

## Server vs. Cloud - the Real Costs

An even-handed look at what each path really involves

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"Server or cloud" often gets framed as an obviously settled question, when in reality both paths come with real costs that are easy to overlook if you're only comparing the sticker price.

### On-Premises Server Costs People Miss

- **Hardware refresh cycles** - servers age out and need replacing on a schedule, not just when they fail.
- **Backup infrastructure** - a server needs its own backup hardware and process to be truly protected.
- **Cooling and power** - equipment needs a suitable environment to run reliably, which has ongoing costs of its own.
- **Single point of failure** - if it's down, the business can be down until it's fixed.

### Cloud Costs People Miss

- **Subscriptions that never end** - unlike a purchase, the cost continues for as long as it's in use.
- **Usage-based cost growth** - costs can climb as data, users, or activity grow, sometimes unpredictably.
- **Bandwidth and connectivity dependency** - the business now depends entirely on a reliable internet connection to function.

### Questions Worth Asking

- What applications does the business actually run, and do they work well in the cloud?
- How reliable is the internet connection at each location?
- How many locations need to share the same data and systems?
- How much risk is comfortable to hold directly versus hand to someone else?

### Why This Matters

Neither option is universally right. The best fit depends on the applications actually run, how the team works, how many locations there are, and how much risk is comfortable to hold directly versus hand to someone else.

### How to Use This

Use it as a discussion starter before a hardware refresh, a lease renewal, or a move to a new line-of-business application. Bring it to whoever manages your IT and walk through the questions together.