

Cracking the Cloud:

Security,
Availability,
& Focus

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Do you want
to concentrate
on credit union
business or
on technology
management?

ASK TEN PEOPLE to define the cloud, and you are likely to get ten different answers. That's because the cloud has taken on a convoluted meaning in the industry. Yet, what truly matters in a definition is how you plan to leverage modern cloud technologies to enable higher levels of security compliance, technology availability, and member focus for your credit union. Improving all three of these key areas yields a positive impact on serving current members and earning the trust of future ones. In short, the cloud allows a credit union to focus on what they do best: serving members, not managing technology.

Because technology is a necessity, many credit unions have the typical server room or closet filled with blinking lights and the whirring sound of server fans. Those technology systems (core system and all the other mission-critical servers) are vital to functioning as a financial institution, and that is where the challenges begin. Specifically, the following questions must be addressed:

- Are those servers secure from physical or cyber attack?
- Is their availability safeguarded with redundant HVAC systems for cooling, electrical systems for power, or telecom circuits for communication?
- Are those servers covered by viable disaster recovery strategies for fast recovery?
- When was the last time their operating systems were patched or scanned for vulnerabilities?
- When was the last time the hardware was refreshed? Does the staff have the required training and certification?

Many credit unions spend an extraordinary amount of time and money on these technology headaches. The cloud confronts these problems.

From the moment a credit union makes a capital investment into technology, it shoulders numerous requirements to maintain the infrastructure in a sound and secure manner. This means factoring in regular technology refresh cycles, the downtime required to perform patch and firmware upgrades, additional capital investment for future growth, and employing technology personnel. Other technology areas that must be addressed are security, backup, and disaster recovery. Meeting all of these requirements is costly. However, a properly-priced and robust cloud offering should cost less than what it costs a credit union to replicate these capabilities.

Isn't the cloud risky?

Actually, according to the 2015 Alert Logic Cloud Security Report, the average number of security incidents related to brute force attacks aimed at equipment on premise (where your servers likely live today) was almost 50% greater than workloads run within cloud environments. The same also applies to Trojan-style attacks, which were 37% higher with equipment running on premise versus workloads in the cloud. Criminals often go after weaker, easier targets, and your data is your most valuable asset. A rigorous cloud offering designed specifically for financial institutions is very secure.

Besides greater security, part of what makes the cloud so promising is the increased availability of credit union applications and servers. Cloud providers typically design their environments to withstand failure by building very resilient hardware platforms. They also locate their platforms in hardy datacenters with built-in redundancy. In the event of unexpected failure, the affected applications spin up on secondary hardware, which may or may not be at the same location. This fast failover minimizes the outage that members and credit union employees could experience, and also translates to peace of mind and less fear of unplanned outages.

In addition, the cloud can be more than just infrastructure. Cloud infrastructure can be wrapped with managed services to allow greater focus for the credit union. Moving into a managed cloud offering allows you to offload the responsibilities of managing the hardware layer, which consists of storage, networking, computing, and security components. And, taking the managed concept a step further, a cloud provider can also maintain the server operating systems to ensure they are regularly patched and adequately protected. This simply leaves the software applications for credit unions to manage, which typically have the greatest member impact. Removing the worry of maintaining servers below the application layer positions credit unions more as financial institutions and less as technology companies.

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Is it hard to migrate into the cloud?

Making the move to the cloud is easier than you think. The hardest part may well be finding a suitable, trusted partner that understands the needs of a credit union. Selecting any technology partner is important, but your cloud partner is likely even more vital. You may be wondering, “How do I know if I have the right technology partner?” Here are five questions a credit union should ask potential cloud technology partners:

1. **“What do you expect from the credit union?”**
Is the cloud provider high touch or low touch? This question should help gauge the level of technical expertise that will be required from you. If you don’t feel comfortable or understand what is expected of you, this should be a warning flag.
2. **“Where does my members’ data live?”**
Some cloud providers will resell another cloud company’s services, which presents a new set of issues as you now know little to nothing about the company that is holding your members’ data. If you cannot visit your data, you may want to think twice.
3. **“What is your understanding of the regulatory landscape?”**
Do they understand credit union regulations? Are they audited and examined just like any other financial institution? If they cannot demonstrate solid regulatory understanding, this may not be the partner for you.
4. **“How redundant are your capabilities?”**
Do their data centers provide redundancy? What are their disaster recovery capabilities? If they do not have adequate redundancy, then the credit union is sacrificing one of the benefits to the cloud.
5. **“What is included in your pricing?”**
This question helps uncover all costs. Do they provide a hand in migrating servers or simply provide the capacity leaving you to migrate your own servers? Do they maintain servers once they are in the cloud? Is disaster recovery included? Are backups included? What are their service hours? What does it cost to exit their cloud services? Answering this helps a credit union compare offerings across vendors. Not all vendors provide the same services and may make it hard to leave the cloud in the future.

Now, imagine if you could move these aforementioned challenges and responsibilities to a trusted partner while you focus on what drives your organization—members. Does that sound appealing to you? If it does, then a managed Infrastructure-as-a-Service (IaaS) cloud offering may be a practical move for you in the near future. Moving your servers (core and/or mission critical servers) into the cloud can deliver a more reliable, secure, and scalable platform to run your credit union applications without the complexity or capital outlay required to go it alone. Frankly, most credit unions simply do not have the means to replicate what the cloud offers for infrastructure.

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When it comes to credit unions and technology, savvy credit unions should make a choice. Do you want to concentrate on credit union business or on technology management? Coming to the conclusion that you are, in fact, a credit union enables you to make the next step in your evolution toward becoming a more focused financial institution. The cloud could definitely be part of that advancement.

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