Scale and flexibility - Why companies opt for cloud solutions

Cloud solutions are nothing new – after all, SAP already has been offering them for many years. Yet, a number of organizations continue to rely on "on-premise" installations. In their view, the cloud simply cannot deliver the functionality that in-house software can provide. While true in some instances in the beginning years, the cloud is increasingly demonstrating its superiorities. Not only do cloud solutions provide "anytime, anywhere" access for employees, partners and service providers, but the easy scalability and maximum cost transparency of cloud services offer decisive advantages. The IT consulting firm CNT Management Consulting illustrates the advantages of cloud services.

Atlanta, June 2022. In a fast-moving economy, it is becoming increasingly important to be able to react quickly and easily to sudden shifts in the market. When looking at the ever-increasing amount of data which companies must process, this can prove to be quite a daunting challenge. "Technology gets more complex and complicated to run. Consequently, the integration between different platforms and systems requires substantial in-house expertise", argues Alexander Paulus, Managing Director of CNT Management Consulting in Atlanta. Therefore, business models' innovation and the expected agility in the business environment that comes with it are putting pressure on IT departments to deal with new requirements swiftly. While traditional in-house hosting solutions require long setup, installation and testing timelines, cloud services promise to cut down the pre-launch period and simultaneously allowing companies more flexibility. "There has certainly been a change in thinking in recent years", Paulus states, elaborating that "skepticism concerning the cloud used to be quite significant in the past. Nowadays companies are eager to transform, making cloud services almost indispensable for most businesses."

Agile, scalable and transparent

Today, customer experience is more important than ever. Here cloud solutions can be the distinctive feature of companies when compared to competitors. In addition to increased internal efficiency, cloud services enable data merging from different sources, even across companies. Also, the scalability of cloud systems is a huge advantage in today's work environment. Paulus emphasizes that "in a business environment that demands agility, cloud solutions can be scaled up and down easily and are able to handle evolving requirements fast and frictionless." Moreover, data centers can easily add hardware without affecting the uptime of services and the setup of new business models can be accelerated. Finally, in order to test new business models without the risk of substantial upfront investment, the functionality can be scaled down to a minimum. Especially concerning cost transparency, cloud solutions can be highly beneficial: "Instead of high upfront costs for hardware and infrastructure, costs are more transparent and predictable", says Paulus. Furthermore, data security is also improved, as cloud service providers have built-in data redundancy and achieve

an uptime of up to 100% due to their scaling capabilities. Last but not least, the "anytime, anywhere" access from different devices guarantees an effective business environment.

Not for everyone

Despite its various advantages, cloud solutions are not necessarily a suitable option for anyone. "Every organization should evaluate its processes and identify which part of its IT landscape can be meaningfully transitioned to the cloud", Paulus notes. For instance, industries facing stringent compliance regulations and privacy concerns may be reluctant to adapt their business to the cloud. This is because some cloud solutions are simply unable to meet the regulatory requirements of industries such as in legal or financial services. However, for the vast majority of companies, the cloud offers the ideal services for their specific requirements – regardless of their sector.

SAP: A trusted partner for cloud solutions

When it comes to the cloud, numerous companies rely on solutions from the market leader SAP. Germany-based SAP has been undertaking significant investments into moving its eco-system to the cloud. While the flagship SAP S4/HANA ERP solution is undergoing a cloud transformation, SAP Ariba has been a cloud-only solution from the very beginning. SAP Ariba is a cloud-based platform for purchasing and procurement that ensures the purchasing process's digital transformation. "Ariba connects companies to the largest of its kind business-to-business network for digital commerce and thus provides suppliers and customers with a shared platform to collaborate and manage their processes", Paulus explains. He concludes that "the network effects that are reached due to a high number of participants empowers customers to steer their sourcing and procurement processes in one single platform for all their important suppliers".

About CNT Management Consulting GmbH

CNT Management Consulting GmbH is a multi-award-winning international consulting firm with a focus on digitalization. For more than 20 years, CNT has been supporting companies from various sectors in the development and implementation of SAP solutions. From ten locations such as Atlanta and São Paulo, the service provider supports more than 180 customers worldwide.

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