7 Pitfalls to Avoid as You Transition Business Software to the Cloud

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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 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.

Don't fall for it!

1. It's just like an upgrade, no problem
2. We'll figure out data migration as we go
3. Customizations and integrations won't be an issue
4. Employees, customers and business partners will just have to adapt
5. The cloud works pretty much the same as on-premises
6. We'll redefine business processes later
7. As soon as we get up and running, we'll tighten security

Pitfall #1

It's just like an upgrade, no problem

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 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, they created havoc. The IT department had to race to replace outdated desktops, evaluate customizations and rebuild integrations. The costs were much higher without adequate planning.

Thorough planning delivers dividends

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

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, not just accelerate 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

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. 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.

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 deep understanding of the implications of data management must work together to make the best decisions for the organization.

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 go-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

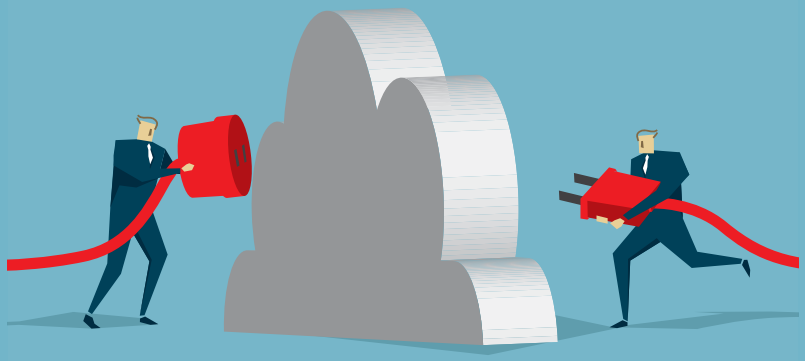
The hidden world of data

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

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.



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 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

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 resources. 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.

Anticipate the change

To assure a smooth transition for everyone who uses the system—including employees, customers, and business partners—the 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 cloud and including employees in the transition, organizations set the stage for active, supportive participation.

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.

Pitfall #5

The cloud works pretty much the same as on-premises

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. 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.

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.

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

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. A number of critical business processes required add-in solutions (third-party vendors) which could not be replicated in the cloud environment. The nonprofit abandoned their plans to migrate to the cloud...and started looking for a new vendor.

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 accounting solution.

Steps to Avoid Pitfall #6

- Break down departmental 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.

Pitfall #7

As soon as we get up and running, we'll tighten up security

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

Security should always come first

Security should be the first priority when choosing a cloud solution. As security risks escalate on a seemingly daily basis, only experts can provide truly reliable protection of data and systems. With cloud ERP and CRM solutions, specialized professionals understand the complexities of integrated systems and third-party applications.

Part of every cloud ERP or CRM evaluation should include full disclosure of Business Recovery and Disaster Management (BR/DM) processes. Providers should be able to present redundancy plans for cloud facilities across a range of locations.

In addition, cloud providers should demonstrate a full understanding of all aspects of regulatory compliance, both in the US and abroad, to protect business and consumer data.

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

Selecting the correct business management system for your company is critical for your future success. Feel confident with iCepts Technology Group, Inc's, approach to ERP selection including:

- No obligation, in-depth process analysis and structured meetings to learn about your business process flow and goals.
- Honest assessment on what solution and deployment option would be best suited for your company.
- Consulting with our vast industry knowledge team with decades of experience.
- Partnering with a company that has been in business since 1980 and has implemented hundreds of ERP systems.
- Working with a Microsoft Gold ERP Competency Level Partner.
- Referenceable accounts to learn more about how we work with our customer and discover why they have been with iCepts Technology Group for so long.

Contact us today to start your journey in learning more about modern business management solutions:

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About iCepts Technology Group, Inc.

Since 1980, iCepts Technology Group – a 100% Employee-Owned Company – has been working with wholesale distributors, manufacturers, and other industries with various supply chain management and technology solutions.

Our goal is to leverage our many years of vast industry experience along with our technology knowledge in partnering with companies like yours in order to achieve greater efficiency, streamline operations, and gain access to vital business reporting to stay competitive plus profitable.

Our current technology solutions include:

- Microsoft Dynamics 365 Business Central
- Microsoft Dynamics NAV
- HighJump Warehouse Edge
- Infrastructure Technology Solutions

Over the years, we have implemented hundreds of systems and can help your company determine the appropriate technology fit. We provide start to finish services for the solutions we represent including in-depth process analysis, implementation, training, security and networking.

Naturally, we also provide full ongoing support for years after implementation to help our clients succeed. We are your "one stop shop" for your business technology needs. Discover why customers have been with iCepts for so long; our vast industry knowledge, friendly personnel and superior customer service!

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