



epiq clarity

Which is Better: eDiscovery in the Cloud or eDiscovery in a Data Center?

This commonly asked question is actually a false dichotomy – in reality, neither the cloud nor a data center is better, because the cloud is a data center. “The cloud” is often used as a buzzword to give the impression of technological sophistication. Some companies that use cloud-based IT services promote themselves as being “in the cloud,” implying that this makes their products and services somehow “high tech” and therefore high value. But the fact that a company operates in the cloud doesn’t really tell us anything about the quality of its applications. And it doesn’t, by itself, provide any net benefit to the end user.

The Cloud: Reality vs. Hype

Before “the cloud,” businesses would have to make large, up-front investments in hardware (computing, networking, data storage systems) and software (the applications that run on that hardware) simply to get basic parts of a business, such as customer relationship management (CRM), enterprise resource planning (ERP), email, etc., off the ground. The problems with this were twofold:

1. You had to pay the up-front costs whether or not you had underlying business to support these costs and;
2. It forced companies to maintain and run large cost centers that were far removed from the way the company would actually make money.

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“The cloud” enabled businesses to pay a usage-based monthly fee for both the hardware and software. This helps many companies, particularly small or highly-specialized ones, by significantly reducing the overhead costs that often act as barriers to market entry and expansion.

Today, the cloud has made it possible to affordably “pay as you go” for the immediate use of someone else’s data center and software instead of incurring a large up-front infrastructure cost to be amortized over time and then separately procuring software to run on that hardware.

One of the first examples of this was Salesforce.com. Salesforce created a CRM application accessible via the internet that could be used and paid for on a monthly basis, starting at a single user and scaling up as necessary. It’s important to note that Salesforce was a “cloud” to its clients, but not to itself.

Companies now has the option to subscribe to a service that provides all the functionality their company needs, at the scale at which it needs it, for a monthly fee. At its core, that service is still essentially a data center with software, “virtual” in the sense that the subscriber doesn’t see or handle the underlying infrastructure, which is owned and managed by the cloud provider.

Beware Cloud-Based Marketing Hype

When someone touts that their technology is “cloud-based,” it’s important to understand who is getting the benefit of the cloud. The real benefit of the cloud is a business process benefit to the company using it; it does not necessarily provide direct benefit to the end users of that company’s products or services. The cloud gives companies who don’t have the interest, resources, or expertise to make large, up-front investments in hardware and software to solve a discreet business problem that are not core to how the business makes its money.

What Does “The Cloud” Mean for eDiscovery?

If you think about it, the eDiscovery industry has always been “cloud”— before the term cloud was cool. By managing the hardware and software ourselves, giving our clients logins to access these applications securely over the internet, and providing the capacity for them to scale up or down depending on the demands of the project, eDiscovery providers—as a whole—were doing exactly what Salesforce was doing in the CRM space, but for our clients.

Electronic discovery has been “cloud” this whole time.

About the Author

Adi Elliott leads the definition and communication of Epiq’s global eDiscovery strategy. Elliott has been a speaker on the topics of the business of eDiscovery, technology assisted review, and hiring and training top talent. He holds a Bachelor of Arts degree from the University of Illinois-Chicago.