

BUSINESS

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Amid customer uproar, Netflix kills Qwikster idea

'Fast-moving train wreck' is how one analyst describes it.

BY BENNY EVANGELISTA
San Francisco Chronicle

SAN FRANCISCO — Netflix has turned Qwikster into the 21st-century version of "New Coke."

Netflix on Monday abruptly backtracked from its plan to split the firm into two parts — including a separate DVD-rental service and website under the name Qwikster — because the company badly underestimated how customers would hate the idea.

"This means no change: one website, one account, one password ... in other words, no Qwikster," Chief Executive Officer Reed Hastings said in a company blog post.

Hastings was not available for further comment Monday, but company spokesman Steve Swasey stressed that Qwikster was killed before customers saw any



ASSOCIATED PRESS FILE PHOTO

Netflix CEO Reed Hastings, shown Sept. 22, in a company blog post Monday said customers will keep "one account, one password."

changes at all.

Still, analysts said the whole affair raised questions about the future of Netflix and Hastings' leadership.

"They've been zigging and zagging in a way you rarely see exposed in this fashion," said Adam Hanft, chief executive offi-

cer of branding and marketing firm Hanft Projects.

"It's kind of like watching a train wreck. And normally, you see a slow-motion train wreck, but this is a fast-moving train wreck."

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the convention center:

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Understanding cloud computing

There is so much buzz these days about cloud computing. You hear it everywhere, so maybe by now you are thinking that you might need to inquire about it.

The first thing to know is that the cloud isn't really all that new. For example, if you go to Facebook, bank online, or use Google or Yahoo for your email, then you are already using "the cloud."

Simply said, the data in the cloud isn't stored on your computer, it is stored on the servers of other companies. You don't have control of this data; they do.

The cloud doesn't have to be an all-or-nothing equation. For example, your business might gain some real benefit from using a software application that is on the cloud. But just because it is on the cloud doesn't mean that you can't be the one hosting it on your own server, thereby maintaining some con-



Nancy Victor: Do your homework about risks, benefits of cloud computing.

GUEST VOICES

trol over your data.

Things you should know about cloud computing when contemplating whether to jump on the cloud bandwagon:

INTERNET CONNECTION: For the cloud to work, your Internet connection must be maintained at all times. In other words, if your Internet is down, your cloud is down.

INTERNET (DATA) BANDWIDTH: For your data to reach the cloud, you must have sufficient bandwidth availability through your Internet provider. This isn't cheap. Before moving over to a cloud-hosted anything, you must find out how

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more disciplined about their finances. They're saving more, paying down debt and charging less on their credit cards.

For the fourth straight year, on average, individu-

spent, overborrowed and were neglectful if not downright oblivious about basic finances.

"Each succeeding generation since the Depression has gotten further and fur-

ing more than ever on controlling spending, savings and tax liabilities.

But like so many others, they're also hoping for some improvement in the economy so they can fully

market is squeezing home owners. On average they have just 38.6 percent equity in their homes, down from 61 percent a decade ago. And home prices aren't expected to make a

Fortunately, they've been sticking to a budget for the last few years — building savings, clipping coupons, buying clothes from secondhand shops and taking

though, that Americans will be better off in the long run because of this increased belt-tightening, savings and financial self-scrutiny.

WATER

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regionwide water usage, Brownlow said.

The South Texas water-management region that includes Bexar County uses 1.1 million acre-feet per year, while the entire South Texas region uses 4.2 million acre-feet of water per year.

That means that for every 1 acre-foot of water used in fracking, 280 acre-feet will be used for other purposes, he said.

In another comparison, Brownlow estimated that 83 wells, about the number to be drilled each year in each county in the heart of the shale, would require the same amount

of water needed to grow 625 acres of corn.

The economic gain from the oil and gas is stupendous compared to growing corn.

The 83 wells would generate almost \$2.5 billion, assuming the wells produce for 30 years at an average \$100 a barrel for a barrel of oil or oil equivalent. The corn would net a grower \$187,500, assuming a net price of \$300 an acre for the grain.

Brownlow acknowledged, though, that "there will be challenges" in water planning and usage.

Throughout much of the Eagle Ford, the water source is the Carrizo aquifer, which underlies more than 80 percent of the shale reservoir, he said. It's a vast reservoir

that contains billions of acre-feet of water.

But the Carrizo doesn't extend to the westernmost edge of the Eagle Ford or to parts of the eastern stretch of the play, so operators must truck water in, he said.

"And there will be conflicts. There are conflicts right now about municipal and irrigation uses," he said.

The conference that sponsored Brownlow's talk continues through midday Wednesday. Today, former Secretary of Defense Robert Gates will give the keynote address at noon. Other talks will focus on the geology of the Eagle Ford shale, the oil window of the reservoir, and pipeline companies' expansion plans.

VICTOR

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much bandwidth you need in total (company-wide) to make it happen.

DOWN = BAD: If the cloud server is down, your data cannot be reached until its back up. This could be mere seconds or days depending on the situation, which is out of your control.

SECURITY: Who is hosting the cloud? Wherever it is hosted is where your data resides. Who will see it? How long will they store it? How secure is their location? Do they store it in multiple servers in various locations just in case the building burns down? Can the da-

ta be intercepted while in transit to the cloud?

Yes, it should be encrypted, but because there are more people and businesses using the same cloud, there are more potential victims swimming in the same pool, which makes you an enticing target for hackers.

YOU DON'T OWN IT: When you part ways with your hosting company, know that if you do get your data back from them, it will be in their format. Fine, except you no longer have the ability to read it, making it useless. If you have been using a hosted cloud software application to run your business, what is the cost of not having access to all of that data?

The bottom line is that if you are considering moving to the way of the cloud for your software applications or even your server, really give it some thought. Be aware of the hidden costs involved to truly know if it is in fact a great money-saving deal.

Also, if you are considering moving your server to a hosting center, read your contract to be fully informed as to what will happen to your data and server if you ever change your mind. Weigh the benefits and the risks and talk to your trusted advisors.

Nancy Victor is president of Help Me!! Tech Team, a 20-year systems integration company.