



SaaS vs On-Premises: What's Right for You?





Introduction

The decision to implement key business solutions on-premises or as Software-as-a-Service (SaaS) in the Cloud has been debated for many years. The reasons for one or the other has changed over the years, but it is still a strategic one that depends on an organization's circumstances. This guide highlights considerations when determining if migrating to the Cloud is the right move for your business, and how this decision helps you get the most out of your SugarCRM investment.





Modern SaaS Solutions

Having strategic business solutions hosted in a public cloud continues to gain momentum. This is because many of the historical concerns with SaaS solutions are no longer valid in many circumstances. This has enabled organizations to realize the benefits of the high availability, continuous no-effort updates, pay-as-you-go cost structures, and reduced IT infrastructure costs that SaaS solutions offer. Many organizations now view the time-to-value and continuous innovation of the SaaS model as a key competitive advantage. As the introduction of new technologies and options continue to accelerate, staying agile and competitive, while improving time to market, will drive further adoption of SaaS solutions.

One benefit of a SaaS offering is a reduced time to value for some systems like Customer Experience (CX) solutions. With a SaaS solution, you avoid the extra time it takes to implement the solution on-premises, which can be significant. You may also gain simplified access to third-party applications via pre-built REST API's developed by the SaaS vendor, rather than building 1:1 integrations behind the firewall that traditional on-premises solutions typically require.

Another benefit that comes from implementing a SaaS solution is the ability to lower financial barriers through immediate cost savings of IT resources. You not only save on the resources needed to implement and maintain the solution, but also the cost of the hardware and software technology stack. For example, with the growth of AI technologies that analyze huge amounts of data comes the exponential cost to store that data. In a recent study, Gartner observed that there is a renewed emphasis on scalable architecture and the data ingestion and storage capabilities that allow organizations to consume the massive amount of data generated during the lead management process. A SaaS solution will allow you to scale and pay for data storage at the pace of your business and not have to spend on excess capacity in anticipation of growth.

SaaS solutions can also help organizations take advantage of new innovations and level the competitive playing field. It is impossible for many companies to match the resources of very large competitors who adopt new technologies to improve their business advantage. By utilizing a public cloud solution, organizations can benefit from the same technology innovations of their large competitors without having to match their IT spend. In addition, the old thinking that SaaS limits customizability is no longer valid. Modern SaaS solutions offer organizations the ability to make extensive customizations and tailor applications to the unique needs and processes of a business.

The SugarCloud Advantage

With the introduction of Sugar Market, Sugar Sell, and Sugar Serve, Sugar is fully leveraging the power and flexibility of modern cloud services. We have chosen to partner with one of the leading public cloud solution providers in the world. Hosting software is only a small fraction of the value of a modern cloud infrastructure provider. By making extensive use of our provider's advanced cloud computing services, the SugarCloud-based offerings provide our customers cutting-edge technology, such as machine learning, serverless event bus, in-memory caching, and software robotics.



SugarCloud can be provisioned and delivered in a matter of minutes, and we're focused on making it as fast and simple as possible to configure Sugar to suit your organization. We're continuously driving operational efficiencies into the delivery and implementation of Sugar products and passing that value on to our customers. Many businesses can be running on Sugar within days, not months. Along with faster time to value, there are minimal up-front costs – no servers or server software, firewalls, load balancers, or networking appliances, and there is no IT time and effort required to set up, configure and manage the technology stack.

Sugar also gives you flexibility to tailor your CX in a way that suites your unique business needs. We are focused on enabling customization through configuration. With our extensions framework, Sugar Module Builder and Studio, you can create your own modules, fields, and relationships to customize Sugar in the way that makes sense for your industry and your operations. Our professional services and support organizations work with you to ensure that your customizations are functional, future-proof, and upgrade safe. Almost all of the customizations you make in SugarCloud are done without a single line of code and we continually invest in creating ways for Sugar customers to make their CX solution their own.

Data privacy rules and regulations are constantly being modified to address new threats. Your organization's ability to respond to data privacy requirements and requests has an important and ever-growing impact on your brand and reputation. Adopting SugarCloud provides a way for your company to address your customers' data privacy rights and work in accordance with regulations such as GDPR and CCPA and be better positioned for any future new regulations from around the world.

All of the benefits of a SaaS solution are lost if there is no user adoption. People expect software that's intuitive to use and helpful to their daily life. This is why Sugar's design philosophy is No-Touch Information Management. It automatically processes and enhances data with predictive insights and delivers this data directly to users in-context with what they're doing, within their tools of choice, so that they receive key insights just when they need them. Sugar solutions also provide the deployment and customization flexibility required to easily tailor to your business needs. Comprehensive administration and end-user documentation, intuitive and configurable user interfaces, and flexible workflows provide Sugar users a successful path to user adoption.



On-Premises Continues

There are many valid reasons for organizations to implement an on-premises solution. In fact, a recent McKinsey study concluded that, “Around 65% of organizations will continue to be hosted in private data centers and managed by internal-infrastructure teams over the next several years. There are a variety of reasons for this, including better total cost of ownership (TCO) in certain cases, the need to safeguard sensitive intellectual property, the lack of access to viable public-cloud providers in some countries, skill-sets that have been built up around managing legacy systems, and the need for greater control over security and regulatory requirements.”

Many organizations require stronger security measures to comply with internal, geographic, industry, or governmental regulations and need an on-premises solution in order to comply with these mandates. With an on-premises solution, these organizations can retain complete control over their data and store it within their four walls, ensuring they can meet any mandated compliance rules.

Organizations that feel they have a unique business model or have proprietary processes may also choose an on-premises solution that gives them the flexibility to craft a completely customized solution built on top of a solution provider’s core framework. This option allows for customizations to the code to address their unique processes as well as direct integrations to their database as needed. This option also gives them the flexibility to selectively install software updates as needed.





Sugar On-Premises Solution

Sugar continues to sell and support on-premises solution like Sugar Enterprise. Many of our customers have been successfully using these solutions for over a decade with no plans or need to migrate to the cloud. Our customers require and appreciate the deployment and customization flexibility that Sugar continues to offer.

Our on-premises solutions are for companies that need to comply with specific security policies governing the storage location of data, need to implement highly customized CX solutions, or require greater control over software updates and enhancements. Sugar Enterprise supports even higher levels of customization than our cloud products. Large enterprises have come to depend on Sugar as a framework for building highly tailored sales and support applications, leveraging our core CX and powerful extension capabilities.

And as the industry's premier platform for customization, Sugar will continue improving the flexibility, customizability, and extensibility of Enterprise. Flexible platform upgrade policies are also possible with Sugar on-premises solutions, giving customers more control over their application's technology stack.

No matter the choice that best fits your organization, you can be assured that Sugar will continue to provide you with world-class customer experience solutions for both our on-premises and cloud customers. Our vision is to create solutions that empower organizations around the world to cultivate customers for life by anticipating and fulfilling needs before customers realize they have them.

¹ Critical Capabilities for CRM Lead Management, Ilona Hansen, Julian Poulter, Noah Elkin, Christy Ferguson, Gartner, 2019

² Transforming infrastructure operations for a hybrid-cloud world, Aykut Atali, Chandra Gnanasambandam, and Bhargu Srivathsan, McKinsey & Company, 2019



Let the Platform Do the Work

Learn what SugarCRM can unlock within your organization.
A better solution is just a click away.

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About SugarCRM

SugarCRM is how marketing, sales, and service teams finally get a clear picture of each customer to help businesses reach new levels of performance and predictability. Sugar is the CRM platform that makes the hard things easier.

Thousands of companies in over 120 countries rely on Sugar to achieve high-definition CX by letting the platform do the work. Headquartered in Silicon Valley, Sugar is backed by Accel-KKR.

To learn more visit www.sugarcrm.com or follow [@SugarCRM](#).