

## how cloud computing is helping businesses

The term “cloud computing” seems to be everywhere at the moment. Simon Allsop, Managing Director of *myaccounts* says the new buzzword describes an evolution in IT that has been going on for some time now.

“Most businesses need somewhere to store their data and run their business applications,” said Simon. “Traditionally, this has meant installing a server and hiring specialist IT staff to run it. Cloud computing means that, instead of running your own server system, you rent space in a provider's data centre and connect to it over the internet.”

As a cloud user, you typically pay a rental or subscription fee and the provider's staff manage all the maintenance, storage and security issues for you – also freeing you from having to pay for electricity, backup systems, staff, and real estate.

Google's Gmail and Microsoft's Hotmail are examples of cloud computing – instead of running email from your own server and domain, you access email “in the cloud”. Today data storage, e-commerce, accounting and customer relationship management systems are just some of the apps available in the cloud.

“The advantage of cloud services is that they're cheaper and more flexible,” said Simon. “They let you reach markets more quickly and get the services you need without the upfront costs.”

### What to watch for

Security is the biggest question to investigate when choosing a cloud service provider. “If you decide to rely on a cloud service, you should work out how you control user access among your staff,” said Simon. “You'll also want to do your homework to ensure your provider has a resilient business and are upfront about showing you their reliability reports and data protection policies. You should also have the option to terminate your contract at any time, and ask yourself how you'll get your data back – and in what format – if you ever decide to change providers. And if you're using an offshore provider, you need to ensure your data management is compliant with industry requirements in Australia.”

Big cloud providers are also attractive target to hackers. “The good news is that good cloud providers are likely to have much better security systems and backup processes than your own,” said Simon.

In Australia, many big companies are using cloud computing including the Commonwealth Bank and Westpac. “With companies like Microsoft announcing that they are now focused on cloud computing, it's almost certainly the next step in business IT,” said Simon. “Early adopters will have to weather some of the early hiccups – but they'll have an edge in terms of agility and cost savings.”

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