



Where Are You In Your Cloud Transformation Journey?

A Practical, Real-World Look



storm
a littlefish company

littlefish
GROUP



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Cloud Transformation is a Journey, Not a Race

Cloud transformation often gets talked about like a finish line - pick a date, do a big bang migration, and you're done. In reality, most organisations I see are somewhere in the middle: part on-prem, part cloud, and trying to modernise without breaking what already works.

If you take one thing away from Microsoft's guidance, let it be this: most organisations evolve through stages. You don't wake up one morning "fully cloud." You move, from an Active Directory centric world, towards cloud native identity, device management, and app access over time. And yes, there are hard benefits that keep showing up in the numbers (cost, security, speed).

What's changed recently is the pace of platform capability: more secure-by-default options, more automation, and more pressure to be "AI-ready." Legacy patterns (and legacy dependencies) can quietly limit agility, so even small, steady moves toward cloud first identity and management tend to pay off faster than people expect. The main challenge for many organisations now is mapping where exactly they are in the cloud journey, and how to progress towards being fully cloud-enabled. Once you know where in the cloud journey you are, the next steps stop being vague aspirations and start becoming an achievable plan.

This e-Book outlines our practical view of what that journey looks like (especially for Microsoft 365 and Entra ID), and how to quickly work out where you are today, so you can plan the next sensible step.

The Benefits of the Cloud

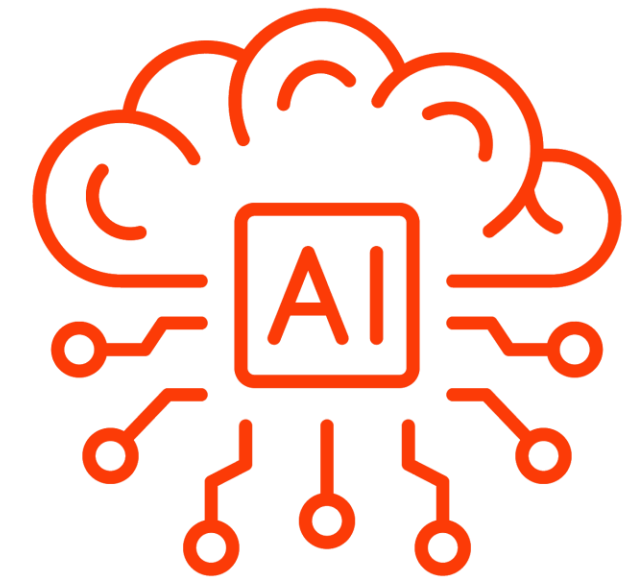
From maximising return on investment to driving security and innovation, cloud environments unlock significant business benefits.



Cloud-based Microsoft 365 delivers up to **223% ROI**, driven by reduced infrastructure costs, lower IT support effort, and productivity gains.



Cloud-managed environments offer up to **50% reduction in risk** of security breach, largely due to centralised governance, automated patching, and identity controls.



50% of cloud compute will be devoted to AI workloads by 2029, reinforcing cloud as the core platform for innovation and competitive advantage.

The Stages of Cloud Transformation

Stage 1: Cloud Attached

This is where a lot of organisations begin (and many already are without realising it): you've got a Microsoft Entra tenant because you needed Microsoft 365 to work. The tenant exists, it's live, and users can collaborate, but most of the "real" management still happens on-prem.

The trade off in this stage is operational overhead: you're effectively running two worlds (on-prem and cloud) and making them talk to each other. That usually means duplicated processes, duplicated tooling, and teams needing skills across both environments.

Typical signs you're in the cloud attached stage:

- Devices are joined to Active Directory and managed through Group Policy or on-premises device management tools.
- Users are managed in Active Directory, provisioned via on-premises identity management (IDM) systems, and synchronized to Microsoft Entra ID through Microsoft Entra Connect.
- Apps are authenticated to Active Directory and to federation servers like Active Directory Federation Services (AD FS) through a web access management (WAM) tool, Microsoft 365, or other tools such as SiteMinder and Oracle Access Manager.



Stage 2: Hybrid

Hybrid is where things start to get interesting: you're still on-prem, but you're deliberately using cloud capabilities to reduce risk, simplify access, and improve security. Done well, this stage starts shrinking complexity rather than adding to it.

It's also where teams build confidence with Entra ID for identity and access management. Because accounts and devices are part of everyday IT, hybrid steps often feel like the most "natural" way to modernise without forcing a cliff edge change.

In practice, hybrid usually includes things like:

- Windows clients are Microsoft Entra hybrid joined.
- Non-Microsoft platforms based on software as a service (SaaS) start being integrated with Microsoft Entra ID. Examples are Salesforce and ServiceNow.
- Legacy apps are authenticating to Microsoft Entra ID via Application Proxy or partner solutions that offer secure hybrid access.
- Self-service password reset (SSPR) and password protection for users are enabled.
- Some legacy apps are authenticated in the cloud through Microsoft Entra Domain Services and Application Proxy.
- The adoption of governance features like access packages and PIM are being utilised.



Stage 3: Cloud First

Cloud first is the stage most organisations spend the longest in. You've proved cloud works, you're building momentum, and you're starting to tackle the "harder" workloads. It's also where the hidden dependencies surface—legacy authentication methods, old processes, and workloads that were never designed to move.

If you're cloud first, you'll often see:

- New Windows clients are joined to Microsoft Entra ID and are managed through Intune.
 - ECMA connectors are used to provision users and groups for on-premises apps.
 - All apps that previously used an AD DS-integrated federated identity provider, such as AD FS, are updated to use Microsoft Entra ID for authentication. If you used password-based authentication through that identity provider for Microsoft Entra ID, it's migrated to password hash synchronization.
 - Plans to shift file and print services to Microsoft Entra ID are being developed.
 - Microsoft Entra ID provides a business-to-business (B2B) collaboration capability.
 - New groups are created and managed in Microsoft Entra ID.
 - Entra ID is looking to be the SOA for JML processes.
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Stage 4: Minimising On-Premises Active Directory

This is the “edge cases” stage. Entra ID is doing most of the heavy lifting, but certain apps, services, or workflows still lean on on-prem Active Directory. In larger organisations, this is where technical debt shows up in full colour—because it’s rarely one thing, it’s lots of little things.

The good news is Entra keeps evolving, new features, new integrations, better security controls. The challenge is that every improvement can force a decision: deprecate something old, redesign a process, or build a replacement capability that fits your future state.

Common patterns in this stage include:

- New users provisioned through the HR provisioning capability are created directly in Microsoft Entra ID.
- A plan to move apps that depend on Active Directory and are part of the vision for the future-state Microsoft Entra environment is being executed. A plan to replace services that won't move (file, print, or fax services) is in place.
- On-premises workloads have been replaced with cloud alternatives such as Azure Virtual Desktop, Azure Files, or Universal Print. Azure SQL Managed Instance replaces SQL Server in your chosen cloud platform provider.

Stage 5: Fully Cloud

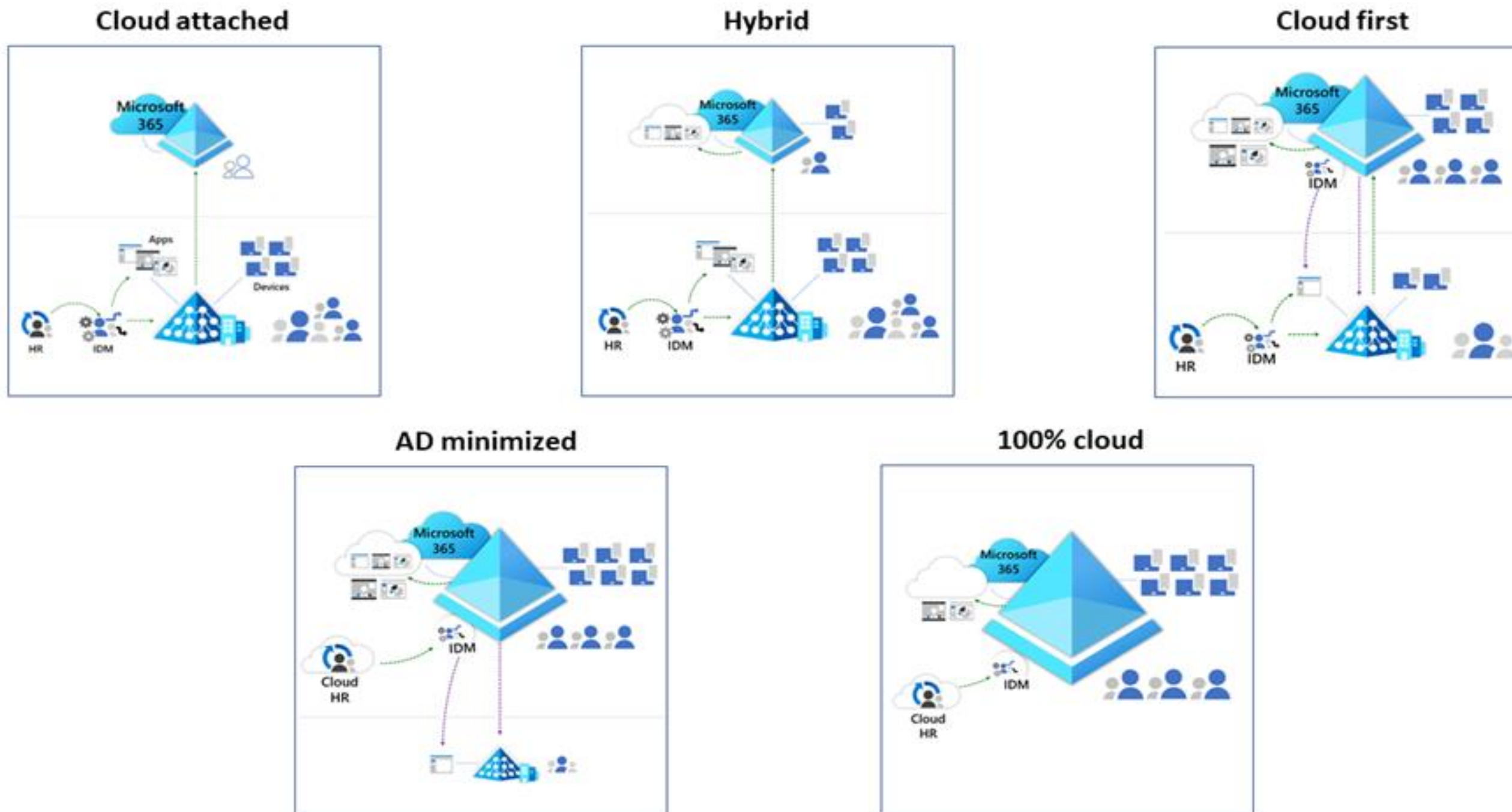
Fully cloud is the long-term aspiration for many organisations: identity, devices, and access are designed around cloud services rather than inherited from the data centre. It doesn't mean "no complexity," but it does mean less dependency on on-prem infrastructure for day-to-day IAM.

In a fully cloud setup, you typically see:

- No on-premises IAM footprint is required.
- All devices are managed in Microsoft Entra ID and cloud solutions such as Intune.
- The user identity lifecycle is managed through Microsoft Entra ID.
- All users and groups are cloud native.
- Network services that rely on Active Directory are relocated.



The 5 Stages of Cloud Transformation



So, What Should You Do Next?

When someone asks, “where do we start?”, we usually bring it back to prioritisation. Moving IAM toward Entra ID isn’t one project—it’s a series of decisions about what you modernise first, what you keep temporarily, and what you retire. The best plans also include time for training, because the operating model changes as much as the technology. Here’s the high-level path we keep coming back to when mapping Active Directory → Entra ID (the visuals help when you’re aligning different teams):

1) Establish a Microsoft Entra footprint: get the tenant foundations right early. I’m a big fan of baking in a Zero-Trust mindset from day one, especially the controls that help protect your cloud tenant if something on-prem gets compromised.

2) Make “cloud first” the default: treat new devices, apps, and services as cloud first unless, there’s a real, documented reason not to. The longer legacy protocols hang around (NTLM, Kerberos, LDAP), the more they shape your future options.

3) Transition workloads to cloud alternatives: shift management and integration of users, apps, and devices away from on-prem. This is where cloud provisioning and modern management can remove a lot of manual effort—if you design it deliberately rather than bolting it on.

One thing that's easy to underestimate: transformation changes how people work, not just how systems authenticate. If you design the initiatives to protect user productivity (and you communicate the “why”), adoption becomes dramatically easier. You'll also introduce more self-service capabilities as you modernise IAM. Some teams love that immediately; others need a bit more enablement and support. Planning for that difference is part of doing this well.

Finally, be honest about application age. Some apps will need updating or replacing to behave properly in a cloud first world and that work can dominate timelines. If you're not sure where you sit across the five stages above, that's the perfect first conversation: map your current state, pick the next two or three moves, and build momentum.

If you want a second opinion, [send us a quick note](#) with where you think you are across the five stages, and what's currently blocking you. If you'd prefer something self-serve first, we also have a simple “Which stage are we in?” checklist you can download and use with your team to identify where your business is in its cloud transformation journey.

[Download Cloud Journey Checklist](#)