

6 Things Your Boss Wants to Know

About ERP

The early Enterprise Resource Planning systems of the 90s and 2000s were poorly integrated, space consuming, expensive, and required a large IT staff to maintain. With the advent of cloud-hosted ERP services, all this has changed.

Migration of business applications to reliable cloud services like Microsoft Azure has already begun en masse. According to [McKinsey's IT-as-a-Service Survey](#), by the end of 2018, 80 percent of all large enterprises are expected to be using cloud services. In addition, an estimated 95 percent of IT professionals are already using cloud services.

The implication is clear, cloud computing is the future, and offers great opportunities for enterprises and the software they rely on. ERP services are no different.

With cloud-based ERP, all enterprise applications are available in a centralized place — from any device — from any location in the world. There is no need to download software onto individual machines, all that is needed is an internet connection. The potential benefits for businesses include accessibility, cost savings, increased speed and performance, superior data management and security, scalability, and ultimately improved customer relations.

This article goes over how these benefits can help managers optimize business practices, improve employee performance, and boost customer relations.

Accessibility

Perhaps the biggest draw of cloud-hosted services is the anytime anywhere component. Whether you have distributed team working around the globe, employees taking a working holiday, or managers attending a business conference, cloud ERP travels with you. The system can be accessed from any device including laptops, tablets, and smartphones, so when duty calls, you don't

have to run into the office. Furthermore, all tracking systems from procurement to inventory, shipping, and delivery, will be updated in real-time, allowing employees to work remotely and still have the most up-to-date information.

Cost Savings

Opting for cloud-based ERP software represents a chance for drastic long-term cost savings. Because ERP systems require a fair amount of computing power, in-house solutions will likely require investing in on-premise servers, as well as the IT staff needed to maintain them. With cloud-based ERP, all operating and maintenance costs are transferred to the third party vendor.

Though not likely, the vendor also takes responsibility for the cost of disaster mitigation and data recovery, should something go awry. In addition to long-term savings, the immediate implementation cost is also significantly less. Since the system can be accessed from a browser, there is no software to install on all individual computers. Hosting costs will also be cut down since businesses only need to pay for the bandwidth they will use — and upgrade if need be.

Beyond setup and server costs, cloud-based ERP has all core business applications centralized onto one platform. This means that your employees only need to learn one system, thereby reducing the time and financial resources that would otherwise be spent on training for multiple applications.

Speed and Performance

Cloud ERP services also bring speed and efficiency to your operations. All core business modules including inventory management, shipping and logistics, delivery scheduling, CRM, HR and payroll, and more, can be integrated into your ERP system and automatically updated. Auto data entry for these modules frees up employees to work on more business-centric tasks and prevents double entry of data. The ERP dashboard allows users to get a holistic picture all processes from start to finish, making bottlenecks easy to identify and resolve quickly. Since inventory databases will be up-to-date to the minute, guessing is taken out of the equation when filling orders, and clients will experience fewer delays.

Leaner operating costs can also be achieved by knowing precisely where supply and demand stand. In addition, auto-generated financial reports, delivery reports, and other performance levers will allow managers to easily pinpoint areas of strength and weakness to further optimize processes.

The speed and efficiency of cloud ERP also extend to financial processes. Many companies fall into the trap of leaving non-core financial functions until the end of the month, which can cause delays of scheduled transactions. By consolidating all internal and external expenses, integrating corporate credit cards, and providing functions for mobile expense entry, Cloud ERP gives managers a holistic end-to-end view of finances, so accounts can be easily reconciled at month-end periods.

Facilitate Collaboration

Data shared across departments on a central, accessible platform means you can finally break down the silos that have been hindering productivity. An [Aberdeen Group Study](#) found that 50% of mid-market enterprises with cloud-hosted ERP services experienced real-time collaboration across departments, compared with only 43% of businesses using on-premise solutions. Furthermore, those using cloud ERP saw a 24% decrease in key business cycle times, in part fueled by improved collaboration across teams and locations.

ERP software facilitates communication with built-in instant messaging, auto-generated emails, and general broadcasts. By having centralized databases, teams will have access to all the information they need to work together. For example, marketing teams can easily see sales' leads and pitches, which they can reference when building their next campaign. Meanwhile, the sales team can coordinate with logistics personnel to make sure deliveries arrive to clients in a timely fashion.

Engineering teams can also benefit from using ERP on the cloud. ERP systems can be integrated with DevOps software, allowing distributed teams to better collaborate, both synchronously and asynchronously. Many cloud-based systems also have built-in robust DevTest environments or existing templates and plugins to speed the creation test labs.

Data Management and Security

Improved data management and security are two of the primary draws of cloud-hosted ERP services. Consolidating all company data across departments is the best way to eliminate data errors, and make information available to those who need it, when they need it. Centralized data, however, does not mean there is no access control within the organization. Cloud-based ERP solutions have built-in administrator functions that allow managers to determine which users can access and edit which data.

Cloud solutions can also help teams make better use of their data. Ask your vendor which data mining functionalities can be integrated into the system. Many cloud-based services are able to perform automated strategic analysis on everything from supply chain management to client purchasing patterns.

Finally, the burden of data security and protecting information from malicious third party attacks is transferred to the vendor. Cloud services like Microsoft Azure take information security seriously and invest in the best hardware and software to protect data. What's more, data can be automatically backed up as often as every 15 minutes. According to [Tech USA](#), 94% of businesses that have adopted cloud ERP solutions believe their data security has improved as a result.

Scalability

Every business has different challenges and management needs, which is why you'll be glad to know that cloud-hosted ERP solutions are highly elastic and customizable. Depending on the use case, businesses can select the functional modules they need to boost efficiency. Some of the modules you can expect to have at your disposal include the following:

- Finance and Accounting
- Inventory and Operations
- Customer Relations Management
- Sales Orders
- Purchasing and Vendor Management
- Business Intelligence
- Human Resources and Payroll

If you are operating a global business, many ERP solutions support multiple languages. This allows employees to work comfortably in their mother tongue and reduces errors due to language differences. Transactions can also be executed in various currencies and finances recorded to reflect exchange rates.

As your business scales, more users and functionality can be added to the ERP system. With growth, your enterprise may require more bandwidth and storage. With cloud-hosted services, you don't have to go through the hassle of installing more on-premise servers, but only need to consult with your provider on upgrading hosting plans.

In short, when your business is ready to grow, all of the infrastructure is already in place on your cloud-hosted ERP system, you just need to pull the levers.

Customer Relations

The ultimate purpose of streamlining internal business operations is to offer a better service to customers. Migrating to cloud-based ERP helps businesses do just that in a variety of ways.

First, automated data entry throughout the supply chain means more accurate inventory records. With interconnected sales and inventory modules, sales teams can fulfill orders with confidence, or assign client priority levels for incoming consignments.

In addition, feature-full CRM modules have lead and contact management functions, quote tracking, email tracking, and automated workflows, assisting the sales team to improve initial and ongoing exchanges with customers.

Lastly, real-time universal data updates mean more accurate and timely updates for customers. Customer service personnel will be able to make and receive status update calls with ease and confidence. With these perks in mind, Cloud ERP systems can help a business boost NPS among customers.

Recap

Cloud-based ERP solutions have real potential to help businesses trim budgets, improve employee performance, and cultivate better relationships with customers.

Whether you need to replace aging technology, improve cross-department and cross-location collaboration, or are looking for a more scalable solution that can grow with your business, cloud-based ERP is an ideal solution.

Today, cloud-based ERP solutions are preferred over on-premise legacy solutions for the following 6 reasons:

1. Instant and universal accessibility
2. Reduced implementation and maintenance costs
3. Real-time updates across locations and teams
4. Improved data management and security
5. Cloud solutions are built to scale
6. Integrated cloud systems bring tangible benefits to customers

Hybrid Solutions

Though the benefits of cloud-based ERP are compelling, complete digital transformation can be difficult to achieve all at once. Hence, some enterprises opt for hybrid solutions with certain applications deployed via on-premise servers and others deployed on the cloud, as legacy systems are upgraded or phased out.

When selecting an ERP provider, it's important to find a vendor that has experience with both Enterprise Resource Planning, and cloud services — especially if you are considering a hybrid solution. An ERP provider that understands the business purposes behind the software they design will be more likely to create effective, user-friendly applications. Likewise, providers that have experience with hosting infrastructure will be well prepared to help with proper set-up of both local and cloud-based solutions.

With ever-growing customer choice in a quickly digitalizing global marketplace, enterprises need to upgrade and streamline their processes to stay competitive. Cloud-based and hybrid ERP software

solutions are tools that can help launch this effort. Choose the solution that best fits your business and its future objectives.