NAMUKASA PROSCOVIA

12TH January, 2024

Cloud computing in enterprise resource planning

Cloud computing refers to the delivery of computing as a service rather than a product that is to say shared resources, software and information are provided to computers and other devices as a utility over the internet

Advantages of cloud computing in Enterprise Resource Planning

Scalability and flexibility. scalability is a major factor when it comes to choosing an ERP system. Businesses often find themselves needing to upgrade their current system as they grow and expand. Cloud-based Enterprise Resource Planning systems offer the perfect solution for that as they can quickly scale up or down depending on the needs of the company. This flexibility enables organizations to change business requirements without major infrastructure investments.

Cost savings. Cloud computing eliminates the need for extensive on-premises hardware reducing capital expenses. With cloud computing, the vendor handles all maintenance, support, and security for the business allowing companies to pay for the resources they need.

Enhanced security. Most cloud based ERP providers tend to provide a higher level of security and compliance than individual organizations can typically afford. Applications that require stringent security can be kept on a private cloud while the others can remain on a public cloud.

Disadvantages of cloud computing in Enterprise Resource Planning

Limited customization. This is a major drawback for businesses that require a more tailored approach as they normally work with templates that may not meet the exact specifications of the business.

Data security concerns. If the security measures are not robust enough to protect against potential threats, the business' sensitive data may be exposed to data breaches and unauthorized access.

Internet dependency. Cloud computing heavily bases on the internet connectivity. If the internet service is disrupted, it hinders critical business applications and data.

References

https://certinia.com/learn/erp/cloud-erp-advantages-disadvantages/

https://www.qad.com/blog/2021/08/what-is-cloud-erp