ME enterprises not convinced of cloud value

The first Arabian Computer News 100 conference was dominated by argument over the controversial technology.

Ayman Dwidar, Blades Business Manager, Cloud Team Lead Middle East, Mediterranean and Africa, HP said that cloud technology definitely offered benefits, particularly to SMBs, and that vendors have a role to play in helping companies to understand the technology. The cloud market is expected to reach $143bn, in coming years.

"We believe as vendors that cloud is very important to organisations. It brings the business closer to IT, and IT closer to business, and it can enhance the business output. We need to have clarity and transparency, and that vendors have a role in facilitating the arrival of cloud computing, and helping users get value," said Dwidar.

While there are security concerns around the cloud, these problems can be addressed through different models, and companies should not be put off by the 'hype' surrounding cloud, according to Marcus Hennig, CTO of network security specialist Astaro.

"We are already offering cloud services - cloud promises much, it promises you will have more reliability, more scalability, and flexibility. These promises are the essentials of cloud, so they should be perceived not as a hype, but as a real technology, which opens new opportunities for mid-size and big enterprises," he said.

Yasser Zeineldin, chief executive officer, eHosting DataFort, said that various models of cloud are already being delivered in the region, but that customers would still need to see proven value.

"Cloud is a variety of things - software-as-a-service is already a reality, predominantly in SMB. The part where I believe there is a mix of hype and reality, is on infrastructure-as-a-service, and platform-as-a-service, especially in the Middle East. The adoption is slightly slower in that respect.

"I think we are going to see gradual adoption, but unless the customers see the value, and the concerns on security, service level management, data availability, unless all of these concerns are addressed, then no matter what the hype, they are never going to go that [cloud] route," he added.

Some multinational organisations operating in the region have already embraced cloud in a range of guises, but are facing challenges specific to the Middle East. Nigel Hattersley regional IT director, Starwood

Middle East enterprises still need to be convinced of the value of cloud computing, was the conclusion of the first ACN 100 conference.

During the panel discussions, C-level executives from regional enterprises questioned whether cloud is simply hype, and whether the local infrastructure is ready to for major deployments of different flavours of cloud.

Arun Tewary, chief information officer, for Emirates Flight Catering said that he did not see the end user as driving the promotion of cloud computing, and said that there are still essential questions around cloud services.

"Cloud computing, I personally think, is a great hype, which is being driven by the vendors only," Tewary commented. "If you look at the evolution of the IT industry, whichever phase it went through, all those things like ERP worked because there was a genuine need felt by the user community, they were looking for a solution. Adoption and participation in the development of such solutions was very high from the user community. This is the only phase that I have seen that is purely coming from the vendor side.

"There needs to be more transparency, clarity, and a large amount of reassurance as to where is my data sitting, how accessible is it to me and how quickly can I get my data back?" he added.

The conference was a mix of panel discussions and workshops hosted by vendor partners.

The panel discussion on cloud computing was particularly heated, with CIOs and the select vendor partners discussing the technology.

HP Middle East was one of the specially selected conference partners.

Audience participation was a big part of the conference.

Comments about Arabian Computer News' first conference were positive.

CIOs from companies as diverse at Emirates NBD, OSN, and DHL were in attendance.
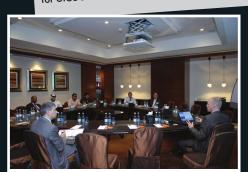
ACN 100 - THE VERDICT

Despite competing for mindshare with the many events that happen in Dubai's conference season, the turnout and feedback from the first ACN conference was amazing. We'll be looking to host more in the coming year, so keep your eyes open for more details.

The event also had a number of opportunities for CIOs to network with each other.

BlueCoat's breakouts were particularly well recieved by CIOs for the lack of sales talk.

Astaro talks about security on the cloud and the impact on the region's enterprises.

Those in attendance were a mix of government and private sector CIOs and IT directors.

CIOs from a number of the region's largest companies took part in the panels.

One of the main discussion points was whether or not the grass really is greener on the cloud computing bank of the IT river.

Hotels and Resorts, pointed out that his company has moved 70 of its hotels in Europe onto a reservation system that is cloud based, but that for the Middle East, there are hurdles that would not make this possible yet.

"We've been seeing components of cloud computing for many, many years now, as we centralise email, finance applications and other non-business critical applications," said Hattersley. "From a Middle East perspective, I don't believe we are quite there yet to handover the entire environment to a cloud scenario. Although I have seen it successfully occur in Europe and America. The difference is based purely on cost, and the ability to provide sustainable SLAs on networks over a large geographical area. I don't believe the Middle East is quite there yet.

Hattersley said that poor bandwidth would prevent companies from gaining economies of scale by serving multiple countries in the Middle East from a single site.

"From the Middle East perspective there still isn't the cross country availability that would enable a truly integrated cloud environment. We can't host services here to provide to other Middle Eastern countries," he said.

eHosting DataFort's CEO Yasser Zeineldin spoke about the state of managed services.

IN NUMBERS

$143bn
The value cloud computing is expected to reach in the coming years. However, CIOs expressed concerns over the availability of key technology.

85
The number of CIOs that were in attendance at the first ACN 100 conference in Dubai.

The panel agreed that the lack of strong infrastructure, and the lack of enforceable service level agreements were still a big problem for the region, however, there were signs of improvement among operators, mostly those in the UAE, in their ambition to deliver better services.

"The telco providers realise they have to change, and that they have to provide much more reliable services, and they are working on the infrastructure set up on an accelerated basis, to enhance this," Dwidar commented.

"Their behaviour, to commit on specific performance, or specific quality of service to the end user, I see a major change in this behaviour. Telco service providers see that cloud is a great opportunity for them, and they know they cannot realise this opportunity without robust infrastructure."

The panel also touched on issues of application readiness and different models of cloud computing, security issues with the model, and which direction the Middle East is likely to take on cloud. The panel also discussed whether cloud would lead to unemployment in the IT sector, and whether academia needed to adjust curricula to reflect emerging cloud trends ACN