



## Delaying the move to the Cloud: 5 risks for your business

A Pegasus Business Guide

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***“Next Christmas the iPod will be dead, finished, gone, kaput”***

**Alan Sugar, 2005**

Even the best of us can get things wrong in a big way when predicting the future. When it comes to the cloud, we all know that more and more businesses are moving in that direction, but just when will mass adoption take place?

Businesses in the UK are closer than ever to that moment: the cost of cloud computing is lower, meaning a positive impact on the bottom line when choosing a cloud-based accounting and business system over a traditional on-premise offering. Overall, the number of companies adopting cloud-based systems is growing exponentially year on year, as more and more businesses are drawn by the many operational benefits this approach has to offer.

Add to these the agility associated with running a cloud solution, and it's easy to understand why attitudes to the cloud in business are changing: the old doubts about cloud deployment are now dissipating in favour of the question, “What are the risks associated with *not* moving to the cloud in the near future?”

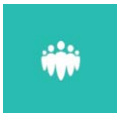
So let's have a look at what staying still and not adopting a cloud solution means for business.

# 5 risks if you delay moving to the cloud



## 1 Ongoing cost of hardware

Managing and maintaining your own network or data centre can be very costly on an annual basis: support and maintenance contracts, hardware and software upgrades, admin, staff costs and much more all add to the ongoing annual cost of managing an in-house system. Deploying a cloud system removes these costs and the savings can be diverted to other, more strategic areas of the business where they can be used more productively.



## 2 Lack of competitiveness

In today's 24/7 world, the need to respond quickly to any situation is essential. New competitors can appear virtually overnight, changing the way you have to do business and forcing you to create market share very quickly. Many of these businesses will be using cloud platforms in order to expand rapidly and add scale to gain market share, before slower competitors can react. The cloud's ability to support these business growth plans is becoming harder to ignore.



## 3 Lack of disaster recovery planning

It may not be a pleasant thought, but an on-premise system is potentially one fire or flood away from a disastrous position. Of course backups do help but they are only one part of the equation, while a hosted cloud solution offers more business continuity. They offer recovery and failover capabilities that most companies cannot match independently, and normally have restore services at another location to ensure that continuity. There aren't many businesses that can afford to manage and maintain an IT system with that level of resilience.



## 4 Hindrance to your mobile workforce

By moving to the cloud you are removing any barriers that your workforce may have in gaining access to the system. Any employee with an internet connection can access applications at any time, from anywhere, using mobile devices such as tablets, or more conventional computers and laptops. The cloud enables agile, flexible working, adding to your company's productivity and competitiveness.



## 5 Preventing business growth

Businesses today are fast-moving and acquisitive, but the ability to merge operations effectively is a challenge. Hardware, software and infrastructure can hinder progress, and the cloud can be the ideal solution, efficient and economical, to smooth the transition.

## The real costs

Replacing an on-premise solution with the cloud replaces a host of associated direct and indirect costs with a simple monthly fee. When comparing ongoing on-premise against cloud, direct costs can look comparable at first, but the real savings come from looking at your indirect costs as well. These include:

- Maintenance of existing infrastructure
- Ongoing hardware costs
- Initial up-front licence fee
- Support fees
- IT staff



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