10 Questions to Ask Before Implementing Cloud ERP, Part 1

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Cloud computing is the most important software technology advancement in many years. If wielded correctly, the cloud can expand your control over your business while lowering your software costs. By choosing to modernize your enterprise resource planning (ERP) software, your business can become more maneuverable and flexible by gaining access to real-time data and eliminating the drag associated with client software.

With these benefits come several critical questions that need to be answered regarding security, data ownership, vendor lock-in, customization, integration and performance.

Benefits of Cloud & Web-Based Software

The most critical aspect of achieving positive results with your ERP software involves understanding what you do every day and learning how the cloud can help you do it better, cheaper and faster. If tracking inventory is your biggest problem, then make sure the cloud package you choose can manage inventory. If sloppy fulfillment processes are impacting customer satisfaction, then focus on how the cloud can help shipping and delivery.

Cloud benefits include:

1. *Accessibility and choice of device.* Cloud systems allow mobile employees, customers, vendors and trusted partners to access critical business information using only a browser. Access is not limited to a single computer — all functions are easily accessible from mobile devices, iPads and computers running any operating system.
2. *Real-time data.* The cloud allows you to get real-time data and reports from anywhere. A fully integrated application suite gathers data from different warehouses, sales orders, web stores and retail outlets to give you a single, up-to-date view of your business.
3. *Lower costs.* The cloud helps reduce installation, maintenance and support costs because there is no client software to install or maintain. A mid-sized business can save more than $10,000/year in information technology (IT) expenses.
4. *Centralized control.* Cloud systems utilize centralized databases and application servers, so all logic and data is managed consistently. Reports deliver consolidated views of your business broken out by business, truck, operations center or user-defined criteria. Centralized views of inventory simplify transfer and purchasing decisions.
5. *Outsourced IT savings.* A cloud solution also allows you to outsource IT operations. If you have IT expertise and want to manage the software application yourself, then you can opt for a hosted solution. If you want to outsource all of the operations, then you can purchase your software as a service (SaaS).
6. *Business continuity.* Cloud providers earn their living by meeting service level agreements (SLAs) that include uptime and availability guarantees. *Scalability.* Cloud systems can rapidly scale up and down to support growing businesses and off-peak seasons. Although ERP systems are typically purchased with year-long contracts, the ability to pay for what you use is often a benefit of cloud systems.

If all this sounds great, then read on to explore key questions to ask of a potential cloud vendor. Exploring these questions will help you maximize benefits and avoid potential cloud pitfalls.

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