

From data released by survey institutions, it is evident that cloud computing has its benefits. According to a 2011 survey conducted by Apptio and Worldwide Executive Council, 80% of IT executives believe metrics related to cloud would grow in importance over the next 12 months. But which cloud service model is right for you? Although the benefits of cloud can prove substantial for your company, there are many factors to take into account when deciding which is right for your business.

There are three basic kinds of cloud service models. Each share similarities but have their own distinct differences as well. These service models are Infrastructure-as-a-Service, Software-as-a-Service and Platform-as-a-Service. It helps to think of these services in layers.

Infrastructure-as-a-Service (IaaS)

Infrastructure-as-a-Service is the first layer and foundation of cloud computing. Using this service model, you manage your applications, data, operating system, middleware and runtime. The service provider manages your virtualization, servers, networking and storage. This allows you to avoid expenditure on hardware and human capital; reduce your ROI risk; and streamline and automate scaling. According to a 2011 article released by Venture Beat, □Some of the biggest names in IaaS include Amazon, Microsoft, VMWare, Rackspace and Red Hat.□

An example of a typical need for this model is someone who needs extra data space for processing power on occasion.