

How does the Cloud Solve the Storage Conundrum?

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Who are we?

Pacific Compensation Insurance Co.

- Mid sized workers compensation insurance carrier
- Primarily California, but also other western states
- Founded 2002 as a direct to business carrier
 - Changed to writing business through brokers in 2010
- Focused on maintaining robust business relationships through creative use of technology
- Latest wiz-bang – completely automated submissions on simple policies from broker systems - Received Novarica Cool Capabilities award and Celent Model Carrier award for infrastructure and architecture

Systems

- Policy Management (Cloud center A)
- Agency Management (Saas)
- Billing (Saas)
- Claims (Cloud center B)
- Sales Force Automation (Saas + Paas)
- Data Warehouse (Cloud center B)
- Enterprise Service Bus (Cloud center B)

The Word Cloud is Confusing

Because it is an umbrella term that covers things that are fundamentally different

- SaaS is outsourcing at a micro level
 - Each SaaS vendor gives you more or less flexibility
- Using Cloud Centers is not Outsourcing
 - It is more like power steering in a car - you are in control
- Cloud Centers come in different flavors
 - Integrated – web apps, databases and traditional apps in one environment
 - Segregated (traditional) web apps usually in a separate environment

Virtualization – the heart of Cloud

- You will need to select the virtualization platform that best fits your needs
 - Our platform of choice is VMware. At Autodesk we were pioneers with VMware and that is where the vision of what we now call Cloud evolved.
 - Perhaps the term “Cloud” came from my Autodesk teams term – “floating application”

The Journey

- 2002 – The beginning of “Zero Footprint”
 - Company formed with a target of systems up in 4 months
 - Initial network and utilities powered by Linux appliance (Net-Integrator N1- no longer in service)
 - Email from USA.net (contract still in place)
 - Insurance Apps delivered as a service (original Apps no longer in service)
 - Sales force Automation – Salesforce.com
 - Staff – 1 (me)
 - Systems came up on time and on budget and we went another several months before starting to hire IT staff

Provisioning

- Vendors have many options and each has a different cost structure
 - You probably don't need a large amount of instant provisioning, but you should have a larger amount of aggregate resource pricing and “burst” capacity.
 - Our vendor (NaviSite) and other vendors have calculators based on number of servers, workload type, CPU Utilization, Disk space etc.

There is Cloud and then there is Cloud

- Cloud vendors offerings vary – a lot!
 - Segregated (traditional) or Integrated
 - Segregated looks like you old hosting environment with a lot of self management tools attached
 - Your web apps here and your database over there (separate!)
 - Integrated is a unified environment for all apps
 - Lower cost, more efficient and higher risk
 - Risk is never zero and your business' appetite for risk should be the determining factor

Is Cloud inherently more risky than your own Datacenter?

- If your Datacenter is staffed 7x24x365 with grade A talent and a comprehensive plan for known vulnerabilities then the answer is that the risk is the same if the cloud center is using the traditional segregated format.
- The Cloud will be at a lower cost with much faster provisioning

What happens when you need to change cloud vendors?

- We have only done this once (no names don't ask)
- Easiest transition in my career – a lot of credit goes to VMware (also professionalism of outgoing vendor)

Summary

- Come on in, the water is fine
 - Most vendor offerings are mature
 - The cost savings are real
- Your biggest hurdle will be your existing staff
 - You will still need the best and the brightest of your ops staff, but that will leave a lot of downsizing on your plate

THANK YOU!

QUESTIONS?

