



Jamie Riddell: Five ways cloud computing can save firms money

Jamie Riddell, Chief executive officer, Digital Tomorrow Today

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Jamie Riddell, chief executive of Suffolk-based Digital Tomorrow Today, explains why infrastructure costs are tumbling

What is the cloud and how do I use it?

'The Cloud' simply refers to storage or processes that take place on servers accessed through the Internet instead of on your computer. A combination of much cheaper technology and dynamic storage allows much more resource to be offered at a fraction of the price less than ten years ago.

Most businesses will never directly interface with the cloud instead, benefitting from low cost hosting, storage or services other companies can offer in the cloud. East Anglian Businesses will benefit by using services offered using the cloud at a fraction of the price.

LESS than a decade ago I owned an advertising agency with 30 staff across three locations.

As a digital agency our work was primarily email, internet access, document writing and sharing.

To achieve and support that we had a dedicated room in Ipswich that housed switches and servers, back up facilities, racks and air conditioning units to stop everything overheating.

The cost of installation was in the tens of thousands and the cost of maintaining it all was at least a thousand pounds a month. But if I set up the same business today, I could achieve it all for a few hundred pounds.

Jamie Riddell

Jamie Riddell is chief executive officer of Suffolk-based Digital Tomorrow Today, a future-looking digital marketing consultancy. Jamie publishes a Directors' Briefing to monthly premium subscribers covering the latest digital trends and how business can harness them today.

Why? Because most of the services I would use are in the cloud, meaning I get the benefit of the services by accessing the internet, without the fixed cost of that entire infrastructure.

So, what is the cloud and how can it benefit your business?

“The cloud” refers to storage or processes that take place on servers accessed through the internet instead of on your computer. The cloud also empowers the ‘software as a service’ model, which allows businesses to use services that would traditionally be delivered in a purchased software package.

Here are five ways the Cloud could benefit your business in 2012.

1 Cost Savings

The scenario I painted at the top of this article was typical of any growing business. The investment had to be made up front to acquire the infrastructure for a growing business. And, as technology was expensive, it was often sensible to buy bigger than was required to ensure we had room for growth. From a financial and cash flow point of view this meant we were under utilizing our investment for many months or years before growth.

With cloud based services including mail and file storage the costs start low, often free, scaling only when it is required and also offering the chance to scale down if required.

If we take file storage companies Dropbox and Box.com - both can offer online file storage and backup starting from free. With Dropbox you can store 2Gb of data before any charges kick in. Similar a business email account with multiple email addresses starts from free with Google Apps. So, two key costs of business startup or costs for existing businesses could be free using cloud based companies.

2 Scalability

Stability is important. Every quarter we sat down to plan ahead - did we need more licenses for the email system, will we need more servers? These questions were asked to allow planning time to invest in the hardware, install it and ensure it worked.

With cloud-based services the scalability is instant. If I need to add another 5GB of storage to my Dropbox account I go online, tick the box, pay my £50 and the storage is mine.

If you are running an organization there is a strong chance emails are an important communication channel. The ‘old’ way of managing company email was to invest in a Microsoft Exchange server or similar, buy a server to run it on and plug it in to the office. Then, maybe add in another server to ensure the emails are stored and backed up and maybe a firewall to decrease the amount of spam.

With the cloud a business can move all of those requirements online, allowing each user to connect to their emails directly on the Internet whenever they need. This doesn’t mean you have to settle for a ‘my business@hotmail.com’ address. Companies including Google and Microsoft now offer competitive solutions to put all your corporate email in the cloud. With a little effort you can also put your existing email into the cloud ensuring all the emails are backed up and in one place.

This ability to scale instantly helps businesses focus on growing or managing contraction with technology that will always fit ‘just right’.

3 Connected Services

Putting my business into the cloud makes it much easier to achieve collaborative working with colleagues and other services.

Managing my business contacts is easy with Highrise from 37 Signals. When I want to send out a company newsletter I press one button to collect my latest contacts from LinkedIn, then another button to share that list with MailChimp, where I can design, send and track my newsletter success. As my data is all in the cloud, it is easy to connect and share for more productivity. Compare this to collecting business cards, inputting them into a spreadsheet or hand entering them into your desktop email package.

Salesforce, a leading global exponent of the cloud has created a complete platform to connect information and services together. Force.com serves as base for any business to develop and host services that work together through a common connection.

4 Software as a service

Cloud based technologies allow me to do more with less. Occasionally I need to edit a photo or video to share. I don't wish to invest in dedicated software so cloud services now offer me the ability to do just what I need, when I need.

Instead of investing in an image editing software I could be using a site like Picnik to upload, edit and share my photos and images quickly and easily.

Like image editing, video editing is now a possibility in the cloud. YouTube, for example now offers free video editing (www.youtube.com/videoeditor) allowing you to upload videos, add music, text and background music to change or improve a video. The fact it is in the cloud also means it is ready to share wherever you need it go, including downloaded to your computer.

Any professional designer will tell you that the online photo editing services are quite basic, but for many of us, basic is all we know and is all we need.

5 Future-proofing

The cost of starting a cloud-based business is much lower than 'traditional' startups. From a technology perspective we are seeing more companies start to deliver great services at low prices.

Dropbox, Box.com, Greplin, Mailchimp are all names that have been in existence for under 5 years, yet they offer reliable services to empower our businesses. As the digital landscape changes rapidly, these companies will evolve in line with the landscape. Furthermore the scalability and low costs mean you can swap providers if and when you need to, without losing money on annual contracts.

The broadband issue

The cloud requires a broadband connection, which is often contentious in East Anglia, but it doesn't require a huge connection. Speeds of 1mb to 2mb would be sufficient for all but the biggest of tasks. Emails can work fine over 1mb connection or far less (I can receive emails on my mobile phone with almost no signal) and the average file transfer will only take a few seconds on a similar connection.

The rise of the cloud has also fuelled the mobile app revolution, with most of your apps storing data or using processes from the cloud, rather than on your phone. (See our November Business Edition for more apps using the cloud)

Even on the slowest of connections, your business could benefit from cloud-based services today.

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