



## GCP NEXT: Can Google Cloud Align with Customer's Digital Future? by,

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Wikibon reviews the strategy, messaging and news from GCP NEXT. Google Cloud Platform held their first user-conference, with Diane Greene outlining the GCP strategy and early customer adoption.

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When Steve Jobs announced the original iPhone in 2007, it was received with as much skepticism as there was enthusiasm. Relative to existing mobile phones in the marketplace, it was extremely expensive and lacked many of the common features that were considered necessary for an “Enterprise communication device” such as the Blackberry. But along with all the criticism came an understanding from segments of the technical community that this was a device that needed to be looked at more as a computer than a phone. The iPhone was a device that would benefit from Apple’s expertise in miniaturized form-factors and years of Operating System development for applications. 

At the [Google GCP NEXT 2016 event](#) last week in San Francisco, there was a similar fragmentation of feedback from multiple segments of the industry. Some people felt like Google was finally having a coming out party for Google Cloud Platform (GCP) and this would signal the beginning of GCP finally living up to its expectations of being one of the “Big 3” cloud computing platforms, along with Amazon AWS and Microsoft Azure. Other insiders ([here](#), [here](#)) felt that GCP missed the mark in appealing to Enterprise customers, especially after hype surrounding the recent hiring of VMware founder Diane Greene to lead all of Google’s Cloud businesses (including Google for Work, Google Cloud Platform, Chrome for Work, Android for Work, and Google Apps).

  
**Diane Greene - SVP Google Cloud**

From my perspective, there were three aspects of the event that were somewhat unusual:

- **The GCP core message was missing.** As Diane Greene said during her keynote segment, *“It was easy to go into a customer and sell VMware. The technology saved companies money.”* What we didn’t hear at GCP NEXT was that core message that will resonate with a broad set of customers. Do customers have a “no access to Google’s Cloud” problem that is holding them back?
- **There was a distinct lack of focus on customers.** While several big name customers such as Coca-Cola, Disney, Spotify and Snapchat were highlighted during the week, the bulk of the event seemed to be focused on Google and GCP capabilities. In two days of keynote addresses, only about 10-15 minutes were focused on customers. The shift from internally focused to externally focused will be an important area to watch as GCP evolves over the next 6-18 months. [all keynotes and technical sessions can be found [HERE](#)]
- **There was more focus on “big problems” vs. “pragmatic problems”.** Every Google discussion is littered with the words like “at scale”, “100s of thousands of nodes”, or “massive amounts”. Given the scope of Google’s consumer businesses, that vocabulary is embedded in their DNA. But not every company faces the scalability problems that Google does with their services (e.g. Search, YouTube, Gmail, Maps, Android, etc.). It’s powerful that GCP can bring those potential resources to customer challenges, but will customers be attracted to GCP if their challenges are not “global in scale”?

## Google is Playing a Long Game with Google Cloud Platform

When we step back and think about GCP, there are a few basic things that we need to remember as a starting point for any evaluation:

- **We all know everything and almost nothing about Google.** Whether it’s Search or YouTube or Gmail or Android phones, nearly every person in the modern world interacts with Google on a daily basis. Their services are part of the global human collection of knowledge. But until recently, very few people knew how those services were delivered or the scale of the problems that Google solved. Much of the focus of GCP NEXT was to lift that veil and provide a level of transparency about what technology, process and people were behind the portfolio of Google and GCP services. While it

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felt like there was too much talk about Google at the event, it may have been necessary to establish a baseline level of understanding for the marketplace. It will be interesting to watch where the conversation goes from here.

- **The DNA of Google is “intellectually curious”.** As we heard one customer say, *“The Google team is intellectually curious. We can bring them new ideas and they will quickly rally a set of engineers to try and solve it. They helped us think about our challenges and opportunities in unique new ways.”* Within large, established companies, there is pressure to leverage the scale of the business to get new projects up to speed quickly. At Google, these are the 7 existing services with 1B+ users. When colleagues are focused on problems of a global scale, there is a natural tendency to think about similar sized problems. As a whole, Enterprise IT is a market segment with 1B+ users, but the difference is that it's highly fragmented into lots of companies with individual problems. Understanding the scope of those micro-challenges and the individual customers is an area that will require a new form of intellectual curiosity from the GCP team to be applied.
- **The Digital / Mobile / Cloud era is evolving and inevitable.** Smartphones sales overtook PC sales back in 2009, and since then the [Internet trends](#) have been moving towards a Digital/Mobile/Cloud experience for all users. These mobile experiences are 30-100x as data rich as the PC experience, and the promise of IoT will only bring another order of magnitude more data into the IT landscape. Android is deployed on more mobile devices, and Google is the most advanced data analytics platform on the planet. These are the global trends that GCP is betting on, and the Google platform is the foundation of that strategy.

The strategy of GCP appears to be focused on helping companies define the future of digital business and digital interactions across the globe. That is a 5-15 year transition for many companies, depending on their industry.

Of the three major web scale cloud providers, Amazon AWS, Microsoft Azure and Google Cloud Platform, GCP is the only one that isn't an add-on or transitional part of the core business. It's part of the fabric of the overall company (Google) and an area that directly and indirectly benefits from the nearly \$10B of annual CAPEX allocated to their data centers. That “supplement” might be the advantage that GCP needs to manage the next few years as potential customers learn how to better utilize the new tools, services and way of building applications that GCP enables.

  
**Spotify, Snapchat and  
Coca-Cola discuss Google  
Cloud Platform**

## “Meeting Our Customers Where They Are, Instead of Where We Think You Should Be”

The most important statement during GCP NEXT was made by Alphabet CEO Eric Schmidt, where he said that Google's previous cloud strategy was incorrect and made too many assumption about what customers should be doing. It was inwardly focused on how Google developers think, and not enough about how the rest of the world has been forced to think. Schmidt stated that Google Cloud Platform needed to begin, *“meeting our customers where they are, instead of where we think you should be”*.

  
**Eric Schmidt - Chairman, Alphabet**

This will be the ultimate challenge for GCP going forward. GCP has the financial and technical resources to be a significant platform in helping companies become digital businesses in the 21st century. The digital transformation challenge is one that Google's DNA can get excited about it. But it's also one that GCP

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needs to think about on a customer-by-customer basis, not on a “at scale”, “100s of thousands of nodes”, or “massive amounts” basis. Every day they need to wake up and not just ask themselves what customers want, but also talk directly to customers to truly understand where they are today. This will require a shift in Google's DNA, which the GCP team might be able to spearhead.

## Action Items:

While the industry perceives Google as a leader in many categories, their history is one of fast-follower. Search, Maps, Email, Smartphones, Business Applications and several others were all followers that eventually gained large market shares. GCP is now in a position to see if it can follow in the footsteps of those previous services. The GCP portfolio still has a ways to go to catch up to AWS and Azure, but the foundation from Google is in place to create a category leader. It's success or failure all will depend on how well GCP interacts with customers.

As customers look at their Hybrid Cloud strategies, it will be difficult to ignore the rapid evolution of AWS, Azure and GCP vs. their existing on-premises deployments. Wikibon recommends that IT organizations should be evaluating and trialing all of the web scale cloud providers to see which one can help them develop new applications that will help them on their digital business journey. These public clouds have already surpassed the ease-of-use and capabilities of Private Clouds, and now IT organizations must accelerate their understanding of how these services can accelerate their business.

## Full List of GCP NEXT 2016 Announcements

The following is the full list of GCP NEXT 2016 announcements.

### Cloud Machine Learning: The Next Big Step in Data Intelligence

- Cloud Machine Learning leverages the deep learning capabilities of [TensorFlow](#) (yes, they're different), adding in data management integration with [BigQuery](#), [Cloud Dataflow](#) and scalable predictions using models that customers train. The Cloud Machine Learning platform also has very powerful and easy-to-use fully trained ML models: [Translate API](#), [Vision API](#), and [Speech API](#). Today's developers no longer need to custom train models to build world-class prediction programs. GA is expected in May.

### Security Updates: IAM and Encryption Protecting Your Google Cloud

- Google Cloud Platform customers can now use Identity and Access Management (IAM) to assign permissions to GCP resources through IAM roles which are defined as a collection of permissions. These new roles allow customers to grant more granular permissions to specific types of resources in a project.
- Additionally, GCP is rolling out customer-supplied encryption keys (beta) for [Google Cloud Storage](#) (we launched [encryption keys](#) for [Google Compute Engine](#) last summer). For customers who don't want the operational burden of managing their own keys, they can rest assured knowing that Google Cloud Platform encrypts all user data at rest.

### Networking Updates: Enabling the Flexible Cloud

- Building on the [momentum](#) we've seen the last few months, GCP will also be unveiling SSL/TLS termination with load balancing (alpha) on March 28 and Cloud CDN (beta) on April 6. We're chalking

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both up to the superior Google network scale, reach, resiliency and performance across cloud workloads.

- Also, at [KubeCon](#) last week, the Google Cloud Platform team introduced [Kubernetes 1.2](#). The open source container orchestration is now sporting significant scale improvements, a new GUI, simplified application deployment and management, automated cluster management, and built-in extensibility.

## **Growing Google:** Adding Partners and Customers

- We started the year off on a high note, adding [Spotify](#) to the customer mix. Now, we're even more excited to build on that momentum by announcing Disney and Coca-Cola as new customers.
- Additionally, we've added VMware, Veritas and Accenture to our partner community and look forward to building a robust partner economy.

## **Cloud Launcher Updates:** Keeping Partners Close to Their Customers

- [Google Cloud Launcher](#) is a cloud marketplace that moves beyond the transaction, to help customers maintain and manage sophisticated, production-ready solutions. It maintains the connection between the software provider and consumer, benefiting both the partner and consumer. With new security update notifications, better scalability and resources via [Google Cloud Deployment Manager](#), and more easily configured solutions, we're putting our partners back in touch with their customers.

## **Going Global:** Cloud Platform Region Expansion

- The team is very excited [to announce two new regions](#) for 2016: US Western (Oregon) and East Asia (Tokyo, Japan). We have plans to announce 10 additional regions through 2017 so stay tuned for more.

## **Google Stackdriver (beta):** Monitoring and Logging for Google Cloud Platform or AWS

- We're introducing Google [Stackdriver](#), a unified monitoring, logging, and diagnostics service that makes ops easier, whether you're running applications on GCP, AWS, or a combination of the two. Stackdriver is the first service to include rich dashboards, uptime monitoring, alerting, log analysis, tracing, error reporting, and production debugging in a single hosted package, reducing the time that teams spend finding and fixing issues in production. Made for all cloud customers, Stackdriver integrates with AWS, GCP and other operational tools such as Slack, Pagerduty, Hipchat and Campfire.

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