
Cisco report says security hampering cloud adoption for larger players, but smaller players in telecom may find its SaaS application too compelling to ignore.

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Cisco completed its Connected World study this week (http://newsroom.cisco.com/dlls/2010/ts_101910.html?CMP=AF17154&vs_f=News@Cisco:+Latest+Security+News&vs_p=News@Cisco:+Latest+Security+News&vs_k=1), and found that IT departments are moving toward cloud services but finding it to be a "security nightmare that can't be handled in traditional ways," as stated by Cisco CEO John Chambers during a keynote address at RSA's Security Conference this week in San Francisco.

In North America, many IT heads in larger companies do not want give up control of sensitive data to an enormous cloud-based computing architecture into which they have poor visibility. Many believe it might just be cheaper in the long run to buy hardware for big, long-term projects.

That may resonate with what is being seen in the telecom industry, where cloud is being looked at by smaller service providers or by large providers for smaller implementations.

"In our space, people talk about cloud in a SaaS context, as it's more convenient for smaller telcos to avoid the large up-front costs of infrastructure. The pay-as-you-go model means they can also get upgrades for free," said Nava Levy, vice president, SaaS and cloud computing at cVidya.

The upgrades are particularly important, as typical deployments require upgrades every three or four years.

In communications, the elastic infrastructure can reduce costs for smaller service providers, which want access to best-of-breed and COTS capabilities for OSS/BSS, but at a smaller price. "If you have a smaller CSP processing about 3 million CDRs a day, then commodity hardware versus powerful hardware is a better option, as they can then pay to use someone else's robust equipment for 24 hours a month, rather than having their own less-robust equipment working intensively every day of the month. And with Web-based multi-tenant applications, you can have several customers using one instance of hardware."

For some service providers, though renting out infrastructure to someone like an Amazon is expensive, it is still cheaper than doing it with an internal data center. "The move to SaaS and cloud will be driven by business folks who want to bypass IT, which holds them up sometimes. And for IT, in areas that are not super-mission-critical, they are happy to offload activity to providers they can trust," added Levy. "Service providers, especially the smaller ones, have limited IT resources and also a limit on people with domain expertise; they have to focus on strategic things, and want to farm out things that others can readily do."

She warns that companies go beyond using cloud as a business model for pricing, but one that should be about reducing costs. "Pay-per-use is a beginning, but they should be focused on how to deliver best-in-class software at a reduced cost."

It will be interesting to see if the Cisco report predictions apply to the telecom industry. Out of respondents in that study who are deploying cloud (52%), only 18% are actually using it; and 34% are in the "plan to use" phase.

For the original article: http://connectedplanetonline.com/bss_oss/news/Cisco-report-says-security-hampering-cloud-adoption-for-larger-players-1210/index.html