

# Case study on cloud computing provides businesses with benefits such as

[Business](#), [Company](#)



## **Chapter 5: Case Study- Should Businesses Move to the Cloud?**

- What business benefits do cloud computing services provide? What problems do they solve?

- Flexible computing power and data storage

- Messaging payment services

- Data management services

- Cost-savings on data- processing services and the avoidance of software purchases, installation and maintenance. (Erl, Puttini & Mahmood, 2013)

Cloud computing basically allows businesses to access and use softwares and applications via the internet without having to go through the problems of purchasing, installing, updating and maintaining those applications and softwares. As such, cloud computing reduces the problem of a company having too much Information Technology (IT) infrastructure on its hands which could result in losses in case of an eventuality.

Cloud computing also helps companies to avoid taxing in-house systems unnecessarily as was the case when Outback Steakhouse used Microsoft's Azure cloud computing services to promote sale of coupons.

Small start-up companies such as Etsy an online crafts market place do not have to build data centers and they can use cloud infrastructures such as Amazon's to analyze massive data.

- What are the disadvantages of cloud computing?

- The more systems a company has, the tougher it is to integrate its applications and data with cloud systems.

- Server downtime sometimes affects cloud computing systems leading to the systems becoming unreliable.
- When the services of a company are hosted by a single vendor, any failure or significant interruption in its network could negatively impact operations.
- Companies with too much legacy technology such as Credit Suisse can find it more troublesome and unworthy to use numerous applications in a cloud system.
- The security of cloud computing systems is at times compromised and hence it can become quite insecure and risky to have sensitive information or data handled in a cloud system. (Erl, Puttini & Mahmood, 2013)
- How do capacities of capacity planning, scalability and TCO apply to this case? Apply these concepts both to Amazon and subscribers of its services  
Amazon makes it possible for different types of businesses to harness its cloud computing services by adding an automated service called Cloudformation. This service helps customers to obtain the right amount of computing resources depending on their capacity. Customers provide Amazon with the amount of server space, bandwidth, storage and any other services they require and the Web Services Division then allocates the resources automatically (Erl, Puttini & Mahmood, 2013). In case of Amazon providing cloud computing services to its subscribers, the differentiation and ability of its service “ cloudformation” to compute and allocate resources depending on server space, bandwidth and capacity enables it to handle increasing scales. This is made possible since small companies will be allocated fewer resources while those requiring massive resources and have large scale usage or demand can also be comfortably accommodated.

Amazon also helps users of different capacities to use its cloud computing services by charging users according to what they use rather than charging them a monthly or yearly fee. In order to handle increasing scales of business, Amazon and other cloud providers such as Microsoft and Google build software that uses automated methods to spread data across the globe and control thousands of servers. They also have refined data center designs which are aimed at increasing the efficiency of cloud computing services.

- What kinds of businesses are most likely to benefit from cloud computing?

Why?

- The first kinds of businesses suitable for cloud computing are start-ups. This is because such businesses are usually short of cash and require saving as much as possible for future growth.

- The second kind of businesses suitable for Cloud Computing are those businesses operated by remote workers or users such as those working from homes or other remote locations where accessibility to several software and applications can be limited.

- Businesses that are growing rapidly such as Etsy and Zynga are also very suited to use Cloud Computing services. This is because clouds have the ability to handle massive data and applications that finds usage on a very large scale. It is also cheaper to host and use such applications on cloud computing. (Erl, Puttini & Mahmood, 2013)

## Reference

Erl, T., Puttini, R., & Mahmood, Z. (2013) Cloud Computing: Concepts, Technology & Architecture. Prentice Hall. Upper Saddle River, New Jersey.