Why Cloud Governance Belongs in the Boardroom

By Robert Ford, Chief Strategy Officer, CoreStack

How confidence in the cloud can deliver the disproportionate value the board demands

Any conversation that makes it to the board better be good. Attention is the scarcest resource in the boardroom, so to claim some, the conversation proffered had better concern something board members care about, such as risk, growth, innovation, or crisis. Topics of this gravitas tend to get past the pre-filtering layers of executive committees working to preserve the board's precious time for the things that matter most. I am going to make the case that cloud governance is a conversation that exceeds this bar and belongs squarely in the boardroom, and I will explain why, and what that conversation should look like.

Positioning the Cloud Correctly

Before we dive into cloud governance, it is critical that the boardroom has shared purpose, context, and urgency regarding the cloud and the role it plays in fueling their digital ambition. Given the significant influence leaders at this altitude have, it's worthwhile to ensure there is a common cloud point of view, and that levels of technology acumen are sufficient to make informed, strategic decisions on what matters most.

Having worked alongside many boards charged with boldly leading their organizations through digital transformation, it has become apparent there are differing perceptions of what the cloud is, and what role it should play when defining strategy. For cloud governance to be a meaningful conversation, we first need to position the cloud correctly with those in the boardroom, so it is seen as an organization-wide initiative and strategic business opportunity, rather than a location or alternate technology. In my experience, the following statements help make that case and serve the boardroom well as they trailblaze into their digital future.

1 **All roads digital lead to and from the cloud.** The cloud, along with its broad and evolving capabilities, is clearly the center of gravity around which all things digital orbit — be that new digital business models, new digital innovations, or new digital ways of working. Take a second to marinade in that statement. The cloud's compute power, data reach, democratization, and complexity abstraction have spawned a wave of innovation that manifests in a perfect mash-up of technology and experience impacting almost every aspect of life. Those who do not embrace cloud fully will get left behind. Those who claim cloud fails to deliver on its promise are simply doing it wrong. The cloud is the constructive disrupter of modern times and should be embraced as such by a shift-left boardroom that needs their thinking to be far more tech-forward and digitally ambitious.

2 **Cloud is an organizational transformation initiative, rather than a place.** When cloud is perceived or positioned as simply a hosting location or alternate technology to reduce costs, the conversation gets swiftly relegated to the domain of IT, and the promise of cloud sadly rarely delivers. The value sought by the board is orders of magnitude greater than anything simple mechanical cloud migration or optimization of the IT budget can ever hope to deliver. The cloud must be seen as an organization-wide transformation initiative, demanding a shared purpose, context, and urgency from the boardroom. Everyone at this top-table should enthusiastically embrace the innovation, disruption, and new ways of working that embracing cloud affords. Cloud should be framed in the boardroom as the strategic change agent that informs the idea, rather than just a technology that enables the decision.

3 **Innovation is more than incremental improvement (or natural evolution).** McKinsey conservatively estimates the cloud business opportunity to be ~$1T by 2030, with almost two-thirds of this coming from innovation delivered through a mash-up of new business models fused with new technology. Predictions of this magnitude should get the attention of any boardroom and help cement the case that embracing cloud will unleash rapid innovation as well as optimized improvement. Too often when businesses claim they are embracing cloud, innovation gets confused with incremental improvement or simply an accelerated natural evolution of what is being done today — both of which cloud enables, but neither of which are sufficient to thrive in the digital era. What is required is creation rather than incrementalism, as organizations that settle by making minor changes to the edges of their business model nearly always fall short of their goals.

Having successfully convinced the board that the cloud is at the center of their digital transformation ambition, the dream of possible becomes the reality of probable. Accordingly, you would expect to see prior timid revenue and growth targets disproportionately uplifted, new business ventures launched in markets previously not considered, and a focused, inspired workforce spawning MVPs that scale from concept to production at an incredulous pace, right?

In reality, it's rarely that simple. Even when the board "gets" the strategic potential of cloud, they may still be hesitant to take on the big bold bets required to radically transform and supercharge the future. Motivational rhetoric lacks action, urgency, and the cloud commitment needed to realize declared digital ambitions. What's the answer? Bring cloud governance into the boardroom.

Cloud Governance a.k.a. Confidence in the Cloud

Cloud governance is the conversation that should have happened before you started your journey to the cloud, but all too often happens as a result of month-end cloud bill sticker-shock, or a compliance lapse resulting in a fire drill. There are many definitions of what cloud governance is and should be, most tending towards "command and control." While fully subscribing to conventional wisdom surrounding this tendency, I would take a more affirmative stance and express cloud governance simply as providing greater "confidence in the cloud."

Done right, cloud governance provides the confidence required to go faster and experiment more. Knowing that at all times your cloud platform is a model citizen and is fully optimized, compliant, secure, well architected, and monitored in real-time provides the confidence required to think bigger and act more boldly.

Without confidence in the cloud, taking bold actions in the boardroom will be all but impossible, and conversations will soon settle in the more familiar territory of simple command and control. While command and control is an important element of governance, it's just one of many that should be in service of going faster and further, as much as going safer. With confidence in the cloud, everything and anything becomes possible, and your transformational north star shines that much brighter.

Confidence in the cloud is a simple yet powerful definition of cloud governance. For those who need a double-click on what confidence encompasses, let me deconstruct it as a cloud governance acronym:

C **Control:** Remain on posture — whether for cost, risk, or compliance

O **Ownership:** Drive a culture of accountability and action

N **Notification:** Provide proactive alerts based on custom thresholds

F **Fidelity:** Have complete certainty in the accuracy of information

I **Intelligence:** Provide data-driven and AI-informed insights and predictions

D **Discovery:** Automatically discover and govern new cloud assets

E **Expediency:** Accelerate your ability to accelerate

N **NextGen:** Front the innovation curve with capabilities powered by AI and ML

C **Compliance:** Stay compliant by abstracting controls and checking continuously

E **Efficacy:** Achieve desired results with depth and breadth of competencies

The Boardroom Conversation

I've asserted that the reason the potential of cloud is rarely fully realized by business is because those making the decisions in the boardroom do not have the necessary confidence in the cloud — the confidence that comes when cloud potential and cloud governance enter the boardroom and inform the conversation. With a fully cloud-informed audience in the room, the conversation can now elevate to how business can go faster, disrupt, and innovate, delivering the disproportionate value customers, shareholders, and employees demand.

So, what should these conversations look like? Honestly, probably very familiar ones. It's not so much the type of conversation that changes, but more how the conversation is framed, scoped, and energized by the greater confidence that cloud governance brings to the fore. Let me share five questions that are a good place to start.

Do we have the confidence to experiment, innovate, and disrupt more?
In too many cases, the answer here would be uncomfortable silence or "no." Innovating your current business "out of business" should be top of mind in every boardroom. Rest assured it is in your competitors'. "Who dares wins" has never been more applicable to business than it is right now, and how the boardroom decides to lean into cloud and experiment more will determine its future. Challenge plans that are simply natural evolution of what is done today, or merely digital-enabled improvement, with this newfound insight and ambition, underpinned with the confidence in the cloud. Be aware, the tone the boardroom sets for the organization around experimentation, innovation, and disruption reverberates loudly throughout.

Do we have the confidence to accelerate what's working best?

The name of the digital game is to deliver value fast, claim field-first advantage, and engage users through an awesome experience. It's no longer about who is the biggest, most established, or with whom past loyalty lies. It's all about how to go faster. The faster you go, the higher the degree of confidence required. Taking a timid or trepidatious approach to digital business isn't a winning strategy — boards must take a bolder, yet still responsible, course of action. Now is the time to use your heightened confidence in the cloud to accelerate the strategic priorities that are delivering greatest value, focusing more on how cloud can maximize top-line revenues through greater speed and reach, rather than just optimizing bottom-line operational costs.

Are we confident we can mitigate risks and keep customer trust?

The former you get to decide as a business, the latter gets decided for you by your customers. Shareholders and employees alike are counting on the board's expertise, experience, and sound tech-forward judgment to make the right priority decisions, taking affirmative actions to ensure that risks are mitigated and trust with customers enhanced. Whether talking risk posture drift, auto-asset discovery, or advanced anomaly detection, the boardroom must have demonstrable confidence that the cloud is secure and can react in real-time to unforeseen threats. Cloud governance done right revectors the risk and trust conversation in the boardroom to one of, "What more can we do with cloud knowing we have comprehensive controls in place?" rather than retreating to a position of historical comfort that tends to limit ambition due to an overabundance of knowledge-free caution or uninformed risk.

Are we confident our resources are optimized and focused on what's important?
Ideally the answer to this is "yes" and "yes" — all resources (digital, human, and otherwise) are fully optimized and working on what you as a board have declared is important, through clear and specific strategic objectives for the organization. Given that all roads digital lead to and from the cloud, knowing that your cloud platform is "model" at all times, being constantly tuned to optimize every dollar being spent, being constantly monitored for compliance or security drift, and being highly automated for speed and scale should give the board confidence that digital resources are optimized, allowing the conversation to elevate and pivot to one of prioritization on what matters most. Identifying which great idea to do first, then next, and then reevaluating options as you become smarter every day becomes the new boardroom modus operandi that confidence in the cloud empowers.

Do we have confidence in our ability to make informed, tech-forward decisions?
It's not really a choice in the boardroom — this is where the strategic decisions are made, based on the best information available at that time and the combined confidence of the people in the room. There is in my opinion a correlation between available information and confidence: The more information, the greater the confidence in the decision made. And when it comes to cloud and the full-on technology faucet of innovation, there is no shortage of information available. And therein lies the challenge. In a world where all roads lead to and from the cloud — or more precisely multiple clouds — the need for cloud governance to abstract complexity and provide a holistic perspective at a board-level altitude to inform strategic decisions is paramount. Providing rich, near real-time data "on" and "in" the business, through an abstracted executive perspective, can both educate and inform the board, helping them make the tech-forward business decisions required for growth.
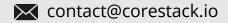
Cloud Governance — The New Frontier to Master

Any conversation that makes it to the board better be good. Cloud meets this bar. Cloud governance far exceeds this bar. The boardroom conversations about "why the cloud" or "if the cloud" have been settled. The follow-on conversation of "which cloud" is also a ship that has sailed, with the realization that most companies will be multi-cloud, both from a hyperscaler and a SaaS portfolio perspective. The current conversation of "how the cloud" tends to orientate itself around the migration of workloads, for which there are multiple frameworks and sound advice to use as a blueprint to follow. The new frontier to master is cloud governance, evolving the conversation from simply "control of the cloud" to one of "confidence in the cloud."

Doing cloud governance right is no longer a choice — it's a must. For businesses to fully realize the value of cloud, the boardroom requires confidence in the cloud, and that confidence comes when cloud potential and cloud governance enter the boardroom and inform the conversation. Until the cloud and cloud governance are positioned correctly, are understood, and have the right rank and mandate in the boardroom, the potential performance advantage of cloud will rarely be realized, and you may experience an explosion of cloud costs delivering, at best, mediocre value. This must not be your story of the cloud.

We now have the technology required to do cloud governance well — to "cloud with confidence." Do it right and you will unleash an informed, energized, and confident boardroom, making the bold decisions required to trailblaze into your digital future. Make *this* your story of the cloud.

CORESTACK®

✉ contact@corestack.io

🌐 www.corestack.io

CoreStack is an AI-powered NextGen Cloud Governance platform that enables enterprises to embrace cloud with confidence, rapidly achieving continuous and autonomous cloud governance at scale. CoreStack helps 750+ global enterprises govern more than $2B in annual cloud consumption. The company is a Microsoft Azure (Legacy) Gold Partner, Amazon AWS Technology Partner with Cloud Operations Competency, Oracle Cloud Build Partner, and Google Cloud Build Partner.