

The future of Cloud ERP

Ajay Kumar says that many organisations could face challenges unless they move to Cloud-based ERP solutions

Cloud computing today has a massive role to play in businesses across verticals and size-bands. Meanwhile, Enterprise Resource Planning (ERP) is approaching an inflection point, with next-generation cloud-based systems taking centre-stage. ERP can significantly improve a company's efficiency/productivity by integrating finance with sales, manufacturing, human resources, and other functions, and enabling next-level organisational growth.

In many businesses, it may feel like the rest of the organisation has moved on, while ERP systems have not. Legacy infrastructure continues to be used, which impacts overall productivity. One of the key roles of Finance is to ensure business profitability and cost-effectiveness, so one would expect finance professionals to embrace tools that help achieve this. Yet, far too

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many finance departments are not embracing the one technology that can reduce operational expenditure, improve agility, and strengthen the bottom line: the cloud.

For years, organisations have been wary of entrusting sensitive and confidential data, including financial information, to third-party providers. While it is only natural to be protective of such data, those who eschew the cloud are perhaps being lulled into a false sense of security, which is based on out-dated ideas. Many finance departments might be unsure whether the benefits outweigh the perceived security risks of moving sensitive data to the cloud. Let's explore both sides of the argument.

Finance departments may be unwilling to 'hand over' their data to a third party for security reasons, but the reality is that keeping such information in-house comes with





significant risks. No matter how good the in-house IT team, or how robust its technology infrastructure, they are unlikely to match stand-alone cloud providers, whose experts spend their days optimising security and availability. Finance is not the only department responsible for sensitive data, but unlike other lines of business, it has consistently missed out on the benefits of cloud, which include greater agility, opex pricing, affordable access to the latest software, and improved collaborative working. The benefits that result from leveraging critical financial data from cloud-based systems such as EPM and ERP software are not being recognised. The competition, meanwhile, is using the cloud to gain a holistic picture of their internal 'health', and to more effectively marshal their resources.

Common challenges faced by organisations that lack cloud-based

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ERP solutions include limited ERP mobility support for phones and tablets, and complications with extensive customisations, which make it difficult to modify and integrate the ERP solution with other business systems and processes. These difficulties have pushed many

enterprises and SMBs to explore cloud-ERP solutions, in which costs are easier to manage, and where the subscription package consolidates all expenses (for both software and the infrastructure behind it) into a predictable monthly or annual rate.

The road ahead for ERP

ERP has come a long way, and it is still evolving. The current leap to cloud-based infrastructure and services opens many new doors for business of all sizes, and ERP systems can be a valuable asset in a fast-paced world.

The future of ERP depends on its own advancement. The systems that are deployed today should soon see improvements in mobile capabilities, user experience, and overall speed. This will address the primary concerns that surround the entire ERP space, and software manufacturers are well on their way to do achieving this.

One must understand that ERP software is the backbone of any organisation in terms of managing accounts, procurement and project implementation. Modern, integrated cloud applications deliver the functionality, analytics, security, and collaboration tools needed to run the business. Today, ERP systems are critical for managing thousands of businesses of all sizes and in all industries. To these companies, ERP is as indispensable as the electricity that keeps the lights on. It's impossible to ignore ERP's impact in today's world. As enterprise data and processes are corralled into ERP systems, businesses can align separate departments and improve workflows, resulting in significant bottom-line savings.

A faster, more user-centric rolodex of software offerings benefits all involved, and will help ERP remain a top IT priority for business. ■



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