

MYOB Advanced

What is Cloud ERP?



Cloud computing (“the cloud”) is one of the leading technology topics in the world. Cloud computing uses the Internet to provide shared computing resources and storage of records or documents. The term covers everything from emailing or photo sharing on a commercial service for instance, like Google to hosting the entire computing infrastructure of a global corporation from remote data centers.

The Cloud is particularly valuable to medium-sized businesses because it provides access to full function applications at a reasonable price, without the substantial operating costs of hardware and software.

Using the correct cloud provider, a company can rapidly scale as their business grows or a new company is added.

Cloud ERP enables a company’s accounting, operations management and reporting to run in the cloud. As one would expect, different Cloud ERP vendors vary significantly in their technology, functionality and service. After researching ERP cloud vendors, it becomes clear that they have few things in common beyond hosting of an application and utilising the internet to provide connectivity.



The Benefits of Cloud Computing

Cloud ERP has been proven to reduce costs because it:

- + Avoids upfront costs for computing infrastructure such as hardware and data servers
- + Reduces IT support services because IT is in the cloud
- + Eliminates paying upfront for application software licenses
- + Shrinks the cost of maintaining and supporting those applications since the cloud vendor handles the updates and upgrades

The most important benefits of Cloud ERP go beyond cost-savings and include:

- + Paying only for the computing resources needed
- + A fixed monthly rate so companies can use their cash on other business initiatives
- + Taking advantage of Cloud ERP applications faster since installation of hardware and software on servers or user devices is not required
- + The ability to adjust the amount of cloud service as a company's computing or storage needs fluctuate
- + Enjoying the confidence that the data has been backed up and there is a disaster recovery plan
- + Avoiding attacks on the company's server because the data is not stored locally, but in the cloud

Accessing the system from anywhere makes it easy for a company to expand geographically since the Internet is everywhere and there is no need to implement hardware and software at remote locations.



Clearing the confusion from buzzwords around the cloud

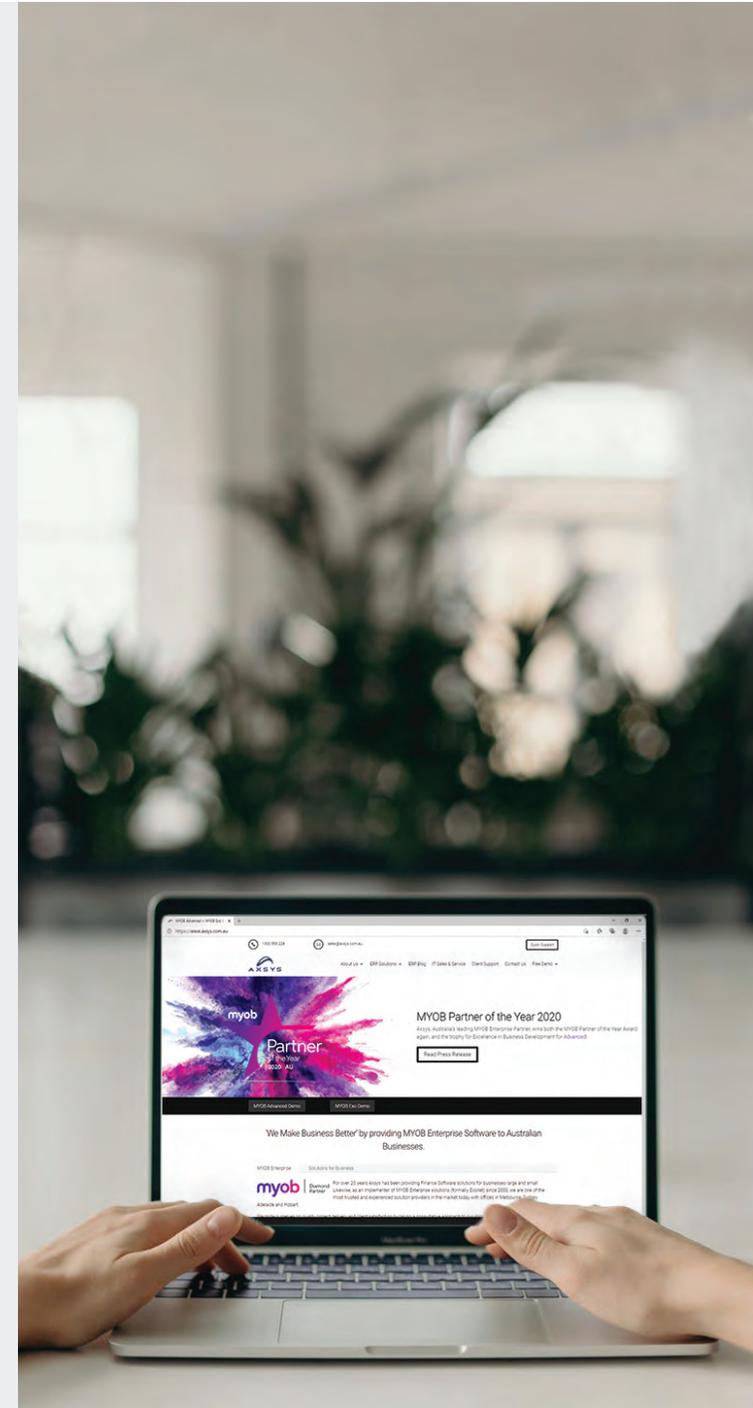
Talk about the Cloud is everywhere, but so are cloud buzzwords, which result in confusion and misconceptions. Here is a brief discussion of the more common terms:

Licensing options: Purchase or Subscription

- + Perpetual or Purchase: These terms refer to when a company BUYS a software license. The company pays to own the license and also pays an annual maintenance fee for upgrades.
- + Subscription: The company pays an annual or monthly charge to use the software license. Upgrades to the software is usually included in the subscription price.

Deployment options: On-premise, Hosted, or SaaS

- + On-premise or in-house: The company is responsible for the infrastructure (hardware, system software, communication hardware, software on user devices, etc.) and the deployment of the application software (implementation, support, upgrading, etc.)
- + Hosted: The company or hoster buys a license for the software. The hoster manages all, or most, of the infrastructure and software deployment as described above. The hoster can be an independent company or a division of the company itself. Hosting is a way to outsource IT operations.
- + Software as a Service (SaaS): This newest method of deployment is a combined software licensing and delivery model in which software is licensed on a subscription basis and hosted by the software provider, all for a single price that is typically a fixed amount. In many cases the software provider uses a Public Cloud for the hosting.





Private Cloud and Public Cloud

- + Private cloud is privately owned and maintained by the company. Based on business requirements or regulations, sometimes this may be the only option.
- + Public cloud is owned by a service company, such as Microsoft, IBM or Amazon. The service provides all the hardware, load balancing, backup and security.
- + Hybrid cloud is a blended approach with a mix of on-premises, private cloud and third-party, public cloud services.

Multi-tenancy

- + Multi-tenancy is where the Cloud software provider has single instance (version) of software on a server and serves multiple tenants (customers) simultaneously.
- + Single-tenancy is where each customer has their own application and data base.

+ Cost Savings

- It is believed that multi-tenancy reduces the cost for the software provider, which is absolutely true for cloud apps that are quickly purchased and downloaded like Pandora, Facebook, etc.
 - For Cloud ERP, the cost savings is insignificant compared to: providing the server hardware, operating system and database; development of the very sophisticated ERP programs; sales and marketing required; as well as on-going support.
- ## + Flexibility is reduced when you share the same program with many others. The impact may be loss of control in:
- Customisation and tailoring.
 - Upgrading schedules.



Thin client and Web services

- + Thin client in cloud terms is a device (PC, tablet or phone) that requires NO application or communication software to be downloaded. Any thin client can access the application from anywhere, similar to a web page.
- + Web services are simply application components. They are designed for and used on the Web. Common examples are the widgets on a phone, such a weather. Business applications may include post code look up, sales tax calculation or much more sophisticated applications.



MYOB offers a range of ERP solutions that deliver enterprise grade capabilities including the 100% cloud-based ERP solution MYOB Advanced.

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