



The Truth About the Cloud

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How can you make an informed decision about moving to cloud based software??



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. Your programs (software) and your data are stored on a server located somewhere else – on the Internet – in the cloud. Your data and programs are not on your computer.

What is SaaS?

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. These 2 concepts are as different as apples and dogs. Getting monthly pricing has NOTHING to do with where your data is located.



Don't all "Cloud" solutions have to run inside a browser?

There are many popular browsers – Internet Explorer (Microsoft), Safari (Apple), Chrome (Google), Firefox, Edge (Microsoft) and others. You access the internet using a browser. It is ideal for reading (browsing) web pages. It is not so ideal for running robust software. Often browser-based software will only run properly on one or two browsers and run poorly or not at all on others. How the software runs or where it runs is call software deployment.

Software Deployment

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

1. **Browser based.** Programs that run inside Internet Explorer, Safari, Chrome, Firefox (or whatever Internet Browser you use) are called Browser Based. They run ONLY inside one of these browsers. Browser based software often has problems with different browsers. The software is usually limited to some but not all browsers because it behaves poorly on other browsers. Simple applications with simple forms work best while the complex forms of an application with a rich user interface have the most problems. Smart Hotel Software uses this method for its simple forms like internet reservations, Housekeeping & Maintenance portal, Guest Portal and other custom internet portals. These are all simple forms that run in a variety of browsers.

Forms that fit well on a 20" monitor will NOT behave properly on a phone. Software that runs well on a phone or tablet has to be designed for that size of device. Large forms don't always scale down properly – too much up/down and side to side scrolling. Having readily available access to your data on your phone, while convenient, isn't always useful. If your reservations are simple then browser based software will work. If your reservations are more complex like packaging on the fly or tracking extended guest profiles, then a desktop application will probably be best.



2. **RDP (Remote Desktop) or TS (Terminal Services) or CS (Citrix Services)** Allows you to connect your computer (workstation) to a cloud based server. This is “mature” technology. Called “old fashioned” by providers who want to sell you something new and shiny. This technology runs the desktop version of the software on the server and you “see” the programs on your computer. This significantly reduced the amount of data that flows across the internet (bandwidth). This is a 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.
3. **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.
4. **Proprietary interface** – where the software or hardware maker has developed a custom method to connect.
5. **Hybrid** – a combination of the other methods. Smart Hotel deploys its software using the method that makes the most sense to the user experience. For example, Mobile for housekeepers, but RDP for robust desktop application for complex reservations.

See our write up on [Modern Software](#) for some example of a rich user interface.

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 combination of these 2.
- Financing = monthly for 36 months and small annual after. Good balance between price and cash flow.

The crossover cost between upfront verses monthly 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 annual charges.

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. **Green** means required, **yellow** means maybe required and **red** means not required.

	Mobile/Thin Client Devices	Work Stations	Servers	Firewall/Malware Device	Network
Micro	●	●	●	●	●
Small	●	●	●	●	●
Mid	●	●	●	●	●
Large	●	●	●	●	●
Enterprise	●	●	●	●	●

Graphic compliments of Robert Epple of GoToMyERP, a hosting service.

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 applications that are 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?

- 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.
- Larger office may be 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.

Should I use SaaS pricing?

- Monthly pricing comes from cash flow instead of capital budget.
- Can you get a lease to spread the upfront costs over 3 years?
- Project pricing is cheaper after 30-36 months but requires capital up front.



Conclusion

- The Cloud is the trend, especially for consumers and software vendors who have run out of ideas for their software. Think Bandwagon or Trending Now.
- Most businesses want monthly pricing (SaaS) and some remote access – like for the owner to check sales and statistics or a remote 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??



Smart Hotel Software can provide modern software that is cloud based or not – your choice. If you have any questions or would like a one on one presentation of what modern, cost saving software looks like, please call (604 926 3215) or email (info@SmartHotelSoftware.com).

About Smart Hotel Software

Smart Hotel Software has been an application software developer for more than 25 years providing business intelligence software for the Small and Medium sized Business (SMB) market. Our products are sold and supported worldwide.

At Smart Hotel Software, we believe that a robust system coupled with reliable service is paramount. We rely on the most innovative use of proven technology to develop systems that you can trust to build your business. We are proud of this distinction as well as our commitment to our clients, our business partners and the industry in general. Our mission “Every site a reference site.”

Smart Hotel Software

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