



## QUICK GUIDE

**In plain English ...**

**Why do it?**

**Who uses it?**

**Is it for my business?**

**How much does it cost?**

## In plain English ...

**... Cloud Computing concerns the provision of computing via the Internet, in that 'cloud' is a metaphor for the internet.**

It is an alternative technological model or platform to a more traditional approach ('in-house' or 'on-premise') offering amongst other benefits, a different way of paying!

In simple terms it can be viewed as subscribing to compute power (hardware, software and specific applications) as a utility, much like you may purchase units of electricity or telephone minutes.

Cloud Computing can come in many different forms - as depicted and often confusingly presented by the IT Industry as a whole.

What's most important to understand from a business perspective is that Cloud Computing can present an opportunity for reduced operating costs - albeit it is not a ubiquitous or simplistic one-size-fits-all solution for all Organisations.



## Why do it?

At its simplest interpretation Cloud Computing can directly save Company money in terms of IT expenditure. For example, small firms considering using Microsoft Outlook could avoid expenditure on Computer Systems sited within their own Offices by using a service such as Microsoft's BPOS (Business Productivity Online Suite) which provides utility - or cloud based access to the same applications for a fraction of the cost, payable on a monthly basis.

However, even with this most basic of examples you would need to consider the TCO (Total Cost of Ownership) of either solution i.e. Where are your offices based? Do you have good (competitively priced) communications links? Do you use the standard product or has your business tweaked particular elements? How much do your In-House Systems cost - to purchase, store and run?

These are just a few of the questions concerned with the most basic of scenarios. Imagine now that your business is much larger and susceptible to real peaks and troughs in terms of activity e.g. a ticket sales Company.

Rather than scale up your in-house infrastructure to cope with the heaviest of demands (leaving it largely redundant for the rest of the time) why not consider an application developed 'in the cloud' - and pay only for what you need, when you need it.

#### Who uses it?



"...Gartner analysts predict that more than 4 million virtual machines will be installed on x86 servers by 2009. The use of PC virtualization is also set to increase rapidly. The number of virtualized PCs is expected to grow from less than 5 million in 2007 to 660 million by 2011."

#### Is it for my business?

In determining whether Cloud Computing may offer your business any real advantage the best starting point is take a profile of your own business.

How many employees? How many Office Locations? Where are the Offices situated? What Systems does your business currently need or use? Are standard systems used or required and, or have they been modified or customised? Are business operations steady and stable or unpredictable or 'lumpy'? Is capital expenditure a critical issue i.e. is CapEx better invested in new initiatives rather than computer systems?

The list of questions could go on. The bottom-line is that Cloud Computing in one of its very many forms may well suit your business. The best way to find out is to become more informed. The quickest way to achieve this is to speak to a knowledgeable expert - who understands the benefits a particular technology may offer - *from a business perspective.*



Microsoft's solution for building hosted software applications in the cloud is a product called Azure. Azure is a platform on which software development companies can quickly build specific applications.

Of course it gets ever more complicated with different interpretations and jargon such as PaS (Platform as a Service), SaaS (Software as a Service) or SpS (Software plus Services). The point from a business perspective is that Cloud Computing can offer both direct and tangible savings as well as indirect benefits such as accessibility, performance, scalability and security.

#### How much does it cost?

In its simplest form (perhaps Microsoft's BPOS offering) it can cost less than ten pounds per month per User. At the other end of the scale - developing a bespoke application and hosting it in a private cloud can cost tens or hundreds of thousands (pounds).

To reiterate - in either scenario, at either end of the scale, or anywhere in between, the Total Cost of Ownership should be considered together *with* the less obvious benefits or risks.

Cloud Computing is not for all businesses, however, it is becoming a pervasive technology that any forward-thinking business must consider as part of an overall agenda to improve business performance.

#### KNOW MORE

**Want to know even more? Contact one of our team today to benefit from a free consultation:**

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