

# **FREE REPORT:**

**“5 Critical Facts Every  
Business Owner Must Know  
Before Moving Their  
Network To The Cloud”**

**Discover What Most IT Consultants Don't  
Know Or Won't Tell You About Moving Your  
Company's Network To The Cloud**

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# A Letter From The Author:

## Why We Created This Report And Who Should Read It



From The Desk of: [YOUR NAME]  
[YOUR TITLE, YOUR COMPANY]

Dear Colleague,

When you decided to look into transitioning your computer network and operations to the cloud, you were probably met with conflicting advice, confusion and no real answers to your questions and concerns over security, cost and whether or not it's appropriate for your organization.

That's why we wrote this report. **We wanted to give CEOs a simple, straightforward guide that not only answers your questions in plain English, but also provides vital experience-based information that most IT companies don't know (or may not tell you) that could turn your migration into a big, cash-draining nightmare.**

My name is Mike Wiechmann. My organization has a live person will answer your call, or you can enter a service ticket yourself online with our streamlined service ticket system. We can log in to your PC or server remotely and resolve many issues immediately without the wait for a technician to travel to your location.

Cloud 1 Solutions has been around since 2008, a respected leader in the community and the industry. Our proudest accomplishment is the large number of long term clients who year after year put their trust in us.

We hire only seasoned, professional technicians with at least 5-10 years experience and usually many more. We provide our technicians with continuing education opportunities on a regular basis to allow them to stay current with the latest technology. We won't be sending out warm bodies to train.

Our service philosophy is proactive, not reactive. With state-of- the-art network monitoring and management, we manage your network 24/7 to identify issues and address them BEFORE they become problems, rather than putting out fires.

The simple fact is, cloud computing is NOT a good fit for every company, and if you don't get all the facts or fully understand the pros and cons, you can end up making some VERY poor and expensive decisions that you'll deeply regret later. The information in this report will arm you with

Dedicated to serving you,

Mike Wiechmann

## **About The Author**

*Mike Wiechmann is a creative strategist and implementer with 25+ years' experience working with cross-functional teams on cost-saving solutions and improved processes for global corporations. He is a versatile communicator able to collaborate with all levels, functions, departments, and with stockholders/executives. Experience spans solutions architecture, client/servers, network infrastructure, disaster recovery, security, quality assurance and project management.:*

### **EDUCATION**

#### **Master of Business Administration**

*National University, Fresno, California*

#### **Bachelor of Science in Computer Applications and Systems**

*California State University, Fresno, California*

### **PROFESSIONAL DEVELOPMENT**

ITIL, Foundation v3 certification

Executive Integral Leadership (University of Notre Dame)

Executive Leadership Program (Society for Information Management)

Advanced Leadership Program (University of California-Davis)

# 5 Critical Facts You Must Know Before Moving To The Cloud

In this report I'm going to talk about **5 very important facts you need to know before you consider cloud computing for your company**. These include:

1. The pros AND cons you need to consider before moving to the cloud.
2. Migration GOTCHAS (and how to avoid them).
3. The various types of cloud computing options you have (there are more than just one).
4. Answers to important, frequently asked questions you need to know the answers to.
5. What questions you need to ask your IT pro before letting them "sell" you on moving all or part of your network and applications to the cloud.

I've also included some actual case studies from other businesses that have moved to cloud computing, along with a sample cost-comparison chart so you can see the impact this new technology can have on your IT budget.

At the end of this report there is an invitation for you to request a **Free Cloud Readiness Assessment** to determine if cloud computing is right for your particular business. I encourage you to take advantage of this before making any decisions since we've designed it to take a hard look at the functionality and costs for you as a business and provide you with the specific information you need (not hype) to make a good decision about this new technology.

## What Is Cloud Computing?

Wikipedia defines cloud computing as "the use and access of multiple server-based computational resources via a digital network (WAN, Internet connection using the World Wide Web, etc.)."

### **But what the heck does *that* mean?**

The easiest way to not only understand what cloud computing is but also gain insight into why it's gaining in popularity is to compare it to the evolution of public utilities. For example, let's look at the evolution of electricity.

Back in the industrial age, factories had to produce their own power in order to run machines that produced the hard goods they manufactured. Be it textiles or railroad spikes, using machines gave these companies enormous competitive advantages by producing more goods with fewer workers and in less time. For many years, the production of power was every bit as important to their company's success as the skill of their workers and quality of their products.

**Unfortunately, this put factories into TWO businesses:** the business of producing their goods and the business of producing power. Then the concept of delivering power (electricity) as a utility was introduced by Thomas Edison when he developed a commercial-grade replacement for gas lighting and heating using centrally generated and distributed electricity. From there, as they say, the rest was history.

The concept of electric current being generated in central power plants and delivered to factories as a utility caught on fast. This meant manufacturers no longer had to be in the business of producing their own power with enormous and expensive water wheels. **In fact, in a very short period of time, it became a competitive necessity for factories to take advantage of the lower-cost option being offered by public utilities.** Almost overnight, thousands of steam engines and electric generators were rendered obsolete and left to rust next to the factories they used to power.

What made this possible was a series of inventions and scientific breakthroughs – but what drove the demand was pure economics. Utility companies were able to leverage economies of scale that single manufacturing plants simply couldn't match in output or in price. In fact, the price of power dropped so significantly that it quickly became affordable for not only factories but every single household in the country.

**Today, we are in a similar transformation following a similar** course. The only difference is that instead of cheap and plentiful electricity, advancements in technology and Internet connectivity are driving down the costs of computing power. With cloud computing, businesses can pay for “computing power” like a utility without having the exorbitant costs of installing, hosting and supporting it on premise.

In fact, you are probably already experiencing the benefits of cloud computing in some way but hadn't realized it. Below are a number of cloud computing applications, also called SaaS or “software as a service,” you might be using:

- Gmail, Hotmail or other free e-mail accounts
- Facebook
- NetSuite, Salesforce
- Constant Contact, Exact Target, AWeber or other e-mail broadcasting services
- Zoomerang, SurveyMonkey and other survey tools
- LinkedIn
- Twitter
- All things Google (search, AdWords, maps, etc.)

If you think about it, almost every single application you use today can be (or already is) being put “in the cloud” where you can access it and pay for it via your browser for a monthly fee or utility pricing. You don't purchase and install software but instead access it via an Internet browser.

## **What About Office 365 And Google Apps?**

Office 365 and Google Apps are perfect examples of the cloud computing trend; for an inexpensive monthly fee, you can get full access and use of Office applications that used to cost a few hundred dollars to purchase. And, since these apps are being powered by the cloud provider, you don't need an expensive desktop with lots of power to use them – just a simple Internet connection will do on a laptop, desktop or tablet.

# Pros And Cons Of Moving To The Cloud

As you read this section, keep in mind there is no “perfect” solution. All options – be it an in-house, on-premise server or a cloud solution – have upsides and downsides that need to be evaluated on a case-by-case scenario. (Warning: Do NOT let a cloud expert tell you there is only “one way” of doing something!)

Keep in mind the best option for you may be a **hybrid solution** where some of your applications and functionality are in the cloud and some are still hosted and maintained from an in-house server. We’ll discuss more of this in a later section; however, here are the general pros and cons of cloud computing:

## Pros Of Cloud Computing:

- **Lowered IT costs.** This is probably the single most compelling reason why companies choose to move their network (all or in part) to the cloud. Not only do you save money on software licenses, but on hardware (servers and workstations) as well as on IT support and upgrades. In fact, we save our clients an average of 60% to 70% when we move some or part of their network functionality to the cloud. So if you hate constantly writing cash-flow-draining checks for IT upgrades, you’ll really want to look into cloud computing. Included in this report are examples of how we’ve done this for other clients and what the savings have been.
- **Ability to access your desktop and/or applications from anywhere and any device.** If you travel a lot, have remote workers or prefer to use an iPad while traveling and a laptop at your house, cloud computing will give you the ability to work from any of these devices.
- **Disaster recovery and backup are automated.** The server in your office is extremely vulnerable to a number of threats, including viruses, human error, hardware failure, software corruption and, of course, physical damage due to a fire, flood or other natural disaster. If your server were in the cloud and (God forbid) your office was reduced to a pile of rubble, you could purchase a new laptop and be back up and running within the same day. This would NOT be the case if you had a traditional network and were using tape drives, CDs, USB drives or other physical storage devices to back up your system.

Plus, like a public utility, cloud platforms are far more robust and secure than your average business network because they can utilize economies of scale to invest heavily into security, redundancy and failover systems, making them far less likely to go down. <<Expand here with your opinion and/or an example.>>

- **It’s faster, cheaper and easier to set up new employees.** If you have a seasonal workforce or a lot of turnover, cloud computing will not only lower your costs of setting up new accounts, but it will make it infinitely faster. *“We currently provide IT support for a local accounting firm that brings on an average of 10 extra CPAs in February through May to help process tax returns. If they had a traditional network*

*setup, they would have to purchase expensive PCs and software licenses for these temporary workers and then pay to maintain and upgrade them throughout the year. Using cloud computing, these workers use their home PCs and log in to the network securely. The CPA firm ONLY pays for those workers' licenses during the time they are using them, just like a utility. When May comes around, they no longer pay for those licenses and support. Using this model saves them approximately \$13,468 a year in hardware, software and IT services." That, of course, is a completely fictitious and made-up example, but if you have a similar case study that would drive it home nicely, include it.>>*

- **You use it without having to “own” it.** More specifically, you don't own the *responsibility* of having to install, update and maintain the infrastructure. Think of it as similar to living in a condo where someone else takes care of the building maintenance, repairing the roof and mowing the lawn, but you still have the only key to your section of the building and use of all the facilities. This is particularly attractive for companies that are new or expanding, but don't want the heavy outlay of cash for purchasing and supporting an expensive computer network.
- **It's a “greener” technology that will save on power and your electric bill.** For some smaller companies, the power savings will be too small to measure. However, for larger companies with multiple servers that are cooling a hot server room and keep their servers running 24/7/365, the savings are considerable.

## **Cons Of Cloud Computing:**

- **The Internet going down.** While you can mitigate this risk by using a commercial-grade Internet connection and maintaining a second backup connection, there is a chance you'll lose Internet connectivity, making it impossible to work.
- **Data security.** Many people don't feel comfortable having their data in some off-site location. This is a valid concern, and before you choose any cloud provider, you need to find out more information about where they are storing your data, how it's encrypted, who has access and how you can get it back. You'll find more information on this under “What To Look For When Hiring A Cloud Integrator” later on in this document.
- **Certain line-of-business applications won't work in the cloud.** For example...
- **Compliance Issues.** There are a number of laws and regulations, such as Gramm-Leach-Bliley, Sarbanes-Oxley and HIPAA, that require companies to control and protect their data and certify that they have knowledge and control over who can access the data, who sees it and how and where it is stored. In a public cloud environment, this can be a problem. Many cloud providers won't tell you specifically where your data is stored.

Most cloud providers have SAS 70 certifications, which require them to be able to describe exactly what is happening in their environment, how and where the data

comes in, what the provider does with it and what controls are in place over the access to and processing of the data; but as the business owner, it's YOUR neck on the line if the data is compromised, so it's important that you ask for some type of validation that they are meeting the various compliance regulations on an ongoing basis.

## **Migration Gotchas! What You Need To Know About Transitioning To A Cloud-Based Network**

When done right, a migration to Office 365 or another cloud solution should be like any other migration. There's planning that needs to be done, prerequisites that have to be determined and the inevitable "quirks" that need to be ironed out once you make the move.

Every company has its own unique environment, so it's practically impossible to try and plan for every potential pitfall; however, here are some BIG things you want to ask your IT consultant about BEFORE making the leap.

**Downtime.** Some organizations cannot afford ANY downtime, while others can do without their network for a day or two. Make sure you communicate YOUR specific needs regarding downtime and make sure your IT provider has a solid plan to prevent extended downtime.

**Painfully Slow Performance.** Ask your IT consultant if there's any way you can run your network in a test environment before making the full migration. Imagine how frustrated you would be if you migrate your network and discover everything is running so slow you can barely work! Again, every environment is slightly different, so it's best to test before you transition.

**3<sup>rd</sup>-Party Applications.** If your organization has plug-ins to Exchange for faxing, voice mail or integration into another application, make sure you test to see if it will still work in the new environment.

## **Cloud Versus A Traditional Network: A Comparison Of Costs**

As we said earlier, each client has a unique set of circumstances and needs that will factor into the cost savings and benefits. But in order to give you an idea of what you can save when moving your network to the cloud, we've put together a sample business scenario we commonly find, and the savings obtained with cloud computing.

Please note we've shown this over a three-year period since that is the normal span of time when all workstations and servers need to be replaced and software upgraded; and to account for the fact that you don't have to purchase new hardware as often (which is a huge cost savings when moving to the cloud), we need to show this over a three-year period to show the true and full cost savings.