

EXECUTIVE BRIEF

Conquering business complexity

Ten ways cloud computing simplifies processes and helps organizations navigate "the new normal"

Understanding the driving pressures

As organizations begin to face post-COVID economic recovery, they're finding that the new normal requires a new breed of software. Outdated solutions with layers of modifications and patched applications have become tangled webs, trapping organizations in decades-old processes.

Yet organizations know they need to update their solutions to stay relevant. During the global pandemic, we learned some difficult lessons about supply chain vulnerability that no one wants to repeat. We also learned that remote workers can still be productive if they have the proper tools in place. Now, more than ever, organizations are reexamining how work gets done and how processes can be streamlined. Automation is often the answer, and cloud computing offers the ideal platform under which this transformation can take place and even thrive.

Adoption of modern, cloud-based software solutions can help organizations tame today's business complexity, making success simpler to achieve.

Along with built-in industry best practices and advanced capabilities, cloud solutions can help organizations meet the demands of the new normal. Cloud solutions can help address the urgency behind modernization as organizations attempt to bridge the deficit between those who accelerated digitalization in 2020 and those who paused initiatives. With the right cloud partner, cloud solutions are uncomplicated to buy, easier to maintain, and simpler to run.

Paving the way for change

Driven by the desire to digitalize end-to-end operations, many organizations have come to realize they need to deploy their core enterprise resource planning (ERP) solutions in the cloud. But when the pandemic hit, some organizations' cloud initiatives were still in transition. The pandemic forced the question, should they continue with their timeline, accelerate deployment, or put their plans on hold?

For many organizations, the uncharted waters of the pandemic provided a nudge to overcome lingering hesitancies. According to **Synergy Research Group**, "in uncertain times the public cloud is providing flexibility and a safe haven for enterprises that are struggling to maintain normal operations."

In fact, some industries accelerated years of technology deployment practically overnight. **R Ray Wang** of Constellation Research says at least five years' worth of technology adoption were compressed into one. McKinsey saw even more aggressive timelines, with "analytics capabilities that once might have taken these organizations months or years to build came to life in a matter of weeks." Now, those organizations that have already put their ERP solution in the cloud provide the template for those who are ready to catch up.

Ten ways cloud solutions simplify complexity:

Here are some key ways cloud solutions help solve complexity, one of today's most pressing business challenges:

- 1. **Agile response**—Many economic analysts project that the pace of rapid change is here to stay. When solutions are deployed in the cloud, it's easier to quickly set up new divisions or branches, break off business units, or merge with partners. Highly flexible, cloud-based systems can scale to meet changing needs, including multiple languages and currencies.
- 2. Innovation—Cloud solutions simplify innovation by giving business users easy access to real-time collaboration tools they can use for problem-solving across teams. With ideas and research captured in a knowledge base, new concepts can continue to be developed over time, with multiple teams working on the same projects. The deep storage capacity of cloud solutions are ideal for supporting ongoing R&D efforts.

- 3. **Automation**—Cloud solutions provide the ability to turn to artificial intelligence (AI) to analyze processes and make smart decisions. Using the cloud's vast storage capabilities, AI-driven analytics collect data points and can aggregate and sort for anomalies that require further action. Events can trigger automated responses, such as quality control checkpoints.
- 4. **Decision-making**—The use of AI and machine learning can also help business users make well-informed decisions, based on system recommendations. Some yes/no checkpoints can be automated, with the system determining if sufficient requirements are met. For example, if purchase orders and invoices match with no discrepancies, the system can approve payment.
- 5. **Streamlining security and services**—Security is a top concern for many companies, so it's critical that they leverage a secure infrastructure provided by cloud experts, like Amazon Web Services® (AWS®). Cloud providers can also manage maintenance and disaster recovery and day-to-day needs, making the entire IT function simpler to manage and maintain.
- 6. **Regulation compliance**—Governance requirements have become increasingly confusing and time-intensive to manage in some fields. Industries with high stakes, such as aerospace and defense, face strict regulations and steep fines for noncompliance. Cloud solutions, which can receive automatic updates, help companies to stay current on the latest requirements.
- 7. **Simplifying the approval process**—Large organizations tend to have complex approval systems. Often, cloud solutions can streamline these steps. Armed with decision-guiding tools and firm rules that prevent business users from inadvertently over-stepping authority, middle managers can be granted more decision-making rights and responsibilities. This frees the C-suite to focus on more strategic issues, rather than just the day-to-day basics.
- 8. **Do-it-yourself reporting**—For many legacy systems, reporting is often complex and requires assistance from the IT team to custom-write queries. Modern solutions deployed in the cloud often have AI-driven reporting that directly guides business users through creating customized reporting. Cloud solutions can empower users to be highly engaged, allowing them to make the most of built-in tools.

- 9. **Supplementing the IT team's resource gaps—In many** regions and industries, a shortage of qualified IT professionals is causing a strain on organizations. Turning to cloud computing helps stretch resources. The cloud provider manages the day-to-day security, hardware, and routine back-ups, so the IT team can focus on more strategic issues. An organization's CIO can help bring the enterprise into the digital era, setting a sound strategy and foundation for the use of technology.
- 10. **Environmental responsibilities**—Consumers have increasingly become active supporters of a myriad of causes with sustainability frequently being a top priority. And they often expect the organizations they do business with to take these matters just as seriously. According to Accenture, "2020 has made it clear that consumers don't just view organizations as a catalog of their top goods or services, but also as a representation of values."4 Cloud solutions can help organizations manage their environmental initiatives, such as by tracking and monitoring the use of resources, like energy and water.

Simplifying processes

Business complexity in today's new normal can be overwhelming, along with growing pressures for accelerating speed and performance. "The upheavals induced by COVID-19 generally widened preexisting gaps between leaders and laggards across industries and regions," says Boston Consulting Group. "The widening gap in value creation trajectories raises the stakes for all companies going forward... Top performers must deal with record-high expectations and valuation levels, while underperformers face mounting pressure, including from activists ready to engage after waiting out the market turbulence."5

Cloud solutions, with the power of AI and machine learning technology, can help companies automate processes and put best practices in place. Companies can minimize risk and differentiate themselves from the competition. In the emerging new normal, simplified processes—streamlined and automated—will be a key part of enterprise success.

^{4.} Roy likin, "25 cloud trends for 2021 and beyond," Accenture, March 4, 2021.

5. Boston Consulting Group (BCG), "The Pandemic's Effects Have Widened the Gap Between Industry Leaders and Laggards in Value Creation," May 7, 2021, press release.













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^{1.} Synergy Research Group, "COVID-19 Fails to Dent Aggressive Growth in Cloud Spending; Half of the Q1

Market Belongs to Amazon & Microsoft," April 30, 2020, press release.

2. R Ray Wang, "Monday's Musings: The Rise Of The Digital Executives," R Ray Wang, March 22, 2021.

3. Nicolaus Henke, Ankur Puri, and Tamim Saleh, "Accelerating analytics to navigate COVID-19 and the next

normal," McKinsey & Company, May 21, 2020.