Cloud computing is as much a paradigm shift in data center and IT management as it is a culmination of IT’s capacity to drive business ahead. It can be narrowly defined as “just-in-time provisioning and scaling of services on shared hardware.” But really, it’s an opportunity to completely transform how your business and its people work.

The cloud makes it possible for you to:

* Scale rapidly—up and down.
* Deploy services only when and where they’re needed.
* Deliver rich experiences across the PC, phone, and browser.
* Generate efficiencies and cost savings by paying as you go for only the services used.

In moving to the cloud, you can choose to implement any combination of several cloud models. The “public” cloud typically describes complete services offered by third-party providers. A “private” cloud involves organizations enabling their own cloud-computing capabilities on-premises or via dedicated hardware from a third-party host.

There are three basic models in mind:

* A [*private cloud*](http://www.microsoft.com/en-us/cloud/cloudpowersolutions/private_cloud.aspx) is a set of computing resources that is dedicated to an organization, usually on-premises.
* A *hosted private cloud* has a dedicated infrastructure that’s hosted by a third-party but is inaccessible to other customers.
* A *public cloud* involves computing resources hosted externally but shared with other organizations and dynamically provisioned and billed on a utility basis – pay for what you use as you use it.

None of these models are all-encompassing. Part of the cloud’s unique power is its flexibility. Cloud models are designed to work together, so you can use the right models for your organization as well as for individual workloads.