

## Silver linings shaping up in the cloud

Several recent corporate product announcements, coupled with a slew of new research, indicate a rapid maturing of the cloud and how it can be used by bankers and businesses in general.

Consider these announcements, issued early this month:

- Digital Mailer released a new SaaS offering called My Virtual StrongBox which allows customers to place electronic documents into their trusted financial partners' online document libraries. It's similar to physical safe deposit boxes in bank vaults, but with online capabilities that include easy and accessible permission-based retrieval. It's deployable across multiple access points, including direct login by consumers, online banking, and other secure, single sign-on applications.

- Yodlee offers its branded MoneyMovement platform that enables banks to deliver funds transfers, bill payments, person-to-person payments, expedited payments, and more. It's available in the cloud, incorporated into an enterprise's platform, or as a stand-alone offering. (Read more, below.)

- Eagle Investment Systems has an investment accounting solution that specializes in active management of stocks and fixed-income securities. It's intended to help financial institutions grow assets efficiently with a portfolio management suite of data management, investment accounting, and performance measurement solutions. To the point, these services are delivered over a secure private cloud.

These admittedly randomly selected examples can serve as symptoms of a larger trend which several analysts have recently studied. Take Microsoft, for example. Its survey of 3,000 small and mid-sized businesses in 13 countries concluded that paid cloud services will double in five years, and the number of the world's smallest companies using at least one paid cloud service will triple in the next three years.

"The cloud levels the playing field for [small and mid-sized businesses], helping them compete in today's quickly changing business environment, by spending less time and money on IT and more time focused on their most important priority—growing their businesses," says Marco Limena, vice-president, Microsoft.

TwinStrata—a supplier of cloud storage—surveyed customers' top uses of the cloud for storage. The survey produced interesting results, which will sound familiar to bankers: No.1 use of cloud storage is disaster recovery; No. 2, handling storage growth; and No. 3, dealing with storage upgrade costs. Close behind is the expressed need for having a path to cloud storage, "implying that many businesses embrace the cloud business model and the opportunity to recognize new cost and administrative efficiencies, but have not quite figured out how to create a seamless path to cloud storage for their specific environments," the company says.

IBM, the giant whose head has been in the cloud from the beginning, completed a study that takes it further into the stratosphere, to beleaguer a metaphor. It found that the number of enterprises turning to cloud computing to revamp existing business models will more than double in the next three years, as business leaders move to capitalize on the rapid availability of data and the growing popularity of social media.

"Companies are starting to understand—cloud isn't just about gaining efficiencies and cost savings. It's about driving the kind of fundamental innovation that provides lasting marketplace advantage," says Saul Berman, co-author of the IBM study.

Specifically, IBM found that 35% of executives surveyed expect to use cloud capabilities to enter new lines of business or reshape an existing industry within three years, as opposed to 16% who say that they are doing that now.

It's not just businesses that are wising up to the cloud—consumers are doing it too. Gartner has a new study predicting that the personal cloud will replace the personal computer as the center of users' digital lives by 2014.

"Major trends in client computing have shifted the market away from a focus on personal computers to a broader device perspective that includes smart phones, tablets, and other consumer devices," says Steve Kleynhans, research vice-president at Gartner. "Emerging cloud services will become the glue that connects the web of devices that users choose to access during the different aspects of their daily life."

Gartner cites a number of what it calls "megatrends" in this area, including acceleration of consumerization, virtualization, shifting applications into apps, the always-available self-service cloud, and the shift to mobility.

"Users will use a collection of devices, with the PC remaining one of many options, but no one device will be the primary hub. Rather, the personal cloud will take on that role. Access to the cloud and the content stored or shared in the

cloud will be managed and secured, rather than solely focusing on the device itself," says Kleynhans.

You can bet that the big vendors are all over this. Here are just two examples:

- EMC Corp. expanded its portfolio of cloud services "to accelerate the adoption, consumption, optimization, and management of cloud computing." It offers new infrastructure services, optimized applications, and end-user computing services, all branded now as "IT-as-a-Service." It doesn't stop there. A separate offering from EMC, called Webair, boosts new cloud storage services.

- IBM is right there too. On the heels of the study referenced above, it came out with SmartCloud Foundation, to "allow organizations to install, manage, configure, and automate the creation of cloud services in private, public, or hybrid environments."

Looking forward, Gartner issued a separate study outlining five cloud computing trends that will affect cloud strategy through 2015:

- Formal decision frameworks will facilitate cloud investment optimization. In other words, prospective benefits will be examined against a number of challenges, including security, transparency, concerns about performance and availability, and others.

- Hybrid cloud computing will be imperative. This refers to the coordination of external cloud computing services, public or private, and internal infrastructure or application services.

- Cloud brokerage will facilitate cloud consumption. Intermediaries will grow in importance, and current IT departments will find it advantageous to take on this role for their companies.

- Cloud-centric design will become a necessity. Applications will need to be designed with the unique characteristics, limitations, and opportunities posed by the cloud.

- Cloud computing will influence future data center and operational models. This will be necessary to increase agility and efficiency.

Perhaps IBM's Berman sums it up best: "Cloud has the power to open doors to more efficient, responsive, and innovative ways of doing business, and we believe the companies that will come out on top will be the ones that find ways to leverage it as a key point of differentiation in driving business value. Whether they choose to tap cloud to optimize, innovate, or even disrupt their business models, they need to start working on it now."

Sources used in this article include:

DigitalMailer Launches My Virtual StrongBox

Intact Investment Management Modernizes and Enhances System through Expanded Relationship with Eagle

PFM Leader Yodlee Announces Yodley MoneyMovement Transactional Platform

2012 Microsoft/Edge Strategies SMB Cloud Adoption Study

Gartner Outlines Five Cloud Computing Trends That Will Affect Cloud Strategy Through 2015

Gartner Says the Personal Cloud Will Replace the Personal Computer as the Center of Users' Digital Lives by 2014

IBM Addresses Next Shift in Enterprise Cloud Adoption

IBM Study: Cloud Computing to Rewrite Corporate Business Models

Independent Survey Results: How Businesses Are and Will Be Using Cloud Storage

Webair Cloud Storage Services Reach New Heights with EMC Isilon

EMC Expands Cloud Services to Accelerate the Transformation of IT Environments

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