

5 Benefits of Transitioning to Azure or another Cloud Solution

By Jordan Lanning

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The first reason is *cost*. Azure and many other cloud solutions have a pay as you go model that only charge you for the data consumption and storage. Avahi estimates that businesses spend roughly \$84,000 annually in technology (staff, networking, storage, server costs, etc) while cloud solutions are estimated under \$18,000 annually. You will save on server deployment, physical location of equipment and data storage, and maintenance. Companies that deploy cloud solutions require less technical staff – note that it is not recommended to downsize completely as having technical personnel is still critical. But there are significant cost savings you will have running your business through the cloud versus on-premises.

The second reason is *solution variety*. Azure has several cloud service types – SaaS, PaaS, and IaaS. All IT solutions involve consumer/company data, devices, accounts, networking, operating systems, etc.. What makes the solution variety great is companies can choose based on their needs, complexity, and control requirements. The software-as-a-service (SaaS) products available for companies that provide packaged solutions. In this model, companies only manage customer data, devices and accounts/identities. Azure will do all other work managing network controls, host machines, application, and others behind the scenes. If you do not have a large, dedicated IT team, you are more likely to use SaaS products for most of your services. Larger or more complex companies that require more flexibility with apps they manage have options to host platforms-as-a-service (PaaS) or infrastructure-as-a-service (IaaS). To put it simply, PaaS are services where the consumer controls the applications and data, while the provider manages the infrastructure, operating system, and networking — offering more control than SaaS but less than IaaS. IaaS provides even more flexibility by allowing the consumer to control the operating system, applications, and data, while Azure manages the physical hardware, networking, and virtualization layer – again, for companies with advanced IT personnel. Microsoft will always handle physical networks, datacenters, and host devices. The only exception will be when a company follows an on-prem model – this is you hosting it yourself.

The third reason is *centralization*. Beyond cost and variety, there are hundreds of native or connected services that are offered in cloud providers. The Azure portal allows for better management and oversight over solutions. According to Ascendix, the average number of SaaS solutions per small business of 50 employees or less is 21. Its likely to have cross-functional employees where job roles overlap due to lack of personnel to manage a specific department. Companies will often buy a SaaS for every single function they need. This causes SaaS sprawl where a company grows, it adopts more SaaS. This will increase employees' management over nearly all solutions across the board, especially in smaller companies. Cloud management helps

as most SaaS applications can connect directly, webhooks, or APIs. These techniques can pull your data into a cloud like Azure and make managing easier.

The fourth reason is *service up-time*. Depending on where data is stored and level of redundancy, you should see at least a service level of 99.9% uptime with Azure as defined by their SLAs. This means you should almost never see service interruptions from Azure – you may see local interruptions by your internet service provider (ISP) but this is different. Having a near perfect uptime is critical for some organizations and ensures business continuity.

The fifth reason is *monitoring*. You can monitor the cost and usage, resource health, insights, activity logs, and more of connected services. All of which can be necessary for business growth and active services provided. Applications connected by webhooks or APIs require custom integration – this may not produce the same monitoring abilities compared to a cloud native resource. You cannot directly monitor services in Azure that are connected by webhooks or APIs. Given this information, companies should be cognizant of services they use as they grow. While it might be more cost-effective to go with the cheapest solution, they should prepare for the growth 2-5 years down the road and consider cloud friendly solutions.

Additionally, there are downsides as well. Improper management or deployment of a resource can result in outstanding costs for the company. But this can be mitigated by several strategies. You can implement spending controls and alerts, regularly monitor resource utilization, and implement shutdown time of resources through Azure Cost Management + Billing or Azure Budgets to name a few resources.

Cloud vs On-Premise Cost Comparison Guide. Avahi. January 1, 2025. No Author Assigned.

Link: [https://ascendixtech.com/number-saas-companies-statistics/#:~:text=This%20year%2C%20IT%20professionals%20have,on%20their%20size%20\(source\).&text=Companies%20with%20fewer%20than%2050,analyze%20their%20software%20usage%20carefully](https://ascendixtech.com/number-saas-companies-statistics/#:~:text=This%20year%2C%20IT%20professionals%20have,on%20their%20size%20(source).&text=Companies%20with%20fewer%20than%2050,analyze%20their%20software%20usage%20carefully).

How Many SaaS Companies are There in the World. Ascendix. March 26, 2025. Sid Nag | Vice President Analyst at Gartner. Link: [https://ascendixtech.com/number-saas-companies-statistics/#:~:text=This%20year%2C%20IT%20professionals%20have,on%20their%20size%20\(source\).&text=Companies%20with%20fewer%20than%2050,analyze%20their%20software%20usage%20carefully](https://ascendixtech.com/number-saas-companies-statistics/#:~:text=This%20year%2C%20IT%20professionals%20have,on%20their%20size%20(source).&text=Companies%20with%20fewer%20than%2050,analyze%20their%20software%20usage%20carefully).