

SAP Agenda TV

Cloud computing white paper by Roland Berger and SAP

Speaker: Cloud computing is seen as one of the fastest growing IT markets worldwide. The BITKOM industry association forecasts 55% growth this year for the cloud segment alone. Roland Berger Strategy Consultants also see cloud technology as a new development stage in IT with enormous potential. And Walldorf-based SAP recently announced its interest in acquiring SuccessFactors, a company specializing in cloud-based solutions for human capital management. Roland Berger and SAP have jointly produced a white paper entitled "Survival of the fittest", which argues that Europe has a great opportunity to assume a leading role in this IT segment. For this to happen, however, the right framework must be put in place.

Carsten Rossbach: We are a bit worried that, on the supply side, European cloud providers are not active at the cutting edge. They could fall behind when it comes to reaping the benefits and exploiting the wider economic potential. Yet, in terms of skills, resources and companies, I believe that we have everything needed to become global leaders in various segments of cloud services. For this to happen, however, there are still a few requirements to be established.

Speaker: One thing holding back the advance of cloud computing is undoubtedly the question of security. True, a survey has just shown that 87% of German businesses think that switching to the cloud does not, on principle, mean less IT security. But when firms plan this move, they have enormous worries about guaranteeing a secure cloud environment. What German companies most fear is malicious code and data theft by hackers.

Carsten Rossbach: Security risks are a real problem and come in many different forms. We should distinguish here between two major areas. One is about the care taken in designing all the structures, systems and processes that surround cloud services. This means following the law, sticking to rules and complying with all the relevant obligations.

The second area is concerned with countering external threats. I'm talking here about a whole range of different threats – ranging from organized crime to things like cyber warfare and corporate espionage. We have here a set of very real problems that demand answers. And the answers aren't simple. But we believe we have identified a few things in our study that enable us to address these issues.

Speaker: Yes, from Carsten Rossbach's perspective, this would start with the idea of building on one's own strengths. As an author of the study, he has identified one of those strengths in the very area that is frequently regarded as a drag on European cooperation.

Carsten Rossbach: We used to talk a lot about red tape and administrative burdens in Europe, especially in relation to regulations for data protection and so on. But the way forward now is, I believe, to turn this supposed weakness into a strength – similar to the way "Made in Germany" was initially thought of as a stigma but then became a major factor behind the success of German exports. The same thing must now be created in Europe for the cloud. We can take the alleged weakness of very intensive and rigorously designed regulation, for example in data protection, and actually make it a strength in the form of a quality seal for exports.

We have good data protection rules, but we have 27 different regulatory regimes across the EU. The providers have to comply with different sets of rules, depending on their geographical alignment, as do the users, depending on their geographical location. It would definitely make sense here to establish a clear set of harmonized rules that would simplify this matter.

Speaker: Governments set the course, businesses set the pace. The authors of this analysis want to help the cloud to make its breakthrough on the "old continent" by means of a roadmap for Europe that passes through five stations on the path to international leadership.

These 5 stations are:

- Harmonize the legal framework
- Promote research and development
- Incentivize small, fast-growing companies
- Position the public sector as a pioneering user
- Establish a quality seal.

Your consultancy attaches great importance to this last point. By laying down the requirements for secure cloud computing, the quality seal will create greater confidence among users.

Carsten Rossbach: There are, of course, many different factors behind cloud security. They cover processes, systems and specifications. In our idea of a European Cloud Gold Standard, these diverse factors are bundled into one quality seal. Creating this standard and enforcing compliance would clearly be a big step forward in giving users the trust and confidence they need. This can relate to different levels. For example, we attach a lot of importance to standard contract clauses. Drafts for such clauses already exist, and the European Commission has already set out some initial versions. But we believe there is far more to be done here in making life as easy as possible for users and providers in the cloud.