

Is Your Future in "The Cloud"?

Virtual 'cloud' holding space is replacing hard-drive-based PC storage

By U.S. News Staff
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The barren Santa Susana Mountains loom behind InfoStreet's offices in Tarzana, California. The topic of Microsoft comes up, and CEO Siamak Farah alights like a hillside wildfire. With its free online [applications](#), Google is supplanting Microsoft as the king of desktops. This, he says, "is a paradigm shift."

Everything from spreadsheets to file storage is moving from hard-drive-based PCs to the internet's "cloud," a virtual storage space and software holding tank. What's in the cloud so far? Services from Google's Gmail to Amazon's Elastic Compute Cloud, or EC2, rental [servers](#) to Info-Street's own StreetSmart—to name a few. Cloud computing is booming: It's expected to reach \$10.7 billion this year. Salesforce, the leader in SaaS, has a growing customer base. IBM, Yahoo, Intel and Hewlett-Packard have all invested in cloud [technology](#). Even Microsoft has gone to the cloud with Windows Azure.

Switching to the cloud could bring you substantial savings: Serena Software reported that replacing its Microsoft Exchange service with Gmail may save it \$750,000 annually. iWidgets, which helps [websites](#) integrate with social networks, has gone completely virtual via EC2 at a savings of 75 percent. And Shipwire is connecting the cloud to brick-and-mortar retailing with hands-off storage, shipping and online-store integration for a la carte prices. "This was what the cloud was invented for," says Shipwire chief Damon Schechter. "You can turn Shipwire on without capital costs, employees, tech maintenance or any question of scaling up or down."

The cloud is not without critics. Free Software Foundation founder Richard M. Stallman argues that prices will go up as customer data gets locked in. And Matthew Porter of Contegix says, "A lot of people are being oversold on cloud computing."

But for Farah's company, which grew 25 percent last year, this is the dawn of a new tech era. "It's happening," he says. "It's already out there."

—By Dennis Romero.

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