



Manufacturer's guide to successful Cloud ERP migration

Introduction

With the trends changing faster than ever and competition increasingly becoming stiff, the modern-day manufacturing businesses continue to get more and more complex. There are challenges aplenty for the manufacturers, who are looking for innovative ways that can simplify things for them. In this quest, more and more companies – both small and large – are moving many of their core business functions from on premise to Cloud ERP. This doesn't come as a surprise, as today many IT and business managers understand the numerous benefits that a modern-day solution like Cloud-based ERP can deliver; thus playing a pivotal role in making business less complicated for them.

Migrating to Cloud-based ERP solutions allows companies to standardize their core operations on an easily configurable platform. It also ensures that all their applications have access to accurate, up-to-date and consistent financial as well as operational data. However, the shift from on premise to Cloud ERP is not an easy one. This transition demands strategic planning, careful precision and sound analysis. In this e-book, we will discuss the need for the manufacturers to switch to Cloud ERP, its benefits, the questions manufacturers must ask themselves before planning their move to Cloud ERP, and tips to successful Cloud ERP migration.

When does migrating to Cloud-based ERP become inevitable?

While an on premise ERP has its own utility, a Cloud ERP provides an organization with more scalable and agile business process functionality. It brings unparalleled transparency with visibility from the plant floor to the top floor. Thus, the decision to move from on premise to Cloud ERP has become inevitable for the manufacturers. However, not all of them know what the right time is for them to move to Cloud ERP. These points below underline their need to migrate to Cloud-based ERP solutions:

- **Your existing legacy ERP is about to expire:** Updating an on premise ERP that is nearing its expiry can be an expensive and time-consuming project that gives only short-lived benefits. It is never a good idea to invest in an ageing software, which may have limited capabilities to support near-term requirements, let alone the future requirements.
- **Your ERP isn't keeping the stakeholders happy:** ERP may just be a software that eases out things for you by eliminating lot of manual processes, but at the end of the day, it remains a tool used by your employees extensively on a day-to-day basis. If they are complaining about its usability and mobility, it is time for you to think about Cloud ERP.
- **You decide to go public:** Going public is a sign of growth, and growth brings plenty of changes as well as risks with it. When you plan to go public and gear up for an IPO, it complicates financial reporting for your organization. A legacy on premise ERP most likely will not support the complicated financial data collection and controls that are required by law. You need a Cloud ERP, which provides your business with flexibility, agility and scalability during the transitional growth.
- **Rising maintenance cost:** If fees and service charges for your legacy on premise ERP system are increasing annually, your potential investments in other important business activities will be restricted. Also if you plan to replace it with another on premise system, it can cost you a bomb without improving the system's performance significantly. In such scenario, migrating to Cloud-based ERP is in the best interest of your business.
- **Reporting becoming a tough job:** If management reporting is becoming rigorous for you, you are failing to find answers to critical business questions, and generating and managing reports is too cumbersome because of your legacy ERP's limitations, it's time to upgrade to a Cloud ERP.



Why Cloud ERP?

Cloud ERP provides on-demand real-time access to data and resources, reduced costs, scalability, automatic upgrades and maximum uptime, and the ability to store large amounts of data. These benefits, which are increasingly pulling the process manufacturers towards the cloud, are described in detail below:

- **Real-time access to data and resources** - The cloud provides real-time access to data and resources from anywhere and anytime using any internet-enabled device, allowing every department at every step of the supply chain to react instantly to changing business needs.
- **Cost benefits** - Cloud-based ERP can reduce IT expenditures, including infrastructure, maintenance and life cycle costs. Besides, a perfect Cloud ERP solution also eliminates the need for paying extra for application software licenses, rather letting you pay an affordable fixed monthly fee.
- **Flexibility & scalability** - Majority of manufacturing companies find it very important that Cloud-based solutions are able to scale when the business grows. Indeed, Cloud-based ERP can be scaled up or down with changing project workloads. Software and hardware requirements are also scalable in the cloud.
- **Data storage & security** - The cloud is ideal for storing, managing and accessing large amounts of data. Also, a Cloud ERP solution is fully capable of performing digital data security, and foiling attacks on the company's servers. In addition, a good cloud solution provider makes arrangements for disaster recovery facility running 24x7, ensuring zero data loss and complete back-up.
- **Automatic upgrades & maximum uptime:** A Cloud ERP sends alert notifications of upcoming upgrades, which are auto generated on the client's server. Also a good cloud vendor usually conducts the upgrades and backups during off hours, thus ensuring least possible server down time, bringing down the wastage of productive hours and keeping the system up-to-date and available all the time.



Questions you must ask when considering migrating to Cloud-based ERP

Once you make up your mind to switch from on premise to Cloud ERP, there are a few vital questions to ask before you take the big leap. Go through those questions below:

- **What about data security?** In case of an on premise ERP, you control who has access to your server. But that is not the case with Cloud ERP, where you completely rely on the vendor's security. This gives birth to a few valid questions when you plan the move to the Cloud: Is your data safe? Will data migration be done smoothly? Who has access to your critical data including trade secrets? Will the provider ever share your data with any third party? It is advisable that before making the switch you seek answers to these questions.
- **Can it actually be accessed from anywhere?** Some Cloud vendors need their users to install VPN software, which reduces the solution's capability to get access from anywhere and from any device. Ideally, being a fully web-based system, a Cloud ERP should be accessible from anywhere and no additional software or hardware must be required. Hence, before making the move, you may want to check with your vendor whether it is fully web-based or not.
- **Can it actually save you money in the long run?** If saving money is your sole motive behind migrating to Cloud-based ERP, you may need to indulge in some fact checking. After migrating to the Cloud, you need to pay a monthly fee which is subject to change as per your usage. Any changes to it may burn a hole in your pocket. So, if saving money is your topmost priority, you may want to figure out beforehand whether it is going to be a good deal or not.
- **Is the vendor reliable?** This is again an important question to raise. You must conduct in-depth analysis before shortlisting a Cloud ERP vendor, and ensure he has a strong track record of good technical as well as customer service, and has a clean background. For the same, you can carry out a thorough online research, and even approach existing customers if required.
- **Plan B?** Perhaps the most important of them all, this is one question every organization must ask themselves: If things go wrong during the implementation, if you need to move your data back in-house or to another cloud hosting provider, what's going to be the Plan B? You must, no matter how easy or difficult is it going to be.

Guide to successful Cloud ERP migration

These five points mentioned below act as a step-by-step guide for manufacturers migrating to a Cloud-based ERP:

1) Plan, identify needs & look for options accordingly

Plan thoroughly, identify your core business requirements, and see how a Cloud-based ERP can address those needs. Once you figure it out, dealing with the prospective Cloud ERP vendors will be an easy job. Document all your critical business processes and key performance indicators. Create an expert team to oversee the implementation project. Do your research. Make sure the option you pick offers cost benefits, ability to standardize workloads, and options to increase or decrease functionality on demand.

2) Invest in implementation with an eye on future

Often organizations invest in ERP solutions with an eye on the future growth. That's precisely why a cloud system is such a good investment. Make sure the one you pick is flexible and scalable, which can accommodate and adapt to any future expansion; fast, so that the data moving into and out of the cloud is optimized for real-time data analysis; and dependable, so that it ensures minimum downtime.

3) Focus on change management

An ERP implementation can shake up your existing system or change it in its entirety. When you go for such a major shift in your business, you must ensure that the key stakeholders, including the top leadership, are on the same page and completely aware of the changes that will happen before, during, and after a Cloud-based ERP implementation. You must also ensure the other key stakeholders, including the employees who are actually going to work on it, get proper training (even counselling) on how to use the new system and even why it is so good for their business.

4) Manage budget & timeline

A move from on premise to Cloud ERP migration can have high upfront costs and initial setup fees. Then there's the total cost of ownership over the lifetime of the vendor contract, the cost of adding new modules, mobile app versions, per-user cost, maintenance fees etc. You must consider all these costs while planning your budget. Once you reach to a budgeted cost, make sure you evaluate vendors according to it and later on, maintain strict control over it as well as the timeline of the project.

5) Select the right service plan

Selection of a service plan is a key step in the implementation process. Cloud ERP providers usually offer multiple options, which are mentioned below. You must pick the one that best suits your needs.

Knowledge-only plans, which include only basic support elements such as operational assessment, business analysis, systems research and evaluation, and roadmap development.

Core integration packages, which comprise of comprehensive data mapping, operational actualization, rollout, module or system integration, pre-launch testing, and specific support and maintenance service.

Enhanced services options, which include advanced options for up-and-running ERPs like, Big Data analytics, tailored app development, and business process outsourcing analysis.

Conclusion: A Cloud ERP is an integral part of all the progressive manufacturing businesses. For them, getting the migration right is as essential as selecting the right partner. With a rich experience of over 3000 implementations under its belt, BatchMaster is the first choice of leading process manufacturing businesses around the globe. Its Cloud-based ERP offering caters to a wide range of process-manufacturing industries. To know about it, visit the website www.batchmaster.co.in or write to us at sales@batchmaster.co.in.

Who We Are:

BatchMaster Software is one of the market leaders in offering enterprise software solutions for the process manufacturing industries. With an in-depth industry analysis, we clearly understand the unique industry challenges and help them address those challenges through our industry-specific ERP solution.



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