

News and Views – Summer 2010



Insights from Silicon Valley

...cloud computing, the ubiquitous mobile, social networking, video, winners and losers?

Peter Mayer, Managing Partner, recently spent a week in Silicon Valley, California - visiting some leading and potentially bleeding edge technology providers. Accompanied by fifteen UK based COOs, CIOs and CTOs, it gave us the opportunity to identify new trends in the technology marketplace, the impact for us as business consumers and insights to the challenges we may soon face. We visited a mix of large scale suppliers and some start-up companies, all recommended to us by a group of friendly valley-based venture capitalists.

I have endeavoured to pull out the key themes from the trip, written as an enthusiastic business consumer, not a technologist per se.

Theme One: the revolution that is cloud computing

Cloud computing is a widely misused term. We define it as: IT resources and services that are abstracted from the underlying infrastructure and provided on-demand and at scale in a multi-tenant environment via a thin client such as a web browser.



There are currently three main strands 'in the cloud': Infrastructure as a Service, Platform as a Service and Software as a Service^[1].

- Infrastructure as a Service (IaaS): bundles storage, processor, operating system (plus virtualisation) and bandwidth. Clients can upload their own software stacks and run them on IaaS e.g. Microsoft Windows Azure.
- Platform as a Service (PaaS): bundles hardware, infrastructure, storage, database, workflow, security and a user interface that allow users to create and host powerful business applications e.g. Google App Engine provides functionality for developers to build web applications.
- Software as a Service (SaaS): also known as software on demand - software is deployed over the internet and the provider licenses the application to customers through a subscription or a "pay-as-you-go" model e.g. Salesforce.com.

There are several deployment models:

- Public cloud - cloud made available to the general public.
- Private cloud - operated solely for an organisation.
- Hybrid cloud - composed of two or more clouds that inter-operate or federate through technology.
- Community cloud - shared by several organisations and supporting a specific community.
- Virtual private cloud - simulating the private cloud experience in the public cloud infrastructure.

Technology providers claim there are significant benefits in radically lower costs, speedier application development, flexibility and agility along with greater opportunities for innovation and improved security. It seems a compelling argument, and Gartner appear to agree: as part of their Top Predictions for 2010 earlier this year they declared 'cloud computing is the #1 strategic technology of 2010... by 2012, twenty percent of businesses will own no IT assets'^[2].

But there are hidden dangers... many cloud systems are proprietary platforms that tie in the application owner to the hosting provider – something which is rarely mentioned or recognised. Nevertheless, the same risks associated with using proprietary platforms must be considered^[3].

For an organisation such as Pelicam, with the need for rapid distributed deployment across boundaries to support our client assignments, with significant growth rates, SaaS cloud computing provides significant strategic and tactical advantages – accessibility, agility, scalability, security and cost control. It allows us to focus on delivering client value – not messing about with the technology^[4].

In organisations with more architectural complexity (legacy, interfaces etc), cloud computing should still provide an opportunity for CIOs and IT departments to focus on innovation and create rapid strategic value but the need to integrate "on premise" systems with the cloud will significantly

slow down development timeframes and the consequent rate of change. This is a big issue for CIOs - when to make the investment and how to justify it to the CFO.

Overall, it appears undeniable that there is significant potential for cloud computing to change the IT landscape across the UK. Whilst the early adopters have predominantly been mid market companies, the argument is compelling for large scale enterprises also...

Footnote [1]: Forgive me if these terms are already well understood but it merits a brief explanation in layman terms.

Footnote [2]: I don't know what confidence Gartner attached to this statement (if any)...

Footnote [3]: The term 'cloud computing' like most technological terms is open to any number of definitions and misinterpretations. I suspect there are many suppliers using the hype of cloud to sell hosted solutions that just run in the data centre - true these platforms may be virtualised but to call them "cloud" based is not strictly true.

Footnote [4]: At Pelicam, we have used IaaS in the past but it is less attractive since the onus is on us to manage the software application - we are moving to SaaS where we can.

Theme Two: the ubiquity of mobile/smart phones and the rise of social networking

The smart phone market is growing rapidly^[1] and it is fragmenting. Blackberry and Windows Mobile were the dominant enterprise smart phone players in recent years but the iPhone and Android phones have made significant inroads into the consumer market. This is largely due to:



- The impressive devices - with Apple's iPhone leading the way with its depth of applications and great user experience, but Android, RIM, HP/Palm, Samsung and Nokia, to name but five, are sure to catch up^[2].
- 3G now (and 4G to come) and consequent mobility of devices used to access the internet.
- The video and data management capabilities^[3].

Additionally, there is widespread anticipation that a sub \$200 computer/netbook device will soon be available to support web applications only.

twitter™ We have also seen a large shift in usage from Google to social networking sites such as YouTube, Twitter and Facebook^[4]. In Silicon Valley (and spreading throughout the world), these have become the primary launch pads into the web. Thus technology usage is moving beyond the browser to interactive, connective applications that should transform business operations. As a result, and a significant move from previous years, internet traffic growth is now being driven by APIs (Application Programming Interfaces) built into the cloud, social and mobile applications^[5].

As a consequence, the US IT directors I met recognise their enterprises will have to adapt previously constrained technology policies to incorporate these new devices (smart phones, iPads et al) to foster participation and innovation within their companies. Traditionally IT have fought hard to fend off the use of these applications and devices internally, however, we are sure to follow the US in this respect. The challenge for the technologists is how to allow these devices to access corporation information in a controlled manner and maintain security^[6].

So it is clear that social networking will have an increasing impact on the business environment as organisations find it impossible to resist the trend as employees demand a 'consumer quality experience' in the workplace. Additionally

the complexity of applications being built in the cloud will offer a whole new set of business opportunities. Finally, if (or when) the vast majority of users can be served by web based tools the expectation is this will drive a mass change in the consumer and business desktop space^[7].

Footnote [1]: According to Mary Meeker (a well respected Internet guru from Morgan Stanley) the mobile Internet is ramping faster than desktop Internet did and more users may connect to the Internet via mobile devices than desktop PCs within the next 5 years.

Footnote [2]: Battery life is set to be cracked - the valley believe they are close to a breakthrough.

Footnote [3]: Consequently video/data volumes are beginning to surpass voice.

Footnote [4]: Source - Morgan Stanley Research - Internet Trends April 12, 2010.

Footnote [5]: eBay services over 6 billion API calls per month and 60% of all its listings are added via APIs AND more than \$7 billion worth of items on eBay are sold through APIs (according to Mark Carges, eBay's CTO).

Footnote [6]: Use of these devices is now being enabled within the corporate technology environment in Silicon Valley. Cisco told us they focus on "standardising the core" to "enable the edge". N.B. For some UK IT directors there was also acknowledgement of the need to tighten security for Blackberry platforms using Facebook.

Footnote [7]: Perhaps the thin client will truly be achieved... note this may be an area where corporate adoption for very thin netbooks will come before consumer acceptance.

Theme Three: The potential for visual communication and data storage consequences

Already Hulu and You Tube between them, use more than twice as much of the whole internet backbone capability in 2000 alone which is staggering. At Cisco, they referenced the growth in social networking and the need to design a whole new set of routers and switches for rich media (moving from small intermittent packet handling to streaming) and combining hardware, software and networking to provide a complete solution. Additionally, they passionately talked up the use of video as a business communications tool: the drive towards visual collaboration across multiple devices using rich media/video across internet and extranet. They assert video massively contributes to and supports human interaction and it will soon transform future business processes. Cisco told us their senior management team (including John Chambers) regularly issue video messages instead of emails to deliver key communications to their internal audience. The quality of the communication far exceeds that of an email in their experience^[1].

So given the explosion of unstructured social data and video, where does that leave us with data traffic and storage capacity? There seemed widespread agreement that the pipes are large enough to handle the growth but we seem to have a problem with storage. I can understand this being an issue as previous generations of storage were mainly built for databases and not for unstructured data. We were advised that unstructured data is increasing at 80% pa and needs to be on-line most of the time (I can't corroborate this). Since storage costs are only decreasing by 20-25% per annum, it is becoming an extremely expensive element of many organisations operations. There are however some innovative cloud based storage solutions emerging.

Footnote [1]: Perhaps unsurprisingly - they have been pushing this for a while. Despite my cynicism of Cisco's motives, the argument for video communications nevertheless has significant merit.

Theme Four: Significant investment in R&D and critical times for major players

There is a widespread belief in the valley they are now reaching a point where there will be significant winners within the current major suppliers (creating massive market penetration and more wealth) and also some significant losers (taking current major players to the point of

In particular, "hammock tasks"^[1] are difficult to plan in a precise and timely manner; let alone retrospectively capture the actuals.

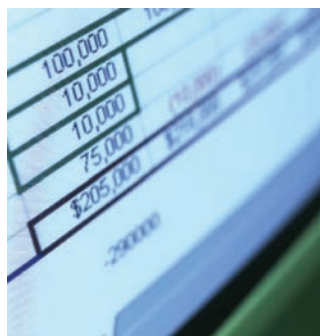
Simplicity

Gantt chart creation is all too easy in much planning software - so how can that be bad news? The temptation to start by creating a Gantt chart simply because it is possible is great. So great, in fact, that they can be generated by almost anybody (alone) without reference to the essential gathering of the project team to create the work breakdown structure; and the veracity and integrity of the Gantt chart is entirely dependent on the quality of the input data (and delivering against it, based on the singularity of purpose as a cohesive team).

Equally the (truly or partially) uninitiated can tend to believe that planning is a simple exercise capable of being completed quickly and with little knowledge or understanding. Terms such as duration, effort, slack, float, EV milestone type can look harmless enough but, for the uninitiated, can leave an accident waiting to happen in the middle of their plan.

Over-complexity

Using planning software correctly is complex. A new breed of resource, Project Planners (usually "Software Jockeys") has emerged that requires intensive software application training that is necessary to make use of the functionality required to best reflect the reality of a project in its plan. The resulting problems then stem from planners not fully understanding what the project manager understands and from the project manager not being able to use the software themselves.



Functionality versus cost

No planning software that I have yet discovered has sufficient planning aids to truly reflect the planning process. Even the generation of work breakdown structures or dependency networks are tedious and time-consuming. Risk management (the reality that turns a 'happy-day plan' into a real one) does not yet

appear to have made its presence felt within planning applications. Though risk and opportunity databases exist within other applications, the link to such requisite functionality such as Monte Carlo simulations, when used in planning, has not yet arrived.

Cost versus functionality

Simplistic planning software tends to be relatively easy to start to use; and its cost is reasonable. However, it is constrained by its inability to truly reflect the real complexity of planning a project. In order to better reflect missing functionality, other software applications are required to make up the shortfall (requiring further cost and skill-sets).

By contrast heavyweight project planning software tends to be very difficult to use and can reflect a much greater level of project reality though its costs are commensurately high both initially and on an ongoing basis.

Cost versus cost

Reconciliation of duplicated systems has never been an easy task. And for all project planning software applications there is usually an automated batch or manual batch link to the finance systems of parent organisations making real-time accounting almost impossible (and that is always assuming effort-data collected is complete, timely and correct).

The mythical man-month

All planning software I have encountered does not (and probably cannot ever) take into account the concept of the mythical man-month. A one-person, 20 day effort task when split between four people (according to the software) takes five days. Even if Weinberg's rules were applied, the reality depends on the specific availability and skills of the individual resources available.

Project data quality

The over-complexity of functionality can easily put-off the trained user, let alone the untrained one. Consequently, where individual project team members are required to enter data directly, the chances of that data actually reflecting reality is inversely proportional to the complexity of the software.

Even when skilled user(s) perform regular and frequent updates, the level of effort required to capture and enter precise and timely data that truly reflects a top-quality granular plan is (currently) very significant. The question of whether it is worth retrospectively capturing such quantities of information remains a matter for conjecture.

Furthermore, when progress is captured there can be a tendency to make use of the calculations within the software to generate information of highly dubious quality such as 'Task A is 43.5% complete.'

Planning horizons

The reality of planning is that we can only plan a relatively short distance into the future with any degree of certainty.

Thereafter we are increasingly at the mercy of risk, opportunity and uncertainty. Consequently the best plans make use of planning horizons (rolling wave planning) where our view of the project end-date becomes increasingly precise over time. Sadly, planning software takes no account of the necessary lack of precision; referring instead to its innate algorithms to provide a (relatively) meaningless but nevertheless specific, end-date. And isn't that what we were trying to achieve at the outset? So how do we plan in reality; what software should we use (if any); and how do we ensure we don't fall into these traps?



Footnote [1]. Hammock task - A task that is typically dependent upon a duration or longevity rather than another task or activity - a standard example is that of project management itself.

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Forgotten quality ...a more mature approach

James Rosewell, Managing Practitioner, Pelicam



I've been thinking back over my career at all the technology upgrade programmes I've been involved with and reflecting on the common themes. I've become paranoid about the amount of technical risk known and unknown with upgrade projects because so many have been exceptionally hard to deliver. In theory the technology has been built, operated and is well understood. Why then should it be so hard to change?

The answer very often lies with the original delivery.

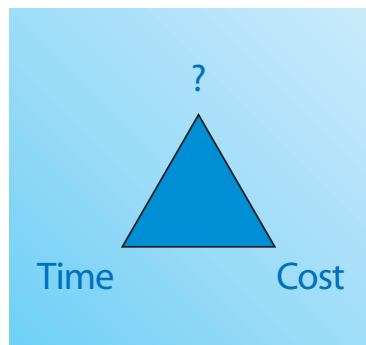
Scenario

Picture a pressurised business that must absolutely have the new technology live to support a new time-critical business initiative. Work streams don't want to appear on top management radar, at least not in a bad way, and focus on sticking to their brief - A brief which measures budgets and timelines with a passing nod to quality. And there's the problem. Quality can be adjusted to stay off the radar.

Technologists choose the cheap, quick fix. A supplier rushes the documentation, temporary network solutions and hardware as used. All in an effort to stay off the top management radar and maintain the all important green or amber status. The new technology is launched to a fanfare and sigh of relief. "We made it"! Now the quick fixes have been recorded, the documentation gaps have not been forgotten, the hardware needs an upgrade. Everyone agrees a "close down" phase is needed.

But...

A diligent finance director asks about the business case for this "close down" phase. And no one can justify it, particularly when compared to all the other shiny new business initiatives. There goes any last chance of achieving a quality deliverable, at least in technical terms.



Why is this important?

If the business initiative is being met, why is this important? Pressurised businesses rarely stand still and enhancements will be required. A business case will be created which may not take into account the shortfalls in the previous delivery, or maybe still doesn't justify the resolution.

This continues over many years and businesses are left with solutions that are costly to maintain and support. Who knows, a new CIO may come in and make their name replacing this horrible old solution?

Conclusions

So how do we avoid these pitfalls?

1. Businesses need to ensure they view technology investment over its lifetime and not just the duration of a project or programme.
2. Programmes need sufficient contingency budget to address problems post initial delivery.
3. Quality needs to be measured and decisions taken concerning it with the same importance as time and cost.
4. An environment needs to be created where problems can be reported as easily as success. Particularly from the technologists.

I've recently worked with a client that managed to achieve much of this. They'll benefit for many years to come.

Comment on James' article:

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Driving sustainable improvements...

Thanks to your referrals we are continuing to build new relationships and work on some challenging projects. Recently we have been...

- Helping one of the largest telecom companies identify and remediate the 'barriers to success' on a strategic programme of work.
- Assuring a major replacement of banking systems at one of the UK clearing banks.
- Health checking the refreshed programme for a well known logistics company following initial programme reviews.
- Reviewing multiple projects, assisting with governance, process and capability improvements in companies in several underwriting and insurance companies.
- Providing procurement, project and business experts to assure successful introduction of new core operational systems in a publishing house.
- Assisting with the organisational transition and performance improvements with 300 project managers at another UK bank.

It is encouraging to note, where we are asked to come back to revisit a previously health checked programme, many shortfalls have been successfully managed out by our clients. The results are heartening ...our drive for sustainable improvement is showing real benefits. Thank you for your continued support.



Pelicam Project Assurance – assure project delivery – assure success

Pelicam is delighted to launch its new website at www.pelicam.com – a clean, eye-catching and informative reference on Pelicam, who we are and what we achieve for our clients.

To develop this, we approached our clients and asked them - What is project assurance and what does Pelicam represent? We were able to summarise their responses -

- Pelicam is impartial and can assess the success of a project
- Pelicam employ experts who know how to run projects
- Pelicam practitioners lead client project teams to help improve the capability of its project teams.

We are keen to communicate our values and messages... and our new website is designed to reflect this.

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Our practitioners have vast engagement experience in a wide range of industries and we will publish their news, views and experiences on a regular basis. Add News and Views to your RSS feeds to get the updates emailed to you.

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We have a library full of our client success stories and how they have used project assurance to turn their projects back on track.

The Pelicam Ridgeway Challenge for Lifelites

Kate Woodmansee, Marketing Manager, Pelicam

Peter and I thought cycling the Ridgeway in two days would be a challenge, 45 miles each day... but all very achievable! What we didn't factor in was the off road terrain, turnstiles, poor map reading skills, punctures, the need for replacement bikes and Peter cycling with jet lag (having flown in from the States at 7.30am that morning) combined with the hottest weekend of the year so far!

Our Pelicam team consisted of Peter Mayer, Nick Sanderson and I with some family and friends. We did not know quite what to expect - hills, punctures, exhaustion... but what we did experience was incredible...



The Ridgeway

The Ridgeway is Britain's oldest road and is 87 miles (139km) long, much of it following the ancient chalk ridge route used by prehistoric man. It has been in use for 5000 years as part of the route from the Dorset coast to the Wash. Nowadays, it is enjoyed by walkers, cyclists and horse riders.

The countryside is simply stunning with a completely undeveloped and unspoilt track, offering virtually no services at all on the way! This kept us going as we had rooms booked at a B&B in Streatley upon Thames for the night!

Our memorable moments

"Hills... lots of them. Many with a chalk and gravel base on which the tread could never seem to bite. Our ancestors thought it safer to stay on top of all the hills so that they could see the villains down below. Needless to say we weren't thanking them for this strategy" – Peter

"An evening sitting by the river in Streatley, drinking a glass of wine, nice meal – and all of us very sore and in shock wondering what we had let ourselves in for the next day."
– Nick

"I managed to break my bike... completely! We were tracking through a mile of what was effectively 'a ditch with undulations'. I managed to knock the derailleurs against a root

and they went through the spokes of the rear wheel. It was a write off. Dad called for a replacement bike and the others set off with the intention that we would catch them up later in the day. Dad and I shared a run of 4 or 5 miles with the broken bike to the chosen rendezvous point – that was painful. When we got the replacement bike it got worse. We decided to ride at maximum speed till we caught the others up. Exhilarating or what! It also involved ‘goosing’ two policemen on the track! But great fun. Tried to get Dad to go fast for rest of day but didn’t happen. PS. Haven’t got on a bike since.”
– Joe Mayer (14)

“Kind friends sent supportive text messages to encourage us, but the most important message of support was to keep thinking about the children in the hospices that Lifelites support. In many cases they are very poorly and their lives are transformed by the work that Lifelites do in providing technology for the 40 children’s hospices around the UK. I might have been stiff, sore and in agony, but it is unlikely that these children would ever be able to complete this challenge.”
– Kate

£4,849.23 for Lifelites

Thank you all so much for your generous support. As a result we have smashed our target of £3000 and have raised close to £5000 for Lifelites. If you would like to support Lifelites, you are still able to do so by visiting their website.



Pellicam Support the Nationwide Cricketers

Pellicam are delighted to continue their support for the Nationwide House Cricket Club. The club have been playing cricket for 20 years with now more than 60 members.

Good luck with the tour of Lanzarote.

Contact us

To explore how things can be improved in your organisation, please get in touch at info@pellicam.com

Submit an article

If you have any interesting articles about improving the chances of project success or more explicitly delivering project intelligence that you would like to share please send them to kate.woodmansee@pellicam.com

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