

E-BOOK

# WHAT'S THE DEAL WITH CLOUD-BASED ERP?

## WHAT'S THE DEAL WITH CLOUD-BASED ERP?

### INTRODUCTION

“Doing business in the cloud” is quite common these days. According to the Right Scale 2018 State of the Cloud Report, 95% of survey respondents (consisting of enterprises and SMBs) are using the cloud in some capacity. And it makes sense that it's so popular. Employees can access their information from any device and companies can share information between departments and locations to optimize operations.

The cloud serves well for enterprise resource planning (ERP) systems, too. Whether you're looking to implement your company's first ERP system, thinking of switching providers, or considering moving from an on-premise solution to the cloud, this e-book will give you the information you need to make your decision. In the following chapters, you'll learn about the basics of cloud-based ERP, its unique features, how it compares to on-premise solutions, and how it could work for your organization.

# UNDERSTANDING CLOUD-BASED ERP

## SO WHAT EXACTLY IS CLOUD-BASED ERP?

How does it compare to an in-house hosted environment? In some ways, the two models have a lot in common. Both feature a hosted environment (servers, software licenses) for your business operations. Both require a team of professionals dedicated to keeping your servers running smoothly and addressing any issues.

Unlike on-premise ERP solutions, cloud-hosted, third-party solutions provide their server-hosting via the internet. This software-as-a-service (SaaS) model means that your chosen vendor is responsible for running your company's servers. If your company is unsure about managing its own servers, turning to a cloud-based ERP provider is a great option.

# MOVING TOWARDS THE CLOUD

As with any business innovation, cloud-based solutions are popular because they address specific challenges that companies of all kinds are facing. Let's take a closer look at how companies are benefiting from moving their ERP systems to the cloud:

## **01 WORKER FLEXIBILITY:**

Remote workers, work-from-home employees, and independent contractors are growing sectors of today's workforce. Cloud-based systems allow workers to access your business's applications from any device. Even for full-time employees, the flexibility to not be in the office can help with happiness and work-life balance.

## **02 FILE VERSIONING:**

Great cloud-based ERP providers offer file versioning of all company files. Whenever a change to a document is made, the system automatically saves a new version and holds on to all previous versions. This is vital when employees are collaborating on documents or making revisions to old files.

## **03 AUTOMATIC FILE SYNCING:**

Related to file versioning is syncing, where changes made by different users are automatically uploaded to the cloud (your servers). This takes the manual need to upload files out of your employees' hands – an important feature when it comes to collaboration.

## **04 TECH SUPPORT:**

Third-party providers have 24/7 support teams who have the expertise to address all your questions and concerns. Though live support via chat and text is ideal, phone and email support should be a given. Whether you have questions about document recovery or employee access, tech support will be there.

## **05 COMPETITIVE ADVANTAGES:**

If you combine the reasons above, it should be no surprise that moving to the cloud can give companies an edge over their competitors. Increased collaboration allows companies to deliver on projects at a faster rate. Work-from-home flexibility can be touted as an employee benefit.

# CLOUD-BASED ERP VERSUS ON-PREMISE SOLUTIONS

Now that we've covered the basics of cloud-based ERP, you're probably wondering how it compares to on-premise solutions. Let's examine the two models against a variety of factors.

## 01 SERVERS:

Servers as part of an on-premise solution are present at your company's location. They're purchased with the sole purpose of operating for your company. Since you own the servers, you're also responsible for operating and securing them.

Cloud-based servers are located in a secure data center. You pay to use them and, though the servers are used exclusively for your business, the data center provides the same service for other companies. One data can have different servers dedicated to many companies.

## 02 COST STRUCTURE:

Data infrastructure in the form of on-premise ERP can be a costly investment for companies, especially growing SMBs. Upfront costs include the servers and required software. Employees need to be hired to manage your servers. Ongoing costs include maintenance and upgrades. Costs for repairs and unexpected issues also fall to the company, which creates financial unpredictability.

Cloud solutions, whose providers rely on a subscription cost structure, are often more cost effective. For a monthly fee, companies have access to a certain number of servers, tech support, and other benefits covered below. This essentially eliminates startup costs and makes a quality ERP system viable for all companies – not to mention the straightforward, predictable cost structure that makes it easy to budget for the future.

### **03 DEPLOYMENT:**

Costs aside, on-premise ERP solutions can take a long time to implement. Three months to five years is the range, since many companies lack the infrastructure and resources needed to get their solution up and running without a hitch. Such a long-term commitment without results can be a big deterrent for some companies.

Cloud-based solution implementation, on the other hand, typically falls on the shorter end of the three-month to five-year spectrum. Since the infrastructure is already available from the provider, the main focus is on how to get the client started. For both solutions, the provider's expertise should help ease fears about implementation.

### **04 SCALABILITY:**

For companies with limited resources, servers can be hard to manage, especially during period of rapid growth. If you need more servers for operations, you have to repeat the process over. Similarly, if your company needs to pull back on operations, purchased servers will go to waste.

Cloud-based ERP providers handle all of this for you. If you need more server space, simply let them know. Companies also don't have to move everything to the cloud at once, as some providers offer storage sizes at proportionate prices. As your business grows and you feel more comfortable moving to the cloud, your subscription will increase accordingly.

### **05 SECURITY AND UPGRADES:**

Servers need constant updating for functional and security purposes. With on-premise setups, scheduling and testing these updates are left up to your team. Improper management can leave your business exposed to security flaws that could compromise your data if exploited. On-premise ERP system upgrades also require a hefty amount of time and money. All customizations you made on your system must first be wiped out. The new software will then be installed from scratch.

Third-party providers include these services as part of your subscription, and always use the latest software version. Providers conduct routine maintenance and testing. In many industries, such as Aerospace and Defense, there are stringent compliance requirements to protect sensitive information. The right ERP solution will ensure your company meets all compliance standards.

## 06 BACKUP:

If server management sounds daunting for your company, let's add in the need for backup servers. This is highly recommended for any business to avoid data loss or freeze on operations. Unfortunately, many businesses either don't have the know-how or the money to set up and manage backup servers.

Again cloud-based providers include backup and recovery services as part of their offerings. Providers have their own set of backup servers, located apart from their main servers, which are always updated with the latest company info. If something happens to the main servers, the provider has processes in place to switch over to these backup servers as quickly as possible.

# SO WHAT'S THE DEAL WITH CLOUD-BASED ERP?

As it turns out, quite a lot: From improved worker communication to more flexible company operations, cloud-based ERP can bring many benefits to companies of any size. Of course, no provider is the same, and it's important to find a vendor that can deliver on your specific needs. Some things to consider when choosing your provider include:

## HAVING A LIST OF REQUIREMENTS

Before speaking with different vendors, take the time to list everything you want to accomplish with your ERP solution. What business processes do you want to streamline? What system requirements will you need?

## AVAILABLE TRAINING PROGRAMS

ERP solutions, both cloud-based and in-house, require extensive training in order for companies to get the most out of them. Some ERP vendors may only offer a few hours or a day of training, while other provide extensive, ongoing programs that are customized to your company's needs. Which would you prefer?

## GATHER REFERENCES

Ask your vendor for a minimum of three references. When reaching out to these references, ask about the vendor's implementation and training processes, what it was like working with the vendor, and any issues they experienced.

## CUSTOMIZABLE OPTIONS

Compare your list of requirements to the ERP solution provided by the vendor to see how much customization would be needed. Keep in mind that more customization means higher costs, so it's a good idea to choose a vendor whose "out-of-the-box" product is closest to what you need.



With proper planning, a cloud-based ERP system can bring many benefits that in-house solutions simply can't match. Are you ready to introduce cloud-based ERP to your company?

## CONTACT CTND

Cre8tive Technology & Design

**8787 Complex Dr. Suite #300**

**San Diego, CA 92109**

**O: (858) 457.2786**

**F: (858) 457.2787**

**E: [info@ctnd.com](mailto:info@ctnd.com)**



### **Cre8tive Technology and Design**

8787 Complex Dr., Suite #300

San Diego, CA 92109

**O** 858.457.2786 | **F** 858.457.2787 | **E** [info@ctnd.com](mailto:info@ctnd.com)

Cre8tive Technology and Design is a leading provider of Epicor ERP. We utilize our extensive experience and ERP expertise to create customized solutions for businesses of all shapes and sizes. Trust our staff to deliver effective, industry-specific solutions on time and within budget.