

Four Reasons You Should Consider The Cloud

First things first - the term 'Cloud' isn't particularly new – this is no stealth trend. The Cloud is a term with a long history in telephony, and it has in the past decade been adopted as a metaphor for Internet- based services, with a common depiction in network diagrams as a cloud outline.

The Cloud is used as a metaphor for the Internet – Cloud Computing is essentially computer programs kept on Internet enabled PCs that are accessed over the Web by users in many locations and used in whatever fashion they want. Cloud Computing is often referred to as the ultimate form of globalization because it delivers results without borders.

The underlying concept dates back to 1960 when American Artificial Intelligence expert John McCarthy suggested that, "computation may someday be organized as a public utility." Indeed, Mr. McCarthy predicted correctly, utility computing, specifically Cloud based, is now affecting the working lives and leisure time of millions of us, mostly with little outward evidence to the user.

Cloud Computing presents a real opportunity to the logistics and supply chain industry to make quick, simple savings in terms of IT spend on systems such as Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) and other back office tools. At Epicor, many of our customers are considering utilizing its benefits, and based on what I'm hearing, the top four questions are as follows:

I've heard Cloud Computing mentioned a lot, but what does it really do?

Cloud Computing itself doesn't do – it enables. You can't buy a Cloud Computer. It's a way of running technology simpler and using pooled resources to provide easy access to powerful computing and lower cost storage capabilities, usually via the Internet. We all use it without realizing. BitTorrent and Skype are based on Cloud Computing infrastructures. Facebook is a Cloud Computing Web application. Google Maps is a Cloud-driven service. In the workplace for most of us, it might be already manifesting itself in the software we're using, for example, Epicor 9, our next-generation ERP solution, is built specifically for the Web using service-oriented architecture (SOA), a key capability if an application is to leverage the Cloud most effectively.

The way our customers' users see the benefit of this is that all their applications are now Web based – so you produce invoices, track staff time and plan your resources using Internet Explorer as your tool, as opposed to desktop applications. So the Cloud has made business planning more mobile, which is perfect in the case of the supply chain industry, for example.

If it's Web based and shared over multiple locations – isn't Cloud Computing a bit risky?

This is probably the biggest concern for those looking at Cloud Computing – risk and security. As with anything based on the Internet and therefore reliant on multiple layers of safeguards, checks and balances, the risks are certainly worth paying close attention to.

Gartner, Inc. recently identified the following issues which companies should be confident that vendors of Cloud-based services must have under control:

- Privileged user access
- Regulatory compliance
- Data Location

About Epicor

Epicor is a global leader delivering business software solutions to the manufacturing, distribution, retail, hospitality, and services industries. Founded in 1984, Epicor serves 20,000 customers in more than 150 countries, providing solutions in over 30 languages.

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- Data segregation
- Recovery
- Investigative Support
- Long-term viability

In terms of our customer base in this industry, data location and security is key, as is many aspects of compliance. Any IT spend needs to show short term ROI alongside clear evidence of longevity in terms of the systems themselves – manufacturing and logistics businesses traditionally rely on their technology to last a long time and adapt with them, rather than ripping and replacing when money becomes available.

Who are the key players?

The interesting thing about Cloud Computing is that it's a concept, not a product, so you can't just buy it off the shelf like you can a server or a phone system. Therefore, vendors work together providing different parts of the solution. Epicor, for example, is working with the Microsoft Windows Azure Platform to deliver certain aspects of its SOA-based ERP solution, Epicor 9, that are well suited to the Cloud.

Other players include Amazon EC3 and Google as well as:

- Computer hardware - Dell, HP, IBM, Sun Microsystems
- Storage - EMC, IBM
- Infrastructure - Cisco Systems
- Computer software - 3tera, Hadoop, IBM, RightScale
- Operating systems - Solaris, AIX, Linux including Red Hat[62]
- Platform virtualization - Citrix, Microsoft, VMware, Sun xVM, IBM

What are the main benefits associated with Cloud Computing?

While the risks associated with Cloud Computing are often the focus, the benefits of implementation are multiple. Each of them should be explored in detail, but the first three listed below are crucial to the logistics business, particularly location independence – mobile is key here and most of us couldn't complete our daily work without leaving our desks and tied down computer terminals.

- Customers minimize capital expenditure; this lowers barriers to entry, as infrastructure is owned by the provider and does not need to be purchased for one-time or infrequent intensive computing tasks.
- Device and location independence enables users to access systems regardless of their location or what device they are using, e.g., PC, mobile.
- Performance is monitored and consistent.
- Reliability improves through the use of multiple redundant sites, which makes it suitable for business continuity and disaster recovery.
- Scalability meets changing user demands quickly without users having to engineer for peak loads.
- Security typically improves due to centralization of data, increased security-focused resources, etc., but raises concerns about loss of control over certain sensitive data. Security is often as good as or better than traditional systems, in part because providers are able to devote shared resources that most customers cannot afford.
- Sustainability comes about through improved resource utilization, more efficient systems, and carbon neutrality.



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