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to have gone crazy over the idea of “cloud computing.” But before we go marching lock-step down this particular road, accounting professionals need to take a hard look at the benefits (and the problems) of cloud computing.

The concept of “cloud computing” isn't as foreign as it might seem at first. Basically, there are three types of services: infrastructure as a service, platform as a service and software as a service. In all three cases, the concept of the cloud is that we take the service off of the desktop and put it in another location — or distribute it over many locations — for access by the Internet or other network.

Thus, you can have hard drives and printers that are in the cloud as your infrastructure. Your operating system may be accessible through a web browser. Major forms of accounting software are already operated as online services.

Sound familiar? It should be. It is basically the resurrection of that old, nasty mode of computing called client/mainframe. That is, we've put a modern, Internet-style spin on client/mainframe computing, much in the manner of putting lipstick on a pig.

Client/mainframe computing has been dead for a couple of decades now, except in the most insular of environments such as mega-corporations and educational institutions. For those who may not remember it, client/mainframe was a style of centralized computing that effectively gave the organization better control over its data, better security, more streamlined workflow and substantially lower costs.

But it had a down side, too. Centralized control meant that every single application had to be approved, with no exceptions. Innovation was almost non-existent, and in fact most of the applications we rely on today — from spreadsheets to financial calculators — didn't exist in the client/mainframe world.

The newest version, “cloud computing,” goes even further. If this is implemented and

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stored in a country whose laws are different than our own, there is no limit to who may have access to that data.

Of course, many of the companies that currently champion this vision of “cloud computing” have openly declared that they would safeguard your data and keep the “cloud” open to innovation. These are, for the most part, large companies that have built a reputation for reliability. But remember that even the best of intentions will falter under a government mandate, even if the “cloud” you are using is designated as private. Or under threats, or by bribery. An easy way to think about it is this: How badly do you wish to have your client data stored on a server in China? Or accessible to the Russian mafia?

Cloud computing may, in fact, offer such substantial benefits that we should rush to embrace and advance it. But it would be foolhardy indeed to push into such an environment without a clear resolution of as many of the unanswered geopolitical, security and innovation concerns that have already been noted with respect to operating in a cloud.

For today, the path for most accounting firms is clear: Move into the cloud slowly, cautiously, reading the fine print and being mindful of how client and firm data is safeguarded.

REALITY CHECK

A compendium of ideas, products, rants and raves from the

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7, and knowing what it takes for hardware will be a critical purchase criteria. Get the official list here.

– **The Google/Microsoft War.** It has been a long time coming, this war of goliaths. Like a young bull challenging for leadership of the herd, Google has less substance and experience. Microsoft has less panache. But the bottom line is that consumers will benefit as these two companies attempt to kill each other off. Like the Microsoft/Apple war before this, there is much good that can come out of the battle for both companies and for us..

– **Broadband Stimulus Dollars.** The idea that broadband deployment will in some way stimulate the economy and wrench us out of recession is nonsense on almost every level. What the money will do is infuse some tax dollars to smaller broadband vendors (the major vendors want no part of the political strings attached to the money). It may not hurt, but it certainly won't stimulate much of anything for years to come.

– **YouTube.** I'm in favor of this video source, which gives access to video content. But it brings with it a host of issues that will take a lot of work to make right. The posting of copyrighted material is just the beginning. There's also a lot of adult content mixed in with the G-rated stuff, and I've had some personal experience with kids looking for one thing and finding another. If YouTube is to have a future (and

from its continuing financial losses it may not), it needs to have its

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encounter. Enough talk. We need to get the network security mess cleaned up. The U.S. government computer systems would be a nice place to start.

– **Alexa Longueira.** She may not have made headlines, but she made my day. She is the Long Island teen who was so pre-occupied with texting while walking down the sidewalk that she failed to notice the open manhole and plunged several feet down to the sewage below. No injuries, but she makes the Texting Hall of Fame.

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