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From on-premise to cloud

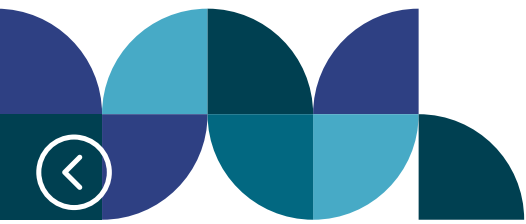
**7 common pitfalls to avoid in your
business software transition**





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HOW TO AVOID TAKING THE PAINFULL PATH

The cloud has come a long way over the past decade. Cautious business leaders waited for the model to prove itself before jumping on the bandwagon, but by now there is no doubt the cloud provides real benefits. It still represents change, though, and moving operations to the cloud should be approached with eyes wide open.

To help you steer clear of the problems that inevitably accompany change, we've collected stories based on the real experiences of companies like yours.

On each page, you'll find a cautionary tale founded on the hard-earned experience of technology partners, like us, who are dedicated to helping businesses realize the promise of the cloud.

Each organization is unique, and our goal with this document is to help you recognize warning signs within your own company that could take you down a painful path.

Your company may be ready for innovation and new ways of working and jump into the cloud without any issues.

Or, like most companies, you may have some internal struggles that make moving to the cloud less straightforward. We'll help you prepare for potential challenges with best-practice tips that have helped companies like yours.

Read on to make sure you avoid the "gotchas" on your journey to the cloud.

Morten Poulsen
CEO
Pipol A/S



Pitfall #1 *“It’s just like an upgrade, no problem”*

Thorough planning delivers dividends

Moving to the cloud is not as simple as flipping a switch. As with most business strategies, planning is critical for making the most of the benefits of the cloud.

With your transition to the cloud comes opportunities to capitalize on new technologies and modernize operations. Whether replacing manual accounts payable processes with automated workflows, delivering omnichannel customer experiences or managing travel and expenses, moving to the cloud without evaluating the strategic value of business process reengineering is opportunity lost.

Consider discussing your migration plan with a trusted technology advisor to identify and strategize getting the most out of your move.

Management team misjudges the impact

As part of an acquisition strategy, the management team of a food distributor decided to move their current ERP system to the cloud. The concept was to accelerate and simplify the transitioning operations of acquired companies through a cloud-based system.

The management team did not solicit input on the plan from their existing divisions. With no input from within, the management team not only missed the opportunity to modernize business processes, but they also created havoc.

RESULT: The IT department had to replace outdated desktops, evaluate customizations, and rebuild integrations increasing costs significantly.

Steps to avoid pitfall #1

- Establish strategic goals to guide the project from the beginning.
- Create a cross-functional, cross-department project team.
- Map out your exit strategy from your existing process well in advance.
- Look for ways to improve business processes instead of accelerating bad ones.
- Build in cushions of time for unexpected challenges, so they don't derail your implementation timeline.
- Keep communication lines open for the duration of the project.



Pitfall #2 *“We’ll figure out data migration as we go”*

Data management is critical

Data is the lifeblood of your organization and the foundation of your business management systems. Decisions will include many factors, including how to handle historical transactions, what security measures need to be in place, and reporting considerations.

Key stakeholders and experts with a deep understanding of the implications of data management must work together to make the best decisions for the organization.

Retailer saves costs on migration, pays later

A large regional retailer’s business came to a grinding halt when an entire class of inventory was missed in the data migration process. To save money on the cloud implementation, the retailer chose not to complete User Acceptance Training (UAT), so the oversight was missed.

RESULT: After go-live, orders processed through both the website and call center agents showed backorders for materials that were actually in stock. The retailer’s “invisible” stock angered customers and required the company to absorb the cost of rush charges to ship the erroneously backordered items

Steps to avoid pitfall #2

- For data migration, expertise counts. You need experienced resources who understand the risks and best practices of data migration.
- Plan your data migration with a full understanding of the data sensitivity, privacy concerns, and statutory compliance requirements specific to your industry and organization.
- UAT allows your users, who understand your data, to test transactions and identify problems before going live

Migrating historical transactions

Due to the costs associated with both the migration and storage of data in the cloud, your team will need to evaluate and decide how much transactional history needs to come into the new system. An experienced partner will be able to explain the pros and cons of a number of options for storing and accessing history.



Pitfall #3 *“Customizations and integrations won’t be an issue”*

Professionals to guide the journey

Through employee turnover and simply the passage of time, many companies lose track of how their business management systems were developed. Replacing legacy systems often uncovers layers of add-ons that are undocumented. Working with experienced business analysts and solution architects will help to identify the current environment and build a vision for the future.

Moving to the cloud provides the opportunity to simplify the application landscape, relying on the more advanced process capabilities of modern business management systems. Analysts and architects provide oversight and direction to optimize the business processes, workflows, and data management for the organization

The hidden world of data

The IT Director of a regional construction company assured their cloud ERP partner that all of the customizations and integrations to the current system were well documented. During the data migration, a large number of data fields could not be mapped, uncovering a previously undefined data source.

RESULT: Go-live was delayed while the additional data source was connected to the cloud environment.

Steps to avoid pitfall #3

- Commit resources to fully uncover and document customizations and integrations in use across the organization.
- Provide all available documentation to your implementation partner.
- Evaluate the need for customizations and potential infrastructure needs through business process requirements planning.
- Build in cushions of time for unexpected challenges, so they don't derail your implementation timeline.



Pitfall #4 *“Employees, customers, and business partners will just have to adapt”*

Anticipate the change

To ensure a smooth transition for everyone who uses the system, including employees, customers, and business partners, business scenarios for each group should be tested. Sample orders should be processed through e-commerce systems and vendor portals thoroughly tested.

Documenting and simulating the steps of each process also provides the opportunity to improve efficiencies and take full advantage of new functionality and emerging technology. By explaining the business case for the cloud and including employees in the transition, organizations set the stage for active, supportive participation.

Transportation company screeches to a halt


A transportation company was ready to transition from their on-premises ERP solution to the cloud. Since they were staying with the same vendor, the IT team leading the project saw no reason to invest in retraining employees. Users were notified of new functionality and directed to online training.

RESULT: After the cloud ERP go-live, productivity dropped sharply as frustrated employees tried to navigate unfamiliar screens. The company was forced to hold evening and weekend training sessions, incurring significant overtime costs.

Steps to avoid pitfall #4

- Include business process review in your cloud implementation plan.
- Communicate the business case for transitioning to the cloud to employees and schedule events where they can touch the products and ask questions.
- Offer regular training calendar for refresher sessions and training for new employees.
- Plan and execute a training program offering different methods of learning to employees, including online and in-person options.
- Take advantage of vendor offered training to control costs.
- Identify power users as resources to help train and answer questions for peers.





Pitfall #5 *“The cloud works pretty much the same as on-premises”*

Don't underestimate the change

In the marketing hype, cloud is often portrayed as a panacea, a silver bullet to “fix all your IT problems.” While it's true that the cloud can deliver tremendous benefits, including reducing IT challenges, a systematic review and evaluation of all the requirements is critical.

Requirements to be explored range from basic issues like local network mapping, to ensuring reliable high-speed internet connection (and a redundant backup ISP, for when the primary fails), and a defined and detailed exit plan. Proper planning and scoping - especially with the help of a partner well-versed in cloud deployment - will identify the steps to smooth the transition to the cloud.

Seems like a simple solution


The field services division of an oil company believed that moving to the cloud would provide a simple way to solve the challenge of coordinating employees and resources across a large geographic territory. A selection team spent considerable time and effort evaluating cloud solutions to meet their needs.

RESULT: When the corporate IT team finally got involved, the entire effort had to be restarted. A number of critical issues had not been considered, from the cost of refreshing field hardware to integration with corporate email and communication platforms.

Steps to avoid pitfall #5

- Include your IT team in cloud evaluation from the beginning.
- Work with experienced cloud technology partners.
- Understand how users will access the new system, including web or mobile.
- Evaluate the capacity of internet connections and internal networks to support peak loads.
- Identify end user hardware that will need to be refreshed.





Pitfall #6 *“We’ll redefine business processes later”*

Realize the potential of the cloud

A transition to the cloud is the perfect time to assess and modernize business processes. Cloud-based business management systems can facilitate the flow of information across departments, divisions, and business units to better manage your resources.

Overcoming the constraints of siloed legacy systems, organizations can reinvent processes to synchronize activities across all boundaries. A requirements analysis will also identify any functionality gaps that might exist. It is unlikely all features and functions currently available in your on-premises business software will identically exist in the cloud solution.

Nonprofit learns tough lesson in trust

When the vendor’s salesperson assured the Executive Director of a nonprofit that other organizations had migrated to the cloud without a business requirements phase, it seemed too good to be true - but the cost savings overcame her concerns. It soon became apparent that the salesperson didn’t understand the unique nature of the nonprofit. Several critical business processes required add-in solutions (third-party vendors) which could not be replicated in the cloud environment.

RESULT: The nonprofit abandoned its plans to migrate to the cloud and started looking for a new vendor.

Steps to avoid pitfall #6

- Break down department silos, connecting information across the organization.
- Automate manual business processes and use workflows to drive smooth operations.
- Capture and use data from across operations to provide a holistic view - using information for competitive advantage.
- Connect your remote and home-based workers to the information they need to remain productive anywhere.
- Meet the expectations of the millennial workforce to use technology to make work more efficient.
- Work with a partner who has experience identifying and integrating add-in solutions to improve performance and streamline processes.



Pitfall #7 *“As soon as we get up and running, we’ll tighten up security”*

Professionals to guide the journey

Through employee turnover and simply the passage of time, many companies lose track of how their business management systems were developed. Replacing legacy systems often uncovers layers of add-ons that are undocumented. Working with experienced business analysts and solution architects will help to identify the current environment and build a vision for the future.

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Distributor cuts corners, gets lost

Shortly after an auto parts distributor transitioned to a cloud ERP system, their biggest retailer alerted them to suspicious activity. Through an extensive - and expensive - investigation the breach was tracked to a third-party application they had chosen not to upgrade during the cloud transition.

RESULT: The distributor lost their contract with the retailer, and learned the true risk of taking shortcuts.

Steps to avoid pitfall #7

- Evaluate the viability and track record of any cloud provider you consider.
- Clearly communicate your organization’s internal security and industry compliance requirements.
- Understand who will have access to your data and how the cloud provider screens and educates their employees.
- Establish a full disaster response plan, coordinating with the BR/DM processes of the cloud provider.



THE RIGHT PARTNER TO GUIDE YOU

There has never been a better time to transition to the cloud.

Pipol can help you make the right choices and avoid the potential pitfalls.

With 100 offices in 85+ countries, Pipol is the largest international provider of consulting and implementation services based on Microsoft Dynamics.

Our solutions, services, and experienced organization are designed and set up specifically for international implementations and support.

We work with companies that are:

- Evaluating the pros and cons of moving ERP to the cloud
- Ready to transform their business with better systems for Financial Management, Distribution, Manufacturing, Field Service, Project accounting, e-commerce, Business Intelligence, HR/Payroll, and CRM.

We are where your business takes you. Whether you need local help or global project guidance, you can count on us and the value and commitment of our extensive network of experienced and skilled Microsoft Dynamics partners around the world!





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