



Benefits of Cloud Computing

White Paper: Cloud Computing and Its Benefits

Cloud Computing and its Benefits

What is the Cloud?

- Think of the cloud simply as a communications network.
- The word "cloud" often refers to the Internet.
- The cloud is software that allows the computing capacity of computers or servers on the internet to be shared.



What is Cloud Computing?

- Defined by the National Institute of Standards and Technology (NIST) and the Cloud Security Alliance as: "A model for enabling convenient, on-demand network access to a shared pool of configurable computing resources that can be rapidly provisioned and released with minimal management effort or service provider interaction."
 - **What does that really mean?**
 - Cloud computing allows businesses to focus on what matters and not to worry about the technology side of things.
 - This means that there will be no more expensive, capital-intensive hardware and infrastructure, time-consuming, staff intensive upgrades.
 - You pay as you go, and get your finance, human resources, sales, or service applications through a Web browser
 - Cloud computing is a way of using business applications over the Internet, just as you use online banking or Gmail.



Many businesses wonder...

How is a cloud based computing system beneficial to my business?

Why not just buy an accounting or project management software solution off the shelf?

Countless companies are reluctant to change to a new system after being on the same system for so many years. This is understandable, but these 10 benefits give businesses undeniable results by creating a rapid, positive impact that enhances business operations. Here are explanations of each benefit.

1. Speed from Signature to Go Live

Implementing a cloud based solution is quick and painless. It is a known fact that the speed to project kickoff is critical for a company. The remarkable truth about installing a cloud based solution is that all you need is the Internet. Technology does not play a part in the determination of setting a project in motion. The time frame is determined by the company, in which the software is being executed, but a cloud based solution is provisioned within 48 hours and the average time that it takes to install is 8-16 weeks.

Cloud computing allows businesses to implement their applications rapidly, with improved manageability and less maintenance, while enabling IT personnel to almost instantaneously adjust resources to meet fluctuating and unpredictable business demands.

2. Customization

Cloud applications allow your business to select what your company needs, when you need it, and use it how you want to. Cloud computing offers customers more access to power. This power is not ordinarily accessible through a standard PC. This customization feature allows productivity savings due to superior integration with existing business solutions.

3. Lower TCO

It is important to first of all explain that an average company does not consider every variable when it comes to TCO calculation. Variables that are not calculated are head count, opportunity cost, costs associated with disaster recovery plans, data redundancy features, and most notably time. In today's society, time is money and that is not something that businesses can afford to waste. With a cloud computing system, all the services that you need are maintained by experts outside of your business: reducing costs associated with IT by eliminating those positions and making staff cuts. Cloud computing eliminates the stress and cost related to constant server updates and other computing issues. Eliminating unnecessary costs such as the ones listed above will ultimately benefit your business and decrease your company's TCO.

4. Lowers Capital Expenses

Cloud computing allows a business to save money because it is considered an operating expense as opposed to a capital expense. A cloud based solution is recognized as an

operating expense, which refers to any expenditure whose value is used up within the same financial year. In contrast, standard accounting software is considered a capital expense which gains or produces an asset whose value continues to be used over several financial years. Decreasing capital expenses in favor of operating expenses serves as a colossal benefit for any business because it ultimately lowers your annual tax expenses. Companies no longer have to worry about costs associated with configuration modifications, system maintenance, security and disaster recovery or software upgrades and updates. Cloud computing allows you to reallocate the IT budget from maintenance to actually improving business processes and delivering innovation to the finance organization.

5. Scalability

Cloud computing is scalable from 10 users to 1,000 users. This means that if your business has sudden growth, you do not need to invest in more servers or worry about hardware compatibility. Regardless of how big or small your business size is, it is the same product. The great thing is that you never have to worry about how many customers this system can support, because the cloud system will grow with your business. With an unconstrained capacity, cloud services offer increased flexibility for your businesses' evolving IT needs. The systems are built on Tier One architecture that would cost you thousands of dollars, but with the cloud solution you are only paying a fraction of the cost for an enterprise-level system.

6. Functional Fit

With a cloud based solution, you will not have to sacrifice functionality because the system is every bit as robust as a standard software system. Cloud computing includes a functional fit application for your system that caters to your specific business. This involves the implementation of industry-specific applications such as ecommerce, software companies, wholesale distribution, and professional services and more applications are supported and imbedded within the system, which makes them relevant and practical to your particular business.

7. Upgrades Happen In Your Sleep

When it comes to cloud computing, there is no need to fret about agonizing upgrade hiccups. Upgrades go unnoticed in that you log out of the system today, and you log in tomorrow and you are on a new version. It's as simple as that because everyone in the world is on the same version. There is one major upgrade per year and you are always on the latest and greatest version without any maintenance issues. This feature enables users to integrate various types of applications including management systems, word processors, and e-mail. IT personnel no longer have the constant burden of keeping software up-to-date. Cloud computing eliminates anomalies, and allows time to be spent productively by employees instead of dealing with support issues.



8. Access Data Virtually Anytime, Anywhere

Cloud computing allows for mobilization because the system is completely Web based. Data can be securely accessed from anywhere in the world through any standard Web browser or mobile device. This is a valuable feature because it allows you to conveniently access information outside of the office. In essence, cloud computing permits your work to travel with you wherever you go.

9. Going Green

Everyone strives to “go green” and be more ecofriendly, but did you know that by going green you can save your company money? Switching to cloud computing is a cost effective way to be environmentally conscious by consolidating energy use.

Merging resources into a cloud allows you to save on costs by paying for what you use and prolonging the life of your PC. A report issued by the Carbon Disclosure Project, found that a company that adopts cloud computing can reduce its energy consumption, lower its carbon emissions and decrease its capital expenditure on IT resources while improving operational efficiency. This is not only the right thing to do, but it is the smart thing to do as well.



10. Disaster Relief

A huge advantage of cloud computing is the resiliency of the system. Since your company’s records are safely stored on a secure data center instead of your server room (formerly known as your storage closet), you no longer have to wonder “what if?”. There is a lower risk of information being stolen or lost. For instance, if your company loses power due to a natural disaster, or loses backup data in a fire or flood, have no fear, with the cloud you are back at work as long as you have an internet connection.

Conclusion

It is important for businesses to become educated about cloud computing as the market is missing a clear and universal understanding of what cloud computing is, the different types, and the different services. The purpose of cloud computing is to be used as a tool to make the life of a business easier. Cloud computing can completely transform a business and open its eyes to endless possibilities of forward thinking and constant growth. Cloud computing is the future and should be universally considered a vital asset to any business.

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