



## Preparing the cloud for a commodity market

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Cloud computing has undeniable business advantages in terms of agility, flexibility and opex reduction costs. One of the major characteristics of this model is its capacity to transform IT resources (storage, processing, network, applications) into fungibles. Whereas current cloud providers can deliver storage, processing and “everything of a service” in the cloud, these services are preferably provided using a “pay as you grow model”, instead of “a pay as you use” model. Furthermore, these services are still not enough benchmarked using references’ measurements.

In the current state of the market, it’s impossible to sell or to buy cloud services as commodities. Preparing the cloud for a commodity market will help companies to protect themselves from fluctuations in the price of cloud services they buy or sell. As example, in the energy market, power stations use electricity measurements to finance their construction projects at better cost.

Just as the energy market, the cloud could become a commodity market by better supporting the adoption of transparent benchmark measurements which could benefit both providers and users. There are certain prerequisites to make the cloud a commodity market. We need a dynamic provider’s ecosystem ready to commit itself to “a pay as you use” model. As major’s players changed their business model, there are a lot of new entrants and specialist providers who really have to satisfy with respect to tariff transparency. Another condition to make the cloud a commodity market is due to its fungibility. Cloud services must not only be delivered and provisioned in an easy way. They have to be perfectly interchangeable, from one provider to another. When trying to migrate from one cloud service to another, anyone will state that there are not really fungibles.

Bringing transparency to the cloud (including pricing, QoS, contractual commitments...) will benefit to the overall ecosystem (providers, end user, and distribution). That will also prepare a future benchmark cloud computing index to attract new investments.