



**ON-PREMISE ERP  
SIMPLY CANNOT  
COMPETE  
WITH COMPANIES IN  
THE CLOUD**



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# ON-PREMISE ERP SIMPLY CANNOT COMPETE WITH COMPANIES IN THE CLOUD

No matter what industry your company operates in, it is facing competitive pressures like never before. Organizations no longer have the luxury of being able to spend years developing an effective business strategy, nor do they have the time and resources to waste on ineffective on-premise business systems that then fail to support it.

Fortunately, because of the growth of cloud computing and as-a-Service software, companies can now scale up rapidly, move quickly and mobilize a workforce like never before. A competitive threat or opportunity can come out of nowhere and the market disruption takes hold fast. This has been seen time and time again over the past decade—who still goes to Blockbuster to pick up a film for the weekend?

This is why companies such as NetSuite, which provides a single version of the truth for businesses operating in the cloud, see their revenues grow, while the legacy players with their siloed on-premise applications are in decline.

The reality is that pre-Internet applications such as Microsoft Dynamics GP can no longer provide firms with the agility and insight they need to compete effectively.

The business case for shifting to the cloud is actually relatively simple. While it's not the only factor, let's begin with cost. Forrester has said that the cost of implementing on-premise Enterprise Resource Planning (ERP) systems can be as much as five times that of the software licenses. Not only this, but once the implementation is done, organizations are

then typically too scared to upgrade because of the built-in complexity and inevitable bill that comes with it.

This means that you can spend most of your IT budget on maintaining an ERP system that ends up being years out of date. All of this is irrelevant when using cloud ERP with an as-a-Service architecture that means once it is implemented, your entire business benefits from regular upgrades and hands-free maintenance—without the laborious upgrade process loathed by the CIO. This can then free up your IT team to focus on innovative projects, rather than simply keeping the lights on.

### **Beyond Cost, Into Productivity**

But it's not just about cost savings. Moving to the cloud also allows companies to operate more effectively, as it means moving away from fragmented, complex IT that acts as a blocker, rather than the enabler that it should be.

For example, systems like Microsoft Dynamics GP tend to serve the sole purpose of supporting certain business functions, whilst other systems are then put in place to automate sales, ecommerce, warehousing, support and other services. This fragmentation means that it becomes impossible to get a clear view of what is happening across the entire business.

In this digital era, data and strategic insights are key. How can you effectively compete if your employees are having to navigate a myriad of cumbersome on-premise systems to get the answers they need?

However, with a cloud platform such as NetSuite, all of these silos are broken down, integrated into a single platform, which can be accessed by anyone with an internet connection, across any device, from anywhere. Putting this knowledge into the hands of your employees, across your entire organization, can lead to dramatic improvements in efficiency, profitability and customer satisfaction.

It's worth remembering that the workforce of today is very different than the workforce of 10 years ago. Fast-growing companies need to be able to mobilize a team across a number of geographies as soon as they start to see evidence of demand, which is incredibly difficult and expensive if you're having to build it out of your own datacenter.

With a modern cloud ERP solution, this can be as simple as adding what you need in the location that you need them. Organizations are then able to manage multiple subsidiaries, business units and legal entities all within the one suite, automatically taking into account different currencies, taxation rules and reporting requirements. You don't have to worry about how to make that work.

Customers of NetSuite that have made the switch from Microsoft Dynamics GP are quickly realizing the limitations that their old ERP system brought to their business. For example, Imagine!, a Colo.-based nonprofit that supports people with learning disabilities, says that it now has access to real-time information from anywhere, no matter where employees are based.

Imagine! was using a heavily customized version of Microsoft Dynamics GP that had introduced significant costs for the charity. Whereas now, upgrades are absolutely pain free for the organization.

Equally, the Advocacy Centre of Louisiana, a nonprofit law firm, moved to NetSuite after its entire IT estate was wiped out in Hurricane Katrina—having recognized that the cloud is a far superior delivery model for disaster recovery.

After the switch, it realized that its old Microsoft system required many procedures to be carried out manually via Excel spreadsheets, wasting time and adding unnecessary costs. Whereas with NetSuite, the organization has been able to automate fundraising via its website and thanks to access to real-time information, employees are able to create their own reports and dashboards, enabling better strategic decision making.

There's plenty of evidence like that of how a company running an on-premise ERP will struggle to keep up with one that can scale easily in the cloud.

In the cloud, a company can spot an opportunity and be targeting it within a matter of days, thanks to the speed at which a system like NetSuite can be put into the hands of new users. Not only this, but it's the same single version of the truth that is being used everywhere in the company, no matter where you are, which means that the organization as a whole is working together towards the same goals.

Is that a promise that can be realized with an on-premise ERP? The truth of the matter is that it can't. And that's why companies operating legacy ERP offerings such as Microsoft Dynamics GP put themselves at a competitive disadvantage.

 **NETSUITE** | #1 Cloud ERP