

the masses, NIIT Limited, a leading Global Talent Development Corporation launched NIIT Cloud Campus which allowed students to access educational services using a net book or mobile device. In 2010, NIIT and MS launched cutting edge training programs on MS Azure platform.

Among other significant innovations in the Cloud computing domain is SAP which has introduced end to end on-demand integrated business software - Business ByDesign. A SaaS offering for mid-size enterprises, ByD provides users a platform to manage all their critical applications without the burden of investing in a large scale infrastructure.

Cloud service delivery: challenges and caveats

The Cloud computing market is getting more and more cluttered with Cloud providers, each one trying to differentiate itself from others. The price war and price undercutting could threaten the long term sustainability of this business model. Owing to the shared and centralized infrastructure offered by the Cloud, the customer expects lower service costs vis-à-vis other traditional service delivery models. This puts a constant pressure on the Cloud service providers to strike a right balance between devising an optimum pricing strategy (to make profits) and deliverables such as guaranteed levels of performance, uptime and responsiveness (at reduced costs) to retain a customer.

Consumers face the challenge to evaluate Cloud service offering by numerous providers. As competition grows fierce, chances of over commitment and underperformance by service providers are high. Customers need to separate the rice from the chaff while evaluating the claims made by the service provider in terms of the service offered versus service delivered. Inexperienced customers may get overwhelmed by the complexity of determining the right price value proposition. Also, in the Cloud computing space, meaningful SLAs may also be eyewash. While service providers may claim a near 100% availability of their Cloud service, more often than not this may just a tall, unverifiable claim. There may also be grave support issues, if the Cloud service provider does not offer a dedicated and on-demand technical support.

This transition from traditional computing to Cloud based delivery will happen gradually. Switching consumers from customized apps & propriety databases would require efforts from users as well as Cloud vendors. Vendors will have to provide continuous handholding to inexperienced customers to ensure smooth transition.

Emerging business models and road ahead

The last couple of years have witnessed a number of business

models evolving around Cloud computing. To address the existing challenges and respond to customer anxieties concerning predicting Cloud costs, a number of tools have come up to help businesses get an estimation on the real cost of their Cloud usage. A latest offering is Uptime software which has introduced an IT resource monitoring application offering services like virtualization, dashboard, graphic user interface and 24 by 7 support. This proactive monitoring tool provides utilization trends of critical enterprise applications and also identifies any potential problems like outages.

To optimize unused Cloud capacity and infrastructure inventory SpotCloud, an online marketplace recently launched SpotCloud Marketplace Platform, offering buyers and sellers a platform to transact online Cloud capacity. This first-of-its-kind initiative offers a win-win proposition to buyers (bid and select from thousands of sellers) and sellers (incremental revenues from excess computing capacity).

In India, with the deployment of 3rd generation Internet technologies, the adoption rate for Cloud computing among individuals and enterprises is bound to increase.

Despite the benefits associated with Cloud computing services, consumers have shown their share of concern related to data security and privacy issues. Other concerns include data ownership and degree of control which makes them wary before signing up for such services. In an Ernst & Young 2010 survey involving 50 Chief Information officers (CIOs) from small and medium business enterprises in India, an overwhelming 72% of the respondents cited potential data privacy and security issues as extremely significant concerns while adopting Cloud computing.

Cloud computing could also pose potential conflict of interest among Cloud vendor and enterprise customers whose products or services are complementary or cater to similar kind of customer needs. For example, Google and Salesforce have joined hands to integrate Google Apps account to Salesforce CRM. It allows users to integrate Gmail, Google Calendar, Google Talk, Google Docs, and Google Sites with Salesforce CRM. Potential conflict could occur in case Google decides to offer its own CRM application.

It is probably high time that policies and guidelines are made to report benchmark rates for Cloud services which could be a reference point for ensuring price and value parity across providers. This would set the right tone for an informed decision making by the customer. This would also bring about transparency in communicating the true cost of service delivery to the customer as well as, ensuring long term commitments, economic viability and sustainability of the Cloud computing model. □