

Cloud Computing Confusion: Inconsistent Terminology is Muddying the Water

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The federal cloud computing market is nothing if not confusing. Despite the best efforts of technical personnel at the National Institute of Standards and Technology to define what cloud is, the cloud market has come to encompass goods and services well beyond the narrow definitions of Infrastructure, Platform, and Software-as-a-Service. Understanding this is important for industry, because the complexity of the cloud market means finding business opportunities is that much harder.

Take for example the booming business of migrating agency datasets to big hosting companies like Amazon Web Services. AWS provides the cloud (the IaaS), but another vendor does the migration work. In this context, what part of the work should be considered cloud computing? The hosting services provided by AWS are clearly cloud, as defined by the NIST, but without the data migration work done by the industry partner, AWS provides nothing. The industry partner is a critical piece of the cloud puzzle, so should the migration work not also be considered part of the cloud market?

At Deltek, we call these types of services "cloud enabling" and we consider them to be part of the cloud computing paradigm. Therefore, we include spending on those services in our analysis of the federal cloud market. So, if cloud enabling services fit into a broader definition of the market, is your business development team searching for opportunities to do this kind of work?

Services like data migration are one shade of gray among many. An even more challenging trend that has emerged within the last couple of years is the use of the term "cloud" to describe a network of communications hardware and switches. This term first came to my attention in the early stages of the Defense Department's implementation of multi-protocol label switching routers for the Joint Information Environment. Referred to as an MPLS cloud, the "cloudiness" of the MPLS gear appears to refer to the scalability of the hardware, but does the MPLS cloud really fit the definitions of cloud provided by NIST? The DoD is now taking the cloud analogy one step further, referring to sensor arrays as clouds. Are sensor arrays cloud computing? Their description as cloud confuses the issue quite a bit.

So What?

Seeking clarity in the terminology is not simply the complaint of a picky analyst. Consider the following. Using cloud terms for things that are not cloud has a serious impact on our understanding of the market and the size of the business opportunity related to cloud. For example, the Federal Aviation Administration has requested \$24.3 million in FY 2016 for its Terminal Voice Switch Replacement program. The TVSR "replaces aging and obsolete voice switches" related to air traffic control. These switches are basically boxes of hardware that enable the use of Voice over Internet Protocol (VoIP).

In its FY 2016 IT budget request, the Department of Transportation requested \$71.5 million for cloud computing. The question must be asked, however, if a collection of FAA switching hardware constitutes a cloud. If so, then cloud service providers may consider the size of the DOT cloud business opportunity to be \$71.5 million. If not, the FY 2016 cloud opportunity at DOT is \$47.2 million.

Company leadership uses these figures to set expectations for the business opportunity available to their sales teams. Let's say your company's team is expected to capture 5% of the total cloud spend at the DOT and compensation levels are set accordingly. Does that total equal \$3.5 million (5% of \$71.5 million) or \$2.35 million (5% of \$47.2 million)? The distinction matters if your company doesn't happen to sell the switching equipment that the DOT calls cloud.

The correct use of terminology is important because the definition of cloud computing informs business decisions. If the definition is flawed, the resulting decision is as well. If that matters to your sales team and bottom line, you can see why the terminology matters and why clearing up the confusion is relevant.