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RESEARCH

# QAD ELEVATE LOWERS COSTS AND ACCELERATES CLOUD MIGRATIONS

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## THE BOTTOM LINE

Cloud ERPs are easier to manage, cheaper to maintain, and more reliable than on-premises deployments. Yet, manufacturers have been slow migrating to the cloud, citing employee bandwidth constraints and cost concerns. QAD Elevate is a program designed to alleviate the risks of cloud migration by guiding customers through the entire process onto QAD Adaptive ERP. With QAD's established best practices, pre-built templates, script converters, and data migration tools, Nucleus anticipates customers of QAD Elevate to accelerate their cloud deployment by 50 percent and reduce costs by 35 percent.

## OVERVIEW

The value of transitioning manufacturing companies' on-premises ERPs to the cloud is well documented. Nucleus found that the average ROI of cloud deployments is four times greater than that of on-premises solutions. (Nucleus Research U176 – *Cloud delivers 4.01 times the ROI as on-premises*, November 2020) Yet manufacturers have trailed in their adoption of cloud technology over the past decade. Organizations choosing to remain on legacy systems often cite several barriers impeding ERP cloud migrations, such as high implementation costs, long-tailed projects, cumbersome change management that will drain resources and impact day-to-day operations, and the risk of failed deployments and damage to data quality. While these are legitimate fears to any ERP modernization initiative, vendors and technology consultants have prioritized alleviating these risks.

Today's cloud migrations are not the same as they were a decade ago. With established best practices, migration tools, pre-defined templates and data models, and pre-built connectors, the ROI of organizations retiring on-premises systems in favor of SaaS products continues to improve as implementation cycles are accelerated and simplified. In a report investigating the value of transitioning on-premises systems to comparable cloud solutions, we found that organizations recouped \$3.43 for every dollar invested in their cloud migration initiative. Organizations achieved value with migrations by reducing IT-spend and infrastructure costs, improving user productivity, and extending solution functionality. (Nucleus Research V47 – *Cloud migration returns \$3.43 for every dollar spent*, March 2021)

## VALUE OF THE CLOUD

The events of the pandemic have shown us that cloud ERPs were more resilient and could better support a distributed workforce. Now, with tightening financial pressure, labor shortages, and constant supply chain disruptions, organizations should get ahead of the problem and migrate. Modern cloud ERPs more readily support businesses' growth strategies, organically or through M&A. Deploying a cloud ERP to new office locations or business units is cheaper than deploying an on-premises solution, given the avoided hardware, integration, and administrative costs. With ever-changing industry and financial compliance requirements, organizations need the flexibility and ease of use of a modern cloud ERP to make changes to workflows and report formats on a daily basis. Furthermore, modern cloud ERPs are updated with bug fixes and new features multiple times per year so companies can leverage the latest technologies and capabilities. On-premises ERP systems, on the other hand, are often outdated due to limited IT resources, customization breaks, and system downtime associated with update cycles.

The benefits of a cloud ERP extend to the IT department too. On-premises ERPs are more susceptible to ransomware, may fall behind on critical patches, and often lack disaster recovery and data protection capabilities. As cloud technology matured, we found that cloud-native ERP solutions experienced less downtime, fewer cyberattacks, and have more effective backup and recovery best practices than their on-premises counterparts. Organizations must also consider the lifespan of their legacy ERP, where they may be facing end-of-life infrastructure and third-party support, such as with operating systems and servers. With employees resigning in record numbers, organizations with legacy on-premises systems are finding it increasingly challenging to replace IT experts with the knowledge to keep the old ERP running. Modern cloud service delivery erases these risks.

Some cloud ERP vendors with an on-premises customer base have prioritized migrating users to the cloud by making it easier, faster, less expensive, and more dependable to upgrade. One such vendor, QAD, is a cloud ERP and supply chain solutions specialist that targets product-centric organizations, primarily manufacturing, within the middle and enterprise markets. Customers pick QAD for its industry-specific functionality and extensible platform. For example, one customer achieved a 784 percent ROI with QAD's low/no-code app development tools, producing a demand forecasting solution without purchasing additional applications. (Nucleus Research V118 – QAD ROI case study: Noble Biomaterials, July 2021) Recognizing the budget, time, change, and technical constraints businesses face when upgrading and moving to the cloud, QAD developed a program called QAD Elevate that helps alleviate the migration burden.

## QAD ELEVATE

QAD Elevate is a migration program designed to rapidly and dependably move current manufacturing customers to the latest version of QAD Adaptive ERP, running in the QAD Cloud. Available as a pre-packaged service, the program is managed and executed by QAD's Elevate professional services team, and all customers running on-premises versions of QAD are eligible. Customers of the Elevate program will be guided through the entire conversion lifecycle, including project planning, data migration, functional testing, training, and go-live and post-implementation support.

Bringing managers and users into the ERP upgrade process early, QAD Elevate provides an initial analysis to map current business gaps to newer ERP capabilities. QAD Elevate further reduces the change management barrier with its 'Advisory Services' offering that develops a blueprint and roadmap aligned with customers' business goals and challenges. With nearly a decade of migration experience, QAD's professional services team has established best

practices with planning and process templates, configurations, and data migration tools, all available via remote delivery, so delays and costs associated with travel are eliminated.

## ANTICIPATED BENEFITS

As QAD Elevate lays the foundation for digital transformation, Nucleus anticipates that customers adopting QAD Adaptive ERP through the QAD Elevate Program will benefit from accelerated deployments, reduced implementation costs, and improved deployment quality. This is due to Elevate's ability to eliminate customizations while leveraging QAD Adaptive ERP and Adaptive UX capabilities to translate the custom functionality into configurable workflows and extensions. The migration supports all current languages and localizations of on-premises deployments and adds more languages and tax and trade compliance localities available to cloud users. Nucleus has observed manufacturers with fewer than six sites move to the cloud in under five months, with more complex migrations ranging between eight and ten months.

With less time spent implementing QAD Adaptive ERP, organizations save on consultant costs and shorten time-to-value, especially when considering the reduced administrative complexity and training services that drive adoption. Nucleus anticipates cost savings of QAD Elevate to range between 25 to 35 percent compared to the costs of leveraging third-party implementation consultants to drive the project. By reducing the IT burden during and post-implementation, QAD Elevate eliminates a long list of IT-related concerns, such as converting customizations, defining data models, and establishing security protocols. As a business deploys faster and more reliably, it can begin extracting value from QAD Adaptive ERP sooner, placing the organization on a more competitive path as it jumpstarts its digital transformation initiative.

## WHY IT MATTERS

Cloud deployments are the future of ERP. Even traditionally on-premises organizations in Government Contracting and Aerospace & Defense industries are adopting cloud ERPs as vendors meet the security compliance requirements of government agencies. Cloud adoption is in part driven by organizations increasing their international presence and branching out offices and ventures overseas. QAD offers multi-ERP instance management and global tax management solutions for international companies. (Nucleus Research W73 – *Best ERP systems for global tax compliance*, May 2022)

With the skyrocketing demand for ERP, competition amongst vendors has heated up. ERP vendors often compete on time-to-value, where customers are likely to choose a solution that can be up and running in under a year, broadly adopted, and easy to manage in terms of costs and administration. Migration programs like QAD Elevate are essential for ERP vendors to remain competitive and for customers to maximize their technology investments.