

Is Cloud Computing Right for Small Business?

As businesses grow in terms of human resources and inventories, spatial constraint is becoming a critical issue. Most importantly, as companies expand their client base, the more critical issues of providing reliable online data storage and other services demand a fail-safe resolution. [Could cloud computing](#) save the day?

How cloud computing works

Cloud computing has recently become one of the buzz words in the IT industry in the midst of all the issues relating to the advancement of document portability. So how does cloud computing actually work?

Companies offering online services such as shopping sites, mobile application developers and gaming companies require huge server spaces to accommodate the huge amounts of traffic to their servers. To solve this, cloud computing service providers create a viable solution to ease small businesses' capacity issues. Service providers rent out a portion of their server space according to the clients' requirements. Companies are now liberated from having to acquire new hardware for data storage.

As an added benefit, with cloud computing, data can be accessed by predefined users anytime, anywhere, eliminating the need to be physically in the same location as the data source.

Cloud computing service providers

Internet giant [Google](#) is known for its various innovative services, which include cloud computing. [Google Apps](#) includes quite an impressive line-up of Web-based applications such as [Gmail](#) for email, [Docs](#) for file sharing, [Calendar](#) and [Sites](#). With these applications, the line

that sets Web-based applications apart from pc-based applications is gradually blurring.

Other companies offer [software-as-a-service](#), a subset of cloud computing, as part of their small business solutions products. One such example is a Web-based leave-management form that conveniently allows employees to request for leaves online wherever and whenever. Similar software also features access to leave balance and automation of work schedules.

Benefits of cloud computing

There are great benefits to be had in cloud computing. While some business owners are skeptical regarding the security aspect of cloud computing, at the back of their minds, the call to explore this technology is constantly nagging.

Let's take a look at some of the major benefits of cloud computing:

- Cloud computing effectively addresses the capacity issues of small businesses.
- The need to acquire your own servers and pay for a qualified IT specialist to run them is eliminated.
- Fees paid to cloud computing providers are based on the capacity you need at a given time.

This is advantageous as opposed to investing in your own servers, where you pay a fixed price regardless of whether those servers are busy or not. The cost of implementing cloud computing for small businesses depends on the number of users and the amount of storage required. It can be anywhere from free to \$50 per user per year and beyond.

- Cloud computing takes off the burden of having to manage all your business processes and lets you concentrate on your core business.



However, cloud computing also has its own drawbacks. The service providers' systems may go down all of a sudden. In other words, there is no guarantee that cloud computing provides 100% up-time. Delegating your data, some of which are most likely proprietary, to service providers may also mean exposing them to possible intrusion.

However, cloud computing vendors often do a better job at backing up data than most small businesses.

So, when considering implementing cloud computing to your business, examine your strategy. Which among your applications should you delegate to cloud computing? Do you need that extra, low-cost space for your email needs? Do you need to file and share your data so that any of the pre-defined users in your organization can access them anytime, anywhere?

The bottom-line is cloud computing can save small businesses huge amounts of money, either instantly or in the long run. In the face of the recession's uncertainties, small businesses can choose to run some of their operations in the clouds, or run on constrained budgets and limited productivity due to expensive applications.

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