

On-Demand Vs On-Premise Business System

The technology mix with business minimizes the hurdles and blockages due to which small business suffers. The manual handling of the business process may appear to be efficient but it still has its consequences. The manual work is more prone to errors which can be minimized by the use of technology. A decision on any technology is closely related to the attitude and financial health of a business and therefore the step should always be taken carefully. This includes whether to select an on-demand or the on-premise model of a system help tool to the business.

The following is a rundown on some of the merits and challenges of these two software delivery models, with a focus on the needs of small-to-midsize businesses.

On-Demand System (New way)

This model offers several benefits for small businesses and is a perfect solution and a viable option for their business. It is considered a relatively low-risk investment and more profitable investment because entry cost is low, no IT related issues, easily implemented and global accessibility anytime, anywhere.

1. Lower cost of entry

Many small companies are offered the “pay as you go” aspect of on-demand software, seeing on-demand as a way to avoid the huge investment required for software licenses and hardware. On-demand software providers typically charge on a subscription basis and do not require an investment in IT infrastructure. The software is managed at the vendor’s data center on the vendor’s hardware on behalf of the customer, reducing the hassles of ongoing IT maintenance. [The low investment and no maintenance cost makes On Demand system more attractive.](#)

2. No IT issues

Generally speaking, the smaller the business, it possesses the less time, limited money or expertise to purchase, manage and maintain an IT infrastructure small or big. An on-demand application eliminates many of these IT issues by outsourcing the setup and administration of the hardware and software to the software provider. The on-demand software dramatically reduces the technical burden associated with the ongoing IT management of business software, enabling businesses to devote more of their time to core and higher-value activities. [No IT hassle and expertise requirement for using and affording a business system gives an edge over the On premise system.](#)

3. Shorter time to implement

The competitive advantage for many small companies is their ability to be nimble in responding to opportunities. A deployment that takes months can be a liability on companies. Because on-demand deployments are typically preconfigured and pre-installed by the vendor’s experienced IT staff, they are relatively speedier. The system is easily scalable. [The shorter period of implementation makes On Demand system availability quick which is not in the On premise system.](#)

4. Global accessibility

Whether employees are in the office, at home or in a hotel room in another time zone, another country, access to an on-demand application is identical and always available. This means that there are no inherent compromises in functionality or difficulties in interacting with the application. You have availability of the data always and accurate. [The data availability of data always, anytime and anywhere is the greatest advantage for having an On demand business system.](#)

On-Premise System (Traditional way)

The on-premise software option also has several benefits: It is considered a cost-effective alternative over a six-to-eight-year period of time, and it gives the user local control, a localized functionality set and system control.

1. Data accessibility and ownership

The biggest advantage of on-premise software is that businesses have complete business data locally. This data is physically located on a business's premises and does not require the transmission and storage of data off-site. Owning the hardware and supporting systems and resources provides a business with control but this involves costs and big investments.

2. Private Network Accessibility

The architecture of on-premise system is always designed to work on private network like VPN. The On Demand functionality depends on your connectivity to the web world using public network. Therefore, the on-premise model may be preferable for companies that may have remote connectivity issues at their locations.

3. More internal hardware/software integration

Typically, on-premise software applications support integration with your internal other applications like CAD, or Testing Machines, which is a tough task in on demand system but not impossible.

Which model is right for your business?

Once you know the respective benefits of on-demand and on-premise software, the key is to understand which issues are most important for your business and weigh the pros and cons. There will always be trade-offs. When choosing between the two options, small companies should consider the following:

1. **Cost** : Does your company have access to the funds necessary to invest in on-premise software?
2. **Availability**: What level of uptime will the on-demand software provider guarantee and how quickly will it respond to a problem?
3. **Control issues and data security**: Are you comfortable with your business data being housed off-site or potentially residing on the same data center server as your competitors' business data?
4. **Feature-set and customization capabilities**: Do your company's changing business processes require more configuration and customization than an on-demand software provider can — or is willing to — handle? Or do you need (or plan) to integrate the capabilities of the software with in-house applications or other software to which you may subscribe?
5. **Scalability**: How prepared are you to change your business management software as your company grows over time? Would you prefer to grow and replace your software, or let your software grow with your needs?

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To find out how Novoally solution can help your company be part of the future, contact your local Novoally representative or visit us at www.novoally.com.