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Time: 11:00pm -1:00pm

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We are collecting donations for a
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Balancing the Cloud



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If you follow technology topics in the news, you have heard of “the cloud” or “SaaS”. Both of these terms refer to hosting your data and applications somewhere other than locally at one of your business locations. There has been a significant move toward this model in the business marketplace, mostly by larger businesses, but also by smaller ones who adopt this model for a particular application.

Though the concepts of the cloud and SaaS are interrelated, there are some differences. The cloud is a more general term that refers to hosting things out on the web rather than at your location. SaaS is a narrower term that refers to contracting with a specific vendor for a specific piece of software that is hosted on the web. For instance, instead of purchasing and owning a CRM software package, you may choose to pay by the month for salesforce.com and access it via the web.

The trend toward the cloud has developed due to some positive, attractive advantages of the model.

Cloud Positives:

1. No or low upfront cost – Most SaaS offerings require no upfront purchase. You simply contract to pay the monthly fee for one or more years. This makes entry into a new software package easy. Hosting a server in the cloud may be slightly different than the simplicity of the SaaS model, but most often upfront costs are minimized.

2. Hardware Independence – That 4-5 year server replacement schedule is no longer something you need to plan for, as the hosting company takes care of this. If you outgrow the service you have, for an additional fee, your bandwidth, server power, or storage space can be upgraded.

3. High Availability – The perception, at least, is that a huge data center has more redundancy and a bigger picture approach to fault tolerance. This should produce a more stable platform and faster recovery in the case of an outage. In addition, the data center is responsible for your backups.

4. No Maintenance – Maintenance, troubleshooting, and upgrades are always handled by the SaaS provider. If you are simply hosting servers in the cloud, contracts differ, and you may be responsible for some of this, but your responsibility is minimized.

5. Remote Access – If your servers or applications are hosted in the cloud, most often you can connect to your data from anywhere. This makes it easier for remote workers to access data and function away from the office.

6. Rapid Deployment – Because the data center or software is already setup, often you can get up and running on a new platform very quickly.

While the positives do seem attractive, there are many hidden detractors to the cloud model. It is important not to overlook them because of the appeal of just one of the advantages above.



Cloud Negatives:

1. Setup and Transfer Fees – Depending on the type of cloud service you are using, there may be a significant amount of expense in initial setup fees. In many cases, there are also substantial costs to transfer existing local data out into the cloud and integrate it with the cloud vendor's platform.

2. Bandwidth – By nature if your stuff is in the cloud, you get to it over the Internet. If you do not have adequate bandwidth, or if your Internet is unstable, this will directly affect your business operations on a daily basis. Bandwidth can be a problem at the vendors end too. If they don't allocate enough you will always run slowly.

3. Equipment – It certainly is a plus not to have to deal with equipment purchase, but there is a converse down-side. If the vendor does not allocate hardware to your needs appropriately, you may again have performance issues, and you are no longer in control of improving the performance of your systems.

4. Fees – Often monthly fees start out very reasonable, but many vendors charge for storage space. So, the more space you use the more costly it gets. I can think of at least one customer who would like to bring their cloud hosted application back in-house, so they can store more data without being charged an exorbitant amount of money for storage costs.

5. De-clouding may be painful – If you decide to pull your data back out of the cloud and host locally, it may be a long and painful process. Most vendors allow for this as part of the contract, however, the process can be manual, expensive, and time consuming.

6. Data Center Support – If you are working with a great company with top notch service, this may be fine. If you are working with a company who contracts for the lowest cost, not-so-local support, there may be a great deal of frustration and lost time involved in getting help. Problems still occur in hosted settings, and you still need help. You may find yourself on the phone for an extended period of time trying to get something restored, or working through a problem that is really jeopardizing the efficiency of your business.

7. One size fits all – Cloud vendors often customize things to the majority. You may find that customizing something to your business is just not doable, or extremely expensive.

8. Upload and Download – This is often an overlooked part of the cloud. If you are working on data locally and want it in the cloud, or want to pull data out of your cloud hosted application, there is a need to upload and download files. Since the connection is a fraction of the speed of the connection you have to an internal server, it will take much longer. For instance, if your document management software is in the cloud, and you want to populate it with documents from a scanner, there will be a significant amount of upload time to get it there. This would hold true as well for attaching photos or proposals to your CRM system that is cloud hosted.

9. My Data – Some business owners and managers have a real aversion to putting their data on the web. To host in the cloud, you must release your data to some other companies control, so you need to be certain that you are ready to trust them with it!

10. Others – There have been concerns over cloud vendors not providing the redundancy that they claim; there are often concerns over HIPAA, SOX and other compliance requirements when hosting in the cloud; and security from data theft and hacking attempts has also become an issue in some cases.

The cloud model presents some serious advantages and also some real concerns. It is certainly appropriate for some companies and some applications. While it is being embraced by many, careful consideration should be given to both the positive and negative aspects of moving to the cloud.

If you have a cloud related success or failure you would like to share, or any feedback on this story, I would be glad to hear it. Contact Scott Hirschfeld at 262-789-8210 or scotth@ctaccess.com.

WANTED

NEW CUSTOMERS

Refer us to another business with 10 computers or more and get free tickets to an upcoming Bucks or Admirals game! We are simply looking to talk to owners or managers, learn about how they handle technology now and provide some feedback to them based on what we have learned over the last 20 years. If you receive this newsletter, you probably know that we are not the "high pressure", gimmicky type, so we won't be putting the squeeze on those you refer to us. However, we could use your help finding more companies to meet with. Just send us the contact information, give your contact a heads up that we will be calling, so that they are willing to set an appointment, and once the appointment done, we will contact you to get you the tickets!

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