

Enterprise Resource Planning (ERP) Software Comparison

Comparing Cloud ERP and On-Premise ERP Software

Blytheco
Transforming Companies

Types of Software Evaluated in This Guide:

1. **Cloud ERP Software:** software that is hosted on a vendor's own servers and is accessed anywhere via web-browser
2. **On-Premise ERP Software:** software that is hosted on a company's own servers and is installed locally on each local workstation

How to Utilize This Guide

Transforming your business is no easy feat. Today's software solutions are constantly evolving and expanding their capabilities to accommodate the growing needs of businesses like yours. Whether you are looking to improve the functionality of your current solution or replace it with a more robust option, it is important to know where to start.

Before beginning any software evaluation process, you must first document your challenges, key business objectives, and future goals. It is important to determine what you truly need from your ERP.

Now that you have a clear understanding of what your business needs are, you can begin to compare your options. We have developed this series of comparisons to help you determine the solutions that meet your specific challenges. While most ERP solutions have the same core capabilities and functions, we highlight the differentiators and strengths of the industry's leading ERP solutions.

If you have any questions at all during your review, we are always here to help.

Demographics

Since every business is unique, there is no one way to define which solution is best for each company. However, there are some indicators that your business may lean toward a cloud or on-premise solution. Below are some features and observations that may help you determine what makes sense for your company.

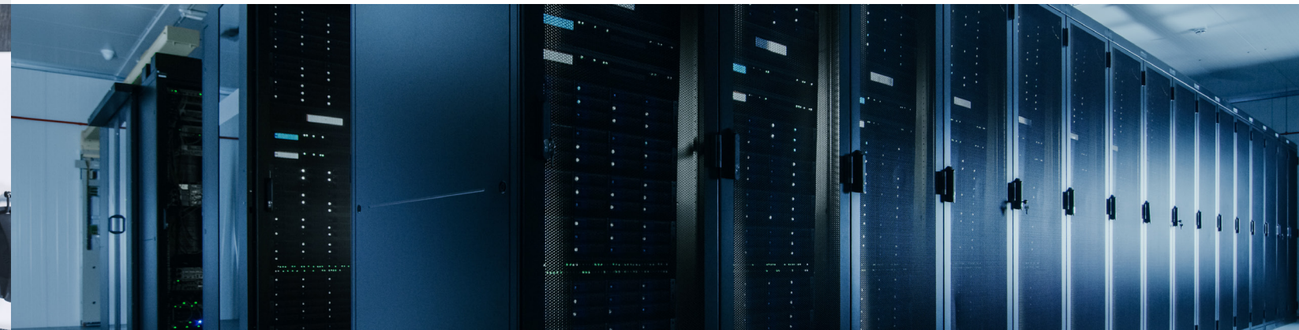
	Cloud	On-Premise
Business Culture	• Mobile and remote workforce • Easy integration to modern applications • Emphasis on real-time visibility • Fast decision cycles	• Limited mobile and remote workers • Limited integrations available • Heavy compliance, regulatory requirements, or sensitive data
Company Size	• 5 unlimited employees	• 5–5,000 employees
Customer Growth	• Growing companies • Focus on agility and scalability • No desire to maintain in-house servers • No IT staff required for updates/ upgrades	• Growing companies or companies looking to maintain operations • Desire to maintain in-house servers • IT staff required for updates/ upgrades
Locations	• Multilocation and multicompany • Multinational legislature • Web-browser access from any location	• Multilocation and multicompany • Multinational legislature is limited • Remote access often requires a terminal server
System User Count	• Unlimited named users	• Varies by system
Top Verticals	• Distribution/wholesale • Software and technology • Professional services • Retail/eCommerce • Discrete manufacturing	• Distribution/wholesale • Manufacturing • Food and Beverage • Professional services



Data and System Security

Data and system security are important items to consider when comparing cloud and on-premise solutions. As technology and security continue to advance, there are strengths to hosting the solution on a local server as well as having the solution hosted by a cloud-provider. Many small- to mid-sized businesses struggle to implement and maintain best practices when it comes to security, backups, and data protection without the help of a dedicated IT resource. Cloud providers do much of the heavy lifting for you with dedicated security and expertise often not affordable to most small- to mid-sized businesses.

	Cloud	On-Premise
Availability	• Data is accessible from any web browser • Mobile apps available for phones/tablets • Minimum uptime of 99.5% • Performance is dependent on a reliable internet connection	• Data is accessible on each installed workstation • Uptime based on server set-up • Performance is dependent IT environment and configuration
Continuity	• Provides business continuity in the event of theft, fire, or natural disaster	• Companies must establish a continuity plan for theft, fire, or natural disaster
Data Security	• Providers encrypt data according to the industry standards • Ensure audit compliance • Role-based and field-based user security	• Users are responsible for safeguarding data and putting company practices in place to protect the end user • Role-based and field-based user security
Recovery	• Automatic daily backups • Real-time data recovery • Maintain consistent heating, cooling, and backup power to prevent crashes or corruption	• Data recovery is contingent on individual back up procedures • Backups are scheduled and performed manually
Redundancy	• Geographically separated data centers safeguard data • Data is replicated and synced across multiple data centers for redundancy	• Users rely on individual Uninterruptible Power Systems (UPS) • Data redundancy is dependent on the consistent central storage of data



Pricing and Total Cost of Ownership

One of the most important considerations when comparing cloud and on-premise solutions is the financial investment. However, it is never a simple comparison of software and implementation services. You must also consider the total cost of ownership (TCO) over time. It is important to evaluate IT costs, installation services, cost of upgrades (major and minor), cost of customization, testing, back-up, recovery services, and workstation/server maintenance. We have outlined a few of these considerations below to assist your team in your software evaluation.

	Cloud	On-Premise
Annual Fees	• Recurring annual subscription • Software is billed per named user • Some modules and add-ons come at an additional annual/monthly cost	• Annual maintenance and support costs • Some modules and add-ons come at an additional annual/monthly cost
Hardware Cost	• User devices—laptops, computers, tablets, and phones	• User devices—laptops, computers, tablets, and phones • Servers, hardware, IT resources, and backup equipment
Implementation Cost	• Users work with technology provider to set up and configure the system and provide user training.	• Users work with technology provider to set up and configure the system and provide user training. • IT support required for hardware installation and server set-up
IT Resources	• IT resources are not required	• IT resources are required (either in house or outsourced) to assist with ongoing support
Long-Term Costs	• Annual pricing increases average between 3–6% annually • Multi-year agreements lock-in pricing	• Annual maintenance cost increases • Upgrade costs



Pricing and Total Cost of Ownership (cont.)

	Cloud	On-Premise
Maintenance and Support Plans	• Annual maintenance is included • Free online support resources • Support plans are typically available through the software vendor • Hourly support available	• Maintenance and support (M&S) plans are not included (optional) • M&S plans range from 20–30% of your software cost paid annually • Vendor-direct support is included with annual M&S plans • Hourly support available
Tax Implications	• Typically not subject to sales tax (Please refer to specific state tax laws.)	• Typically subject to sales tax • Deductions (such as Section 179) and depreciation benefits may be available
Upgrade Cost	• Upgrades occur automatically • Upgrades are included with annual subscription fees • Training is recommended	• Upgrades are not automatic • Installation of upgrades is optional • Users typically rely on their business partner to assist with an upgrade • Training is recommended
Upgrade Management	• New versions occur automatically • Customizations are automatically rolled forward; no additional investment is needed	• New versions are published regularly for customers to install • May require additional investment for customizations and third-party applications
User Training	• Ongoing user training is recommended. • Free online learning resources are	• Ongoing user training is recommended • Learning resources are included with customers on an active M&S plan
Vendor Focus	• Focused on continuous growth • Frequent new feature releases • Extensive product investment (R&D)	• Focused on maintaining the solution • New feature releases annually • Limited product investment (R&D)
Vendor Roadmap	• Developing vertical-specific features • Expanding feature sets to meet the growing needs of their customer base	• Looking to modernize functionality and workflows • Adding new modules or features • Move to subscription pricing model • Expanding connectivity to third-party applications

ERP Feature Comparison

Modern solutions offer a variety of deployment options; SaaS, on-premise, hosted, and hybrid. Below is a helpful comparison of a few of the industry's leading ERP platforms when it comes to cloud capabilities, flexibility, upgrades, and product maturity.

ERP Software	Deployment	Platform Flexibility	Portability of Upgrades	System Maturity
Acumatica	On-Premise, SaaS, and Hosted	●●●●	●●●●	●●●
Epicor	SaaS	●●●	●●	●●●●
Microsoft Dynamics 365	SaaS	●●●●	●●●●	●●●
Microsoft Dynamics AX	On-Premise	●●●	●	●●●●
Microsoft Dynamics GP	On-Premise	●	●	●●●●
Microsoft Dynamics NAV	On-Premise	●●	●●	●●●●
NetSuite	SaaS	●●●●	●●●●	●●●●
Sage 100cloud	On-Premise	●	●	●●●●
Sage 300cloud	On-Premise	●●	●	●●●●
Sage Intacct	SaaS	●●●	●●	●●●●
Sage X3	On-Premise and SaaS	●●●●	●●●	●●●
SAP Business One	On-Premise	●	●	●●●●

●●●● Excellent ●●● Great ●● Good ● Fair

Assessment of solution strength on a scale of 1–4. In this case, 4 indicates the system is highly proficient.



How We Can Help You

If you have any questions about the information presented in this guide or for assistance determining whether a cloud-based or an on-premise solution is right for your business, we can help. For over 39 years, Blytheco has remained a technology leader for both cloud-based and on-premise solutions delivering over 5,000 successful implementations to growing companies like yours. We focus on providing elegant software, consultation, implementation, education and support to improve efficiencies and enable growth. Here are a few **complimentary** ways Blytheco can help you select the right ERP for your business:

- **Business Process Reviews**—Let's review your software and processes together.
- **Project Planning and Phasing**—We'll determine the right timing and project phasing.
- **Software Consultations, Comparisons, and Solution Explorations**—We'll cover demos, pricing, add-ons, and more with you.

Call today to schedule your free business process review with our team!

92.5%

Our implementation success rate for our clients stands at 92.5%. In contrast, the industry average for implementation success stands at 35–40%.

100%

We recommend the right software for your business 100% of the time, even if it's not a solution we offer.

66%

While the average industry NPS scores fall between 5–15%, our NPS score for new implementations stands at 66%, well above the average.

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Providing business software, consultation, implementation, education, and support for growing companies like yours.

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