IT Executives Express Need for for True Cloud ERP

See Why Companies Are Switching From Infor to NetSuite

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Overview

There is perhaps no better advocate for how cloud-based ERP systems can support organizations than those who have been through it themselves. In this white paper, we consolidated feedback from senior IT executives on why they switched from various Infor systems to NetSuite's true cloud-based ERP, highlighting the pitfalls of fake cloud and on-premise deployments and how these challenges impacted their business.

Throughout these interviews, participants commented on a prevailing theme: Infor's product line is often confusing and there is no clear product path for companies anticipating growth. With the marketplace changing faster than ever before, and competitive pressures continuing to mount, companies are realizing that their historical processes and solutions may not be adequate. They need to modernize their IT infrastructure to true cloud solutions to provide flexibility and real-time visibility.

These discussions underscored how true cloud ERP systems enable businesses to respond to market dynamics better than fake cloud or on-premise solutions through rapid scalability, access for remote and distributed workforces and real-time visibility into the organization from anywhere. Unlike fake cloud and on-premise systems, true cloud solutions provide a full view of the customer, which equips employees at all levels with real-time information to support intelligent decision-making.

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Why Organizations Are Moving to Cloud Financials

Businesses in All Industries Are Under Pressure to Modernize

IT decision makers are increasingly moving to the cloud to reduce costs, improve security and optimize outcomes. The rapidly changing macroeconomic, business and consumer environment, and increasing customer expecations are only intensifying the pressure.

Yet, many businesses are relying on disparate, aging systems. This 'hairball' of disconnected, legacy systems hinders visibility across the organization. Business systems don't talk to each other. Data is locked away in siloes in the organization. It's not real-time, it's not accessible, you can't always analyze it. Compliance and regulations are growing ever more complex, country by country. On top of all that, there are always new competitors entering the market.

Having a unified cloud business system is key to tackling these challenges. As the business changes, so can the business system. Scale up, spin off, adopt new business models, launch new products, expand to different countries—a modern cloud platform's flexibility lets you do it all, quickly and easily. Version-lock is a thing of the past. With every upgrade, configurations and customizations migrate seamlessly. The platform must also support complete application customization which an average end user can configure and customize. Real-time analytics are built in. Users know what they should be doing and how they're helping the business, with easily accessible reports and key performance indicators. Vital business data is analyzed and displayed from right within the system. It enables businesses to better manage relationships with business partners, customers and prospects whether they are buying, selling and/or supporting a product or a service.

"We made a lot of customizations we didn't even dream about. We made business changes and improved our processes. These were all driven by NetSuite." Mercury

The Cloud Has Become the De Facto Standard for Businesses

In today's tough economic environment, business leaders must deliver outcomes more quickly, with fewer resources. For businesses of all sizes, the cloud represents a tremendous opportunity, which is now a necessity. Industry research and analysts suggest that the cloud has become the de facto standard for doing business:

- A recent Mint Jutras Survey showcases that Software-as-a-Service (SaaS) is the predominant deployment choice.

- Gartner says the cloud is the number one technology affecting IT today.

- According to Forrester[1]:
  - "In 2012, public cloud subscriptions represented $21 billion in revenues; in 2020, we estimate it will account for $170 billion."

  - "Cloud app spending will reach $226.9 billion in 2022."

  - "Due to usability challenges with legacy systems and an increasing appetite for SaaS, we now see one-third of new spend in financial management going toward SaaS."

Companies with a cloud-first strategy have learned that the cloud's real value comes with being able to delegate the Service Level Agreement (SLA) of an entire solution, from infrastructure to application, instead of components—now with cloud, the suite includes hardware, security and operations. The cloud has cost and convenience benefits: availability, speed, agility and lower total cost of ownership, enabling faster development processes and providing higher reliability and lower risk. Companies that take an ad hoc approach miss out on many of cloud's benefits and experience a variety of pitfalls.

In the current state of the market, not all cloud providers can step up to the challenge of providing an integrated offering, and that forces companies to manage more than they want to.

"If we're running technology that's even a year or two old, someone's going to be passing us up. We always need to be current, we always need to be pushing the envelope in new optimizations to make us more efficient and better at what we do." **Action Health**

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[1] "The Global SaaS Landscape, 2019 To 2022: Some Categories Grow, While Some Reach Saturation." Forrester Research Inc., December 30, 2019.

True Cloud vs. Fake Cloud vs. On-Premise

Understanding Your Options

Businesses are under increasing pressure to modernize their legacy systems. And while some progress has been made in moving to basic cloud applications, to truly transform, organizations must look beyond a bits and pieces approach to leverage the cloud's true potential. In partnership with Mint Jutras research, we've looked at the different software deployment options that have been considered over the last six years. Today, SaaS is the most likely deployment option to be considered, while willingness to consider traditional on-premise solutions dropped off dramatically between 2011 and 2013 and has not recovered since.

You might be wondering how SaaS compares to cloud and why the distinction matters. Cloud refers to access to computing, software and storage of data over the internet. You may have purchased a license for the software and installed it on your own computers, but your access is through the internet and therefore through the "cloud."

SaaS is exactly what is implied by the acronym. Software is delivered only as a service. It is generally paid for on a subscription basis and does not reside on your computers at all.

SaaS reduces "time to value" significantly. The implementation time for a SaaS project is a fraction of the time it takes for large on-premise software to go live. Companies want to avoid long term financial commitments and the cash requirements of large upfront license and implementation costs required by on-premise software. SaaS allows customers to scale their costs to the needs of the business quickly as business conditions change.

Therefore, all SaaS is cloud computing, but not all cloud computing is SaaS. Confusing, right?

Cloud computing that is not SaaS is what we call "fake cloud." Recognizing a lucrative chance to create an additional revenue stream, many traditional on-premise vendors like Infor are trying to "cloud-wash" their existing on-premise offerings to give them the look and feel of SaaS solutions. The resulting hosted or hybrid solutions may be disguised as cloud on the surface, but simply do not achieve the benefits of a true SaaS environment.
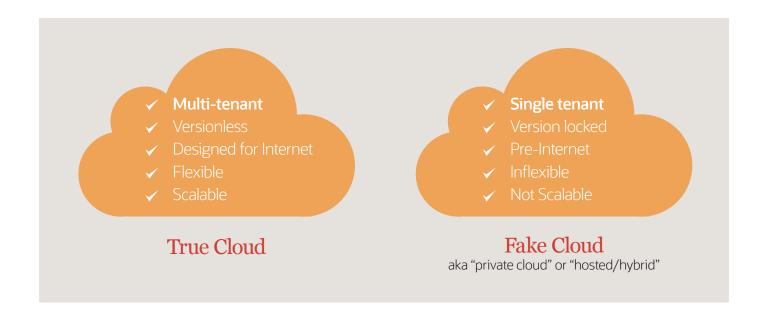
So how can you tell a true cloud solution from a fake one? And, more importantly, why should you care?

A true cloud solution was built in the cloud and only in the cloud.

Certain characteristics make true cloud solutions unique, as compared to fake cloud.

It's software multi-tenancy that separates fake cloud solutions from true cloud solutions and makes the above benefits possible. A true multi-tenant cloud

True Cloud

- ✓ **Multi-tenant**
- ✓ Versionless
- ✓ Designed for Internet
- ✓ Flexible
- ✓ Scalable

Fake Cloud
aka "private cloud" or "hosted/hybrid"

- ✓ **Single tenant**
- ✓ Version locked
- ✓ Pre-Internet
- ✓ Inflexible
- ✓ Not Scalable

SaaS solution ensures that all customers are on the same version of the product thus enabling them to not only consume the latest and greatest features and innovation, but also ensuring less disruptive and more seamless upgrades. While your business has personalized processes and data security, shared hardware among others running the platform offers economies of scale and incredible cost savings that single-tenant systems cannot.

Companies who unknowingly select a fake cloud architecture, or rely on traditional on-premise solutions inevitably struggle with the following issues:

Delayed and painful product upgrades
When running hosted/hybrid solutions, these companies suffer through the same potentially arduous (and expensive) upgrades every time the software vendor releases a new version. They are also at that hosting vendor's mercy regarding when they choose to roll out the newest solution. Because the vendor will need to upgrade each customer one by one, including transporting past customizations over to the new software, it could take months or even years to get updated and by then, the next version of the product may be around the corner. This is the chief pitfall of on-premise solutions as well.

Costly, unstable integrations and customizations
Customizing an on-premise ERP means re-implementing and testing those custom schema changes, integrations, workflows and reports every time a new version of the software is released. Similarly, with a hosted solution, integrating it with other applications or customizing it causes considerable hassle and expense and can be unstable because the on-premise product was not initially built for hosting.

Too much downtime and inadequate security and support
Given their limited headcount and resources, most value-added resellers (VARs) and service providers simply cannot achieve the same levels of security, privacy and uptime as true cloud providers can. A simple way to determine this is to ask them about their uptime performance, contractual uptime guarantees, and security and privacy certifications such as PCI-DSS security compliance, SOC 1, and EU-US Privacy Shield framework, NIST 800-30 and ISO 27000 standards.

Need to overbuy/overprovision capacity

Companies uncertain of how much capacity they need will probably have to over-buy the number of software licenses to ensure they're not caught short, or, worse yet, they under-provision and can't live up to the SLAs with customers because they "failed" to plan ahead.

Expensive, open-ended implementations

On-premise systems are notorious for having laborious, expensive and time-consuming implementations. Fake cloud solutions are just the same. They may boast about speed and agility, but after the contract is signed, they come back with a very traditional looking implementation plan—a block of estimated consulting hours and a rough "blueprint" to get live.

"When you roll up all the efficiencies we've gained with NetSuite, we're saving at least $200,000 to $300,000 a year in time and cost avoidance." InSource Solutions

Benefits of Switching From Infor to NetSuite

Providers like Infor have a long history in the ERP market and have built up a large portfolio of products through acquisitions. Through the years, Infor has made a total of 142 acquisitions. Many of these include various ERP platforms, software companies and add-on solutions. With numerous acquisitions, these companies now face a difficult transition from a legacy on-premise architecture to the cloud. The result is evident in their offerings, which are complex and fragmented, ultimately delivering disruption rather than efficiency. Managing many different products lines—the Infor portfolio now includes over 15 separate products—means the time and budget for product development is split amongst those products. This is very different from NetSuite's product development, which is focused on the development of a single platform. Companies running Infor products are hindered by a variety of challenges, depending on the product line.

Infor is not true multi-tenant cloud like NetSuite. Infor uses a middleware piece called Infor Operating Network (ION) to tie all of its different data models together. When upgrades are made, customizations often break. Furthermore, Infor customers are on various versions of the software. This complicates matters even more when upgrades are needed. Infor customer support is impacted as it becomes difficult to know which version the customer is on and what upgrades, patches and bug fixes have been installed. All NetSuite customers are on the same version of the software on a single data model with two upgrades per year included with the subscription. Infor does not

have a concrete update roadmap in place. Often times when Infor upgrades do occur, professional services are needed to implement them due to ION's effect throughout the system.

Companies running Infor products are hindered by a variety of challenges, depending on the product line:

Infor CloudSuite
In 2014, Infor introduced CloudSuite's industry-specific cloud software, taken from their on-premise offering. CloudSuite is designed to integrate software solutions for specific verticals such as manufacturing, food and beverage, distribution, and automotive among others. Originally offered through Amazon Web Services, CloudSuite is now also hosted on Microsoft Azure. Many CloudSuite customers are on various software versions. Since it is not a true multi-tenant solution, the platform has issues with customizations carrying forward after an upgrade.

Infor Syteline
Infor Syteline was originally an on-premise solution utilizing ION to tie the system together. It is now also available in the cloud. This solution is mainly a manufacturing platform for Engineer to Order, Configure to Order and service-based manufacturers. It can handle discrete and process manufacturing, production tools and integration options into other software systems. By performing a lift and shift of on-premise software into the cloud, new releases lag due to differing software architecture and operating systems.

Infor M3

Infor M3 was another acquisition and originally sold as on-premise. It is designed for medium to large global manufacturers, distributors and after-sales service providers across chemical, equipment, fashion, and food and beverage. It can handle mixed mode manufacturing. Users can deploy this on-premise or in the cloud in multi-company, multi-country and multi-site ERP. The ION middleware piece allows for the integration of mobile access, workflows, document management and Infor Birst (a business intelligence acquisition). The platform has a steep learning curve. Reports are generated in PDF form which makes for a tedious Excel import process. Viewing reports on mobile devices using Infor Mingle is still lacking.

Infor LN

Infor LN is one of the first acquisitions, previously known as Baan, that was originally on-premise and now offered in the cloud as well. This platform is used by discrete and project-based manufacturers in industries such as industrial equipment and machinery, high-tech and electronics, component manufacturing, commercial aerospace, and shipbuilding. LN supports warehousing, freight management and aftermarket service. The core manufacturing and planning functionality is used by companies in Make to Stock, Assemble to Order, Make to Order or Engineer to Order environments. Infor LN lacks robust accounting and finance functionality. Reporting is very limited and companies using this platform internationally will need more functionality for workflows and EDI.

Infor Syteline, M3 and LN are now often bundled together to form Infor CloudSuite Industrial. Customer needs, budget and timing often dictate which of these products are delivered. Through demonstrations and work sessions, various pieces are linked together using ION, meaning each installation is a "one-off" approach. On the contrary, with its built-in workflows, KPI reports, dashboards and metrics, SuiteSuccess has faster implementation, less change orders and lower total cost of ownership.

True Cloud Platforms like NetSuite Simplify Business Processes and IT

A true cloud platform offers several other compelling reasons why companies move from older on-premise applications like Infor to modern cloud-based solutions, such as NetSuite.

- **Consumer-like experience** – Users can pick up and use the solution quickly and easily including on mobile devices.

- **Pure browser-based access** – The system can be accessed by any client, from anywhere, at any time.

- **Global reach and deployment** – Anyone around the world can access the system, across multiple languages and multiple time zones.

- **Everyone is on the latest version and release of the product**, allowing them to benefit from the latest and greatest features and innovation.

- **Completely flexible platform** – Users can personalize, customize, develop and integrate without worrying about upgrades.

- **Massive ecosystem of partners and products** are available to all customers as everyone is on the same product release.

- **Technology is replaced** with business value and agility.

Conclusion & Case Studies

Building and maintaining a successful company in today's business environment requires modern tools and technology. No longer can organizations meet the growing demands of consumers and competition by relying on legacy on-premise systems or "fake cloud" solutions offered by traditional vendors that are expensive, inefficient and not scalable.

With a true cloud solution, businesses are transformed through increased agility, better integration of front- and back-office processes, improved visibility and consolidation, and lower total cost of ownership.

Unlike Infor users, NetSuite customers get a true cloud solution that provides an integrated suite for our growing global customer base.

In addition to the inherent benefits of a cloud solution, NetSuite's SuiteSuccess model helps our customers deploy the platform faster and leverage leading business process practices to both create and realize value within their organizations much sooner than traditional approaches.

Most traditional ERP vendors like Infor have tried to solve the industry solution problem with templates, rapid implementation methodologies, and custom code. NetSuite took a holistic approach to the problem ensuring every single aspect of the solution and delivery is oriented around the customer's industry and roles within that industry. It starts from the very first sales engagement and extends through acquisition, implementation and ongoing support.

There are four pillars to the solution.

1. Build: Develop a complete unified suite covering all elements required to run a business.

2. Engage: Leading practices for each industry including all capabilities, workflows, business intelligence, reports and roles required for each industry allow customers to understand the product and how it will support the business from the first sales engagement.

3. Consume: A re-imagined consumption model using NetSuite's industry stairways allows companies to consume capabilities based on their current and future business needs.

4. Optimize: Continuous improvement of all aspects and consumption of the solution.

Editions are constructed for company size and for verticals such as advertising, media, publishing, financial services, manufacturing, nonprofit, retail, service-based businesses, technology and wholesale distribution, as well as more niche verticals such as apparel and footwear, food and beverage, IT VARs, and more.

Customers using SuiteSuccess go live 60 percent faster, implementations cost 18 percent less and 90 percent are referenceable immediately after go-live.

CMP
CORPORATION®

US Manufacturer Focuses on Quality, Eliminates Waste to Stay on Top

Running the world's largest aftermarket compressor manufacturing from Oklahoma City exposed CMP Corp. to pricing competition from abroad. When two brothers took over the family business, they decided to focus on quality and eliminate waste through lean manufacturing and automation. That meant overhauling business systems to increase efficiencies and elminate manual processes.

Switch from Infor Increases Flexibility, Efficiency

Realizing its on-premise Infor Visual Manufacturing application was costly and outdated, and lacked the flexibility and reporting features it needed, CMP turned to NetSuite and the cloud, removing the overhead of maintaining 10 servers and getting leaner while strengthening disaster tolerance for incidents like a 2003 tornado that decimated its facility.

Move to NetSuite Eases Move to Lean

With lean manufacturing supported by NetSuite, CMP has slashed crankshaft production lead time from 85 to 10 days, while reducing costs 25 percent and netted a 26 percent increase in revenue while growing the business across 95 countries.

Improving the B2B Ecommerce Experience

NetSuite's flexibility allows CMP to continue to grow like it did in creating a unique "Compressor Configurator", enabling customers to complete entire orders online with automated order processing while enabling CMP to broaden business reach and speed up cash flow.