



# I'm "All In" -- Committing Completely to the Cloud

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# “All In”: Agenda

## **Five Year Journey on the Cloud**

- The Travelers
- The Journey and Why
- “All In” ...Defined

## **Making the Cloud Work**

- The Mindset
- The Agreement
- Other Considerations
- Industry Standards for Performance



# The Travelers

- Ken Harris: 25+ years as CIO/COO
  - Shaklee, Gap, Nike, Pepsi
- Shaklee:
  - SMB Direct Sales Industry
  - #1 natural nutrition company in the United States

# Business Flow Map

Public, Members, Distributors, Employees, Vendors



NETWORK ACCESS					
Telephone		Fax		Web	
<b>SALES MANAGEMENT</b>		<b>PRODUCT MANAGEMENT</b>		<b>ORDER ORIGATION</b>	
Genealogy	Commissions	Product Information Management		Order Entry	Autoship
Contact Management	Business Management			Payment Processing	
<b>MARKETING</b>		<b>REPORTING AND ANALYSIS</b>		<b>ORDER FULFILLMENT</b>	
Brand	Product	<b>DATA</b> Members Distributors Genealogies Hierarchies Products Vendors Employees International Transactions Assets		Order Processing	Planning and Forecasting
Distributor Training	Call Center			Inventory Management	Warehouse Management
<b>REPORTING AND ANALYSIS</b>				Transportation Management	Contract and Vendor Management
<b>CORPORATE ADMINISTRATION</b>			<b>FINANCE</b>		
Human Resources			Transaction Processing		
Strategic Planning	Legal	Information Technology	Budgeting and Cost Accounting	Treasury and Tax	Regulatory Reporting




# Business Flow Map

Public, Members, Distributors, Employees, Vendors



<b>NETWORK ACCESS (Virtela)</b>							
Telephone		Fax		Web (Omniure)			
<b>SALES MANAGEMENT</b>		<b>PRODUCT MANAGEMENT</b>		<b>ORDER ORIGATION</b>			
Genealogy		Commissions		Product Information Management			
Contact Management		Business Management (Lenos)		Order Entry			
<b>MARKETING</b>		<b>DATA</b> Members Distributors Genealogies Hierarchies Products Vendors Employees International Transactions Assets (PivotLink)		Autoship			
Brand (Omniure)				Product		Payment Processing	
Distributor Training				Call Center (RightNow)		<b>ORDER FULFILLMENT</b>	
<b>CORPORATE ADMINISTRATION</b>			<b>FINANCE</b>				
Human Resources (Success Factors)			Transaction Processing				
Strategic Planning		Legal		Information Technology			
Budgeting and Cost Accounting		Treasury and Tax (Vertax)		Regulatory Reporting			

 Attempted Cloud-Based Solutions

# Business Flow Map

Public, Members, Distributors, Employees, Vendors



<b>NETWORK ACCESS (Virtela)</b>					
Telephone	Fax	Web (Omniure)	E-mail		
<b>SALES MANAGEMENT</b>		<b>PRODUCT MANAGEMENT</b>		<b>ORDER ORIGATION</b>	
Genealogy	Commissions	Product Information Management		Order Entry	Autoship
				Payment Processing	
Contact Management	Business Management (Lenos)	<b>REPORTING AND ANALYSIS</b>		<b>ORDER FULFILLMENT</b>	
<b>MARKETING</b>		<b>DATA</b>		Order Processing	Planning and Forecasting
Brand (Omniure)	Product	Members Distributors Genealogies Hierarchies Products Vendors Employees International Transactions Assets (PivotLink)		Inventory Management	Warehouse Management
Distributor Training	Call Center (RightNow)	<b>REPORTING AND ANALYSIS</b>		Transportation Management	Contract and Vendor Management
<b>CORPORATE ADMINISTRATION</b>			<b>FINANCE</b>		
Human Resources (Success Factors)			Transaction Processing		
Strategic Planning	Legal	Information Technology	Budgeting and Cost Accounting	Treasury and Tax (Vertax)	Regulatory Reporting



Attempted Cloud-Based Solutions



Successful Cloud-Based Solutions



# “All-In”... Defined

- Cloud-based solutions are given serious consideration for all business needs



# Making the Cloud Work: The Mindset

- Cloud-based IT operational performance must equal or exceed on-premises performance
  - Availability
  - Response time
  - Severity Level 1 response time
    - “Who answers the ‘red phone’ at 3 am?”
  - Failover time
  - Security and Privacy



# Making the Cloud Work: The Agreement

- Availability

<b>System Availability (Monthly Average)</b>	<b>Percent of Monthly Payment</b>
100.0%	100% + a
xx.9%	100%
xx.8%	100% - b
xx.7%	100% - 2b
xx.x%	100% - 100%

# Making the Cloud Work: The Agreement

- Response Time

<b>Transaction Response Time (Monthly Average)</b>	<b>Percent of Monthly Payment</b>
<x.0 seconds	100%
x.0 to < x.1 seconds	100% - a
x.1 to < x.2 seconds	100% - b
x.x to < x.y seconds	100% - 100%

# Making the Cloud Work: The Agreement

- Severity Level 1 Response Time

<b>Resolution Time (Monthly Average)</b>	<b>Percent of Monthly Payment</b>
<x.0 hours	100%
x.0 to < x.5 hours	100% - a
x.5 to < y.0 hours	100% - b
xx.5 to < xy.0 hours	100% - 100%



# Making the Cloud Work: The Agreement

- Failover Time
  - xx hour fail-over requirement
  - Tested annually
  - No contractual liability exclusion for “Force Majeure” (i.e. “acts of God”)





# Making the Cloud Work: The Agreement

- Security and Privacy
  - Provide initial and ongoing internal control audits of hardware, software and network environment
    - Architectural
    - Physical
  - Assure initial and ongoing compliance with PCI, SOX, HIPAA and/or other regulatory requirements



# Making the Cloud Work: The Agreement

- Security and Privacy
  - Encrypt data transmission and storage
  - If desired, obtain option and cost for separate
    - Data storage
    - Network access



# Making the Cloud Work: Other Considerations

- Vendor Viability?
  - Provide take-over processing option
  - Holdback payment until acceptance:  
“x days of processing without a  
Severity 1 condition”
    - Implementation profit
    - Processing revenue
- Require professional service support  
on termination



# Making the Cloud Work: Other Considerations

- Contract early-out on specified conditions
  - ✓ Within first x months if solution doesn't meet business need (no out-of-pocket loss)
  - ✓ Within x months of ownership change if SLA targets are not met
  - ✓ If SLA targets are continuously missed on an ongoing basis (e.g. more than x times in y periods)





# Making the Cloud Work: Other Considerations

- ✓ Develop pricing and plan to integrate all necessary systems before contract signing
- ✓ Dedicate and connect business and technical liaisons to vendor counterparts
- ✓ Establish quarterly review meetings and result publication



# Making the Cloud Work: Other Considerations

- ✓ Discuss flexibility of metadata model design
- ✓ Custom upgrades
  - Specify policy regarding “custom” upgrades
    - What/when
    - Integration
    - Ownership of customization
    - Inclusion of customizations in future releases
    - Impact of customization on upgrade path

Questions?



Gr8 Thanx!  
and  
Good Luck

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