Cloud Computing

is the cloud right for you?

Cloud Computing remains amongst the top ten issues for CIOs in 2012, as it did in 2011 (source: CIO Insight, January 2012). The apparent simplicity of the concept also makes it something which even those less steeped in technology are keen to understand and take advantage of. This article provides a brief introduction to what Cloud Computing is and, based on our experience of working with the technology, discusses some of the challenges of adopting it.

What is Cloud Computing?

Cloud Computing takes the traditional position of IT as a product, and turns it into a service. A move from buying things (servers, communications, operating systems, applications) to buying capabilities (hosting, platforms, business solutions). Shared services are used to present capabilities to users whilst removing all of the complexity previously associated with providing these; CPU time, or storage, or access to an application can be rented as and when needed without having to worry about capacity, provisioning, or installing and maintaining software.

This presents a very attractive proposition in terms of simplicity. This in turn also makes it very easy to understand the true, total cost of ownership as everything within the scope of the service is provided as a bundled price.

Cloud Computing allows organisations to benefit from significant economies of scale due to the wide user base of Cloud applications. It is true that this is something which applies also to off the shelf products, but the multi-tenant model of Cloud applications means that new functionality can be available much more rapidly. In many cases this rapidity of change means that some Cloud applications are every bit as sophisticated as their more-earthbound counterparts.

In essence, many liken the use of the Cloud to electricity – if you want electricity, you simply plug an appliance into the wall. Within reason, it doesn't matter how this electricity is generated, by whom, and how it gets to the plug. We are used to it being available reliably and relatively cheaply – people wouldn't think of installing an electrical generator in their offices.

Consider Whether the Cloud is Better At Delivering A Service Than You

The last point is where the issue begins to appear. Because plenty of organisations do have their own generators/ uninterruptible power supplies on their premises, or at least supporting their operations in some shape or form (whether IT or otherwise). And this is where some of the challenges of the Cloud come into sharp relief for enterprise users.

One of the biggest areas of nervousness around the Cloud is in the area of resilience and availability. To give responsibility for running infrastructure, platforms or software completely to a third party is to assume that they are going to be as effective at performing this as if you were performing it yourselves. For many SMEs this paradigm works – Google or Amazon with their industrial strength data centres consisting of thousands of servers will inevitably provide a better service than a two man IT team with servers sitting under their desk, and in many cases more effectively than some quite large operations.

But for major enterprises, the need to ensure a properly governed and resilient service isn't in any way diminished by the Cloud. The same level of scrutiny should be applied to Cloud services as if they were any other service, right through from that initial twinkle in the eye of the business to transition to live running. Issues such as data protection, disaster recovery and SLAs need to be addressed in exactly the same way as for services delivered in-house.

The Cloud Is Still Climbing the Maturity Curve

One of the other issues with the Cloud is that it is still climbing the maturity curve, particularly in respect to application functionality. Whilst many organisations are happy to consider the likes of salesforce.com for their sales pipeline management, far fewer are prepared to make the leap for their ERP – although the threat of this occurring is clearly on the radar of the major ERP vendors. When considering a Cloud based solution, the extent of its fit to your requirements should be considered in exactly the same way as for a 'conventional' solution.

Are the Needs of The Many Better than the Needs of the Few?

There is a philosophical challenge faced by all companies who are looking for a third party technology solution to their business issues – that in doing so they are implicitly agreeing to work within a process flow defined by others, rather than themselves. Pick the right vendor, and the hope is that these are world class, industry wide-processes which are superior to legacy processes. But in so many cases organisations, whilst giving lip service to the concept, actually find it very difficult to do this; hence the preponderance of heavy customisation and the hand wringing that accompanies major core package releases of ERPs in situ. It follows that this paradigm will provide a block to many organisations being able to leverage the significant advantages that the multi-tenant Cloud model provides.

One Size Fits All May Not Fit You

Many Cloud based providers will push back against some or all of the issues above. Given that use of a public Cloud often works best for SMEs, who individually have little contractual clout, this take-it-or-leave-it attitude is understandable. Vendors will also argue that provision of tailored services for individual customers runs counter to the shared service/multi tenant principle which underpins the Cloud. But this attitude should not be enough for major enterprises. This is why many organisations are not able to take the leap into a true, public Cloud and environment, and instead have sought to build their own Cloud-type capability; their sheer scale and demand for services making the business case work for them.

Summary

Cloud Computing brings with it a number of opportunities to do things better or more cost effectively than current models. The Cloud should be seen as an exciting, further option for delivery of a technology capability, but for your organisation it should not be seen as better by default. Consequently, the glitz and glamour associated with this current wave of innovation does not remove the need to apply the same logic as for any major decision in the technology and, ultimately, business sphere.

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