

I've looked at Clouds From Both Sides Now

By Mike Grandinetti

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Cloud Computing. Pie in the “Sky” or does it really represent “The Future” of IT? Long term, certainly. In the short term - yes and no. It depends on whose viewpoint you take. In this specific instance, many small and mid-size enterprises have been the early adopters. It fits precisely the manner – and velocity - that many SMEs want to purchase products and services going forward. At the same time, cloud computing does not yet meet the rigorous criteria of enterprise IT and has yet to be supported by most major corporate IT vendors.

Of course, there is always room for innovators to address market gaps. Cloud computing is a textbook example of a disruptive technology. The service offerings from Amazon – known as EC2 and S3 - are widely consumed, despite the fact that the uptime challenges and poor customer support have been very well- documented. Regardless, SMEs have simply found the operational and economic benefits of “Cloud” – or “Utility” computing far too compelling to wait to take advantage of. It turns out that Virtualization vendors have had an early window into this exciting market, as many of their customers are pioneering the delivery of this new approach, including XCalibre in the UK and several in North America and APAC. They focus on the goal of delivering a higher, more attentive level of service at a local and regional level.

First, some basics. What is cloud computing? In essence, analogous to an electrical or water “utility”, cloud computing platforms offer compute and storage resources simply by “plugging” into the network through an extremely simple interface. The IT industry has dreamed of “on demand” computing for what seems like an eternity – and have experienced many false starts and unwarranted hyperbole. In fact, a very prescient Eric Schmidt, former CTO of Sun, and now the highly visible CEO of Google, said as far back as 1993, “ when the network becomes as fast as the processor, the computer hollows out and spreads across the network. “ The relentless onslaught of Moore’s law and Cal Tech legend Carver Mead’s famous corollary from 40 years ago that the price of transistors would be reduced by 50% every 18 months was dead on. It has led to powerful dual

socket, quad processor servers at commodity prices. Combined with the widespread adoption of server virtualization and open source operating systems, it has led us to the point where Cloud Computing is in fact quite real today.

The positive implications of on - demand application delivery models are widespread – think of well known market juggernauts like Salesforce.com, Yahoo Mail, Facebook and Google Apps, as well as emerging virtualization vendor Virtual Iron’s customers like Hobsons EMT, the leader in the university SaaS space, with renowned customers like MIT, Harvard, U Cal Berkeley and Queens College .

Over the next few posts, I will specifically address how our hosted service provider customers are delivering “adaptive” IT server computing infrastructure to their own end user clients at “Internet Speed”, delivering a viable alternative to Amazon EC2 in their local markets. In each case, the ability to leverage Virtual Iron’s capabilities is a core foundational component to enabling new business models and revenue streams for our customers and in turn, innovative and superior service levels for their own customers. Make no mistake - these are very demanding and technically sophisticated customers, who fully evaluated all of their options, including the free open source version of Xen, as well as commercial offerings from VMware ESX and others, before selecting their provider of choice for their cloud computing infrastructure. In turn, they are delivering services to their own extremely demanding clients.

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