

# Cloud Computing

**Martin de Saulles**

## **A company you've never heard of shows the future for cloud computing**

Slowly but surely cloud computing is securing a stronghold in organisations of all sizes. Smaller companies are increasingly reliant on services such as Google Apps and Dropbox while larger organisations are also turning to the cloud to save money and improve workflows. In the customer relationship management (CRM) space, Salesforce.com has taken considerable market share from the larger incumbents and now has global revenues of over \$2 billion and a market valuation of almost \$22 billion. Smaller and medium-sized companies have been particularly attracted to Salesforce.com's cloud delivery model that requires no dedicated hardware or software installations beyond the common web browser. This week another cloud computing company, Workday, aimed at business users floated on the New York Stock Exchange. Workday offers human resource and payroll services via a web interface and despite being almost unknown is expected to achieve a market valuation of approximately \$4 billion. The enthusiasm amongst investors for this IPO is particularly interesting coming in the wake of Facebook's disastrous flotation where shares are trading at half the price of their debut in May 2012. While the shine has been taken off the consumer internet market, the business-to-business (B2B) sector seems much more upbeat. The key reason for this is that real, recurring

revenues can be seen from companies such as Salesforce and Workday. Even Oracle, a company that has been vocal in its dismissal of cloud computing, has recently launched a major new delivery platform it calls Oracle Cloud. As these services become entrenched within organisations and the cloud delivery model become more accepted, I would expect to see a range of other business applications move out of the IT department and onto remote platforms. Some organisations with particularly sensitive data such as financial and healthcare providers will probably want to keep control of some of their systems but for most others it will increasingly make little sense to try and manage it all in-house.

## **Android is taking over the world**

While that might be a bit of an exaggeration, the latest figures from Google certainly indicate that the Android mobile operating system is becoming dominant. In September the company announced it was seeing 1.3 million Android activations a day across smart phones and tablets. At the same time market analysts, IDC announced that Android had 68% of the global market for smartphones, iOS 17%, BlackBerry 5%, Symbian 4% and Windows 4%. While Apple is making billions of dollars of profits from its 17%, the news is not good for BlackBerry or Microsoft. BlackBerry is

unlikely to survive in its current form for much longer and Microsoft's mobile future depends on the success of the new Nokia Windows Phone 8 models coming out later this year. It is hard to imagine how Microsoft can significantly improve its market share when iOS and Android are so dominant. In terms of cloud computing, the success of Android is significant: users will become more reliant on Google Play for accessing content and applications and Google Drive for storing files and creating content. In the UK over the last 12 months, according to Ofcom, the number of voice minutes across mobile and fixed-line telephones fell for the first time. At the same time, mobile data consumption via smartphones

has doubled. Traditional fixed telephone subscriptions are in decline while globally, Cisco estimates that the number of connected mobile devices will exceed the number of people on the planet by the end of this year. Google will be powering a large proportion of these devices and this will only embed further the acceptance of the cloud computing delivery model for information and software.

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