Scalability

- Cloud Computing provides businesses with the ability to regulate the service in accordance with their current requirements:
- Scale capacity up and down as needed
- Infinite computing capacity on demand
- Flexibility through cloud bursting

Business Agility

- Ability to handle expected or unexpected changes in load
- Reduced time to deploy an application into production

Cost Efficiency

- The customer pays just for what they need, resulting in directly proportional costs.
- The customer avoids provisioning (and paying) for the peak as a permanent fixture
- Move from a large upfront CapEx cost to a comparatively small monthly OpEx cost
- ICT costs are more transparent to the business

Cost Efficiency (Cont.)

- The customer does not have depreciable hardware assets
- Technology refresh is the responsibility of the Cloud Provider
- The provider passes hardware maintenance costs onto the customer as part of the predictable monthly fee, there are no unexpected costs

Competitive Advantage

- Organisations can respond quickly to evolving market trends and focus on growing their core business
- Reducing capital spent on infrastructure releases funds to invest in innovation or other priority areas

Productivity

- IT staff can focus more on strategic decisions and developing and improving core applications rather than maintaining or troubleshooting in-house ICT

Availability and Reliability

- All major Cloud Provider's facilities are located in hardened data centers with redundant power, no single points of failure and onsite security
- The service will be certified to the relevant industry standards such as ISO 9001 (Quality) and 27001 (Security)
- The data center is built by facilities, server, networking and storage qualified specialists according to best practice
- Check the Service Level Agreement to see what is guaranteed and the compensation if the SLA is not met

Cost

- The advantages are all great to have, but a decision to deploy Cloud Computing usually comes down to the overall long-term cost
- The TCO of maintaining an On Premises solution should be compared to the TCO of maintaining a Cloud equivalent, and the advantages and disadvantages of each factored in when making the final decision
- It is not an either/or decision. The majority of companies who use Cloud services will have a mix of On Premise and Cloud solutions

Data Center Costs

- CapEx Cost:
  - Hardware procurement
- OpEx Cost:
  - Rack space
  - Power and cooling
  - On-going management

Costing Example

On Premises Solution			IaaS Cloud Solution	
	Cost of each server	$6,000	Monthly	$6,000
	Server refresh cycle	5 Years	Yearly	$72,000
Cost of running servers per year (power, cooling, rack space, maintenance)		$3,000	Installation Fee	$0
	Number of servers	12		
	Cost of IT support per year for hardware and backups	$50,000		
	Tape library and backup software (one off cost)	$20,000		
CapEx (No. servers x Cost per server + Tape library and backup software)		$92,000		
OpEx (No. of servers x Cost of running servers x 5 years + IT support x 5 years)		$430,000		
	Total CapEx plus OpEx over 5 Years	$522,000		$360,000
			Cost Saving	$162,000

FLACKBOX

www.flackbox.com