

The New Zealand Herald

New Zealand Herald

What Is Cloud Computing?

21 November 2009

Xero is what is known as a “cloud” service provider. Rather than businesses buying the accounting software from Xero and installing it on their systems, they subscribe to it online. This means there are no additional charges for upgrading the software and it can also be accessed by accountants and bankers so there is no need to transfer information from the business' system to theirs.

Stephen Graham, a partner at BDO Rotorua, said cloud computing was becoming more popular. “It is going to be the future of accounting.”

Apart from streamlining the sharing of information with a business' service providers, Mr Graham said it gave owners better access to their own bank transactions, invoices, reports and GST information and many of his clients on the system were asking more questions and improving their understanding of the accounting side of their companies.

“The main barrier at the moment is caution on the behalf of clients concerned about the security of storing their information externally.”

But he said Xero worked on the same principal as internet banking and access was restricted to those people authorised by the business owner.

Rod Meharry, of Photo Arts NZ, has been using the NetSuite cloud package for his company's accounting, customer relations management and job tracking.

“We run our whole business online.”

“We can see everything in real time from sales, banking, who owes us, what we owe.”
Mr Meharry heard about the concept through his role on the Government's Small Business Advisory Group and talked his business partners into giving it a try.

“It was expensive, but I expect it will get cheaper.”

He is not concerned about the security aspect, saying it is actually safer to have all the data stored off site.

“If our business burnt down tomorrow, all our intellectual property would be lost.”
“This way, we just have to get online and we are back in business.”