

I'm in a fog over cloud computing.....

..."I really don't know clouds at all" (Judy Collins)

Cloud computing is considered the top technology strategy of 2010 and therefore, one of the new buzzwords in the technology sector. There is some confusion over what exactly cloud computing is and how it works. A usable definition is that cloud computing is a term for any activity involving the delivery of "hosted" services over the Internet. In this model, many of the applications, software and related data reside (or are "hosted") on a vendor's server that we access through the internet. The inherent innovation, reduced costs and high-speed access to new applications have caused explosive growth in this technology. Some recent applications of cloud computing include online banking and some applications that run on our Smart phones.

So, who are the big vendors in this field? Linda Tucci of SearchCIO.com wrote: "Google Inc., Microsoft, Yahoo Inc. and a handful of other vendors will invest about \$5 billion this year to build out the infrastructure to sell IT through the "cloud,". And who uses this technology? Well, in addition to Smartphone users, many start-up companies do. Peter Fenton of the venture capital company, Benchmark, offered "Every company in Benchmark's portfolio uses Amazon's cloud infrastructure in some way, and about one-third of them operate entirely on web-based services and infrastructure".

According to The Economist Magazine, cloud computing is, "more than just another platform shift. It will undoubtedly transform the IT industry, but it will also profoundly change the way people and companies operate". This is where confusion and concern come in to play; change will come swiftly to us in the way we complete tasks and manage things. Because our information will be housed in remote data centers, there are two big risk-related questions: who owns our data and how secure is it?

If our overall concern is risk management, and cloud computing leads to new risks, we might examine the possible pitfalls by considering these five questions:

- What can go wrong?
- How can it go wrong?
- What are the implications if it goes wrong?
- How can the effects be minimized?
- What is the cost to prevent this event or occurrence?

In spite of the risks, one of the reasons organizations and individuals are moving rapidly toward cloud computing is a need to do more with less money. This type of outsourcing frequently

generates exceptional economic value through efficiency and effectiveness and helps achieve growth at less cost.

As always, in evaluating the risk to a business, prior planning prevents problems while allowing us to take advantage of today's technology. All growth has risks and some risks lead to profitable outcomes, while others do not. The key is balancing risk against reward by simultaneously minimizing the factors that must be dealt with and reducing complexity. We don't have to understand all of the underlying technology behind cloud computing, just an understanding of what we are trying to accomplish in using it. That is, keep it simple!

Judy Collins' hit song "Both Sides Now" (Clouds) summarizes some of my perceptions of this new technology.

*"I've looked at clouds from both sides now
From up and down and still somehow
It's life's illusions I recall
I really don't know clouds at all"*

So we may be a bit confused by this new technology. But that shouldn't stop us from using it, as long as we are aware of the risks and proactively manage them.

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