

Using more of the cloud at a fraction of the cost

Many of Digital Times' readers are companies that produce and consume immense amounts of data and rich media. In this feature we have a hard look at 'The Cloud' – the advantages, how you are using it already, some things to watch out for and the Irish opportunity. Also, overleaf, we give you an illustration of an office working from the cloud using technology and tools at a fraction of the legacy cost. That should hopefully get you thinking seriously about better business tools for less cash. EDWARD CONMY reports.



Edward Conmy

WHAT IS IT?

According to Steve Garnett of salesforce.com, cloud computing is the closest we have seen yet to IT that 'just works'. And with businesses looking to do more for less right now, we are beginning to see a shift towards cloud computing. At its most basic we are talking about licensing technology, getting the benefits immediately and not having to install and maintain it in-house. You get away from the hassle of project managing installation and then not getting the benefits promised. "An experience I venture we have all run foul of in our working lives," says Garnett.

SOUNDS FAMILIAR

Chances are you are very familiar with SaaS, having used pop mail clients such as Hotmail, Gmail and Yahoo for a number of years as well as tapping away on your iPhone or Blackberry more recently. Consumer-based SaaS tools include Facebook and Twitter. In the business world Microsoft, eircom, HP, IBM and many others are selling SaaS through application stores and bespoke products for the last few years.

The user's comfort level is a major advantage for SaaS as it is primarily delivered over web interfaces; meaning we are up and running immediately. You can sign up in a couple of minutes to standard services, add and remove users easily for cost-effective scaling, access the service from anywhere there is an internet connection and, perhaps best of all, service and support is constantly available. Garnett notes, "Because software delivered as a service – in the cloud – can be switched off as easily as it is switched on, it means service providers are perpetually accountable and must continually deliver service and support. It's not the case that the salesman's smile fades the second the customer hands over their money."

SPOILER ALERT

One of the biggest issues for companies moving business applications into the cloud is data protection and customer information. Philip Nolan, partner with Mason Hayes and Curran, recently spoke about how there is "very little new law for software as a service. With old law and newer technologies comes tension". When you are using a third party provider to host and maintain your customer data you need to have a contract that meets your objectives. Also, you need to make sure your data is located in one of the 27 member states of the EEA otherwise you need an exception such as a safe harbour agreement in the US, for example. Standard contracts in the cloud are very basic and often will not offer you enough assurance. So, do as you always should, seek legal advice, get a service level agreement (SLA) in place and do your homework upfront.

TOP TIPS

STEVE GARNETT from salesforce.com brings us through his top five tips for businesses about to dip their toes in SaaS.

1. Peer success

Has anyone else in your business community implemented cloud computing? Can you learn from their experiences or emulate their successes? Can they give you any advice about budgeting or strategy? Like many things in the online world, cloud computing services have grown a strong and loyal community following. Cloud services are often improved through user feedback; a far more democratic and successful way of giving users what they want and need.

2. Prioritise applications

Consider which cloud applications will deliver the best ROI. Cloud computing is as much about having the power and flexibility to meet specific needs as and when they arise as it is about ongoing business success and efficiency. Because it is delivered as a service you need to know what you want it to deliver so you can fully understand its benefits. Also understand the service level agreements and ensure you are choosing a reputable and recommended vendor.

3. Take the approach that is right for you

Many start-up businesses may choose to use all their applications in the cloud. If they have a clean slate from



which to begin, very few businesses will invite additional cost and management headaches into their business. They just want to be up and running. More established businesses may choose to gradually move to cloud computing as on-premise software they have bought becomes due for renewal.

One of the additional benefits of cloud computing is that specific applications can be integrated with in-house apps, so there's no need to do it all in one go.

4. Focus on the business solution

Another advantage of cloud computing is that an expert essentially runs the applications for their users. Patching, updating, securing and supporting those applications is all done by your trusted third party. No more installation, no more patching or updates.

But that shouldn't mean businesses turn their back on how it works altogether. Washing their hands of the chores should focus businesses on functionality. Understanding the latest developments and how to get the most from the service will be its own reward.

5. Leverage the subscription model

Finally, businesses must make sure they work out exactly how much they have saved. Cloud computing can deliver many benefits but over in finance or in the MDs office the only one they may be interested in is ROI.

OPINION

Digital Times caught up with Fergus Gloster who is the founder of Thomond Technology, a consulting firm specialising in advising software companies on its approach to SaaS.

DT - As a business looking to try SaaS for the first time are there any low impact applications that you would recommend?

FG - There are many easy to implement applications now available to a company as an introduction to SaaS. Examples of these include, email, personal productivity, recruitment applications, fleet management, HR and email security applications. Companies can also develop small SaaS applications themselves on platforms such as Azure, EC2, Google etc.

DT - Where do you stand on a company integrating legacy hosted systems with elements of cloud computing. Good way to ruin the benefits of both or workable?

FG - Companies should be easily able to integrate SaaS/Cloud solutions with their existing on premise applications. If they can't then they should refrain from buying or adopting whichever one doesn't allow for integration. When choosing a system you should always have the flexibility to integrate with other systems. Whether you integrate or not should be your decision not that of the vendor. There is no reason why Cloud and on-premise applications cannot be deployed together.

DT - Are there any companies to watch in this space working and developing in Ireland at the moment?

FG - There are many Irish Software companies that are delivering world class SaaS solutions in the market. Some that I have come across and engaged with include Fleetmatics looking after guys on the road, Epic Solutions working in Nursing Home Care, MX Sweep who provide security and anti-virus services, AccountsIQ, with enterprise resource planning (ERP) and Team Respond who deliver HR services.

IF I CAN'T SEE IT AIN'T SAFE

It is important to know that "security" is not the real issue. Data ownership, service level agreements and interoperability are the things to look out for. Chances are a corporate saboteur will have a much better chance of robbing your cluttered dusty server room than a vacuum chambered server facility initially designed as a military complex. They tend to be harder to get into to. Human interaction accounts for the vast majority of data leaks; sorry, you haven't seen my MI5 dossier old bean?

IRELAND OF THE THOUSAND DATA CENTRES

The newly-incorporated lobby group for cloud computing, EuroCloud Ireland, has been making a case for Ireland as a data centre hub for the world. Data centres are the backbone of SaaS and cloud computing. We are attracting direct foreign investment for a number of fortuitous reasons. Dave Feenan of EuroCloud explained to me recently how a combination of our weather, relatively low terrorist threat, membership of the EEA and not having a Patriot Act or UK RIP Act on data has seen our stock rise. We could be the Swiss banking equivalent for cloud computing. Multi-nationals like what they see. It seems for once our rain, wind and consistently dull temperatures are pressing all the right energy conservation/ cost buttons. Tax incentive anyone?