

## The Truth about the Cloud



Smart Hotel Software offers a cloud based solution. The purpose of this document is to show some of popular misconceptions about “The Cloud” so you can make an informed decision.

### There is lots of hype about “The Cloud”

- The CLOUD is the future.
- If you are not on the CLOUD, you are dead.
- ¼ of all people were born on the cloud.
- Get with it or get out.
- New businesses only know the cloud
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### What is “The Cloud”

The Cloud is the internet. It means your programs (software) and your data are stored on a server located somewhere else. Your data is somewhere else not on your computer.

The term “The Cloud” is often confused with the SaaS (Software as a Service) pricing model, which is simply monthly pricing.

The Cloud is the internet, SaaS is monthly pricing.

### Software Delivery

There are various ways to use or deploy cloud based software.

- **Browser based.** Programs run inside Internet Explorer, Safari, Chrome, Firefox (or whatever Internet Browser you use) – big problems with different browsers. The software is usually limited to some but not all browsers because it behaves poorly on other browsers. Smart Hotel Software uses this method for internet reservations and other custom internet portals. Simple applications will run on all browsers, but applications with a rich user interface have the most problems.
- **RDP (Remote Desktop) or TS (Terminal Services) or CS (Citrix Services)** to remote server. Runs the desktop version of the software on the server and you “see” the programs on your computer. This is the most stable and secure configuration for remote access. Smart Hotel Software uses this method for its cloud version. Suitable for an application with a rich user interface.
- **Mobile App** – like smart phone email – very portable – very platform specific. For example menus are visible on an iPhone but not an Android, where a separate menu button must be pressed. An “App” is different than a browser based program. It runs directly on the mobile device rather than through the internet browser. A mobile device can open an internet browser and run option 1 (browser based) and a mobile device can use RDP like option 2.
- **Proprietary interface** – where the software or hardware maker has developed a custom method to connect.

Watches / Car screens / other mobile devices will use one of the above methods.

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## Pricing Models

There are various “models” for pricing depending on how much you want to pay up front (at the start of the project) and how much you want to pay per month or per year.

- Large upfront and small annual. Traditional pricing. Usually cheaper in the long run.
- Everything monthly. Typical SaaS pricing.
- Some upfront (usually services), most monthly.
- All services up front, rest monthly
- The crossover is typically 30-36 months. Meaning that everything monthly is cheaper for the first 30 months but more expensive after that. Take the monthly price and multiply by 30 and compare it to the upfront cost plus 2 annual charges.
- Financing = monthly for 36 months and small annual after. Good balance between price and cash flow.
- Typically with monthly pricing, if you stop paying then the software stops. This is not true when you pay up front and stop paying the small annual for upgrades and support.

## Infrastructure

Do you still need a network/server in your office? Cloud based solutions often claim the elimination of ALL computer requirements. Nothing is further from the truth.

	On Premise	Cloud
Workstations	Yes	Yes
Server	Yes	Maybe**
Internet Router	Yes	Yes
Virus Protection	Yes	Yes
Network	yes	Yes if more than 1 station.

\*\* The need for a local server can be eliminated if ALL applications are cloud based (Work processing, spreadsheets, email, document sharing, CRM, accounting, operations). Even if all your devices are wireless (laptops, tablets, phones, etc.) then you will still need an internet connection and a wireless router. The only saving when using the “Cloud” is the application/database server for the application

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that is hosted. All other IT is still needed. For example all of the workstations that access the cloud still need windows updates and active virus checking to maintain security.

### Should I use the Cloud or not? Should I use SaaS pricing?

- The best reason to move to the cloud is to reduce the need for some onsite IT services, especially if you truly do not need a server or network (see above chart).
- Mobile users can take the most advantage of the cloud.
- Monthly pricing comes from cash flow instead of capital budget.
- Larger office maybe best with on-site.
- Internet must be ubiquitous (always there). Not a problem in large urban centers, but more of a problem in remoter areas. If you want near 100% access, consider getting 2 internet providers with an automatic way to switch between the two.
- Operational software is “Mission Critical”. This means if there is no access to the data, then nothing happens in the business. If your operational data – mission critical data – is on the cloud and the internet goes down, then you are dead in the water – no check ins, no check outs, no guest folios, nothing. The internet has to be there for proper internet reservations, so this is not too much of a limitation.

### Conclusion

- The CLOUD is the trend, especially for consumers.
- Most businesses want monthly pricing (SaaS) and some remote access – like for the owner or a travelling salesperson.
- Very small businesses, home office businesses, businesses with all remote or home based workers are ideal candidates for the cloud.
- Your data is your business. Without access to your data your business could NOT function effectively. What happens if your cloud provider is not online??