

Overview



Small business owners face a unique set of challenges on a daily basis. They often have to wear several – if not all – hats to ensure their businesses runs as smoothly and efficiently as possible. Flexibility, multi-tasking, and razor sharp focus are all necessary tools for a small business owner, and they are constantly looking toward technology to streamline this process for them.

Because of protection, mobility, and low costs, entrepreneurs are utilizing cloud computing for their businesses in ways that are far surpassing traditional desktop software methods. Cloud computing is the practice of using a network of remote servers hosted on the Internet to store, manage and process data.

Virtualization is the greatest tool for cloud computing as it allows for the creation of a virtual (rather than physical) version of a hardware platform, operating system, storage device or network resource. Because of this lean, resourceful approach, the utilization of cloud computing has resulted in a wide variety of operational and financial benefits for small businesses.

Protection



Cloud computing provides a myriad of advantages for small business owners, but peace of mind ranks at the top of the list. Storing data in remote locations ensures a company's private data is not compromised if there is an on-site issue such as theft or natural disasters. According to a 2012 Microsoft study, 35 percent of small and midsize U.S. companies have experienced noticeably higher levels of security since moving to the cloud. Another 32 percent say they spend less time worrying about the threat of cyber attacks and spend 32 percent less time each week managing security than companies not using the cloud. They are also five times more likely to have reduced what they spend on managing security as a percentage of overall IT budget.

Cyber security is also a growing concern for many small business owners, and cloud computing offers a more desirable set-up to combat these problems. Cloud providers make sure their staff is specialized in security, and it is a more uniform platform for IT personnel to operate within. In addition, resources stored in the cloud are highly and readily available, and that immediacy is useful when combating a cyber attack.

Clouds also have backup and recovery built into their systems, so backing up data can be easily and regularly done. Another benefit is that the cloud allows a company's data to be concentrated in one location - not dispersed among numerous devices - which allows a company to focus its security entirely around the cloud (and not multiple places).

One example of a company that has experienced security benefits from a cloud computing system is SkyWire Media Inc., a small business in Nevada that helps other businesses personalize and distribute rich content to mobile devices. As a small business, SkyWire found it difficult to keep up to date with security management, but after transitioning to a cloud-based management and security solution, the company was able to simplify its software distribution and streamline the security upgrade process.

The cloud system also helped SkyWire save \$90,000 in IT costs over a span of six months, a savings of \$15,000 per month. They retired their third-party antivirus and antimalware tools, and thus were able to redeploy the cost of overseeing these processes elsewhere.

Mobility



Cloud computing allows access from multiple devices, which is ideal for small business owners on the go. Business trips and other traveling demands can pose technological challenges when trying to access information and communication with clients and other employees. Cloud computing is a more mobile configuration that bypasses many of these problems.

The National Institute for Standards and Technology (NIST) published a report in January 2011 that defined cloud computing as "a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources...that can be rapidly provisioned and released with minimal management effort of cloud provider interaction." Mobile cloud computing is a useful tool for small business owners because it allows data storage and processing to function on networks external to its mobile devices. A mobile app that is launched from a cloud operates in the same manner as a traditional application does, but because its functionality comes from the cloud, it has the flexibility to be use wherever a mobile device is capable of operating.

In a survey conducted by Appcelerator and IDC, 84% of respondents said they make use of one or more cloud-enabled or cloud-based services in mobile applications. Much of this activity relates to social media applications, but for small businesses, there are a number of cloud-based Ecommerce platforms that have the ability to help businesses expand and grow their online presence.

Cost Efficiency



Small businesses often deal with tight budgets and limited funding, which is why cloud computing's affordability is so popular. The scalable design of cloud operations means small businesses won't be limited by man power and tight budgets. Cloud platforms don't require the vast infrastructure of an average PC system, which involves a service provider to maintain and update it via data centers.

For example, thin clients are a popular method because they run an operating system locally and carry flash memory rather than a hard disk. All applications and data are stored on a central server, but advanced thin client technologies help users still experience the same look and feel as on a PC. With software and storage situated in a cloud, small businesses are able to enjoy an efficient operating system while limiting maintenance and staff.

Gartner, a technology research firm, compared the Total Cost of Ownership (TCO) of personal computers versus server-based computing (SBC) – a type of cloud computing. According to their report, the “TCO of a SBC deployment used to deliver all applications to users is around 50% lower than that of an unmanaged desktop deployment, and 11% to 18% lower than that of a locked and well managed PC deployment.” In addition, the direct costs “of SBC are between 12% and 27% lower than those of traditional PCs.” The research also says SBC options “are particularly attractive when client devices are shared by multiple users” like most schools operating today.

A study done by research firm Verdantix (and sponsored by AT&T) for the non-profit Carbon Disclosure Project found that cloud computing will save large U.S. companies \$12.3 billion on energy costs by 2020 while cutting carbon emissions by 85.7 million tons annually. Another survey of information technology professionals by Spiceworks found that 62% are using some type of cloud application, up from 48% at the beginning of the year and 28% a year ago.

Cloud Computing for Small Business

Other findings from the Microsoft study include:

- Of small and midsize businesses that use the cloud, 41 percent said they were able to employ more staff in roles that directly benefit sales or business growth, 39 percent invest in more product development or innovation, and 37 percent experienced improved agility and competitiveness.
- More than half of those surveyed (52 percent) said using the cloud enabled them to add new products and services that benefit their business more quickly and securely.
- Of those surveyed, 42 percent said the cloud made it easier for them to scale their business to explore new markets.

Conclusion



With the physical and financial demands of running a small business, cloud computing remains a valuable tool for streamlining operations and maximizing potential output. Because of improved security, mobility, and cost efficiency, small businesses are using cloud computing for all of their businesses, and the results are surpassing traditional desktop software methods across all categories.



Devon IT, Inc.

1100 First Avenue
King of Prussia, PA 19406

www.devonit.com

Tel: 610-757-4220 | 800-369-7290

Fax: 610-757-1360