Cloud Computing For Family Enterprises

Cloud computing is the biggest IT trend of recent times but what benefits does it bring to today's Family Office? What risks does the cloud expose you to? Where is your data stored and who has access to it? Are your security requirements understood and satisfied? Which cloud provider should you use? Isn't the cloud just someone else's datacentre? There are many questions to which clear answers must be sought before adopting a cloud computing strategy.

Cloud computing is a term that is widely used in today's technology discussions yet the fundamental principle of the term has been around for as long as the last 15 years. Cloud computing in essence is controlling a remote resource, either owned or not owned by you (Private Cloud / Public Cloud) from a local device (Laptop / Tablet / PC / etc). Early webmail providers such as Hotmail and AOL were delivering email as a service back in the 90's and one could argue that search engines essentially provide a cloud based research service, even the mainframe computing model bears a striking resemblance to the cloud computing model so why is it such a hot topic right now?

Understandably, IT vendors will extoll the virtues of one computing methodology until the market stagnates at which point they will switch to another methodology if this boosts their business. This was evident in the move from mainframe computing to PC computing when we were told that it makes more sense to have the processing power on the user end and not in the computer room. Then, a few years later the focus shifted to using thin client devices on the user end and increased server horsepower in the computer room as that would "reduce support costs" and provide "a greater ROI".

The networks of today are phenomenally more capable than they were in the past meaning that business transactions can traverse the world in microseconds, video conferences can be conducted globally with sub second latency and IT administrators can manage a server in Siberia from a sunny beach in the Mediterranean. When you have that level of connectivity

why not offload some of your storage needs to a datacentre in the Arctic Circle that uses Mother Nature to keep its temperature down or to outsource your web hosting needs to a company that handles the majority of the world's internet traffic. These providers are experts in their field with the kind of technical human resources you will only find in a place that provides those levels of precision engineering and technical challenges

While both of these are valid points of view, the challenge for today's Family Office or Family owned businesses is to understand the risks and rewards associated with Cloud Computing. First and foremost, the question of "Where is my data physically being stored?" is an important one. Consider the following example.

London based Family A have entered into a transaction with Bank B. Bank B utilises a cloud based email provider for all of their email communications. Bank B also uses a cloud provider for their long-term data storage and for their data backups they contract with a 3rd party provider on the sub-continent. In this example Family A's data is potentially exposed to multiple people in multiple organizations across multiple geographies. In fact in many cases cloud providers will not tell you where your data is physically stored for "security reasons". We know that at times this leads to costly and embarrassing confusion over data protection and related legal issues.

This is not to say that cloud computing is to be completely avoided. We at Termes believe that with the right governance and due diligence the cloud can be used as an excellent tool allowing for more agile and productive business processes. We believe there is a balance to be struck between on-premises and cloud based solutions which will deliver the right level of service your business demands. There are key questions to be asked when selecting a cloud provider such as:

- What kind of authentication is necessary for a privileged user?

- Who can access or even see my data?

- Where is it physically stored?

- Are private keys shared among tenants if a data encryption is used?

The Termes Partnership's track record of working with Family Offices and Family run businesses is your assurance that these and many more questions are answered and the right technical, cost effective and ethical solution is designed, implemented and supported.

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