

LESSON 23: Business Performance

Leveraging Cloud Based Services

For many years your personal computer required that each program you needed to use be loaded onto the computer, making it accessible only by that individual user. In the 1990s the internet started to allow computer users to access other information and ultimately other programs.

But at that stage in development the internet was so slow and unreliable that it made the opportunities to use cloud-based services very limited. In 2006, however, Google founder Eric Schmidt and others reportedly began referring to “cloud services.”

If you are wondering what is meant by cloud services, consider Gmail. If you have a Gmail account you are accessing that account through the internet, not a program hosted on your PC. This is a cloud-based service. You will also see the software created for the cloud often referenced as SaaS which means “software as a service.”

This lesson is designed to help you not only learn how to better use cloud-based services to make your organization more effective, but to also leverage them to enhance your business model. There are unique and creative ways that cloud based services can be leveraged that may enhance your business.

The advantages of cloud-based services include:

The Advantages of Cloud-Based Services Include:

1. **Cost** – The cost of developing the software is spread across many users rather than a few
2. **Accessibility** – The internet allows you to access your data anywhere in the world from any device

3. **Recovery** – Cloud services typically back up all data on a regular basis allowing you to have backups easily available if you have problems with your computer
4. **Syncing** – Once you make changes to a cloud document those changes can be made instantly and accessible by all other users
5. **Increased Security** – The increased security of cloud data is more affordable and easier to manage than on multiple computers

The Disadvantages Include:

1. **Dependent upon Internet Connection** – If the internet goes down or is slow it dramatically impacts you're ability to access cloud-based data
2. **Customer Support** – Support for cloud-based services have historically been poor
3. **Privacy Issues** – Once you access anything on the internet it puts your information and data at more risk than if it's only hosted on your own personal computer
4. **Hard Drives** – Although it's believed that the cloud will limit the amount of hard data that you will have to store on your own computer, the reality is that with access to the world of data through the internet, the amount of hard drive space needed and being used has exploded

According to a Harvard Business Review article in 2018 cloud computing has seen massive growth with less than .5% of firms having adopted cloud computing in 2010, growing to 7% by 2016. In addition, their research discovered that small businesses, especially the very smallest firms, have been more apt to adopt cloud computing services than larger firms. Firms with less than 25 employees have adoption rates of 10-15% on average.

Small Businesses are Utilizing Cloud Services Faster than Larger Businesses Because:

- It provides them opportunity to compete with bigger firms
- It provides access to artificial intelligence otherwise unaffordable
- It leverages their budget

Considerations Before Buying

Although many cloud-based software programs have a small monthly fee and you can cancel relatively easy there are still several factors you should consider before signing up.

1. **Ease of use** – If you desire your staff to all use the new service you must assure that it is easy to use, even for those who are not very technically savvy.
2. **Training needed** – You will need to consider who is going to train your staff on the service and assure that each person is trained well enough to assure success. You need to factor the time and expense into your decision.

3. **Software adaptability** – One of the downsides of using cloud-based software is that it is basically off the shelf software with limited ability to adapt it to your needs. If it is important for you to be able to modify the software assure that it has a robust API, this means the ability to make changes. It will still typically require a skilled technical expert to modify online software.
4. **Customer support** – Unfortunately, many software providers only provide email support. When the software has problems, many will not accept phone calls. You will be totally dependent upon how quickly they choose to respond to your email. This also causes for communication gaps that can be extremely frustrating.
5. **Exit strategy** – You will be turning over your important data to the software provider. If you find that their service isn't working out and you desire to leave you may have trouble retrieving your data. Make sure they have provisions for easily obtaining access to of your data upon exit.

Ways Cloud Services Can Help Your Business

There are two primary ways you should consider leveraging cloud-based services to enhance your business.

First: Identify and leverage specific cloud-based software services

There are so many productivity tools now available in the cloud that you are likely using some of the common ones. But even among the most popular it is likely that you are unfamiliar with all that may be available to you. Here's a list of the top 10 cloud-based services according to datamation.com and links for you to learn more.

- [Office 365](#)
- [Salesforce](#)
- [G Suite](#)
- [Dropbox](#)
- [Adobe Creative Cloud](#)
- [Github](#)
- [WordPress](#)
- [Slack](#)
- [Box](#)

- [Intuit](#)

If you have challenges in your business that you suspect could be handled by technology, remember to do a Google search and look for apps that handle that kind of problem. It's likely you will find something helpful.

DISCUSSION QUESTIONS

1. What cloud-based services have been helpful to your business? What benefits did you derive?

2. What frustrations have you had with cloud-based services in the past?

3. What processes or needs do you have in your business that might be filled by a cloud-based service?

4. How do you feel about trusting an outside online provider with your data? How might you mitigate some of your privacy and security risks?

5. What steps might you take to leverage cloud-based services in a way that improves your productivity or collaborative efforts?

Second: Consider developing cloud-based services as an additional product offering and revenue generator

Scott had a consulting practice that had been successfully serving the safety needs of many individual organizations, but he was feeling that his knowledge and experience could benefit so many more organizations. He had limited ability, however, to consult with each one since it was just him and a contract administrative helper.

That's when he determined that maybe there was a way to develop a cloud-based service. He took the content that he typically used to train employees and began developing video training content. He then established a cloud-based service that people could subscribe to without him having to be present. Today Scott has 15 staff members to handle his flourishing business model.

If you have experience and knowledge that could help far more people than your current client base, a cloud-based service may be beneficial for your business as well.

DISCUSSION QUESTIONS

- 1. Consider your current business model. Could it be leveraged by developing a cloud-based service?

- 2. How do you feel about the possibility of developing a cloud-based service?

- 3. If you developed a cloud-based service what would be the possible benefits? The possible disadvantages?

- 4. What hurdles would you first need to overcome to begin developing a cloud-based service?

5. What steps do you intend to take to determine how to better leverage cloud-based services for the benefit of your business?
