



## In the Cloud? Make Sure to Keep Your Feet on the Ground

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It wasn't supposed to be this clear. Our prospect was a healthcare provider, and in the past companies like this always bought their business management systems and paid VARs like us to install it on their server, set it up and train them how to use it. This company didn't have a server.

It seemed it would suit them fine if they didn't have to buy a server or hire someone to handle the whole infrastructure. This was a startup, a hospice provider with big plans for growth, funded by investors whose top priority was financials. They needed reporting flexible enough to slice and dice information by company, area, location and more. Their office space was temporary, cash flow had to be managed, and most employees worked remotely.

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**THOSE WHO THINK IT MIGHT JUST BE A FAD ARE OVERLOOKING THAT MOST OF US ALREADY HAVE A FOOT IN THE CLOUD IF WE ACCESS GMAIL, LINKEDIN, FACEBOOK, EVITE, FLICKR, GOOGLE DOCS, REMOTE BACKUPS OR A HOST OF ENTERTAINMENT OPTIONS.**

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They wanted to be live January 1 with a system that could consolidate their companies, account for partial ownership percentages, grow with their needs and closely monitor their personnel investments in

the company. The solution also had to be robust enough to deliver on all the pieces startups try to handle, without a lot of overhead. It had "cloud" written all over it. We had the ERP system that fit their needs and the flexibility to offer options for "deployment" and investment including working in the "cloud." The company agreed: They chose to "rent" their ERP software for a flat monthly fee, which also included all the latest versions of Microsoft Windows, Office, SQL and SharePoint. The software would be hosted offsite by a company with the resources and redundancies to protect their data. The hosting company maintains the server, and it is both accessible and secure. And the client still got the benefit of our expertise for set up and training and ongoing consulting.

This example of a clear cut path to hosting software in the "cloud" is not to suggest that a tsunami of Software as a Service (SaaS) will overwhelm us in the New Year. It is, however, another sign that we will continue to see waves of this in 2011. And it's fine, because we now have more "deployment" choices to meet different business needs.

Our sales effort with the hospice startup was in stark contrast to our efforts at the same time with a distributor of pumps. They had a relatively new server in house and ran all their business from one location. They were an established company with IT resources and cash in the bank for the investment. For them,

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the traditional on-premise solution where they “buy” the software, install it on the server at their office and run it over their internal network was the right option.

Then there was the mortgage company, a longtime client looking to cut their overhead costs as they faced new realities of their industry. They owned their servers, still liked the idea of owning their software, but were anxious to reduce their IT staff. It was the on-premise deployment that was fueling their discussions, and in the end they opted to move their server to a hosting site and have the service provider take responsibility for their servers. We’re still there to support their ERP system, and the hosting gives us the same accessibility as before.

Based on the activity of the last quarter of 2010, it is clear that our offering of expanded “deployment” options is growing and maturing. That means greater opportunities for those who are open to the variety of tools available to meet changing business demands.

Industry buzz about cloud computing (also referred to as SaaS, Software plus Services and Hosting) reflects the growing interest and greater acceptance of “deploying” software over the Internet. Those who think it might just be a fad are overlooking that most of us already have a foot in the cloud if we access Gmail, LinkedIn, Facebook, Evite, Flickr, Google docs, remote backups or a host of entertainment options.

In the end, we need to remain focused on the needs of the client with a sharper focus on their business systems. Different industries, company sizes, company physical locations, cash positions, growth needs, internal skills and more help define what is best for the circumstances at hand. Once the fit is established, it is then time to talk about how best to

deploy it. So as you talk with prospects and clients, expand your questions to take deployment into account. Consider the following:

- ✓ What computer infrastructure do you own? What IT resources are in-house or easily available?
- ✓ What are your security and industry compliance requirements?
- ✓ How important is “owning” your software? Would cash flow be helped by monthly payments through a rental or lease model? How do you budget for internal systems and support?
- ✓ Does your user count fluctuate?
- ✓ How critical is your need for backup availability and retention? Remember you want to keep backups beyond the last few weeks. We recommend daily backups and rotate out weekly, monthly and annual backups.
- ✓ Know what is important to the operation of the business and set priorities. Make sure you are clear and that your team is in agreement.
- ✓ Don’t go solo. Be sure you have expertise (on staff or outside) to guide you in order to get the most out of a new system, regardless of deployment methods.
- ✓ Be sure management is behind any change. This lets the team know what is important to the business and what is critical to a successful implementation and adoption.

Sure, some things change in a new year. Business fundamentals still matter. For some, it may be fine to deploy in the cloud. We just need to keep our feet on the ground and remember that sound fundamentals never change.

Happy New Year! ■

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