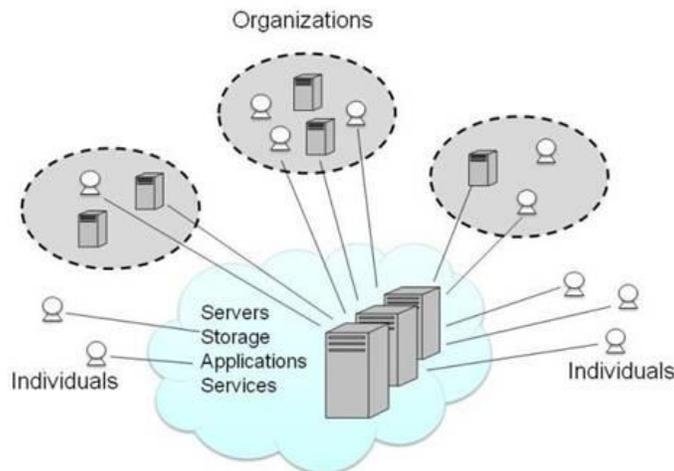# Cloud-Based Computing
For Business Management Software
White Paper

What is Cloud-Based Computing?

Cloud-based computing (also called Software as a Service, or 'SaaS') allows users to access software applications that run on shared computing resources (for example, processing power, memory, and disk storage) via the internet. These computing resources are maintained in remote data centers dedicated to hosting various applications on multiple platforms.

The basic cloud computing model is shown below. Servers, storage, applications, and services are accessed via a common network. They are shared between organizations and accessed by users or applications. The users may be members of the organizations working on-premise, remote workers, or members of the public.

The Cloud is particularly valuable to small and medium sized businesses (SMBs) because it provides complete access to fully functional applications at a reasonable price without a substantial up-front expenditure for hardware and software. Using the right cloud provider, a company can **rapidly scale** their business management software as their business grows or a new company is added.

A New Wave of Technology has Made Cloud Computing Possible

At its most basic, cloud computing is all about renting processing resources and storage rather than buying and maintaining them in-house (on-premises). It may come as a surprise to some, but this is not a new concept. In the 1970's, service firms used large mainframes to run

applications and provide data storage for other companies that would rent those computer resources and storage space. This was called "time-sharing".

Time-sharing was expensive and fell out of favor once the price of computers dropped and companies could afford to buy and maintain their own systems. For the last few decades, companies have been buying, installing, and maintaining their hardware and software in their own facilities.

Fortunately, new technologies have been introduced, such as widespread internet availability, low-cost mobile devices, expansion of computing power, and massive storage availability. Technology has improved to a point where very high-functioning applications can safely and securely run on computer hardware hosted remotely. This eliminates the need for individual companies to deal with hardware issues (e.g., IT costs) and allows their employees to work anywhere at any time.

What is Cloud Business Management Software?

Cloud Business Management Software (**Cloud BMS**) is Software as a Service that allows users to access Business Management Software over the internet. Cloud BMS generally has much **lower upfront costs** because computing resources are leased by the month rather than purchased outright and maintained on premises. Cloud BMS also gives companies access to their business-critical applications **at any time from any location**.

Advantages of Cloud Business Management Software

While technically the only difference between Cloud BMS and on-premises Business Management Software is where the software is physically located, there are other significant benefits. Here we explain some of the key characteristics and advantages of Cloud BMS.

Reduced Hardware & IT Costs
Moving to cloud computing may reduce the cost of managing and maintaining a business's IT systems. Rather than purchasing expensive servers and equipment, a business can reduce the costs of operating a business management software solution by using the resources of a cloud computing service provider.

In addition, a business may be able to reduce operating costs with a Cloud BMS because:

• System upgrades will be automatically provided and will not require internal IT personnel to facilitate.
• Wages for expert IT personnel to maintain a server are not required.
• Energy consumption costs will likely be reduced.
• Fewer time delays as compared to an on-premise solution.

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Scalability

A business can scale up or scale down its operation and storage needs quickly to suit its situation, allowing flexibility as needs change. Rather than purchasing and installing system upgrades independently, a cloud computer service provider can complete these tasks instead. Using the cloud frees up a business owner's time so that they can focus more extensively on running the business.

Business Continuity

Protecting business data and systems is an important part of business continuity planning. Whether a business experiences a natural disaster, power failure or other crisis, have business data stored in the cloud ensures it is backed up and protected in a secure and safe location. Being able to access business data again quickly after such an event, allows owners to conduct business as usual, minimizing any downtime and loss of productivity.

Collaboration Efficiency

Collaboration in a cloud environment provides a business with the ability to communicate and share information more easily as compared to a traditional on-premise installed business management system. If a business has employees working across various locations, the cloud permits staff members, contractors and third parties access to the same business management data and functions.

Flexibility of Work Practices

A Cloud BMS permits employees to be more flexible in their work practices. For example, with a Cloud system, a business has the option to let employees access system data and functionality from their homes, while traveling for work, and while away on holidays. **No longer does the employee need to be at their office computer or counter terminal to complete work**. Moreover, a business owner or employee can easily access daily sales results, run reports, access support, or source additional information from anywhere at any time.

Access to Automatic Updates and Backups

By using the cloud, a business can rely on the BMS provider to facilitate all system updates and backups seamlessly, such that no effort or input is required from the business owner or their IT department. This includes the installation and activation of new software updates and upgrades to servers and computer processing power, as well as automatic system backups, which protects against data loss and provides peace-of-mind.

Ownership of Data

When considering a Cloud BMS, a business owner is advised to clearly determine whether they will retain ownership of their data**. In most cases, the business owner will continue to own their data always**, but confirmation of this aspect is critical. One does not want to find themselves terminating service with a Cloud BMS only to learn that they no longer have

ownership and access to their business records. **Clients of *Windward System Five on Cloud* retain full ownership of their data at all times.**

Cloud Buzzwords

Talk about the Cloud is everywhere, and so are cloud buzzwords, which can result in confusion and misconceptions. Here is a brief discussion of the more common terms.

• *Licensing options: Purchase or Subscription*

Purchase (or Perpetual): These terms refer to when a company BUYS a software license. The company pays to own the license and also pays an annual maintenance fee for upgrades & support.

Subscription: The company pays an annual or monthly charge to use the software license. Upgrades to the software is usually included in the subscription price.

• *Deployment options: On-Premises, Hosted, or SaaS*

On-Premises (or In-House): The company is responsible for the infrastructure (hardware, system software, communication hardware, software on user devices, etc.) and the deployment of the application software (implementation, support, upgrading, etc.)

Hosted: The company or hosting provider buys a license for the software. The hosting provider manages most, if not all, of the infrastructure and software deployment as described above. The hosting provider can be an independent company or a division of the company itself. Hosting is one way to outsource IT operations.

Software as a Service (SaaS): This method of deployment is a combined software licensing and delivery model in which software is licensed on a subscription basis and hosted by the software provider, all for a single price that is typically a fixed amount. In many cases the software provider uses a Public Cloud for the hosting.

• *Private Cloud and Public Cloud*

Private Cloud is privately owned and maintained by the company or a hosting provider. There are scenarios where certain business or compliance requirements necessitate a private cloud. For example, a business may have industry-specific requirements that dictate that a public cloud deployment is not suitable.

Public Cloud is owned by a service company, such as Microsoft, IBM or Amazon. The service provides all the hardware, load balancing, backup and security.

Hybrid Cloud is a blended approach with a mix of on-premises, private cloud and third party public cloud services.

• Thin Client and Web Services

A **Thin Client**, in cloud terms, is any device (PC, tablet, or phone) that requires no application or communication software to be downloaded. Any thin client can access the application from anywhere, similar to a web page.

Web Services are simply application components. They are designed for and used on the Web. Common examples are apps on a mobile phone, such as a weather app. Business applications may include zip code / postal code look up, sales tax calculation, or much more sophisticated functionality.

Conclusion

The advantages of a cloud-based business management software solution are numerous. Reduced hardware and IT costs and increased efficiencies, flexibility, security and convenience lead to greater profitability and more satisfied employees and customers. **The evidence is clear:** as a business owner, **you should elect to move from a server-based solution to a Cloud BMS** (or simply select a Cloud solution right away if you do not yet have a system in place). The bottom line is that if there is ample access to the internet, there are virtually no disadvantages to cloud computing when compared to on-premises. Moreover, on-prem is now considered "old" technology; ensure your company uses the best platform possible!

Are you ready to take the next step in learning more about a Cloud BMS for your business? We're happy to answer any questions that you may have about the Cloud.

*Please contact Windward Software to schedule a demonstration of our leading business management software solution: **Windward System Five on Cloud**. Call **+1 (800) 663-5750** or e-mail **sales@windwardsoftware.com**.*

*Visit **www.windwardsoftware.com/cloud** for more information.*