

# Cloud computing – the silver lining

By Andy Fenton

Since its early introduction in the 1990s, cloud computing has achieved a meteoric rise in the document management world.

The advantages of cloud computing are many and include: considerable cost savings with 'pay as you go' service plans; scalability of resource procurement in response to needed IT capacity; accessibility of services, often from any networked machine; collaboration capabilities with access to shared applications and records; flexibility to produce resources on demand; and capacity to outsource large computing needs and non-critical applications.

All the indications are that cloud computing is swiftly becoming an inherent part of information technology systems. IBM, the American multinational technology and consultation corporation, recently conducted a global tech trends survey report showing that 40% of respondents are yet to engage in cloud computing. However, 75% say that in the next two years their organisations will look to build cloud infrastructure. So what does this mean for information management?

## Greater flexibility

I'm a director of two companies, Desktop Imaging and New Zealand Micrographic Services, specialising in records digitisation and information management systems, so cloud computing is of great interest to me. Both companies are looking to expand services nationwide and operate through internet access (the cloud), rather than a remote server, to give our staff and our customers a level of flexibility that can only increase productivity and results.



The cloud will allow our scanning technicians to work with just their laptops, but still have full access to all our files – providing significantly increased business agility, as well as flexibility for our customers.

With the core of our service based on business continuity, cloud computing provides an extra insurance. It offers higher security from computer-related hazards such as viruses and – importantly – from physical hazards such as earthquakes, floods and fires.

Obviously, following the Christchurch earthquakes, this message only reinforces the need for IT infrastructure to be protected offsite if businesses are to be able to get quickly back on their feet and remain productive following a natural disaster.

Then there are the financial advantages. Because cloud computing has huge economies of scale, it can deliver almost unlimited storage capacity at much lower prices. A report released last year by the Centre for Economic and Business Research and commissioned by American data-storage giant EMC states that across Europe's

five largest economies (France, Germany, Italy, Spain and the UK) the "widespread adoption of cloud computing has the potential to generate over £763 billion of cumulative economic benefits over the period 2010 to 2015".

## Reduction in costs

Cloud is also good for businesses that are growing and often face considerable capital outlay to achieve their goals. Cloud computing reduces costs around IT infrastructure and eliminates the need for IT support staff and physical servers. I know from our own perspective that it's a significant driver in our growth strategy. Mainfreight, the global supply chain logistics provider with 165 international offices, bases its international headquarters in Auckland, delivering all of its business applications to its branches across the world. However, the company's Asian offices were using their own separate system and were suffering from the tyranny of distance. As a result, tracking shipment orders for customers was a confusing process, as intercompany billing issues and cost discrepancies ultimately led to poor customer service. Mainfreight needed to find a solution to deliver its business applications to its Asian offices efficiently and securely, while maintaining control of the infrastructure. They decided the best way to integrate their Asian offices was by adopting a cloud computer approach. This enabled their employees in Asia to quickly and more easily access the information they needed, saving the company around 200 hours per week in work duplication efforts.

## Still evolving

Some of the world's biggest organisations are already forging ahead with cloud. However, like most developments in the online world, the cloud is still evolving, and consequently it's provoking considerable debate across businesses and in the pages of IT publications in New Zealand and internationally.

The New Zealand Inland Revenue Department recently issued an alert reminding businesses that although their data might be stored anywhere on the planet, they are required by law to keep their tax records in the country. However, it also noted: "Using cloud computing to backup business records will not breach record-keeping obligations, provided the primary business records are stored in New Zealand." It suggested businesses may need to obtain assurance from their service providers that their data will primarily be stored locally.

## Safety and security

Our companies are ensuring we keep abreast of the latest developments around cloud computing, particularly with regard to safety and security, and we are taking a balanced approach to identify and assess any risks and advantages. That way we can help our customers get the best out of cloud computing.

So what do you think? Is the sky the limit for the cloud?

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## What is cloud computing?

Let's say you're a director of a large organisation. Part of your responsibilities includes ensuring that your employees have the adequate hardware and software they need to do their jobs.

Buying computers for everyone isn't enough – you also have to purchase software or software licences to give your staff the tools they require. Whenever you have a new employee, you have to buy more software or make sure your current software

licence allows another user, which can be time consuming and stressful.

But there may be an alternative. Instead of installing a suite of software for each computer, you'd only have to load one application. That application would allow workers to log into a web-based service which hosts all the programs the user would need for their job. Remote machines owned by another company would run everything, from email to word processing to complex

data analysis programs. This is called cloud computing.

If you have an email account with a web-based email service like Xero, Hotmail, Yahoo Mail or Gmail, then you've had some experience with cloud computing. Instead of running an email program on your computer, you log in to a web email account remotely. The software and storage for your account doesn't exist on your computer – it's on the service's computer cloud.

