability in business-critical applications." Helping businesses better understand these issues in order to proceed with confidence is essential. For many businesses, even the fundamentals of the cloud itself require clarification: "Many medium-sized companies start by viewing "cloud" as being synonymous with hosting, or the outsourcing of infrastructure to an external data centre where their IT team still has to maintain the systems and software applications," says Fortini. "However cloud solutions are today typically defined by service performance, whether for platforms, infrastructures, or software."

Yoann Fortini, ITS GTM Manager, Konica Minolta Business Solutions Europe GmbH

Understanding distinctions of this nature helps businesses recognise the scope of opportunity and the degree to which services can be tailored according to their specific requirements. Even if moving to a fully cloud-based solution may be too drastic a step for some organisations, hybrid cloud solutions are also available that may provide a more suitable path forward.

In order to define what should be part of this path forward for their specific company – and what may not be – SMEs are looking for a provider that offers them consultation as well as a single point of contact for their requests and services. Konica Minolta, for example, works with organisations, from the initial assessment of the situation and the implementation of the solution to 24/7 support and further development to ensure the system grows with the company. Fortini explains the importance of maintaining a long-term relationship with customers: "The ideal long-term partner for IT products and services should provide individual solutions tailored for the customer – ideally matching their needs, resources and business environment. The ultimate goal is to help the customers to find their own way to their personal ideal cloud solution, developing an appropriate strategy for migration." With regard to Konica Minolta's approach, he adds: "Thanks to our extensive network of software and hardware partners we are able to develop solutions for each customer's particular environment, helping them to realise the highest possible potential from their cloud implementation."

**While every business is unique, cloud-based solutions should lead to a broad range of benefits for businesses, including:**

– Flexibility
– Portability
  (remote IT infrastructure)
– Data security
– Software updates
– Environmental friendliness
– Affordable pay-as-you-use pricing
– Enhanced collaboration
– Emergency data backup
  and recovery
– Cost efficiency

# A PROJECT FROM THE FIELD: BE-GE

As an international supplier for the automotive industry with production facilities located in various European countries, business as usual for Sweden's BE-GE group involves fulfilling the strict schedules and contractual terms of the just-in-time automotive supply chain. As a result, safeguarding absolutely reliable operation and securing availability without interruption while maintaining the best possible data security are fundamental to the company's operations.

BE-GE's experience epitomises how cloud solutions can be adapted to suit the customer. With high availability and resilience being of paramount importance, BE-GE wanted to have their complete IT needs covered by one reliable long-term partner who could take clear responsibility as a single point of contact. Like many production companies, they demanded secure and reliable local IT infrastructure on their premises, but with all the benefits and the flexibility of a cloud solution. They turned to their long-standing IT partner, Konica Minolta, to create the ideal solution: "We cannot afford any downtime of our IT systems. To ensure this, Konica Minolta provided us with a cloud solution that is located on our premises but monitored and maintained centrally by them," explained Reza Shahrbani, IT Manager, BE-GE, Sweden.

The hybrid solution implemented provides BE-GE with a redundant on-premise high-availability infrastructure-as-a-service (HA IaaS) solution. The solution comprises hardware and software based on a Windows Server 2016 Clustered Hyper V solution with shared storage and monitoring, backup and service desk support from Konica Minolta. While the server hardware is located at the customer's production site for reliable offline on-site access, it is managed, monitored and backed-up externally from Konica Minolta's data centre to ensure secure operation. Crucially, irrespective of the sophistication of the on-premise installation, BE-GE did not need to pay upfront for hardware or software costs, but only pays for the resources it uses every month.

Reza Shahrbani, IT Manager, BE-GE Sweden
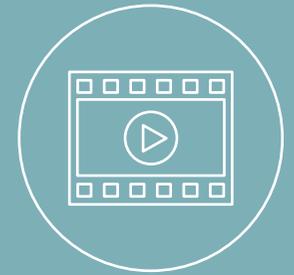
**WATCH THE VIDEO AND GET A CLOSER LOOK!**

# A LEAP FORWARD RATHER THAN A STEP INTO THE UNKNOWN

**For SMEs that are still bound by overly complex and time-consuming legacy processes, there is a huge potential to be realised by working with the right partner to leverage the power of the cloud. Businesses are able to become more agile, competitive and resilient, while at the same time freeing their workforce from the burden of inefficient processes. With a strong partner for cloud solutions at their side, the move into the cloud is no leap of faith but a decisive step towards business success.**

[1] Source: Data Age 2025; IDC sponsored by Seagate; 2018;
    https://www.seagate.com/files/www-content/our-story/trends/files/idc-seagate-dataage-whitepaper.pdf
[2] Source: Intelligent information management benchmark report 2019; M-Files; 2019; https://go.m-files.com/Global-IIM-Benchmark-Report-EN-US.
    html?utm_source=blog&utm_medium=blog-cta&utm_content=iimbenchmarkreport-stats&utm_campaign=blog-cta
[3] Source: Top 10 Jaw-Dropping Records Management Statistics of 2018; Corodata; 2018; http://corodata.com/hipaa-violation-horrors
[4] Source: Gartner says worldwide public cloud services market to grow 18 percent in 2017; Gartner; 2017; https://www.gartner.com/newsroom/id/3616417
[5] Source: Cloud-Monitor; Bitkom; 2018; https://www.bitkom-research.de/WebRoot/Store19/Shops/63742557/5B1E/8D-
    F1/2C88/6021/35E9/0A0C/6D0A/982B/180607_Bitkom_KPMG_PK_Cloud_Monitor.pdf

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