



Navigating the true cost of on-premises solutions versus cloud computing

Maximise the value of your IT investments by partnering with experts who understand your business





What is cloud computing?

Cloud computing offers an incredibly powerful value proposition. It enables organisations to rapidly provision resources from service providers, scaling up or down depending on overall usage, user requirements, and the growth of a company. Organisations pay on an as-needed basis for the resources they use and there are no capital expenses required to get started enabling organisations to compete more effectively and in turn accelerate innovation.

Widespread adoption has led many customers to shift from on-premises solutions to cloud delivery models and in turn forced others to start questioning whether they should be taking the same approach.

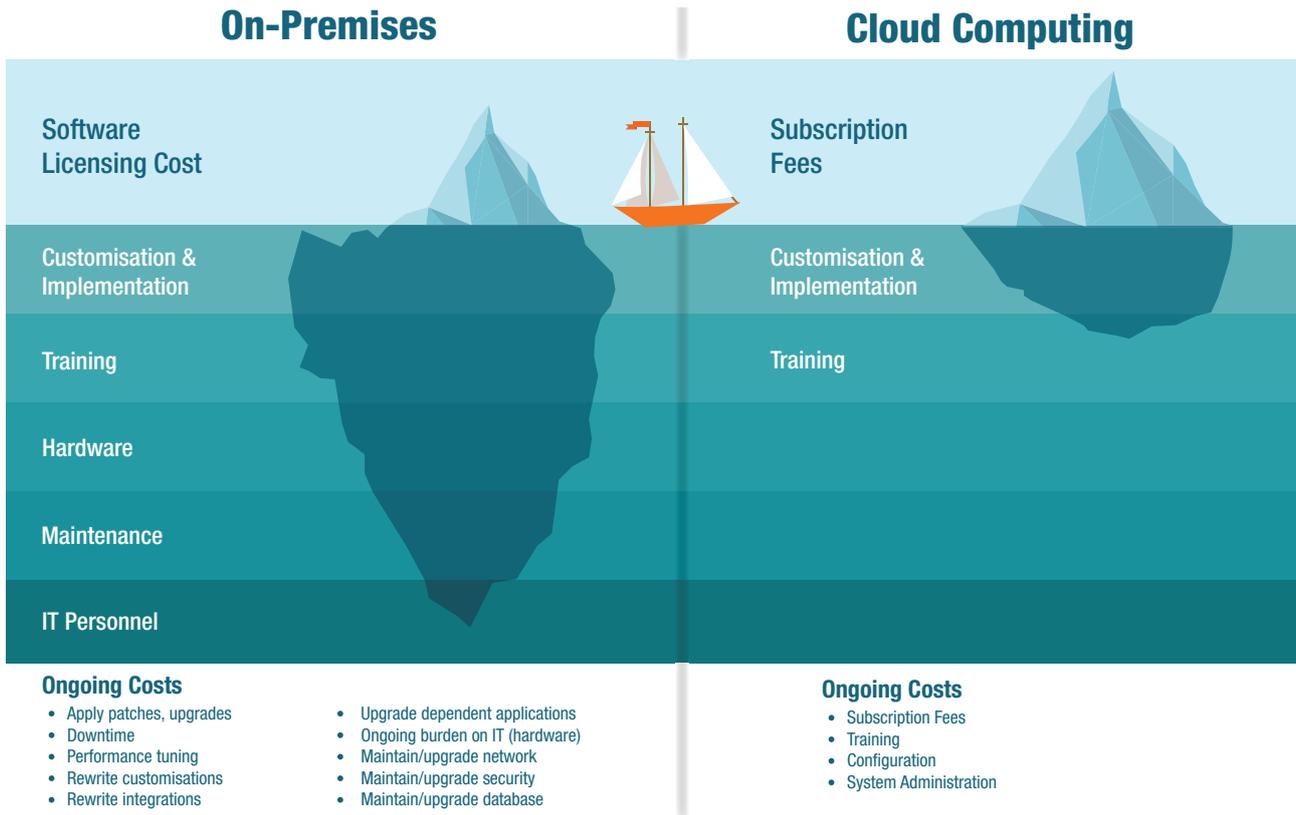
Cloud removes the hassle of maintaining and updating systems, allowing you to invest time, money, and resources into fulfilling your core business strategies.



Drivers for cloud adoption and associated benefits

Cloud adoption is being driven by the business imperative to digitally transform. It's a critical enabler allowing organisations to run their businesses more efficiently, better serve their customers and increase profit margins – essentially letting you focus on what you do best - without worrying about your IT infrastructure. There are many benefits to adopting a cloud first approach including:

- ✓ **Agility:** Cloud computing allows you to rapidly respond to changing business needs – you can scale up or scale down your operation and storage needs quickly to suit your situation. The best part about this? Pay only for the resources you need when you need them.
- ✓ **Cost Efficiency:** Avoid the upfront cost and complexity of owning and maintaining your own IT infrastructure. By using the resources of your cloud computing service provider you can reduce your operating costs because the costs of system upgrades, new hardware and software will be included in your contract, your energy consumption will reduce and you will be able to utilize the expertise of your service provider removing the need for expensive in-house staff.
- ✓ **Competitive edge:** Mid-sized businesses can move more nimbly than competitors who must devote IT resources to managing infrastructure.
- ✓ **Enhanced collaboration:** It's much better to collaborate in a transparent manner and cloud environments encourages this – users can be exposed to the same infrastructure and operate seamlessly without stepping on each other toes.



Comparison of on-premises to the cloud

On-premises, by definition, is using your own physical infrastructure to run servers, emails, network, and storage facilities on your own premises.

A simple comparison of on-premises to the cloud, typically compares on-premises software and licensing costs to cloud subscription fees. While this is not strictly an apple to apples comparison, it is a comparison of the most visible costs.

Often what many organisations take for granted however are the soft costs (or 'below the line' costs) associated with on-premises solutions. There is the initial investment in hardware and infrastructure required as well as on-going costs in maintenance, power consumption, storage space, and dedicated IT personnel.

By moving to the cloud, these costs are both greatly reduced and spread out over time with minimal upfront expenses required. There is typically a small increase in the monthly spend, however that is more than accounted for by the other savings - and much better on cashflow too.



Finding the right solution for your business

There is no right or wrong answer to the cloud vs on-premises debate. In our experience every customer is different, and every business has different requirements which will influence the choice of deployment strategy. That said, cloud is an enabler of business agility, resiliency, and productivity; and will also deliver you cost savings. Let us help you on this journey.



Where to next?

Contact Platinum Technology for a no obligation consultation to see if this is the right choice for the future of your business.

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