ERP through Cloud: Making a Difficult Alternative Easier

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Abstract:
Enterprise Resource Planning or so called ERP software pricing models presenting a serious challenge these days for existing systems, or operational upgrade in the even in migration of platforms for smooth operation or to ensure precise rate computation in every area. The person requires strong understanding at company scale to measure the pricing affects in long term to achieve goals, from last few month the ERP is losing its previous glamour and its strut to the new upcoming coming technologies which are web base and the cost is much less. E business wave given the first mover advantage to new technology application similar to ERP and ERP vendors missed this opportunity to upgrade them in adoption of internet computing. Emergence of new technology application also creating a hurdle for ERP Vendors against the Traditional One being adopted in several cases.

Keywords: ERP, System, Challenge, Migration, Technology, Process, Hybrid, Model, Software

I. INTRODUCTION

Enterprise Resource Planning or ERP has been approximately for 20 years now. The role of ERP from inception has been changed a lot in business, applications adoption is any business still using it has changed a lot since the early 1990’s. In the earlier day’s it as considered as an novel method for organization to streamline businesses processes or to combine their systems and processes into a single accounting and management solution software which can deliver faster and better informed decision making based on real-time acquaintance of the accounts, HR, store, Material and sales information. But there were disadvantages to it, so let’s look at them one by one and see if it has kept pace with our advances into Cloud based technology: ERP pricing models can offer a daunting challenge whether it’s your first system purchase, an active operational upgrade, or a holistic migration from one platform to another. In order to ensure accurate cost calculations, not only do you require a strong comprehension of company scale, but you must also understand the intricacies of the multitude of ERP pricing plans. Small business requiring extensive IT processing capacity, system cost and capability must be considered to be highly critical decision elements, as any move you make can have a direct impact on daily financial operations. In the mid size of large scale company ERP cost estimation should always be considered carefully by a technical manager, the sheer size of enterprise resources tend to insulate less-than-efficient cost decision-making, even though hidden impacts may create larger problems downstream. In today’s typical ERP purchase landscape there are two generally accepted models to choose from. These include; on-premise systems and the Software as a Service model (SaaS). Each model has its own advantages and disadvantages; however, a consideration of enterprise scale should again apply at the outset of any business deliberation between the two. Hybridized ERP price models are being adopted these days. The key reason behind this is the saturation of Back office market due to this the new comer thought the EP is simply wasteland for them. This seen given a wave by closing down some of the established vendor like Siebel who sold their CRM and sales force automation module to other vendor.

II. INTERNET AND ERP

In the 1990s ERP was a big thing in the software market, since evolution it changed a lot since evolution from MRP to MRP II and ERP and now it is web based ERP. A the features added and the demand of smooth functioning increase new things added and joint working and combined efforts put ERP in a new way. Implementation of a new system could take in slow pace due to rapid change in technology transformation in the Technical word these days even though the ERP can be live with internet because the cost of deployment of single system is too high and it goes in million dollars and several years. The deployment of client server is a costly affair because to access the database in large organization the number of nodes increase as increase in client the fees for each user is being charged, as the no of user increases the cost increases. At the initial stages when fund liquidity is a major issue for new comer and increasing the client node become an obstacle in setup and work or task has to be performed with minimum resources with optimal use. Training of staff also bring the heavy cost at the initial stage which is not desired factor for clunky and difficult to understand system. Therefore the integration of old systems with the new one with wide variety of business practices in the current environment like cloud puts you in more confusing state even though it gives more option as compare to traditional ERP system. The cloud based ERP system helps integrating the key features of Licensing, Managing the vendor and varied resource management with the help of software as service instead of product. The strategies provided by the SAS give a straight ROI provided by the digital ERP. In the current ERA, therefore the right selection of a desired application provides a flawless integration to build an infrastructure, which help

Cloud ERP

It refers as ERP solution part of The SaS Model which hosts the traditional ERP software in cloud Environment it utilizes the
cloud computing a software as a service delivery, it provides the various benefits starting from Mobility, Maintenance, flexibility, scalability and updates, which is helpful in all business areas like CRM, SCM, HRM, Procurement, distribution, sales, finance and accounts, sales and distribution, warehouse management, inventory management. The innovation of these rental services, provided the small to midsize enterprises a cost effective on premise software systems to compete in the challenging environment.

**Authorization/License**

In the Present scenario the licensing or authorization policy has changed a lot. In the early days the ASP model was being forced to adopt the application by the provider, it was same as an traditional package with slight modification of installing the software on machine only so that the vendor take the procedure by himself like up gradation, backup and application maintenance. These on-demands (EaaS) ERP is being used and adoption rate is quite high these days as compared to Hosting and premise ERP (Traditional ERP). The cost of license provides the permanent authorization to user towards software use even with the agreement period is over. This is not the case of on demand ERP where the authorization is provided for the desired or short period and after wards the license is being renewed if it is desired by the user. This saves the cost of all the activities like updates, subscriptions of additional service, user monthly cost, maintenance charges. Small vendors are going due to these reasons and in much better positions as compared to the big giants like Oracle and SAP. This small vendor creates a superb environment and creative talent to user. The emergence of cloud computing also given a big setback to these giants. The trend is increasing day by day towards the cloud based ERP. This is offering a wide range of opportunities as well as new challenges... As the name the name says cloud which is nothing but a group of services. Cloud competing is nothing but a set of services put together to provide infrastructure resources with the help of net and the application data is being stored on other server. Small organization are the key element of any economy especially Indian economy due to this many SME are adopting ERP applications. They are utilizing the others infrastructure and being stayed away from capital expenditure and simply pay the service usage as per the usage. Since after ERP deployment it gives so many options. Therefore this option should be chosen. So that the impact may be noted once going through the ERP, therefore before taking the decision of implementation, the various parameter to be considered for this including Price possession, up gradation. Even the cost is very low the cloud provider ERP hosts and maintains the entire IT infrastructure for organization and confirm ERP system is continuously operating, that information should be fully secure. The customization provided or offered by the ERP ultimately provides new innovation in the service and allowed all resources to be utilized properly. Performance is the key feature of ERP cloud. Its architecture is so properly designed which gives better network performance as well as application availability to user as compared to traditional one so that additional resources can be handled properly in case of any be surge.

**Deployment**

The deployment cost is also too low due to the non requirement of additional hardware, so the time required for installation and procuring of IT infra. Rollouts can be easily avoided in multiple regions. Time like required is 2-3 months instead of 1-2 year in traditional one on premise scaling is also very easy which helps business to grow. Due to the uniqueness of business in industry the deployment varies and its affects varies, the small IT houses are in better positions to provide such environment as compare to SAP and others to attract the small vendors they are adding more new features to gain the competitive edge with the help of Java to link the applications in different way to integrate all modules together to deliver the results. Oracle has taken the first mover advantage with this move and providing platform of Internet computing is a smart manner over the existing client/server systems. They are providing the normal application as well as “web-centricity”, with the identification of BI and CRM In new way.

**Competitive Advantage**

To have and competitive advantage the combination of application or so called term “pick-and-mix” application is used avoid dependency on individual vendor. integration of process which is a key feature of ERP allows organization to exploit every alternative in a simultaneous way and the cloud have a feature to do the same in proper way by having an system or application like extranet, customers can be brought into system so that they can be engage in product configuration, selection with self service. To increase the decision making and technical hurdles are being overcome through the process integration by combining the front and back office application in a proper manner. A team of few experts is sufficient to serve many customers from a single data centre. Venture capital utilization can be done ideally by the young professional cum entrepreneurs to meet their demand and supply. Even small companies no need to keep high paid IT executives. However, not every customer will be happy about the ERP companies’ insistence on owning every software link in the integrated value chain. But the Internet has made possible a different model in which applications sit on web servers to which anyone on the intranet has access, using a point-and-click browser running on anything from a PC to a hand-held computer or a smart phone. Since any number of people can get into the system without incurring extra costs, and anyone can use it with ease, high license fees for each user are no longer appropriate; what is needed is a volume pricing model. Moreover, once the information is put in a centralized place where it can be reached by anyone who needs it, it becomes more valuable in itself. And if it can be shared much more widely within a firm, it should also become far less difficult to provide selective access to suppliers and customers through extranets and the public Internet.

**III. SALIENT FEATURES OF CLOUD BASED ERP**

1. **Mobile Access and support**: In the recent days the use of internet is increasing and India is the front runner in the utilization of net resources and companies are expanding their wings in various remote areas. With more employees working remotely, ERP software has become truly portable. Entering data and accessing information or reports, is all via the net only the usage of Smartphone, tablet and laptop is increased. Any information with respect to sales, service and product can be obtained at any point of time means they provide the real time views status of any action.
2. **Upgradation**: Such types of systems are easily scalable. Instant updation of features keeps you ready every time and the updation takes place in background automatically. And in some cases, some software updates are automatic and happen behind the scenes. Some industry experts have created the industry specific application like TIZE for chemical Industry Naming as special industry clouds. This New Cloud ERP’s are totally based on best practices being adopted, these can be still have a scope for customization and much closer to suit the need of new era business processes and structure.

3. **Better ROI and cost**: A more adaptable approach will certainly increase your return on investment in three ways; reducing capital expenditure on hardware and software, delivering operational cost and efficiency gains, and transforming your business every point of time in real time, it can be said that it works on the anytime and anywhere concept.

4. **Cloud capabilities**: It is fast becoming an industry standard to store data and applications in the cloud, to scale your software up as well as down, depending on immediate needs and projects, without planning major organizational changes in advance. It provides robust data backup and disaster recovery to any application with low maintenance cost.

**IV. CONCLUSION**

It can be concluded that the promises made by the This type of ERP for the small business man provides a platform for the growth with the aid innovative business practices having the latest flexi technological solution with minimum cost and without the extra infrastructure investment and fulfilling the business needs of today’s Digital ERA.

**V. REFERENCES:**


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