



CAF Strategy and Plan

Microsoft Cloud Adoption Framework, Strategy and Plan methodologies, as of 2026 | Motivations and business outcomes, business case, digital estate and rationalisation, skills and organisation, the cloud adoption plan

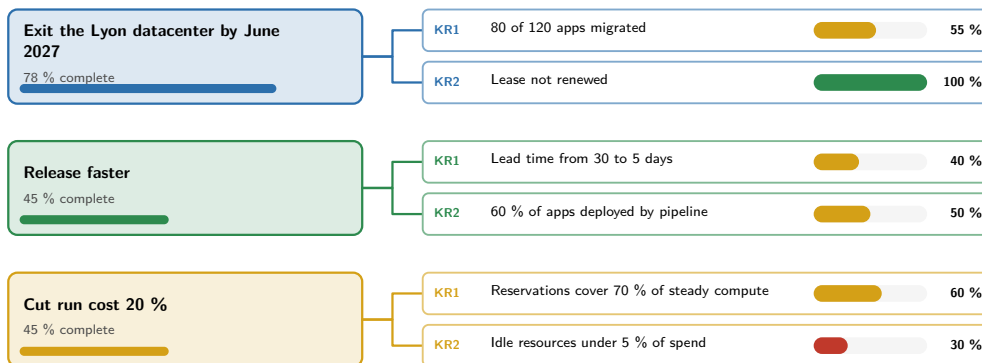
CAF Strategy Plan Business case

© Strategy: why adopt



CAF lifecycle (as of 2026)

Motivation group	Examples	Typical outcome metric
Critical business event	datacenter exit, end of support (Windows Server, SQL Server), merger, capacity crunch	date met, risk removed
Migration	cost savings, reduced vendor lock-in, operational efficiency, security posture	TCO down X %, fewer incidents
Innovation	new products, data and AI, customer experience, global reach	time to market, revenue from new services



Business outcomes as objectives and key results (progress after 6 months)

Business case and payback (illustrative EUR)

PROBLEM

Annual on-premises cost of the estate: 1.30 M EUR. Estimated Azure run cost after optimisation: 1.05 M EUR per year. One-off migration cost (partner, dual running, training): 0.30 M EUR. Payback period?

1. Annual saving

$$\Rightarrow S = C_{on} - C_{az} = 1.30 - 1.05 = 0.25 \text{ M EUR}$$

why: run-rate difference

2. Payback

$$\Rightarrow M / S = 0.30 / 0.25 = 1.2 \text{ years}$$

why: time to recover the one-off cost

3. Three-year net benefit

$$\Rightarrow 3 \times 0.25 - 0.30 = 0.45 \text{ M EUR}$$

why: before agility and innovation benefits

GIVEN

- $C_{on} = 1.30$ M EUR/year (hardware refresh amortised 0.40, facilities 0.25, licences 0.30, operations staff 0.35)
- $C_{az} = 1.05$ M EUR/year (compute 0.52, storage 0.09, network 0.04, licences with Hybrid Benefit 0.15, operations 0.25)
- $M = 0.30$ M EUR one-off

ANSWER

Payback in about 14 months; 0.45 M EUR net over 3 years

Check: Sensitivity: if Azure run cost is 10 % higher (1.155 M), $S = 0.145$ M and payback becomes 2.1 years

💡 Make the case credible

Use Azure Migrate assessments (right-sized, with Azure Hybrid Benefit and reservations) for the target cost, include dual-running months, and present outcomes beyond cost. The Cloud Adoption Strategy Evaluator on Microsoft Learn produces a starting strategy document.

Plan: what to move and how

PORTFOLIO: 10 applications

retire 1	retain 1	rehost 2	relocate 1	replatform 2	repurchase 1	refactor 2
EFFORT BENEFIT			APPLICATIONS (REASON)			
Retire (1) <i>decommission: switch it off: nobody needs it any more</i>			Legacy intranet --- replaced by SharePoint			
Retain (1) <i>revisit: keep it where it is for now (not ready, recent upgrade, compliance)</i>			Plant MES --- latency to machines, Azure Arc for management			
Rehost (2) <i>lift and shift: same servers moved to cloud VMs, no code change</i>			File servers --- Azure Files + File Sync ERP batch VMs --- Azure Migrate, then optimise			
Relocate (1) <i>hypervisor-level lift and shift: move the virtualised estate (e.g. VMware) as is</i>			VMware VDI --- Azure VMware Solution bridge			
Replatform (2) <i>lift, tinker and shift: a few cloud optimisations: managed database, containers</i>			HR portal (.NET) --- App Service + Azure SQL Reporting --- Fabric			
Repurchase (1) <i>drop and shop: replace with a SaaS or another product</i>			Mail --- Exchange Online			
Refactor (2) <i>re-architect: rebuild cloud-native: serverless, microservices, managed services</i>			Order engine --- containers on Container Apps Partner API --- API Management + Functions			

Dots: effort (top row) and cloud benefit (bottom row), 0 to 4, relative to the other Rs. Rehost and relocate move fastest; refactor costs most and gains most.

Rationalising a 10-application slice of the digital estate

INFO

CAF wording: retire, retain, rehost, replatform, refactor, **rearchitected** (change the architecture), **rebuild** (rewrite cloud-native) and replace (SaaS). AWS's 7 Rs say relocate and repurchase; map them one to one when a team mixes both vocabularies.

Plan step	Tool / artefact	Result
Inventory the estate	Azure Migrate appliance, CMDB, Azure Arc inventory	list of workloads with owners and dependencies
Assess	Azure Migrate assessments (VM, SQL, web apps, AVS)	readiness, right-sized cost, issues
Rationalise	per-workload decision with business owner	R chosen, priority, wave
Align the organisation	CAF functions: strategy, adoption, governance, platform, security, operations	named teams, RACI
Skills readiness	Microsoft Learn paths, certifications (AZ-900 → AZ-104 → AZ-305)	skills plan per role
Adoption plan	CAF adoption plan template in Azure DevOps / GitHub	prioritised backlog of waves

Skills and organisation

Skill	Platform team	App team A	Security	Finance
Azure fundamentals	●●●●	●●●○	●●●○	●●○○
Landing zone and Policy	●●●●	●●○○	●●●○	○○○○
Bicep / Terraform	●●●●	●●○○	○○○○	○○○○
Cost management	●●●○	●●○○	○○○○	●●●●
Zero trust and Defender	●●●○	●●○○	●●●○	○○○○

● current ● target 0 None · 1 Aware · 2 Working · 3 Proficient · 4 Expert

Skills readiness: current level vs target before wave 1 (0 none - 4 expert)

- Cloud strategy function business and IT leaders: motivations, outcomes, priorities
- Cloud adoption function teams migrating and building workloads
- Cloud governance function policies, risk, compliance, cost guardrails
- Cloud platform function landing zone as a product, subscription vending
- Cloud security and operations functions security posture, monitoring, incident response
- Cloud center of excellence one virtual team that can host several of these functions early on

MYTH

✗ Cost saving is the only valid motivation

✗ Rehost everything first, optimise later always wins

✗ Training can wait until after migration

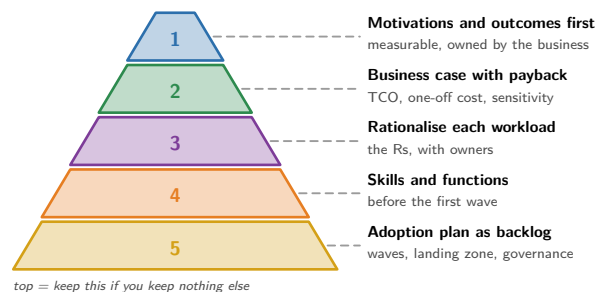
FACT

✓ CAF expects several motivations ranked by stakeholders
Agility, resilience and innovation outcomes often justify the move more than run cost.

✓ Rehost is right for deadlines; plan the optimisation wave or savings never come
Use rationalisation per workload, not one R for the whole estate.

✓ Skills readiness is a Plan deliverable before wave 1
Untrained teams rebuild on-premises habits in the cloud.

Recap



Q1 Datacenter lease ends in 14 months: which kind of motivation?

A A critical business event (CAF Strategy).

Q2 Which Azure tool inventories and right-sizes the estate for the business case?

A Azure Migrate (discovery and assessment).

Q3 Payback formula?

A One-off migration cost / annual saving.

Q4 CAF term for rewriting an app cloud-native from scratch?

A Rebuild (rearchitect changes the architecture, refactor changes code moderately).

Q5 Where does a skills readiness plan belong?

A CAF Plan, before landing zone and migration work.

Q6 What tool produces a starting strategy document?

A The Cloud Adoption Strategy Evaluator on Microsoft Learn.

Q7 What artefact tracks waves and tasks?

A The cloud adoption plan backlog (Azure DevOps or GitHub template).

Q8 Ideal first workload?

A Low risk, few dependencies, visible enough to prove the process.