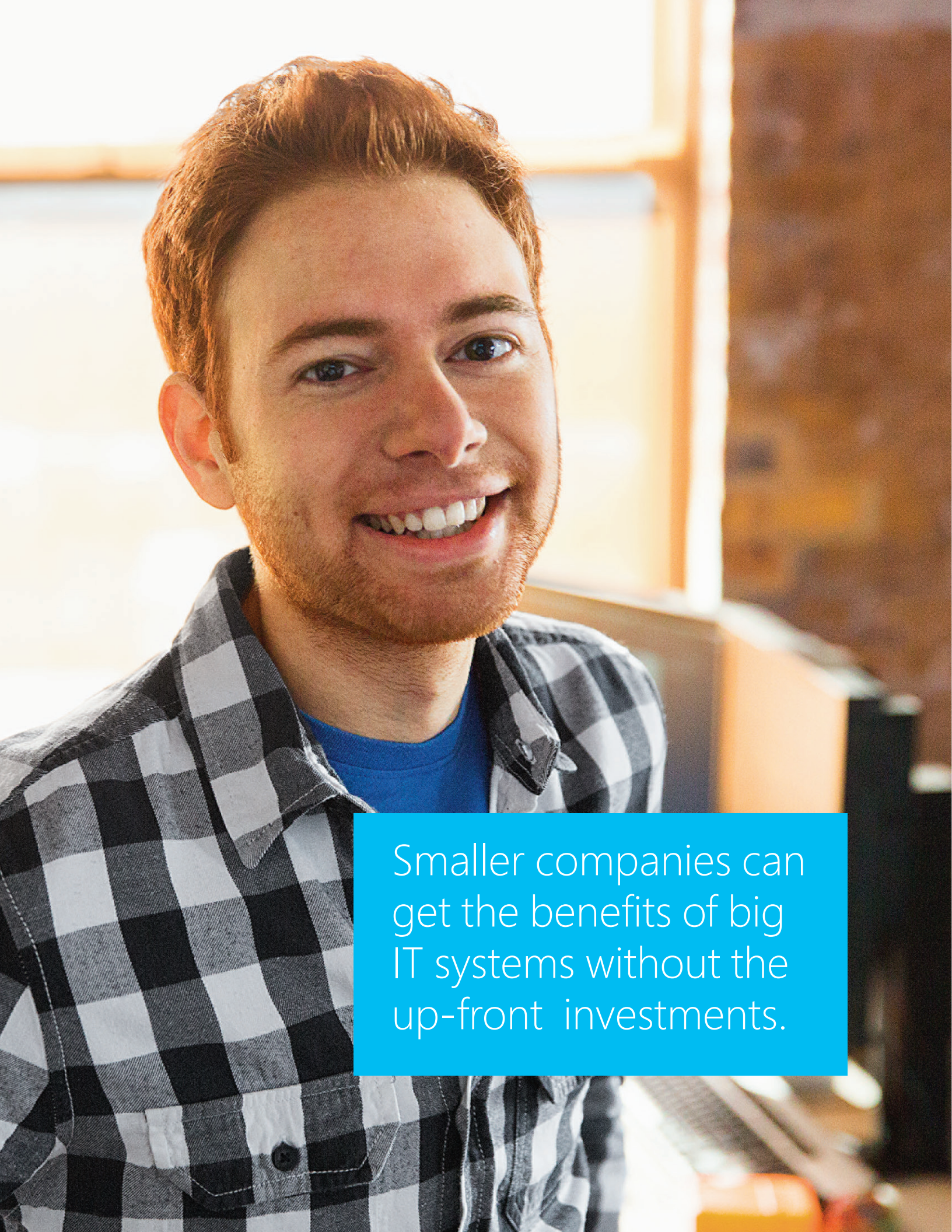# The Cloud as a Platform

A Guide for Small and Medium Business

As the cloud evolves from basic online software tools to a full platform for business, it can provide ways for your business to do more, grow faster, and leave IT complexity behind.

MY APP

Microsoft

The Cloud as Platform

Startups and small businesses use cloud services for the savings, but the cloud *platform* is really about a better way to do business. It means smaller companies can get the benefits of big IT systems without the up-front capital investments and the ongoing costs of maintaining and expanding a data center. That helps businesses of any size come to market with great products and services and always count on reliable, secure, and powerful IT when they need it.

Cloud computing is based on a simple concept: instead of each business owning and building its own IT systems, vendors build massively scaled data centers and provide computing as a utility. This allows every customer to enjoy the benefits of secure, current, and centrally managed storage, software, platform, and infrastructure services on terms affordable by any sized business.

From cost savings to business opportunity.
Today, many businesses are moving to the cloud in a piecemeal fashion, app by app, without a strategic vision for how different cloud services can or should work together—and sometimes without thinking about them as "the cloud" at all. This approach offers easy access to powerful software capabilities, but that is just the beginning of the journey.

Using the cloud as a platform—not just for cost and convenience—can help smaller businesses exploit their inherent advantages of speed and innovation, while also tapping into the scale that used to only be available to large, well-resourced firms.

> Smaller companies can get the benefits of big IT systems without the up-front investments.

What the Cloud as a Platform Means for Your Business

Cloud computing is a technological innovation, but how does it connect to the real needs and pains of small businesses?

The biggest impact of the cloud is in how it transforms IT from a cost and a headache into a flexible, affordable driver of innovation. Think of how much your company could get done without the burden of constantly installing, updating, managing, and supporting hardware and software. In a cloud platform, all that maintenance and security work happens behind the scenes, so your resources are free to:

Develop and deploy new apps faster. Internal and vendor-driven development teams can build and deploy new apps and solutions in the cloud that scale up or down according to sudden changes in customer demand without having to procure new hardware. Programmers can easily build or use applications in the cloud to bring even more innovation to the business.

Never wait for servers or infrastructure again. Tired of waiting for IT? With software and apps running in the cloud, non-technical folks can experiment with better ways to connect with customers, manage financial records, and improve productivity, all without having to install new software and hardware on site.

Bring new technology into the business mainstream. Is your business looking for ways to use cutting-edge technology like mobile apps and devices, sensors, location-based systems, voice and facial recognition? Those are best implemented through the cloud, which makes it easier to gather, use, and share data across your business.

Use data for competitive advantage. The big secret of Big Data? You don't have to be big to use it. The tools you need to keep track of social media, spot market trends, reduce operational costs, and even create predictive models are accessible to any business through the cloud.

Of businesses surveyed that had 1,000 or fewer employees

80%
are based in the United States use cloud services to grow

40%
want to be more agile and to access new technical capabilities

Source: TechAisle, 2014

Cloud Jargon Translator

SaaS—software as a service. Specific applications delivered through the cloud, typically for scenarios such as email, office productivity, customer relationship management, marketing analytics, and so on.

IaaS—infrastructure as a service. IaaS enables businesses to move their entire data center, including storage, servers, and software, to the cloud, essentially outsourcing management, security, and maintenance to the cloud provider.

PaaS—platform as a service. PaaS provides a complete operating system environment in the cloud where customers can develop and deploy software, applications, and services. The advantage is that PaaS systems scale seamlessly to provide consistent quality of service.

Virtualization. Virtualization creates a layer of abstraction between hardware and software, enabling entire data centers full of servers and microprocessors to operate as a shared pool of resources.

Public cloud. Public cloud refers to services offered to multiple users (or "tenants") in a single data center.

Private cloud. Private cloud is a dedicated data center or server environment to deliver cloud services for a single customer or tenant.

Hybrid cloud. Hybrid cloud is an enterprise IT environment combining some private cloud services, some public cloud services, and some on-premises computing resources.

Cloud Platforms Help Your Business Do More

Cloud Value
Get big business IT scale and capabilities on a budget any business can afford.

Cloud Coherence
Connect all your data from different systems through the cloud for one view of your business.

Cloud Power
Build apps in the cloud to reach new customers and take advantage of new innovations.

Cloud Flexibility
Pay only for the capacity you use, but scale up any time demand for your services increases.

A cloud platform makes your business nimble to capitalize on new opportunities and resilient to react to unexpected challenges.

Cloud Platform by the Numbers

17% annual increase

$24B
2014   2014   2014   2014
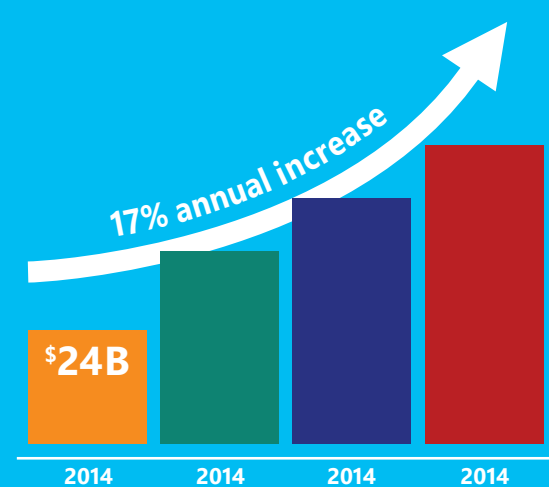
$24 BILLION
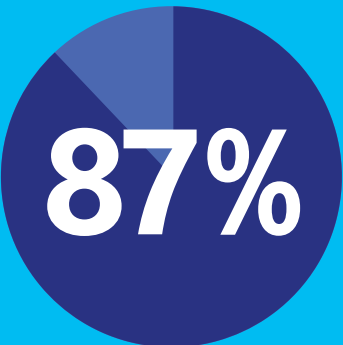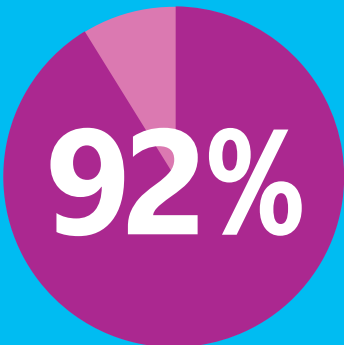US SMB cloud market today.

17%
projected Combined Annual
Growth Rate through 2017.

—Parallels Research, 2014

92% OF SMBS
are now using at least one
cloud business solution.

87% ALREADY USE
at least one cloud
infrastructure solution.

—SMB Group, 2014

92%   **87%**

$4.1B
2017

$2.1B
2013
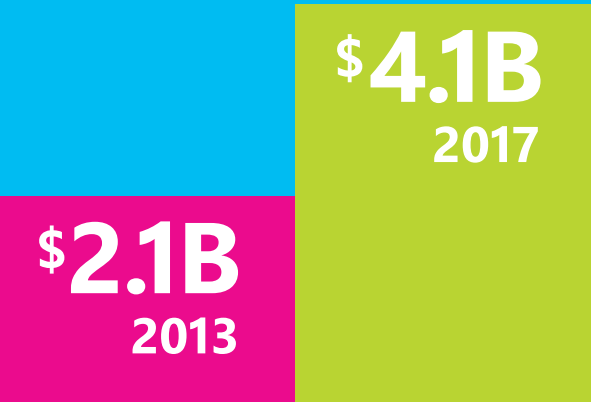
$2.1 BILLION
US SMB cloud-based security
services market, 2013

$4.1 BILLION
Projected market, 2017

—Gartner Research, 2014

Evolving the Cloud: From Cost Savings to Business Opportunity

What new and emerging capabilities can small businesses unlock on their journey to the cloud?

Many startups or smaller technology companies have already embraced cloud platforms, focusing on creating ingenious new products and services without spending on hardware they don't need. But any business, including traditional firms and those with fewer than 1,000 employees, can gain the agility of a startup by moving legacy software from on-site servers and personal computers to a cloud platform.

Surprise and delight customers. Want to shorten customer wait times with mobile checkout devices? Target them with offers you know will interest them? Provide better service while fulfilling an order, and make it more convenient to shop for what you're selling? Pushing your data and apps through the cloud can help you do all that faster and at lower cost.

Streamline processes. Your business can find new efficiencies when it moves from experimentation with cloud services to a strategy of asking cloud-experienced staff to share what has worked well, what hasn't worked well, and why.

Consolidate for bigger benefits. Dabbling in apps from multiple cloud providers means missing out on the powerful ways cloud-enabled services can work together. Strategic use of a single cloud suite can enable thoughtful connections among business productivity tools and systems for data recovery and business continuity.

> Pushing your data and apps through the cloud can help you serve customers faster and at lower cost.

Vision for an Agile Business

What business processes and outcomes can small businesses achieve through the cloud?

By building data and IT capabilities on a cloud platform, the business becomes better able to meet emerging challenges and capitalize on new opportunities in the market.

Pay for usage, not equipment. Cloud service pricing models let businesses buy the storage and analytical capacity needed now, automates the addition of more as demand and new revenues require, or just as readily scales back when less service capacity is needed.

Start moving at Internet speed. Gone are the days businesses can spend years developing a new product or service. Whether your business is a startup or one with a long history, cloud-based tools can accelerate many processes upon which you build revenues. Technology startups use online collaboration to work with supply chain partners near and far. Companies with a brick-and-mortar presence entice new and existing customers to

come in with flash sales or other promotional events. Cloud-based backup facilitates a quicker recovery if natural disaster strikes.

Unleash scalability as a service. Many businesses both welcome and fear a faster-than-expected growth cycle. Cloud services take much of the pain away of scaling up IT systems that provide increased production or sales capabilities. When such tools are designed with cloud computing in mind, you end up only paying for the capacity you use, when you use it. And if the spike is temporary, decommissioning those virtual resources can even be an automatic process with the added benefit of instant cost reductions once they're gone.

Considerations: What questions should you ask when evaluating cloud vendors and solutions?

What business objective is driving development of your cloud strategy? Is there more than one?

This information is essential to guiding how you choose your cloud partner: a clear understanding of whether your business needs to grow, including how and where; if you need to be ready for fast changes, up or down, in demand for your product or services; or you just want to have better control of your IT budget.

Have you considered how your cloud strategy will evolve as your business grows?

Take a closer look at the most tech-savvy insiders you have and what career paths they are on. Does it make sense to offer additional training to amplify their comfort with cloud technologies and business models? Will you need to hire some staff that specializes in IT? Keep these issues in mind as you evaluate your present and future staffing levels as you plan to grow your business.

Do you have a handle on who makes your IT and business decisions?

Is there a functional separation in your organization? Whether or not there is, involve your most technically savvy insider in planning your cloud strategy. Keep those with the most business process knowledge involved, too. Both need to work together to make the most of cloud capabilities.

Are your cloud partners in it for the long haul?

Continuity matters, and when cloud-based services end unexpectedly, the disruption can be costly for your business. Ask cloud vendors all the nosy questions you can think of about how they plan new features or services, how they communicate that with their customers, and whether the app that most attracted your attention is one they intend to change anytime soon.

Key Takeaways

- The cloud is more than just a bunch of apps and shared storage sites. Seen as a platform, it can be a springboard to better business performance in many different ways.

- Moving old systems to the cloud and developing new tools through the cloud gives your business the agility to scale up to meet rising demands without having to constantly invest in new IT equipment and support.

- Embracing a cloud platform for your IT means you can embrace new technologies and improve old processes faster to stay ahead of customer expectations and competitive pressure.

For Further Reading

- For information on the trends driving business and the cloud, see http://www.microsoftbusinesshub.com/Solutions/Technical/Cloud_Services.

- For more information on the Microsoft Azure platform, including benefits, success stories, and pricing, go to azure.microsoft.com.

- For more information on Microsoft cloud offerings for small business, go to www.microsoftcloud.com.