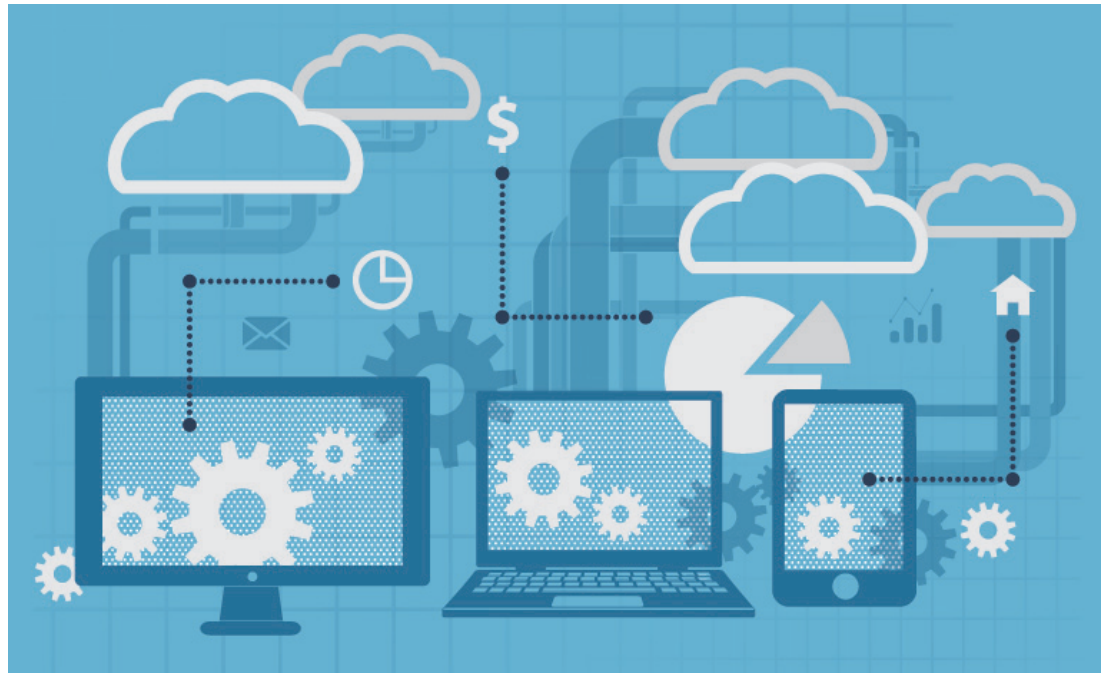


Driving real growth with cloud-based enterprise applications



Increasingly, organizations are deploying enterprise applications to the cloud. In the process, they are discovering more benefits than simply containing costs and alleviating stress on overworked IT staffers. They are discovering the cloud provides a faster, more efficient path to growth.

According to a recent survey from IDG Research, cloud specifically does this by simplifying deployment of new technologies for competitive advantage, streamlining the process of opening new locations, speeding the onboarding of new partners and customers, and lowering the cost and risk of trying new initiatives.

Yet companies cannot realize cloud's full potential to support growth unless they make deployment choices that reduce IT complexity rather than adding to it. They must also ensure end user adoption by choosing cloud-based solutions that reach customers more efficiently and deliver IT services

better and faster. One way to achieve this is through the use of industry-specific functionality.

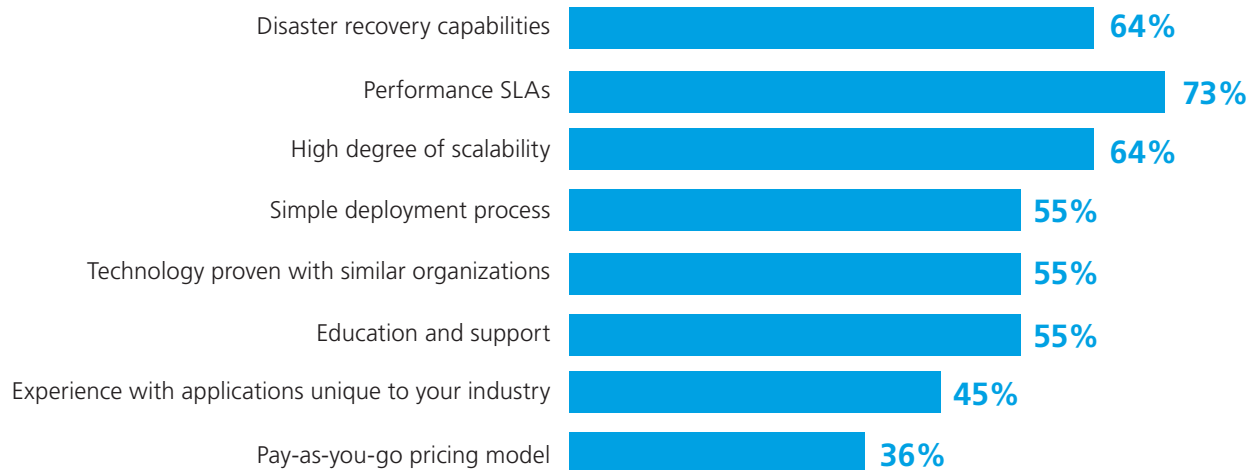
This white paper discusses insights from the IDG Research survey that clarify how cloud-based enterprise applications can provide a firm foundation for business growth.

INSIGHT 1: Companies are concerned that they lack the IT skills necessary to support anticipated growth.

Survey respondents said their growth plans for the next 12 months are most likely to involve developing new products and leveraging new channels to markets. However, two-thirds of respondents (both business and IT executives) said their need for new, specialized IT skills — presumably to develop innovative products and explore new marketing channels — is a top pain



VALUED CLOUD ENTERPRISE BUSINESS APPLICATION QUALITIES WHEN EXPANDING BUSINESS OPERATIONS



Source: IDG Enterprise Research: Cloud Enterprise Business Applications

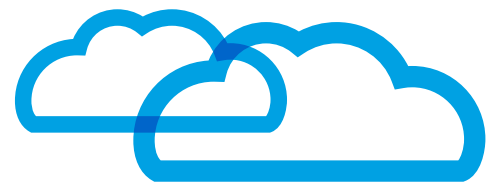
point associated with their ability to expand the business. Significantly, half of all respondents also cited the need to keep up with complex compliance requirements to avoid financial and legal penalties for noncompliance, particularly in heavily regulated industries such as finance and health care.

IT managers in particular said standardizing processes and technologies across locations, increasing the speed of service delivery and managing fluctuations in demand and supply are all problems that must be solved for their business to expand successfully.

INSIGHT 2: Cloud is considered essential to supporting growth.

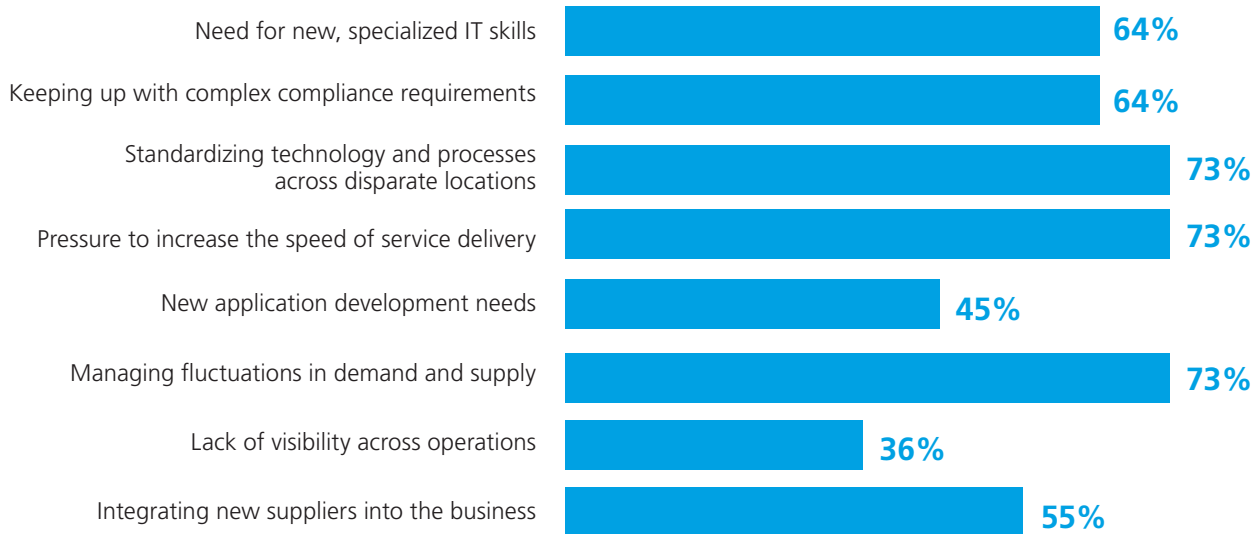
Almost half of all respondents (46%) said deploying cloud-based business applications is essential or very important to their expansion strategy. That's because it lets them focus on moving business strategy forward, while cloud vendors take on some of the burden of finding specialized IT skills, meeting complex compliance requirements, and keeping systems properly maintained and upgraded to the latest version, says Christine Dover, Research Director of Enterprise

Applications and Digital Commerce for IDC. In fact, she notes, "Cloud companies are innovating so quickly that they often introduce capabilities before the customer even needs them."



Companies cannot realize cloud's full potential to support growth unless they make deployment choices that reduce IT complexity rather than adding to it.

IT “GROWING PAINS” RESULTING FROM BUSINESS EXPANSION PLANS



Source: IDG Enterprise Research: Cloud Enterprise Business Applications

INSIGHT 3: Companies are moving enterprise applications to the cloud to find the speed, flexibility, and agility necessary for growth.

Given cloud's ability to deliver speed and agility, it's unsurprising that more than half of respondents are tackling the challenges of company growth by adopting cloud enterprise applications. One such respondent is Barr Snyderwine, Director of IS at Hargrove Inc., an events management company in suburban Washington, DC. Snyderwine says Hargrove has already moved five key enterprise applications to the cloud, including CRM, HR, and a mission-critical content management system to add functionality, improve access, and enhance infrastructure redundancy and security.

Overall, respondents said their top priorities for cloud adoption are faster service delivery, better quality IT services with a better end-user experience, and greater ease of use. However, enterprise application needs can differ significantly from one industry vertical to another, says Brian Rose, Senior Vice President at Infor, a leading provider of industry-specific cloud enterprise applications and suites.

As Rose sees it, businesses need to ensure that their applications and infrastructure adhere to their industry's particular security and compliance standards. They also need solutions that incorporate industry-specific best practices to minimize the need for custom integrations that bloat the implementation timeframe and endanger the upgrade path.

Finally, Rose maintains, every vertical market has its own specific needs for content, even if it's as simple a task as ensuring job descriptions and titles in a cloud-based HR solution are appropriate. Familiarity with a particular industry vertical is therefore key to choosing a cloud enterprise business application partner, he says.

INSIGHT 4: Companies want vendors to handle the complexities of cloud deployment.

Respondents said what they want most in a cloud enterprise application partner are disaster recovery capabilities, followed by performance SLAs, high scalability, and a simple deployment process. Among IT managers in particular, that shifts slightly: their top priority in a vendor is

performance SLAs, followed by disaster recovery capabilities and high scalability. IT managers rank ease of deployment next, tied with technology proven at similar organizations and a vendor who provides education and support.

“These are all foundational requirements, as is security, especially in industries with stringent standards,” Rose says. “But point solutions that require the customer to assemble the end-to-end solution and customize it for their particular industry increase the complexity of the deployment rather than reducing it — which is the exact opposite of the results they hope for by moving enterprise business applications to the cloud in the first place.”

Dover says the answer is to choose a vendor that builds industry specificity into its cloud offerings, with configuration options for fine-tuning. “Go with best practices and change your business processes accordingly, instead of trying to customize cloud applications to suit your business processes,” she advises.

Moving enterprise applications to the cloud can help organizations address the challenges of business growth by reducing complexity and increasing end-user adoption. To achieve maximum benefit, organizations should choose a

IT sees more pain points than business

IT managers are significantly more concerned than business managers about the “growing pains” of expansion caused by compliance, standardization, speed of service delivery, fluctuations in demand and supply, and the integration of new suppliers. IDC research director Dover refers to these issues as “plumbing” — necessary, but largely invisible to the business user as long as they work properly. “I would speculate that IT is more concerned because business users don’t understand all the work that goes into making systems connect and work together in the way an IT user does,” she says.

vendor that offers a complete end-to-end solution that incorporates industry-specific best practices, content, and support, rather than a point solution that requires customization. This ensures easier data migration and integration, greater agility, and faster time-to-value.



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