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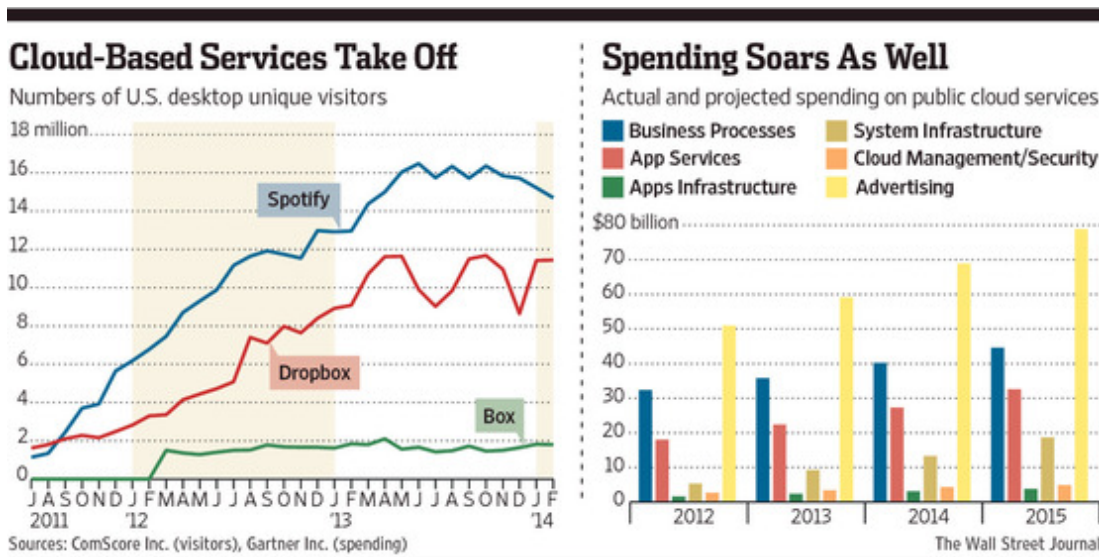
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JOURNAL REPORTS: LEADERSHIP

# Are Consumers Better Off Putting Everything in the Cloud?

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The cloud offers people the chance to unload their data-storage and computing chores onto somebody else's machines.

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But is doing all of that unloading a good idea?

In recent years, more people have been taking advantage of systems that let them store and share files online, or run common software applications over the Web instead of on their local computer.

For an idea of the size of the cloud market, and how much it has expanded over the past few years, consider some numbers from a recent survey by comScore Inc.

From July 2011 to February of this year, the online music service Spotify leaped to 14.7 million unique visitors a month from U.S. desktop users, up from 1.1 million. Another big name, the file-storage provider Dropbox, jumped to 11.4 million from 1.6 million over the same stretch.

Cloud boosters say that having people move their computing online saves headaches and is the most efficient way to deal with the proliferation of devices that people use these days—smartphones, tablets and desktop computers.

Critics, though, think using the cloud exposes people's information to cyberattack and other kinds of snooping—and ultimately, people are better off doing the heavy lifting themselves.

Frank Gillett, a vice president and principal analyst at Forrester Research Inc., believes personal cloud services are an important advance. Triona Guidry, president of Guidry Consulting Inc., a consulting firm specializing in small-business support, holds that the cloud's promise of convenient features and capabilities comes at a cost,



Frank Gillett *Forrester Research*

### *Yes: It's the Best Way to Access Data When We're Mobile*

**By Frank Gillett**

Moving everything to the cloud is the only reasonable way to deal with the growing digital self we're all managing. By 2013 an estimated 77% of all U.S. online adults in Forrester's survey reported using one or more cloud services.

Using cloud services to create, store and share information means it is available in "mobile moments," when you want to take care of a task on the spot. Without cloud services, you'd have to wait until you got in front of an Internet-connected PC to deal with those, which means you wouldn't do half of them.

There's an important additional benefit of cloud services. We get features and capabilities that aren't so feasible if we kept information isolated on our own PC at home. Cloud providers can offer extra services like software that touches up photos we store online, or they can do things like analyze the data we keep in the cloud to assess our financial picture and then find us lower-cost loan offers, among other things.

### **Too Hard to Go It Alone**

There's a long list of reasonable questions about using cloud services. Let's start with security. Using cloud services means that your data is better protected than if most of us tried to manage it on our own PC or smartphone. Google, [Microsoft](#), Apple, Dropbox, Facebook and other large-scale services are all much better than we are at avoiding data loss from gear failure, keeping software up to date, upgrading hardware, and constantly improving security. And they do better at migrating old information to new formats too.

Sure, there are occasional problems—but compare that to what you hear from your friends about struggles with viruses, hard-drive failures, or email scams. Individuals are fundamentally bad at security, and it's folly to think your friends or family can do a better job at securing a PC, external drive or home server than a cloud service.

What if the cloud provider goes under? As long as you pick a reasonable-size company, someone will take over the customers—and that's almost always the case for all but the smallest ones, too.

What about protection against cybercrime or snooping governments? Your personal devices are vulnerable to all that, while cloud providers are increasingly motivated to demonstrate that they can protect you; they'll even provide you with the digital keys so that only you can unlock the data, even if the provider receives a subpoena.

### **Accepting the Trade-Off**

Some cloud naysayers fret about the potential for providers to misuse customer data. Of course, if the service is free, the provider makes money somehow, such as by selling data about users' behavior. Some people accept the trade-offs, while others will choose to pay for services so that providers limit the use of their personal data.

Some DIY advocates even argue people should set up and manage cloudlike services at home to keep their information as safe as possible. But that's not going to work for the average citizen—the whole experience is just too techie and glitchy.

Besides, simply having remote access to your files is only part of the picture. The real value of cloud services is the additional features and services that get created in the cloud service, which are only possible if data from customers is collected, analyzed and used to help them.

No one wants to feel like they walk around with all their data on their sleeve. But no one wants to live in a world of amnesiacs either, where you have to tell the whole story from the beginning each time you deal with a service or a merchant. These cloud services are developing what Forrester calls contextual privacy, the ability to agree on specific situations and information that is shared in the right way.

Personal cloud services are an important advance. To ignore them is to remain stuck in the PC era as the rest of the world moves on.

*Mr. Gillett is a vice president and principal analyst at Forrester Research Inc. He can be reached at [reports@wsj.com](mailto:reports@wsj.com).*



Triona Guidry *Jared Silver*

### *No: It's Convenient But It Isn't Worth the Added Risks*

**By Triona Guidry**

WHEN YOU USE cloud services, you're trading security and reliability for convenience.

Cloud boosters want you to think providers can do a better job of protecting your data than you could. Yet there is zero guarantee that your cloud vendor is maintaining better security on its systems than you do on your own.

Many major cloud providers have had security breaches in recent years. Data breaches have become so common, in fact, that one cannot go to the grocery store without risking identity theft. And consider just how many new threats are emerging all the time. A 2013 McAfee survey found an astonishing 200 new malware samples every minute. Can you rely on a third party to make sure

you're protected from all of those?

## **The Hidden Cost**

But cloud users don't just need to worry about attacks by cybercriminals on the rise. They need to watch out for the cloud providers themselves.

We've seen how companies like Google and Facebook data-mine consumers, the hidden cost of supposedly "free" services. Consumers must hope their cloud vendor has their best interests at heart, and we have seen that isn't always the case. When you store data online, in some cases you have no control over who might access it, such as advertisers and marketers.

Then there's the matter of reliability. Cloud boosters want you to think big providers do a much better job on the technical end than individuals can do.

But clouds do go down, even big names. Natural disasters, hacktivism, even a failing backbone cable can result in massive downtime. When that happens, consumers suffer—and there's no way to know how good the vendor's backup solutions are, nor how effective their disaster-recovery plans.

People can't even be sure that their cloud providers will be able to stay in business, let alone maintain their systems. A 2013 survey predicts one out of every four top 100 Internet service vendors will be out of business by 2015. When vendors fail, customers scramble to migrate their data, and some don't make it in time. How often will you need to jump ship to stay ahead?

## **Do-It-Yourself Clouds**

A better option for consumers are locally installed services that offer cloudlike options with reduced risk. In other words, set up your own server, store your data on it and then give yourself access to it so you can tap into it from wherever you choose.

It's not as daunting as it may sound. These days, sharing features are built into most consumer products, and are easy to configure and maintain. You can do all of it using hardware available at any big-box electronics store.

Cloud advocates say that you lose a lot of features and services when you go local. But consumers can still do plenty of tasks with home setups. They can still sync across devices and share documents and data, for instance, or stream video. They can run any software they like, and they can set any security measures they wish. And they don't have to worry that they might wake up to a new interface, or a warning that their cloud service is about to vanish.

This puts the responsibility on the consumer to monitor security—but that responsibility is ultimately on them anyway, no matter which solution they choose.

Cloud's promise of convenient features and capabilities comes at the cost of the consumer's privacy and online safety. Is the trade-off truly worth it? A few nice features exchanged for identity theft and financial loss? Until consumer cloud technology prioritizes security and reliability, relying upon it exclusively is questionable at best and dangerous at worst.

*Ms. Guidry is president of Guidry Consulting Inc., a consulting firm specializing in small-business support.*

She can be reached at [reports@wsj.com](mailto:reports@wsj.com).

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