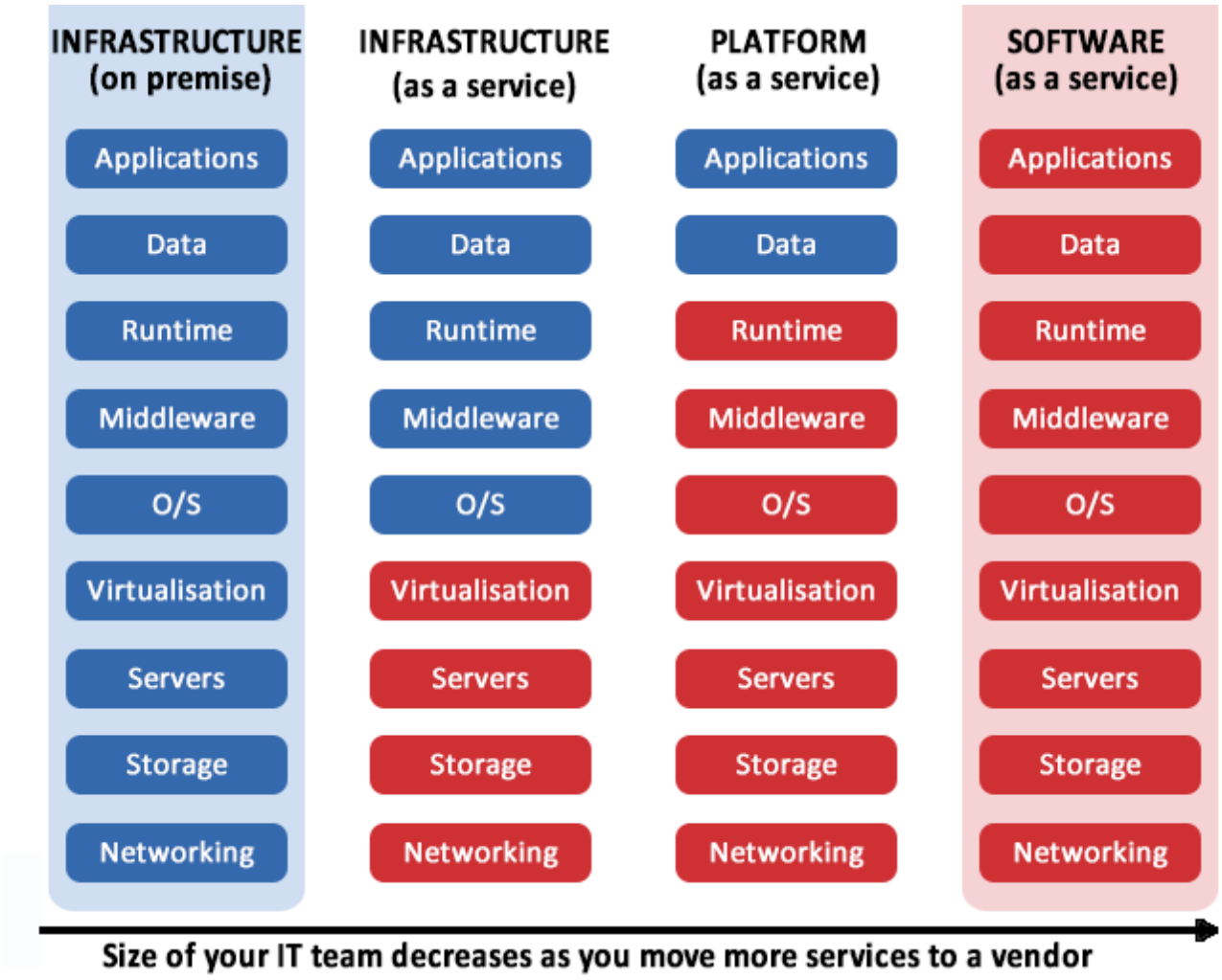
The Tour Operator's Guide to Hosting Technology

Tour operators implementing a new reservations system need to consider their IT infrastructure. As a tour operator, where should you host your applications? More and more, we are asked about cloud computing. Tour operators are considering whether to run their applications in 'the cloud' versus 'on premise'.

What are the options for hosting your technology?



Infrastructure on-premise
• Sentence from Brian - this is where all of the responsibility lies with you.

Infrastructure as a service
• sentence here from Brian.

Platform as a service
• sentence here from Brian

Software as a service
• sentence here from Brian

What are the benefits of hosting in the cloud?

Flexibility

Cloud computing can be considered a virtually limitless set of resources: computer power, memory, storage and bandwidth. Hosting business applications in the cloud comes with the huge benefit of being able to dynamically react to changes to business demands. Tour operators have the ability to increase the resources that they use when they expect high demand (for example, during a sale or peak booking season). They can also decrease resources during known quiet times in their operations, such as weekends and evenings.

Mobility & collaboration

Workforces are increasingly more mobile, distributed across various regions, less tied to a dedicated work station or even working from home. Cloud computing provides access to applications and documents everywhere. The traditional obstacles to sharing documents and applications are removed by being able to work in the cloud.

Reduced cost

When your applications are running in the cloud, your IT staff do not have to manage infrastructure. Infrastructure is being managed by the cloud provider.

Mobile security

Companies have understandably complicated security policies to prevent unauthorised access to their network. But mobile staff need access to the network! Access authorization is much simpler in the cloud.

Capital expenditure vs operating expediture

Hosting large systems and applications on-premise typically require a large up-front cost to purchase servers and software licenses. In the cloud, charges are typically a monthly operating expense for the services consumed rather than a capital expense. This can improve cash flow and avoid potentially complex capital expense budgeting processes.

Resilience and better response times

Cloud providers typically manage multiple data centres around the world. This allows companies to locate applications and data closer to their end users, improving response times and performance.

Scalability

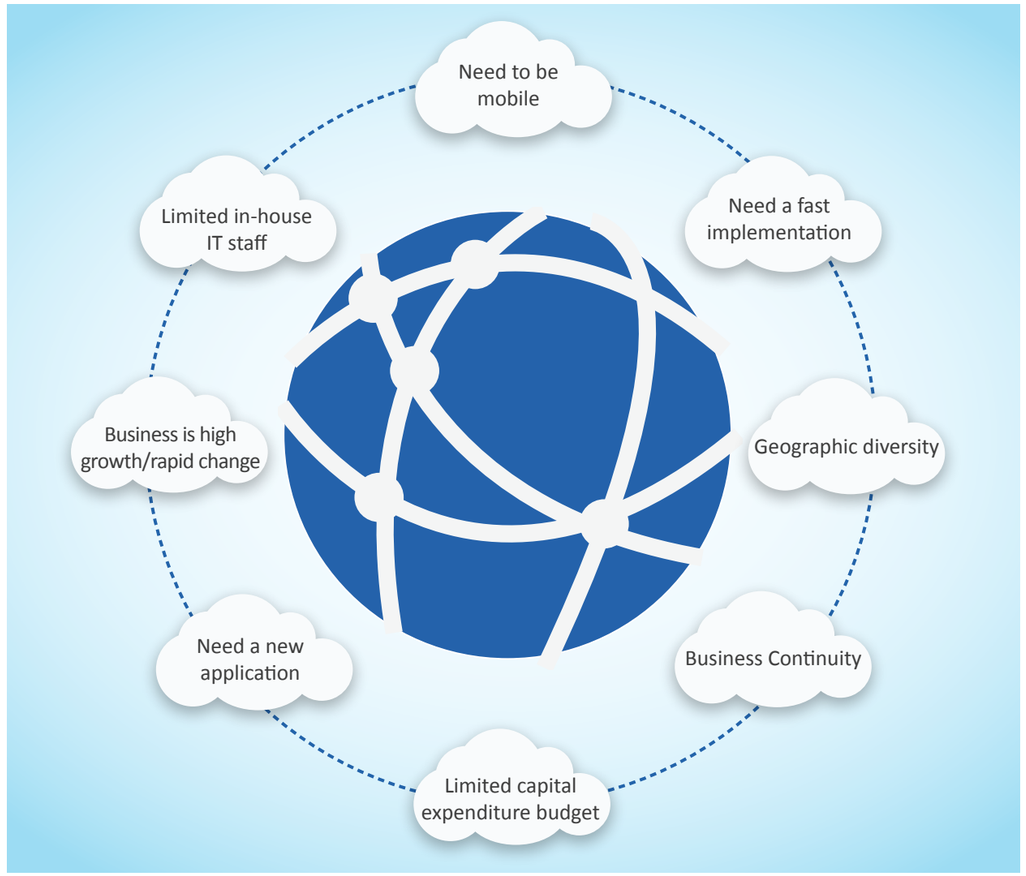
Cloud providers build their environments to be high-speed and load balanced. This allows companies to scale up their application when demands are high, without large additional cost or scale down and only pay for what is needed.

Business continuity

Without any physical hardware to support, traditional IT operations and disaster recovery is seamlessly delivered by the cloud computing provider.

Security

Storing data in the cloud removes the risks associated with storing business documents and data on a physical device.



What should you consider before moving to the cloud?

What are the capabilities for managing hardware in your organisation?

This is where tour operators need to evaluate the technical knowledge within their organisation. If the decision is to go with a cloud provider, there will be a need for more specialist vendor management skills within the IT department, to manage the commercial relationship.

What are the cost considerations?

This is where the organisation needs to evaluate their operating costs in the long term. Will these be constant or are they likely to fluctuate? It's also worth looking into the expansion plans for the organisation.

For example, if there are plans to expand into multiple offices, a cloud solution may save on expensive overhead costs such as hardware and employment of multiple IT teams.

How will your organisation manage the transition to the cloud?

In our experience, we have found that large tour operators take a slow approach to moving services into the cloud, as this allows them time to see how it compares against on-site installations. This transition needs to be managed carefully to ensure it does not compromise the company's ongoing operations.

When does it make sense to host your data on-premise?

Total cost of ownership

Paying a lower monthly operational cost for cloud-based services helps a company's cash flow, over time the amount of those services become more expensive. They may ultimately exceed the one-off costs that hosting on-premise would have attracted.

Regulatory controls

Some jurisdictions mandate that data must reside within it' boundaries. This negates some of the flexibility that cloud providers allow by deploying applications closer to the end user. It's important to evaluate the regulatory controls for data in your geographic regions.

Confidence & control

Hosting on-premise means a company has full, transparent control of their infrastructure, software and security policies. Delegating this responsibility to a cloud provider can be considered a risk due to the opaque nature of cloud computing.