

Why Cloud Computing is the future

We are in the midst of a radical change in technology preferences. IDC, a premier global provider of market intelligence, wrote that “Cloud Apps are key to supporting growth of small and medium businesses.”

In this guide, we discuss why businesses are making a shift to cloud applications and in particular cloud ERP solutions. We look at the research demonstrating the profitability and productivity improvements the cloud movement is driving.



The rapid shift to the cloud

In 2011, the IT industry experienced a shift among midmarket companies previously preferring traditional on-premise ERP solutions to now preferring cloud or hosted ERP solutions. Back in 2009, a huge 80% of midmarket companies preferred a solution installed on-premise, but that has changed drastically.

Market research firm Aberdeen found that the “Best-in-Class midmarket organizations” representing the top 20% of companies surveyed were over twice as likely to have a cloud ERP solution. The top midmarket performers have made the move to the cloud.

SMB Group, an analyst firm that specializes in small and medium-size businesses, issued a 2016 Report on “The Business-Technology Performance Connection for SMBs”.

Since 2010, adoption of cloud computing has been on the rise in the SMB space, with more and more businesses seeing it as the most cost-effective, flexible and fastest way to deploy and support their IT infrastructure and business applications without the need for significant capital investments and staffing increases.



Business reasons to make the move to cloud computing

For many small and medium-size businesses, the move to the cloud is done for very obvious business reasons—the first one being speed to implementation. A 2014 survey by the industry analyst firm Mint Jutras reported that “respondents with SaaS implementations reached their first go-live milestone 19% faster than those with on-premise solutions”. This is possible because cloud computing eliminates the need for purchasing and installing hardware and software.

Other business benefits include:

- + Anywhere, anytime access to information by staff, customers and partners, since all applications are designed to run on mobile devices
- + No staff time required to maintain or upgrade hardware as the company grows
- + Most current functionality is always available since the cloud vendor maintains and updates to the software
- + The SaaS cloud vendor has the best security available which has been verified by the news on the data security breaches at on-premise systems in big and medium size companies
- + Data is safely backed up with a disaster recovery plan
- + True cloud applications are designed with an intuitive user interface to speed time to productivity



Customer Success Story

“Advanced helps WineWorks succeed by giving up to date information so that we can make informed decisions.”

Kent Brown General Manager of WineWorks Australia



Success with the cloud

Because cloud solutions have been used to run ERP for some time now, the industry has access to documented results of the benefits.

One example is from the report “Improve your Midmarket Business Operations with Cloud Applications” by the Aberdeen Group:

“The benefits of the Cloud provide tangible business benefits in operating costs, schedule compliance and on-time delivery”.

Aberdeen reported that the average improvement of profitability over the past two years for midmarket companies that are not in the Cloud was 9% profitability improvement. However, **midmarket companies who were Cloud-enabled reported a 17% improvement in profitability over the past two years.** This is a staggering 8 point difference. By providing the technology tools their people needed, these market leaders saw an ROI that improved their overall bottom line.

Also in that report they wrote about integration with other technologies:

“For midmarket organizations, the flexibility that cloud environments provide actually enables these organizations to implement more technology that can improve processes across the organization.

Results include

- + 13% more likely to have Customer Relationship Management

- + 43% more likely to have Business Analytics”

Finally, they touched on one of the most important areas for a small or mid-size business, keeping track of business activities and visibility across the organization.



Customer Success Story

“Advanced offers real time access to information on the fly. Now I can just tap my iPad and pull up all the information I need and it’s right there.”

Kent Brown General Manager of WineWorks Australia



“Since a cloud solution is accessible to employees no matter where they are, it is easier to share the functionality included in the solutions. Ultimately, this improves visibility, impacts collaboration, and enables efficiency and agility. In fact, midmarket organization with cloud solutions are:

- + 41% more likely to have real-time visibility in to the status of all projects
- + 47% more likely to have automated notifications empowering business leaders to react immediately”

Improvement are made in a company whether they have cloud ERP or traditional systems; however, cloud implementations result in significant improvements over on-premise ERP systems. A few examples include:

- + 8% improvement in operational costs as a result of cloud ERP
- + 8% improvement in profitability as a result of cloud ERP.



Customer Success Story

“Advanced reduces the time that I spend having to sift my way through reports and e-mail accountants to try and get them. That’s time that I can spend out on the road speaking with clients.”

Kent Brown General Manager of WineWorks Australia



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