

Data loss fear hits cloud services adoption in cos

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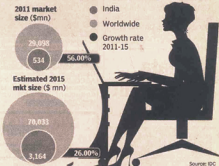
Mumbai, July 6: Despite the hype surrounding the cloud computing services market, adoption of the services is slow among large enterprises, due to fear of loss of data or losing control over confidential information. Moreover, the process of migration to the services is complex, given the maze of legacy applications in large companies, experts say.

According to research firm IDC, over the next five years, cloud services will expand at a compound annual growth rate of 27.6%, from \$21.5 billion in 2010 to \$72.9 billion in 2015. Companies such as Google, Microsoft, IBM and Salesforce are vying for a share of this pie worldwide, but challenges remain.

"The adoption (of cloud computing) is slower because large businesses have a spaghetti of legacy applications, and moving those to cloud is a complex migration," said Venguswamy Ramaswamy, global head, ION, Tata Consultancy Services (TCS). "There is a delay in achieving close to 100% adoption due to firms still holding legacy solutions," he added. Cloud services are very new and hence, there are few standards or best practices on how to store and protect data. Though Europe and the US have strong data protection regulations in place, India is still far behind.

Globally, some large companies have yet not completely accepted cloud services due to issues around data leak and

Market size of cloud computing industry



hacking. Sony, for example, is already facing the challenge of keeping hackers at bay and incidents like these raise questions on the security aspect of cloud services.

Another issue that needs to be addressed is the performance of applications when they are shifted on the cloud. Vishal Gupta, VP technology, cloud competency, Tech Mahindra, says, "Large enterprises will not move completely to public cloud. How the application would perform on the internet is a crucial factor to be tested. Internet speed and data security are other issues."

The cloud processes and offerings need to be streamlined as today, not all the services are provided by one vendor. Some provide the hardware or the software, while others provide only the infrastructure. There are very few players who provide complete services under

cloud. "With too many cloud software services available in bits and pieces, customers are still concerned about integration across applications. They are also concerned about the reliability of each vendor. I think the solution to this is in choosing a provider of entire IT, which would include all IT solutions (from email to ERP) in a one integrated piece," TCS' Ramaswamy said.

Originally, many small and medium enterprises were attracted towards cloud services because it promised cutting IT costs drastically. But the same does not hold true for large companies. Samiron Ghoshal, partner & India IT advisory leader, Ernst & Young, says, "For large firms, to take up cloud offering is not very profitable. Large firms have already invested in existing system and infrastructure. Hence, it is not mission critical for them."