

Running Your Business in the Cloud

In This Guide

Practical advice, resources and insights for saving time and money by tapping into big-company style software and services via the “Cloud.”

Sections include:

- Cloud Computing Helps Businesses Save Time and Money, *pg. 1*
- Cloud Computing Is Changing the Way Small Businesses Work, *pg. 4*
- Why Are Businesses Moving to the Cloud?, *pg. 5*
- Run Your Business in the Cloud with Microsoft Office 365 and American Express OPEN®, *pg. 6*
- Cloud Computing Resources, *pg. 8*
- Worksheet: Is Cloud Computing Right for Your Business? *pg. 9*
- Key Terms, *pg. 14*

Cloud computing — accessing software and services delivered over the Internet from any location and through nearly any device — is changing how businesses operate. With it, companies can respond to opportunities more quickly with fewer resources and less financial outlay. This is good news for small businesses wanting to forgo expensive servers and storage systems.



DADELAND ANIMAL HOSPITAL

Sharon MacIvor
Member since: 1982

Cloud-based services are so all-present that you may be using them now without even realizing it. Services like Microsoft® Hotmail, QuickBooks Simple Start and Skype™ are “in the Cloud.” This guide explains how Cloud computing can help you lower costs, operate more nimbly and grow your business.

CLOUD COMPUTING HELPS BUSINESSES SAVE TIME AND MONEY

Cloud computing has created a technology revolution for small businesses, offering access

Read more on technology at
openforum.com/idea-hub/topics/technology.



RAFE NEW YORK

Rafe Totengco
Member since: 1997

to a range of capabilities that typically only larger companies can afford. Using an Internet connection and a web browser, small companies can tap into software and services as they need them and pay for what they use on a monthly basis, like utility services.

Your business can join the “Cloud” to access everything from data backup to customer relationship management systems. Consider the following benefits to see how your company might use the Cloud.

Improved Collaboration

Cloud-based programs can be used at any time on almost any device with an Internet connection, a benefit that leads to greater collaboration, particularly for businesses with remote employees. A growing percentage of small- and medium-sized businesses (SMBs) consider the ability to be productive remotely as critical to their operations: 66 percent said they need to allow employees to work anywhere at any time, according to a 2010 survey by Microsoft.¹

Using Cloud-based software, teams in different locations can collaborate on documents without needing to e-mail attachments and share calendars and task lists from wherever they are. Participants just sign up for the service and access the program over the Internet, without downloading or installing program software.

Employees also can connect through instant messaging and even hold impromptu meetings with robust audio, video and web conferencing capabilities. Some Cloud-based services even make it possible to include customers and vendors in these meetings. This improved sharing of information has the potential to enable your company to react more quickly to business opportunities.

Managing Growth

Cloud resources are scalable, or elastic, so you can tap resources or increase capacity to support growth and handle busy periods. One of the most

Why “Cloud?”

Despite its celestial connotations, the term “Cloud computing” harkens back to the early days of network design, when clouds were drawn to depict unknown parts of the network. Today, software, storage and other services are hosted in data centers far away from a user’s known, controlled network. Hence, the Cloud.

In Cloud computing scenarios, companies share a provider’s resources and pay on a subscription basis. Think of how a health club works – rather than spend thousands of dollars buying workout equipment at home and maintaining it yourself, you pay a modest monthly fee to use the equipment when you want. The health club is responsible for maintaining or replacing the equipment.

**MOCADA***Laurie Cumbo**Member since: 1999*

challenging aspects of running a small company is predicting what resources your business will need — enough to scale and take advantage of opportunities, but not so much that you overspend. With Cloud resources, rather than having to predict your needs, you can react to needs as they arise and use just what is required to manage your growth and enhance your efficiency. For example, if customer and project demands require increased collaboration, you can access collaboration tools quickly and without advanced planning. Your flexibility as an organization rises when you work in the Cloud because your ability to react is greatly improved.

Lower Costs

Cloud-based services can help you save money on many fronts, including server maintenance, power and cooling costs, and software licensing and upgrade expenses. Just under half — 49 percent — of SMBs use Cloud computing to lower costs, according to the Microsoft survey.¹ Rather than spending money to maintain hardware that often goes unused, subscribing to software and services

for a low monthly fee can help small businesses stretch their budgets further. Along with the ability to scale up to meet increased demand, the Cloud also allows you to scale down during slower periods (e.g., remove users or use less storage space), saving your business money.

Secure Data Backup

If you don't have the time or resources to implement a backup strategy — or if you keep your backed-up data on-site — the Cloud can help ensure you are able to retrieve the latest versions of your data in case of an on-site system failure or a disaster, such as fire or flood. You can choose a Cloud-based service to back up your data frequently or automatically to a safe online location, so that if the unexpected happens, you can be back up and running within minutes. Many providers offer geo-redundant backup, meaning your data is saved in multiple centers across multiple locations, to improve security.

Greater Reliability

Cloud-based services often can be more reliable than services delivered on-premise, particularly if servers or other hardware are aging. Cloud service providers have a dedicated, experienced IT staff — meaning they can likely resolve problems faster than a small business with only limited IT resources.

Eased Resource Management

With servers located off-site and their management left to an experienced provider, Cloud computing allows you to focus on what you do best — running your business. Because resources in the Cloud can be accessed as needed, the time it takes to get started with these services shrinks from days to minutes. For small businesses wanting to stretch their resources and be more competitive, working in the Cloud is becoming a must. ■

¹Microsoft U.S. SMB Cloud Computing Research Summary, fall 2010

Cloud Computing Is Changing the Way Small Businesses Work

Q&A with Microsoft's Cindy Bates

Cloud computing is rapidly gaining a place in small businesses across the world. OPEN spoke with Cindy Bates, vice president of Microsoft's U.S. Small, Medium Businesses and Distribution, to learn how Cloud computing is changing the way small businesses use technology.

Q: Why is Cloud computing particularly effective for small businesses?

A: Often, small businesses do not have dedicated IT staff in-house — or, if they do, the staff is overworked and pulled in many different directions. Cloud computing lets small businesses focus on their core business, not the details of managing their IT environment.

Small businesses that lack large amounts of capital may find that using Cloud computing services can help them affordably and quickly get systems set up and running. By relying on world-class, highly-secure data centers run by qualified Cloud providers, rather than building their own IT infrastructures from the ground up, fledgling businesses can remain nimble and save a great deal of time and resources.

Q: How can Cloud computing services help small businesses be more flexible?

A: With Cloud computing services, you pay only for what you need, when you need it — a benefit that can help businesses save money and have more room to grow. Also, an essential advantage of Cloud computing services is scalability, which means your

investments in Cloud-based technologies can grow with your business as its needs evolve.



Q: Is the Cloud secure?

A: Like all investments it is important to research; security standards and protocols of Cloud computing solution providers vary. As online service offerings grow, security threats in the Cloud will naturally increase. It's critical to the integrity of your business data to choose a provider with the people, processes and technologies needed to safeguard your information in the Cloud.

Q: What should a small business look for when researching Cloud computing solutions?

A: A business should focus on three key issues: cost vs. value, security and reliability. Cloud solutions can often save businesses money in the short term, but long-term savings may depend on your company's unique needs. Be sure whichever Cloud solution you select fits into your organization's long-range technology and growth goals.

Anytime you leave sensitive business data in the hands of another provider, as you do when you rely on Cloud-based solutions, you want to be sure vigilant security measures are in place. You'll also want to pay close attention to the reliability of the Cloud computing solution. Don't cut corners when it comes to reliability — your company's reputation and revenue depend on it. ■

Why Are Businesses Moving to the Cloud?

Q&A with American Express
OPEN's Jay Lee

Many small businesses are moving business operations to the Cloud because of its potential to save on software and hardware costs. OPEN asked Jay Lee, vice president of Business Development at American Express OPEN, how companies say they can benefit from using the Cloud and what aspects of a business to migrate to the Cloud.

Q: How can Cloud computing services help improve a small business's productivity?

A: With the Cloud, small business workers who used to be confined to the physical walls of their office now can work from anywhere at any time. You and your employees are able to access e-mail, calendars and documents 24/7.

Cloud based services can also improve collaboration by allowing team members to simultaneously access and update documents in real time. For example, if you are working on a presentation with a colleague who's in another location, both of you can view it online and you can see the changes being made on your screen as your colleague makes them. There's no need to worry about managing multiple versions, merging documents, sending attachments and tracking changes.

Q: Are there any business tasks that can't be done in the Cloud?

A: Practically any task that can be completed on locally installed software can also be done in the Cloud, but the more important issue is choosing

which tasks your business should do in the Cloud. Regardless of how trustworthy or reliable your provider is, you should review your own agreements and contracts with clients and partners as well as regulations concerning your industry to ensure a move to the Cloud benefits all involved.

Businesses that work with government agencies or that deal with certain types of sensitive data, for example, may find that regulatory or compliance issues could limit or restrict the use of Cloud computing regardless of a provider's high standards.

Q: What should you look for when evaluating Cloud computing service providers?

A: Cloud computing can be a great fit for small businesses, but only if the provider is reputable and reliable. Be sure to understand how much experience a vendor has in Cloud computing and research its reputation. Remember that you will be entrusting your data to someone else, so you need to understand what kind of security measures they take to protect your data. That includes learning how they keep others from accessing your data, as well as their plan for disaster recovery and how they back up data in case of a crash.

You'll also want to make sure that service will be there whenever you need it, so ask about what type of service level agreement they can provide to guarantee acceptable accessibility in off hours or high volume periods. ■



Run Your Business in the Cloud with Microsoft® Office 365 and American Express OPEN®

Help save time, increase productivity and improve collaboration with Microsoft Office 365, which combines the Office programs you already use with powerful, Cloud-based communication and collaboration tools — an all in one, easy-to-use package at a low monthly cost.

With Office 365, if you can access the Internet, you can:

- Access e-mail, contacts and calendars and edit Microsoft Word, Excel and PowerPoint files from anywhere, using a variety of Internet-enabled electronic devices.
- Collaborate in real time inside and outside your organization on documents, spreadsheets and presentations without needing to send e-mail attachments.
- Retrieve e-mail, documents, contact lists and calendars on the most widely used Internet-enabled devices, including PCs, Macs, the Windows® Phone, iPhone, Android™ or BlackBerry®.
- Save time and money and free up valuable resources with hands-off system management. There's no hardware to configure and no software to update.
- See employees' or colleagues' availability so you can schedule meetings and stay on top of business developments.
- Promote your business by creating a simple, professional web site with easy-to-use design tools.
- Enrich your interactions with colleagues through social networking capabilities on Microsoft SharePoint®. Update your status, share documents you have worked on and comment on other users' posts.
- Gain peace of mind through guaranteed 99.9 percent availability, enterprise-class storage, robust privacy controls and 24/7 support.

Start improving collaboration and productivity with Microsoft Office 365. Find out more or sign up at office365.com.



Run Your Business in the Cloud with Microsoft® Office 365 and American Express OPEN®, cont'd.

Get More from the Cloud with OPEN® Business Apps and OPEN® Partner Apps

From invoicing to finding new customers, American Express OPEN's Cloud-based business applications can help you save money, operate more efficiently and gain a competitive edge:

- **Simplify invoicing.** Offer more payment options and have payments routed directly to your bank account with AcceptPaySM (openforum.com/acceptpay), an OPEN Partner App. Track payments and outstanding invoices by customer and integrate the information with QuickBooks.
- **Find buyers.** Connect with buyers or sellers through Ariba® DiscoveryTM (discovery.ariba.com), an online business-to-business network that matches buyer requirements to supplier capabilities.
- **Manage foreign currency payments.** Initiate foreign currency payments at competitive rates directly from your computer with FX International Payments (fxpayments.americanexpress.com). Lock favorable exchange rates to better predict cash flow and have foreign payments from abroad converted to U.S. dollars and routed into your bank account.
- **Buy insurance.** Use InsuranceEdgeSM (openforum.com/insuranceedge) from BOLT (an OPEN Partner App) to compare commercial insurance quotes and purchase policies online at competitive rates. Choose from general liability and business property, workers' compensation, commercial auto and umbrella policies.
- **Oversee online advertising.** Easily manage your pay-per-click advertising campaigns with SearchManager (openforum.com/searchmanager), another great OPEN Partner App. View campaign performance through easy-to-use metrics and receive recommendations to help improve your results.

Streamline your business processes and expand your opportunities with OPEN's small business applications at openforum.com.



Cloud Computing Resources

OPEN® Forum

openforum.com

The OPEN Forum web site includes tips for small business owners, links to Cloud-based business applications and other resources.

Business Technology Simplified (e-book)

web.sba.gov/sbtn/registration/index.cfm?CourseId=74

This free, downloadable e-book by the Small Business Administration (SBA) and Microsoft offers tips to help small business owners use Cloud computing and other technologies to save time and grow sales. The guide is also available as an online course through the SBA at sba.gov/training.

Cloud Business Review

cloudbusinessreview.com

This blog covers Cloud computing trends and offers resources to small businesses, including white papers, webinars and podcasts.

Cloudbook

cloudbook.net

This comprehensive site features articles on how businesses can use Cloud computing and best practices in moving to the Cloud, along with a directory of Cloud-based products and services.

Microsoft Business for Small & Midsize Companies

microsoftbusinesshub.com

This site includes tips and resources for using technology to help grow business and work more efficiently, along with links to training, community forums and special offers.

Microsoft Cloud

microsoft.com/cloud

This site provides information about Microsoft's Cloud solutions and case studies, blog posts and videos that show the business benefits of Cloud computing.

SaaS Newswire

saasnewswire.com

This news site focuses on Cloud computing developments and includes articles on best practices for companies beginning to work in the Cloud.

Small Business Guide to Cloud Computing

smallbiztrends.com/2010/11/16-questions-to-ask-yourself-before-choosing-cloud-computing-solutions.html

This page on the Small Business Trends web site provides tips and best practices to help small business owners evaluate Cloud-based services.

Small Business Labs

smallbizlabs.com

This blog covers social and technological trends that affect small businesses and includes a section on using Cloud services.

Worksheet

Is Cloud Computing Right for Your Business?

To determine if your company can benefit from the Cloud, read the list of tasks below and check the ones that apply to your business. Then, answer the questions after each checked-off item and note how much time and money you spend on each. Once you begin exploring specific Cloud services, refer back to this section to help determine what your cost savings might be.

ONLINE OPERATIONS

☐ Web site

How easily can you accommodate surges in web site traffic? Could you rely on your site to be available if there is a sudden spike in purchases from your online store or sign-ups to your e-mail list?

The Cloud is scalable, so web sites hosted in the Cloud can easily manage traffic increases. If you don't yet have a web site, some Cloud-based services can help by providing easy-to-use design tools.

☐ E-mail

Do you have frequent outages or slowdowns? If your e-mail server were to fail, are messages retrievable?

With Cloud-based e-mail services, messages can be retrieved whenever you go online.

Worksheet

Is Cloud Computing Right for Your Business?

cont'd.

DATA

☐ Contact Management System

How easily can you track and record your contacts' information and details of past interactions while on-the-go? Can you view this information in a centralized location, or do you need to look it up in separate programs?

A Cloud-based contact management system may allow you to view contacts' details and previous interactions in one place, as well as receive reminders about meetings, call-backs and other tasks on your to-do list.

☐ Customer Relationship Management (CRM)

Is it important for remote employees to be able to stay on top of sales leads and share information on deal progress? Would having remote access to this information help you to close deals more quickly?

Cloud-based CRM software can allow you to access information related to leads from any mobile device, allowing you to better monitor opportunities and close sales more efficiently.

☐ Data Backup

How often do you back up your data (laptops, PCs, servers)? If a critical piece of hardware were to break or be stolen — or if a disaster (fire, flood) were to affect your workplace — would the data be recoverable?

Many Cloud-based services offer automated, redundant data backup, meaning data is backed up across multiple locations to help keep it secure and available and avoid the effects of natural or virtual disasters.

Worksheet

Is Cloud Computing Right for Your Business?

cont'd.

FINANCES

☐ Payment Processing

Are you able to accept multiple forms of payment from customers (credit cards, Automated Clearing House, eChecks)? Does your current system help you to receive payment quickly?

Some Cloud-based systems allow you to accept many forms of payment and have the funds deposited directly into your business' bank account, to help you maintain a healthy cash flow.

☐ Invoicing

How much time do you currently spend billing customers? Does your current system allow you to set up recurring billing and/or to have payments from regular customers automatically deposited into your account?

Some Cloud-based invoicing services offer these capabilities and allow you to customize invoices to reflect your brand.

Worksheet

Is Cloud Computing Right for Your Business?

cont'd.

☐ Insurance Buying

When it's time to buy insurance or renew your current policies, do you research coverage and obtain quotes from several insurers?

Cloud-based services can help you receive multiple quotes for different types of insurance — including general liability and business property, worker's compensation, commercial auto and umbrella policies — so you can obtain the coverage you're looking for.

☐ International Payments

Does sending or receiving foreign-currency payments require frequent trips to the bank and expensive wire transfer fees?

Cloud-based international payment services allow you to initiate transfers directly from your computer. You may also be able to receive payments, converted to U.S. dollars, directly to your business' bank account.

Worksheet

Is Cloud Computing Right for Your Business?

cont'd.

GROWTH

☐ Search Marketing

Do you use pay-per-click (PPC) search marketing to help generate new customers and increase sales?

If overseeing your search marketing efforts requires expertise beyond your abilities, Cloud-based services allow you to manage your PPC campaigns all in one place and help potential customers and clients discover your business online. They also can help you with budgeting and determining what your ads should say.

☐ Business Matching Services

Do you sell to other businesses and spend a great deal of effort identifying and cultivating new sales leads, negotiating pricing and closing sales?

Cloud-based matching services can help put you in touch with key decision makers at the point when they're ready to buy products or services like yours.

Use the space below to list other areas that you might move to the Cloud. Note the amount you now spend on each, as well as any specific problems that working in the Cloud might help you address.

- ---
- ---
- ---
- ---
- ---



Key Terms

You may run across the following terms when researching Cloud computing. Use them to help better understand the technology:

Application: A program designed to perform a function or set of related functions. Examples include accounting, word processing and contact management.

Cloud Computing: A Cloud service has three distinct characteristics that differentiate it from traditional hosting. It is sold on-demand; it is elastic — a user can have as much or as little of a service as they want at any given time; and the service is fully managed by the provider.

Disaster Recovery: The ability to retrieve data and restore business operations after a hardware failure, fire, flood or other event that damages technological infrastructure.

Encryption: Translating data into code so it is unreadable to outside parties. Data transmitted to and stored in the Cloud should be encrypted in transit and at rest.

Hardware: Computers, disk drives, storage systems and other physical equipment used to store data and applications.

Hybrid Cloud: A type of Cloud that blends public and private models so that some applications are hosted offsite while others are kept on-premises.

Infrastructure as a Service (IaaS): A type of Cloud computing that allows companies to access servers or store company data in the Cloud.

Multi-tenancy: The sharing of underlying resources by multiple organizations within a Cloud.

Network Attached Storage (NAS): Storage that is connected to computers with a network data cable. NAS provides a central place to store data and an efficient way to share this data among multiple users.

Platform as a Service (PaaS): A type of Cloud computing in which vendors offer software development tools that allow companies to build their own custom applications.

Private Cloud: A type of Cloud that resides within an organization's firewall and typically is owned, run, managed and supported by that business, rather than an outside provider. IT resources are available on-demand to employees, though the organization maintains its own data center.

Public Cloud: A collection of software and services housed in data centers outside of a corporate firewall and accessible through the Internet. A public Cloud is shared, with companies paying only for the services or resources they use.

Redundancy: The spreading of resources on multiple servers within a Cloud to guard against failure. If one server fails, data and applications are still available because they are stored elsewhere in the system.



Key Terms, cont'd.

Scalability: The ability to quickly gain or reduce capacity according to demand. Scalability, also referred to as elasticity, allows a Cloud-based application to quickly accommodate more or fewer users and allows a Cloud-hosted web site to seamlessly accommodate spikes in traffic.

Server: A computer or software program that provides a specific kind of service to software running on the same computer or other computers on a network.

Service Level Agreement (SLA): A contract that stipulates the type of service a customer expects from a provider and what type of penalties would result from a business interruption.

Software: Programs and applications that run on a computer or in the Cloud.

Software as a Service (SaaS): Applications such as e-mail, web conferencing, customer relationship management programs and more that are delivered as services over the Internet. SaaS is currently the most popular type of Cloud computing.

Subscription-Based Pricing Model: A pricing model often used for SaaS services that allows customers to pay a fee to use the service for a particular time period.

Virtualization: Virtualization is the creation of a virtual (rather than actual) version of something, such as an operating system, a server, a storage device or network resources. Virtualization makes data centers more efficient because it allows one server to perform the tasks of several machines. It is often a first step to Cloud computing.

Notes

To learn more about our products and services, call 1-800-NOW-OPEN or visit us at open.com.

For more OPEN Insight Guides, and other resources to help you grow your business, visit openforum.com.

For more information about technology solutions for your business, visit microsoft.com/business.