The Cloud and Why your business should be on it

A case for moving your business technology to the Cloud

March 2018

Agenda

What is Cloud?

- What is the Cloud
- Cloud Definitions
- Why Cloud is the future
- Security in the Cloud
- Defining Cloud ERP
- On-prem vs Cloud ERP
- When does on-prem ERP make sense?

Is Cloud a "new thing?"

A look back in time

The cloud "rents" processing resources and storage

- 1970s: "time-sharing" on mainframes

- 2000s: hosting

- Today: Cloud
  - On-demand scalable network of shared resources
  - Rapidly provisioned and managed
  - Convenient with minimal management effort

Most of us already use the Cloud

59.6% currently using Cloud services

Why learn about Cloud Computing?
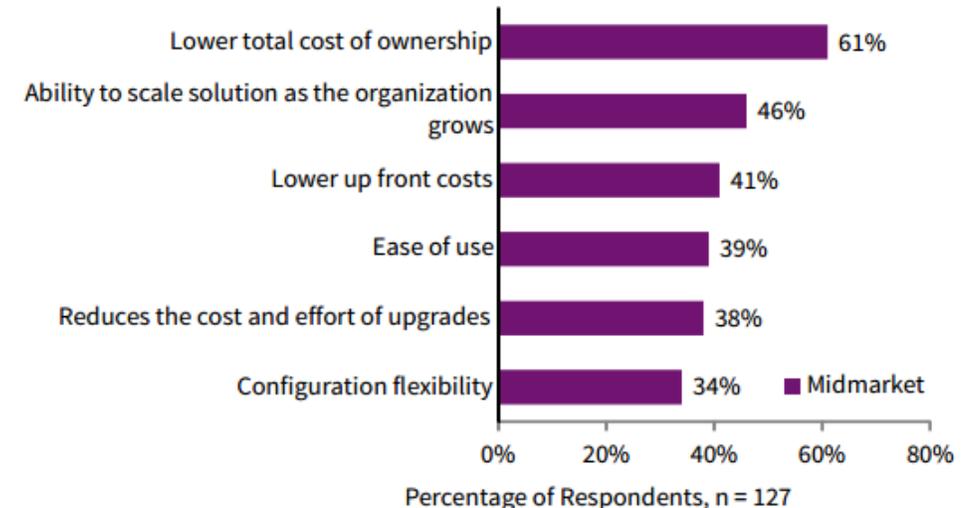
Not just a buzzword…

Adoption of cloud computing and services is accelerating

- Interest in cloud solutions has **increased by 22%** over the past 6 years
- On-premise has decreased by 29%

Midmarket companies with cloud

- Saw **1.9x profitability improvement** over 2 years than those with on-premise
- Choose the cloud for scalability, flexibility, usability and cost
- Best-in-class over twice as likely to have deployed their ERP in the cloud

Figure 3: Midmarket Orgs Choose Cloud to Scale and Improve Flexibility

Lower total cost of ownership	61%
Ability to scale solution as the organization grows	46%
Lower up front costs	41%
Ease of use	39%
Reduces the cost and effort of upgrades	38%
Configuration flexibility	34%

■ Midmarket

0% 20% 40% 60% 80%

Percentage of Respondents, n = 127

Source: Aberdeen Group, August 2014

*Source: Aberdeen Group, Sep 2014

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Common cloud characteristics

- On demand self-service
- Ubiquitous network access
  - Any where, any time, any device
- Location independent resource pooling
- Rapid elasticity
- Pay as you go

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SaaS, PaaS and IaaS

Cloud options – Public, Private, Hybrid

SaaS
Software as a Service

- Applications delivered as a service to end-users over the Internet
- Example: Sage Live - Public

PaaS
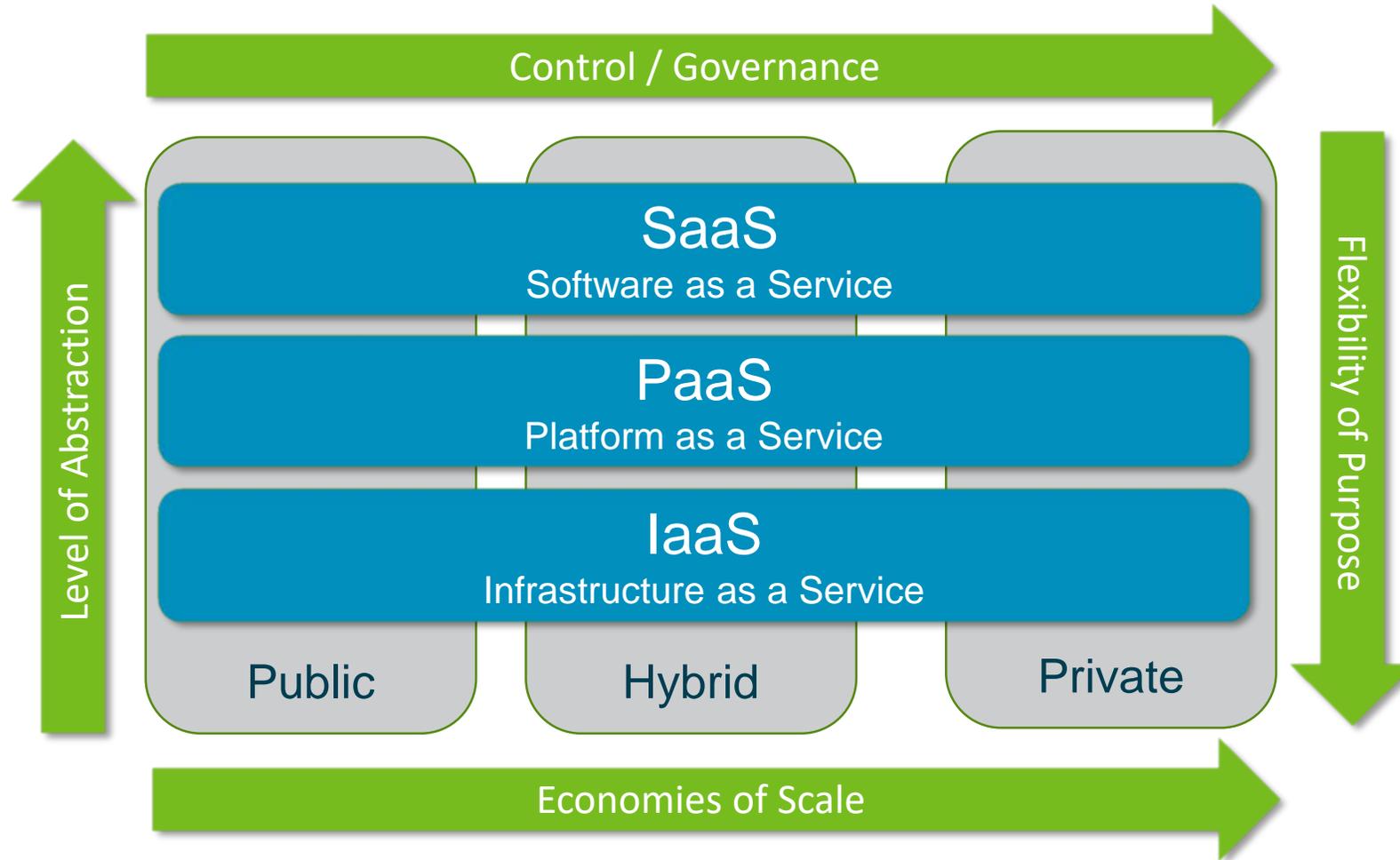Platform as a Service

- App development and deployment platform delivered as a service
- Example: Azure - Hybrid

IaaS
Infrastructure as a Service

- Server, storage and network hardware and associated software delivered as a service
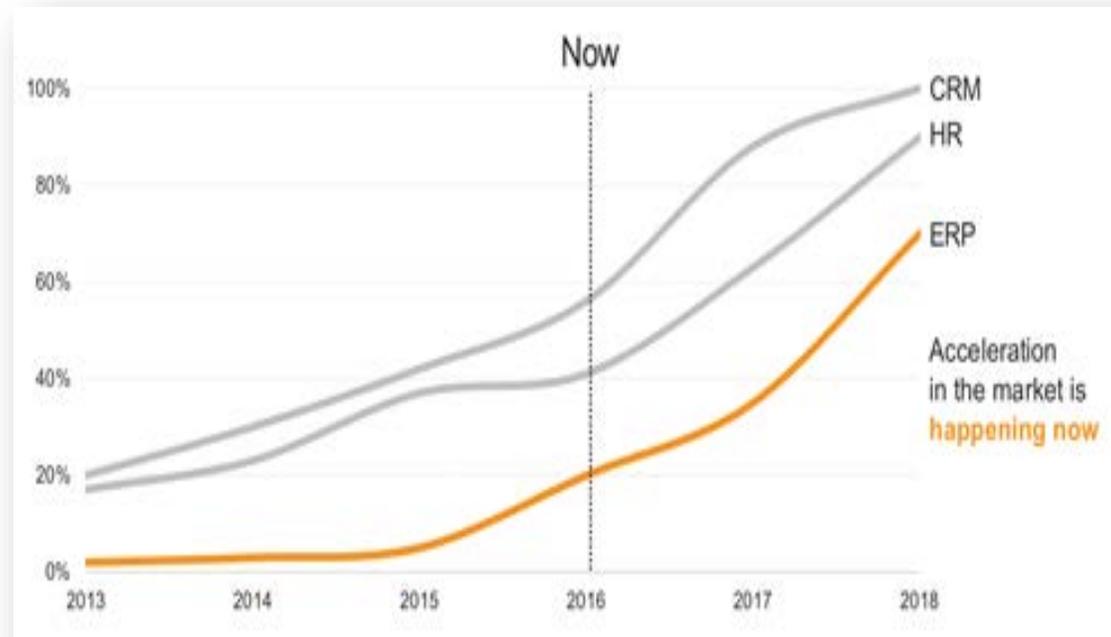- Example: Green Cloud - Private

Cloud computing service model

Growing appetite for the Cloud

Acceleration in the market is happening now
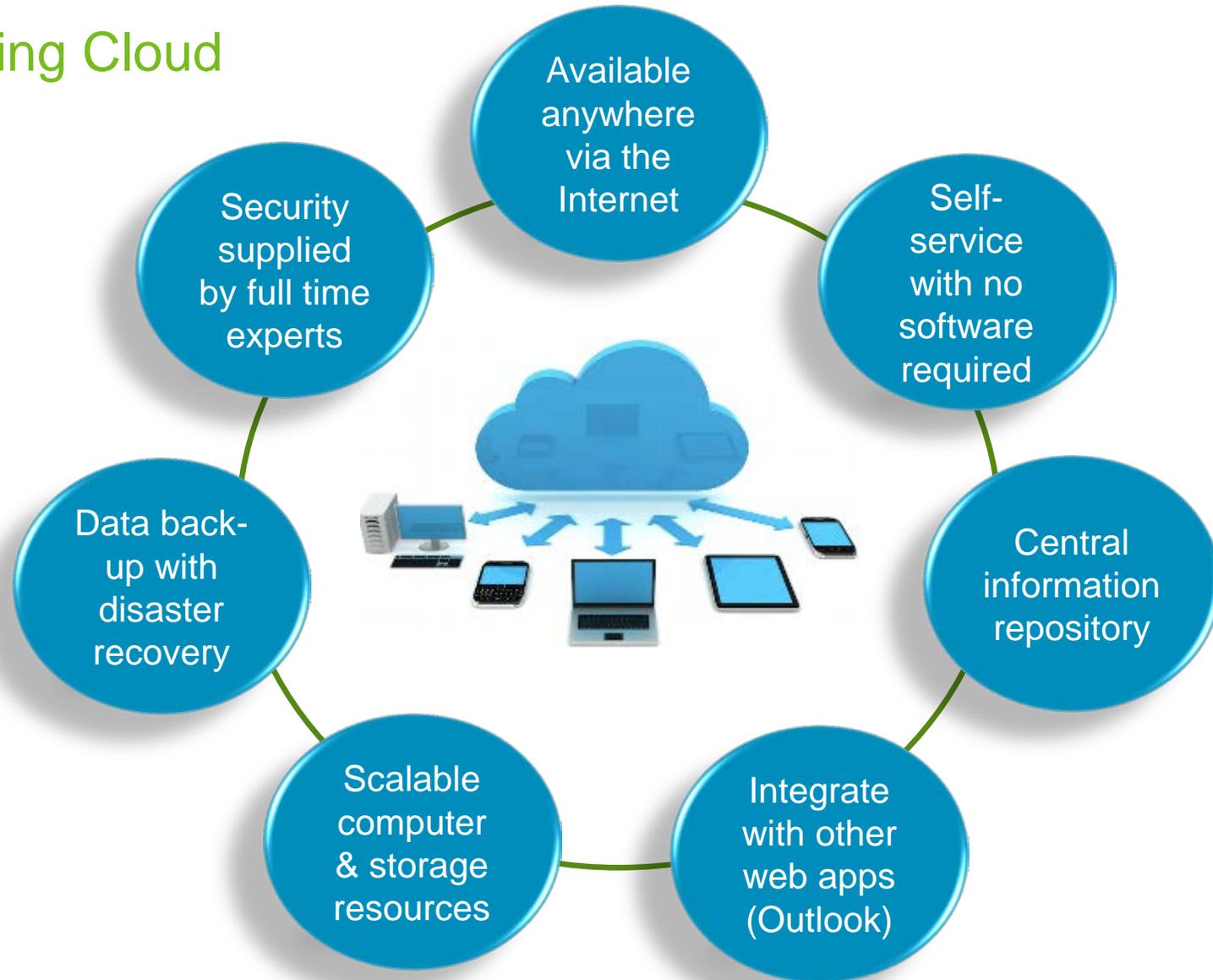
Business applications transition to the Cloud

*Compilation of research from Forrester, Gartner and IDC

- **Over 50%** evaluating new ERP systems are considering or have stated a preference for a cloud solution
- Cloud ERP is positioned for rapid growth
- 2014 IDC CloudView Survey
  - 1,673 respondents
  - 14% had Cloud ERP

Why Cloud?

Advantages of using Cloud

Available anywhere via the Internet

Self-service with no software required

Central information repository

Integrate with other web apps (Outlook)

Scalable computer & storage resources

Data back-up with disaster recovery

Security supplied by full time experts

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Why Cloud is the future

The immediate benefits

- Reduce upfront hardware and software costs
- Deploy quickly
- Scale easily
- Reduce hardware (IT) support services
  - Technology is in the cloud
- Predictable monthly costs
  - Preserve capital for other business initiatives
- Leverage Global IT Leaders
  - Amazon, Microsoft, IBM

Why Cloud is the future

The long-term benefits

- Universal on-demand availability
  - Better, quicker decisions and fewer mistakes
- Best-in-class security at no additional cost
  - Data in not stored locally, but in the cloud
- Reduced backup & disaster recovery costs
  - Plan provided with subscription
- Easier integration with other web apps
- Shrinks cost of maintaining & supporting apps
  - Cloud vendor handles the updates and upgrades

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Security - The elephant in the Cloud*

- Security is #1 concern for SMB considering a move to the cloud
- The Cloud is a fact of today's lifestyle
  - Amazon, eBay, Salesforce, etc.
- Most highly publicized data breeches were on-premise
- Reputable cloud ERP providers:
  - "Bet their business" on providing secure and available cloud ERP
  - Have intentionally built redundancy, security and data protection
  - Typically strong virtual and physical security measures
  - Have highly paid security specialists uncommon to SMB's

*From the SMB eBook called "Clearing the ERP.
Available for download on the Acumatica website

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Advantages of Cloud ERP

✓ Built from start for Cloud and Mobile

✓ Unlimited users – some offerings

✓ Only pay for computing power and data storage you need

✓ Can scale up or down when you need it seasonally

✓ Flexible deployment options

  ✓ SaaS, private cloud or on-premise

✓ Data access to copy or move the data at any time

✓ Integration with 3rd party systems

✓ Easily switch between mobile device and browsers

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On-prem vs Cloud

Technology Factors

	On-premise	Cloud
Mobile devices	Retrofitted add on for limited functions	Built into product for all functions
Hardware	In your facility	In Publisher's facility
Hardware maintenance	You are responsible	Provider is responsible
Additional hardware capacity	You will buy upgrades	Included in subscription price
Application software	Installed on your servers	Publisher is responsible
Software maintenance & upgrades	You add upgrades and maintain bug fixes	Publisher responsible
Preferred deployment	On your servers	In the Cloud on provider Servers
Optional deployment	None	In a Private Cloud of your choice or on your servers
Mobile devices	Retrofitted add on for limited functions	Built into product for all functions

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On-prem vs Cloud

Functional Factors

	On-premise	Cloud
ERP applications	Full Suite depending on the product	Full Suite
Customizations	Yes	Yes, with common Microsoft .NET tools
3rd party business extensions (POS, WMS, EDI)	Yes	Yes, using web API's
Integrate with other web apps	Not easily	Web app designed for integration with other apps
Available anywhere via the Internet	Yes, if you have your network set up for remote access	Instantly. It is a web app that is truly self-service. No software needs to be downloaded
Access to information and business functions (like order entry)	If you have the appropriate license and with the necessary software installed on their device	Universal availability without installing any software on a device
Centralized information repository	Yes, on your server	Yes, in the Cloud
Easily collaborate with others	Not really. Client server applications were not designed for collaboration outside the company's four walls	Yes, with other remote team members, customers and suppliers via portals, wikis, etc.

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On-prem vs Cloud

Business Factors

Business Factors	On-premise	Cloud
Pricing model	You pay upfront for your hardware and software	Annual Subscription
Cash	Upfront capital expenditure	Fixed monthly fee. Use your cash in your business
Staff to maintain technology	You hire or find consultants	Included in the subscription
Staff to update and maintain the standard ERP Software	You hire or find consultants	Included in the subscription
Data Accessibility	You can get to it and make copies at any time free of charge	You can get to it and make copies at any time free of charge
Data back-up with disaster recovery	You are responsible	Included in the subscription
Peace of mind - Security	You are responsible	Security supplied by full time experts

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When on-premise ERP makes sense

The business case for in-house solutions hasn't disappeared

- Regulatory requirements can mandate systems be installed in a closed location on-site

- Everyday users have limited access to high speed internet (remote location or in a cellular dead zone)

- HIPPA or sensitive customer information concerns are in play

- Significant and strategic investments in on-premise solutions have already been made (operations, automation, e-commerce)

- Custom solutions have already been built and deployed, making integration a challenge

Questions?

Thank you.

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