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There was a time, not too long ago, when having one's "head in the clouds" was most definitely not a good thing. Well, times change and, here at the Intersection of Technology & Public Accounting, times seem to change rapidly. Again. It's time to get your head in the clouds … on purpose!

Many have taken to using the "cloud" metaphor because it fairly represents a concept that will become increasingly important over the next few years. Until recently, this cloud (actually, it's "those" since there are many "clouds") was available only to the largest of companies and only then at a steep price in terms of capital outlay, facilities, personnel, etc. Today, led by Google, Amazon, Microsoft, IBM and the like, these "clouds" are available to nearly all.
Students of history will recall that "once upon a time" we all used dumb terminals connected to mainframes, which contained not only the programs but also all of the data files. When personal computers came on the scene, we began a migration, with end users quickly adapting to the idea of having "physical" control of programs and the related data. That "control" proved fleeting as LANs and WANs evolved and users saw programs and data centralized in most firms. That brings us nearly up to date and to a clear majority of practicing tax and accounting professionals equating "safety" and "control" with physical custody of the servers containing their programs and data. But wait … now, Google and Amazon and Microsoft and IBM (notice a trend here?) are investing heavily in what's become known as "cloud computing."
I submit to you that cloud computing means that we are about to experience yet another change of paradigms. Smart tax and accounting technologists are starting

no initial hardware acquisition cost; instead, this resource is simply "rented." Users with unusual peaks in demand (think tax season!) can avoid delays in physically acquiring and assembling a large number of computers that may be needed for only a short period of time.

This idea of "utility computing" most often utilizes virtualization, which means that the amount of computational power provided is expanded beyond that of a single "time-sharing" computer. Additionally, just to complicate matters, the definition of "utility computing" is often extended to specialized tasks, such as web services.

Although the "Internet backup" (storage) aspect of "cloud computing" has been around for quite some time, relatively high prices have kept all but the most determined of firms away. But as the computing plants get bigger and bigger, the cost of providing the capacity falls. And fall it has. Demand has increased, and the cycle is repeating. The net result is a plethora of automated backup service — some designed specifically for consumers, and other more robust services suitable for small and medium-sized firms. And (finally) at prices that make real sense when compared to tape or portable hard disks. But the promise of "cloud computing" is much bigger than simply "set it and forget it backup." Vendors are now offering "services" as part of the cloud.

How are firms using these new services? One example is JungleDisk, a SaaS (Software as a Service) company built around Amazon's S3 service. It's simply a shell that provides seamless access (I just can't bring myself to write virtually seamless to describe access to cloud computing) to a data store housed in Amazon's vast "cloud" of computing and storage

capability. JungleDisk provides small firms with such services as off-site backup,

use the server. When your peak (or emergency replacement need) is over, just zap the server, and your charges stop. No hardware, no contacts, no muss, no fuss.

Cloud computing, although reminiscent of mainframes and dumb terminals, IS revolutionary in concept. Remember, "they call it a revolution because it goes around!"

P.S. My iPod Touch arrived yesterday. It took me one minute to tear open the box; two minutes to plug it in and configure it; three minutes to sync my previously downloaded music, podcasts, pictures, movies, vCasts, etc.; and about 15 seconds to fall in love. My problem is that today I've had no privacy on the airplane or in the airport(s). It seems EVERYONE wants to see or talk about the iPod that's an iPhone lookalike. My advice: DON'T LOOK AT AND CERTAINLY DON'T HOLD ONE. That's the surest way to save yourself $400!

Technology

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