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Outages

During the last half of this year alone, we've seen outages from Microsoft, Wolters Kluwer, Intuit, and many other applications that are critical for our profession. Are they only ones? Certainly not! If we look back two years, the list becomes onerous.

Randy Johnston • Nov. 03, 2020



From the November 2020 Issue.

“If you say it really fast, it sounds easy.” I smile when I think about this phrase because I know where I learned it and why. It pairs up with another favorite saying of mine, “the difference between a professional and an amateur is knowledge of, and practice of, the little things.” Within the past week, I learned a quote that is useful for this column on hosting. “Amateurs practice until they get it right; professionals

practice until they can't get it wrong." One last phrase that applies, "An amateur can

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half of this year alone, we've seen outages from Microsoft, Wolters Kluwer, Intuit, and many other applications that are critical for our profession. Are they only ones? Certainly not! If we look back two years, the list becomes onerous. Check out <https://downdetector.com/archive/>, and you quickly see many services fail every day. You can specifically look by service or vendor, and it doesn't take you long to realize that cable communications providers frequently have outages or performance issues, which would make it appear as if an application or hosting provider has failed.

So, What Should Be Our Expectation?

Simply put, it doesn't matter how well a vendor has built a service; there will be failures. In an ideal world, most outages or scheduled downtime would occur at a time of day when the service was not needed. For example, an outage in the middle of the night or over the weekend may not affect you because you are asleep or enjoying some recreational time off. But if you have tax deadlines, filing deadlines with regulatory agencies, public reporting, or various other time-constrained activities, not being able to work matters.

As we have explained in previous columns, you can build your own private cloud on your own premises with hardware servers, storage area networks, solid-state drives, virtual machines with VMWare or Hyper-V, adding remote access with RDS, Citrix Virtual Apps, and Desktops or Horizon View. By the time you add backup appliances, multi-factor authentication, and mobile device management, you have a lot of moving parts that all must be understood. You must be aware of security with firewalls, anti-virus, intrusion detection, switching, and more. You have capital costs and replacement costs. You have to have the expertise with either internal IT or external IT contractors that provide managed services like [Network Management Group, Inc.](#) The IT teams that support you must understand the public practice profession and applications or industry you are in, such as non-profit, healthcare, manufacturing, construction, or distribution. From 1983 through 2014, these

systems were straight forward enough that a good IT person could wrap their head

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spend on technology, and application options. Unfortunately, if you don't have the right combination of hardware, infrastructure software, and knowledge of applications, the solution may never work quite right. That's where a good IT team or managed service provider comes into play.

Another risk to mitigate was the physical risk caused by large-scale storms, including hurricanes and tornados, and other physical risks like fire, theft, or ransomware attacks. We could work around some of these issues by placing our equipment in a co-location facility, a specialized data center that allows us to put our own equipment in secured spaces. Most providers to the profession use co-location facilities because it is expensive to build and maintain a large-scale data center. But even with a co-location facility, you need to have a replica in another location in the country which uses a different power grid. There are three power grids in the U.S., the east grid, the west grid, and the Texas grid. I've had the privilege of building and touring many data centers throughout the country. There is much variance in the quality of co-location facilities, and the reported number varies. For an example list of these facilities, consider <https://www.datacentermap.com/usa/>. Managing co-location facilities adds another layer of complexity.

Enter the Hosting Companies

Entrepreneurs saw the opportunity to provide CPA firms as well as other industries such as healthcare, legal, or property management specific hosting customized to their professions. Often, the entrepreneurs did not understand the complexity of the infrastructure they would be responsible for. There was also a lack of understanding of the criticality of deadlines. Worst of all was the complexity and poor design of the applications built to serve the profession, which turned out to be horrible at scale. The deficiencies were largely covered up with a local area network or private cloud installation. The entrepreneur's idea was to build a monthly recurring revenue

business charging customers (CPA firms in your case) \$150-300 per month per user.

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or [GoSystem RS](#). Drake ran their own hosting operation for some time and has recently contracted Right Networks to run their applications. At the same time, we hope that more applications can run efficiently in a browser and as a SaaS offering. This vision from 1993 has just started to become a reality in the last five years. New generation products like Thomson Reuter's [ONVIO](#) will run in a browser. Wolters Kluwer made a design decision to use a thick client instead of a browser for performance reasons, and today runs all of CCH Axxess in Microsoft Azure data centers. I can't wait for an all SaaS world, but who knows when this will arrive!

If we focus on today, internet speeds are greater, available in more places, and in general, are more reliable. Reliable internet has made hosting with private cloud, hosting, or using public cloud facilities like Microsoft Azure or Amazon Web Services more viable. These providers have specific hosting efforts for CPA firms:

- [CETROM](#)
- [Right Networks](#)
- [Ace Cloud Hosting](#)
- [AbacusNext](#)
- [Cloudnine REALTIME](#)
- [Summit Hosting \(who purchased InSynq, the original hosting company\)](#)
- [Swizznet](#)
- [IVDesk](#)
- [Cloudvara](#)
- [Realtime Data Services](#)
- [NetGain](#)
- [NetTek](#)
- [Forum Info-Tech IT](#)
- [Skyline Cloud Services \(formerly Uni-Data\)](#)
- [Cloudwalks](#)

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options closer to the top, and the QuickBooks Desktop-only hosting companies are closer to the bottom. Note the last link provides a list of authorized QuickBooks desktop hosting companies. Our recommendation for CPA firms is to only consider companies that are authorized QuickBooks hosting companies as your CPA firm hosting company.

Does Anyone Get It Right All the Time?

The short answer is no. IT is difficult. Hosting is harder. Security is becoming more difficult. Integrating Microsoft 365 and Adobe cause changes beyond your IT team or hosting company's control. The days of simple IT for a small firm are gone. SaaS is not the answer yet but may be within the next five years.

What should we do today? Choose a private cloud strategy if you want greater performance and control. Carefully select your IT contractor or managed service provider to supplement your internal or local IT company. Alternatively, you can choose a hosting company, but you need to be prepared for problems that may be hard to resolve or never resolved. There will also be things outside of your control, like performance and outages. You need to have a plan on how to work when your IT is not working. In other words, what is your plan to work manually? Don't put things off to the last minute because your IT may not work that day. Perhaps being able to work on a local machine still has merit. On the other hand, keeping data on local drives affects retention policies and presents a whole new level of risk with security breaches.

Will things get better? Yes. But not before they get worse, as illustrated by the Microsoft outages of September and October. Nevertheless, we were impressed by how Microsoft scaled in March and April to support the COVID-19 pandemic stay at home orders. CPA firm publishers will get there. Hosting companies will learn how to cope with the new hybrid model of multiple clouds. In the meantime, if you are

running a private cloud, that may be your safest, least-cost option. If our software

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