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THE CLOUD IS IT FOR ME?

A new Savvis survey found that 75% of companies will use enterprise-class cloud computing solutions within five years. As per another MarketBridge cloud survey, of the 1,000 small-to-medium enterprises surveyed, 44% already have at least one business application running in the cloud, and more than 70% said that they intended to move more of their business into the cloud sometime in 2011.

So sooner than later, you as the decision maker will find yourself in the hot seat and when you do, understanding the jargon like “cloud computing” and “SaaS (Software as a Service)” will help you make a more informed decision.

As a business owner, Information Technology is an enabler for you to achieve your business objectives, i.e. better customer service translating into growth of your business. Let’s say you employ “Bob, the IT guy,” and Bob’s job is to make sure that all of the “IT things” are up and running so that you can focus on your business. These “IT things” consist of all your applications (Accounting, CRM, Email, etc), network (internet, LAN, WAN) and the servers, and they are typically housed in a small server room next to Bob’s cubicle. You have the physical possession of your IT resources and your data. Which is good, but it comes with its own headaches. This is like you owning and maintaining your own well to meet your need for drinking water...sounds so 19th century right? So around comes this “Cool Water Company” which can now give you drinking water right out of the tap - when you want; as much as you want.

“The cloud” is similar to the “Cool Water Company,” but for your IT resource needs. It is nothing but a reservoir of IT resources that are available to you on an “on demand” basis and “you pay on a

usage basis,” similar to your utilities. Now, let’s give some fancy names for these services. If you want to make use of a “Software Application” from the cloud, you call it “Software as a Service” or “SaaS”. Everything is managed by the vendor and you are the user of the software. However, if you want to develop your own software application, then you can make use of “Platform as a Service” or “PaaS,” which will run your own customized application on the cloud. So while you manage the application and data, the vendor manages the underlying platform infrastructure for you. And finally if you feel that you can make better use of that server room of yours, say as a storage room, then you can subscribe to “Infrastructure as a Service” or “IaaS”. This provides you computing infrastructure (cool name for servers) on an on-demand basis and you run and manage your own platform and applications.

BUT HOW DOES THIS BENEFIT YOU?

Some of the obvious benefits of moving to cloud based services are :

- **Reduced cost** – you are paying only for the resources that you use.
- **Faster deployment time** – not as fast as the vendor claims; but faster than Bob setting up the whole thing in-house.

- **Increased efficiency** - reduced downtime.
- **Scalability** - you need more; you subscribe for more. No waiting for a month for Bob to setup this new server.
- **Disaster recovery & business continuity** - faster recovery based on the service provider's service level agreement.

SO WHAT'S THE CATCH?

Well, with all these benefits come some business risks. So some questions you should ask your cloud services vendor before making the decision are:

- Where will your data physically reside? In the U.S. or outside of the U.S.? - Does this pose any compliance challenges for you?
- How safe is your data from other users of the service? - Can your business competitor using the same service access your data?
- How safe is your data from outside threats like hackers? Does the vendor have any security certifications for his facility? - It might even make sense to Google the vendor's name to check if they were attacked and what the consequences were?
- Can the vendor provide a SAS 70 Type II report (now SSAE 16) for his services? No, not for a 3rd party hosting facility that he might be using but for his "OWN" services? - If not, then you are better off going with another vendor who can.

There's no doubt that for you to remain competitive in your business, sooner rather than later, you will need to move one or more of your IT resources to the cloud. The real questions are what to move? And where? And while Bob can help you with the process, it's going to be your decision. So are you ready for "the cloud"?



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