

# Weighing up the cloud

*For manufacturers, the prospect of a move to the cloud is increasingly real. Some will want to do it, others won't – but the decision as to whether it's a 'no' or a 'yes' can no longer be avoided, writes Paul Roebuck*

**T**he cloud is real. But is it right? Increasingly, that is the question that manufacturers must address. For, like it or loathe it, the idea of moving IT applications to the cloud can no longer be ignored. Even, it must be said, when those applications comprise an entire ERP suite, together with all the associated data that such a move entails.

And some manufacturers, of course, do genuinely loathe the idea. Hosted applications, on some remote server somewhere, are not for them. They want their IT infrastructure where they can see it, and touch it. And that's despite the fact that the statistics repeatedly show that applications hosted in the cloud have a higher uptime performance than in-house 'on-premise' IT applications.

But here at K3, we recognise that such extremes of opinion are fading fast. For if a business is happy to use cloud-based customer relationship management, routinely uses internet-based search engines, and communicates with customers via a Facebook page, then the cloud is already a matter of degree, not denial.

So how do real-life manufacturers weigh-up such decisions? 'With difficulty' is an answer that sounds trite, but is nevertheless true. And three recent real-life decisions, by real-life K3 customers, point up some of the difficulties involved. And, it must be said, highlight the fact that there is at the moment no single, 'right' answer.

At Leeds-based Surgical Innovations, for example, finance director Mike Thornton began weighing up the cloud at the start of this year. The imperative: a need to upgrade both the company's K3 SYSPRO ERP system, and the ageing server on which it ran.

"So it made sense to ask ourselves: was there a cloud-based solution?" he relates. "If we went for the cloud, future upgrades would be automatic, and there would be no need to invest in a more powerful server."

But despite the fact that the business was already investing in a fast fibre broadband line, senior executives worried about loss of connectivity and slow connections. 3G wireless might have been a back-up option, but the business's location meant that signal strength wasn't good enough.

"It was a close-run decision, but in the end we went for an on-premise solution," sums up Thornton.

On the other hand, Stoke on Trent-based ceramic tableware manufacturer Dudson was an early adopter of cloud-based ERP.

"We were running our systems – SYSPRO, Microsoft CRM, Microsoft Exchange and Equator payroll and time and attendance solutions – on different sites in different countries, and in different time zones," says Ervin Davis, strategic support director at Dudson.

One problem? Providing support for these remote operations. Not just during business hours in the UK, but during business hours overseas. Another problem: providing remote mobile workers with access to the systems, which generally involved the additional costs of virtual private network connectivity.

The attractions of a move to the cloud were obvious, relates Davis – despite what he describes as "the usual worries" over loss of connectivity. "While there was a cost to a cloud-based solution, it wasn't anything like the cost of having IT support people on standby during the night – which was the alternative," he says. "And having installed an MPLS line between our premises in Stoke on Trent and the servers in Edinburgh, we've only experienced two minor connection failures in five years."

Meanwhile, at Leicester-based S&P Coil Products, a cloud-hosted SYSPRO ERP system is seen as a way of delivering a fully scalable and secure system without the significant hardware cost of an on-site installation.

Delivered as a fully-managed service, the solution offers many advantages over an on-site installation, says Neil Hudson, the information, technology and communications manager at S&P.

"These include disaster recovery, security, regular updates and enhancements, plus the benefit of a single point of contact for all of S&P's business software needs," he explains. "By having SYSPRO deployed in the cloud, we are able to easily add new sites to the solution, as we grow." Already, he notes, S&P sites in Leicester and Dubai are operational, with expansion into India the next step.

What's more, he adds, thanks to having SYSPRO deployed in the cloud, staff at the company are able to access the network on the go, from their iPads and smart devices, and in situations where they don't always have easy access to a computer.

And there we have it. Three different manufacturers; three different ways of looking at – and evaluating – a move to cloud-based ERP.

It's a debate taking place in countless boardrooms up and down the country. Like it or not, the cloud is here to stay, and can no longer be ignored: businesses must factor the cloud into their thinking. ■



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