



AKA
Enterprise Solutions

CRM Online or On-Premises?

A Guide to Help You Decide



**Microsoft
Partner**



Gold Cloud Platform
Gold Cloud Business Applications
Gold Cloud Customer Relationship Management
Gold Enterprise Resource Planning
Gold Application Development



***My company is evaluating CRM solutions.
Should we go with an on-premises or cloud version?***

When it comes to selecting a CRM platform, this question often prompts debate. Many companies make the decision but then look back—even for just a few minutes—and second-guess it. Often, this is a result of making the decision without a solid understanding of the options; rather, it is based on misconceptions and misinformation, cultural influences, lack of IT expertise, and in some cases, personal preference.

As with any important decision—and this is especially true for technology—defining your requirements and the best way to address them will go a long way towards making a decision you can feel confident about. Unfortunately, since every organization is unique, there is no magic formula that will give you a concrete answer.

There is, however, a solid approach that can help any organization—large or small, in any industry—be better equipped to make the right decision. This guide outlines that approach. Using it as a starting point, you will be able to make the right decision for your organization... and with confidence.

THE APPROACH

The following approach involves a few simple but important steps. First, you need to understand the differences between the two deployment options. Second, you need to gain a solid understanding of your company's structure and operations. With that information, you can evaluate the options intelligently.

UNDERSTAND HOW CLOUD AND ON-PREMISES DIFFER

The first step is to understand the typical differences between the two deployment strategies. There are important and very relevant differences, but keep in mind that they have evolved over time and are generally working their way closer to parity. Also note that overall, these differentiators are not product-specific. However, it's important to understand the features of the product you are evaluating. These differences will also vary depending on the type of implementation, which will be discussed later.



The first step is to understand the typical differences between the two deployment strategies.

CRM ON-PREMISES	CRM ONLINE/CLOUD
You can typically utilize existing in-house server hardware and IT expertise	No server hardware required
You have responsibility and control over upgrades to your server specs, such as memory and disk space and configuration	The hosting provider manages the server
You have responsibility and control over your database performance monitoring and custom indexing	The hosting provider handles performance monitoring, indexing, etc.
You have responsibility and control over your data backup strategy	The hosting provider typically performs backups daily, which are available if a restore is needed
You have responsibility for managing all CRM upgrades and patches	The hosting provider manages CRM upgrades, typically working with you on scheduling your upgrade. BONUS: new CRM functionality is typically available to online implementations first.
Implementation can take weeks, depending on the complexity of the system, data to be migrated, etc.	Typically, implementation is very fast and you get proof of concept or overall environment setup without the need for internal IT competence. You can create users without an ActiveDirectory account, so they are simpler to configure.
You pay for the software and maintenance fees	You get a simple and predictable pay-as-you-go pricing model with fixed, all-inclusive licensing fees. It is easy and cost-effective to buy new instances.

SIZE UP YOUR ORGANIZATION

Regardless of which CRM software you choose, the decision to go on-premises or in the cloud hinges on your organization's specific business requirements and characteristics. No single thing (e.g., industry) should make or break the decision, but you need to consider all aspects together.

One generalization is that the choice comes down to control versus convenience and cost, and you might be faced with a tradeoff. However, there are many factors involved, so start by getting detailed answers to the following questions:

1

How quickly do you need to go live?

The cloud typically offers a fast implementation. However, if you have a complex setup, such as a blend of cloud and on-premises integrations, do not expect the implementation to happen in minutes. Don't let this scare you away. You simply need to discuss your current system thoroughly with your provider and get a full understanding of your project's overall scope. Regardless of the complexity, once you're up and running, you get all the benefits of the cloud.

2

What are your information security policies?

A hosting provider must be able to offer the level of security you require and be able to satisfy any security regulations to which your organization must comply. Some think the cloud is insecure. *This is not true.* Microsoft, for example, offers Dynamics CRM Online Government, which is FedRAMP-compliant.

3

Are you bound by any other regulatory requirements?

Make sure hosted provider has the ability to comply.

4

What are the strengths and weaknesses of your IT staff?

Many companies choose the cloud option because they have a small or even nonexistent IT staff, they want their IT staff to focus on other areas, or they do not have the proper expertise and experience required. It's important to thoroughly evaluate your IT resources, their skills, and how you wish to utilize them. Note that choosing the cloud may still require involvement with your IT staff.

5

How are end-users accessing the system?

Are your employees remote, on your company network, or a combination? What types of devices are they using? Cloud CRM offers quick and easy access from mobile devices, Outlook, and most browsers without any additional authentication or network setup.

Do you have system integrations?

Integrating with other systems can be simple or more involved and time-consuming, depending on the number and type and whether the system is also in the cloud or is on-premises.

6

What are your reporting requirements?

Do you have complex reporting requirements? If so, there are standard solutions available which are optimized for both on-premises as well as online. Thorough understanding of your reporting needs is paramount to determining the best solution.

7



The decision to go on-premises or in the cloud hinges on your organization's specific business requirements and characteristics.

8

How much and what types of data do you deal with?

If data conversion is required, it will most likely need to be massaged and transformed. An on-premises implementation typically provides more control and options. Carefully investigate and consult your providers to understand the requirements and solutions available.

What are your backup and disaster recovery requirements?

With either option, you need to have a solid backup strategy. However, if you need to perform backups quickly and frequently, the on-premises route might be your best option. If you are comfortable with 24-hour cycles (which is Microsoft's schedule) or willing to create a replicated copy for backups, then the cloud should work well for you.

9

Regarding upgrades, Microsoft typically deploys two types. A bug fix is usually fast and does not impact your operations. You receive notification in advance of the upgrade date. Every 6 months, Microsoft has a major release. Your admin is notified six months prior and is provided with tentative dates for the upgrade. Later, your admin will receive a communication with a proposed upgrade date, which can be accepted or rescheduled, as long as it is within six months. Upgrades are always scheduled during off-peak hours and are rolled back if any issues occur. Concerned about modifications you've made to your system? If you've followed the Software Developer Kit (SDK), with very few exceptions, you'll always be on the upgrade path and should not encounter any issues.

10

How much control do you want/need?

If having more control over the overall infrastructure, upgrades, backups, and complete access to your database is crucial, you may prefer an on-premises solution. However, with a cloud deployment, you have more control than you might realize. *For example:*

With Microsoft Dynamics CRM online, you have not only the option to be on the public cloud or hosted by a partner, but there is also a **self-hosted option** for organizations that want to maintain a deeper level of IT management while taking advantage of cloud speed, scale, economics, and the Microsoft uptime SLA.

When it comes to monitoring and managing performance, you might think you would need to have more control—or that your performance might be impacted by being on the cloud. This isn't necessarily true. In fact, Microsoft's SLA promises 99.9% uptime. Microsoft is responsible for this and has the infrastructure and experts to do it. For example, they add new data centers as needed and offer a free Data Performance Dashboard for both online and on-premises customers.

RANK YOUR DECISION FACTORS

Once you understand the fundamental differences between CRM online and on-premises, you can then assign relative values to each of the decision factors listed below, making sure to document the potential alternatives and trade-offs. The questionnaire below can help.

INSTRUCTIONS: Give a Business Weight (column 1) to each Factor (column 2) relative to their importance to your organization's implementation requirements and strategy. As a team, assign a Value as to how well each implementation option (On-premises, column 3; Online, column 4) meets each Factor. Multiply the Business Weight by the implementation strategy Value to get a relative Score, which you then add with the others to get a Total Relative Score. In the example below, the Business Weight assigned to "How quickly do you need to implement?" is 10, the On-premises Value is 1, and the Online Value is 10. So, the relative Score for On-premises is 10, while the Online Score is 100.

DECISION FACTOR QUESTIONNAIRE

YOUR BUSINESS WEIGHT	FACTOR	CRM ON-PREMISES		CRM ONLINE	
		VALUE	SCORE	VALUE	SCORE
10	How quickly do you need to implement?	1	10	10	100
3	What are your information security policies?	7	21	5	15
5	Are you bound by any other regulatory requirements?	5	25	5	25
3	What are the strengths and weaknesses of your IT staff?	5	15	8	24
7	How are end-users accessing the system?	4	28	10	70
9	Do you have system integrations?	7	63	9	81
2	What are your reporting requirements?	10	20	6	12
1	How much and what types of data do you deal with?	7	7	5	5
6	What are your backup and disaster recovery requirements?	10	60	6	36
4	How much control do you want/need?	10	40	5	20
Total Relative Score		289		388	

CHOOSE A PROVIDER

The next step is to choose a provider. There are many options, but the questionnaire discussed earlier will serve as a reliable checklist to help you narrow down your choices. Make sure any provider you consider understands the importance of and addresses each question with viable solutions and relevant experience with other clients.

Because AKA sells and implements Microsoft Dynamics CRM, we can provide you with the following table, which presents a more detailed comparison between the on-premises and online options. We suggest that you use this table when evaluating any potential provider:

MICROSOFT DYNAMICS CRM AT A GLANCE		
CRM ON-PREMISES		CRM ONLINE/CLOUD
Designed and provided by IT department or hosting provider.	SERVER ARCHITECTURE	World-class information architecture provided by Microsoft.
Designed and configured by IT department or hosting provider.	DEPLOYMENT STRATEGY	Mixed deployment allowed if necessary. Integration of cloud deployed CRM, Exchange, Office Tools, Skype, SharePoint, etc. provided by Microsoft. Mixed deployment supported by Microsoft.
Supports direct SQL access so you can create more complex reports for executives, management, and end users – with information like detailed calculations and aggregation.	REPORTING	FetchXML access only, no tempDB table access for complex queries, use PowerBI or 3rd party reporting solutions. NOTE: Complex reporting requirements could require setup of an on-premises reporting instance.
No limitations.	CONFIGURATION LIMITATIONS	300 entities, 200 Workflows.
Custom plug-ins supported.	PLUG-IN DEVELOPMENT	Sandboxed, can only communicate with same CRM tenant or external web services.
Managed by IT department, dependent on network architecture.	SECURITY	5 layers of security protection including EU and ISO27001 standards compliancy.
Managed by IT department but versions older than 2 years are not typically supported by Microsoft support. Upgrades typically release every 6 months and trail Online by 3-6 months.	CRM UPGRADES AND FIXES	Automated fix patches applied and upgrades are user-scheduled within a three-month period if necessary. All updates are performed after hours by Microsoft and supported 100% by Microsoft Tech Support. Upgrades are first available for Online deployments.
Managed by IT department based on VPN network infrastructure.	SYSTEM ACCESS	Available 24x7 anywhere internet access is available.

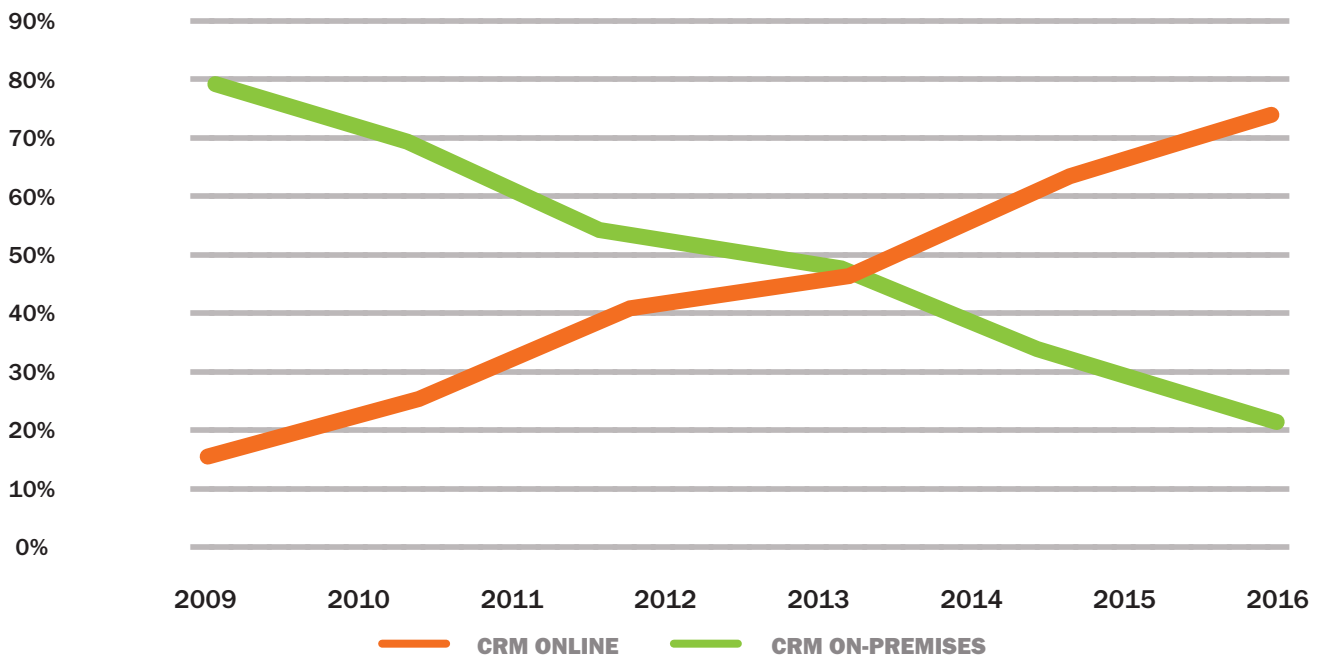


Make sure any provider you consider understands the importance of and addresses each question with viable solutions and relevant experience with other clients.

Since 2001, we have been working with companies across industries to design and implement CRM systems. We do not strictly advocate one strategy over another. However, with every engagement, we walk through the factors in this guide with our clients to help determine the right strategy for their business.

If you are considering Microsoft Dynamics CRM, the online option is becoming more popular based on Microsoft's consistent investment and provided incentives, as well as successful deployments. More organizations are embracing this strategy as a reported 80+% of licensing is accounted for online. In fact, 75% of AKA's new CRM clients have chosen Microsoft Dynamics CRM Online.

TRENDS IN AKA'S CRM ONLINE VS ON-PREMISES CUSTOMER ADDS



Today, the cloud is a viable option that any organization should consider when evaluating a new CRM solution. Although there is no specific checklist to get to the answer, it becomes clear as business structure, ROI, and requirements come into focus. If you are evaluating CRM solutions and are considering on-premises versus online, AKA would be happy to review the options with you.

Contact us at 617.485.5000 or visit www.akaes.com.

ABOUT AKA ENTERPRISE SOLUTIONS

AKA helps clients transform the way they do business by providing world-class, practical solutions built on Microsoft Dynamics CRM and ERP, as well as Office 365, business intelligence, and mobility. By combining deep technical expertise with years of experience in a range of industries—from the public sector to financial services—we work closely with organizations to put their strategies into operation. This highly collaborative approach has earned us an unmatched reputation for delivering ongoing return on investment.



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