Demystifying Cloud Computing

In a *China Business Philippines* exclusive, William Yu discusses the basic considerations for businesses that want to enter the cloud. Yu is in charge of global technology service fulfillment at Novare Technologies and concurrently the consultant responsible for Service Architecture with the Strategic Business Development Group of SMART Communications. He is also on the faculty of Ateneo’s Computer Science department and the Asian Institute of Management.

BY WILLIAM EMMANUEL YU
AT A COFFEE shop, two IT professionals sit down for some early shop talk over coffee.

“Guess what? I finally got approval to try out cloud computing to reduce our data center costs,” Tech Guy A says.

“Really? How did you get your bosses to agree to put their precious data in the cloud?” asks Tech Guy B.

“Easy. I’m building a private cloud and the data stays within our facility,” Tech Guy A replies.

“Isn’t the cloud supposed to be way up there,” says B, pointing at the sky, “and out of your hands?”

Similar conversations are now happening every day all over the world.

The concept of ‘Cloud Computing’ is rather aptly amorphous. It can mean different things to different people.

Some people use it for scalability, some for reliability, and others for speed and ease of deployment. These are all valid uses, but this applicability also often confuses coffee talk. There is the misconception that cloud computing was recently invented. On the contrary, cloud computing has existed in one form or another since the early days of the Internet.

Cloud computing is described as services that are offered customers over the Internet that abstracts various layers of computing. Business and other users ‘outsource’ certain computing tasks to ‘the cloud.’ That is, services and functionality are offered over the Internet.

Cloud computing is also sometimes referred to as X-as-a-service (XaaS) where you replace ‘X’ with the layer of computing service you wish to abstract or outsource. In return, the service provider provides this level of computing service for (normally recurring or transactional) a fee. If the customer no longer needs the service, the customer simply terminates the contract and stops paying fees.

Aside from allowing users to move heavy CAPEX (upfront investment...