What Is Cloud Computing, and What Drives Organizations to Implement It?

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The digital economy has made it more important than ever for companies to be flexible and responsible. Simply put, today's impatient and demanding consumers just aren't going to wait for organizations to catch up — but hey, you already knew that.

What you may still be trying to figure out is how to adapt technology to improve your business without completely blowing your budget. It's a dilemma faced by the largest enterprises and the smallest businesses, and for many, the answer has been found through cloud computing.

What Is Cloud Computing?

In the past, organizations have typically kept IT equipment such as servers and phone systems on-premises. Cloud computing is a technology that enables organizations to move their business phone systems and services, customer relationship management, IT processes, back-end services, and data storage to a remote, hosted location accessed through the internet. This technology offers many benefits to businesses, allowing them to do the following:

- Reduce operating expenses related to in-house IT and phone equipment (such as power and cooling costs, IT staff maintenance, and replacement parts) and avoid capital expenditures

- Make it easier for customers and employees to access data and back-end services

- Increase collaboration among employees and with partners

- Free up IT to work on projects that support business goals

- Develop and deploy apps faster

- Scale services to meet demands

With so many obvious benefits, why aren't all businesses in the cloud? Well, many already are, and even more are migrating to cloud deployments every day. However, as compelling as the case for cloud computing is, migrating critical IT functions and data to the cloud is understandably a pretty big step for many organizations. In many cases, it typically requires some type of trigger or prompt to motivate business and IT leaders to take action.

The following are six of the most common triggers that launch businesses into the cloud:

1. Hitting the Growth Wall

Businesses that keep their IT in-house are often restricted by their limited infrastructures. However, many of these organizations — particularly small and midsize businesses — can't afford to buy new servers or expand their data centers. As customer volume increases, these companies can't handle the growth. For sharp business decision-makers, rising levels of dissatisfied customers, lost revenue, and brand damage are a strong hint that it might be time to research business cloud services.

2. Data Overload

The digital era has resulted in an exponential increase in data — and there's gold in them thar hills. There are also a lot of rocks and dirt, but that's okay if you store everything and analyze it to sift out the golden nuggets of insights. The problem is that the amount of data available is rapidly growing from the proliferation of mobile devices, apps, the Internet of Things, and the regular old internet, and it's becoming increasingly expensive to store in-house. And, without the right tools, you might never know whether you're using your limited space to store rocks or gold. When the costs of data management exceed the benefits of collecting and analyzing that data, that's a trigger to look to the cloud.

3. Pressure to Keep Up with the Competition

Nothing can inspire your epiphany about the wonders of the cloud more than watching an agile and flexible competitor swoop in to steal your business. In the digital economy, you snooze, you lose.

4. A Need to Save Money

Saving money is great anytime, obviously, but it's especially important when there are clearly areas in which costs can be easily reduced. Many businesses find that migrating from premises-based PBX infrastructure to a cloud phone provider enables them to tap into a robust, multimillion-dollar scalable cloud infrastructure that they couldn't afford to build themselves. If you crunch the numbers and determine that moving to the cloud will reduce operating expenses, overhead, and other budget drains, the decision becomes easy.

5. A Desire to Simplify IT

Running a large enterprise's IT operations is a complex and draining job. So is running a small business. When IT operations and services can be off-loaded to a cloud provider, it allows CIOs and entrepreneurs to focus their time and effort on meeting the goals of the business, not monitoring their servers, managing a closet full of wires, or troubleshooting system problems.

6. A Need to Modernize Communications

An outdated communications platform can affect all of the above by making collaboration more difficult, inhibiting productivity, creating problems for IT, and costing far more to run than it should. Rather than scrapping their older communications systems for expensive replacements, many organizations are turning to Voice over Internet Protocol, a cloud-based platform that dramatically reduces phone costs and includes numerous free call features such as voicemail, conferencing, and caller ID. When productivity seems to be stalling and disjointed communication is to blame, it's worth it for organizations to investigate a new cloud-based system.

So, what is cloud computing? It's what your business should be looking at now in order to stay in shape.

Speak to a Vonage consultant to move your business communications to the cloud.