

# Praise for OWN THE CLOUDS

*“BREAKTHROUGH the clouds! Discover the power within yourself to venture into the future by using the simple principles found in Own the Clouds.”*

—BRIAN BIRO  
BEST-SELLING AUTHOR, AMERICA’S BREAKTHROUGH COACH

*“As a Wall Street professional for nearly two decades, I can easily say that in this book you’ll get rarely shared insights on what actually goes on behind closed doors, which can make a difference in your decisions.”*

—ROWLAND WILHELM  
VICE PRESIDENT DIRECTOR OF SALES REAVES ASSET MANAGEMENT

*“Own the Clouds helps you analyze cloud companies. It breaks down this complicated world and puts it into practical terms a layperson can understand. If you want to ride the next wave of technological growth, read this book!”*

—ALLEN FAHDEN  
AUTHOR, INNOVATION SPEAKER, TRAINER TO FORTUNE 500  
COMPANIES, AND CREATOR OF THE ONE-MILLION-COPY  
BEST-SELLING TEAM DIMENSIONS PROFILE

*“Own the Clouds helps you appreciate the promise of cloud computing and the opportunities that lie ahead.”*

—GARRETT SUTTON  
ESQ., SUTTON LAW CENTER, BEST-SELLING AUTHOR,  
SPEAKER, AND RICH DAD ADVISOR

*“As an insurance professional and amateur racer, after reading this book I realized that cloud computing companies are like off-road motorcycle racing, which I love to do. It’s constantly changing and fast paced. You had better know what you are doing at all times, and have a great pit crew. Own the Clouds is your pit crew that keeps you on track and pointed in the right direction so you can enjoy the ride!”*

—BRYAN LEMOINE  
VITA SECURUS INSURANCE SERVICES

*“You’ll get the benefit of decades of hands-on experience explained and laid out in a concise manner. I believe this book, Own the Clouds is a must-read for everyone attempting to understand the inner workings of this coming wave of technology.”*

—JOSEPH E. MEYER  
PRESIDENT OF MEYER AND ASSOCIATES,  
EDITOR OF STRAIGHTMONEYANALYSIS.COM

*“Own the Clouds gives us a peek into the future of technology in a way most of us don’t have time to uncover on our own, and probably wouldn’t understand even if we stumbled across it. An important read if technology is a word you use regularly!”*

—LARRY MANDELBERG  
SACRAMENTO BUSINESS JOURNAL

*“Optimal health is wealth you can’t buy. Financial success is freedom to organize your life around what matters most. Own the Clouds is an important book to understanding key elements of cloud computing.”*

—DR. WAYNE SCOTT ANDERSEN  
BEST-SELLING AUTHOR OF DR. A’S HABITS OF HEALTH,  
CO-FOUNDER AND MEDICAL DIRECTOR OF TAKE SHAPE FOR LIFE ®,  
CO-FOUNDER AND CHAIRMAN OF THE HEALTH INSTITUTE

*“When I picked up this book, I knew nothing about The Four Key Cloud Elements and just enough about technology to get in trouble. I honestly thought this was going to put me to sleep. I was wrong. I LOVED IT! This book grabbed me from the first paragraph. I even read parts to total strangers. You must get a copy and read this book. It will totally change how you think.”*

—AMANDA DECKER  
CERTIFIED NUTRITION AND OPTIMAL HEALTH SPECIALIST,  
GLOBAL DIRECTOR OF TAKE SHAPE FOR LIFE ®

*“A star is born! When it comes to shedding light on technology and investing, Own the Clouds is your destiny.”*

—PEGGY MCCOLL  
NEW YORK TIMES BEST-SELLING AUTHOR

# OWN THE CLOUDS

The First Guide to Investing in  
Cloud Computing Companies

Joyce Blonskij



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AUTHORITY  
PUBLISHING

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Own the Clouds: The First Guide to Investing in Cloud Computing Companies

By Joyce Blonskij

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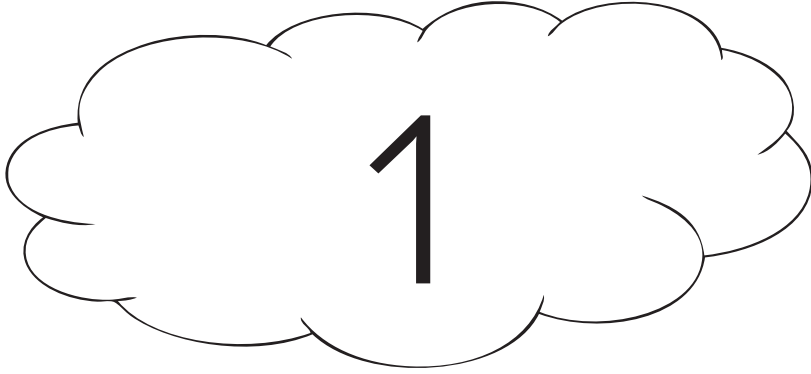
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PART I:

UNDERSTANDING  
CLOUDS



# DISCOVERING CLOUDS

*"I only hope that we don't lose sight of one thing – that it was all started by  
a mouse."*

WALT DISNEY

You are standing on the brink of the next utility era and it's called **cloud computing**.

Looking back in history, the first Westbound trip to deliver the mail took 9 days and 23 hours.<sup>1</sup> It was overpriced at \$5 a half-ounce.<sup>2</sup> Mail carriers rode hard for 2,000 miles, starting in St. Joseph, Missouri, and passing through my hometown of Sacramento, California, until reaching their final destination of San Francisco. It was fast and the most direct way to deliver the mail. I'm talking about the Pony Express and their famous horses and riders. Once Pacific Telegraph completed their lines, the Pony Express was put out of business after only 19 months.

When you think of mail today, you can send a letter across the country in three to four days, or, you can e-mail, which is almost instantaneous.

New technology keeps evolving. It's how we connect and come together. Pull out your cell phone in San Francisco, and make a call to New York City, using 4G technology – you're connected in less than 60 seconds!

Take a look at Facebook. In October 2010, 200 million people around the world were actively using Facebook from a phone, which more than tripled in just one year.<sup>3</sup> Six months later, April 2011, Facebook added another fifty million mobile users.<sup>4</sup> More than 600 million people around the world are logging in from cell phones, laptops, or PCs to chat with family and friends – and this number is climbing.<sup>5</sup>

Every person using e-mail, cell phones and Facebook have at least one thing in common: they are all cloud computing.

## What Are Cloud Computing Companies?

Cloud computing companies are businesses focused on the Internet and the world of wireless devices. They provide resources like software, hardware, security, analysis, and data on demand. These companies advance the Internet and wireless technology every time they introduce a new application or develop a new technology. Cloud companies are bringing you new-and-improved cutting-edge devices and discoveries that change everything. They affect how you live, work, and play.

There is no doubt in my mind that social networks and e-business applications are here to stay. As an investor, you need to be constantly

looking for those cloud-based companies that are making a difference.

I am often asked how I sift through all the information to find cloud companies in which to invest. By the time you're finished reading this book, you'll have a good foundation to make many of these decisions on your own, whether you're a beginner or an experienced investor. If you're looking to invest a portion of your money in cloud computing companies, this book is for you.

### Basic Clouds

This book started out as a report for my clients to explain and to help educate them on cloud computing. They needed some background and frankly, it's important for us to share common ground when deciding what companies to consider owning. In the course of my work, I realized that millions of people have listened to an ad or read something about "clouds" and "cloud computing," but may still be unsure of what it all means. They may have a basic idea of clouds, but if you were to ask them to explain what a cloud is, they would have a tough time.

*Own the Clouds* will quickly get you up to speed on what the heck this cloud computing and cloud company stuff is all about. You'll take a look back to see how this all came to be, and a look forward to where cloud computing is taking you.

This book will be your how-to guide and manual that gently guides and teaches you how to find cloud opportunities. After reading a few chapters, you may decide that never in a million years would you want to tackle this by yourself, and that's okay. *Own the Clouds* will give you a leg up when you talk with your kids, or when you're on the golf course or with your financial advisor. They'll be impressed by how much you know.

## Fad or Fact

Think cloud computing is a passing fad? You're not seeing the big picture. In 1943 the chairman of IBM, Thomas Watson, went on record with this statement:

“I think there is a world market for maybe five computers.”<sup>6</sup>

I bet he wishes he could take that statement back. He didn't see the future of computers very clearly. It's impossible to be exact on the number of computer users in the world today, but there are several companies who attempt to measure the Internet's usage: Nielsen Ratings, Mediametrix, Serverwatch, and the Computer Industry Almanac (CIA). These and other groups use custom techniques of polling, electronic tallying of server traffic, web server logging, focus group sampling, and other measurement means. They estimate that more than 223 million Americans used the Internet in 2010!<sup>7</sup>

## Fad

In 1879 Thomas Edison, one of our most prolific inventors, and the person who patented the first electric light bulb, said: “The radio craze will die out in time.”<sup>8</sup> Edison was right. The radio craze did die out. But it took more than 125 years for his prediction to come true.

In 1949, Popular Mechanics Magazine put their reputation on the line by forecasting: “Computers in the future may weigh no more than 1.5 tons.”<sup>9</sup> They miscalculated that one to say the least. But heck ... who's counting?

## Fact

- It took 38 years for radio to reach 50 million users.
- It took 13 years for TV to reach 50 million users.
- It took 4 years for the Internet to reach 50 million users.

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- It only took 3 years for the iPod to reach 50 million users.<sup>10</sup>

March 11, 2011, Japan was hit by a powerful 8.9 magnitude earthquake followed by a severe tsunami that knocked out the country's phone system. One hour after the quake hit, 1,200 tweets per minute began posting from Tokyo.<sup>11</sup> At the end of the month, Twitter reported handling 1 billion world-wide tweets per week.<sup>12</sup>

New discoveries in technology are changing how you communicate with family and friends and do business. Every day you are becoming more and more connected through computers, cell phones, and the Internet. Ways of doing things are changing. Devices are going above and beyond what you used to take for granted. Technology is creating a new way of life and a new language. The Internet is creating businesses. From reading the news to posting your vacation photos online, the Internet is how you receive and send information. The possibilities are endless, thanks in part to those innovative developers and code crackers who work day and night writing programs for all our wireless gadgets.

Look at how you get information. It finds you through the Internet and your mobile phone and wireless devices. Eighteen of the 25 largest newspapers are experiencing record declines in circulation.<sup>13</sup> Why? The Internet is taking over. You don't have to walk down the driveway to get the news. You don't have to drive to the grocery store parking lot with a bunch of quarters to open a paper rack. Push a power-on button and you have news. The Kindle e-book reader outsold paper books in 2010's Christmas season. Why? It's easy, convenient, and comes to us by way of the Internet.

Today, computers and cameras are practically microscopic. They are fast and affordable. Kids carry them around like chewing gum in their back pockets — they don't leave home without them!

## Tech Tune-Up

1. Do you believe the Internet is here to stay?
2. Do you see the use of electronic devices becoming such a part of your life that you just can't do without them?

## Own the Clouds

3. Do you see the younger generation embracing the Internet and mobile devices?
4. Do you, your family, co-workers, neighbors, and friends get some or all of your news off the Internet or your cell phone?
5. Have you ever bought airline or movie tickets from the Internet?
6. Have you ever watched a video or posted a photo on the Internet?
7. Do you use e-mail?
8. Do you pay your bills online or know someone who does?
9. Have you ordered photos or medication online?
10. Have you bought books or music from an Internet site?

If you answered yes ... Congratulations! You've been cloud computing on some level.

## Cloud Buzz

For those of you still scratching your head over what clouds are and how they may or may not be different from the Internet, let me say this: **cloud computing is a fancy way of saying “the Internet” and all things wireless.** It's the new buzzword.

When you work off of a software program that's installed on your personal computer, you are not in the clouds. As soon as you connect to the Internet or use a wireless device, you are in the clouds.

On March 29, 2011, Cloudtweaks.com wrote: “the cloud' is not another industry buzzword, but a broad category which will drive the next phase of IT projects. For IT and business managers already inundated with information about the promise of a cloud centric infrastructure the question is not whether or not to use the cloud, but how. [sic]”<sup>14</sup>

When you transmit information remotely — using an Internet device like a cell phone or iPad, reading news from a website, or sending an e-mail — you are cloud computing. When you put it all together, “the cloud” is not just another tech-created buzzword, but a new, dynamic way to communicate, get information, and do business that is going to drive

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the next phase of Internet growth. It's the new land-grab race in which companies are scooping up market share with the expectation that more and more consumers and business partners get involved "in the clouds."

In time you'll hear different terms and variations of cloud-supported companies, such as "cloud dust." These would be those little companies that spring up and add services and value. "Blue clouds" could refer to recycle services, while "green clouds" promote and support our environment. At the end of the day, they all refer to a network of wireless virtual sources for navigating the web.

## Intermediate Clouds

There are those of you tech-minded investors out there who know exactly what cloud computing is all about, and are interested in learning how to find and invest in cloud companies but need some help getting started. I realized just how important it is to share this information...and here you are.

*Own the Clouds* is not a book on timing the market or how to pick penny stocks. You won't get a copy of my stock list. You will learn how it's done. Once you know how to find clouds, you can invest for a lifetime. You may have heard the saying, "Give a man a fish and he can eat for a day, but teach a man how to fish and he can eat for a lifetime." You are going fishing and I will be your guide! Teaching you the skills you need instead of giving you a one-time list of stocks in this book was an easy decision. It is what's best for you. By the time you read this book, that list could have, and most likely will have, changed to some degree. You need to know how to find clouds. After going through the steps I've outlined, you'll know how to find cloud companies, what to look for, and questions you need answered. At some point you may want to turn this over to a professional but first things first: you need to start by learning some of the basic concepts. By the time you reach the end of this book you will have the ability to recognize, analyze and discuss cloud computing.

## Skills and Tools

## Own the Clouds

I'm going to share a number of skills and tools I use to uncover clouds.

- ✓ You'll learn techniques to identify visionary cloud companies that develop, produce, service, and evolve using science and technology.
- ✓ You'll learn to determine whether a cloud company is growing, viable, and profitable, which is important to know as a stockholder.
- ✓ You'll learn the Four Key Cloud Elements needed for investing in cloud computing companies, and how to use them when making investment decisions.
- ✓ You'll learn how to stay current and on top of old and new clouds as they roll in.
- ✓ You'll get resources and links that will help you on your journey.

## The Future of Clouds

In Chapter 3, there is a link to a short video called, "A Day Made of Glass." I'd love for you to take a moment and watch this. You'll get a good idea of what you are going to be doing in the near future. Much of what you will see in this video is already in the pipeline and is truly amazing. Go to YouTube and check out this video right now.

## Cyber Safety

If you have ever broke your cell phone, or have kids who want to play on your iPad, in Chapter 4 I will be sharing with you "7 Ways to Keep Your Devices Safe."

Business owners and managers, concerned about privacy issues surrounding company data, there is a section at the end of Chapter 4 with pertinent information about storing critical data in the clouds.

## Advanced Clouds

Experienced investors who understand and embrace cloud computing and are looking for ways to invest, *Own the Clouds* is especially for you!

## Discovering Clouds

Since you already know most of the basics about cloud computing, you can move quickly through the first couple of chapters.

In Chapter 6, you'll get a list of questions to ask when considering a cloud computing company. I want you to have them now, so you can start thinking and formulating ideas about clouds.

### Cloud Q + A:

1. Is there a market for the company's products or services?
2. Is there a need for their products or services?
3. Is there a desire for their products or services?
4. Can the company deliver the goods and/or services as promised?
5. What's their track record?
6. Can the company provide value as good as or better than their competitors?
7. Would you buy the company's products or use their services?
8. Would you recommend the company to others and be a repeat customer?
9. Can you see, down the road, the company adding services, clients, or customers and posting profits?

If your answers are YES! then it's time to go to work. With thousands of publicly traded companies and more on the way, you have a lot to look at and mull over, which is a very good reason to get started as soon as possible.

### The Four Key Cloud Elements

The Four Key Cloud Elements to investing in cloud computing companies are laid out for you in Part III. **This is the heart of the book.** You will want to use these chapters as a resource in the future.

Here are three points related to cloud computing companies I want you to start thinking about now:

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- Who are the top providers?
- Who manufactures their products?
- Is there a low-cost provider that's crushing competition?

Consider all the possibilities and then ask, What have I missed?

## The Process

In Part IV you'll learn how to apply a process to keep current and fresh. You'll get a daily and weekly blueprint to quickly check off items as you go down your to-do list. And – in this section, you'll find my two best tips for investing.

## Exclusive Offer

For the do-it-yourself folks who would like a little help, I am offering you direct access to me. This exclusive one-time offer is available to those who purchase *Own the Clouds*. It's on the house! I am happy to answer a quick question that gets you through all the noise Wall Street makes. **Your exclusive OFFER CODE** is found in the “*About the Author*” section of this book.

Whether you're investing on your own or with the help of a financial professional, you always need to diversify your holdings, understand the risks, and not put all your eggs in one basket. That said, there is still no assurance that you'll make money or protect against a loss in the event of an overall market drop or unexpected bad news.

Every investor is unique, and the amount and percentage of funds allocated to clouds will vary depending on your needs. I strongly recommend that before you begin any investing you get some help from a professional investment advisor. It may save you time and money down the road. Keep in mind, whether you're a beginner or an experienced investor, to *follow the money* and when possible, get ahead of the trend — they go hand in hand.

Look for visionary cloud companies and business leaders that are

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going to make their mark on generations yet to be born. Back in the early 1950s, Walt Disney had a vision for a theme park for children. His hard work and imagination has become the benchmark and standard in family entertainment. It started with an inspiration and a cartoon character called Mickey the mouse. Today Disney is global! With theme parks, movies, and family-focused vacations, “Disney” is a buzzword that’s recognized from one end of the planet to the other. **Disney has gone viral!** You’ll see that I start each chapter with one of his quotes. They highlight his talent, vision, hard work and passion. From the entertainment industry to cloud computing, visionaries can and will make a difference in the lives of generations to come.

I want you to have a good experience and do well. So put on your thinking cap, grab a pen, dig out a highlighter and get ready to put your head in the clouds. Before you know it, you’ll be a cloud-tech-detective and on your way to finding those silver-lined clouds. As Bill Gates, founder of Microsoft, said, “The next sea change is upon us.”<sup>15</sup>