

Understanding the cloud

Be a “Disrupter” or be “Disrupted”. Those were the ominous words of Nicholas Carr as he advised the audience to embrace the cloud.

Carr was a featured speaker at the recent *Google Atmosphere Conference*, an invitation-only event where 400 CIOs from around the world gathered to exchange expertise about cloud computing.

Google is so clever that it managed to cloak what was really one big sales meeting into a brain trust of sorts where IT department heads could have access to the best and brightest minds related to cloud computing, and share ideas with industry leaders who may otherwise be inaccessible.

Google’s goal was to position and promote the organization as the leader in cloud computing and drive that segment of their business. But, always the innovators, Google also knows that to succeed they have to educate potential clients—they can’t afford to be too far ahead of the curve of their business base—and give them not only the facts around cloud computing but, perhaps even more importantly, the emotional comfort that it really is safe to jump into the cloud.

Most of the experts gathered repeated the same philosophy: if you don’t embrace the cloud you may fall so far behind that your business never catches up.

Carr shared the podium with technology leaders such as Marc Benioff of Salesforce.com, Werner Vogels of Amazon.

com, Internet Guru Vint Cerf and CIOs representing Genentech, Motorola Mobile Devices and Meadwestvaco who described their cloud computing strategies. The general consensus seemed to be that:

- Cloud computing is here to stay and will help reduce cost and better utilize investment in capital, resources and personnel to gain market share;
- If you don’t use cloud computing your competitors probably will to their great advantage in the marketplace;
- Cloud can help drive your business strategy by allowing you to redeploy resources more effectively.

Nicholas Carr’s book *The Big Switch: Rewiring the World, from Edison to Google* is promoted as “the most influential so far on the cloud computing movement”. He has a gift for taking complex concepts related to information technology and distilling them into pieces that are easy to understand. His speech leaned heavily on the book and I’ve provided a summary of sorts below.

Cloud is new but it has precedent. Carr points to the generation of electrical power in the 19th century. He illustrates how important it was for successful organizations of the 19th century to develop their own private power plants—they couldn’t succeed otherwise. The better job they did of generating their own power, the bigger competitive advantage they enjoyed.

Carr equates the move from private



to centralized power plants in the early 20th century to the move to the cloud today. He says it likely felt like a radical, dangerous leap at the time, but owners savvy enough to embrace the concept of centralized power not only saved money and capital but were able to reinvest more dollars in their core businesses.

He believes business technology is as important today as power generation was 100 years ago. He acknowledges that they are not similar technologies but says they are similar as business resources in that they’re platforms you install and build applications on top of. He says the shift in power supply was so dramatic it quickly moved to 80% of power generation being centralized, creating an enormous revolution in assumptions and costs. He argues that any time you centralize supply and allow it to be shared enormous amounts of capital can be saved.

Throughout the history of IT, Carr says there have been many similarities to the evolution of power generation, as it moved from a proprietary resource, to the mainframe, to PCs and now the cloud, which he says is equivalent to centralized power and just as revolutionary.

The battle Google is waging in pushing cloud computing may be more psychological than technical as we’re asked to trust more of our data to an amorphous entity that resides offsite. This may be a big leap for some organizations and individuals to make as concerns rise around privacy and security in a dynamic online world.

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