



SMEs need cloud applications for future success

Small and medium enterprises (SMEs) form the economic backbone of many a national economy. In Singapore, SMEs form close to 99% of the total number of enterprises and contribute to nearly half (47%) of the country's GDP according to 2016 data from Statistics Singapore. Vital to the national economy, small businesses are the powerhouse of employment, innovation and entrepreneurial spirit. Although SMEs are growth drivers of any economy, these enterprises are constantly strapped for resources – financial, infrastructural or manpower.

In order to drive growth and be ready for future success, SMEs need to ensure they employ the right tools in order to be productive, and collaborate and communicate effectively across different regions. This means investing in IT and employing cloud applications. However, for many SMEs, this is not the case. The 2015 Asia Cloud Computing Association (ACCA) released a report on SMEs that stated that the average expenditure on IT for a local SME was only around 2.5% of its budget.

Here are three reasons why SMEs need to invest in IT and leverage cloud applications:

1 Access to information, anywhere, anytime

As we become more dependent on our smartphone for instant access to information – whether it is personal, public or professional information, businesses, too, benefit from placing their data in the cloud and enabling their workforce to access information on demand.

Locally-installed software makes it hard to balance flexibility for the end user – the employee. Developing and maintaining mobile apps for locally-hosted software is cost-prohibitive. Hosted applications, on the other hand, have mobile apps and enable access of information anywhere, anytime. For instance, sales staff can access customer information at any time through a hosted solution.

Mobile apps also allow administrators to maintain control over authentication, data security, and user permissions. Compliance and upgrading applications is also simpler; rather than updating licenses and permissions on each device, applications are updated over the cloud. Software upgrades are also transparent to the users. Employees are also more productive and satisfied with being able to manage their workflow in the manner they choose.

2 Streamlined internal processes, increased integration and collaboration

Today, Software-as-a-Service (SaaS) is replacing expensive and time-consuming-to-deploy on-premise applications. Globally, IDC predicts that by 2020, penetration of SaaS versus traditional software deployment will be more than 25%. Further, research firm, Global Industry Analysts, predict that the global Platform-as-a-Service (PaaS) market is projected to reach \$7.5B by 2020, with the Asia-Pacific region leading growth, attaining a CAGR of 20.9% through 2020.

SaaS applications when integrated with other SaaS applications, let employees collaborate with each other more efficiently. For example, a new customer created in a customer relationship management (CRM) software such as Salesforce can trigger the creation of a task in Trello for the on-boarding team to act on.

Further, the cost of introducing new features on a cloud-based application is extremely cost-effective. With the example of Slack, which supports community-built integrations, new features can be developed and disseminated across all customers at the touch of the button. New features are then automatically updated across the cloud, rather than manually updated at each on premise installation.

3 Decreased total cost of ownership

A SaaS model means that SMEs enjoy the capabilities of enterprise-grade software at a fraction of the cost. The playing field has been levelled as SMEs do not have to invest in building their own application capabilities and can enjoy the same types of collaboration-rich tools as an enterprise. SMEs enjoy lower total costs of ownership for IT operations, maintenance, and support because these functions are out-sourced to the experts that continue to build and maintain the cloud applications.

Types of cloud-based applications

- **Cloud storage:** Many businesses use applications such as Microsoft OneDrive for business, Google Drive and Dropbox to store information with data being easily accessed and shared inside and outside the organisation.
- **Office Productivity:** Google for business and Microsoft Office 365 are used by businesses across the world.
- **Accounting applications:** Applications such as Xero and QuickBooks make it easy for companies to automate their finances. Further, these applications allow multiple user access, and have a user-friendly mobile interface. They are also cost-efficient and fit lean budgets.
- **HR applications:** Applications that automate key HR functions such as leave application, viewing pay slips on their mobile phone and recording time clocked, allow employees to effortlessly complete administrative tasks.
- **Marketing and CRM:** Typical cloud solutions include Google Analytics for website performance measurement, Adobe Creative Cloud for content creation and email marketing applications such as Mailchimp. Cloud based Customer Relationship Management (CRM) applications can further improve customer service by integrating with other applications such as accounting and email marketing.
- **Messaging:** Business chat applications such as Slack can drastically cut down email communication.
- **Task Management:** Applications such as Trello, Flow and Dapulse help teams keep track of project milestones and ensure tasks are properly assigned and completed. These tools are even free unless the business needs advanced features.

The Chief Information Officers (CIOs) of today must invest in cloud solutions if the business is to thrive. Leveraging smart and lean cloud solutions that limit costs and multiply productivity can be seen as a road to business success for SMEs. ■

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