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Egnyte Survey Reveals Fear of Flying among Small Business Owners Adopting Cloud Computing Solutions

Less Than 10% Fully Trust Online Services; Trust and Security Identified as #1 Service Provider Attribute

Mountain View, CA, June 30, 2009 – Cloud computing solutions are increasingly being adopted by small business, but a new survey conducted by Egnyte, a leading provider of on-demand file server solutions, revealed that most small businesses have a fear of flying in the cloud. The survey, completed by small business owners and entrepreneurs across the U.S., showed that less than 10% of small businesses have complete trust in cloud computing solutions, yet trust and security was identified as the top attribute in selecting a service provider.

Inability to access data due to Internet outages (55%) and data security (55%) were the top two concerns cited among small businesses utilizing [cloud computing](#) software solutions.

“There is no doubt that cloud-based computing services offer significant benefits to small businesses looking for ease and efficiency in storage and collaboration,” said Jeff Boles, senior analyst for the Taneja Group. “However, the cloud is still in its early stages with some questions about reliability, latency and control – not to mention the fact that you always have to be tied to an Internet connection.”

Among other key findings from the survey:

- Almost half (48%) of small businesses identified trust and security as top attributes for selecting an on-demand or cloud-based file server. Interestingly, 27% of respondents said that the product’s ease of use was the second most important consideration in their decision, with price and performance (23%) a close third. Customer service (7%) and ability to scale with the business (4%) was listed last.
- 99% of small business respondents validated that Internet outages can be detrimental to business. In fact, the survey showed that if the internet was down for only one hour, over half (51%) would be moderately impacted and nearly a quarter of respondents (20%) severely impacted.
- To gain small business owner’s trust, 66% of respondents said that offering hybrid solutions that connect online and offline was most important, while 54% said that providing exceptional customer service, such as 24/7 helplines with live

support comes second.

Vineet Jain, CEO of Egnyte said, "To help small businesses enjoy the cost-benefits of cloud computing with the peace of mind and control of having their data on premise, Egnyte offers its customers a hybrid cloud/on-premise file server solution: [Egnyte Local Cloud](#). The integrated solution is a significant step forward in next- generation cloud computing technology. Egnyte's Local Cloud Server blends a hosted online solution with an on-premise solution, providing small businesses up- to- date and complete access to their file servers, whether they have an Internet connection or not."

Egnyte's hybrid file server provides businesses the benefits of both the online and offline worlds, as it enables the cost benefits, high availability and scalability of on-demand computing with the ability to access and work in network files locally. Egnyte's hybrid software solution synchronizes the On Demand File Server to the Egnyte Local Cloud seamlessly so that businesses continually have an up- to- date local copy of their data to ensure reliability and control if the Internet goes down.

"By tying together local data and cloud computing data, Egnyte is solving a fundamental concern for SMBs. Hybrid solutions will be key to increasing the adoption rate for storage services in the Internet cloud," said Boles.

Survey respondents were also asked to weigh in on their thoughts about cloud computing in the federal government and whether Washington's use of cloud computing would make them feel more secure. Over 81% said the government doesn't bear any impact on their view of cloud computing. In fact, 4% of respondents said government's adoption made them feel less secure.

About the Survey

Egnyte conducted this survey from June 11, 2009 to June 24, 2009. Over 300 Egnyte small business customers answered an online survey. For more information on the survey or the complete results, visit [Egnyte's blog](#)

About Egnyte

Egnyte is a leading provider of on-demand file server solutions for small businesses and professionals. Egnyte was founded in 2006 and is privately financed. The company is headquartered in Mountain View, Calif. For more information, please visit www.egnyte.com or call 1-877-7EGNYTE.

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