CLOUD SERVICES BROKERAGE: HOW CSB'S FIT IN A MULTI-CLOUD WORLD



Cloud technology continues to evolve, disrupt, and open new opportunities for businesses. Spending on cloud computing infrastructure and platforms will top $723.4 billion in 2025, an increase over the $595.7 billion spent in 2024. Some key trends in the coming year include:

- The growth of AI cloud services is ramping up. Developing robust AI technology from scratch is expensive and time-consuming, making AI as a Service (AIaaS) especially attractive.
- Companies are taking a hybrid and multi-cloud approach to creating an agile and bespoke environment that includes some on-premises infrastructure and some redundancy in the cloud, for security. Gartner research finds that by 2027, 90% of organizations will take a hybrid approach to cloud computing.
- These two trends are driving a third: An increasing complexity in deploying, scaling, and managing cloud applications. Containerizing platforms like *Kubernetes* are helping to tame this challenge.

That still leaves the problem of selecting the best cloud services for your organization's needs and business requirements without jeopardizing performance or security.

Enter: cloud service brokers.

Navigating multi-cloud complexity

Before defining the concept of cloud service brokers, let's take a closer look at the challenges and complexities IT faces in the multi-cloud environment.

1. Immediate availability and unlimited scalability of cloud-based services are necessities.
2. The direct procurement of cloud services can lead to "shadow IT," as people "go around" existing corporate policies and security procedures when they don't align with operational demands.
3. Greater use of multi-cloud platforms increases security risks. Protecting company data as it moves from on-prem to multiple private and public clouds, and back, becomes critical but challenging.
4. IT must manage a shifting array of public and private cloud platforms—all with different capabilities, processes, costs, and performance levels, which is time-consuming and costly if not carefully managed.

Cloud brokers have emerged as master orchestrators who can manage the complexity of multiple cloud ecosystems and transform businesses into digital enterprises.

What is a cloud service brokerage (CSB) in cloud computing?

A cloud service brokerage (CSB) is a company that acts as an intermediary between companies needing cloud services and cloud service providers. They can simplify the process of procuring services, helping you aggregate what you need from various providers, customizing the solutions, and then creating a unified interface for accessing and managing these services.

CSBs help ensure your solutions comply with company policies and regulatory requirements. They are a cost-effective way of simplifying the process and ensuring your solutions fit your needs today and evolve with your business.

The global CSB market is forecasted to grow at a compound annual growth rate (CAGR) of 18%, from $11.4 billion in 2024 to $26.2 billion by 2029.

Types of cloud service brokerages

Three types of cloud service brokerages have emerged in the cloud computing marketplace:

1. Cloud aggregator

A cloud aggregator is a type of cloud broker that packages and integrates multiple service catalogs into a single user interface. The client then selects as many or as few services that fit their specific business needs but will only pay a single bill to the broker. The cloud aggregator model is generally seen as a more cost-effective and efficient approach for the client as compared to purchasing each service individually.

As part of their function as resellers, aggregators play a critical role in managing cloud provider relationships and services. The broker may also offer additional services on top of the cloud including security and governance (more on this soon). Overall, one of the main goals of the aggregator is to curate an actual catalog of services—providing a single pane of glass to all business and IT services—empowering agility and portability while saving time and money.

2. Cloud integrators

Cloud integrators add value by automating workflows across hybrid environments through a single orchestration, to improve performance and reduce business risk. Once migration is complete, the integrator can continue to provide support to the organization on an ongoing basis as needed.

3. Cloud customizers

As the name suggests, cloud customization involves modifying existing cloud services to meet business needs. In some cases, the cloud customizer/broker may even develop additional features to run in the cloud as required by the organization. This function is critical to building a fully configured cloud with improved visibility, compliance, and integration of key IT processes.

5 benefits of cloud service brokers

The cloud service broker model provides solutions that turn IT into a growth accelerator for end customers. Additional benefits of cloud services brokerage include:

1. Providing cloud service expertise

CSBs serve to reduce the barriers to adopting, managing, and customizing services in the cloud because they fill in gaps in knowledge and skills. Of note, brokers are often hired to evaluate services from different vendors and provide the customer with information about how to use cloud services to power digital innovation. Once the research is complete, the broker presents the customer with a list of recommended vendors along with a comparison of service features, cost breakdowns, SLAs, and other criteria. In this way, the broker's tool kit and expertise fosters objective, accurate, and informed decision making.

2. Negotiating cloud service contracts on behalf of the customer

Cloud brokers may sometimes be given the rights to negotiate contracts with cloud service providers on behalf of the client. In such cases, the broker is given the authority to contract services across several vendors which can be an excellent strategy to keep costs low. In addition, CSBs typically have pre-existing relationships with a number of vendors, and in some cases even have predetermined contracts, which helps to speed up the vendor acquisition process. This benefit is usually most common in the case of cloud aggregators.

3. Simplifying cloud operations

Cloud brokerages can help eliminate redundancies, optimize resource utilization, allow the IT organization to gain control of cloud consumption costs. Furthermore, having a real-time unified view of on-premise and public cloud resources also helps the organization to cut down on errors relating to managing multiple cloud platforms across the organization.

4. Reining in "shadow IT"

Shadow IT is when employees bypass the IT to use unapproved software and services. Cisco reports that 80% of employee software hasn't been cleared by IT, and that only 8% of enterprises know the

extent of shadow IT practices in their organizations. Cloud brokers in cloud computing can help put a stop to these risky and costly practices. They can create a unified cloud strategy that is aligned to the needs of business users and IT capabilities, to improve the responsiveness of IT to the operational demands of the organization. IT can then transition from providing reactive support to delivering proactive solutions.

5. Reducing cloud risks and meeting security standards

CSBs reduce the risk of migrating security services to the cloud by vetting vendors to ensure they meet robust security standards. This is especially critical in highly regulated industries such as healthcare and financial services where data protection is paramount. Here, the broker automates cloud governance and compliance along with a single view to manage risk across the enterprise environment.

Overall, CSBs enable the secure migration of data, apps, and infrastructure components between public clouds and private data centers including Amazon Web Services™ and Microsoft® Azure public clouds.

A trusted cloud services broker should enable you to govern your cloud without disrupting innovation by:

- Streamlining tracking of changes and configurations through integration with your service management processes.
- Providing users with upfront visibility into the cost of their cloud service choices.
- Reporting on usage and then managing the budget.
- Monitoring performance of cloud services to prevent downtime; and
- Separating departments or users with fine-grained multi-tenancy and role-based access control.

Remove multi-cloud complexity with cloud broker services

As your organization gets ready for the next generation cloud, there's no better time to leverage the benefits of cloud service brokerage to remove complexity, boost productivity, and reduce the risk of shadow IT. These enhanced business outcomes will allow your organization to keep pace with the demands of rapidly changing business requirements and ensure agile delivery of innovative services.

BMC Multi-Cloud Solutions are uniquely positioned to help IT achieve the full benefits of multi-cloud ecosystems with via industry-leading, vendor agnostic solutions for these required capabilities by:

- Customizing cloud services to meet business needs,
- Managing a variety of platforms from a single console,
- Enabling high-precision analysis across different applications; and
- Uniting cloud and enterprise management tools and processes.

For more information on how BMC solutions can help your organization navigate the complexity of multiple cloud ecosystems in order to forge ahead in today's digital economy, click here.