



## Raining on the cloud?

### Experts: Look before you leap into cloud computing

By Bill Flook

The shift to cloud computing for businesses and the federal government has become a stampede. President Barack Obama's technology chief, Vivek Kundra, has ordered a sweeping outsourcing mandate for much of the federal government's \$76 billion information technology budget. Investors are shovelling dollars into cloud providers and software-as-a-service-based startups. Businesses of all sizes are rushing to move their applications at least partially off-site.

And amid the cacophony, voices urging a more cautious, measured approach have been drowned out by a chorus of cloud converts. While far from naysayers, some tech executives say the hottest IT trend in years won't translate to savings for all customers – and in some cases could mean new headaches.

"The real pitfall of this is jumping into the cloud without looking before you leap," said Heinan Landa, president of Gaithersburg IT outsourcing company Optimal Networks Inc. "The real pitfall is not to think it through carefully with your business goals in mind."

Costs savings have been the biggest force behind the shift. Cloud computing – generally – involves migrate software applications onto third-party servers and accessing them through the Web. Like a utility, costs can scale upwards based on usage. Startups, especially, have used the cloud to drive down

hardware costs, raise less capital and build their business faster.

But accompanying those savings is some baggage. Besides data security concerns – an especially thorny issue for the feds and contractors – shifting operations to the cloud can mean a loss of control and customization. Internet outages carry greater negative implications. And moving around huge files can be slower and costlier – a serious drawback for some businesses.

Landa recently discussed with a 125-person law firm moving its e-mail onto Microsoft Corp.'s hosted Exchange service. The firm, he said, wanted to send the system out of its office and onto the cloud, in order to shift liability for business continuity and disaster recovery onto the vendor. But the firm had deeply customized its use of Exchange with different templates, formulas and folders – which couldn't be duplicated if they made the transition.

The same debate is playing out across the country as cloud adoption increasingly becomes the norm. In survey released this week by Waltham, Mass.-based Novell Inc., more than three-quarters of IT executives at large companies had adopted some form of cloud computing.

Dave Sobel, CEO of Fairfax-based IT outsourcing company Evolve Technologies LLC, has also had sober talks with clients interested in making the leap.

"It's not perfect for everyone," he said.

"There are business applications that organizations use that don't fit cloud computing."

He recently discussed with a graphic design company whether it should transition to the cloud. But since the company used huge data files, and because its printers would remain on-site, that move would result in a dramatic slowdown, Sobel said.

"If I told a printing organization that it's going to triple the amount of time it takes for your stuff to print, imagine the impact on them in the holiday season," he said.

"These are examples where from the hype it would sound like 'oh, it's going to be great, we'll get rid of our hardware and IT costs,'" Sobel added. "And then we look at the impact to the business." For the printing company, the loss in potential revenue from the slowdown far outweighed the immediate IT savings.

Both Sobel and Landa point out the advantages of adopting at least some cloud computing for their customers. Sobel said he is increasingly recommending his clients job out their anti-spam protections to a hosted service.

Landa believes the tech world will find an equilibrium with a hybrid cloud model – where companies host some of their applications on internal servers, and others off-site. "I think the hype of everything going into the cloud is just that – it's hype," said Sobel. "But like all good technologies, it's going to have its place."

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