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Computer Support for Smart Business

IT Decisions for Small Business

CLOUD COMPUTING – WHAT IS IT?

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Cloud computing is a popular term for the delivery of computing resources – applications, storage or processing power – as a service via a network, most often the internet.

The cloud computing model is often compared to a public utility: you do not keep and maintain the machinery to generate gas or electricity in your office. Instead, you pay for it to be delivered there from a remote location, and you expect to pay for only what you use.

This is in contrast to the model most of us have become familiar with over the years: to have computing power, you must purchase a computer; to have storage space, you must purchase a hard drive or other storage media; and to use a computer program, you must purchase your own copy of the software.

Is CLOUD COMPUTING NEW?

Not really. People have long hosted their websites on servers they don't own, in places far away from their offices. Hosting your website is essentially a form of cloud computing. A few other common examples of cloud computing that you might recognize include:

- A small business uses Quickbooks online to manage its accounts
- Your sister posts all the family photos on Flickr, where she can easily share them with you
- A local boutique uses Constant Contact to send email notices of upcoming sales to its customer list
- Your son uses Google to keep his calendar, check his email, and even store his text documents

You may be familiar with the above situations, but recently there has been a growing number of services out there, all selling the idea of cloud computing as an affordable, superior solution to any number of small business and individual needs.

SO IS CLOUD COMPUTING AN AFFORDABLE, SUPERIOR SOLUTION TO MY NEEDS?

The answer to that question is, it depends. For some there are distinct advantages, while for others cloud computing simply represents a different way to do things, with no real advantages or disadvantages. Let's look at some of the basic factors you should consider:

Initial Cost: Cloud computing allows the purchase of computing resources to move from a capital expense to an operating expense. This can be a real advantage if there is little money available for a big capital investment in a server. But remember that there are also lease options for such equipment, which can also minimize capital outlay.

Maintenance: Cloud computing can put routine maintenance in the hands of a third party that is specialized in the IT skills necessary to keep the system running, which takes the burden off you or your staff. And software that is delivered as a cloud service is automatically updated, so you don't have to struggle with installations or upgrades. These can indeed be significant advantages to cloud computing, but you'll have to do some homework to ensure the level of remote service you require doesn't sneak in at a price much higher than you anticipated.

Whether or not a cloud service offers a more affordable or superior solution depends on your unique situation. You'll need to

do the math, which means asking yourself the questions whose answers can dramatically affect that math.

For example:

- Are there other priorities competing for your capital?
- Are your data storage or transfer needs very large?
- Does your connection to the internet have sufficient bandwidth for your cloud solution to perform as well as a local solution?
- Do you need to be in compliance with regulations like HIPAA, Sarbanes-Oxley or the credit card industry's PCI DSS?
- Do you use highly specialized software?
- Can you accurately predict what your needs will be in six months or a year?
- How complicated would it be to move your data to a different cloud provider?

BUT AREN'T THERE THINGS THAT CAN BE DONE ON A CLOUD COMPUTER THAT CAN'T BE DONE ON A PRIVATE SERVER?

No, but there are things that make more sense for a cloud service. One of the reasons many cloud services can be offered at a reasonable price is that the costs of running a server are spread out over many different customers, all using that same server. However, not all applications can run in a shared environment. If your business software requires a specially customized server, you may be able to get a cloud provider to sell you what you need, but costs will be similar to that of your own customized server. A cloud environment is great, and very affordable, for email and web hosting. But services that rely on uploading and downloading large amounts of data can become more expensive than you might anticipate. It is important to have some idea of how intensely you'll use a cloud service, ensuring your intended usage won't fall outside some pre-defined limit and incur overage fees.

WILL MY NETWORK HAVE GREATER UPTIME ON A CLOUD COMPUTING NETWORK?

Most of today's cloud services rely on multiple and redundant servers, which protect your access and data if one server fails. You might pay more for this level of up-time assurance, but think about what your mission-critical business processes are worth to you. Cloud services have been known to go down and lose data, so the cheapest route might not be such a bargain in the long run. And don't discount the idea of your own, in-house server. Their reliability has increased dramatically in the past few years.

Other things you need to consider:

- How reliable is your business connection to the internet? Wouldn't it be frustrating to pay for a cloud service you can't access because your internet service provider is slow or always getting down?
- How long has your cloud service provider been in business? Will they still be around years from now?
- How many other customers is your cloud service provider responsible for?

BUT MY STAFF AND I NEED TO ACCESS OUR INFORMATION AND APPLICATIONS FROM ANYWHERE. DON'T WE NEED A CLOUD SERVICE FOR THAT?

Cloud computing has certainly accelerated the business world's expectation of anywhere, anytime access to information and applications. But remote access to an in-house server has been possible for a long time, and it's been getting easier and cheaper to make that possible. So yes, cloud computing can give you go-anywhere access, but a local network can provide the same level of remote access.

SECURITY

Security, privacy and compliance worries are probably the biggest hurdles keeping many businesses from fully embracing cloud computing. But it is wise to be wary, because the very nature of cloud computing means you must put your trust for the security and privacy of your business files into the hands of a third party.

Security means your information is protected from access by unauthorized users, as well as protected from simply getting lost.

- Read and understand the cloud provider's standard terms and conditions.
- Know the protocols the provider will follow to keep your data secure.
- Familiarize yourself with the privacy protections in place – the ones that store and transmit critical info like credit card or Social Security numbers in a well-encrypted manner.
- And if your industry is regulated, double check that the cloud service provider handles information in compliance with applicable rules.



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