

Cloud – something old, something new, something borrowed, something blue

Clive Longbottom, Service Director

Quocirca Comment

You've probably heard of cloud by now - maybe even had a little play with bits of it through things like Google Docs or even something a little more meaty such as salesforce.com. But where is cloud going, and will it be the marriage made in heaven for an organisation's future?

Firstly, cloud is not a brand new technology. At the "something old" level, the cloud is based on approaches that have been proven in the market over the past few years - particularly on service oriented architectures (SOA) and web services. It is also an evolution of the business models behind the old application service provider (ASP) model - but here is where it has had to bring in the "something new". The two main problems with the ASP model were the lack of standardisation and the poor business models that underpinned the system. Applications towards the end of the 1990s were still pretty proprietary, which had driven the rise of enterprise application integration (EAI), and this made the provision of services from within a hosted environment very much a one-to-one affair - just a hosted application, rather than a hosted service. The applications were also caught in a licensing trap: the majority of applications required the user to own the licence, and so a mismatch was created where the hardware, the operating system and the application server were owned and run by the service provider, whereas the application licenses were owned by the user, but the application was managed by the service provider. The cost model just didn't stack up, and over 90% of ASPs went to the wall when the .com and telecomms bubbles burst in early 2000.

So what has changed? Open source means that many cloud solutions aren't hobbled by licensing issues, and even commercial vendors are moving towards true service provider licenses, where the service provider owns the licenses and can

decide how to charge these on. The majority have moved to either a straightforward subscription model, or plumped for a transaction-based one.

At the "something borrowed" level, it is necessary to look at how the breakdown of the technology walls within an organisation has impacted the approach to facilitating business processes, which has required the evolution of approaches to information security. The need to automate processes across the value chain of suppliers, the organisation and the customer has led to the growth of an ecosystem ensuring that data can be secured at rest and on the move - and this has been taken to heart by the cloud providers.

At the "something blue" level, the more "blue sky" future of cloud needs to be looked at. The last thing any organisation wants is to be shunted down some technological evolutionary cul-de-sac where the cost of change becomes a major issue in the future. Although the choice of provider will always involve some risk and a cost of change should there arise a need to move away from a provider, as cloud evolves into a functional entity, the existing application approach to computing will begin to die away and the new, dynamic "composite application" will begin to take over. Here, an organisation's processes, changing on a regular basis driven by strategy or external market forces, will need to have flexible technology underpinning them.

Through the use of functional computing served through the cloud, internal and external elements can be brought together on the fly to facilitate the process. No more changing the way an organisation operates to match the application - change processes as required, and take functions from a host of different cloud providers as needed, based on dynamic, wire-

speed technical contracts defining transaction volumes, speeds and so on.

The cloud will not all reside outside of the organisation, however. The internal data centre will continue to be there - it will just need to be "clouded" itself, and act as a store of functions that can also be used when facilitating the business processes.

Cloud is the future - as in the majority of marriages, things may not always run smooth. However, Quocirca believes that this is one marriage that will run the course and survive.

This article first appeared through Ingram Micro

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first-hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, O2, T-Mobile, HP, Xerox, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

Full access to all of Quocirca's public output (reports, articles, presentations, blogs and videos) can be made at <http://www.quocirca.com>