Public, Private or Hybrid cloud

Which is right for your professional service firm?

An Oosha Guide

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Despite some early apprehension from certain sectors, it's now widely accepted that business is better in the Cloud.

Thanks to proven productivity benefits, superior security and greater scalability, the rise of Cloud computing has been meteoric in recent years - and it's estimated that 88% of UK businesses now utilise the Cloud in some way. (Source: cloudindustryforum.org)

Among those leading the charge to the Cloud is the professional services sector - accountants, legal firms and financial services companies who continue to flock to hosted IT platforms in order to meet the needs of a rapidly changing industry.

Back in 2014, IDC (Internal Data Corporation) figures identified just 24% of professional service firms as Cloud adopters. It's fair to say that times have changed.

For many professional services firms, the question is therefore no longer one of embracing the Cloud or not. Rather, it's about which type of Cloud solution will serve the business most effectively.

Chapter 1

Why professional service firms are moving their IT systems to the Cloud

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The legal and accounting sectors represent some of the oldest professions in the world - but in the face of digital disruption, most firms now realise they must move with the times.

Indeed, as Cloud-based, on-demand services become the norm across the industry, businesses still operating traditional on-premise IT infrastructure (whereby all your servers, networks, programmes and data resides under your own roof) face the prospect of being left behind.

Adoption of the Cloud isn't just about following the herd though. There are some very tangible reasons to make the move...

Anytime, anywhere access - Remote working can have huge productivity benefits for professional firms, but it relies on staff having access to software and data on the move. On-premise solutions often restrict work to the office, whereas Cloud IT allows users to log-in from any location, be it the courtroom, a coffee shop, or from home - supporting the increasing number of professional service firms opting for more flexible working practices.

Improved performance - Some traditional firms persist with older systems in order to avoid the perceived learning curve associated with new IT solutions. Yet familiarity can breed contempt - and your old faithful systems will eventually become slow and buggy, leading to frustration for users and a drop in productivity.

Attracting a millennial workforce - It's also true that the sluggish, outdated systems of old will do nothing to attract the new wave of Millennial and Gen Z employees looking for work in the professional services sector. And, given that by 2020, 35% of the entire global workforce will be made up of millennials, the pressure to modernise is only going to get greater (Source: businessleader.co.uk).

Less downtime - Gartner estimates that for large organisations, the average cost of IT downtime is $5,600 (£4,500) per minute. Given the nature of professional services, where clients are demanding,

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deadlines unforgiving and billing is typically by the hour, that might even be a conservative estimate. Cloud solutions can be the key to keeping your business 'switched on' 100% of the time, with built-in redundancy ensuring a failure in one part of the network won't bring the solution crashing down.

Lower capital expenditure - With Cloud IT, you don't have to purchase or maintain expensive hardware, or shell out for the latest software upgrade. As Cloud solutions are typically paid for via a contract model, you'll always be able to manage and monitor your outlay - never worrying about large one-off costs like replacing outdated equipment.

Better data security - Maintaining in-house servers means keeping all your business and customer data on premise too - and that leaves your data vulnerable to fire, theft or flood. In the age of GDPR, where punishments for data loss can be severe, hosting your data with secure Cloud providers can therefore be preferable. This is particularly true for legal and accounting firms who deal with highly sensitive customer data on a daily basis. A data breach in this sector means more than a fine - it could lead to irreparable reputational damage.

Scalability to support growth - The ability to scale your IT infrastructure quickly and affordably can play a key role in the growth of your business. With on-premise solutions it can be difficult to scale up without incurring significant cost - but the Cloud makes it easy to add new users at any time.

Above are just some of the reasons why migration to the Cloud has been so embraced by the professional services industry - and firms are reaping the benefits.

But to get the very most out of your move, you need to find the right kind of Cloud solution for your unique circumstances.

Next we'll look at the three core types of Cloud environment, starting with the public Cloud...

Chapter 2

Comparing cloud solutions:

Which is right for your professional service firm?

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Public Cloud

If you've ever used Gmail, Dropbox, Office 365 or Google Docs, you've interacted with the public Cloud. All these are services hosted online, accessible to everyone - with no need for you to install software on your own machine, or maintain your own servers.

Instead, the Cloud resources are owned and operated by the third-party provider, and delivered to you via the internet. Your emails and documents are effectively sharing space in the Cloud with millions of others - but protected by private passwords and other authentication methods.

It's effectively the same story when you host your whole IT infrastructure in a public Cloud. IaaS (Infrastructure-as-a-service) providers like Microsoft Azure, Google Cloud and Amazon Web Services give users shared, Cloud-based alternatives to on-premise infrastructure, helping businesses save on expensive on-site resources.

According to Raconteur, the public Cloud is currently utilised by around 22% of professional service firms.

Pros of public Cloud

Near-infinite scalability: The public Cloud offers resources on demand, with the capability to quickly scale usage up or down to meet unpredictable workloads. So, when end-of-year accounts stack up - or you've got a big caseload - the performance of your IT platform won't let you down.

No maintenance: The service provider is responsible for managing and maintaining the system, reducing the requirement for in-house IT expertise.

Low-cost: Services are billed through subscription or pay-as-you-go pricing, with little to no upfront investment required. However, the larger the number of users, the greater savings that can be attained - meaning the biggest professional service firms will likely get the best deal.

High reliability: Top-tier providers operate a vast network of servers to ensure continued service availability - supported by a near-constant team of engineers, working around the clock to ensure almost 100% uptime.

Cons of public Cloud

Data location: When you use the public Cloud, data you input or upload is being held on the provider's server - and it's not always clear where that hardware might be located. If it's outside of the EU, you may be in contravention of the GDPR, while the data storage methods may not meet regulatory compliance. Your clients face their own regulatory challenges too, and are likely to be asking you the same questions.

Control & customisation: A public Cloud operates something of a 'one size fits all' model, with services rarely able to be adapted to meet your own requirements, and standardised service level agreements which are typically non-negotiable.

You'll have no control over the update process either - a service could go down for maintenance right when you need it most.

Customer service: Large-scale public Cloud providers can have tens of thousands of users, so expect a less responsive personal service, especially if you're one of their smaller customers.

Public Cloud platforms are best for:

Larger professional services firms (350+ users) who can leverage economies of scale to maximise savings.

However, due to the sensitivity of legal and accounting data, most professional service

firms should seek to integrate Public Cloud platforms with Private Cloud capabilities, to gain the benefits of the Public Cloud without compromising on compliance.

Is Windows Virtual Desktop a game-changer?

VDI (Virtual Desktop Interface) - whereby a fully formed Windows 10 desktop is delivered directly to the user via the cloud - has been a particularly popular use of the cloud amongst professional service firms. And it's no surprise why - VDI cloud desktops offer the mobility, security and performance needed to run a modern firm effectively. Even more so than the more traditional RDS (Remote Desktop Services) cloud desktop model - which is increasingly being seen as a less effective approach.

Currently however, for all but the largest firms, delivering a VDI cloud desktop via the public cloud has proved costly and often complex - with most firms utilising the public cloud via a "fat client", infrastructure-as-a-service type model instead.

But change is on the horizon. With the forthcoming release of Windows Virtual Desktop, delivering a cloud desktop via the public cloud may become a whole lot more cost-effective, allowing smaller professional service firms to reap the benefits of public cloud too. Although it's not here yet, with an estimated release date of January 2020, for small to mid-size professional service firms considering the cloud it's very much a case of "watch this space".

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Private Cloud

Private Cloud solutions are hosted on private infrastructure, dedicated to a single organisation.

A private Cloud can be located at your own data centre, or hosted by a third-party service provider. In either case, the computing resources are isolated for the exclusive use of your business, not shared with any other 'tenants' as they would be in the Public Cloud.

This added privacy makes private solutions popular with firms working with confidential or sensitive data - which of course most professional service firms are.

Pros of Private Cloud

Same scalability benefits - In comparison with on-premise solutions, Private Cloud offers many of the same benefits offered by the Public Cloud, including scalability and availability.

Greater customisation options – With direct control over your own dedicated environment, you can customise the solution to meet your own needs, installing your own applications to build around legacy infrastructure.

Improved security – Private Cloud resources aren't shared with anyone else, affording you greater levels of control and security.

Better data control - Control over your own private network means you'll always know exactly where your data is stored, ideal for compliance with today's ever-tightening data privacy laws.

Cons of Private Cloud

Resource limitations - Although still highly scalable, a private data centre will always be smaller than a public one. Increasing resource in a Private Cloud setting isn't just a case of clicking a button like it is with Public Cloud.

Varied service standards - While Private Clouds typically deliver similar levels of uptime to their Public counterparts, service levels can vary between providers. The most credible MSP's have sizable, well-trained teams dedicated to maintaining their network, but not all providers can make the same guarantees.

Private Cloud solutions are best for:

Firms who value security over all else, and appreciate the reassurance of knowing where their data is stored.

A Private Cloud solution may also be the most cost-effective for smaller firms (below 350 users), as the Public Cloud's economies of scale can't be achieved.

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Hybrid Cloud

A hybrid Cloud environment is a mix of public and private Cloud solutions, allowing data and applications to be shared between the two for maximum flexibility. Often a hybrid solution is also blended with on-premise infrastructure.

Perhaps unsurprisingly, with many firms in a state of transition to the Cloud, this type of environment accounted for the majority (58%) of professional service organisations in 2019 (source: Raconteur).

With a hybrid solution in place, firms can use predominantly private Cloud environments, with public Cloud resources integrated as an overflow facility. Ideal for accommodating occasional spikes in IT workload, it also means organisations can benefit from the ease and access of the public Cloud, while retaining business-critical applications and sensitive data in a more secure private environment.

Pros of hybrid Cloud

Best of both worlds - Hybrid solutions leverage the scalability and flexibility benefits of the public Cloud, without compromising on security or control.

Cost-effective scaling - Allows firms to negotiate short-term spikes in demand (and free up local, private resources for sensitive data), without further significant CapEx. Better to pay for additional Cloud services temporarily than to invest in a private Cloud solution that might lay unused once workloads subside.

Ultimate flexibility - You'll have full control over which elements of your IT utilise the public Cloud, and which are maintained on private networks. This gives you the ability to customise a Cloud computing approach that fits your firm's specific requirements.

Integrated environment - The integration of public and private Clouds makes for a simplified, joined-up user experience, despite the multiple technologies in play.

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Cons of hybrid Cloud

More complex infrastructure - While applications remain simple to use, the underlying infrastructure can become complex to manage. An in-house IT team would be beneficial, though maintenance and management can be outsourced to a specialist IT partner.

Management costs - Given the extra level of complexity, the cost of hybrid Cloud management may equate to higher overall costs than a purely private landscape.

Latency issues - Due to the constant transferring of data between public and private Clouds, hybrid environments may not always be the best solution for applications that are latency-sensitive (applications highly reliant on real-time data transfer, such as VOIP)

Hybrid Cloud Solutions are best for:

The vast majority of professional services firms - as a Hybrid landscape can be customised to suit a vast array of requirements.

With the data security benefits of a Private Cloud, plus the flexibility and scalability of the Public Cloud, it's a best-of-both worlds scenario that law firms and accountants can turn to their advantage.

Summary

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In the face of unrelenting digital disruption, professional service firms continue to move their operations to the Cloud - well aware that the pain of change is far less than the pain of staying the same.

The question of Cloud vs on-premise has seemingly therefore been answered for most. Now, the question is simply which kind of Cloud solution will best support the business in its quest for growth.

For every organisation, the decision between public, private and hybrid Cloud solutions will be different, based on a vast array of factors including (but not limited to) the size of the firm, its operational structure, the nature of business, the IT infrastructure already in place and, of course, the budget available.

For professional services firms, compliance obligations and data security requirements also evidently play a key role in the decision.

Ultimately though, whichever kind of solution is deployed, it's vital that the design is right for the firm. A poorly designed solution would betray even the best of decisions, so whether you're leveraging a public, private or hybrid Cloud environment - it must be tailored to your business to deliver optimal performance.

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About Oosha

Oosha is a managed IT and cloud desktop provider, specialising in the legal and accounting sectors. As such, our service is underpinned by the highest levels of security and preventative processes, in accordance with Cyber Essentials, ISO27001, ISO9001 and ITIL standards.

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