

The Cloud

Cloud computing is all the rage, and you can't turn around without bumping into somebody advising you to put your business on the cloud. I suspect the main reason for that is a lot of people stand to make a lot of money if you do.

We're not ready to adopt the cloud (yet), so this article is to explain our reasons. We believe the cloud is great as a backup solution. We do those ourselves. What we'll be talking about in this article are services where you eliminate your servers and IT support and place all of your applications on the cloud, connecting to them through computers or terminals in your office. There are some advantages to doing business on the cloud, but there are disadvantages as well, and we believe there are ways to have your cake and eat it too.

To use the cloud you need a fast and extremely reliable internet connection anywhere you want to use your programs regularly. All of your data and your programs are sitting on a server owned by someone else in a different geographical location. If your internet goes down, you simply cannot access your programs or data until it is fixed.

As for speed, the whole political issue of net neutrality boils down to a discussion of whether the internet service providers are allowed to slow down some traffic while prioritizing other traffic. We assume that means that if you pay more for your service your traffic will be prioritized, but we haven't yet seen how this will play out. This has the potential to offset or exceed any cost savings achieved by not having to host your own data, depending on how it shakes out.

In 2010 the Dallas news covered a server hosting company that was raided by the FBI/Homeland Security. Apparently there were servers in there that were suspected of supporting terrorist activities. The problem was, they seized every server in the building whether it belonged to the questionable organization or not. So, for example, if we'd been renting space for Activity's servers in that building (which we had briefly considered) the servers would have been confiscated and shut down for a period of time. Can that happen with cloud servers? At this time we just don't see what would prevent it from happening. So, you can pay for additional backups to ensure you still have your data, but at what point is it cheaper just to keep it on your own server?

This weekend a huge Dallas company named Epsilon was hacked. The hackers obtained bank information and email addresses for customers of Citigroup, Best Buy and other large corporations. Hackers are a fact of life, but we feel they are less likely to go after a small server at your business than a large server hosted by a cloud company that may store your data along with a lot of other business data. At this point in time, we are much more comfortable controlling our data ourselves.

We've read articles that claim there could be compatibility issues between your hardware and the cloud connection, specifically how to handle printer drivers. I really don't have enough knowledge to even talk about this, but it's something to consider.

An advantage of cloud computing is access to your data anywhere you are, and that's a big advantage. Here's an area where we think you can do that without losing control of your data. If you are on support with us you know we make extensive use of Logmein to work on technical support issues. Software like that are wonderful at being able to access the programs and data on your own servers so you can connect to it wherever you are, with your private login information. As long as you can connect to the internet, you can work on your server or any other computer on your personal network. And, Logmein offers a free version so you don't have to add any cost to your operations. In fact, we use

Logmein along with our Ipads to access our servers when we have to be away from the office. That version of Logmein does have an up-front cost of about \$40, but we considered it money well spent.

As for the cost savings achieved by not having to buy your own server, I think that may be a bigger advantage for a large company than it is for a small business. Most small business servers can be set up on a regular computer and don't require special equipment. Since you'll be buying computers anyway, one more usually won't break the bank.

The trade-off is that the access to your program and data is sold by subscription. That means that if you want to use their software you have to be current on your payments to the cloud company. Would we like to do business that way? Sure. It would ensure people pay us constantly and reliably like the electric company. More than likely it wouldn't have that much of an impact on our total sales. Do we think it's a good idea for you? No, we do not.

The only time we restrict access to our program is if we've sold one of our customers an upgrade or the original software on a payment plan, and all of the payments weren't made. After the agreed-upon payment period, if you don't need support, you don't have to continue paying us. We think having that flexibility is important for small businesses because some years (or months) are better than others. Of course we also hope you'll stay on support to help us pay for development and so that we'll be there if needed but, if you have to stop for a while, you do have that ability with software that is installed on your own server.

So for now, we are not convinced that the cloud is the place to put your critical financial and business data. We will continue to explore the pros and cons of offering our program that way, and we may in the future offer that service. But in this case, we will let others try it first.