

Cloud Computing:  
**Multiplying the Risk**  
**OVERVIEW**

# Cloud Computing: Multiplying the Risk

While cloud computing is now considered mainstream, the message is still cautious but pragmatic in that the concerns that prevented many from taking the leap are changing into demands for more secure services. In the Short White paper, we revisit the benefits and drawbacks of cloud computing, look at IT security implications, show how some cloud providers are ramping up security and list the hard questions for any cloud provider.

## **SECURITY IS STILL A BARRIER**

Keeping data secure in the cloud presents risks in a variety of forms, including outages among cloud service providers. The doomsday scenario that keeps IT security experts awake at night is the hackers' ability to use the cloud to launch massive DOS or DDoS attacks. Three options have evolved to allow organisations to minimise exposure and maximise control: private clouds, hybrid clouds and virtual private clouds. The model an organisation selects will depend on their risk assessment.

## **RISK ASSESSMENT AND OWNERSHIP**

Risk is not easily transferred between parties so it is critical to assess the risk associated with handing your data to a third party. The multi-tenancy, shared resource models most cloud providers deploy contain obvious risks for information assurance and these risks can multiply quickly. Before using the cloud you need to understand the risks and manage them. We provide a list of the main risks in the full Short White paper.

In most countries, regardless of your contract with your provider, you will still bear the cost and consequence of losing or exposing valuable data with compensation from the provider being far less.

Even in the EU where providers are legally liable for data breaches at their data centres you will end up bearing the real and reputational costs of a breach.

## **THE BOTTOM LINE**

Whether you handle your data in-house, entrust it to a cloud provider or deploy a hybrid model, you need to be comfortable with the standard of security, legal protection and regulatory compliance that surround it. An observation made by Nigel Stanley from Bloor Research back in 2009 still stands today: "... joining the dots between security and compliance initiatives when talking about cloud computing can be very tricky"<sup>1</sup>.

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<sup>1</sup> Joining the Dots between Security and Compliance, IT Analysis, November 24, 2009

**Huntsman | Tier-3 Pty Ltd**

**Asia Pacific**

t: +61 2 9419 3200  
e: [info@huntsmansecurity.com](mailto:info@huntsmansecurity.com)

Level 2, 11 Help Street  
Chatswood NSW 2067

**EMEA**

t: +44 845 222 2010  
e: [ukinfo@huntsmansecurity.com](mailto:ukinfo@huntsmansecurity.com)

100 Pall Mall, St James  
London SW1Y 5NQ

**North Asia**

t: +81 3 5809 3188  
e: [info@huntsmansecurity.com](mailto:info@huntsmansecurity.com)

TUC Bldg. 7F, 2-16-5 Iwamoto-cho,  
Chiyoda-ku, Tokyo 101-0032

**Americas**

toll free: 1-415-655-6807  
e: [usinfo@huntsmansecurity.com](mailto:usinfo@huntsmansecurity.com)

Suite 400, 71 Stevenson Street  
San Francisco California 94105



[huntsmansecurity.com](http://huntsmansecurity.com)



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