

Entrepreneur Connect

[Sign In](#) | [Create Profile](#)

Sponsored by Sprint

Starting a Business

- Money
- Marketing
- Sales
- Advertising
- Franchises
- Biz Opportunities
- Home Based Biz
- Online Business
- Management
- Human Resources
- Technology
- Work Life

Magazine

- Current Issue
- Archives
- StartUps Magazine
- StartUps Archives
- Subscribe

Mobile Edition

Entrepreneur Assist

Subscribe to
 Entrepreneur
for under \$1 an issue

More Resources

- Business Calculators
- College Search
- Franchise Your Biz
- Columnists
- Business Forms
- Resource Centers
- Publish Your Book
- Startup Books
- Free Trade Magazines
- Classifieds
- Trade Journals
- Entrepreneur Press
- Encyclopedia
- Slideshows
- Get the Magazine

Home > Entrepreneur Magazine > May 2009 > Is Your Future in 'The Cloud'?

Is Your Future in 'The Cloud'?

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

By Dennis Romero | Entrepreneur Magazine - May 2009

Print | Email | Share | Get the Mag | Weekly Updates | [-] Text Size [+]

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."

Content Continues Below

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."

Cloud Action Plan

Here's how to make cloud computing work for you:

Turn Microsoft off.
If you can get by on Google Docs, Gmail and other free cloud services, you can save big. Serena Software says that replacing Microsoft Exchange and Outlook with webmail could pare \$750,000 from its annual budget.

Greenlight lower energy bills.
Cloud-based software solutions are greener alternatives because offices can do away with their power-sucking servers and switch to data-center-based companies like NetSuite that let customers share one [database](#), storage space and server, and offer hosted [business management software](#) suites. Says NetSuite CEO Zack Nelson, "Cloud computing is far more green than traditional ways of running applications."

Today on Entrepreneur



- [How to Practice Safe Online Banking](#)
- [10 Ways to Deny the Recession](#)
- [Time for a Company Culture Audit](#)
- [The Real Cost of Workplace Conflict](#)
- [Meet--or Exceed--Your Customers' Expectations](#)

[More Stories >](#)

Free seminar from *Entrepreneur*. Sign up now.

Current Issue



Best Business Bars

Entrepreneur's guide to the best bars for doing business across the country--and the one bar that beats them all (would you believe it's in an airport?)

[Read this issue >](#)

Magazine Resources

- [Issue Archive](#)
- [Subscribe](#)
- [Buy Back Issues](#)
- [Give a Gift](#)
- [Manage Your Subscription](#)
- [Renew Your Subscription](#)
- [Article Reprints](#)

Entrepreneur Connect



How should I market a product that everyone needs but no one knows about?

Entrepreneur Connect member Leo Vainshtein wants to know the best way to market his new product.

[Join the discussion](#)

Resource Centers



Mobile Entrepreneur

If you want to compete, you need an office that goes everywhere. We'll help get you on the go.



101 People Problems Solved

Find solutions for your most challenging personnel situations.



Web Smarts

Get tips and tactics for growing your business online.

Find Pre-Screened Vendors



- [Web Design](#)
- [Online Marketing](#)