

# 5 reasons to switch your e-commerce to the cloud

Virto Commerce whitepaper

This Virto Commerce whitepaper provides insight into the considerations required to switch your ecommerce software solution to the cloud-based model.



Over the last couple decades, the rise of e-commerce has made a huge impact on how businesses function nowadays. These days any business that wants to be successful selling products or services online depends on its e-commerce solution. The next step in this evolution – cloud-based e-commerce – brings up a new major decision companies now need to make to stay ahead of the curve – whether or not to make the switch.

An e-commerce cloud offers major benefits to those who choose to go with it! Faster speeds, improved server usage, and tighter security just to name a few. On top of that, businesses that go with the cloud enjoy great budget savings due to lower setup and maintenance costs.

That in short is what makes cloud solutions the way of the future, and why many companies are now shopping for cloud technology.

Let's however look a bit more into details of what's involved with this revolutionary system. Here are 5 factors a business owner would need to consider about moving the company's e-commerce from an on-premise solution to the cloud.

## 1 - Lower cost of set-up and maintenance

As a business owner, one of your primary concerns is always about how much it is going to cost you, as well as how soon you can break even on your investments and what additional revenue they'll bring. So, let's take a look into it for a moment.

Cloud e-commerce software is provided as a service (that's why we use the term software-as-a-service, or SaaS). That means you save right at the start. Migrating your business to a new system is always a big move that usually also means big investments. Not this time however!

When going with a cloud-based solution you avoid large upfront investments to purchase the physical servers and facilities needed to manage and maintain the software, as well as software licenses themselves. The switch from your old system can be done in stages with little to no impact on your daily operations.

As you keep using the service, the on-premise solutions are going to involve some ongoing costs

- \* hardware maintenance
- \* software upgrades
- \* license fees
- \* data storage
- \* security backups
- \* power and cooling, etc.



And in some cases the additional costs of meeting regulatory standards of protecting credit card and personal data. On top of that eventually it's inevitably going to get outdated to the point of no return.

As your business grows, so does the workload and so do the requirements for your hardware and software. This means that in a few years, maybe even sooner, you would need to purchase new physical servers, pay for additional power and cooling, data storage and the rest of the points from the list above.

None of this would be a concern with a cloud solution, so you're free to grow without any hidden storage costs.

With the cloud solution it's the vendor (and not you and your IT department) who hosts the software and maintains the hardware infrastructure.

For you as a business owner this means that the initial costs as well as maintenance costs are typically going to be much lower because you simply implement the software and adjust it to meet your requirements – that's it. Everything is accessible online through a web browser interface. Payment is a pay-as-you-go system or a predictable, yearly subscription/sales percentage model. So, again, little to no investment upfront, making it a safe choice.



Let's look at some simple numbers here. Average cost of a start-up hardware and set-up kit for an on-premise e-commerce solution capable of handling a comparatively light workload, which includes

- \* Setup and configuration
- \* Licensing
- \* Hosting and maintenance (monthly)
- \* Staff training
- \* Design and custom development, etc.

...would be around \$11,000, according to AtlanticBT. That's the most basic investment you, as a business, would need to make up-front just to set it up and get your store going. From there the expenses only grow, as we have reviewed above. This is a commitment! If you later in the process determine that this was not a right way to go for your business, there is no way back. And the longer you wait to switch to cloud, the higher the cost of not taking the decision gets for you.

With the cloud your initial investment, according to the same source is approximately \$2,000. A striking difference in an upfront investment, which makes your NVP higher, breakeven point a lot earlier and thus, lowers the risks of such investment significantly.



If you are a small business, you may even qualify for free service with certain providers. VirtoCommerce for example, lets you get a fully featured enterprise class product completely free with a revenue restriction. That way you can start easy and upgrade your e-commerce platform once your business becomes a success.



## **2 - Less hassle for you and your IT staff**

Our cloud e-commerce solution is known for being very developer-friendly. Everything is configured to make you IT team's experience working with it as easy and enjoyable as possible.

You leave it to the vendor to worry about the hardware and major software maintenance. There is no need for your team to re-invent features, as we have a lot of ready solutions with open source easily accessible code. Whichever obstacle you might face tweaking the system to your company's needs, chances are we have already gone through it and are happy to share our solutions! Plus, open source code means it is constantly being reviewed by many developers making the possibility of running into any bugs almost zero.

We will happily assist with helping your developers get familiar with all the changes and make the transition smooth and easy. So, your IT staff can focus on what matters most for your business – customizing the features to fit your needs perfectly and working on developing strategies that are going to help you grow and expand.

### **3 - Always up-to-date**

The on-premise solutions tend to work well once you set them up and fully customize them to your needs... And then the provider releases an update.

The problem with this type of set-up is that any customizations or integrations you've made are tied to the existing software version, so once an upgrade is implemented they will be wiped. In many cases your IT team will have to start re-customizing from scratch.

Needless to say this can get very time (and resource) consuming which is why many companies choose to not upgrade at all and stay with an outdated version missing out on a lot of new features and latest business trends. But even then there is always a risk of losing access to your built-from-scratch features whenever there is a change in your team structure.

Cloud e-commerce providers make sure your previously implemented customizations automatically carry forward when the platform is updated and provide high quality life-long customer support, when needed. Their solutions are continuously being enhanced, so you can be sure you're always using the latest, most advanced version. And having an easy access to all the code for all the team members makes sure possible staff changes have no impact on your system's functionality.





## **4 - Better organization and tracking**

This one is a no-brainer. Having all your data stored in one place with an easy on-line access is going to help your business function in the most efficient way possible by reducing possibility of errors and helping your supply chain run smoothly.

You can have several stores on the same platform with one central control point. Regional dealerships have an easy way to join the main system with an option of their making their own unique customizations.

It means better organization and tracking of orders and stock items across multiple physical locations, faster status updates and all your required information available to you from anywhere and at any time.

## Conclusions

E-commerce solutions are progressing fast, and you don't want to be left behind! However, it's important to take the time to consider what's right for you and your business.

The perspectives and the costs are always the main concern of a growing business. These include the obvious costs of setting up and maintaining your system of choice, as well as hidden ones, like costs of

- \* business growth,
- \* IT staff's work time and training,
- \* customization time, delaying a marketing campaign, for instance
- \* support and updates
- \* potential losses due to lack of communication between locations, etc.

Each company is unique with its own needs and requirements. Luckily, cloud solutions for e-commerce cover a wide range of them.

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