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## COLUMBUS BUSINESS FIRST

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# Cloud computing poised to play larger role in small businesses

Business First of Columbus - by [Adrian Burns](#)

If you are a small-business owner with your head in the clouds when it comes to technology, that is not necessarily a bad place to be especially if you're looking toward the future.

There are Web sites and publications that say cloud computing for small businesses is a trend to watch in 2010. In line with that, companies are expanding or introducing cloud computing services for customers. Microsoft, for instance, introduced Office 2010, which offers a blend of its standard Office features and cloud computing services that is aimed at small businesses.

So what is it and why should small businesses pay more attention to the concept?

The idea of cloud computing isn't anything new, but advances in technology are making it easier and in some cases cheaper for small businesses to harness the flexibility it offers. It can give small businesses big computing power for a fraction of the cost of buying and maintaining equipment.

"The value that you're receiving off of moving to the cloud model is so tremendous you can't ignore it," said Steve Gruetter, director of Platform Lab, a Columbus-based nonprofit that offers supercomputer-type power remotely to small businesses looking to test their systems.

Faster and more reliable Internet servers have made widespread availability of the technology possible – leading companies in recent years to roll out offerings with claims of significant cost savings and convenience gains. But tech experts urge a measured approach saying although it can bring huge benefits, cloud computing technology is far from mature and comes in many forms.

"When everyone rushes something to market, if I'm the consumer, the first thing I do is step back and say, 'Wait a minute, the dust needs to settle,'" said Mike Maxey, business development manager for Columbus-based Square One Technology Solutions LLC, an IT business. "You don't have to rush to it in the next six months, and you don't have to rush to it in 18 months, you've got time."

### Must I outsource it?

Cloud computing involves outsourcing IT needs to a provider who typically charges to use its software or computing services on a subscription basis. The central element of the technology is the Internet, which provides the link between the user and service provider.

Going to the "cloud" can range from managing e-mail through Gmail, where e-mails are stored on Google servers to scrapping powerful office servers for off-site computers managed by another company and accessed over the Internet through desktop terminals.

For small businesses focusing on a core product offering, a switch to cloud computing can eliminate the need to pay an IT staff to keep the office system running, spend money to maintain or upgrade on-site servers or to update software. Instead, the business would pay a flat subscription fee to their service provider, who would handle all of those tasks.

The savings can be substantial.

For example, it might cost a manufacturer \$300,000 to buy software that would manage its entire business from tracking its inventory to determining how customers get a product, said Doug Hockenbrocht, a consulting manager who handles information technology work for **Plante & Moran PLLC**, a business consulting company.

But instead of having to buy that software and maintain it with servers and IT staffers, the company could instead pay \$10,000 a month to access that same platform running on the powerful computers of a service provider handling all of the maintenance, upgrades and other issues related to the software.

When such cloud services fit the needs of a company, using them is often the right choice, Hockenbrocht said. "It makes too much sense to ignore," he said.

### Finding help

While there can be big rewards to shifting to cloud computing, the move also can have significant risks, Maxey said.

If a company migrates its entire office computing system to the cloud and the provider of the service running the system has a glitch, a business can find itself in trouble.



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Steve Gruetter says his Platform Lab offers up its huge network of servers to businesses to test their software, Web sites and other IT hardware.

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That's why it's crucial for small businesses without IT experts of their own to seek out an objective IT consultant to help navigate the continuum of cloud products available, Maxey said.

"If you're talking about mom-and-pop stores with a few computers and a server, they may not have a dedicated IT resource they can run things by," Maxey said. "(Find) someone who is looking out for what is best for your business."

A good tech adviser helps small businesses flesh out considerations when choosing different services, said Patrick Taylor, CEO of Worthington-based BestTransport Inc., which provides a logistics management platform that its customers access via the Web.

"What (small businesses) need to do is look at the service level agreement, which normally says, 'We are guaranteed to be up x percent,'" Taylor said. "If someone says they're going to be up 99 percent of the time, that means they're down 3.65 days a year. Can you live with that?"

Kevin Epstein, head of marketing for the Menlo Park, Calif.-based cloud service provider CloudShare, likens the current environment to the period between 1996 and 1999 when the Web went from a nerdy hobby to a consumer friendly, straightforward format with mass appeal.

"1996 to 1999 was the wild period, then by 2000 to 2001 it was, 'What kind of business are you if you didn't have a Web site?'" he said.

Using cloud computing doesn't always make sense for some. The Ohio Supercomputer Center, which provides remote computing power to researchers at universities around the state, chose not to tap into more computing power from a remote provider. Its issue was the compatibility of the software it uses with a remote system, including "significant licensing issues we had to overcome," said Kevin Wohlever, director of supercomputer operations for the group.

### **Dip a toe**

Moving to cloud computing needn't be an all-or-nothing approach, Maxey said. There are plenty of cloud applications businesses can use that might save on costs but won't necessarily put their business systems at risk, he said.

"You can do this a la carte," Maxey said.

Even an occasional use of cloud computing can save money. For instance, those looking for heavy-duty computing power to test how many visitors a new Web site can handle at one time can run those tests remotely using the beefy computers at Platform Lab. Users don't need to be on-site at Platform Lab. Instead, using cloud computing, they can set up an office computer to use the computing power of Platform Lab's machines, and at a price far below the non-cloud alternatives for such work, Gruetter said.

"Usually it comes out to be about \$25 a week," compared with about \$400 per week to rent an on-site server for the traditional approach to testing a system, Gruetter said.

A host of online services include salesforce.com, which is an online application to track customer information and interactions, with a key benefit of being accessible by Internet from anywhere on Earth. Another is Quickbase, a database management software application that is accessed via the Internet.

### **Going to the cloud**

Easy-to-use cloud computing applications abound for the small business. Some of those that have stood out include:

- Egnyte Hybrid Cloud Solution : Online data backup and storage.
- Dropbox: Allows users to share files online.
- Outright.com: Online accounting management service.
- Bill.com: Online management of billing and book keeping.
- Salesforce.com: Online application to track customer information and interactions.

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