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New White Paper from ComSci and Lontra Says Cloud Computing Can be a Trap -“Audit the Cloud” to Manage Demand, Control Costs-

ISELIN, N.J. May 5, 2010 –A new [White Paper](#) published today by ComSci and Lontra counsels that cloud computing – the use of Internet-based computing resources, applications, and services – can inadvertently expose companies to skyrocketing and potentially unlimited IT costs.

ComSci, LLC, is a leading provider of Technology Financial Management (TFM) solutions for IT Cost Transparency and Demand Management. Lontra specializes in IT Financial Management education and consulting services that help IT and shared services organizations “run IT like a business.”

“If executed correctly, cloud computing presents organizations with an opportunity for significant cost savings. In contrast, it can be responsible for runaway costs and skyrocketing usage if not managed properly,” said Bob Svec, president and CEO of ComSci. “Bringing IT Cost Transparency to cloud computing enables organizations to track, control, and predict IT expenses across the entire organization.”

“Lontra’s research shows that IT organizations that manage their demand are considerably more successful with cloud computing than those that only manage costs from the supply side,” explained Boris Pevzner, president of Lontra. “IT cost transparency allows all IT costs – whether in the cloud or off -- to be shared back to the business customers, helping them understand how the expenses affect the profitability of the overall business.”

The complimentary white paper highlights how IT Cost Transparency and TFM can address four critical requirements for the effective use of cloud computing:

- » **Financial Transparency** – Issues such as accuracy in billing, reconciling costs across multiple providers, allocating costs back to business users, and understanding the total cost of ownership for both internal and external IT resources are essential
- » **Compliance** – The virtual nature of cloud resources can put companies out of compliance with laws that require tight controls on the movement of data across international borders
- » **Demand Management** – Cloud computing costs are demand-based, so companies must manage demand to manage their costs
- » **Governance Policy** – Cloud resources are virtually unlimited, so to control costs companies should set limits on what can be done and then enforce those limitations

Even if an organization’s entire IT infrastructure has been pushed into “the cloud,” business customers are still using IT services and the organization still needs to provide full cost transparency for the consumption of cloud computing services. According to ComSci and Lontra, IT Cost Transparency is also an important element in addressing the cost complexities arising from compliance issues or the economics and budgeting of demand management.

IT Cost Transparency helps organizations audit and even benchmark their use of cloud-based resources. For example, few organizations work with only one cloud provider. With cost information originating from so many different sources, it can be difficult to determine the enterprise-wide costs of cloud computing. ComSci helps organizations view all cost components into an aggregated model so that business users can be presented with a uniform invoice that ensures an accurate comparison.

By aggregating and integrating that data, organizations gain the ability to audit the cloud. The comprehensive costs can also help determine the total cost of ownership (TCO) for both internal and external IT services, enabling organizations to benchmark their costs to ensure that services are being sourced from the most cost-effective provider.

“Private, Public & Hybrid Cloud computing is a new way of paying for the use of technology, so the most important requirement for a successful implementation is to manage the costs of cloud computing,” concluded Svec. “If you do not have insight into your true costs – in the cloud or not – you will never know if you have truly been successful in reducing your costs. IT Cost Transparency is a way to compare costs no matter what the location or what service is involved.”

ComSci’s and Lontra’s new white paper, *Managing the Cloud: An Even Greater Need for IT Cost Transparency*, is available for download at www.comsci.com.

About Lontra

Lontra specializes in IT Financial Management education and consulting services that help IT and shared services organizations “run themselves like a business.” Lontra consultants are ITIL, service catalog, service portfolio and service costing experts. Since 2003, Lontra has helped some of the world’s largest IT and shared services organizations to develop their service portfolios, define services, determine true unit costs, plan for future demand, optimize the IT budget, and improve service delivery.

About ComSci

ComSci delivers Technology Financial Management solutions that empower organizations to implement more effective IT financial governance. Through decades of experience and a suite of web-based tools, ComSci helps IT organizations enhance technology transparency and visibility, which in turn enables business units to understand and optimize demand and utilization of technology resources. ComSci is headquartered in Iselin, New Jersey, and was founded in 1971. ComSci clients include companies such as The Bank of New York Mellon, NYU Langone Medical Center, 1-800-FLOWERS.COM, Memorial Sloan-Kettering Cancer Center, SAP, and UBS Investment Bank.

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