Cloud's silver lining

Cloud is the way forward for SMEs looking for enterprise quality IT solutions on a small budget, according to regional experts

Cloud computing has been a buzzword in business for many, many years and has proven to be an essential tool to reduce data warehousing and IT costs. For SMEs, cloud can help reduce overall IT costs and is of particular interest for SMEs who cannot afford to have an IT team on-call, or on site 24 hours a day, according to Hamza Naqshbandi, Senior Research Manager – IT Services - Middle East Africa and Turkey, at IDC.

The absence of a hardware component and the shared nature of numerous other resources means that the cloud is an economical hosting option. Unlike buying hardware with set specifications, cloud offers flexible capacity-based buying options that allow the company to pay only for what they need, making it ideal for small to medium businesses.

"As cloud implementations include virtualisation, in terms of controlling costs they offer the same benefits of shared and consolidated IT resources as virtualised environments," said Naqshbandi. "Furthermore, the inherent strengths of a true cloud deployment, such as metering and chargeback, add visibility to IT costs, thereby making them easier to control. By making IT operations more visible in this way, cloud enables organisations to realign both technology and staff in order to maximise efficiency."

For public cloud services, scalability, no upfront cost, predictable and flat-rate monthly fee along with usage based payment options should resonate well with SMEs in the region.

Because SMEs usually operate in environments with limited resources and IT personnel, upfront infrastructure investment is a big challenge for most of these companies which consider cloud computing to enhance competitiveness.

Using cloud, SMEs can grow faster as new infrastructure can be deployed quickly. Using

cloud technology, they can step into new markets using virtualised cloud platforms. A 2013 European Commission report revealed that organisations adopting cloud could reduce their costs by about 10 – 20 per cent.

"Cloud computing lets SMEs access affordable technology, large economic benefits they could not get on their own, and quick implementation to improve competitiveness," said Fahad AlHassawi, Chief Commercial Officer, du.

WHAT IS CLOUD COMPUTING?

Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources, for example; networks, servers, storage, applications, and services, which can be rapidly provisioned and released with minimal management effort or service provider interaction (as defined by The National Institute of Standards and Technology). This means customers with connectivity (public or private) can access IT resources to interact and deploy new requirements to adapt their needs.

"The word 'cloud' describes the set-up well. The data centre is shared by multiple customers, so the resources are shared and well-utilised. The only purchase required is connectivity between the cloud and the office either a point-to-point connection or internet," said Bhaskar Peruri, Silver Peak's Regional Sales Manager, Middle East.

As the pervasiveness of the internet continues, so does it affect the way we operate in a both a social and business context. From technology revolution to evolution: Cloud is nothing new – it is an improvement in the way we use technology with a new business model. Cloud computing, or the delivery of cloud services over the internet, is a reflection of this evolution that has, at its core, the internet as the foundation.

"At a high and overly-simplistic level, cloud services can be described simply and informally as: consumer and business products, services, and solutions

delivered and consumed in real time over a network— most often, the internet," said Naqshbandi.

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Hamza Naqshbandi, Senior Research Manager – IT Services - Middle East Africa and Turkey, at IDC.

Private cloud vs public cloud

The discussion around Private or public clouds is more a discussion around application performance, security and predictability of the platforms that might host those applications. The more oriented the application is to core business, the

higher the requirements are to these features. Nevertheless while, private clouds can be more customised regarding customer requirements, public clouds usually are more scalable and attractive in price for IT unpredictable demands.

"In all things IT, one size does not fit all. The same holds true for cloud computing. For organisations with complex IT requirements along with CAPEX heavy budgets and large, skilled IT teams, private cloud is the preferred cloud model. Alternatively, organisations with OPEX heavy budgets and small IT teams with standard service requirements are more suited for public cloud services," said Naqshbandi.

It's important for organisations to evaluate both private and public cloud and see which platform best meets their business requirements.

"Essentially, there is no 'one solution fits all' when it comes to determining using public or private cloud services and it's important to carefully evaluate both the options available. Based on this, an organisation can choose the cloud service that best suits them," said Sachin

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TOP SEVEN TIPS FOR AN SME LOOKING FOR A CLOUD PROVIDER

Small and medium enterprise CIOs and senior management can follow some best practices when searching for their ideal cloud provider. Here are some things to keep in mind:

- ◆ Evaluate the credibility of the service provider
- ◆ Ensure the service provider follows international best practices for service management and Information Security Management
- ◆ Consult the service provider's customer references
- ◆ Ensure they provide a guaranteed level of services offering high-end, custom SLAs
- ◆ Conduct a site inspection of the data centres and IT infrastructure
- ◆ Ensure the service provider meets your specific enterprise needs
- ◆ Ensure that service Provider offers 24/7/365 support – ability to reach them during non-working hours

Source: eHosting DataFort

Bhardwaj, Director Marketing and Business Development, eHosting DataFort.

According to eHosting DataFort, the following factors can be kept in mind while evaluating which option is right for your business:

SECURITY AND ACCESSIBILITY

With hosted private cloud, companies can benefit from a virtual data centre with a service provider and can also customise the private cloud as per their requirement. This gives companies a sense of greater control over their IT environment. Heavily regulated industries with high availability environments such as healthcare, banks and financial institutions, and governments might want to opt for a hosted private cloud for higher security. SLAs with the service provider help in determining the degree of security and accessibility.

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Fahad AlHassawi, Chief Commercial Officer, du.

Costs: A public cloud service is popular with organisations looking to cut IT costs. These organisations are concerned about security but scalability, efficiency, and affordability are the most important features.

Scalability: Smaller businesses and startups usually prefer the pay-as-you-go flexibility that public cloud service offers and the cost savings associated with it. Both private and public cloud options offer scalability so businesses can scale according to the needs that they have.

CLOUD BRINGS OPERATIONAL EFFICIENCY:
Cloud through its various inherent features like automation enables operational efficiency by:

– **Improved IT resource utilisation:** Cloud promises technology to be delivered in a much shorter time to IT business users. This eliminates the inefficiencies associated with waiting for IT resources to be procured and setup which used to take weeks if not months in most organisations. A well-deployed cloud environment can cut down deployment times for IT development, testing or event production needs in a matter of hours.
– **Improved IT admin utilisation:** Moving to the cloud enables organisations to lower their IT staff utilisation/ time on routine IT operations. At the same time, moving to the cloud enables organisations to consolidate their IT infrastructure, and increase utilisation.
– **Improved IT Management:** Having attained greater IT skills, organisations will be in a better position to manage their IT operations which also gives them ample time to look at innovative ways that technology can augment their business productivity.

Control: A private cloud service would likely be chosen when organisations feel they need greater control of their business-critical data and applications. A private cloud service is popular with highly-regulated industries such as finance as it is more comfortable having its data hosted privately and physically separated from other businesses.

eHDF offers both hosted private cloud and public cloud options for businesses. With eHDF's Private Cloud, customers get a pool of network, storage and computing capacity. Clients can then spin out virtual machines from this compute capacity as per their needs and have complete control over the virtual environment. The solutions are tailor-made to fit customer requirements and are available in two variants: managed and unmanaged private cloud.

eHDF's Public Cloud is a highly reliable and secure platform that allows scalable and flexible cloud solutions. It comes with the ease of selecting and purchasing services online through a credit card. It also allows users to choose from a wide range of customisable computing options such as operating system templates, ability to configure servers online, online backup and restore facility and upgrading server configurations. The easy to use web interface offers simple user controls

ELASTIC STORAGE

Storage is becoming one of most key critical issues for IT to operate and manage, while being aware of the costs involved.

Elastic storage is a concept in cloud computing which allows organisations to easily meet sudden spikes in storage demands. In fact, many service providers in the UAE are already providing various

Hamza Naqshbandi from IDC said cloud environments offer the same benefits as virtualised environments.

options for elastic storage which helps an organisation scale up and down as and when needed. eHosting DataFort and du both provide this service as a part of their overall Cloud offering to SMBs.

"As part of du Business Cloud solutions, we offer a scalable model to let your IT infrastructure expand around storage as your business demands keep requiring more, or less, data to be securely stored," said AlHassawi.

IAAS AND SAAS

Infrastructure as a Service (IaaS) and Software as a Service (SaaS) are both consumption models of cloud computing. IaaS and SaaS help organisations re-allocate their time and resources, by making their IT infrastructure smarter and more flexible.

A 2013 Gartner study says that SaaS is expected to grow from $97 million in

GCC CLOUD MARKET TO POST SEVEN-FOLD GROWTH BY 2020

As cloud computing moves from hype to the business mainstream, facilitating regional adoption of cloud technologies and virtual storage solutions will come to the fore. IT research firm Frost & Sullivan predicts the global cloud market will reach more than $125 billion by the end of the year. The GCC's cloud computing market is set to grow from $91.7 million last year to $118.5 million by the end of 2014 – year-on-year growth of 29 per cent. As regional companies large and small move to transfer physical storage, backup, network, security and management systems to the virtual cloud, Frost & Sullivan predict the Gulf's cloud computing market will post seven-fold growth and expand at a CAGR of 32.8 per cent to reach $ 668.5 million by 2020.

IS IT WORTH SMES HIRING A SECURITY PROVIDER THAT UTILISES THE CLOUD, RATHER THAN HAVING HARDWARE/SOFTWARE IN HOUSE?

The cloud security service can be exactly the same solution as the in house managed solution. It would be a matter of preference in terms of controlling the solution. Cloud solutions are now offering high level of reporting and logging visibility with ability for the SMEs to even control some of the settings on the managed solution.

SOURCE: Fortinet

2013 to $253 million in 2017 across the Middle East and North Africa region. IaaS, on the other hand, is expected to grow from $60 million in 2013 to $138 million in 2017.

"Most IaaS provides standardised, highly automated offerings, where compute resources, complemented by storage and networking capabilities are owned and hosted by a service provider and offered to customers on demand. Moreover, they do not have to invest in capital expenditure and other upfront costs. It is also useful for applications where demand is very volatile. There are some cases where IaaS may not be the best option, for example; where the highest levels of performance are required and dedicated infrastructure has the capacity to meet the organisation's needs," said Bhardwaj.

With SaaS, end user applications are delivered as a service over the web. It is useful for applications that have a significant need for web/mobile access such as CRM and email. In cases where applications require real-time, fast processing of data or when regulatory requirements do not permit data being hosted externally, SaaS may not be the best option

"The SME market might be willing to contract services on SaaS model as it is the most granular consumption model which allows companies to increase their demands on a per user basis in example. However, SaaS is a model which might

be applicable for very general purpose applications like office and that's why for many customers who might be required to setup their own applications, IaaS is a model much more interesting nowadays for all SMEs to start transitioning to the cloud," said AlHassawi. **FME**

Fahad AlHassawi from du said cloud environments make technology more affordable for SMEs.

Bhaskar Peruri from Silver Peak said that with cloud, the only IT requirement from the SMEs side is a connection to the internet.