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Is cloud computing ready for prime time?

Until it is proven to be, some firms are cautious about using it for mission-critical tasks, as IRENE THAM finds out



One challenge is the need to connect two systems - customers' and vendors' - which may run on different standards, said Waleed Hanafi of Global Refund. -- PHOTO: JULIAN TAY FOR THE STRAITS TIMES

AT FIRST glance, cloud computing appears to be an excellent option for cash-strapped companies who need extra computing power or storage.

It is defined as storing and processing data on someone else's servers over the Web instead of using personal machines.

Among the benefits: companies that experience a sudden surge in demand for computing power or storage can summon up all the computing resources needed. When the project is over, they can shut the resources off. As usage is metered, companies only pay for what they use.

This approach also saves money as companies do not have to pay for equipment upfront - they are built and managed by an external service provider. The model also reduces wastage as computers are left to idle a lot less since the service provider also leases out the same infrastructure to other companies.

However, after several high-profile outages last year at Google Gmail and Amazon's S3 online storage service, critics questioned if the computing concept is ready for prime time. Specifically, can companies rely on cloud computing for mission-critical tasks like transaction processing and e-mail?

'Enterprises are right to be cautious about relying on such consumer-oriented suppliers for anything resembling a mission-critical application or service,' said Steve Hodgkinson, an analyst at research firm Ovum.

Global Refund Group, which handles shoppers' tax refunds when they buy goods abroad, is not taking any risk with its mission-critical applications for now.

One of the challenges is the need to connect two systems - customers' and vendors' - which may run on different standards, said Waleed Hanafi, the Singapore-based senior vice-president and chief information officer of Global Refund.

The multinational firm runs its business data software on Microsoft's programming platform called .Net. Google and Amazon use the open-source Linux platform.

To connect to Google and Amazon, Waleed would have to rewrite his firm's existing software using the service providers' APIs (application programming interfaces).

'Sometimes, the time and cost to do this is not justified,' Waleed said, adding that the option becomes open only if it is creating a new business software 'that will live in the cloud anyway'.

Another challenge is service level assurance. What if the cloud goes down, as with the Google Gmail and Amazon S3 outages that sparked

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an outcry among customers?

It was reported in the United States publication InformationWeek that Amazon S3 suffered a service failure for about eight hours in July.

According to Gartner, the Apps Premier edition of Gmail targeted at corporate users shut down on August 6, 11 and 15 last year.

One of the Gmail outages disrupted nearly all users for about two hours, while the other two affected only some users for less than 24 hours. It is unclear how many customers in Asia were affected.

Google credited all customers - including those who were not affected - with 15 days of service, the highest penalty for not meeting the 99.9 per cent uptime stated in its service-level agreement (SLA).

Gartner, however, believes that a more 'mature' SLA is due.

'To be effective, SLAs should also take into consideration performance metrics like privacy, data rights, disaster recovery and recovery time,' said Donna Scott, a senior analyst at Gartner Research.

To this, Deepak Ramanathan, head of marketing at Google Enterprise Asia Pacific, said: 'We are actively working on a dashboard, which will allow CIOs to find out if there is a problem, what it is and the time to resolve it.'

These challenges, however, do not bother local animation firm Sixtrees Viz Comms, which is more concerned about cash flow.

At Sixtrees - which has done 3D animation work for Jack Neo's Money No Enough 2 movie - a sudden spike in demand for computing power occurs during graphics rendering. The spike can happen over a few days or a few weeks in a month, depending on the scale of the project.

'It makes more economic sense for us to rent computing power than to purchase servers,' said Max Lim, Sixtrees' creative director who also doubles as its IT manager.

The firm 'rents' computing power from Alatum, a three-month-old joint effort between Hewlett-Packard and Singapore Computer Systems, a subsidiary of NCS.

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