

Hazards in adopting latest technology

CLOUD COMPUTING HAS RECENTLY BECOME A GROWING TREND IN ICT. APPEALING AS IT MIGHT SOUND, IT IS NOT RISK-FREE – **GERALDINE FABRE**, PARTNER, AND **JULIE NASH**, SOLICITOR, BOTH OF **PRITCHARD ENGLEFIELD**, SEND A WARNING

Cloud computing appeals to companies wanting to increase their capacity or add capabilities to their IT systems without having to make upfront investments in new software, servers, hardware or training personnel. Other highlighted benefits include low and fixed periodic service charges, improved support and maintenance, anytime - anywhere access, elasticity of on-demand services, and the possibility to outsource carbon usage to external organisations.

Cloud Computing is not, however, risk-free. One key issue relates to the fact that services are usually run over long periods of time. This requires maintaining the service provider's security accreditations and certifications over the years, as well as its product/service development plan and service levels. Users should also consider details and pricing for training and configuration assistance, trial and acceptance periods, service credits, termination thresholds and any transitional services on termination of the arrangements.

Certain risks are not always warranted in the agreement, particularly

when contracting on the provider's standard terms. The customer's lack of control over the data, content and storage, and the provider's possible liability for loss of data and breach of confidentiality are other key issues. Service providers should be asked to explain their contingency and disaster recovery procedures, and to offer, when appropriate, to vouchsafe the object code, source code and the backing of data elsewhere. Once these issues have been considered, cloud computing can be embraced with real benefits for companies. ■

