



## Removing the vapor to see cloud computing for what it is

*How cloud computing can help and hinder enterprises*

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Cloud computing and the challenges and issues for enterprise users, was one of the topics taking center-stage at the NetEvents' Asia Pacific press summit held in Singapore over this past weekend.

Looking at cloud computing from user perspective, Camille Mendler, vice president-global service strategies for the Yankee Group, believes that it is popularly understood as a software-as-a- service provided over the Internet and is not hosted by in-house infrastructure. As such, users only pay for actual usage and can avoid unnecessary expenditure.

She adds that large enterprises also stand to benefit by creating their own cloud by consolidating resources into a data center and making it accessible to the corporate wide area network (WAN) as well as the Internet. Whether the data center is consolidated physically or virtually becomes less of an issue than the relationship between the corporate WAN and the wider Internet availability. The entire business moves into the cloud when providing services such as social networking, search engines and auction sites.

### Potential to do more without heavy capital expenditure

Because of its flexibility and scalability, cloud computing can address several corporate needs. It can aid in the quest to achieve faster time-to-market. It can also boast responsiveness to fast-changing capacity management, as well as foster a collaborative culture with its social networking features. The fact that info-comm budgets are not increasing but instead are being shifted between cost components makes the pay-as-you-use cloud computing business model attractive to enterprises.

According to Mendler, telecommunications service providers, equipment vendors, software houses, systems integrators and start-ups are all exploring or actively entering this cloud-space. Traditional players, including IBM, Microsoft and Oracle have either announced or are formulating their own plans to ensure that their application deployment platforms also gain a foothold in the cloud.

She adds that it is not only the vendor landscape that is changing, business models are shifting too. Software-as-a-Service (SaaS) vendors who for a long time have been running off their own infrastructure now face tremendous challenges against new entrants on the Internet.

### Need to focus on what customers want

Touching on enterprise expectations, Mendler adds that the cloud computing community is not focused enough on customers and they need to improve in their dealings with clients. She believes that the cloud computing community is too fixated about service definitions, standards and technology. A survey of service level agreements gives the Yankee Group grounds to conclude that customers feel there is a lack of trust, transparency and professionalism within the cloud vendor community.

### Laws behind on cloud computing

Mendler warns that that exposure of customers to risks which can outweigh the benefits does not reflect well on the industry and raises the flag about the laws and regulation having not kept abreast of the new order resulting from cloud computing. For example, she says that the laws are unclear about data residing in cloud, data moving between cloud and involvement of third parties. There is a need for monitoring services in the areas of privacy protection, data security and jurisdiction, she stresses.

And few cloud vendors, if any, are audited on security, survivability and process controls, Mendler adds. This leads to opportunities for industry players to help secure, test, monitor and orchestrate disparate cloud assets.

By its very nature, cloud computing invariably involves multiple relationships. Hence, there is also a need for trusted intermediaries for inter-cloud services in roles as business rule repository, service level measurement, security authentication and for billing and settlement services, Mendler says. She names telcos like British Telecom, Deutsch Telecom, SingTel and NTT as possible candidates but adds that 'they won't do it without help'.