How Cloud Computing can:
Empower Staff,
Improve Recovery Rates
and Bring you Closer to your Clients

The term Cloud Computing has become increasingly popular recently and increasingly so since the second half of 2009. The number of IT vendors using the term, and the number of people searching the Internet for the term[1], has dramatically increased. In this "How To" document we look at what the real world benefits of a Cloud Computing service are for an accountancy practice.

Before looking at Cloud Computing we will pause to consider the bigger picture of the IT systems in use by an accountancy firm. We take it for granted that accountancy firms will use IT systems, but what are the reasons for using IT and what are the objectives by which we measure the success or failure of an IT system? We have broadly collected the drivers into three categories as follows:

Empower your Staff

Most people want to do a job that they feel proud of. They want to value their work and have their work valued. If they do not have access to the right tools to do their job staff morale will suffer. Any IT system that cannot deliver what users need will end up working against the firm's objectives and not for them. With increasing demands for flexible working (both in terms of the time at which the work is done and the location of the worker) staff now expect the IT system to enable this.

Improve Recovery Rates

No IT system will improve recovery rates on its own. But a good IT system will remove the barriers that prevent work being completed on time. With the appropriate IT systems running smoothly, and by avoiding lost time managing the IT system or waiting for it, the available chargeable time is maximised.

Bring you Closer to your Clients

Accountancy is a service industry and all accountancy firms strive to provide high quality and cost effective services to their clients. The more easily these services can be provided the greater your competitive advantage. And the more tightly coupled you are with your clients' businesses the less likely they are to move to another firm.

The Challenges

Legacy Systems (Islands of Data)

For most businesses, including accountancy firms, there are existing systems with existing data. This information, and the software applications that process it, cannot be discarded. Any new system must either continue to support the legacy software and data or replace it. If you consider replacing your software you must also consider the costs of retraining staff. When different systems do not easily integrate you find that you have "islands of data" which most firms will try to avoid. Therefore if you are considering a Cloud Computing system you will want to avoid creating another island of data.

Adaptability

It is a paradox that change is the one thing that is constant, the one thing that we can be certain of[2]. With this in mind, any firm needs to be able to adapt to changes and their IT systems should enable them to do so, not hold them back. The challenge is to be able to

implement systems that can either adapt or be replaced without causing unnecessary disruption. This includes avoiding lock-in to a particular supplier or technology.

Technology

Changes in technology (which we accept are going to happen) will change not only the way we can work, but also the way we expect to work, and these changes may be Disruptive[3]. Of course to successfully negotiate change requires management of that change - and so your IT systems should help you to manage the assessment and adoption of technology in a controlled way.

Budget

Our budgets are finite and we cannot afford either the money or time to be constantly reviewing and changing our systems. We want a system that delivers good value for the budget we can commit.

How Cloud computing can Help

Cloud Computing[4] allows customers to outsource part (or all) of their IT systems to a flexible online environment that can easily respond to changing capacity requirements and can be securely accessed from anywhere. There are a whole raft of online solutions that are commonly referred to as 'Cloud' which are beyond the scope of this paper (but for more details see our Whitepaper: "How to Find The Cloud Through The Fog – a Jargon Buster for Cloud Computing and Virtualisation" available from Online50.)

The Ambition Elastic Computing Platform[TM] (ECP) from Online50[TM] is a Cloud Computing service. This allows you to buy computing capacity on a monthly subscription for as long or as short a time as you need it. The ECP service has a number of unique features that are explained below. Other cloud computing services may not offer the same commercial benefits or technical features.

The ECP provides a flexible way to purchase IT resources. You pay for the resource you need on a calendar monthly basis and, consistent with other services from Online50, you only need to give one calendar months notice to reduce (or end) your subscription. As the name suggests - the ECP provides you with a flexible and scalable 'Computing Platform' on which you can run whichever software you choose. If you want to run your existing legacy systems you can. If you want to trial a new system in isolation from the rest of your systems you can. If you need to test how legacy data will work in a new system you can.

When you subscribe to the ECP you can have one or more Elastic Computers (so called because you can easily change their capacity) that run in our secure data centres. Coupled with the monthly payment terms this provides you with highly flexible resources that can change to meet your needs as they evolve over time. Because the ECP is a platform that allows you to run the operating systems and software that you choose it does not tie you in to a particular technology and makes migration to alternative providers very easy.

What makes the ECP unique

When you have an ECP service from Online50 you can choose to have it operate in isolation, or to have a level of integration with other services running in our network. For example, you can choose to subscribe to databases hosted on our fault tolerant SQL server cluster which, for most users, will be more cost effective than licensing the software and running the cluster on your own systems. Similarly, we can provide access to Microsoft Exchange, integration with your website and with any bespoke web application that it provides. And of course, there is the opportunity to have a level of integration with the Online50 service itself.

The Online50 service is a client facing service that allows you and your clients to access the same accounting software and data. This has revolutionised the way that accountancy services can be provided with a very flexible delivery model and the ability to share the accountancy workload as required for different clients. Because the Online50 service itself is a secure and shared service the software that we support on that service must meet certain requirements and is therefore restricted. However, using the ECP an accountant can run whatever software they choose on their own Elastic Computer while being able to access their clients' data stored on the Online50 service. This greatly extends the range of software available to the accountants, enables more flexibility and efficiency, and does not compromise the security of any users. For example, client accounts may be maintained in Sage 50. Using the Online50 service clients can be given access to allow them to maintain the sales ledger and cash book while the management accounts can be prepared by the accountant's staff. If the accountant also has a subscription to the ECP then they may use specialist software (for example to enhance reporting or provide forecasting) to run against the live client data on the Online50 service.

The ECP in action

This example of a recent real-life customer[5] may help to illustrate the benefits of the ECP and how it works.

An existing Online50 partner accountant needed to upgrade their in-house IT systems. Their key applications were IRIS accounts production and tax, Microsoft Office and GoldMine for CRM. Their in-house server was already at full capacity and they needed to install IRIS upgrades. Their adoption of the ECP was in a staged fashion. The first task was to transfer the existing IRIS application and data, to carry out the upgrades to the new version of IRIS and to prove the concept as a whole. With this done the next task was the migration of the GoldMine application and data and their Office files. At each stage they paid only for the capacity and licenses that were actually required.

The Online50 Service Delivery team assisted with the IRIS migration and the creation and maintenance of the required SQL services. These run on the core fault tolerant cluster and not on the customer's own Elastic Computer.

In common with many accounting firms the in-house systems were maintained by one of the partners - now that the firm is using the ECP the time required to maintain the in-house systems has been significantly reduced - freeing up his chargeable time.

The firm has moved their systems onto new fault tolerant hardware that is securely located and professionally managed. They pay for the capacity they need and have avoided initial capital outlay. They have not needed to drastically change their software or retrain their staff and they enjoy the additional benefit that their ECP system can be accessed from anywhere by their staff - either from their own offices, from client offices, or from home. There is no need to manage the installation of software onto laptops or to consider the 'checking out' and 'checking in' of client records, or to have the risk of data loss associated with removing data from the office.

How to get started with the ECP

Getting started with the ECP is easy. If you'd like to discuss how the ECP can help take your practice forward please call the Online50 sales desk on 0800 195 0835.

Whether you migrate all of your systems to the ECP, or just specific systems, or use it for testing is entirely up to you. We call it the Elastic Computer Platform because it is intended to adapt to meet your needs. At Online50 we are a service provider, not a software vendor or an IT reseller. We have been providing the online platforms that enable accountants to work more closely with their clients since 2001.

Other Cloud Solutions from Online50

At Online50 we are best known for providing Sage 50 Accounts, the UK's favourite small business accounting software, online. However we also offer a range of other services that can be used by accountants to help them get closer to their clients. Accountants can also provide our services to their clients, choosing whether to bill their clients themselves or for us to bill their clients. The key cloud based services that we provide currently are:

Online50	Access to a set of standard software on a pay as you go model on shared infrastructure. Available software includes Sage 50 Accounts, Sage 50 Payroll, Microsoft Office, line of business applications for different industries, CRM software, Job Costing software and so on.
ECP	The Elastic Computing Platform provides an elastic (reconfigurable capacity) environment to allow customers to run whatever software they need to. Currently this is popular for running accounts production and back office software such as IRIS as there is no need to plan additional capacity for upgrades.
SFX	Our Secure File eXchange provides accountants with an easy way to administer completely secure online private folders for their clients, and includes a set of publishing tools for publishing information to clients in a secure and controlled manner.
Hosted Exchange	Enterprise class email that can be accessed via web browser, Outlook software, and mobile phones (including the iPhone). Full synchronisation of contacts, diary and emails is standard.
Ambition Accounts	A scalable accounting system that can grow with your clients needs. It can be used by companies with less than £1m turnover, but scales up well to support substantially larger companies, full multi-currency support, multi-location stock, real time stock availability and pricing in a web shop and so on. Available for a competitive monthly fee.
Custom Hosting	If you need to host software or a web site in a particular way our custom hosting programme may be of interest. This allows you to have the software you need hosted on highly available fault tolerant and load balanced systems effectively. We can link to databases hosted on our fault tolerant database clusters, or you can host a database yourself as part of your custom hosting package.

To find out more about Online50 or any of the services we provide please contact the sales desk on 0800 195 0835 or visit http://www.online50.net.

About the Author

Rob Lambden is the founder and Chief Executive of Online50 Limited. A Physics graduate, his early career included time in sales, software development and product marketing. He started his first company in 1995, selling his shares to co-directors in 2000. In 2001 he founded Online50 Limited (then called IT Inside Out Limited). He has spoken at a number of conferences and events, including for the British Computer Society.

Online50 are market leaders in the online accounting market where they offer a range of solutions including their market leading service for access to the popular Sage 50 accounts software online. In the UK online accounting market Online50 are the only supplier that is a service provider and not a software vendor – we are independent of the companies whose software we make available whereas other suppliers are selling access to their own software and therefore focus on persuading people to use their software rather than providing excellent service to their customers.

To find out more about Online50 Limited and the services we provide please contact the Online50 sales desk on 0800 195 0835.

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[1] As reported in Google's Search Trends

[2] This quote has been frequently used in various forms in the modern age, and is originally attributed to the greek philosopher Herakleitos c.500BC

[3] A Disruptive Change is the business impact of the adoption of an innovation that enables existing established products (or working methods) to be replaced with ones offering higher quality and lower price. See The Innovators Dilemma and The Innovators Solution both by Clayton M Christensen of Harvard Business School.

[4] Cloud Computing is defined by the National Institute of Standards and Technology (NIST) as "Cloud computing is a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction."

[5] Contact details for customer references are available on request from Online50.