

Top five reasons why everything is moving to the cloud

 By [Sacha Matulovich](#)

12 Nov 2015

The Cloud is neither a fuzzy (ill-defined) nor a fluffy (hyped) concept, despite its soft-edged depiction on network diagrams. From server infrastructure to applications to development platforms, practically everything is already in the cloud, available as a service to anyone connected to the internet.



Sacha Matulovich

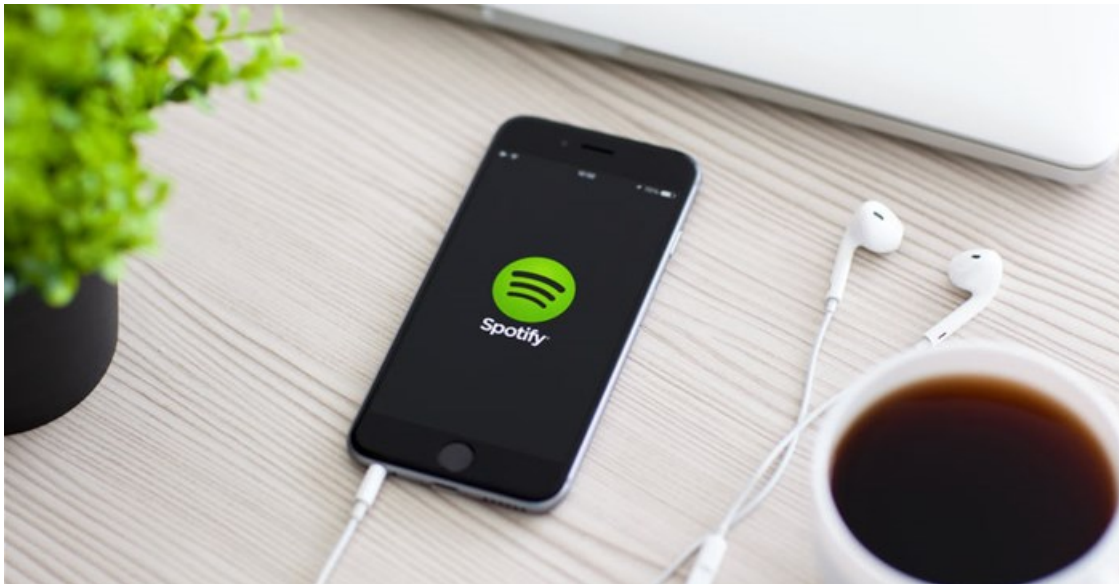
Why is cloud such a big story?

1. It is possible

At the most basic level, the reason why such a vast range of services is migrating online is because it is now a practical possibility. Faster internet speeds - fixed and mobile - enable internet-delivered applications such as CRM, entertainment streaming or massive multiplayer online gaming.

2. It is cheap

That was the flippant answer. A slightly better but dated reason is that cloud saves its customers money. It provides access to massive computing power at low, predictable cost, spread out over time, allowing customers to get away with owning zero IT infrastructure (other than a nice big pipe); zero application infrastructure; and an army of relatively low-powered client devices. The Netflix movie you stream, the Salesforce.com application powering your sales team, the Spotify MP3 and the servers providing the grunt for all of these - it's all rent-ware.



©prykhodov via [123RF](#)

3. It opens up new channels

From the point of view of cloud providers like Apple, ShowMax and Microsoft, cloud allows you to reinvent your business from a product-centric one to a service-centric one. It requires capital investment, but it streamlines delivery and enables agile product launches and business innovation.

According to [The Economist \(Harnessing cloud technology\)](#), Netflix changed its business from a DVD postal service to an

internet movie streaming service with 62 million subscribers in 50 countries. And we all know what Apple did to the music business by putting a bit of computational power in the cloud and selling songs at a buck apiece. After expanding into TV shows, movies and apps, iTunes is the fastest-growing part of Apple's business.

4. It makes businesses out of nothing at all

But again, that is an old hat. What we're seeing today is the emergence of a "sharing economy", where customers of cloud-delivered services can also provide the same service.

An example is holiday accommodation via Airbnb. App users rent accommodation in other users' homes and in turn offer holiday accommodation to the same global customer base. Instead of an intermediary that invests in capital, the model relies on buyers and sellers sharing in each other's stock in trade. Airbnb itself doesn't own any stock, and yet, with the right idea (Uber taxis, job matching, etc.) this can be a goldmine. This innovative new business model is based on a digital platform, enabled by cloud technology.

5. It opens your eyes with analytics

The incredible power of cloud in the abovementioned example is that it opens a direct line from an erstwhile B2B business to the consumer. The Economist cites the example of Dollar Shave Club, a US company doing home delivery of personal grooming products. Before cloud, it would have had to go via a high street shop! It's mail order shopping on performance-enhancing drugs.

But the real leverage of this direct relationship is that it gives merchants insights - that is, access to a lot of consumer data that can inform their marketing, stockholding and customer service, enabling highly customised, personal experiences, cross-selling and other business-enhancing tactics.

Get on the bandwagon

It seems these days everyone is a cloud business, and with good reason. It is a momentous development in the history of computing. Its true power is the speed and agility afforded by the huge computational power behind it. As The Economist puts it, cloud allows companies to adopt a quick-to-market approach to launching new products and services and business innovations.

ABOUT SACHA MATULOVICH

Marketing Director at Connection Telecom

- 5 productivity hacks for entrepreneurs in 2019 - 13 Dec 2018
- Five reasons to move your telecoms to the cloud - 16 May 2016
- Top five reasons why everything is moving to the cloud - 12 Nov 2015
- Your on-site PBX can kill your small business - 25 Mar 2015

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>