

Clouds on Retail's Horizon

BY RICHARD MADER

The near-term forecast for retail is cloudy. Not the storm clouds of the recession — the worst of that appears to have passed — but rather the kind that have a silver lining.

Cloud computing is a trend that is enabling and driving new markets in technology. As defined in a recent Bank of America publication, cloud computing “refers to the idea of delivering personal (e-mail, word processing, presentations, etc.) and business productivity applications (sales force automation, customer service, accounting, etc.) from centralized servers that share resources like storage, processing and bandwidth more efficiently by a cost factor” of between five and 10 times.

Cloud computing is paid for on a subscription basis; the software is hosted by the vendor and accessed by the customer over the Internet.

Retailers using cloud computing capabilities provided by Microsoft, IBM, SAP, Oracle and others will no longer need to purchase upgrades to their in-house computers for the Christmas or other peak selling periods; they can simply draw more power from the “cloud” just as you do electricity in your home.

But the cloud is more than just raw computer power: You can rent applications on an as-needed basis — meaning you can log on for one hour of CRM and pay for one hour.

Cloud computing white paper

Cloud computing holds great promise for retail, perhaps finally fulfilling the objectives of the data utilities promised 20 years ago by Ma Bell and Allied Department Stores. There are some risks to be minimized, of course, and multiple implementation strategies to consider.

As a mentor of 25 years ago would always tell me, “Mader, that is why I am here, to help you.” In that vein, ARTS is here to help members and all retailers maximize utilization of cloud computing by preparing a white paper specifically for our industry. This paper will address issues and questions such as:

- What is cloud computing? Think on-demand power and applications.
- What does cloud computing offer to retail? Start with



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lower IT capital requirements.

- What are the best places in retail for applying cloud computing? Stores and e-commerce may top your list.
- Integrating services at the cloud with store and enterprise IT, creating a single view of the business.
- How cloud computing truly enables SOA.
- The cost of cloud computing. There is no free lunch, but think “daily special” pricing.
- Overcoming concerns with availability, reliability and security.
- Supporting an “open cloud” for freedom of choice in applications and vendors.

Popular SOA blueprint

ARTS prepared a similar white paper on service-oriented architecture (SOA) last year, and it has proved to be one of the most widely used documents produced in our 16-year history — downloaded by more than 350 companies and used to implement successful SOA infrastructures.

At the ARTS Users Meeting, September 20-23 in Orlando, Easy Homecenter will present on how it used the SOA blueprint as a guide for creating reusable business services within an SOA environment to provide optimal support to the business.

You also will hear how Kroger has enhanced its e-commerce function by using select services from the

cloud. Kroger's experience is reflected in the ARTS cloud computing white paper that will be released at the Users Meeting.

Do yourself a favor — investigate how cloud computing can benefit your business. A great place to launch your investigation is the ARTS Users Meeting where you will receive a copy of the white paper and have the opportunity to discuss it with the team of experts who wrote it. For more information on the Users Meeting, visit <http://events.nrf.com/ARTS09>.

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