A Cloudy Forecast

Average rating: **3** (from 61 votes)

By Karen Schwartz

If you think about it, cloud computing, in some form or another, has been around for a long, long time. The technology is comparable to what you would find on premise in a company's data center, and there isn't much new on the hosting end either; managed service companies have been offering something you might think of as cloud computing's predecessor for over a decade.

So what's new? The first thing is the contract. The original contracts for this type of service were pretty cut and dried. A company would rent a computing cycle or function for a specified period of time, with a set usage pattern, and pricing. Cloud computing breaks through that structure, offering almost unlimited and dynamic choices. Companies can pay as they go for specific services, and the entire model is largely self-service. That means companies can choose what they want, when they want, via easy-to-use self provisioning user interfaces.

Also, cloud-based offerings are often very dynamic in nature, and can increase the computing availability—or decrease it—moment by moment, based on customer demand. That's in large part due to the increased emphasis by software as a service (SaaS) vendors on uptime, redundancy, security and scalability. These vendors have focused strongly on creating a dynamic computing infrastructure, often built on a platform of multi-tenant architectures or virtualized servers, which can be provisioned or decommissioned quickly.

Finally, cost is king, and cloud computing generally delivers financial savings. Companies that are looking to minimize their capital expenditures — and most are — have to at least consider cloud computing. As Dan Kusnetsky, vice president of The 451 Group, puts it, "When we get to a place where the costs are at a level where a local manager can make a decision and the revenue or signatory authority will more than cover it, people do it. And we're there."

All of this means that cloud computing is here to stay, and if your company isn't on board, it may be soon. A recent study by IDC, funded by EMC, predicts that one-third of all digital information will pass through the cloud by 2020. That's an astounding statistic, but one that may not be far off from reality based on current growth patterns.

Of course, there are still hold-outs and IT control freaks, but even they are beginning to come around. It's difficult to avoid cloud computing at this point and will only become more difficult in the future. Unlike other technologies or delivery methods, cloud computing has been adopted from the ground up, starting with small organizations with little IT expertise, moving to mid-sized companies, and now, slowly, even infiltrating the largest of global organizations. Some are holding back, concerned about meeting regulatory compliance or security, but it's probably inevitable that many IT services will ultimately be delivered from the cloud. Just like virtualization. Remember that? Now, it's everywhere, and it's not going away.

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Author: Karen Schwartz

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> ~ Dan Kusnetsky, The 451 Group

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By Sal Sherman
What about the user experience of saas applications - is the saas experience an advantage or a disadvantage compared to something like our inhouse Siebel SFA system?

> That depends upon the criteria measured. From a user experience perspective, SaaS SFA systems are often cited by users as easier to learn, easier to use and more intuitive. They also offer convenient anytime/anywhere/any device access. From a performance (speed) perspective, on-premise SFA systems are often regarded as superior as they don't inherit Internet latency or bandwidth constraints and are more responsive to users.

By Sal Sherman
What's the best way to determine if saas performance is acceptable or going to be a problem?

> The best assurance is testing. Top SaaS CRM providers operate highly scalable, distributed, high performance data centers and application delivery. Chances are if performance is an issue, it's not from the CRM provider, but caused by variables such as your available bandwidth or internal network congestion. Therefore, you've got to perform real world tests to verify actual performance. Application performance management (APM) tools are ideal for testing, but simple trial and observation will likely surface any speed issues. Another option with some future promise comes from Carnegie Mellon, who is leading a consortium to deliver what they call a Cloud Service Measurement Index Consortium (CSMIC) Framework. This deliverable will include business-relevant key performance indicators and actual performance for various cloud solutions. It's looking to deliver standard KPIs, and cloud vendor scores, for criteria such as performance, agility, risk, security and cost. Draft version 0.5 is available on cloudcommons.com today, however, the more complete version 1.0 isn't expected until 2011.

By Sal Sherman
Thanks - and last question (for now) - what are the APM tools you mention?

> Application performance management tools monitor system metrics such as speed and availability, root out causes of performance degradation or other system bottlenecks and come from vendors such as AppDynamics, BlueStripe and Coradiant to name only a few. These monitoring tools can usually work for both cloud solutions and on premise systems. Some APM vendors are themselves moving into the cloud and offering their solutions in a monitoring/management as a service.