

Cloud computing a major security opportunity for channel partners

- **The risks and rewards of cloud computing will be debated at the Canalys Channels Forum, 'From cloud to clarity', 3 to 5 October in Barcelona**

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Canalys today announced that the worldwide cloud computing opportunity for channel partners will represent some \$40 billion-worth of revenue in 2011. Security in particular gives channel partners an opportunity to differentiate their cloud services.¹

Cloud computing greatly impacts the way organizations deploy security, as it raises concerns about data protection, compliance and business continuity during denial-of-service (DoS) attacks and other service outages. Much confusion has been created, with multiple cloud models, provider types and customer service level agreements in the market.

'Service disruptions, hackers and political instability in certain regions continue to dampen enthusiasm for cloud computing,' said Canalys Analyst Alex Smith. 'Conversely, these issues provide a substantial opportunity for channel partners offering their own cloud services, as well as those working in the traditional security market.'

To increase margins and generate recurring revenue streams, many channel partners have already attempted to shift their business models to deliver computing services as a utility, becoming their own cloud service providers. Rather than providing infrastructure as on-premises product sales, larger channel partners with deeper experience and financial resources have invested in their own data centers.

'The advantage that these channel partners have over larger public providers is a closer relationship with their customers, forged from traditional product sales,' said Smith. 'These channel partners are typically well versed in local regulations and compliance issues and can reassure their customers by offering visits to their facilities, showcasing their infrastructure investments and security practices.'

Not all channel partners will have the skills or resources to invest in cloud services, but they will see customers move some of their infrastructure requirements to third-party cloud services. This could include software-as-a-service (SaaS) providers, such as Salesforce.com, public cloud platforms, such as Amazon Web Services, or even private cloud offerings from local data centers. The increased security considerations among customers will present the traditional security channel with an important opportunity to provide tailored advice and solutions, such as 'single sign-on' for web-based applications, or encrypting data stored on cloud platforms.

¹ Canalys defines cloud computing as any IT service delivered on-demand with metered usage, typically using virtualized and multi-tenancy architectures to deliver scalability, elasticity and rapid provisioning with the aim of reducing costs.

‘Partners looking to become specialist consultants will have to invest heavily in dedicated security skills from both a technical and sales standpoint,’ said Canalys Research Analyst Nushin Hernandez. ‘Rather than focusing on software license and appliance sales, they’ll need to deliver expert advice and complex implementations, while perhaps building their own security operation centers or specific vertical practices to drive regulatory competency.’

Canalys expects the majority of IT investment in the near future to remain in on-premises infrastructure, with the emergence of internal private clouds as one of the biggest change factors. As a result, virtualization security will become particularly important over the next five years. While implementation has been limited thus far, customers will have to invest in the appropriate security technologies as virtualization becomes more pervasive.

Security policies must also reflect the elasticity of the cloud environment, tracking movements within the infrastructure. Contextually aware security processes will have the ability to understand and map users, locations and computing resources into their policy engines. Analytics will also improve decision-making and proactive threat prevention, while automation will help streamline many security operations.

‘With the emergence of the cloud, and an increasingly competitive vendor landscape, the battle for security market share will remain fierce,’ said Hernandez. ‘Traditional security products will be in demand as the threat situation remains aggressive, but innovators capable of matching fluctuating customer requirements will come out on top.’

Security and networking vendors, such as Brocade, HP, IBM, Juniper Networks, McAfee and WatchGuard, along with numerous other IT companies, will discuss the risks and rewards of cloud computing at the upcoming Canalys Channels Forum, ‘From cloud to clarity,’ from 3 to 5 October 2011 in Barcelona.

About the Canalys Channels Forum

The Canalys Channels Forum is the only independent event that unites senior managers from leading technology vendors, distributors and channel partners to discuss industry trends, forge new business relationships and create sales opportunities. In addition to vendor keynotes, the event will feature best-practice workshops, more than 2,000 senior one-to-one meetings and a prestigious gala dinner, among other networking activities. More information about the event can be found at www.canalyschannelsforum.com or on Twitter at @cloudtoclarity. Journalists please contact press@canalys.com to request a press pass.

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