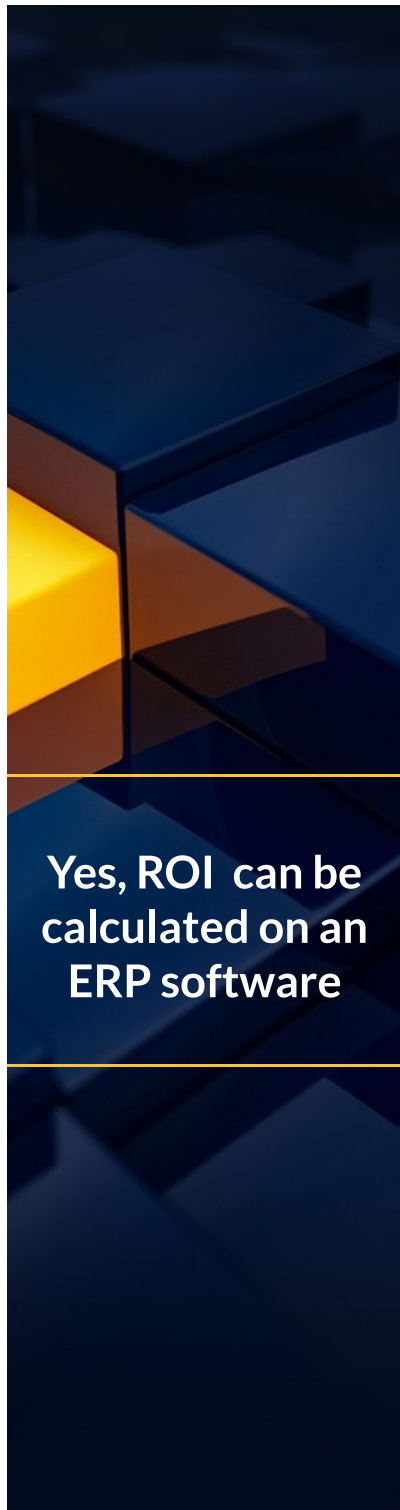


THE ROI OF CLOUD ERP IMPLEMENTATION





Executive Summary

ROI is the key benchmark in deciding which investments give the greatest return. In other words, ROI is a comparison of the expected benefit of a particular investment measured in monetary units, compared to the cost of that investment in the same monetary units.

Running your business at optimum performance can be difficult if your only management tools are just spreadsheets, basic accounting software or paper records. Without a proper ERP solution, businesses are struggling to get a greater ROI. There are two main options for ERP; on-premise and SaaS, or cloud-based. There is a great difference between cloud and on-premise solutions. Most importantly, the ROI benefits of cloud-based ERP are greater than one might think.

The Difference Between On-Premise and Cloud-Based ERP Solutions

The first step with an on-premise system is the up-front investment. There's a cost to installing and setting up your new ERP. The ERP software provider needs to send out IT experts that install the hardware and software you had to purchase, in case you don't have your own team already. It is more expensive for small to medium sized businesses.

Like an iceberg, there are a lot more costs to maintaining an ERP system than you might initially see.

There's not a lot of detailed customization. If you do decide you need some categories tailored to your business, you'll have to get someone to rewrite those customizations. You have to have an IT manager that is capable of constantly maintaining the ERP system, which can be highly time consuming. Not to mention, all of these are necessary, on-going costs for an on-premise ERP system.

- Direct Costs: 11%
- Indirect Costs: 89%



Cloud-based ERP solutions require no hardware or software that needs to be installed. It's all within the browser, so you just need a login to enter from anywhere! Depending on the ERP provider, there shouldn't be any up-front costs either. Cloud-based ERP systems are changing the way ERP is done.

- Direct Costs: 95%
- Indirect Costs: 5%

On-Premise

11%

SOFTWARE LICENSE COSTS



Specific customizations
Installation
Software/ Hardware
Maintenance

89%

INDIRECT COSTS

Continual Costs:

- Data backups/ upgrades
- Energy bills/ floor space
- Increased IT billable hours
- Maintenance for: hardware, software, databases
- Personalized customizations

Cloud

95%

SUBSCRIPTION COSTS



Personalized customizations
Implementation
Training (always accessible online)

5%

INDIRECT COSTS

Continual Costs:

- Subscription Fee

The ROI Benefits of Cloud-Based ERP Are Greater Than You Might Think

The reduction of costs for IT can be quite large. One technology company switched to a cloud-based ERP software and saved more than \$100,000 in hardware and software purchase and avoided hiring at least three full time employees for its IT department.

Another company was able to reduce its financial costs by 50%.

ABILITY TO ACCESS DATA FROM ANYWHERE

Your employees are able to access, implement, and update data on the go.

SAVE \$ MONEY

A technology company was able to save \$100K in purchases by switching to cloud-based ERP software.

ROI ACHIEVED BY USING CLOUD ERP

A recent study by Nucleus Research calculated that most companies reported a higher than 150% ROI after switching to a cloud-based ERP system.



There's A Noticeable Increase In Productivity

This is done by reducing manual data entry or the need to combine data manually in spreadsheets. By being able to send updates on customer information and more over their mobile devices, employees are able to get much more work done than they were before cloud-based ERP.

Here are some examples:

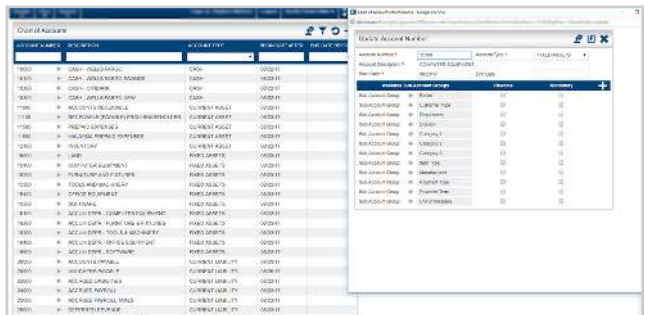
1. SALES & MARKETING

If you have a sales call and want to update the customer database, you don't have to write a note and remember to do it when you get back to the office; that is very inefficient. You can just make the direct changes right then and there using your smart phone, adding notes within the ERP for everyone to see.



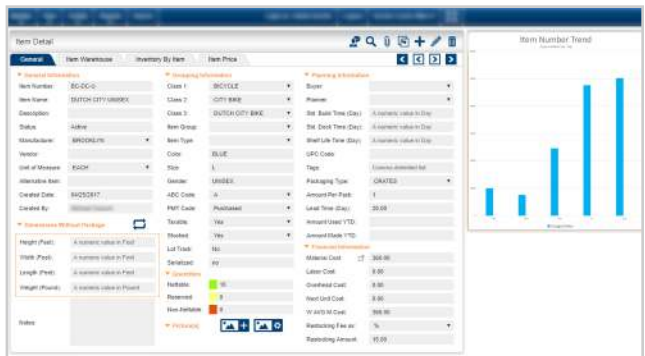
2. PAPER TO CLOUD

Moving from paper, spreadsheets, and basic accounting packages to cloud ERP solutions helps companies speed up collections, reduce the quote to cash time, and increase the accuracy of their billing. Monthly or yearly financial close has been simplified as well, due to financial consolidation and the ability to more easily access and manage financial data.



3. INVENTORY PLANNING

Decreasing inventory levels through better inventory planning reduces costs. Inventory management systems improve the tracking of movements. This is not the only important factor. Invoice accuracy can reduce collection cycles, which in turn improves cash flow.



The Statistics of ROI for Cloud-Based ERP Solutions

A recent study calculated the ROI achieved through the use of cloud ERP, and noticed most companies reported a higher than 150% ROI.



Even though cloud ERP only represents 2 to 7 percent of the total ERP market at present, the revenues it generates have doubled by 2015 compared to 2010.



The payback of the cloud ERP solutions analyzed in one study, ranged from 2 months to 1.9 years with average annual benefits from \$72,790 to \$715,603.



“One cloud ERP software user said, *“There is information about the customer and what they ordered. They can see history without tracking people down and see a complete picture of sales, ordering, and fulfillment. That has made us 20 to 30 percent more profitable.”* – Nucleus Research

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About My Office Apps

For more than 25 years, [My Office Apps \(MOA\)](#) co-founders saw the challenges companies have, purchasing and implementing Inventory management and ERP software solutions. One of the co-founders served as the Chief Information Officer of a leading publicly-based technology company with both domestic and international locations. They experienced firsthand the need for efficient and cost effective inventory management software. Today, the MOA vision is to create unique cloud-based Software as a Service and move forward to a full ERP solution.

With the advent of today's cloud and subscription economy there is no need for a company to invest in expensive hardware, software or to incur significant upfront costs. MOA software solutions adapt to the customer's business requirements regardless of size, or industry.

Interested? Want to learn more? Please visit www.myofficeapps.com for additional resources including more white papers, case studies and videos. Or you can contact My Office Apps directly at info@myofficeapps.com or at (714) 486-1487.

Sources: <https://nucleusresearch.com/>

What Some Of Our Users Say...

Wahiki Coconut Creamery

"The team at My Office Apps was extremely helpful, assisting us to setup and customize the system so it is tailored to our business. Fair to say that the system is very comprehensive, user friendly and easy to work with."



Haman

CEO at Wahiki Coconut Creamery

Sourcely

"Integrating Kechie with our online store through Shopify, for inventory management has turned out to be instrumental to growing our business efficiently and profitably."



Justin

Co-Founder & COO at Sourcely