BEHIND A GAME CHANGER

Ray Bricknell of Behind Every Cloud speaks to *HFM Technology* about the rise of the Clover index and what the future holds

n December 2016, the Cloud Industry Forum (CIF) formally resolved that it "believes [the Clover index] to be the benchmarking gold-standard for comparison of Cloud Providers who wish to align with the requirements of mid-sized firms in the UK's regulated markets".

HFM Tech (HFM): How was the Clover index idea born?

Ray Bricknell (RB): It was very much down to being in the right place at the right time. My whole IT career from 1981 to around 2006 had been in the 'institutional' large corporate world. Running EMEA wide infrastructure projects for Barclays, etc. I then fell into mid-sized investment management and before long was CTO of an $8bn AIM-listed fund – right at the same time as the Global Financial Crash of 2008 – and this previously massively successful fund starting falling off the cliff. In 2009, my COO, Adam Grant, said: "We have got to dramatically cut back our IT costs!" And I replied: "Well, then we will have to outsource much more." That was really the day the seed of the idea was planted.

HFM: What other influences were there?

RB: As I set about the process of running the RFP in the way I'd done many times before in my previous career, I started to realise that very few of the 'usual suspect' specialised hedge fund IT providers that I was meeting had deployed (what we now call) private cloud or IaaS at the size and scale that we needed to make the commercials work. The quality was, shall we say, 'highly variable' too. So I started casting the net to include vendors further afield. From my previous experience, I felt I was buying a pretty commoditised product, so I could look outside of the niche market.

HFM: What findings did you make?

RB: I found that there are a great many larger mid-sized IT providers in London that are very keen to provide their IT services to investment management clients. They were very

Ray Bricknell is the managing director at Behind Every Cloud, which he founded in 2010. Consulting extensively with clients, CSPs and industry specialists, BEC defined the Clover (Cloud Vendor Ratings) index benchmarking standard, now acknowledged as the definitive source of specialist, staunchly independent IT outsourcing and Cloud computing vendor analysis in regulated UK markets.

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pleased to be engaged – as they had typically not had any exposure or opportunity to sell into big clients in this niche market before.

HFM: Why had they not been engaged before?

RB: There were a few reasons (and bear in mind this was in 2010). Firstly, most of the clients in the niche who had outsourced their IT were actually either start-ups or rather small firms – spending circa £50,000-£100,000 per annum. The larger funds in the market simply hadn't considered it to be a viable option yet. We were being forced to do so because our requirement was too big for these smaller 'incumbent' providers, so we were in new territory. My own internal IT footprint at the time was bigger than what the providers were running. Secondly, the larger more generic IT outsourcing providers (today's CSPs) didn't know how to engage with, or break into the niche. They had no reference clients – a bit like a job applicant with no experience – a catch 22.

HFM: How did this lead to the Clover index?

RB: I realised that I was (by dumb luck) in a rather unique position. I understood the IT needs and language of a large asset manager, and I had come from a background of designing, buying and doing due diligence on very large banking infrastructures. It occurred to me that the perfect finance private cloud of the future would simply be offering mid-tier finance businesses a slice of a shared platform that would in essence be like the large banking systems. Moreover, we set about defining a set of assessment criteria to compare providers against best practice, and it went from there.

HFM: What have been your biggest milestones since then?

RB: We got lucky early (again) when we were engaged by a big name AM who asked us to develop an IaaS strategy and conduct a far reaching market analysis. That project allowed us to build the intellectual property (the database we now call the "Clover engine"). It also gave us a level of CSP visibility and profile that we had hitherto only dreamed of. We signed NDAs with over 40 CSPs and captured and analysed more than 150 metrics covering a wide range of size, risk, maturity and market affinity characteristics.

Today those numbers are 300 data metrics across more than 70 CSPs and we've added interactive shortlisting tools and an 'at-a-glance' single page web view that enables a client or consulting partner to explore the main features of a vendor and compare them to their own requirements. We have also built an ecosystem to support CSPs who want to run a closed user group for their clients.

Best of all we have been lucky enough to work with some terrifically strong end-client CTOs and COOs,

and visionary CSP MD, sales and CTO guys who have helped guide the development of the product and the commercial model. That process still continues nowadays. I'd like to name them all to say thanks, but their legal teams would have a fit.

HFM: Who else in the market is influencing the direction for Clover?

RB: The FSA has unknowingly been a great influence on our direction. From the 'Dear CEO letter' in 2012 to their new 16-5 Cloud guidelines in 2016, they have consistently driven a demand on the client side for more vendor due diligence in the IT space. We aim to make that specific compliance challenge easier for our clients and our comprehensive annual Clover reports subscriptions expressly address the regulatory requirement for our clients to perform ongoing and regular due diligence on their main IT providers from an operational risk perspective.

The most recent important development has been an official statement in December 2016 declaring that the Cloud Industry Forum "fully supports and endorses the need for the Clover index and believes it to be the benchmarking gold-standard for comparison of Cloud providers who wish to align with the requirements of mid-sized firms in the UK's regulated markets".

That level of support for the work we have done in regulated markets is very rewarding and has rocketed us onto the radar of a much larger number of mid-tier finance clients including insurance, private equity, private wealth, private banking, etc. Some of the bigger CSPs are now paying more attention to us too, because we help the good quality CSPs rise above the market noise to find good fit clients and new markets.

HFM: What kind of feedback have you had?

RB: Alex Hilton, CEO of the CIF, was especially supportive of Clover, he said: "Rather than mandating standards, the Cloud Industry Forum has always believed that the market will adapt to customer demands and CSP capabilities, but the challenge has been matching the two! The CIF believes the Clover index is a great solution for this and will offer alignment between customers and vendors in the UK's Regulated Finance Market."

HFM: What developments can we expect to see over the next 12 months?

RB: We plan to continue to invest time and resources in expanding our CSP coverage. We think we have about 85% of the relevant vendors identified but making sure we haven't missed any good ones and keeping the data that we hold up to date is a never-ending task. We'll be automating this more and more.

We will also be spending some time making sure that there is a solid alignment between the Clover benchmarking model and the high level guidance offered to CSPs by the CIF Code of Practice and e-learning packages, etc.

We are also building out more relationships with mid-tier IT and management consulting firms who specialise in regulated markets. The fit with these firms is very good. They focus on resourcing the early lifecycle strategy, procurement and delivery processes, and can just bring the Clover index data in to make sure the CSP shortlist for their client's RFP requirements is a solid match. Having five good fit vendors in the starting blocks creates a far more competitive environment at the finish line. That model lets us focus on our core capability too. I think 2017 is going to be a huge year for us. ∎