Utility computing: More hype than substance?

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By: Ian Palmer

Although some of her clients have asked about utility computing, Lena West, founder and CEO of xynoMedia Technology in Yonkers, N.Y., said they usually come to their senses after conducting full assessments of their infrastructures.

Utility computing facilitates as-needed use of computing resources and technology, thereby enabling businesses to effectively handle fluctuating requirements. However, cautioned West, what looks good on paper might not look good in reality.

"Utility computing looks great on paper," she said. "But once you try implementing it with existing infrastructure, it will be a lot harder to do than one thought at the outset. Everybody wants to pay less for scalability.But the question should be asked: 'What do you have to do to get there?' "

According to West, companies that are growing are the best candidates for utility computing, because such enterprises might be in the process of revamping their infrastructures anyway. Other types of organizations that might find utility computing useful are accounting firms that experience periods where demand for resources increases or decreases in spikes.

Glenn Watt, CEO and president of Backbone Security in Stroudsburg, Pa., agreed with West's assessment of the somewhat dubious value of utility computing for many businesses.

"Utility computing is something easily understood, but difficult to implement," said Watt, adding that utility computing as a solution is more hype than reality. "From a security standpoint, it's a nightmare. Having all those systems interoperating, scaling up, scaling down, is a nightmare."

Entities best able to use utility computing are those that are fairly large and robust, such as state governments or companies with numerous sites, he said, adding his firm would only get involved in a utility computing deployment project in the capacity of a security consultant.

Companies serious about taking the plunge should consider whether their current infrastructures have the physical capabilities to be flexible, said West, and finding the right vendor is also crucial.

"Try to find a vendor willing to come in to understand your business, understand your business processes, and understand how to tie up all the loose ends," said West. "The details need to be fine-tuned on a case-by-case basis."

One of the big vendors pushing utility computing as a viable business solution is IBM in Armonk, N.Y. According to the company, utility computing is really only one small slice of the entire on-demand pie. For IBM, on-demand is a business model customers can apply to drive costs out of technology infrastructures and to make infrastructures more resilient and flexible.

Threshold Digital Research Labs, for instance, turned to IBM when it needed not only to create large-scale digital animation projects involving significant amounts of data and global workgroups, but also to extend the Threshold brand. Threshold ended up selecting IBM's Digital Content Creation solution, running on a combination of Linux and Windows. It also opted to use IBM's Deep Computing Capacity on Demand center.

Part of the reason for the lukewarm opinions about utility computing, said John Lutz, vice president of on-demand business at IBM, is that too many people are oversimplifying what utility computing is and what it can do.

"A lot of folks view utility computing so narrowly," said Lutz, whose company has worked with nearly 1,000 clients on major on-demand business initiatives. "It's a case where oversimplifying it doesn't help. We're certainly not a one-trick pony.We're trying to make processes and businesses more flexible."

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