

# Pros and cons of hosted and on-premise storage

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3 May 2016

With local prices of electricity and bandwidth being so high, cloud-based services are becoming more and more attractive to businesses of all types and sizes.



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Companies who are trying to lower licensing costs, avoid having to find more technical staff, and focus on their cores businesses, are looking to the cloud for a cost-effective alternative to on-premise storage, particularly as the amount of data flooding the business on a daily basis is growing exponentially.

However, moving everything to the cloud is not always the best idea, as there isn't a one-size-fits-all model with cloud technologies. Businesses should rather look at ways to make the most of the benefits they enjoy from their existing set-up as well as those that a cloud-based service can offer.

By using both, and adopting a hybrid model, companies can enjoy the benefits that both have to offer, without unnecessary expenditure, long-term commitments or the drawbacks that inevitably come with each approach.

## Cloud changed the world

Cloud computing is far from new, and grew hand-in-hand with the internet, which changed the world, forever altering the way business was conducted. At a time when computing capacity reached a threshold where savvy providers could offer organisations their services on a pay-per-use model, cloud came into its own. Instead of the vast outlays needed to set up entire IT departments, businesses could get storage from cloud providers instantly, and only pay for what they used.

It is easy to understand why cloud storage is an attractive proposition for businesses looking to harness the power of the latest and greatest technologies, without having to fork out large sums of money. The initial investment is small, they don't need to physically buy hardware or software, TCO is lowered, and they pay for what they need, and adding more is simple and instant.

Companies weighing the pros and cons of whether they should opt for a hosted or an on-premise solution need to consider several factors. Businesses need to carefully assess their business needs and existing infrastructure before making up their minds. At the heart of the matter, is the point that not all solutions work best in the cloud or on-premise and the choice often sees a trade-off between security and lowering operational costs.

There are definite advantages and disadvantages with both platforms and these will change according to the type of service and software that is needed.

## **Lack of resources**

Organisations often consider a move to the cloud because they lack the resources needed to build their own infrastructure, they lack IT and technical resources, and they don't have the technical knowledge to maximise their current systems. In addition, software licensing costs can be prohibitive, particularly for smaller businesses, which is one reason SMEs view the cloud as a very appealing proposition.

However, bigger entities, particularly those operating in highly regulated industries such as financial services or healthcare, where a lot of confidential data is handled, need to factor in other issues. These include the fact that with the cloud, there will be third parties handling confidential data, the possibility of redundancy should the cloud provider experience a failure and of course, lack of total control over both data and processes.

At the end of the day, the question of whether cloud or on-premise storage is best, can be answered by saying neither. The best solution is finding a balance between both models and adapt these according to what the organisation needs, juggling the issues of cost, security and technical/business sense.

## **ABOUT ANTON VUKIC**

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