



20 Questions to Ask Before You Choose your Cloud ERP

Adoption of cloud ERP is on the rise and there is no denying of the fact that the Future of ERP is Cloud. The benefits of Cloud-based ERP systems are real and empowering. The benefits range from rapid deployment and significant reductions in both capital and operational expenses to enhanced flexibility, scalability and profitability while minimizing risks, cost and disruption to business operations.

ERP vendors too are making a push towards Cloud, bringing together diverse technologies related to mobile, data and analytics as well as collaboration.

If you're evaluating Cloud ERP options, make sure you're asking the following 20 questions before selecting a platform.

01. How secure will be our data?

One of the main concerns for businesses when moving to a Cloud ERP is security and the risks of exposure of your data to others on the web. Check with the ERP vendor on specific governance, operational and regulatory guidelines that they follow to assure the security of your data. You should also check if the solution offers user-based security controls, has the ability to create audit trails, provides alerts on any suspicious user activity, etc.



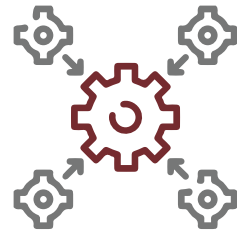
02. Will the Cloud-based ERP system be able to integrate with the other business applications

Integration is a key concern, especially if you are using any specialized in-house applications, legacy systems, or best-of-breed applications. Choose ERP solutions with robust sets of integration tools such as APIs that will allow you to integrate with other applications. For processes that do not require real-time data transfer, you can check with the vendor if they offer tools to help you build customized import and export processes for Excel or CSV formatted data. Such batch interfaces will minimize the development expense of a real-time interface.



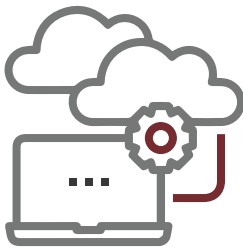
03. Will I have to integrate any other third-party applications for end-to-end functionalities?

Beware that many Cloud ERP vendors will have to be supplemented by some third-party offerings to offer end-to-end ERP functionality. So, make sure you check with the vendor if there is any functionality for which you will have to rely on any add-ons that comes at an extra cost.



04. Are all the Components of the ERP solution Integrated?

One other potential pitfall is the integration among the components within the ERP system. This is more likely when the ERP vendor's solution comprises technologies from acquired companies. If the integrations between different components are not seamless you will likely have issues with data consistency. The customers of such solutions may end up doing the heavy lifting of integrating incompatible technology stacks and dealing with disjointed upgrade cycles.



05. Which type of Cloud is the preferred option for my business?

It's important to think about exactly what kind of cloud setup might be best for your business. Make sure you check with your ERP vendor on the different options they offer and the most viable option that works for your organization. A vendor providing the various options enables you to maximize your outsourced IT savings. Say, if you have internal IT staff and the resources, then you may want to deploy on a private Cloud. If you do not have any IT expertise in-house, then a SaaS or hosted solution will be ideal.

06. Can I switch from Cloud to On-premise if my business needs change later?

While most organizations prefer to move their systems and data to the Cloud, businesses may want to move completely or at least a part of their applications to traditional On-premise for various reasons, say they may want to move ERP operations in-house for some compliance reasons or due to availability of in-house resources to manage their servers. Whatever, the reasons are, selecting a vendor that offers deployment flexibility is necessary to support your long-term needs. Also, check how easy or difficult will be the move and what could be the potential impacts of such a move. Some vendors allow you to change your deployment method without forcing you to go through a new implementation. Selecting a vendor that offers such options will support your long-term needs and minimize costs.



07. Will we be able to choose which and when upgrades should be made?

One of the major benefits of Cloud ERP is that it frees you from the burden of applying system patches and updates and thereby reduces your maintenance costs. However, it is important to choose vendors who allow you to pick when your system will be updated. This will allow you to make sure you are prepared for an update and it doesn't interrupt your business activities in any way.

08. What is the up-time promised by the vendor?

Check on the uptime guaranteed by the vendor as part of the Service Level Agreement (SLA). You also need to check about systems in place to protect against major system failures.



09. What will the response times of the Cloud ERP be?

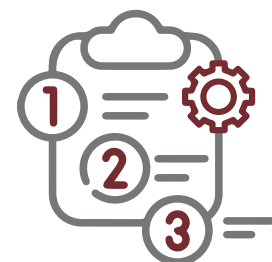
Having adequate speed will be a critical element to ensure a good user experience with a Cloud ERP system. You may have to confirm with your vendor the minimum user-side requirements of internet access to get a good response time.

10. How will the processing performance vary with high-volume work?

Large enterprises usually generate high volumes of transactions during day-to-day operations and the need for scalability will only increase either during a milestone such as financial year ending or when the business expands and diversifies. Hence, you would have to check how well the underlying infrastructure of the Cloud ERP handles huge transaction volumes. Verify that the system is capable to handle workloads at your peak usage periods without any significant additional cost.

11. How will the software meet the needs of my business?

ERP systems are not 'one size fits all'. Finding the right fit will depend on the industry, the size of the business and other unique factors. To determine what software will meet the requirements of the organization, begin by performing a needs analysis. Seek help from a third-party consultant to interview employees and take an in-depth look at current business processes and activities to identify areas for improvement and define business requirements.

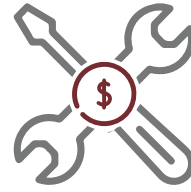


12. How is the pricing structured?

There are multiple ways that vendors are currently licensing cloud ERPs. Cloud-based ERPs are usually licensed on a subscription model and can be paid on a monthly or yearly basis. However, different vendors use different ways for charging subscription. It may be based on the number of users accessing the software, the volume of transactions, revenue of your company, etc. Also clarify things like; are there different user types at different price points, how will the pricing for additional modules be, etc., and make it clear what are the support services that can be expected as part of the subscription to ensure there will be no surprises.

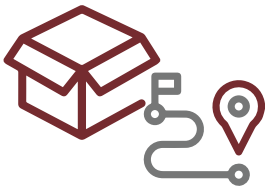
13. Is the yearly maintenance fee included in the price?

If you are paying a monthly subscription fee, the maintenance cost, including upgrades and support may be usually included. In the case of hosted Cloud ERP model, the yearly maintenance may not be included in the price. Make sure you check with your shortlisted vendors and clarify if you will need to pay extra for maintenance to ensure you are comparing systems on the same basis.



14. Does the Cloud ERP Product Scale Sufficiently?

One of the biggest benefits of Cloud ERP is its scalability, the ability to adjust users and applications up or down to meet the changing demands of your business. Confirm if the vendor has any restrictions on adding users, has any capacity constraints, etc.



15. What's the Product Roadmap?

It is very important to ensure that the vendor you choose has a clear roadmap and is viable. Vendors who don't invest sufficiently in product research and development will make it difficult for you to leverage the latest innovations in the space and may leave you behind your competitors in the future.

16. Can you test it before you buy it?

Before purchasing any ERP solution, make sure you have got significant opportunities to evaluate the solution by actually seeing the product in action - whether it is personal demos or free trials if available. Only then you will be able to assess the solution for its usability and its effectiveness because ease of use of the solution plays an important role in user adoption of the system.

17. How is user training done?

To get the most out of your ERP, it is important that end-users are trained well to use the system effectively. Check with the vendor on the different ways they support user training, such as live in-person training, classroom sessions, online training sessions, online courses and learning material, user-training documents, etc. to bring your users up to speed.



18. Can I customize my application?

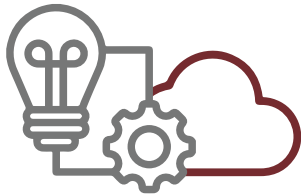
Cloud ERPs come with advantages such as fast implementation, hassle-free maintenance and lower up-front costs. However, they may constrain your ability to customize your application as in the case of an on-premise system. So, check with the vendor on customization capabilities. And if you can customize, verify the development costs that you may incur in doing so. If you cannot use common development tools and programming languages for customization, you may end up looking for specialized developers with the skills needed and who would charge premium rates.

19. Is it suitable for my industry?

Every industry has different needs and business processes. Customizing a generic ERP for your business needs can turn out to be more expensive and complicated. So, ensure that the solution you choose has the functionalities needed for your industry. It is also important to check the customer references of the vendor from your industry or similar to yours and how successful the solution has been to them.



20. How long will the implementation take?



Check with the vendor about the time required for implementing the solution and go-live. Complex and lengthy implementations can lead to significant losses in terms of time and money. Ensure that the ERP implementation partner follows some proven methodology for ERP projects so that your ERP gets implemented faster and is risk free.

Asking the above questions to Cloud ERP Vendors whom you are considering can help you assess their capabilities and choose the right solution. We, at RheinBrücke understand that our clients want to make every investment count. We work with our customers on quantifying benefits and impact to the business, assess risk as well as help to develop a cost/time model for their ERP investments. **Contact us** if you would like to discuss your business challenges and learn how our Cloud ERP solutions can help you.

About RheinBrücke

RheinBrücke is a European company with a global mindset and a strong footprint in Europe, Middle East, and India. We have immense experience and expertise in providing Enterprise Business Solutions, Surround IT Solutions, Consulting Services and Product Development Services to clients globally across 34 countries. RheinBrücke's flagship product, **MeRLIN** is an integrated solution for Direct & Indirect Sourcing with Supplier Relationship Management, Sourcing Automation and Planning augmented by Advanced Analytics. RheinBrücke is also an Epicor Premium Partner and two times winner of International Partner of the Year, as well as Microsoft Gold Partner. Our team of experts with Six Sigma and PMP as well as our proprietary SCALE Methodology certification can deliver robust enterprise solutions and offerings to address the needs of businesses in multiple verticals including Automotive Suppliers, Discrete & Process Manufacturing, Engineering, Procurement & Construction, Retail & Distribution and Public Sector. Our strong distribution channel across the globe supported by our robust RheinBrücke Academy based training and omnichannel support ensures seamless delivery of solutions and services. With a deep understanding of what it takes for enterprises to succeed, RheinBrücke helps clients adapt to a changing marketplace by ensuring their IT ecosystems are relevant, efficient, and perfectly tuned.



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