7 Infrastructure Considerations:
On-Premise vs. Managed Cloud

Companies in virtually every industry face the question of whether to invest in emerging technologies that promise to transform the way they do business, and open the door to new opportunities and growth potential – or stay the course in their current, yet sometimes outdated, technology investments.

Is managed cloud right for your business? Or is it best to stay the course with your on-premise solution? The following is an analysis of 7 priority areas to consider when determining your enterprise infrastructure.

On-Premise   # Managed Cloud

Capital Expenditures

On-Premise: The larger the enterprise, the greater the CAPEX costs. Expenses include computer equipment, storage, networking, rack space, power, cooling, etc. Large capital outlays for equipment typically occur upon initial implementation, periodically at equipment end of life, and unpredictably due to project demand or unexpected growth.

Managed Cloud: No large capital expenditure for hardware and other infrastructure components. Large capital expenditures are replaced by monthly operating expenses that are predictable long-term.

Personnel Considerations

On-Premise: Many companies struggle with maintaining a proper technical administration staff for supporting SAP environments. A small SAP administration and support staff can be stretched very thin when trying to stay abreast of evolving SAP technologies while also supporting 24x7 operations and a variety of business initiatives. This can lead to high turnover.

Managed Cloud: Your Managed Cloud provider will have a large pool of experienced and qualified resources. With work being spread across a "right-sized" team of talent, IT departments can rest assured that there are always qualified resources who understand their environment, reducing risk for extended service interruptions in business critical applications.

Realization Strategy

On-Premise: IT teams usually must rip and replace existing infrastructure. On-premise solutions can take months to roll out company-wide.

Managed Cloud: IT teams can add new features alongside existing systems to evaluate deployments. Pilot programs and demo systems can be rolled out quickly, with small incremental increases in operating expenses.

SAP Infrastructure Modernization/ Certification

On-Premise: IT departments must stay up to date on the latest technologies required to run SAP. These requirements can change with new releases, possibly resulting in out of date hardware before it has been fully depreciated.

Managed Cloud: In a Managed Cloud model, it will be up to the provider to ensure that the proper certified hardware is being used to run your SAP system. The effort to stay educated and make forward thinking buying decisions is squarely on the provider.

IT Flexibility

On-Premise: As compute and personnel needs change due to unanticipated growth, projects, acquisitions, etc., a burden is placed on corporate IT departments to be able to meet these business critical requirements.

Managed Cloud: Your Managed Cloud provider should have the ability to scale according to your needs, both for temporary and permanent demand requirements. They will be able to scale both in compute and architecture, as well as in the human resources capacity required to support changing demand.

Maintenance and Updates

On-Premise: Updating features may need to be repeated a number of times, depending on the architecture of the on-premise solution. Upgrades or feature enhancements can take months or even years.

Managed Cloud: Software updates are maintained by the Managed Cloud provider, so subscribers will always be up to date.

Disaster Recovery (DR)

On-Premise: Disaster Recovery solutions can be expensive to implement and maintain by internal IT departments, often resulting in solutions that do not provide a reliable recovery.

Managed Cloud: Your Managed Cloud provider will take the burden of design, architecture and run of the Disaster Recovery solution off of internal IT departments. Gain access to a proven Disaster Recovery solution that is tested at regular intervals and provides a defined SLA for your Recovery Time Objective and Recovery Point Objective.