iTWeb CLOUD COMPUTING

Who will win the cloud race?

By Bonnie Tubbs, ITWeb journalist.
Nice, France, 27 Sep 2013

Can enterprises resist the cloud's "seductive vision" of pay-as-you-go resources on demand, with instant provisioning?

This is the question posed to a panel of cloud experts from Cisco, Rackspace and HP at the NetEvents spotlight on the cloud on Thursday.

Pim Bilderbeek, analyst at market research firm The METISfiles, thinks not. He says enterprises are already embracing software as a service, and planning to spend even more on cloud-based services during the next two years – up to a third of their budgets in some cases – citing easier capacity management and capital expenditure savings as key incentives.

Bilderbeek asks what new cloud-based applications and services are essential to enterprises today. "Who is best placed to exploit this hunger? Telecom operators already own an infrastructure of high-speed networks, data centres, holistic service management and existing billing and settlement systems – but are they offering the SLAs that business demands?"

A recent study by The METISfiles, which surveyed 40 "leading" cloud service providers, suggests there are serious gaps that could be filled by trusted suppliers that are prepared to address the need for new cloud-based applications and services.

"Easier said than done?" asks Bilderbeek, "Or are the big boys just too slow on their feet?" Posing a challenge to the panel, he inquired which organisations are best placed to adapt and benefit most by fully embracing the trend towards cloud-based business models.

While the debate yielded a non-committal response, with panel members agreeing it is uncertain who will "win the race" – cloud-born companies with no legacy hardware, software companies like SAP, systems integrators, telcos, infrastructure service providers or the channel – there is a space in the cloud for each one.

Simon Abrahams, head of market strategy and insight at Rackspace, says it all comes down to customer intimacy at the end of the day – "not by the sector, but by the organisation. You also have to remember that different markets have different appetites [for cloud].
"There really is no single answer," says Abrahams. "All these different companies rely on each other. Different approaches cover different markets."

Marc Latouche, who does consulting for Cisco, has a slightly different spin. "Who will win?" he asks. "We hope everybody – but, on a serious note, cloud-born providers (like Amazon)

do have an advantage. Telcos have been good at what they do, but now have to look to the cloud."

When it comes down to brass tacks, says Latouche, there will always be multiple levels of services and everyone needs to find their market – even if largely by trial and error.

Bilderbeek says companies would do well to emulate the "farm to the fork" system in foodstuff. "You know where the food was manufactured, where it is from and when it expires. I think we are in need of something like that when it comes to companies bringing cloud solutions to market – 'from the data centre to the device' – so users know what they are using and where their data originates from."