

Cloud Server Offerings Pros and Cons

Comparison between on-premise and all off-premise options (co-lo, dedicated, Azure), plus specifics for each off-premise option. Also included is a summary comparison of some key aspects of an IT system for each.

Scenario	Pros	Cons
On-Premise	Ownership of server	Higher up-front costs
	Simplest to implement	Dependent on services at office
	Lowest TCO	
	Highly extensible	
Off-Premise	Lower up-front costs	Higher complexity
	Proper router at office	Slower network functions
	Proper and redundant services at hosting site	Internet outage may affect internal systems
Co-Location	Ownership of server	Highest up-front costs
		Requires additional router
Dedicated		Significant security concerns
		Limited expansion options
Azure		Highest TCO

	On-Premise	Co-Location	Dedicated	Azure
Up-front costs	Moderate	High	Moderate	Moderate
Ongoing costs	None	Low	Moderate	High
Total TCO	Low	Moderate	High	High
Security	Moderate	High	Low	High
Extensibility	High	Moderate	Low	Moderate
Flexibility	Moderate	Moderate	Low	High

Overall summary for each:

Co-location: Basically the same as on-premise. Has advantages in providing proper and redundant racking, cooling, power and Internet.

Otherwise just adds up-front and ongoing costs, as well as limiting expansion options, adding complexity, and introducing problems and slowness from being off-premise.

Dedicated: No ownership of equipment, significant ongoing costs, added complexity, highly limited extension and flexibility, and massive security concerns.

Only advantage is it's slightly cheaper than Azure, but otherwise all negative, and strongly recommended against even offering this.

Azure: Good flexibility and extensibility options within the Azure platform. Best option for off-premise.

Very high overall costs – one year of running costs will likely exceed total equipment and labour costs from an on-premise install that would last for at least 5 years.

Cameron's recommendation:

I think if we're going to offer this to clients, we should offer only Azure as a solution. It's the only solution that has reasonable advantages without significant extra disadvantages, and provides a clear comparison between on- and off-premise options.