Cloud Computing Has Its Time Come?

EVERY ONCE IN A WHILE, OLD COMPUTER IDEAS COME BACK AROUND REPACKAGED AS SOMETHING NEW AND DIFFERENT.

So it goes with cloud computing, a new term for something that – by and large – has been available for quite a few years. However, the concepts that comprise cloud computing do offer a few new wrinkles that you should be aware of, and they hold significant promise for the future of delivering club management solutions to the desktop.

Cloud computing is a general term for any mechanism that provides hosted services over the Internet. The term itself comes from network systems diagrams, which have traditionally depicted the Internet as a cloud. The not-so-new term for cloud computing is ASP, an acronym for Application Service Provider. Let's start with a brief review of ASP, and then explore how cloud computing is similar, and a bit different.

An application service provider (ASP) is a company that hosts software solutions on their remote servers, and charges a fee for allowing users to access that software and store data through an Internet connection. The software is maintained and updated by the ASP and typically user access is rented on a monthly basis. The ASP model has been available for nearly 10 years, and offers a number of potential benefits such as:

• Simplifies software updates and fixes – they're all done on the remote server

• Improves data security and recoverability – the ASP is responsible for backups and archiving of the data

• Allows access from any PC connected to the Internet – which makes access from home or on the road rather easy

• Reduces costs - by eliminating expensive servers and related backup and security gear.

However, there is a major downside to the ASP model for private clubs – the Internet connection itself. The key to a successful ASP implementation must be a highly reliable, high-speed connection between the ASP's infrastructure and the club. Thus far we have not been convinced that most internet service providers (ISPs) can deliver the kind of up time, speed and reliability that clubs have come to expect from their own, locally installed servers, on a budget that clubs can afford.

Stories abound of Internet connections being up and down for days or weeks, and all of us have suffered with sluggish Internet performance and disconnects. While other organizations with significant needs for multi-location or multi-personnel connectivity may be willing to live with these reliability issues, most private clubs have little motivation to accept the uncertainty of ASP connections.

Now to cloud computing. There are three different "flavors" of cloud computing available in the market:

1. Infrastructure-as-a-Service (IaaS) provides virtual server instances and blocks of storage on demand. In essence, the customer purchases a "slice" of a large server, stores software programs and data on that server, and accesses the solutions over the Internet. The IaaS approach could be used by a club in place of its own network servers, by

installing the club's own purchased club management software and data on a rented IaaS "slice." What makes this different from traditional ASP is the fact that the customer chooses the software and data to be stored. Plus with IaaS, the customer can purchase as much or as little storage as is needed; can adjust that storage size in a matter of minutes and never has to worry about paying for excess storage capacity or running out of storage space.

However, there is a little-known downside to IaaS, which can have serious ramifications. Since the club would be purchasing a "slice" of a system, someone else could be conducting illegal activities on another "slice" of the same system. In the event that law enforcement takes action against an illegal "slice", and impounds the systems as part of their investigation, your "slice" also goes out of commission. This could put your club's systems off line for days or weeks while you try to recover. A number of incidents of legal actions against an IaaS customer have been documented, where innocent organizations were put out of business because law enforcement agencies seized the entire IaaS environment.

2. Platform-as-a-Service (PaaS) involves the hosting of software and

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product development tools that are used by programmers to design and create software applications. Not much chance private clubs will be using PaaS.

3. Software-as-a-Service (SaaS) uses the familiar ASP model, where the vendor supplies the hardware infrastructure and the software product, stores the customer's data and allows the customer access via the Internet. There is a wide variety of SaaS offerings available to the general public from web-based email solutions to payroll and human resources suites. But still nothing from the major club software providers. Why?

Two major barriers stand in the way of SaaS adoption by private clubs – one sensible, the other groundless. The sensible barrier is one we spoke of earlier: the fact that Internet connections are not sufficiently reliable and fast enough at a cost clubs can afford. Availability of time-sensitive activities such as POS, reservations and employee time clocks just can't be left to the whim of the club's ISP. Although the relative uptime of Internet service continues to improve, it is still well below that which can be achieved with a well-maintained local area network. Clubs are not going to trust their mission critical applications to the Internet until its uptime is equal to, or better than, a locally-installed network.

The groundless barrier is the fear that clubs have of storing sensitive data off-site and accessing that data over the Internet. Never mind that the club's own security is probably as full of holes as a slice of Swiss cheese. Never mind that most of the club's members have an enormous amount of personal and financial information already spread across hundreds, if not thousands, of servers throughout the Internet. Clubs just don't trust the Internet with member information – yet.

Little by little, the mistrust that clubs have of the Internet is changing. For example, most clubs now have a web site, hosted externally. Almost all of those web sites contain a certain amount of member information. Many of them store billing account information. Some allow members to make payments online. All of these activities were unheard of less than 10 years ago in the private club industry, yet now they are becoming commonplace.

And so over time the fear surrounding online data security will go by the wayside, as more and more clubs place their trust in the Internet. Once the fear of data security evaporates, Internet reliability will stand as the final barrier to widespread adoption of cloud computing by the private club industry.

You'll know that cloud computing is on its way when smaller clubs, with limited resources to afford expensive servers and networking gear, become the early adopters of SaaS. Once we see five percent of private clubs successfully using cloud computing, the floodgates will open for the balance of the industry.

Think I'm crazy? Then think about the club managers and board presidents who, in the year 2000, were emphatic in their belief that private clubs would never adopt websites. Three years later the floodgates opened and today it's hard to find a club that doesn't have a website. So it will be with cloud computing! **BR**

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