



# Save it in the cloud?

By Gary Bugden\*

## What is cloud computing?

Cloud computing is not just a fad or a computer geek's latest buzz phase. Also, it is not new - it has been around for over 15 years and is one of the driving forces behind the shift from the personal computer to mobile devices.

Cloud computing is a serious business tool that every small business owner should seriously consider as part of their future technology strategy. While there are a number of categories of cloud computing, the one most relevant to strata managers is the software-as-a-service (SAS) model. This is the model on which Mystrata.com's products, Stratware™ and MyCommunity™ are based.

## How important is cloud computing?

In the words of Andrew McAfee, writing recently in the November 2011 edition of the *Harvard Business Review*, "I would argue that it is a sea change – a deep and permanent shift in how computing power is generated and consumed. It's as inevitable and irreversible as the shift from steam to electric power in manufacturing, which was gaining in momentum in America about a century ago. And just as that transition brought many benefits and opened up new possibilities to factory owners, so too will the cloud confer advantages on its adopters."

One thing is clear – all of the major technology providers, including Google, Microsoft and Apple, are moving to the cloud with speed and enthusiasm. One of their main motivations is the momentous shift from personal computers to mobile devices. Hardware manufacturers are also gearing up for this fundamental change in technology.

## Is cloud computing cost effective?

The key to cost effectiveness of cloud computing is the elimination of much of the expensive IT infrastructure, including support costs, that SME's typically require. This reduces capital expenditure and switches much of the IT costs to operational expenditure, thus having an immediate impact on the bottom line. Savings occur because cloud applications typically require only a basic device with internet connectivity via a basic network. The computing power and storage associated with a legacy system, along with the lion's share of the maintenance, software development and upgrades, as well as hardware replacement, is the responsibility of the cloud provider.

## Where are the potential pitfalls?

Like every business strategy, there are things that one needs to be aware of and guard against. The key factors to be addressed as part of a cloud computing strategy are:

- Data security and location
- Reliability (Service Levels)
- Internet connectivity
- Privacy
- Regulatory environment
- Back-up
- Disaster recovery.

Because of the very nature of modern technology, none of these factors can be the subject of iron-clad guarantees. However, an experienced cloud provider will have addressed all those factors to the maximum possible extent. Mystrata.com, having been in the business of cloud computing for over 11 years and being the supplier to a number of large publically listed overseas companies, is no exception.

In any event, one thing can be assumed with a high degree of certainty in the case of most small businesses – that there will be a higher level of protection against those factors with a cloud application than there will be with an in-house legacy system.

### **What are the potential benefits?**

Different applications have different benefits, but they all offer a more economical solution for small business. They also allow small business to access more sophisticated software that would normally only be available to larger enterprises.

For example, a progressive cloud based strata management system can deliver the following benefits to strata managers –

- Lower overheads
- Less work
- Potential new revenue models
- Higher margin/profits
- More flexible work practices
- Mobile access 24/7,

while giving bodies corporate and their owners –

- Lower management fees\*  
(\* Subject to owners adopting a self-service approach)
- More convenience
- Enhancement of community
- More transparent governance & management
- Mobile access 24/7.

It is no coincidence that these are the very benefits that we at Mystrata.com are striving to deliver to the strata management sector.

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