THE GIANT'S ADVANTAGE

ControlNow™ Whitepaper

Why cloud computing levels the playing field for SMBs.

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Introduction

In the last several years, discussions about high adoption of cloud computing services have often raised specific concerns among decision-makers in small to mid-sized businesses (SMBs). Perception, as the adage goes, is reality. And the belief that cloud-based solutions cause SMBs to sacrifice security and control of their business-critical data has been real.

But, according to recent IBM research, businesses relying on cloud computing have a competitive advantage. And it's generating twice the revenue – and profit – of their slower-to-adapt rivals.

"According to our global study of more than 800 cloud decision makers and users, business leaders of all stripes – Finance, Sales & Marketing, Product Development and more – are becoming increasingly focused on the business value cloud provides. Over the next three years, cloud's strategic importance to business users is expected to double from 34 percent to 72 percent, even surpassing their IT counterparts at 58 percent," the October 2013 report says.

Saving time and money are commonly touted as benefits of hosted services. But, as one in five businesses are discovering, that's only scratching the surface: Two-thirds (66%) of respondents to IBM's study are "using cloud to strengthen the relationship between IT and lines of business and the majority are using cloud to integrate and apply mobile, social, analytics and big data technologies."

To ensure those statistics are consumed in context, 74% of respondents represent businesses with more than 1,000 employees. But it doesn't change the beauty of cloud services: They provide an equalizing effect for SMBs that, just like larger companies, are looking to boost the bottom line.

Om Malik, the founder of venture blog GigaOM, perhaps said it best: "Even the smallest mom-and-pop operation has access to the technology that gave giants an advantage."

Deciding which cloud solutions your business should adopt, or whether your business is ready for a move to such services, is quite straightforward. Deploying the solutions is equally easy. It is, however, important to understand how cloud computing solutions work, and why they are now seen as a key benefit to businesses – regardless of size and sector.

Advantages of the cloud

Cloud computing services offer unique advantages designed to save time, reduce costs and increase productivity. The advantages are quite apparent when it comes to back-office services such as system monitoring, network management and security, and endpoint security.

Five key factors that set cloud computing apart include:

> **Hardware and software offload:** Moving services to the cloud makes it easier for the company's IT staff to manage and maintain hardware, both of which are time- and cost-consuming jobs. Specific cloud solutions handle patching, finding updates and performing rollbacks – and it becomes a single, shared process rather than a per-machine undertaking.

> **Mobilization of solutions:** Cloud services are most often accessed through a browser, as they are delivered via the Internet. This means at any time, from anywhere with a web connection, authorized users have access to the solutions they need. Furthermore, since cloud solutions are usually designed for web-based access, display profiles for mobile device browsers can be added quickly and easily.

> **Single platform, single view:** Best-in-class cloud-based platforms that deliver and host multiple software solutions provide IT administrators with one console. This enables them to monitor and manage a variety of key services from one browser window or console interface.

> **Predictable and manageable costs:** Cloud services are charged on a recurring fee model – usually monthly, quarterly or annually on a per-user basis. This model makes the cost for IT software and services more predictable and manageable. It also offers greater flexibility for purchasing services. Instead of paying for unused licenses in anticipation of company expansion or increased demand, user accounts can be purchased almost immediately.

Moving services and data to a cloud environment, or deploying a cloud service from scratch, does not require relinquishing control. In fact, moving the management process to the cloud reduces software complexity and simplifies the process of overseeing the IT estate.

A simplified IT estate

Cloud solutions that handle management, security and policy enforcement provide both a means and an opportunity to substantially simplify the IT estate. In addition to managing fewer touch points, the ability exists to control complementary (but often separate) IT functions in a single interface, delivery platform and management structure.

Leading multi-service platforms, for example, merge a variety of services into a reduced number of touch points – possibly just one. As a result, the risk of duplicating effort across the IT team is reduced. Furthermore, businesses with multiple offices do not need an IT administrator at every location. Issues can be addressed from a Wi-Fi enabled coffee shop just as easily as the office.

In fact, cloud-based solutions pay immediate dividends in a number of ways, including:

> **Environmental protection:** Fewer on-site server resources lower the amount of power a company consumes (e.g., reduced air conditioning needs to cool the data center or server room). In turn, renting that floor space is no longer necessary.

> **Redeploying IT staff:** With fewer on-premise management and maintenance tasks, IT administrators can focus on other revenue-generating or revenue-protecting jobs (e.g., software development, data integrity, fraud prevention, IT training, and research and development).

> **Greater flexibility:** With a smaller data center or server room to manage, or nothing to manage at all, the need to keep IT staff as a single-point fixed resource is diminished. The luxury of a hosted service is administrators can work from branch offices, at home or in the field.

Few modern businesses operate with all their applications running on in-house equipment. This is especially true of SMBs. Moving key services such as email and email security to the cloud is common, as greater economies of scale and operational performance can be delivered.

Looking ahead

In late August 2013, Gartner released findings from a worldwide survey that examined the future of IT services. The survey of more than 650 companies from nine countries showed that 80% of respondents planned to adopt cloud-based services, in some form, within a year. Of that group, 55% were not currently using such services.

Gartner said three factors are expected to soon fuel rapid cloud adoption:

› "The road to increased cloud usage will be through tactical business solutions addressing specific problems, not through broad, strategic infrastructure replacements."

› "The business impact of cloud services increases as they continue to move up the cloud services value chain, from infrastructure services to business process services."

› "The introduction of cloud solutions will lead to a more diverse solution portfolio with widely varying implementation and migration timelines."

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Conclusion

Advances in low-cost, high-speed Internet services – and the widespread availability of Wi-Fi, 3G and 4G mobile broadband – extend cloud computing services virtually everywhere. Of course, delivering a quality web-based experience is merely one benefit. The growth of reliable, well-equipped data centers offers a multitude of operational and financial benefits, including lower operating costs, speedier deployment, rapid scalability, automated patching and product updates, and consolidation of hardware.

However, there is arguably one benefit that trumps all others: convenience. Best-in-class cloud computing offers multiple IT services that are delivered and managed from a single touch point.

Nonetheless, it is important to remember that a well-planned and well-executed cloud computing strategy does not replace a quality IT department. Rather, cloud computing enables the IT staff – and company overall – to work in a more efficient, productive and profitable manner.

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