



The Total Cost of Using 'The Cloud' a.k.a. Third-Party Services

2023-04-03

The Actual Total Cost

It's easy to be lulled into thinking that the charges quoted for Cloud-based services are the total cost to your business. But various factors often create far larger actual costs, due to the disruptions that they cause to business operations. You can outsource the work, but you can't outsource the risk.

Service and Network Outages

Cloud service outages occur quite often, and are due to things like bungled configuration changes, bungled software updating, and hardware failure.

Network outages also occur quite often and for the same reasons and more. A major solar flare is likely to cause damage to a lot of network routers. Fibre cables are immune to the effects of solar flares, but the repeaters on them aren't.

In NZ, optical fibre cables running between population centres tend to run alongside main roads or railway lines, and be attached to bridges to cross rivers. When a flood takes out a bridge it obviously takes out any attached fibre cables. Road slips can have the same effect. Repairs can take a long time. Climate change is making floods larger and more frequent.

The NZ Alpine Fault rupturing is likely to disconnect Westland for quite a long time.

Exposure to Attacks

Cloud services are directly exposed to attack 24/7, and are heavily attacked.

It's easy to inadvertently misconfigure Cloud service(s) to give attackers access to user data.

The software running Cloud systems is often found to have serious flaws, but they tend not to get reported publicly.

Loss of Control

If something goes wrong, your options are very limited.

You can outsource the work, but you can't outsource the risk.

Contrast : Total Cost of Self-Hosted Services

With competently set-up local systems the total cost over time will be significantly lower and the reliability significantly better, and there'll be no ongoing subscriptions. Furthermore, you don't need so-called "Enterprise Grade" hardware in order to get good performance and reliability and resilience.

So keep your operating-data close and your backup-data safely close.

Our Motivation For Producing This

We want businesses to achieve better outcomes, regardless of whether we're involved in making them happen. Such outcomes can produce effects that benefit many, including ourselves.