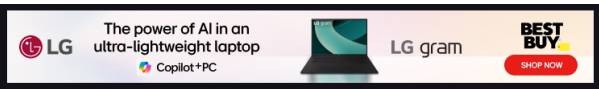


Culture

Study: Cloud computing to brighten future of data centers

New hosting companies that target start-ups could bring cloud computing into businesses as a data center replacement, research firm Forrester says.

Martin LaMonica
March 10, 2008 11:30 a.m. PT

2 min read

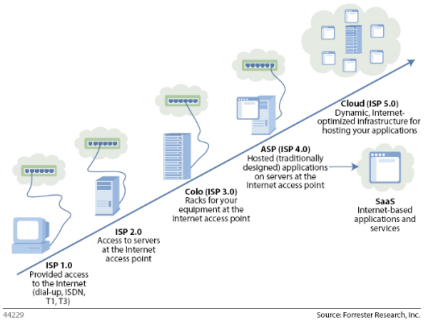
Cloud computing, the notion of outsourcing hardware and software to Internet service providers, is showing the classic signs of disruptive technology--it's not good enough for the masses yet, but it has clear potential to shake things up.

Forrester Research on Monday released a report written by James Staten, an IT operations and infrastructure analyst, saying that cloud computing does not meet the needs of large businesses. But that could be only temporary.

The services offered by a new crop of hosting providers, such as Amazon Web Services, are where the overall hosting market is going, according to Staten.

"Cloud computing looks very much like the instantiation of many vendors' visions of the data center of the future; it's an abstracted, fabric-based infrastructure that enables dynamic movement, growth, and protection of services that is billed like a utility. It also has all the earmarks of a disruptive innovation: It is enterprise technology packaged to best fit the needs of small businesses and start-ups--not the enterprise," he wrote.

Figure 3 Cloud Computing: The Latest Evolution Of Hosting



Forrester Research

One of the primary benefits of cloud computing is the speed at which people can procure services, allowing people to bypass traditional IT departments altogether.

Cloud computing differs from existing hosting services in that services are based on consumption and the technology infrastructure is optimized for hosting several customers. Providers use virtualization extensively and grid computing software.

Forrester identified a wide range of companies as "cloud providers," including Amazon.com, Akamai Technologies, Joyent, Rackspace's Mosso software, and Salesforce.com's Force.com development platform. Microsoft and Google are also rumored to be developing pay-per-drink computing services, such as hosted server processing and storage.

Because these providers are optimized for large-scale hosts, they could eventually serve corporate customers, Forrester said.

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"As the gap widens between enterprise and Web giant economics, it may get to the point that it no longer makes financial sense for many businesses to run their own servers. When this happens, will you be a cloud or a cloud customer?" Staten wrote.

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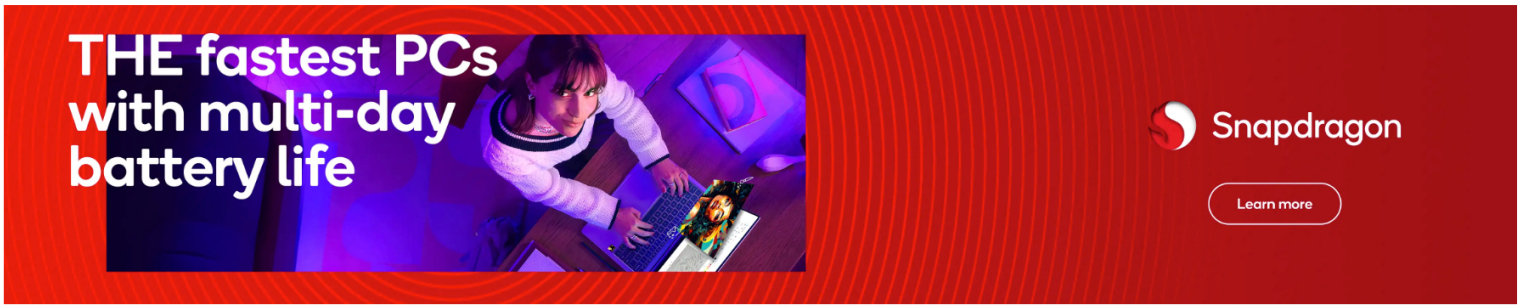

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Blake Stimac
May 27, 2025 4:00 a.m. PT

9 min read