

Cloud computing swot analysis



SWOT Analysis A SWOT Analysis is a business tool used to assess a company's competitive standing. More specifically, a SWOT Analysis will strategically measure strengths, weaknesses, opportunities and threats. When measuring a company's strengths, the analysis will assess characteristics or attributes of the company that give it a competitive advantage over others. When measuring a company's weaknesses, the SWOT will identify ways in which other companies, in the same industry, outperform the company being analyzed.

Both strengths and weaknesses are internal; meaning, the analysis of strengths and weaknesses are coming from the company itself not any external or outside forces (Burrows, 2008). Although the definition of the above SWOT analysis is geared towards a company, we believe that we can apply the same analysis to a technology like Cloud computing. The opportunities and threats portion of the analysis are analyzing external forces that can have a positive or negative impact to the evolution of Cloud computing.

Specifically, the opportunities portion will describe ways to expand Cloud computing while the threats will focus on what can prevent Cloud computing to expand. Strengths A key strength of Cloud computing is lower IT costs. Significant capital is spent every year by companies across the US to run IT departments. Cloud computing reduce IT costs related to hardware and software. As an example, a company using Cloud technology does not need to have its own data centers since the cloud provider is offering data storage as a service.

Running a data center can be expensive for an organization and there are instances where some of the resources within data center are not working. According to Paul Goodison, CEO of Cormant, an infrastructure management company, a server can cost something like \$2, 000 a year, and somewhere between 10 and 30 percent of your servers are dead. In a 4, 000-server enterprise, if 400 of them are dead, you're looking at a bill for servers that are doing nothing of \$800, 000 a year. That's a very significant amount of money. Cloud computing lower operating costs for organization allows them to focus on their core competency.

Another cost reduction generated by the use of Cloud computing is the reduction of staff needed to run an IT department. Gartner research estimates that 37 percent of the average IT budget is dedicated to personnel. The use of Cloud services is an opportunity for companies to flatten their organization structure. Cloud technology can be use for disaster recovery or business continuity. As part of their disaster recovery plan, organizations can rely on Cloud to back up data that they can quickly access in an event of disaster. Weaknesses

Even though is a great technology, it has weaknesses that we will explore in this part of the paper. The first weakness of Cloud is availability of the data. According to Sri Prakash, a technology risk management consultant, the cloud provider relies on a combination of network, equipment, application, and storage components to provide the cloud service. If one of these components goes down, you won't be able to access your information. Therefore, it is important to understand how much you can do without a certain kind of information before you make a decision to put it on the cloud.

If you are an online retailer, and your customer order entry system cannot be accessed because your application resides on the cloud that just went down, that would definitely be unacceptable. It's critical for Cloud users to determine what kind of data or applications they need to keep in house to avoid access failures. Another weakness of Cloud computing is the fact that Cloud users don't have control over their data which are business assets. A company data can be valuable information such customer information or strategic plan. No having control over data for an organization can lead to significant losses.

Sri Prakash believes that the physical, logical and personnel controls that were put in place when the data was in-house in the organization data center are no longer valid when you move your organization's information on the cloud. This implies that employees working for the Cloud service provider can have access to organizations sensitive information. Opportunities Cloud computing has potential growth because users now want to have access to their using multiple devices. A survey conducted by the Pew Research Center reveals that by 2020, most people won't do their work with software running on a general-purpose PC.

Instead, they will work in Internet-based applications such as Google Docs, and in applications run from smart phones. Aspiring application developers will develop for Smartphone vendors and companies that provide Internet-based applications, because most innovative work will be done in that domain, instead of designing applications that run on a PC operating system. Another opportunity for Cloud computing is the loose regulatory environment. Cloud service provider can take advantage of the loose

regulatory environment to establish their standards and develop new products or businesses that can allow them to sustain their profitability.

Threats One key threat that Cloud computing faces is security. A security breach at a Cloud service provider will create significant losses to the Cloud service provider and the Cloud users. Being a relatively new technology, Cloud computing has flaws that can be used to breach into servers to gain access to sensitive data. Another threat is the physical location of Cloud provider data center is unknown. Sri Prakash believes geographical spread of Cloud users' data is a threat. He states that organizations may be surprised to know that their data may not be residing in the same city, state.

While the provider may be contractually obliged to Cloud users to ensure the privacy of your data, they may be even more obliged to abide by the laws of the state, and or country in which your data resides. Organizations rights may get marginalized. [http://www. cio.](http://www.cio.com/article/455127/Cutting_IT_Costs_Gartner_Recommends_20_Can_t_Miss_Tips)

[com/article/455127/Cutting_IT_Costs_Gartner_Recommends_20_Can_t_Miss_Tips](http://www.cio.com/article/455127/Cutting_IT_Costs_Gartner_Recommends_20_Can_t_Miss_Tips) [http://www. cio.](http://www.cio.com/article/704663/Are_Zombies_Sucking_the_Life_Out_of_Your_Data_Center)

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