

Should You Do Business in the Cloud?

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By now you've probably heard the term "cloud computing" mentioned in the press, thanks to the PR machines of Microsoft, Sun, Google and Salesforce.com, among others. But what exactly is cloud computing, and what does it mean for small businesses?

Simply put, it's computing that is done on the Web. Rather than installing software on a computer that sits in your office, the applications that you need to run your business are stored on servers in data centers owned by the software company--"in the cloud" so to speak. You access your software and your business data via a Web browser--from any computer that is connected to the internet anywhere in the world. Some of the benefits to this include:

Lower initial cost: Instead of buying software, you essentially rent it. You pay a monthly fee for each user. You also avoid the expense and hassle of paying for software upgrades. There is only one copy of the software running on the servers "in the cloud" and every time you log in you access the latest and greatest features without having to do anything extra.

Lower overhead: Your IT infrastructures needs are greatly reduced with cloud computing. The company that "hosts" your software and data maintains the hardware, upgrades the software and keeps the service running. You can focus on running your business rather than on maintaining your computers. All you need is a computer with a fast and reliable web connection.

Maximum mobility: Because your programs and data reside "in the cloud," you can run your business from anywhere you can reach the Web. With today's wireless laptops and smart phones, you don't even have to sit behind a desk. You can check inventory while on a job site or run payroll while lounging poolside.

Easier collaboration: Cloud computing makes it easier for you to collaborate with your clients, customers and employees while avoiding the logjam caused by sending large files. Instead of passing around a bulky digital file, such as a spreadsheet or a presentation, and hoping that all parties are looking at the most current version, you can all go to a Web address to view and work on a given project in real time.

Increased safety: Cloud computing offers two key safety advantages. First, having your anti-malware software in the cloud generally means better, faster protection against the swarms of viruses, worms and other digital threats floating around out there. Rather than downloading the latest virus signatures to your computer to protect it at the endpoint, your security vendor can zap the bugs while they're in the air.

Second, having your business records backed up in the cloud better protects your data from losses due to catastrophes like a server meltdown. If your hard drive simply takes a nosedive, your data are backed up automatically and continuously at one or more remote locations. Of course, you are counting on the software company to take care of the data, but in almost all circumstances they are going to much greater lengths to double and triple protect your data because their entire business depends on it.

What to Look for in the Cloud

Some key features to look for when shopping for cloud-based business software and services include:

Interoperability: Your applications should work together in harmony, not alone in individual silos. For example, your accounting software should mesh with your customer relationship management software. You should not have to toggle back and forth between separate CRM and financial programs when talking with a customer on the phone or when planning a marketing campaign. Once captured, data should flow freely between these business applications.

Reliability: Because you are putting your business records and processes in the hands of a third party, you want to make sure that the vendor has a proven track record and will stay with you for the long haul. Choose carefully. If your cloud vendor suddenly goes dark, your business could do the same. Make sure the company you use has a good track record and is going to be around for the long haul.

All in all, I'm a huge fan of applications "in the clouds" and recommend it over desktop software to almost all of the small businesses I talk to. The ease, affordability, mobility, accessibility and safety of cloud computing make it one less thing you need to worry about so you can focus on growing your business instead.