

Is the cloud a disaster just waiting to happen?

Cloud computing is becoming the rage. It is a popular term that is not well understood.

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For most users, cloud computing is using an application that is available on the internet and not on your computer. All you need to utilize services on the cloud is a laptop, access to the internet, and an internet browser. Some applications are a service that you will need to pay for such as Microsoft Exchange and SharePoint while others are complimentary.

As of right now, it would appear that Google owns the complimentary cloud, at least for now! There's Google Mail (Gmail), Calendar, Documents, Health, Analytics just to mention a few. The objective and value of using the applications Google offers is that you do not have to purchase the application or license for your computer or computing environment, nor do you need to manage the platform. In exchange for using the Google platform, Google sells advertising to companies that want to reach your eyeballs!

This blog, however, is not a commercial for Google as much as it is a warning to those who use the cloud. Let's face it, using free cloud services can really help a small business get started. Immediately you can establish a virtual presence and become very efficient. Using the cloud, you can organize, share, and collaborate with business associates or friends wherever you are, but then again... Where's Google? Or for that matter, where's your data and how is it protected?

Have you ever wondered where your Gmail account is? How the data is stored? How it is protected? Or, who has access to your data? Other questions that come to mind pertain to back-ups in the event that your cloud data is destroyed. What about the potential compromise of your data or security breach? Who is protecting the cloud? Anybody's cloud, not just Google's!

Certainly, using applications on the cloud is accessing a data center or server that is not yours or under your control. It can save you money and resources, but there are significant risks. Security is just one risk and it is more than an email address and password. Where is your data stored? How is it being cared for? What firewalls are in place? What about system reliability and data back-up? What about privacy? These are serious questions and they need to be satisfactorily answered before an individual or company places any personal, professional, or customer information on the cloud.

Here's the link that Google provides in response to these questions, <http://www.google.com/support/a/bin/answer.py?answer=60762>, but how do you know? After all, it is the internet.

Let's face it, if your customer information, email correspondence, or corporate documents are destroyed and you do not have a back-up, that is one thing. But if they are compromised, the result can be catastrophic to you and your

customers!

So, don't make the naïve assumption that the cloud is secure and resilient! Perform your due diligence and make sure the cloud above your corporate headquarters is not a dark one!

The Wombat!

About the Author

Dan Fisher is president and CEO of The Copper River Group, a consulting firm headquartered in Fargo, N. D., that focuses on technology and payment systems research and consulting for community financial institutions. For nearly 30 years, Fisher has worked in the financial industry using technology to improve the bottom line. He was CIO of Community First Bankshares (now part of BancWest), has served as a director of the Federal Reserve Board of Minneapolis, the chairman of the American Bankers Association Payment Systems Committee, and was a member of the Independent Community Bankers of America Payments Committee. Fisher has written numerous articles on banking technology and the payments system. He has authored or co-authored six books and recently published a book titled, "Capturing Your Customer! The New Technology of Remote Deposit." You can contact Fisher at dan@copperwombat.com.

P.S. To understand Dan's nickname, check out "About the Wombat" on his website, www.copperrivergroup.com