Is COVID-19 the Last Nail in the Coffin for On-premises Systems?

On-premises computer systems (servers and desktop applications) have seen a gradual decline since cloud computing gained popularity over a decade ago. The current COVID-19 crisis will certainly accelerate that trend. Some say it may deal a fatal blow to on-premises systems altogether.

As we have seen, COVID-19 shifted working patterns to primarily work from home (WFH). That pattern might continue for a long time. For example, many companies could find that their WFH employees don't want to return to the office when the restrictions have passed. Once they've had a taste of bedroom-to-home-office commutes and increased closeness to family, they may never want to go back.

So, with many employees already working in the cloud, does it make sense to maintain your own server hardware and application software? Is COVID-19 the final nail in the coffin for on-premises systems? Let's look at some of the nails already in the coffin, then you decide.

Existing Nails in the Coffin

We have all the tools – With Windows 10 and other Microsoft-as-a-service software like Office 365 and Windows Server, plus hundreds of other SaaS apps from Adobe, QuickBooks, Salesforce, etc. small businesses have all the tools they need to live full-time in the cloud.

We're most of the way there – On average, employees use 36 cloud-based services per day. Furthermore, before COVID-19, experts estimated that by the end of 2020, IaaS and other cloud-based services would account for 67% of enterprise infrastructure. Additionally, 82% of the workload would reside on the cloud.

Enterprise applications (e.g. Office 365, Salesforce, etc.) represent 70% of cloud services in use at work, while consumer cloud apps (such as Twitter or Instagram) account for the remainder.

Numerous Business Advantages – In addition to the obvious appeal of no capital expenditures for servers and expensive desktops, those who opt for 100% cloud enjoy these business benefits:

- Enhanced Collaboration with file sharing, content sharing, etc. from anywhere
- Increased performance and flexibility
- Improved customer support (Source: IDG)
- No on-site IT team or expert needed
- They get the latest and greatest updates faster

Also, of note, moving to the cloud generates an almost immediate positive business impact. In fact, 80% of companies report operational improvements within a few months of adopting the cloud. Likewise, SMBs report that third-party cloud platforms are 40% more cost-effective than maintaining an in-house system. (Source: Multisoft)

Better Security – According to Salesforce, cloud technology is so consistently secure that 94% of businesses report significant improvements in online security after moving their data to the cloud. And, IDG reports that organizations citing concerns over security as a barrier to cloud adoption have dropped by more than half since 2015 to 33%.

The Biggest Nails

Digital Transformation - With two-thirds of businesses surveyed reporting that digital transformation is their top priority, strong incentives are already in place for more of them moving to the cloud.

Increased Focus on the Business/Make More Money - According to Microsoft, 63% of SMBs using cloud solutions expect their sales to increase compared to 49% of those who don't use the cloud. One explanation is that cloud solutions allow business leaders to focus more on their business.

> *They spend less of their time and resources managing hardware and maintenance, and more time acquiring and retaining clients and doing what they are passionate about.*

Fast Growth - With the functionality of on-premises systems available in scalable cloud solutions, the cloud is the best choice for small companies seeking rapid growth. Rather than quickly outgrowing servers, the cloud stretches easily to match their rapid expansion.

Ease of Use - A Salesforce study found that 60% of small business leaders have trouble implementing new technologies. Thus, ease of use is the primary factor when they evaluate new tools. Hence, many small businesses seek to simplify the adoption of new business technologies and services by moving to the cloud.

Compete with Larger Businesses - Finally, let's consider the pace of modern business. Tech startups explode into billion-dollar apps and services with amazing speed. Supporting that model, the cloud allows small businesses to implement emerging technologies like AI and IoT without building, maintaining, and managing the infrastructure that supports them.

In addition, enterprise-class business tools available to anyone on the cloud put them on more of a level playing field. This makes it possible to constantly improve and compete without purchasing expensive, on-premises systems. In many cases they prove to be more agile than their larger competitors.

Getting Back to Work

We all want to get through the COVID-19 crisis in good shape. Fortunately, you can while boosting your productivity to a whole new level with fast, reliable, and flexible Cloud services from eMazzanti Technologies.

The Cloud makes it easy to access your data from anywhere (without compromising security), enabling you to deal with the current crisis, optimize your mobile workforce, save money on IT infrastructure, and become more nimble than your competitors. On-premises systems R.I.P.

Is your team prepared to work remotely?

Click this link for a summary of remote work services provided by eMazzanti technologies.