

Cluttering cloud claims

by **Erik Weller** 

These days, every software provider worth its salt is moving its offering to the cloud. That makes sense for many reasons, says Erik Weller of iTesso, and technology buyers are pleased with all the benefits. However, it is important to beware of potential pitfalls when choosing a software provider, and to make sure you understand their claims, he says.

The cloud is cloudy

Ask ten people what the cloud is and you'll get ten different answers. The cloud can be many things, but they all involve computing that happens on a large number of computers accessible over the Internet. The benefits of using the cloud depend on what you are trying to achieve. If you've decided to get rid of all your onsite servers and need to move your word processing and e-mail to a place where it can be accessed from anywhere, you could decide to rent space in a hosting center. Or you could use the cloud. One important benefit of the cloud is that, rather than buying disk space for your hosted server that is large enough for the growth you expect, you only pay for the space you use.

Hosted vs. PaaS

When it comes to replacing PMS software or finding a PMS for your new hotel, you're likely considering vendors that offer software in the cloud. Many vendors still offer the same software but now simply host it on a server in the cloud. That's not what you want. True cloud-native software takes advantage of all the benefits the cloud offers. Cloud services providers, such as Amazon, Microsoft and Salesforce, offer their Platform as a Service (PaaS), which means they provide resources as required and only charge for what was used. This allows cloud-native software to grow and shrink as required. The benefits of this efficient elasticity can be passed on to you as the end user, not only through lowered pricing, but also because there is no need to procure hardware for you. These

vendors will be able to start working with you the moment you sign up. Make sure your vendor offers software that was created for the cloud and not just moved to the cloud.

Where is the data?

When you make the move to the cloud, be sure to ask where the data is hosted. If you have hotels in Europe, you should know that under the current European data protection directive (95/46/EC) personal data is not allowed to cross borders. Is that something your software provider can guarantee? In 2014, the new EU Data Protection Regulation will come into effect, which puts much of the onus on the vendor. Is your vendor aware of this, and are they prepared to put your mind at ease?

What about interfaces?

The number of interfaces that are used in an average hotel is staggering. Your Property Management System could connect with up to 20 different other systems of various types, many of which still reside within the walls of the hotel. From the PABX to the keycard system, from the pay-per-view to the digital signage system, and from the POS to back office software, most communicate using proprietary protocols. Ask your potential PMS partner how they deal with your need to connect your legacy on-premise systems with their cloud offering—especially those that require a serial connection with a 6-foot cable. Do they offer a proven solution that can deal with latency issues? Just converting serial transmissions to



an IP socket may not be enough. By the time the software in the cloud has figured out a response and sends it back to the serial port, the other system may have timed out. Be sure your vendor can reassure you regarding these issues.

Credit card conundrum

The PMS processes credit card data. How does it deal with PCI-DSS security? If you've invested in becoming PCI compliant, the last thing you want is for your new software to throw a wrench in the works. If you're still looking into becoming PCI compliant, how does the cloud-based software affect the process? Is it out of scope for both credit card guarantees and credit card payments? Be sure to have that conversation with the vendor.

Off balance sheet or out of balance?

The idea of keeping the software you use off your balance sheet is great, but software licenses are just a portion of what your vendor invoices. You are also billed for training and installation services. What about ongoing training, and training for software updates? How has the vendor dealt with those costs? Have they been moved from CapEx to OpEx as well, or is it just the software?

The bottom line is—don't let your PMS vendor clutter your mind with claims that their cloud offering can solve all your problems when instead, they might just create new ones.

About iTesso

iTesso (formerly known as Hotel Concepts-Brilliant) is a leading global provider of advanced software solutions to the global hospitality industry. The company's premier product is the iTesso Enterprise Lodging System, the world's first true Cloud-native Property Management (PMS) and Central Reservation System (CRS), operating on the Microsoft Windows Azure platform. Founded in 1994 and based in The Netherlands, iTesso maintains four main offices on three continents in order to provide local support to their hotel clients around the world.

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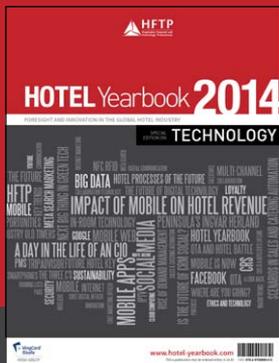
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