What Can Be Gained from the Cloud

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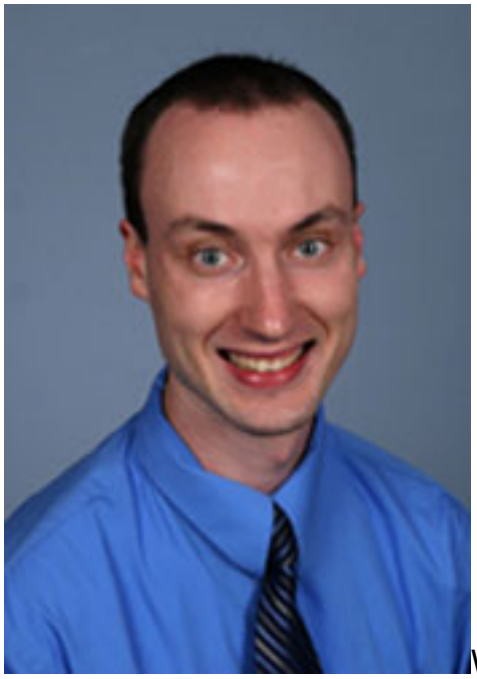

When it comes to enterprise software offerings, manufacturers have a short wish list of expectations. They want the offerings to work, they want them to be easy to use, and they want them to be inexpensive.

In recent years, many have come to find that their needs are best met “in the cloud.” Cloud computing describes a model for services based on the Internet. It often takes the form of web-based tools or applications that users can access through as a program installed on their own computers.

Cloud providers cite three major returns that businesses receive as a result of embracing cloud computing technology: Increased growth and productivity, cost savings and ease of implementation, as well as the opportunity for a company’s IT people to focus more on innovation and strategy and less on typical IT operations.

“With manufacturing, there’s definitely low-hanging fruit there,” said Dana Henriksen, Director of Marketing for FPX, a cloud-based selling solution. “If you think about how a lot of those organizations run, and how they deliver information, there’s so much there for maximization of those processes.”

Microsoft recently conducted a survey of 431 manufacturers. The survey sought to gather opinions about cloud computing as an engineer of growth. According to the results:

- 24 percent felt that cloud computing services can help them innovate.
- 61 percent are employing or are planning to employ a cloud-based collaboration toolkit.

According to Craig Hodges, Manager of U.S. Manufacturing and Resources for Microsoft, most individuals already subscribe to some sort of cloud-based email service, such as Hotmail or Gmail. As of late, the marketplace has demanded that the technology behind consumer-oriented products and services consumer-oriented be repurposed for business applications.

“If you look at your personal life and you look at your professional life, people want the same experiences in their professional career that they have at their house,” said Hodges.

In an effort to gain a foothold in the market, cloud providers are hard at work developing more cost-effective and user-friendly models. Manufacturers have taken notice and are using that trend to their advantage.

Dave Smoley, CIO, Flextronics, a designer and manufacturer of electronic products, said the recent rise of cloud computing can be partially attributed to the tendencies of the technology industry over the past 10 to 20 years. Increased competition has pressured software providers to provide the most robust offerings they can, often with quite a bit of unnecessary additional functionality.

“What it has evolved into is increased complexity, a lot of which is not really wanted or needed,” he added.

That increased complexity has led to more work for IT departments at manufacturing enterprises. However, the cloud may offer hope for overworked IT workers.

Microsoft recently conducted a survey of IT decision-makers. According to the survey:

- 76 percent believe they have an opportunity and a responsibility to address more business issues and the cloud will free up the opportunity for them to do that.
- 71 percent believe the cloud will allow them more time to address quality issues in their operations.
- 42 percent believe the cloud allows them to be more innovative.

Henriksen pointed to a number cloud computing helps alleviate the workloads of IT departments in a number of ways. They don’t have to manage the infrastructure, update the database and operating system, or focus on keeping the servers up and running. Instead, IT professionals can focus on business processes, data, connecting the two, and providing relevant information to the company so the most profitable decisions can be made.

Smoley said his company discovered cloud computing about five years ago as part of its efforts to create a global, consistent, single HR strategy and HR application to support it. Flextronics also looked at some of the traditional packaged software offerings on the market, but eventually turned its attention toward the cloud.

“What interested me about it then was the fact that it appeared to be much more usable, much faster in terms of deployment, and much less costly than a traditional package software approach,” he said. “In the end, we went that way and it has been a huge success for (us.) It has exceeded our expectations in terms of speed, cost, and usability.”

However, he offered a word of cautionary advice for companies looking to invest in cloud computing.

“You have to be open to cloud solutions and evaluate them, but the decision should be based on solving business problems,” said Smoley. “We still don’t have a cloud strategy where we say we’re going to put everything in the cloud, or 80 percent, or anything like that. But what we did every time we had a business problem to solve (was) we looked at different choices, including cloud.”

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