

# MOVING SMALL BUSINESS DATA TO THE CLOUD

August 20th, 2019 • Newsday • Jaime Herzlich

Well over three-quarters of businesses are using the cloud (Internet-based computing services) in some way, be it for email, customer relationship management or a host of other functions.

With a multitude of growing options, small firms may want to assess what data and applications it pays to keep on the premises and what it pays to move to the cloud to improve efficiencies.

“I think small businesses have to have a strategy for the future,” says Judith Hurwitz, president of Hurwitz & Associates emerging-technology researchers and consultants in Massachusetts. “They shouldn’t just go ahead and throw everything into the cloud without a plan.”

Many small businesses use cloud services on an ad hoc basis and might end up with more cloud solutions than they need, she says.

It’s easy for an individual to use a cloud service to build applications or sign up for a license to a cloud-based application, and management may not even be aware what cloud services are being used, she says, noting “this chaos can be very costly.” Typically customers pay a monthly or annual service fee to cloud providers.

Without a plan, “they can’t keep track of everything, and they don’t know where their data is,” says Hurwitz.

To start, assess what data needs to be stored and the sensitivity of the data, she says. For example, a business may have business processes including data that’s so proprietary or unique that they don’t want it outside of the company in the cloud but rather on their own servers, says Hurwitz.

Companies also must consider if they want to utilize private or public cloud options or both.

Generally speaking, the former provides a cloud infrastructure dedicated to a single organization rather than one with separate secure areas for multiple organizations, says Jason Aptekar, CEO of The Mithril Cloud, a Westbury IT service provider that helps companies move to the cloud.

Some public cloud providers include Amazon Web Services, Microsoft Azure, IBM Cloud and Google Cloud Platform, he says.

In the case of important lines of business and mission-critical applications, companies tend to stay away from the public cloud and go to “highly secure private cloud,” says Kevin Beasley, chief information officer at VAI in Ronkonkoma, which offers private cloud software solutions.

Cloud usage has been growing, he said, noting that about 2 1/2 years ago 75 percent of firms wanted their applications



on the premises with their own servers and 25 percent wanted them in the cloud. Now, he says, roughly 80 percent of VAI's new customers want their applications/storage in the cloud, .

Using the cloud can mean cost savings and access to the latest technology applications on demand, he says.

VAI says one customer, AVA Companies in Hicksville, has saved more than \$500,000 over the seven years since moving its infrastructure to the cloud. Staff maintenance and on-site physical servers' costs were among the savings.

AVA's entire enterprise resource

planning system, which includes financials, order processing, procurement, analytics, and warehousing, is cloud-based, says Domenic Capul, a vice president at AVA, a manufacturer, distributor and wholesaler of meat products.

And moving to the cloud has helped keep AVA's infrastructure running smoothly in the case of power outages, which previously would have prevented them from accessing critical functions when servers were down, says Capul.

To be sure, the cloud itself can suffer outages, as was the case of Google Cloud in June. It's a consideration like anything else, although Beasley notes, "We've had our cloud running since 2009

and have had zero outages."

Deciding what to move to the cloud generally requires thinking about your financial business model and doing a cost/risk analysis weighing Cap-X (capital expenditures if you invest in your own infrastructure) versus Op-X (operating expenses if you pay for services via a third party), says Aptekar.

Also ask how long your infrastructure can last; whether you can properly maintain it, and whether what you need is unique or common, says Aptekar. Bottom line, he says: "You can build it yourself or use someone's else's."

