XALT

GUIDE TO THE ATLASSIAN CLOUD

Why the right time to migrate is now

XALT Business Consulting GmbH

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01 Cloud Fact Sheet

By 2023, **70% of all enterprise workloads will be deployed in cloud infrastructure** and platform services.

Gartner, 2021

By 2026, **75% of organizations will adopt a digital transformation model** predicated on cloud as the fundamental underlying platform.

Gartner, 2023

After 6 months the migration to the Atlassian Cloud pays for itself.

Forrester Consulting, The Total Economic Impact™ Of Atlassian Cloud, 2021

Among the top 5 reasons why companies are modernizing their local IT infrastructure are **increasing outages due to aging infrastructure and successful cyber-attacks.**

IDC, Datenhoheit in der Cloud, 2023

A third of IT spend is on SaaS, PaaS, and IaaS offerings.
On-premises software spend has decreased from 24% last year to 20% this year, while SaaS spend has almost doubled from 10% to 19% this year.

Flexera Tech Spend Pulse Report, 2022

Within 3 years after the cloud migration, an ROI of 155% is achieved.

Forrester Consulting, The Total Economic Impact™ Of Atlassian Cloud, 2021

The top 3 reasons for cloud use are strengthening IT security, standardized IT infrastructure and application landscape, and increased resilience to unexpected events.

IDC, Datenhoheit in der Cloud, 2023

The top 3 technology initiatives for organizations are Digital transformation (74%), Cybersecurity (73%), and Cloud/Cloud migration (65%).

Flexera Tech Spend Pulse Report, 2022

The 3 biggest cost benefits of Atlassian Cloud come from

// cost avoidance for hardware

// savings for previously used applications integrated in the cloud (e.g Jira Automation)

// cost reduction due to lower ticket volume for IT team

Forrester Consulting, The Total Economic Impact™ Of Atlassian Cloud, 2021

Increased data security is one of the three key outcomes achieved **through cloud adoption**.

Gartner, 2021

02 Introduction

By 2023, 70% of all enterprise workloads will be deployed in cloud infrastructure and platform services, up from 40% in 2020.

Gartner, 2021

There is consensus that the future of the working world is digital. The exceptional circumstances and the uncertain economic situation of the last few years have increased cloud activities and the budgets of many companies enormously, as a study by McKinsey shows.

The advantages of cloud services are well known and are now proven in countless practical examples. Nevertheless, some companies are hesitant to push ahead with their move to the cloud. Possible reasons for this are that,

// the urgency is considered low

// the investment in cloud migration seems too high

// there is a lack of willingness to move data to the cloud.

For companies currently using Atlassian servers, now is the right time to plan a move to the cloud, as Atlassian will

discontinue support for servers on February 15, 2024.

On-premises servers that remain in operation will be increasingly exposed to security vulnerabilities, compliance risks, and performance issues.

This whitepaper includes for Atlassian server customers

// the top arguments in favor of cloud migration

// the resolution of the most common objections to the cloud

// insight into our best practices that XALT has successfully applied to many cloud migrations.

The COVID-19 pandemic caused many companies to switch to a cloud-first approach in just 23 days.

Source: McKinsey, 2020

Current facts about the cloud

A look at the current studies clearly shows that the trend is away from local infrastructures and towards the cloud. There is increased investment in cloud products, the new technologies offer the highest standards, and the right time to move to the cloud is now.

> In 2022, the top three technology initiatives were digital transformation, cybersecurity, and cloud/cloud migration.
>
> Flexera, Tech Spend Pulse Report, 2022

> Over 70% of respondents indicated that they expect an increase in their IT budgets in the coming year, with thirteen percent of global respondents expecting a significant increase.
>
> Flexera, Tech Spend Pulse Report, 2022

> A third of IT spending is on SaaS, PaaS, and IaaS offerings. On-premises software spend has decreased from twenty-four percent last year to twenty percent this year, while SaaS spending has almost doubled from ten percent to nineteen percent this year.
>
> Flexera, Tech Spend Pulse Report, 2022

> By 2023, 70% of all enterprise workloads will be deployed in cloud infrastructure and platform services.
>
> Gartner, 2021

> By 2026, as much as 75% of organizations will adopt a digital transformation model predicated on the cloud as the fundamental underlying platform.
>
> Gartner, 2023

> CIOs and IT leaders believe that moving to the cloud will strengthen their IT security, standardize and simplify their IT infrastructure and application landscape, and increase the resilience of their IT operations.
>
> IDC, Datenhoheit in der Cloud, 2023

03 Why companies are hesitant to migrate to the cloud

The step from local servers to the cloud is challenging for every company. The complexity of the migration increases with the size of the company, the number of Atlassian products and third-party apps used, the number of users, and the amount of data. Especially in these cases, it is important to invest enough time in analysis and planning and to think through the requirements of the existing infrastructure step by step.

The top 3 reasons why Atlassian Server/Data Center customers have not yet migrated to the cloud, we can defuse with facts and studies.

1. “I still have time to deal with it.”

The timeframe of a cloud migration is often underestimated. Depending on how the local infrastructure is set up and the business requirements for the cloud, a migration can take between 4 and 12 months on average.

With **support for Atlassian servers ending in mid-February 2024**, companies that don't start planning their cloud migration are now exposing themselves to increased IT security, compliance, and performance risk. Careful planning and evaluation are essential to support a smooth transition of business processes to the cloud.

Certified Atlassian Solution Partners have proven their expertise in numerous customer migration projects. A partner like XALT will guide you from start to finish to bring your business to the cloud in the fastest and most secure way.

A migration to the Atlassian Cloud can take between 4 (< 1,000 users) and 12 months (5,000+ users).

ATLASSIAN Gold Solution Partner

XALT Business Consulting GmbH is highly qualified as Atlassian Gold Solution Partner and committed to providing its clients with the greatest possible added value with their Atlassian products.

2. “The cost of the Atlassian Cloud is far too high.”

High migration and cloud subscription costs are also known hurdles to why IT decision-makers are still hesitant to start the cloud journey. If you compare the monthly subscription costs for the cloud with the costs for software licenses and add the migration costs, the cloud appears more expensive at first glance.

In the long term, however, maintaining local infrastructures involves far higher costs. For example, system downtime in a few hours can cost up to three times as much as an annual subscription to the cloud.

In the cloud, on the other hand, system availability is ensured by the cloud provider. Atlassian guarantees 99.95% availability.

The Atlassian Cloud Savings Calculator gives you a first impression of the ongoing costs you will incur with the cloud compared to the costs of a self-managed environment. Calculate the cost of your own Atlassian server environment with the Cloud Savings Calculator.

According to a Forrester analysis, a move to the Atlassian Cloud pays for itself after only 6 months, and within 3 years, an ROI of 155% is achieved.

Likewise, the number of tickets related to issues with slow system speed, permissions or required updates is also reduced by 90%, thus reducing the workload of the internal IT team.

Source: Forrester Consulting, The Total Economic Impact Of Atlassian Cloud, 2021

Looking at the total cost of ownership, it is clear that the benefits of the Atlassian Cloud fully outweigh the costs. The investment costs are amortized in a short time through

// the reduction of administrative tasks for the IT team, e.g., through the elimination of effort for maintenance, security updates, asset, incident and change management. Atlassian takes over these tasks in the cloud.

// increased employee productivity, e.g., through automation of workflows, faster access to the latest features that promote productivity, collaboration and security.

// savings for hardware, software licenses, energy, server rooms, etc., which are eliminated by the cloud migration.

3. “Is my corporate data safe in the cloud?”

Traditional concepts of control are based on physical location and ownership. If we know where something is located, we can claim ownership and control over it. Understandably, many find it difficult to leave this concept behind and store valuable, competitively critical corporate data in a third-party hosted virtual environment.

Knowing this, cloud providers have made all aspects of security a top priority. In fact, according to Atlassian, over 90% of Atlassian cloud customers believe that the stability and security of the cloud are significantly better than that of an on-premises environment.

In the cloud, you have a so-called “shared responsibility model.” Companies retain responsibility and ownership of their data but don't have to manage it all on their own. Specifically, this means that Atlassian is responsible for the security of the services provided and the systems on which they run.

When it comes to compliance, users, information, and marketplace apps, Atlassian provides security features to help customers further protect their data.

According to a study by Gartner, increased data security is among the top 3 outcomes achieved by cloud adoption.

Source: Gartner, 2021

For example, bring-your-one-key (BYOK) encryption offers cloud customers the advantage of encrypting corporate data with their own key without the encryption data being available at Atlassian. This means that the company retains control over the encryption at all times and, even in the event of a cyber-attack on Atlassian, the company data remains encrypted.

The shared responsibility model in the Atlassian Cloud relieves your IT team of many administrative tasks. At the same time, you retain ownership of your data in the cloud at all times. Here, you can find more information about the Atlassian Shared Responsibility Model.

04 What end-of-support means for Atlassian Server customers

The end-of-support date for Atlassian Server is approaching. What are the implications for Atlassian Servers and Data Centers that will continue to operate locally after February 15, 2024?

Increased vulnerability to security threats

End-of-support means that security patches and updates are no longer provided, leaving servers exposed to potential vulnerabilities. This increases the risk of potential data breaches and cyber-attacks.

Lack of compliance with industry standards

Software that stops receiving updates and support may not be able to comply with industry standards and regulations such as PCI DSS and HIPAA. This can lead to legal sanctions, fines, and reputational damage.

Limited scalability and flexibility

Products such as Confluence Server and Jira Server have limited scalability and flexibility as server licenses have no longer been sold by Atlassian since 2021. This makes it difficult to adapt to changing business needs and growth and can lead to loss of productivity and reduced competitiveness. When a server instance grows, the infrastructure or hardware must also accommodate the growth, which in turn causes high effort and costs.

Decreasing server/data center reliability and performance

As Atlassian Server products stop receiving updates and patches, server performance and reliability can degrade over time. This can result in more frequent downtime and business interruptions that impact productivity and revenue. For example, some features or add-ons such as Advanced Roadmaps or Jira Automation become massively limited in their functionality on server or data center instances.

Limited support

After the support period ends, Confluence Server and Jira Server products receive support limited to cloud migrations or data center upgrades only. This makes it difficult to resolve server issues, which can lead to longer downtimes and major business disruptions.

05 Benefits of the Atlassian Cloud

With Atlassian Cloud, you have the options today's modern enterprises need to grow their business: flexible, scalable infrastructure, “pay-as-you-go” pricing models, and access to the latest software components and features through “Software-as-a-Service” (SaaS).

Learn more about the benefits of the cloud in this section.

Using the example of one of our migration projects with the FATH group, we will show you the concrete business outcomes through the Atlassian Cloud.

FATH GmbH, headquartered in Spalt (Bavaria), employs around 500 people worldwide. Jira, Confluence, and Bitbucket are central tools at FATH that have a direct impact on business success – and they are part of the central business intelligence system.

The biggest challenge for the customer with its Atlassian applications hosted in the Data Center was regular system outages. One of the top requirements for the cloud environment was to maintain a stable system with minimal downtime and constant availability on each platform.

Long-term cost reduction

The Atlassian Cloud makes it much easier to manage the IT infrastructure as it is managed and supported directly by Atlassian. This leaves the IT team more time to focus on other important tasks. According to a recent study by Forrester, the 3 biggest cost benefits are

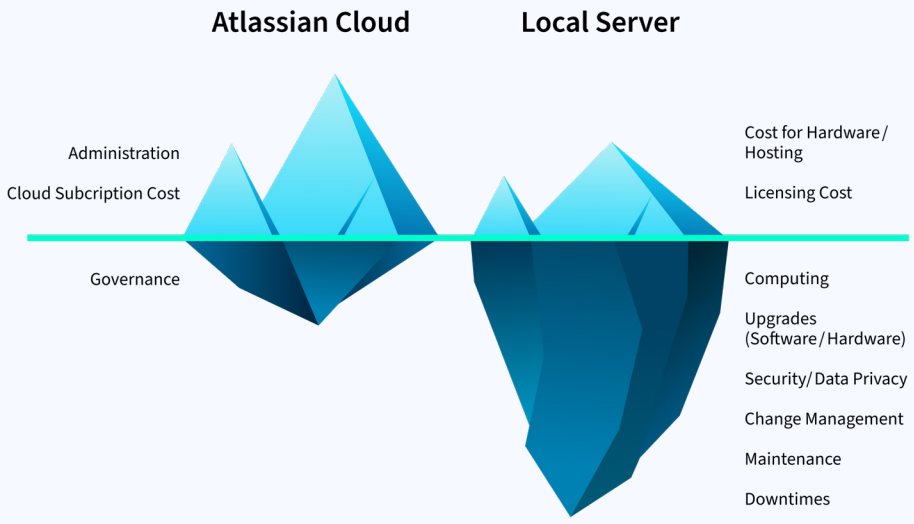
// Cost avoidance for hardware and its maintenance

// Savings for previously used solutions, applications or plugins that can now be replaced in the cloud by integrated functions in Jira or Confluence

// Cost reduction through increased employee productivity (due to reduction in ticket volume and time to resolve tickets, as well as avoidance of customization, which is no longer necessary due to the cloud)

In addition, in the cloud you only pay for what you actually use. Many on-premises resources are oversized, resulting in you paying for significantly more computing power than is needed.

By switching to a cloud service that automatically scales resources to meet current demand (e.g., during peak loads as well as peak vacation periods), studies show that up to 30% of costs can be saved annually. Scaling the environment can be realized flexibly and cost-effectively from one day to the next, which is not the case for local servers.



Are you comparing just the visible upfront costs, or are you looking at the total cost of ownership, which includes everything from the operations of the IT team to server replacements? The cloud opens up many opportunities for you to save money in the long run.

Customer Case

By migrating Jira, Confluence, and Bitbucket to the cloud operating costs at FATH GmbH were reduced by 80% (including IT personnel costs, maintenance, downtime, and infrastructure costs) – from approximately €250,000 to €50,000 per year.

As mentioned earlier, the cost of system downtime is also minimized in the cloud. In your on-premises environment, the cost of downtime adds up quickly, as it can not only result in lost revenue, decreased internal productivity, or SLA penalties but can also result in salary payments for overtime or on-call services.

Cloud providers, on the other hand, assure 99.95% availability, and in the rare event of downtime, Atlassian itself takes care of troubleshooting.

Increased security and compliance

In Atlassian Cloud, best practices such as rigorous security testing, disaster recovery plans, and data encryption in transit and at rest are deployed to ensure the highest possible security for your cloud services.

Apart from this, multiple security hurdles come into play in cloud environments through unique logins and frequent checkpoints where systems verify identity and device credentials. They effectively act as a security barrier between tools. Each tool is a secure zone on its own, and access to it does not automatically grant access to other areas.

Each user login has its own permissions and does not grant access to all parts of your system. This ensures that security breaches in one system or logins do not automatically compromise other systems.

Atlassian Cloud includes the following security features, among others:

// GDPR (General Data Protection Regulation): Internal handling of sensitive customer data is DSGVO compliant. Tools are provided to comply with legal obligations and local law.

// Data classification: internal control for access restrictions to customer data.

// ISO 27001 certification: information security management system.

// ISO 27018 certification: data protection in the cloud.

// SOC 2 (System and Organization Controls): independent audit report to assess an organization's information systems for security, availability, processing integrity, confidentiality, and privacy.

// BYOK (Bring-your-own-key): you retain ownership over the encryption of your data in the cloud.

// Configure different authentication requirements, e.g., SSO, two-factor authentication, password policies.

// Automatic updates and patches.

For DSGVO and GDPR compliance, the following options of so-called “data residency” exist regarding data storage in the Atlassian Cloud:

Location	AWS regions
Global	All Atlassian cloud in AWS regions
Australia	Consists of AWS Sydney region
Canada	Consists of AWS Canada (Central) region
EU	Consists of AWS Frankfurt and Dublin regions
USA	Consists of US East and US West regions
Germany	Consists of AWS Frankfurt region
Singapore	Consists of AWS Singapur region

Get all the information you need about Atlassian Cloud data storage here.

Customer Case

With built-in security and privacy options, FATH can ensure that the system is GDPR and DSGVO-compliant.

Multi-factor authentication ensures that all systems are protected from hacker attacks or malware.

Improved scalability and flexibility

When we talk about scalability in the context of IT infrastructures, we mean the availability of computing power, server storage, and other resources that can be expanded or reduced according to your business needs. Cloud technology allows you to scale much faster, smarter and more cost-effectively in the long term than on-premises servers.

By moving to the cloud, you can skip all the manual scaling steps (e.g., approval management, server ordering, purchase and setup of load balancer) of the on-premises environment. With Atlassian Cloud, you can easily add or remove users, storage, and features as needed because the resources are already in place.

Auto-scaling also optimizes your compute power costs, so you only pay as much as you use. With on-premises servers, the investment is made upfront and they incur ongoing costs regardless of how much the servers are used.

In addition, cloud-based solutions provide users with access to their data from anywhere, at any time, and from any device, making it easier to collaborate and work remotely.

Continuous innovation and feature updates

Migrating to the Atlassian Cloud gives you access to the latest features and updates without worrying about managing upgrades or downtime. Access to the latest and greatest features additionally increases user productivity.

But how does the cloud make your teams more productive?

More focus for IT teams

The cloud shortens the task list of IT teams, creating mental freedom for innovation. In on-premises environments, IT teams have many of tasks to complete – from server setup and replacing spare parts to fixing major incidents and configuring the latest security features.

With long to-do lists, the error rate also increases, and employees are stressed and increasingly demotivated, leading to lost productivity. With a cloud solution, the cloud provider takes over many of the previous tasks. This leaves IT teams more time to focus on value-added technical and strategic tasks, and also to address customer and employee concerns more quickly.

Customer Case

FATH benefits from the central system dashboard that can manage all Atlassian apps simultaneously.

FATH uses this for its identity and access management (IAM). By dividing users into predefined groups with specific access rights, they can speed up their IAM process and keep everything clear.

Motivating working environment for teams

Employees in marketing, human resources, sales, and beyond also in particular benefit from the automation of workflows, documentation, and simple tasks in the cloud. This also creates more mental space and reduces multitasking so employees can concentrate on their strengths and main tasks.

This has a direct impact on employee satisfaction, productivity, and motivation. After all, employees who can use their strengths in their daily business are six times more satisfied at work, according to a Gallup study. They are also more productive and less likely to leave the company.

Cloud tools typically make small, regular updates. That means teams no longer have to learn numerous new features two or four times a year. Plus, updates happen per cloud service and in the background without impacting other applications. So, updates no longer cause employees to be interrupted in their productivity.

More efficient and flexible collaboration

Whether teams work together in one office or scattered across the globe, the cloud is groundbreaking for collaboration. The cloud better connects teams by allowing everyone to work in the same system and easily connect it to other tools that require synchronization.

In addition, the cloud makes it possible to access apps from any device without complicated VPN setups, which in turn improves team collaboration and flexibility. At the same time, it eliminates sources of frustration that often arise due to non-functioning VPN connections and Citrix environments and creates a contemporary work environment.

Enhanced reliability and performance

The Atlassian Cloud is built on a robust and scalable infrastructure that ensures high availability and reliability. This means that customers can rely on their systems being up and running at all times without having to worry about hardware failures or maintenance issues.

Specifically, this is guaranteed in the cloud by the following functionalities.

Availability guarantee

Atlassian's premium cloud offering comes with a Service Level Agreement (SLA) for a guaranteed availability of 99.9%, as well as service credits if the SLA is not met. Support is available 24/7 with a response time of one hour. Work with an Atlassian partner and benefit from prioritized support.

Automatic performance upgrades

Automatic upgrades optimize performance while ensuring no delays in achieving better performance (after all, there is no manual upgrade process).

Faster product development and deployment

The cloud is far superior to on-premises hosting in terms of speed of CI/CD. Continuous Integration (CI = synchronization of developer activities throughout the day) and Continuous Delivery (CD = fast and regular deployment of minor software changes) are best practices for DevOps and Agile and are widely used by development teams today.

CI/CD is also possible in on-premises environments, but it is usually faster and easier in the cloud because you have instant access to more computing power, so you can run CI/CD tasks concurrently, significantly increasing-speed. Apart from that, most CI/CD software solutions are cloud-based and integrate seamlessly with other cloud tools.

Auto-scaling and load balancing

With local hosting, computing power is always limited, as you only have a certain number of servers and load balancers, as well as a certain amount of power. If the number of users increases quickly and unexpectedly, your systems could slow down significantly or, in the worst case, fail completely.

With automatic scaling in the cloud, computing power can be scaled up as needed to accommodate unexpected spikes in usage.

Standardization

Some teams are using the move to the cloud as an opportunity to optimize internal processes for speed and productivity. They are using the migration as an opportunity to take another look at instances, workflows, documentation, team best practices and other areas to see how they serve overall business goals.

Customer Case

A so-called "sandbox" environment for testing new configurations and applications enables FATH GmbH to protect its productive system from potential errors.

Downtime was reduced from 12 hours per year to almost 0. This was achieved primarily through automatic system updates (performed by Atlassian) and the elimination of unplanned infrastructure downtime.

06 Best Practice for Atlassian Cloud Migrations

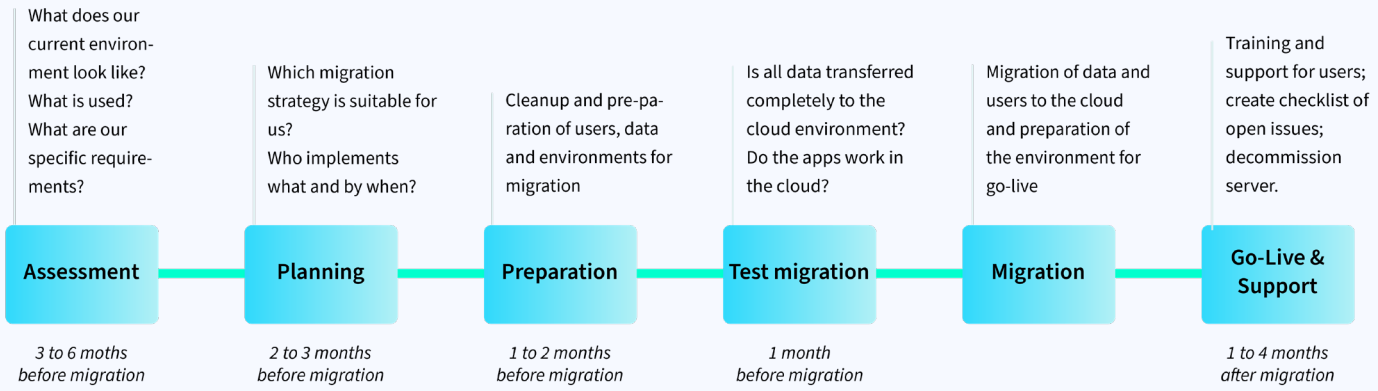
Migrating Confluence, Jira or Bitbucket environments to the Atlassian Cloud is not something to be underestimated. Confluence may have accumulated countless pages and sections over the years that need to be transferred to the cloud. Teams have established a wide variety of workflows in Jira and come up with custom solutions to make processes even easier and more efficient. In addition, countless apps from the Atlassian Marketplace are likely to be used to support workflows or provide important data in Jira or Confluence.

In the industry, the average duration of a migration is around 4 to 6 months, with larger companies with complex infrastructures sometimes taking up to 12 months.

And that's just the technical part of the process. Once you've migrated your systems, you also need to consider the time required to train employees, align your corporate culture and teams in the new systems, and update and adapt internal documentation procedures, workflows, processes, and so on.

Best Practice overview for Atlassian Cloud migrations

and average time required for the individual phases (the time required depends on the size of the company, data volume, number of users, etc.)



XALT has accompanied many customers on their way to the cloud over the last few years and, together with Atlassian, has established a best practice that offers customers the smoothest and most optimized transition to the cloud. Below, you will find an initial overview of the necessary project phases.

Phase 1: Assessment

No migration is like any other. Each system has a wide variety of individual characteristics and customizations. In the analysis phase, you should answer the following questions:

// What does my current server environment look like and which apps are used?

// Are current compliance, security, and data protection regulations feasible in the Atlassian Cloud?

// What budget do I need to calculate for the cloud migration?

Phase 2: Planning

To ensure that the migration to the Atlassian Cloud does not get bogged down, concrete scheduling of the individual phases is important. In this phase, all necessary tickets and tasks for the following topics are created.

// License planning, e.g., cloud plans and payment options

// Project planning, e.g., time planning and project teams

// Migration strategy: direct migration, phased approach or a fresh start

// Migration scope: which data is to be migrated

Phase 3: Preparation

In this phase, all necessary steps are taken to ensure a smooth transition from on-premises to a cloud environment.

// Communicate your migration strategy to all stakeholders

// Migrate your apps

// Verify that your server / data center version is supported

// Clean up your system

// Verify access permissions for anonymous users

// Select the appropriate user tier for the cloud

Phase 4: Test migration

Before you migrate all data to a production system, you should test whether all data is transferred completely and the apps work in the cloud.

Phase 5: Migration

Once your test migration has been successfully completed, you can begin migrating servers or data centers to the cloud.

Phase 6: Go-live & support

In the final phase, it is important to let all users on the new system, clarify open questions and conduct a retrospective: what worked well, where are the problems and on what do you still need to work on in your Atlassian Cloud?

XALT supports customers in this phase to a greater extent to ensure a seamless adoption of the new system. As change management experts, we guide companies and their users through the transformation and prepare them for the changes the cloud transition will bring.

07 Conclusion & Contact

The reasons why companies hesitate to move to the cloud are largely outdated, and countless businesses have proven to reap its benefits. That's why the time has never been better to start your migration to the Atlassian Cloud.

Is the scope of the above planning requirements that a cloud migration entails a bit overwhelming? Don't let it stop you. There are experienced experts available to guide your organization through each phase and support the smoothest transition possible for your business operations.

As an Atlassian Gold Solution Partner, XALT has extensive experience helping companies migrate to the Atlassian Cloud Platform. Recently, we successfully migrated the FATH group of companies to the cloud versions of Jira, Confluence, and Bitbucket. The result for our customer:

// 99.9% system uptime

// Minimized downtime from several hours a year to almost 0

// Reduced operational costs by 80%

You are faced with the decision to migrate to the Atlassian Cloud and are looking for the right solution partner?

XALT Business Consulting offers the following services for your Atlassian Cloud migration:

// Individual consulting by experienced Atlassian consultants on all aspects of the migration

// License consulting and management of your Atlassian Cloud licenses

// Support for the entire migration project from assessment to go-live and change management

// Customization of your Atlassian Cloud solution to meet the requirements of your business processes

Contact us for a no-obligation initial consultation on how we can support you on your way to the cloud.

More about migrations with XALT

XALT

Contact

phone: +49 89 4 16 12 42 40
web: www. xalt.de
email: info@xalt.de

XALT Business Consulting GmbH
Tomannweg 3, 81673 Munich