
ZYCUS
SaaS
TRADITIONAL
ERP SYSTEMS

WHAT'S MORE TO YOUR ERP SYSTEM?

In the alphabet soup of business buzzwords, SaaS and ERP have been dominating most conversations from a very long time. Users, still get confused as to which one is a better solution to their problems. They keep pondering whether they should deploy a solution by hosting it internally, on their own servers ("traditional ERP") or should they have it hosted somewhere else ("Software As A Service" or "SaaS"). Let us know each of these individually to know better:



Software as a Service (SaaS)

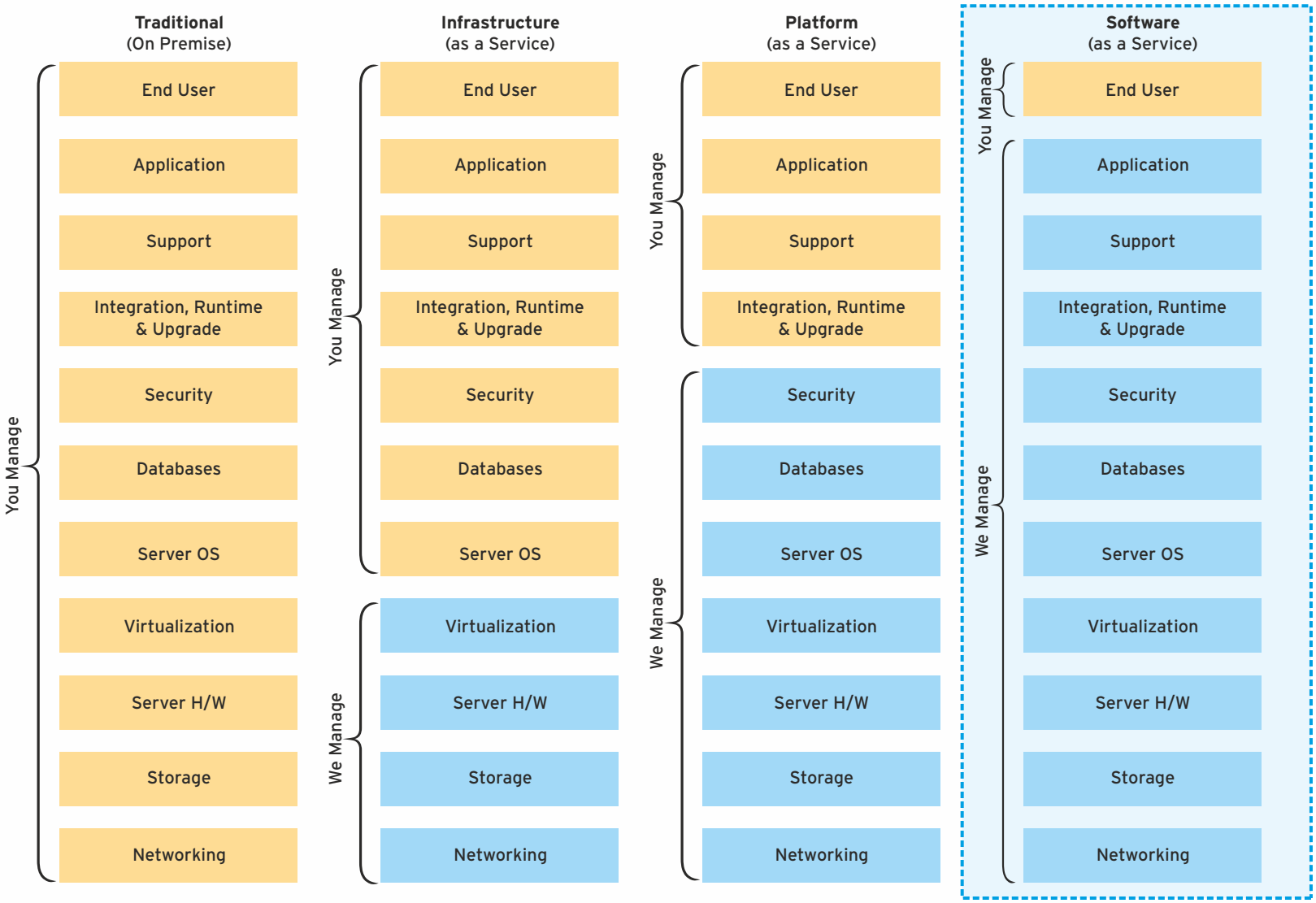
Software as a service (SaaS) is a software distribution model in which a third-party provider hosts applications and makes them available to customers over the Internet. SaaS is one of three main categories of cloud computing, alongside infrastructure as a service (IaaS) and platform as a service (PaaS). Google Apps, Microsoft Office 365, Dropbox, Slack, and Netflix are popular examples of SaaS at work.



Old (traditional) ERP

Traditional Enterprise Resource Planning (ERP) was among the first triumphs of the "Information Age." The pioneers linked financial accounting with all other aspects of business operations. What had only been available on the accountants' ledgers was now there for all decision makers. As businesses grew and spread to more locations, the ERP would link their process and progress to headquarters, so key corporate managers could distribute resources, maintain budgets, and manage supply chains.

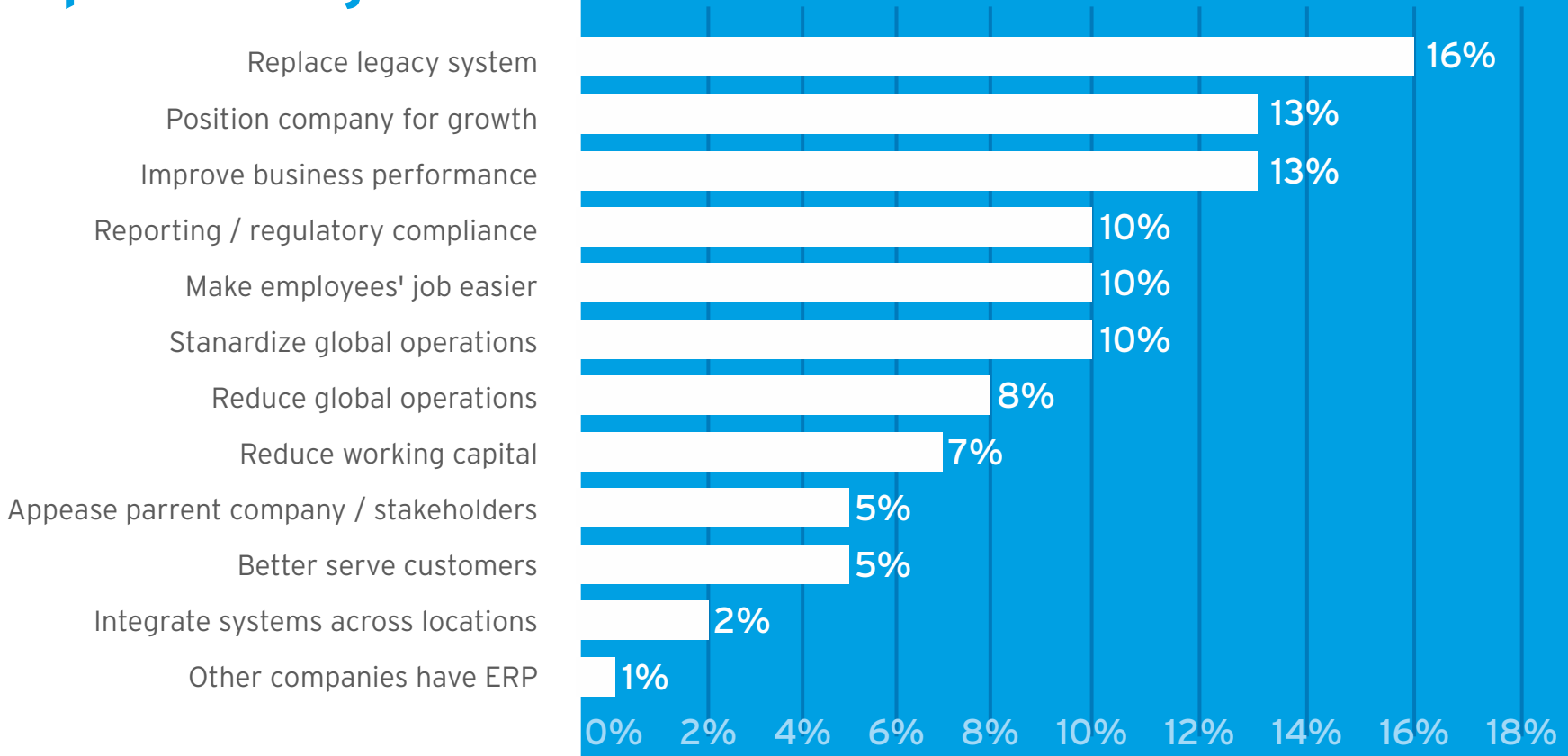
Roles and Responsibilities of the Procurement Organization under different scenarios



SaaS users can concentrate on achieving the strategic organizational benefits, as most of the areas are managed by the service provider themselves. Post SaaS deployment organizations do not need to manage the application, its support or integration. It is all managed by the service provider thus reducing the burden on the end user.



Reasons for implementing ERP



Source: Panorama Consulting

Challenges of Traditional ERP

- They lack the flexibility to customize the process and features.
- They are complex to use and require extensive & continued training.
- The ROI from an ERP system is slow and difficult to measure.
- Transferring existing data from older systems to ERP presents an operational and financial challenge.
- Planning, building, testing, reconfiguration, and implementation comes at a significant cost. It may take years to make the system work.
- Deploying ERP across locations and functional silos are difficult to complete.

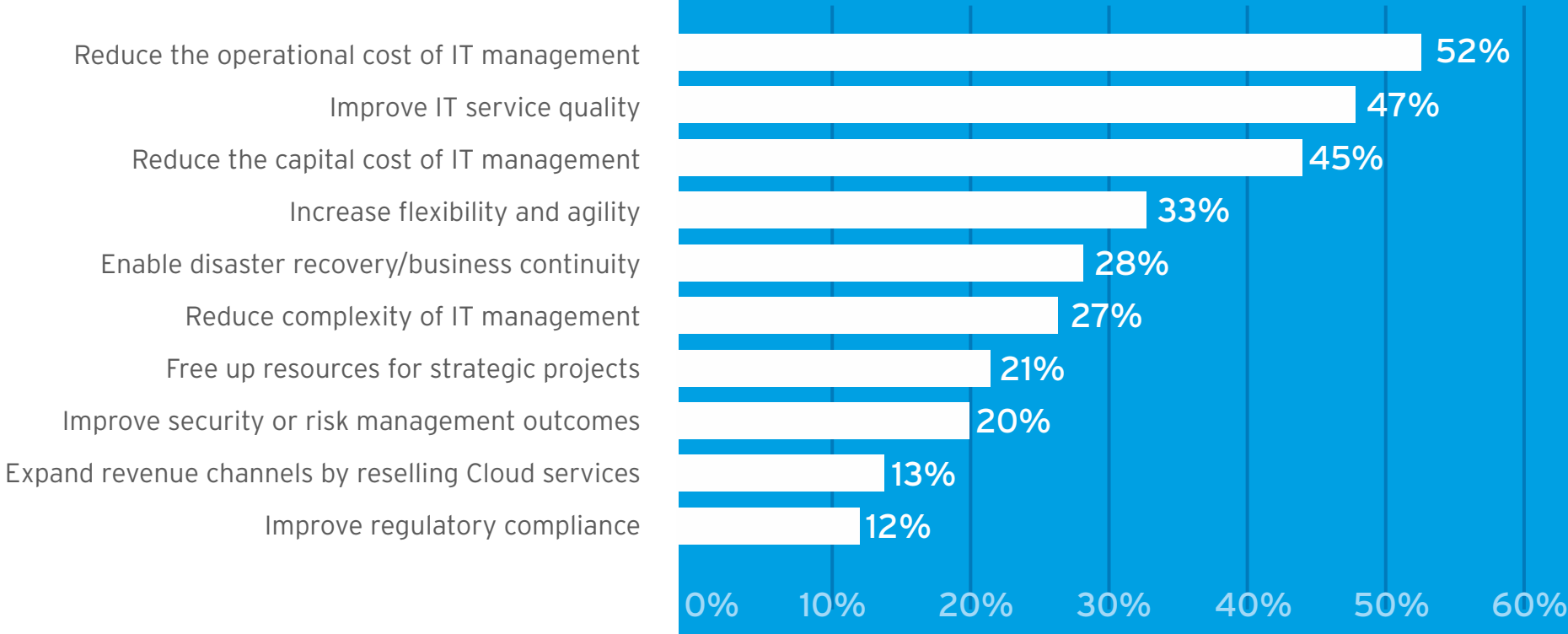


"Roughly 67% of ERP implementations fail. These failures are usually categorized as such because systems end up costing much more than originally intended, they take longer to implement than expected, they do not deliver the anticipated results – or a combination of all three."

- Guest post from RiseNow Managing Partner, Matt Stewart, in Spend Matters.



Reasons for implementing SaaS



Source: Panorama Consulting



Benefits of SaaS : A one-stop shop for all your needs

1. **Suitable for unique procurement needs:**
Specialized procurement solutions are providing procurement organizations access to options that are a better fit, enabling them to manage spend and streamline procurement processes more efficiently.

2. **Provide faster deployment:**
Obtain faster, hassle-free deployment from project kick-off through ongoing configuration, product upgrade and operational scale up.

3. **Multitenant architecture:**
Run on a single code base and multitenant architecture (infrastructure shared by all users). Multitenant architecture leads to rapid deployment, lower costs and faster innovation.

4. **Hassle-free Maintenance:**
It is easier to manage both the data as well as data servers.

5. **Easy Accessibility:**
Access critical information, approve payments and obtain alerts whether in the office, at home or on the move.

6. **Low Lock-In:**
Reduced risk of being a captive customer with relaxed lock-in.

10 Key Factors Influencing SaaS Decisions



A lot of factors influence decision making!

"If you are not paying attention to the vast benefits of SaaS or still fretting about the possible risks associated with it you're exposing your organization to the biggest risk of all: the risk of falling behind." - Forrester

Read the 10 Key Factors to make an informed decision:

1. Relevance:

Over the years integration has been seen as more important than agility. This has made ERPs lose their business. Even though ERP vendors have grown their products aggressively and these mega-suites have expanded. But integration in ERPs is an area of concern. SaaS providers have modules which are tightly integrated and facilitate seamless flow of information between modules. The information remains constant all along the Saas, with no distortion.

2. Adapting to Market Changes:

Every modern ERP system needs to adapt to dynamic market changes. They need to be reactive to the latest technologies in the market like AI, RPA etc. Traditional ERP systems do not respond to market changes. They are stuck in the traditional way of doing things. This makes them less user-friendly and more time-consuming.

3. Flexibility and Scalability:

Users often get frustrated with systems which offer limited flexibility and support. This results in low adoption rates. ERP Systems are said to be inflexible and non-scalable which easily frustrates a user, if he/she is being forced to use the same. On the other hand, SaaS-based systems provide flexibility and scalability to support business processes, which makes the process easier for the user, he learns on the go and discovers newer alternatives for his tasks.

4. Client Responsiveness and Error Resolution:

An on-premise installation hampers faster resolution and responsiveness levels. But SaaS providers have a defined error resolution matrix where all critical problems get resolved within a day itself.



5. Release Management:

ERP systems do not evolve at the speed of consumer technology. Any new feature that a user would like to leverage would have to go through a rigorous upgrade process, where all customizations would either have to be converted or get done with. Sometimes users might have to re-implement the system out of the box and start over. SaaS systems offer functionalities which are in sync with the industry standards unlike the traditional ERPs who are stuck to the basics and need constant upgradation. SaaS Releases are distributed over quarters and are deployed by the service provider themselves.



6. UX and UI:

Ease of use was always a key differentiator between traditional ERPs and SaaS systems. ERP systems have poor UX design which leads to poor user adoption. Whereas, SaaS systems are powerful, intuitive and easy to navigate. They bring convenience to a user.



7. Configuration and On-boarding:

In a traditional ERP system, onboarding is cumbersome. The configuration and change requests are extremely time-consuming and costly. On the other hand, SaaS systems have a smoother onboarding process, which ensures high user adoption. Most of the configurations are as per customer's need and are executed efficiently and turnaround for change requests are shorter.



8. Implementation and ROI:

ERP Systems are leaden-footed in terms of implementation time and risk. Setting up an ERP is a time-consuming job. The implementation takes a lot of man-hours, technical expertise and is a costly process. Thus further slows down the ROI. However, the implementation of a SaaS system provides accelerated ROI. It is simpler to deploy from a technical perspective. Users do not need to purchase additional servers or physically install the software themselves.



9. Ever-growing and self-sustaining:

ERPs don't learn from past data. Every entry requires a manual approach. Everyday with an ERP is like the first day of using the solution. While most SaaS systems are powered by AI. The value of data that a software collects continues to grow along with the platform. The system turns out to be more powerful with each passing day.



10. Data Replication:

In ERP systems, a single change in the data entry needs to be replicated in other systems, which is furthermore time-consuming. For instance: A single change in supplier record will have to be manually updated across all the different systems. It also runs the risk of not providing mission-critical information in real time. A SaaS system provides complete visibility and access to different users at different locations. It has a common view of information. The updates are made in real-time and across modules.

A recent study found that many companies are "tired of the long installations of ERP and upgrades, when other businesses are reaping value such as quick time to productivity, greater ROI, and lower costs."

- Significant Benefits Realized with Supply Chain Management in the Cloud, Gartner

Best practices end users should employ when implementing enterprise SaaS and cloud-enabled software:



Your Challenge

Selection of SaaS and Implementation Partners
How to select the optimal solution and vendors to address your requirements

Smooth cloud Implementations
How to accomodate the increased tempo of software testing required by each SaaS release

Addressing Post Go-Live Issues
Each new SaaS release generates post-implementation issues to assess, test and resolve

Peer Insights



Practice 1
Demand hands-on demos with your organization's "live/real" data to show the benefit to the business

Practice 2
Implement cloud-based methods and tools to reduce the testing burden for each software release

Practice 3
Analyze each software release update and decide which innovation are worth implementing when

Source: IDC PeerScape: Practices for Implementing SaaS and Cloud Services

Final Thoughts

Business applications are not just about software but about business processes and the people involved in these processes. Adapting to new platforms and processes can be rather challenging. One should consider all options; ERP and SaaS while selecting new ways of managing an organization, its resources and employees.

The key to effective choice: Don't be short-sighted and bear in mind that you need to protect your company in the long term.

It is now time for you to take a wise decision!



ZYCUS™

Zycus is a leading global provider of complete Source-to-Pay suite of procurement performance solutions. Our comprehensive product portfolio includes applications for both the strategic and the operational aspects of procurement - eProcurement, eInvoicing, Spend Analysis, eSourcing, Contract Management, Supplier Management and Financial Savings Management. Our spirit of innovation and our passion to help procurement create greater business impact are reflected among the hundreds of procurement solution deployments that we have undertaken over the years. We are proud to have as our clients, some of the best-of-breed companies across verticals like Manufacturing, Automotives, Banking and Finance, Oil and Gas, Food Processing, Electronics, Telecommunications, Chemicals, Health and Pharma, Education and more.



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