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***Title: Institution-wide Cloud Strategy for the “Right” Sourcing and Solution Strategies***

Technology advancements for the past decades have provided a new wave of effective solutions for their business operations, most particularly in every decision-making activity. Just recently, cloud computing has been of great significance to every organization and firm, capitalizing the potentials and power of the Internet in the business context. Cloud computing is a rising technology that enables a more effective management of information technology (IT) systems of the organizations, and could likely replace those conventional IT systems. It enables an organization's IT to be more flexible, to process data faster and to reduce IT costs. By broad definition, cloud computing simply means delivering hosted services over the Internet. It enables pay-per-use or charge-per-use access to applications, software development and deployment environments, and computing infrastructure. It offers an optimal and effective computing solution by means of improved collaboration, agility, scalability, flexibility and accessibility.

Firms and companies nowadays are using cloud computing as a strategy in gaining competitive advantage. Based on the recent IBM survey, cloud's strategic significance and benefits are recognized by key decision-makers in the business, such as CEOs, CMOs, finance, HR and Procurement Executives and many others (IBM, 2013). Given with the complexity and cost burden of the traditional IT systems, firms are now moving into cloud computing service as approach to decision-making, most particularly with regards to selecting the right sourcing and solution strategies. For such, companies are to adopt an institution-wide cloud strategy aligned with existing core business. Most companies seek to strengthen web-based technologies in order to establish outsourced solutions that are smarter, faster, more flexible and cost-effective, and, of course, not compromising both essential facets – security and control.

As a matter of fact, the capabilities of cloud computing could be renewed as a new option for sourcing service delivery. Companies source their IT, both infrastructure and applications, in order to simplify their existing IT infrastructure as well as to uniform platforms in every organizational management areas. This marked the continuous development of cloud sourcing. The concept of cloud sourcing is composed of two unique models – public and private cloud. The use of public cloud enables all activities and risk linked to IT infrastructure to be handled by third-party vendor in a public cloud-sourcing model, rather than managed by the business itself. On the other hand, private cloud is where IT infrastructure is provided in the Internet but from selected facilities, either owned by the business or the cloud vendor. However, before considering on using cloud computing as an alternative solution for IT sourcing, companies must have to examine their current service portfolios, and to distinguish between “core” services and “commodity” services. These services should then be compared against the consequent delivery system of in-sourcing versus outsourcing. There are several applications of cloud computing and sourcing in the business context. For example, cloud computing could provide optimal platform and solutions for a company’s entire supply chain via the Internet. Institution-wide cloud strategy could incorporate supply chain management concept and challenges in order to streamline their supply chain management models. Throughout the procurement process, sourcing is a set of complex and critical activities. Having to consider that cloud-based model functions on database comprising of hundred of information about existing and prospect suppliers, it enables efficiency in managing and selecting suppliers for the entire supply chain. More so, it aids in strengthening and creating existing and new relationships with the suppliers, most particularly in mutually creating agreements; which in the end improves contract management. To top that, there are few enterprise resource planning system modules offered in the cloud such as employee benefits, payroll, finance, procurement and many others.

Advancement of technology indeed provided effective way of managing every single activity of the organization. Transitioning towards cloud computing would allow organizations achieve competitive advantage, as institution-wide cloud strategy poses opportunities for effective, streamlined and flexible IT solutions for different decision-making processes throughout every business functions. In particular, it aids firms to select the right sourcing and solution strategies for their business needs, most particularly in the contexts of finance, HR and procurement.