Silver Linings

Cloud Computing Changes the Landscape of IT Services

BY HEINAN LANDA

Imagine this: You receive a bill from an IT company. It is not for consulting hours or a server installation, though. It is a monthly bill that comes along with your electricity bill and bank statement, and it covers your organization's usage of equipment, software and managed network support services.

Sound futuristic? It's not and I've bet you've heard about it – Cloud Computing. It has been identified in *eWeek*, *Fortune* and other publications as a "top tech trend to watch in 2009." But what is it, is it right for you, and how could it potentially change the landscape of technological services?

WHAT IS CLOUD COMPUTING?

Cloud computing refers to the practice of delivering software, computer applications and other IT-related capabilities to end users by a third entity: the "cloud." This delivery method could refer to the Internet or any other existing "mystery" provider. The idea is that you have no knowledge of where or how the provider is actually delivering these capabilities and that you pay for these services according to usage.

There are two types of cloud computing – platform cloud computing and software as a service (SaaS). Platform cloud computing is based around a piece of hardware (i.e., renting a server from Amazon.com), while software as a service cloud computing is, logically enough, based around software. A great example of SaaS cloud computing can be found in Google Docs. You don't know how the docs are stored, how they are backed up, protected from viruses, or even delivered to your computer. It is all "up in the cloud" somewhere.

BENEFITS OF CLOUD COMPUTING

How can cloud computing benefit your organization?

- **Remove the guesswork that impacts the bottom line.** Business owners no longer need to fret over choosing the right hardware brands or configurations. They subscribe to receive the necessary hardware to run their businesses for monthly fees based on usage. Plus, with cloud computing, if the organization's number of employees increases or decreases, the organization is never left with excess hardware inventory, software licenses, and/or support for the delivery of storage space and applications. And, there is no need to replace computers and servers every three years.
- **Remove the burden of technology management.** With cloud computing, the burden of managing technology is placed on the technology provider. If you rent a Windows server, it is up to the company to store the server, make sure you receive the space you are paying for, etc. The same applies for SaaS cloud computing.

Cloud computing provides access to enterprise-class technology that is affordable and easily scalable.

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If you use Google Docs, it is Google's responsibility to make sure your documents aren't lost, that you have enough space to create more, etc.

- **Eliminate limitations.** Cloud computing frees business owners previously limited by the capabilities of local computers, servers or IT infrastructure. It eliminates worries about adequate storage space or access to certain applications or programs.
- **Reduce costs.** Cloud computing typically reduces in-house IT infrastructure costs. With cloud computing, there is no capital expenditure, less investment risk and a consistent average monthly fee based on usage (as opposed to financing a big software purchase and installation up front). This means predictable operating expenses and easier budgeting.

IS CLOUD COMPUTING RIGHT FOR YOUR FIRM?

Wondering how to determine if cloud computing services make sense for your organization? If you are looking for a low-cost, low-control solution, then it might be worth evaluating. Keep in mind, however, that cloud computing technologies as they exist now are beneficial mostly for medium-sized and large enterprises with multiple servers and high-availability application needs. The cost savings from these technologies will be realized in these types of environments first. If your organization has only a few servers, the technology as it exists today isn't ready for you. It will be more expensive and riskier, and you won't realize the added value just yet.

But small and mid-sized businesses need not feel left out. The technology is coming that will allow you and your technology partner to implement cloud computing in your environment – for *your* scale. This means that you will be charged on a per-usage basis for hardware and software services *within your own network*. It will combine cloud computing and virtualization technologies, making it relevant (and worth waiting for).

CHANGING TIMES

The technology service provider and user landscape is changing. Offices without server rooms, complex equipment installations facilitated by a simple e-mail or phone call, reasonable bills for services based on usage – all of these changes will happen for organizations of all sizes. Cloud computing will provide access to enterprise-class technology that is affordable and easily scalable. ❋

about the author

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