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Cloud Computing Considerations Part I

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Cloud computing has allowed us to take advantage of using remote servers to host information rather than store it a personal computer or network. The popularity of cloud computing is expected to increase as well as the practical uses for it. With the popularity of cloud computing questions such as data security, access to information by third parties, data storage may become considerations.

Organizations will continue to increase the use of cloud computing in some form or another. With the popularity of smartphones, tablets, and laptops and the availability of Wi-Fi or data from wireless service providers' access to data. As such it offers improved benefits for mobility thus increasing the popularity of the cloud.

Cloud computing allows companies to respond quickly to increased demands for data storage and access. As well it can allow organisations to respond rapidly to changing needs from their external clients. As well it can assist with reducing initial investment costs for certain data projects which can be a concern where the mid to longer-term demand needs

are uncertain. With the cloud, computing organisations will be able to scale their needs according to business requirements. Organizations will need to evaluate if cloud computing is appropriate for their organisation. If used strategically the increased mobility of employees can increase productivity and spur growth and innovation.

When using and relying on a third party for cloud-based services consider how data is protected to comply with legislative requirements, the exit strategy is from ending a contract with a cloud provider, how service and billing disputes are resolved. The IT department together with the Finance Business Partner will need to consider this when it evaluates third party solutions handles the storage of information. If data is stored at an international location an understanding of local, and foreign legislation that is applicable will need to be evaluated as part of statutory and compliance regulations. The data could be subject to the laws of the jurisdiction only the laws of the country of the

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business but where the cloud is located. Longer-term risks should be evaluated beyond the cost savings and should consider the cost to the company regarding deployment, and on-going usage of the service. A Cloud computing solution will require Finance and IT to work together to evaluate the costs, rewards, and risks of using a risk model assessment model. The net benefits including plausible strategic value that it can offer the organisation with areas of the organisation that could be impacted.

The upfront costs associated with cloud-based services is lower compared to traditional server storage as it is flexible and scalable. As well the cost of maintenance and system updates are the responsibility of the service provider. It can be used for related functions such as financial planning and analysis, value-added analytic including dashboard and key performance indicators.

Cloud computing solutions can offer improved backup and easier compared to on-site services (depending on particular situations). It can provide versatility as software updates do not need to be pushed to each computing devices thus allow the use of various operating systems, and use of different devices such as laptops, tablets, or smartphones to access information. As various ERP (enterprise resource planning) systems are accessed over the cloud rather than locally, it can allow for longer equipment refresh cycles.

These solutions offer the flexibility to allow a company to access their systems remotely and offsite. It also ensures that backup copies of important documents are kept offsite and in secure facilities (depending on the solution chosen). Organizations can use cloud computing to respond to their internal demands more quickly and can try new solutions that meet the organisational requirements.

Regulations may require that information be stored within the country, as well the information may be accessed by foreign governments if servers are located in their countries. Various cloud computing options exist that offer free storage space, or extra space at a premium. Consider the impact should the cloud servers go offline due to connectivity, or if the company goes out of business, how will it affect the organisation. Among the questions to ask is how can a company access its data should the cloud host stop operations.

Security is an important topic for mission critical applications, and safety and regulatory compliance with federal and provincial laws evaluated before committing to a cloud solution. A detailed risk assessment for data security, integrity, backups, and security compliance with the assistance of an information security professional can highlight areas of concern. The use of redundant systems can provide a plausible solution to ensure that essential functions can continue to operate.

Currently, many cloud solutions are proprietary without standardised interfaces. As a result, there is no guarantee that various cloud solutions could run seamlessly on each other. Issues related to cloud computing may not be defined; as a result, some cloud providers may not offer defined service level agreements (SLA). A detailed SWOT (strength, weakness, opportunity, and threat) analysis before undertaking an agreement with a cloud service provider is important.

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