Enterprise services, delivered online at start-up prices

Microsoft® Office 365

No longer just a buzzword, cloud computing has taken off on a massive scale, bringing with it a fundamental shift in the way companies and consumers use technology. So what can midsize companies expect as they move their IT into the cloud? Paul Curran explores Microsoft's latest cloud productivity tool for some answers.

Cloud computing promises to be a game-changing technology for UK businesses according to industry experts. A recent study by analysts IDC estimates that cloud implementations will add over $800 billion in net new business revenues to worldwide economies over the next three years; and a recent Information Week survey found that 43 per cent of firms now use cloud computing or plan to do so within 12 months.

Yet cloud computing is nothing new. Most of us have been enjoying the cloud for personal applications – services like Hotmail, Twitter and Facebook – for some time now. Today, however, cloud services are now resilient and reliable enough for business-critical enterprise services, too. Cloud means accessing your data and programs over the Internet – which means your IT becomes a utility, consumed on a pay-as-you-go basis just like electricity and water.

Economic austerity was certainly the impetus which encouraged many businesses to try cloud-based services for the first time; as they are characterised by very low entry costs. But as smart companies plan to use technology for competitive advantage as they emerge from recession, cloud exponents cite no less than five key benefits that make the technology compelling:

- **It's economical:** your cloud provider hosts services for lots of companies; sharing complex infrastructure is cost-efficient and you pay only for what you actually use

- **It's quick:** basic cloud services work out-of-the-box; for more complex software and database solutions, cloud computing allows you to skip the hardware procurement and capital expenditure phase

- **It's always up-to-date:** reliable providers constantly update their software offering, adding new features as they become available

- **It's scaleable:** if your business is growing fast or has seasonal spikes, you can 'go large' quickly because cloud systems are built to cope

- **It's mobile:** cloud services are designed to be used from anywhere, so if you have a mobile workforce, your staff will have access to most of your systems on the go.

Information Worker Online Services Product Marketing Manager, Gill Le Fevre, says Microsoft's latest online service, **Office 365**, embodies all of these attributes, bringing secure cloud versions of the company's familiar programs together for the first time: **Office Professional Plus** and **Office Web Apps** for productivity across PC, phone and browser, plus **SharePoint** for data management, **Exchange** for email, and **Lync** for unified communications.

- **Increased ROI, lower TCO**
  "From a business perspective, Office 365 promises an increased return on investment and a lower total cost of ownership for your IT resources," says Le Fevre. "You

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avoid the upfront costs of buying software licences and expensive servers – a significant saving for starters. Added to which, maintenance costs drop almost to zero since your service provider looks after those troublesome servers and software that constantly needs patching or replacing with new versions. And while we're totting up the savings, let's not forget the cost of floor space for on-premise hardware and the energy bills for running it."

- **Boosting business agility**
  Aside from its significant cost-cutting and operational potential, Le Fevre says Office 365 helps fine-tune your business strategy. "After all, it's pointless investing in IT unless it supports core business objectives. Office 365 will increase your company's business agility and the productivity of your staff by giving them the same rich tools online as they've come to expect from their equivalent on-premise programs. It means they can work just as efficiently out of the office as sat at their desks."

- **Productivity on tap**
  Office Professional Plus will enable them to access documents, email and calendars, regardless of their location. It includes the new Office Web Apps, online companions to Word, Excel, PowerPoint and OneNote, which let you review and edit documents directly from a browser.

- **Ubiquitous data**
  By moving your data to SharePoint Online, you can remove file servers completely. Again this provides substantial savings in the long term. If you have multiple sites and data is replicated from one to another, then the hardware and installation savings will be even greater.

  Incidentally, being offline is no barrier to productivity. With SharePoint Online, documents can be cached on PCs so that you have offline access to them. When your machine comes back online, the latest versions can be automatically synchronised or merged. Moreover, robust document versioning in SharePoint Online means there's no more hunting for the latest version of a document.

- **Email efficiency and savings Exchange Online**
  gives you the benefits of cloud-based email without

sacrificing the business-class capabilities its on-premise predecessor has provided for decades. Better still, Microsoft handles maintenance, patches and upgrades to the Exchange infrastructure, while allowing IT administrators to retain the control and flexibility they demand. Moving email online can represent a huge saving especially if it's part of a wholesale migration to the cloud, where you're looking to get all your data off-site.

For example, following a successful pilot, architectural practice MR Partnership moved its entire email system to Exchange Online with the help of Microsoft Partner Nimbulus. Users are happy with the security and reliability of the new solution, as well as the improved remote and mobile access. Moreover, removing email has freed up significant space on the practice's in-house server, allowing more room for architectural drawings – and prolonging the server's life span too.

Associate Warren Milne says: "Nimbulus managed our migration extremely smoothly within a two-week period. Switching to the cloud solution is already proving an excellent long-term investment. 95 per cent of our business is conducted via email, so we needed a secure system that offered zero chance of unplanned downtime and total peace of mind. Moving to Exchange Online has given us hassle-free email that's available and supported 24/7 and automatically updates with the latest functionality and security measures."

- **Richer communications**
  Add Lync Online and you get a cloud communications service that connects your employees anytime, from anywhere. 'Rich presence' suddenly lights up everywhere in Office, enabling staff to see at-a-glance if a colleague is available and then call, IM, email or even start a video conference with them in one click. Even social networking can be applied to everyday work tasks like document sharing and collaboration - but with all the business-grade security and privacy a company requires.

In short, Office 365 gives you reliable access to a host of productivity enhancing services – in one simple service, via almost any device with Internet capability, and without chucking out your existing office technology. Office 365 Product Manager, Allen Filush, says, "Since the

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programs interoperate 100 per cent with their on-premise equivalents, you can enjoy the best of both: having edited a document online through Office 365, for instance, it will then open with guaranteed fidelity once back at your desk."

Robust

With Office 365, Filush says you get cloud solutions designed from the ground up for the business sector. "The 2010 versions of our technology were designed with the cloud in mind, so almost everything you could previously do on-premise you can now do equally well online. Moving forward, we'll continue to deliver the best productivity experience in the cloud, on-premise or through any combination in between."

Reliable

A recent report from Gartner warns businesses that many cloud computing contracts can be opaque and easily changed, saying: "Organisations need to ensure they understand the complete structure of their cloud sourcing contract, including the terms that are detailed outside of the main contract," It's therefore vital to get an agreement from their cloud provider that their terms cannot be altered during the period of the contract and the first renewal term.

Most cloud providers offer an uptime guarantee, says Filush, but what does this really mean? "What happens when downtime exceeds the magic 0.1 per cent? With many cloud providers, you're compensated with additional service time. But do you really want "free" service from a provider whose reliability is shaky?

"Microsoft takes a different approach. Like other providers, we offer a 99.9 per cent uptime guarantee in our Service Level Agreements (SLAs). But we back our guarantee with money, not compensatory time. We reimburse you with cash for excess downtime in line with the SLA. How can we afford to do this? Simple – with online services built on enterprise software and data centres, we've the confidence to put our money where our mouth is."

Secure

Many businesses are understandably wary of entrusting sensitive data to the vagaries of the cloud. According to a Forrester survey of US and European businesses,

50 per cent said their chief reason for avoiding cloud computing was security concerns. Indeed, for many senior managers in medium-sized businesses, a particular fear is that some providers' logons are too primitive, says John Gunn, general manager at digital security tools developer, Aladdin.

"Many won't embrace the cloud until security improves significantly," he says. The worry here is that old-fashioned social engineering techniques may let hackers in and leak data. But Gunn says the solution is simple: "Only permit data to migrate to the cloud where strong authentication is in use, and right there hackers will be kept at bay and opposition to cloud computing will instantly evaporate."

Filush says this certainly applies to Office 365, where data is secured using controls and technologies from Microsoft's defence-in-depth strategy. In fact, it has nine layers of data security to maximise the privacy and integrity of your business and customer data, he says. "What's more, anti-virus and anti-spam are dealt with in the data centre, updated in real time. This service is bundled in with Office 365, so there's another saving."

Economical

So just how affordable are cloud services? Office 365 for Small Businesses (with, say, one to 25 users) costs just £4 per user per month. While Office 365 for Enterprise (upwards of 25 people) offers multiple service levels, starting with an entry-level subscription of £6.50 per user per month.

Filush says Microsoft is investing heavily and has tens of thousands of people around the world backing the service. "We've achieved the industry's most rigorous security and privacy standards and brought those to Office 365, along with 24/7 phone and community support. We've also the world's smartest partner ecosystem ready to help you take advantage of what promises to be a 'game changer' for organisations of all sizes.

A paradigm shift

As Logica CEO Andy Green puts it: "Cloud computing simply opens doors to new opportunities with new capabilities. We're finding amongst our clients that it's a paradigm shift." In a recent webinar on the subject, Gartner's Chief of Research, Daryl Plummer, added that cloud serves to better deliver on business-focused goals:

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"Cloud is a means to deliver IT-enabled capablities, not just IT capabilites – it could be payroll or logistics."

By this he means that cloud computing is likely to expand IT decision-making way beyond the confines of the IT department itself – giving individual business units access to IT tools previously beyond their reach. It means executives can be empowered by technology to implement company strategy, and the business can run more smoothly as a result.

The last word comes from Tim Harmon, principal analyst at Forrester Research, who believes Office 365 leapfrogs other cloud offerings like GoogleApps and IBM's LotusLive: "All our research shows that small to medium-sized businesses are becoming more mobile and more distributed, often with multiple, even virtual offices, and with more of their people on the road. Mobile workers and others may still want dual-deployment that includes local provisioning for when there's no connectivity available. For companies with these attributes, Office365 is therefore an important direction to consider."

More information about Microsoft Office 365:

http://office365.microsoft.com/en-US/online-services.aspx

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