WHY ASK WHY:
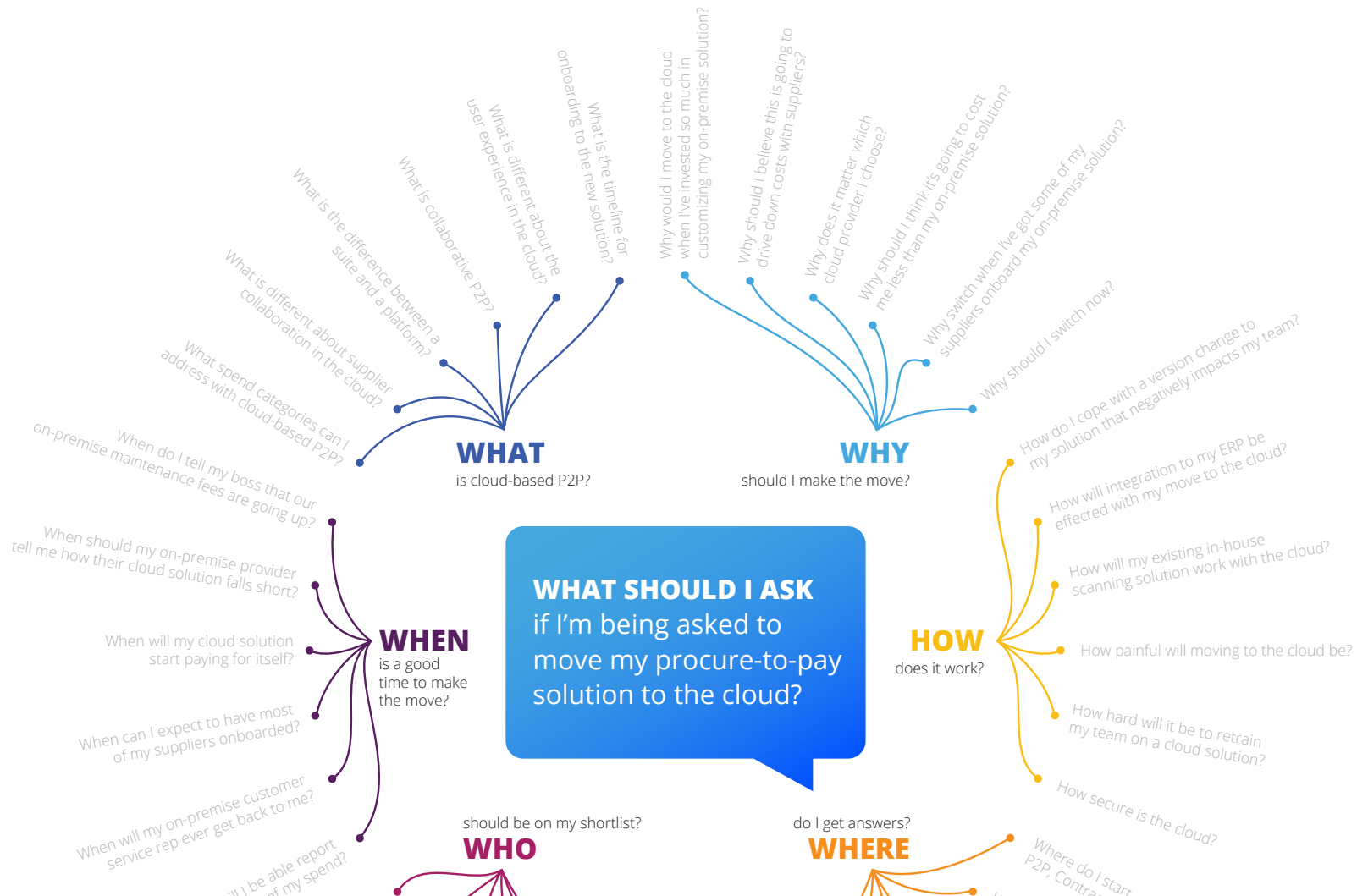
6 questions to ask before moving procure-to-pay to the cloud

WHAT SHOULD I ASK if I'm being asked to move my procure-to-pay solution to the cloud?

WHAT
is cloud-based P2P?

What is the difference between a suite and a platform?

What is collaborative P2P?

What is different about the user experience in the cloud?

What is the timeline for onboarding to the new solution?

What is different about supplier collaboration in the cloud?

What spend categories can I address with cloud-based P2P?

WHY
should I make the move?

Why would I move to the cloud when I've invested so much in customizing my on-premise solution?

Why should I believe this is going to drive down costs with suppliers?

Why does it matter which cloud provider I choose?

Why should I think it's going to cost me less than my on-premise solution?

Why switch when I've got some of my suppliers onboard my on-premise solution?

Why should I switch now?

HOW
does it work?

How do I cope with a version change to my solution that negatively impacts my team?

How will integration to my ERP be effected with my move to the cloud?

How will my existing in-house scanning solution work with the cloud?

How painful will moving to the cloud be?

How hard will it be to retrain my team on a cloud solution?

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WHEN
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When do I tell my boss that our on-premise maintenance fees are going up?

When should my on-premise provider tell me how their cloud solution falls short?

When will my cloud solution start paying for itself?

When can I expect to have most of my suppliers onboarded?

When will my on-premise customer service rep ever get back to me?

WHO
should be on my shortlist?

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Introduction

You've painstakingly customized your P2P solution for your business. You've trained your users. You've onboarded your suppliers. And now there's the "cloud"?

Not all cloud providers are created equal. In this e-book, you'll learn how to review solutions and select the one that's right for your way of doing business. Find answers to questions like:

- Why moving to the cloud is a purchase decision like any other

- What to watch out for when on-premise software providers want to sell you a new cloud version

- Whether moving to the cloud is right for you

- How moving to the cloud might be easier than you think

- How to make the transition seamless

- How to evaluate concerns about customization, transition, and supplier onboarding

- How to move to the cloud on your own terms

- What to ask in pricing discussions to uncover added costs

- How to ensure that you and your supplier are aligned on long-term goals

Read on to discover the trials, business cases, and best practices to evaluate and alleviate your concerns about transitioning from on-premise to cloud P2P.

Why care about cloud?

Before we get into our six main questions, let's dig a little deeper about why you should care about cloud in the first place.

You know you need to modernize
When you look at business solutions in general, not just procure-to-pay software, there's no doubt that the cloud is the future. Cloud is a way to stay modern with emerging technology, to automate with AI, and to collaborate with any company around the globe.

As you look at tools and applications, you don't want to be left behind as the rest of your market or competition or industry moves their solutions into the cloud.
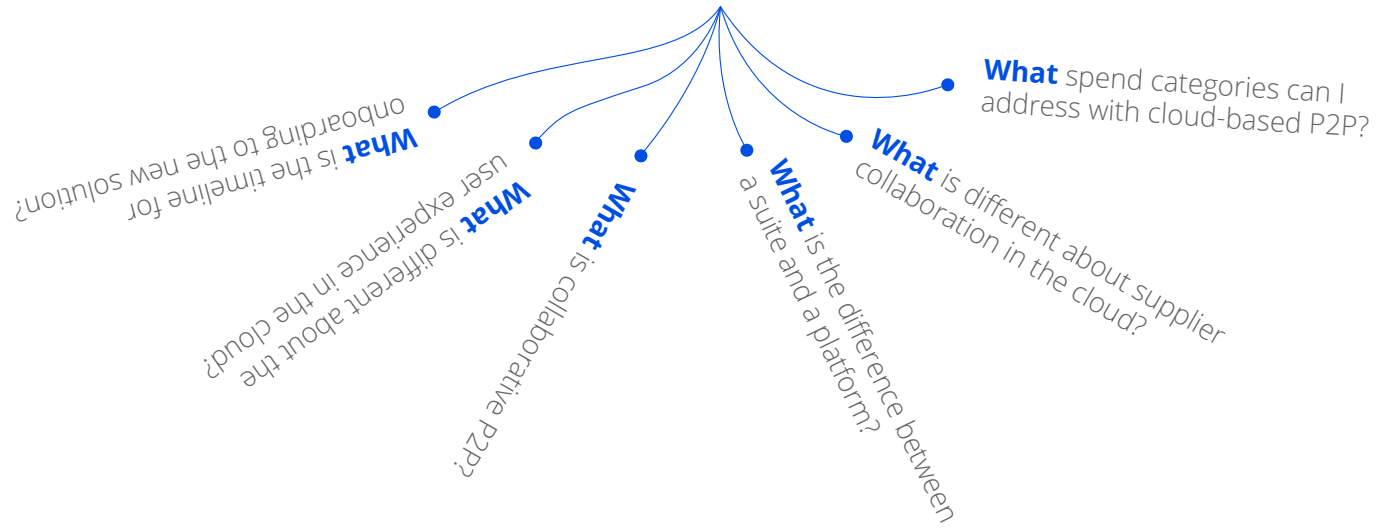
It's important to make an educated choice
Even if you stick with the same vendor, moving from an on-premise solution to cloud solution is a solution-requirement decision. It's in your best interest to treat the purchasing evaluation in the same manner as you would any other product. It won't be as big of a hurdle as you potentially think.

In the following pages we'll discuss a few ways that you can alleviate some common concerns. We'll also give some real-life examples of companies that have made the jump to cloud successfully.

QUESTION 1:

What is cloud-based P2P?

What is the timeline for onboarding to the new solution?

What is different about the user experience in the cloud?

What is collaborative P2P?

What is the difference between a suite and a platform?

What is different about supplier collaboration in the cloud?

What spend categories can I address with cloud-based P2P?

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QUESTION 1: **What** is cloud-based P2P?

"Cloud-based procure-to-pay" means your P2P technology is hosted on an off-premise infrastructure by a third-party company instead of on your company's premises. Essentially, cloud-based technology means you are entrusted your business processes and technology to a third-party solution.

"Cloud" can mean a single-tenant or a multi-tenant environment. Single-tenant is when you've asked to be the only one to have a particular infrastructure—you want everything to be your own solution. Single-tenant environments are often more expensive because your hosting provider maintains two different solutions: one for you, the "single tenant", and one for the rest of the world.

Multi-tenant means that your company shares a provider's technology infrastructure with other companies—the big difference is your data. Your data is protected in your own environment, but you have access to the same functionality that other companies have access to.

A common metaphor is that single-tenant is like renting a house and multi-tenant is like renting an apartment unit within a bigger building. Multi-tenant environments are interesting because companies all over the globe are running processes using the same standards and technology, which opens it up to networking and collaboration with those people in the same "building". Multi-tenant tends to be advantageous in a networking, collaborative business environment.

Finally, one last benefit of moving to the cloud is that upgrades and updates are included. Once you're in the cloud, you don't have to worry about updating agreements and getting the latest technology; it's going to be part of your existing cloud infrastructure.

Questions to ask providers:

Does "cloud" mean I can customize and configure my own business processes?
The best thing about technology today is that you can do your own customization. One common misconception about the cloud is thinking that multi-tenant means you have to run the same processes with the same best practices as everybody else. But that's not true. It's important to ask your provider how much customization that they can provide for your company with their solution and platform.

Does "cloud" mean I can connect to companies all over the world?
The great advantage of the cloud is that it's accessible globally; the multi-tenant concept means that I can connect to companies across the world, not only in terms of technology but also in terms of regulations and business processes.
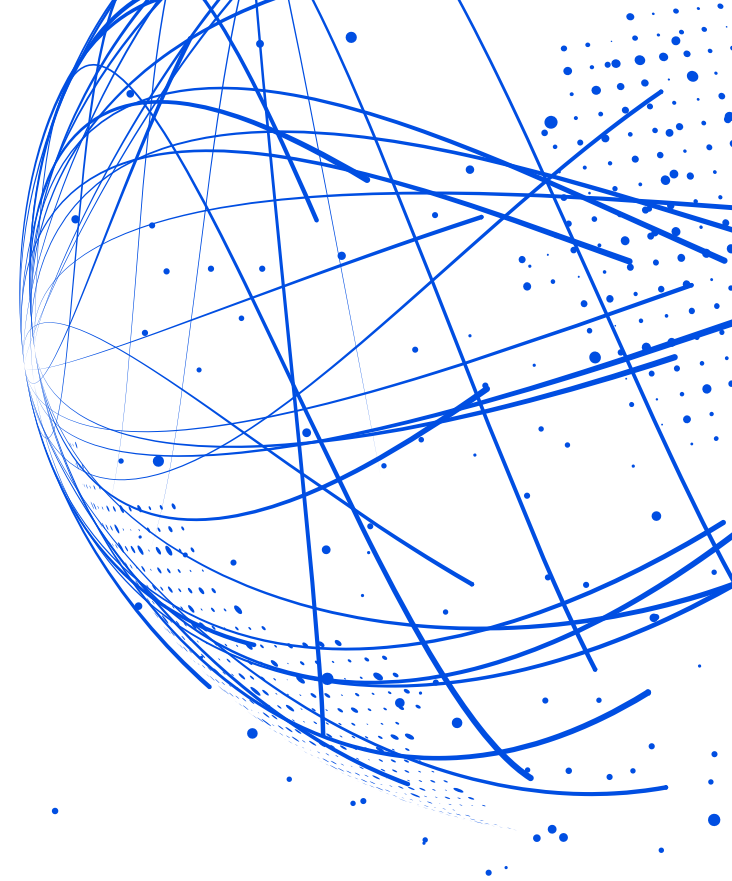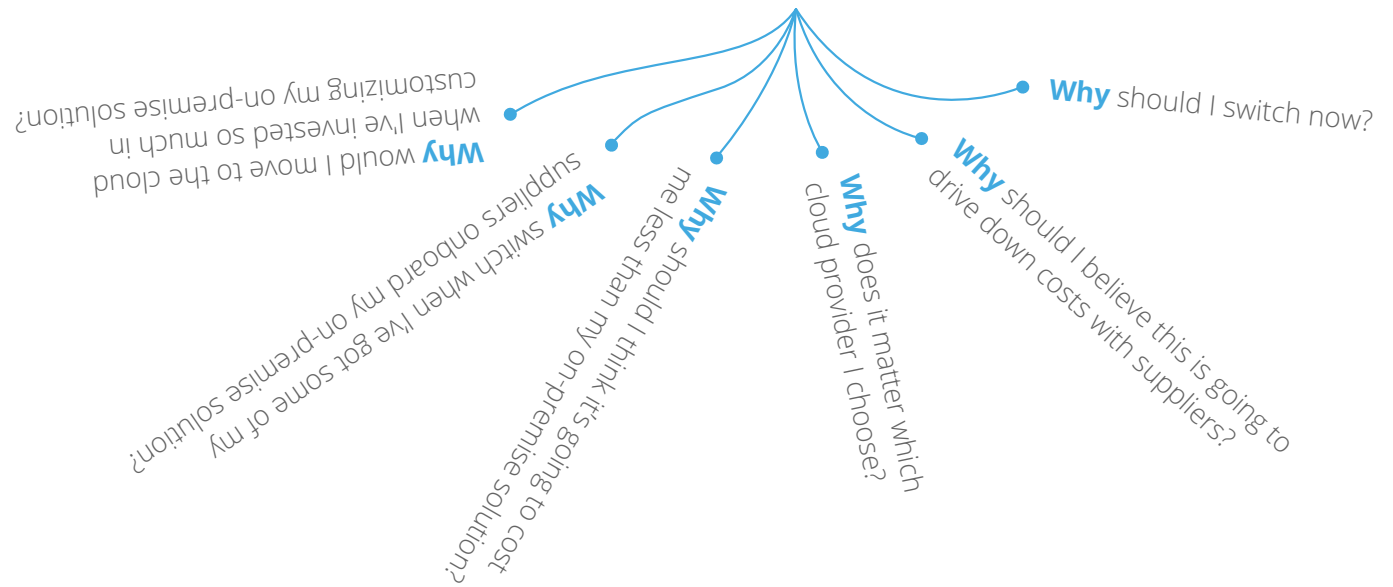
Does "cloud" mean secure?
There are certain situations that are going to be allowed and not allowed when working in international commerce. With multi-tenant solutions, you're sharing some functionality but you are absolutely not sharing data. It's your own data that should be protected. Ask potential providers about how they can protect your data: you want to make sure that if disaster strikes, they have a plan for data recovery. Ask, "How will I get my data back?" "How soon can I get it?"

QUESTION 2:

Why should I make the move?

Why would I move to the cloud when I've invested so much in customizing my on-premise solution?

Why switch when I've got some of my suppliers onboard my on-premise solution?

Why should I think its going to cost me less than my on-premise solution?

Why does it matter which cloud provider I choose?

Why should I believe this is going to drive down costs with suppliers?

Why should I switch now?

QUESTION 2: **Why** should I make the move?

Moving to the cloud offers plenty of benefits. With the cloud you can:

- Get the latest UI and user experience: Stay current with the constantly changing experience that users get with personal apps, and give your users what they expect with a consumer-friendly experience.

- Keep customizations and maintain agility: You do business a certain way. In the cloud, you're able to differentiate and maintain those differentiating processes digitally. Cloud can help not only you, but your partners (like suppliers) to maintain agility, too.

- Lower your total cost of ownership: No lump-sum license projects—cloud is often a pay-as-you-go situation with included upgrades as part of your subscription.

- Put less stress on IT: In an on-premise world, IT has to create customization backlog lists. When you outsource for a cloud provider, your IT can focus more on differentiating activities and can become a better partner in your infrastructure solution.

- Automate more processes: With multi-tenant processes, you can start farming out what you used to do 100% in-house and get more collaborative processes going with your suppliers.

- Connect with more businesses to drive more revenue: Once you connect and collaborate in the cloud, you have a shared context where companies can co-innovate and automate to get the benefits of not only cost savings but revenue potential as well.

Questions to ask your stakeholders:

What are your stakeholders' primary objectives? Without your stakeholders aligned, any process change will not get adoption. You want to meet the needs of stakeholders now, but also consider how those needs will change and grow in the future.
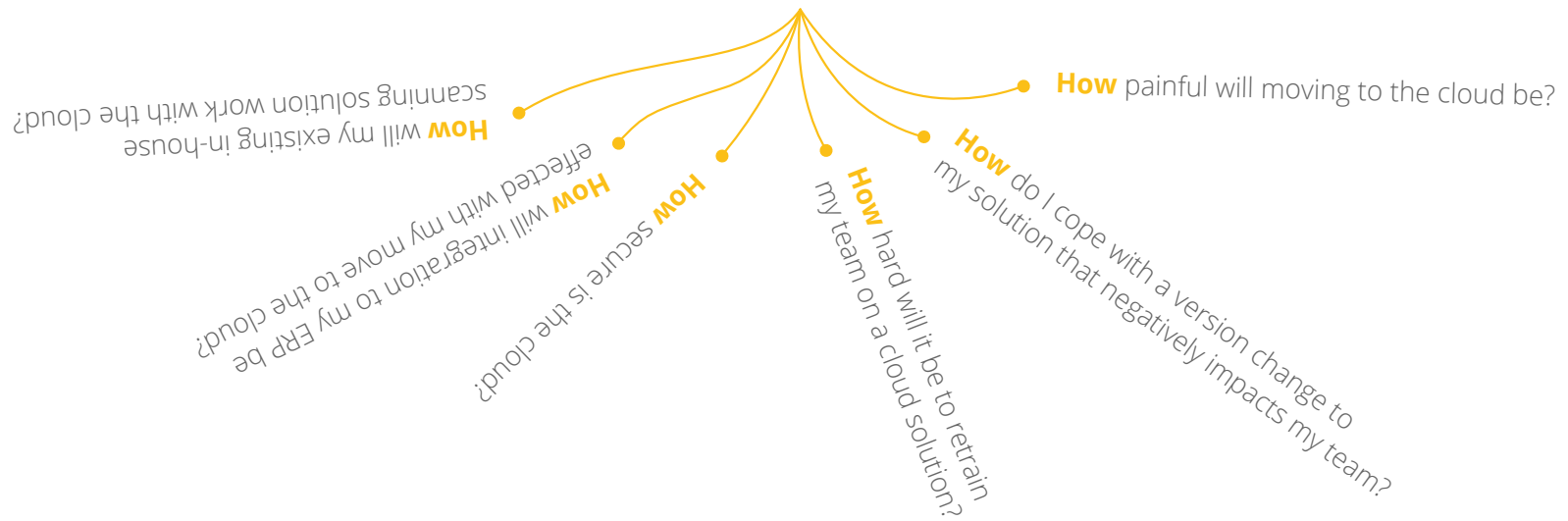
How important is procurement and supply chain agility for your stakeholders? The solution you select today should position you for future agility and collaboration. Know how quickly your market will change and how taxed your IT will be to respond and enable key stakeholders to adjust.

How are your stakeholders currently working toward maintaining a competitive edge? At a recent event, we asked "What does procurement look like in 2030?" and most people agreed that procurement is going to be automated, and procurement professionals will spend more time doing strategic relationship-building, contributing to company growth and similar tasks. Find out how your stakeholders see procurement changing in the next 3, 5, and 10 years at your company. Your cloud solution should be working toward the same vision.
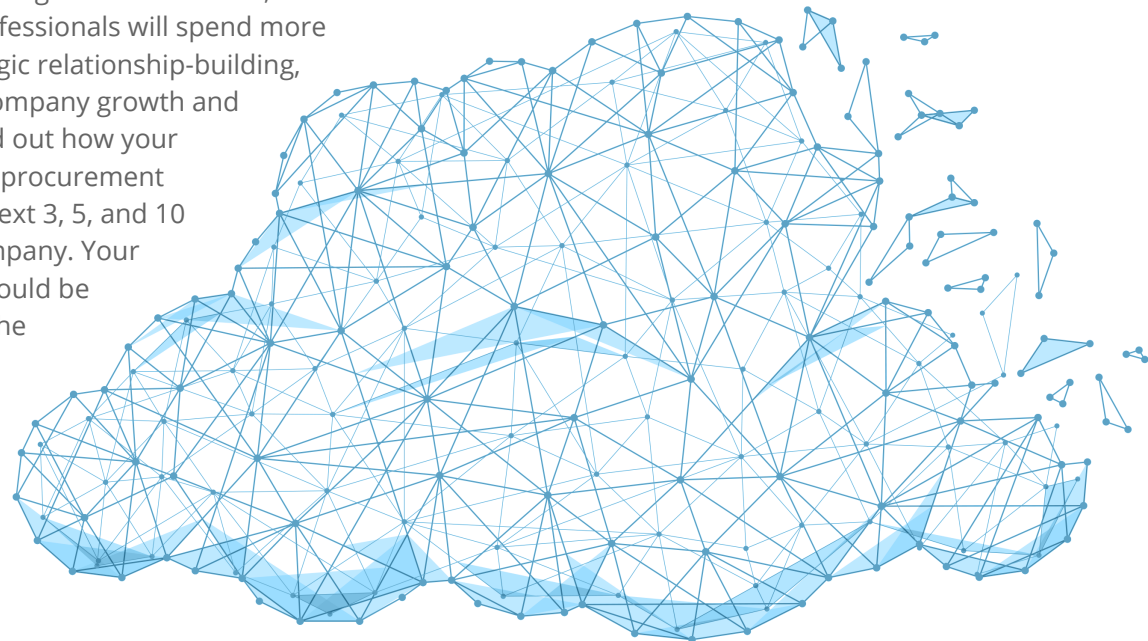
QUESTION 3:

How can I make moving to the cloud seamless?

How painful will moving to the cloud be?

How will my existing in-house scanning solution work with the cloud?

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How secure is the cloud?

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How do I cope with a version change to my solution that negatively impacts my team?

TRADESHIFT

QUESTION 3: **How** can I make moving to the cloud seamless?

Avoiding common pitfalls is key to a seamless transition from on-premise software to the cloud.

Leadership buy-in

First, you'll need support from leadership. That support goes beyond the initial evaluation and the initial selection; whether it's with your current provider or going with a different provider. It has to extend beyond just contract signature and move into the actual deployment, implementation and maintenance of the solution itself. As you probably know, change management is often one of the biggest hurdles to successful change and having a top-down leadership message pushing for the change and reminding people why you're doing this and how it's going to benefit them at the end of the day is extremely important. Leadership should also tie the program to the company's vision—ideally to be agile, collaborative, and innovative.

A quick and complete data migration

When you look at moving information such as invoices, historical purchases, analytics, and the like, you're going to want to move that data to the new environment so that all users (internal and external) don's miss a beat.

With some cloud solutions, that move can be as quickly, as completely, and as accurately as possible. This doesn't have to involve a lot of IT work, and at the end of the day it's an extremely important step in having a seamless transition, where users can continue their work without missing any in process or historical information.

Taking a step forward (not a step sideways or backwards).

What should your expectations be when you implement a new cloud-based product? In many cases, organizations who have had an on-premise solution for many years have their solution highly customized to meet specific business requirements, which is not necessarily a bad thing. It might be doing the job from a requirements standpoint but it often becomes a bear to maintain, or it's not possible to maintain because there's a loss of knowledge when folks move on.

When you move up into the cloud, you certainly don't want to take a step backwards and lose the functionality that you had with the existing on-premise solution. You don't need to compromise. Transitioning to the cloud should absolutely be a step forward and that will help create momentum and buy-in.

Employees and suppliers will be going through a change when they move from on-premise to cloud. Your goal should be to provide them with tools that at the very least are just as good, but ideally a lot better than your existing product.

A complete alignment of resources

There are many parties that need to be involved in transitioning on-premise to a cloud procure-to-pay solution. IT, accounts payable, procurement, sourcing, and Treasury, depending on the size of your organization. Everybody needs to be aligned in terms of the short-term strategy and long term strategy, and agree on where you want the company to get to in the long run.

100% user adoption rate, including suppliers

When most companies make this change, they remain internally focused and forget about how this change potentially affect their supply base. So it's very important to ensure that when you move from on-premise to cloud-based solution that you're doing so with a provider that is providing proper training, that has a UI that is intuitive, and delivers value to the suppliers when it comes to using the tool moving forward.

Questions to ask providers:

How many resources will I need, and which resources will I need to support the implementation? You need to understand fully what the level of commitment from your company is going to be so your transition can be as seamless as possible. But rest assured that the resources will be fewer under a cloud implementation of comparable scope.

How long will implementation take? Rushing to implement isn't a good idea—implement in a time and place where you can succeed. When you do implement, cloud solution can be up and running in less time than on-premise and can potentially be phased in.

How will I get my historical data into the new solution? This should be something the provider has answers to.
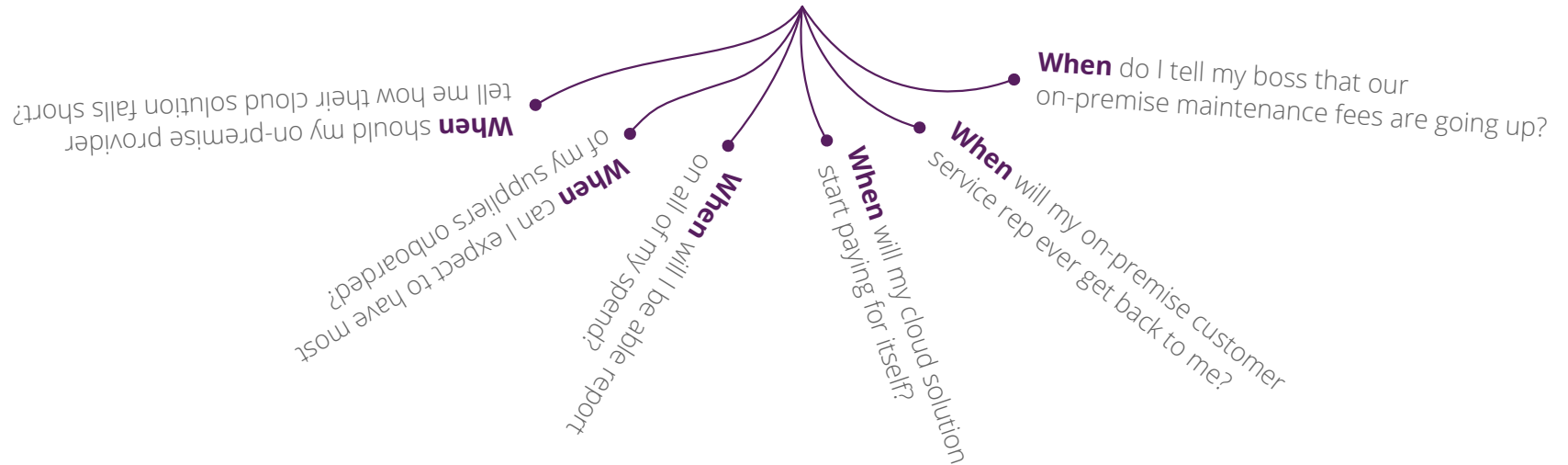
Does the solution provider have SLAs for supplier onboarding? What are the suppliers' role in this transition? Some cloud providers will onboard suppliers to their network. Find out how quickly suppliers will be able to get onto the solution and if providers will back that up with SLAs.

What tools will you provide to help measure the success in the new solution? Post-deployment, you're going to want to measure things like, What did our process look like before? What were our KPIs before? Ask providers for tools to help you measure the success of the transition.

How much training will I have to do to get all users (internal and external) working on the solution? You want a provider that has a vested interest in onboarding and ensuring that all users are going to adopt the product solution fully. User adoption is critical. Make sure the solution is intuitive for ALL users and leverages the latest user experience (ie: familiar to users).

QUESTION 4:

When is a good time to make the move?

When should my on-premise provider tell me how their cloud solution falls short?

When can I expect to have most of my suppliers onboarded?

When will I be able report on all of my spend?

When will my cloud solution start paying for itself?

When will my on-premise customer service rep ever get back to me?

When do I tell my boss that our on-premise maintenance fees are going up?

QUESTION 4: **When** is a good time to make the move?

Timing is everything. We've covered *how* to make the move seamlessly and *why* it's important to make the move. But a lot of times people don't ask "*when* do I actually make this move?", and this is just as important a question.

When your software isn't meeting your business needs
"When" will vary from organization to organization, but the first step is to look at the current software you're running and simply ask the question is my software today meeting my business needs. Is it meeting my business needs today, and will it meet my business needs tomorrow?

If you feel it isn't, then now is a great time to look at a potential switch and moving into the cloud.

When your current contract is up for renewal
Contract ending dates are a great time to assess whether you want to stay with the current provider.

When your product no longer offers support
If you have on-premise software that is going to sunset support, or if they're going to force you to upgrade, this is an excellent time to re-examine whether they're the right provider for you.

There will always be obstacles, but the sooner the better
There will always be reasons you can find not to switch. But the longer you wait the more catching up you will need to do. So the sooner the better. There's never going to be a good time if you try to wait for that perfect, clear path when you have nothing going on. That's never the case. So there's always going to be obstacles. But if you evaluate your situation and ensure you have resources and the executive support behind you, when it comes to "when", sooner tends to be better.

Questions to ask yourself and providers:

Will I have influence on the provider's roadmap and whether it aligns to my company's business? If they don't have features and functionality that you want, make sure you have a realistic understanding of when they may be available and if you can contribute to the product roadmap.
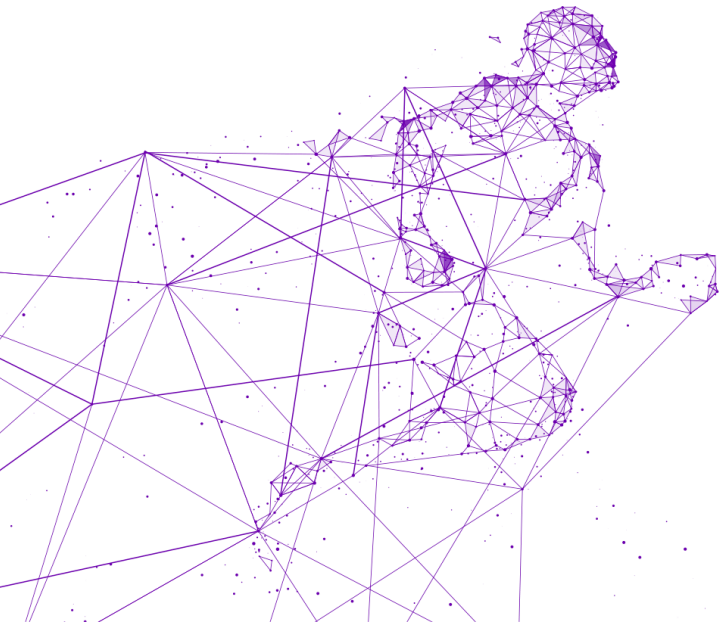
How can I expand the value of your solution beyond out-of-the-box? When you move to the cloud and with the open nature of a platform, you're going to have the ability and flexibility to tailor the solution to meet your business requirements.

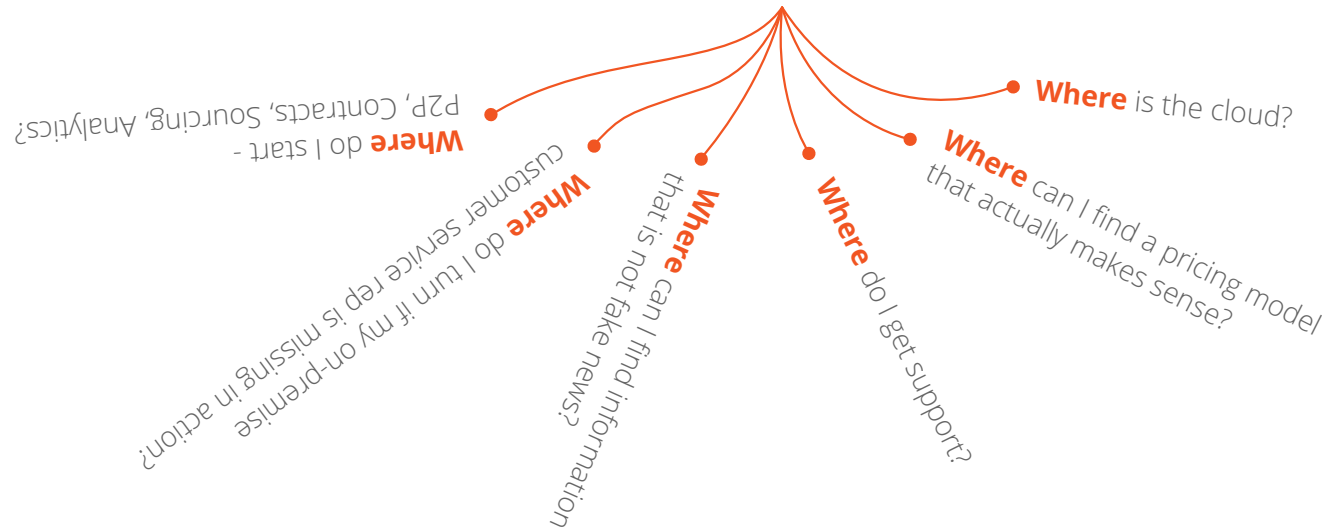**What kind of support do you provide for professional services, supplier onboarding?** Solutions will provide support for supplier onboarding, but will they back up their services with SLAs?

How long will it take to see ROI? With cloud solutions, companies will see an ROI much faster. Providers can facilitate that ROI with quick implementations and a product that will encourage quick adoption and widespread usage, internally and externally.

Where is my organization headed in the future?

Where is the cloud?

Where do I start - P2P, Contracts, Sourcing, Analytics?

Where can I find a pricing model that actually makes sense?

Where do I turn if my on-premise customer service rep is missing in action?

Where can I find information that is not fake news?

Where do I get support?

QUESTION 5: **Where** is my organization headed in the future?

What your business needs in the future is as important as what it needs today. Here are some tips for how to ensure your procure-to-pay provider is aligned with where your organization is headed.

Determine your organization's long-term goals
When we think about the future at Tradeshift, we think about platforms. What "platform" essentially means is that you can get started today and then realize future business needs by building on the platform. Make sure that your provider can meet your future growth and long-term goals. The features and products that you use today may not be the ones you need in the future because of the rate at which your business and your competitors are changing. You'll need to be able to change and adapt, so make sure you choose a provider who will help you be positioned for future.

Is your business expanding globally?
Regulations are a key consideration when it comes to invoicing and document exchange. If you're engaging with suppliers in different regions of the world, you want to make sure you can do business with them. You're going to want to make sure that you can do business electronically and efficiently so it becomes automated and you can complete the more collaborative tasks on your plate.

Think about other digital transformation projects within your organization
What other digital transformation projects are in the works? Could your provider support other processes beyond procure-to-pay, such as risk management, supply chain financing, and sustainability to name a few? See whether working with the provider in question puts you in a position either to integrate with those processes or build those processes on top of what you do today.

Determine what processes you need to automate to be ready to adopt other disruptive technology like AI

Automation in procure-to-pay is definitely happening. Tactical processes are quickly becoming automated and supporting your people to do the things that people do best: strategic, creative, and innovative thinking. When thinking about AI and other emerging technology, make sure that AI is going to help make decisions that are relevant to YOUR business. With machine-learning, are the machines learning your business?

Consumer Packaged Goods Multinational Company: Case Study

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Consumer Packaged Goods Multinational Company: Case Study

One of the biggest packaged goods companies in the world came to Tradeshift with a need for global electronic invoicing. They wanted to reduce the number of suppliers queries and phone calls on payment status.

Once they had all these suppliers on the network, they came back to Tradeshift and asked, "What more can we do now?" So now we're looking at supply chain financing, strategic sourcing, private marketplaces, sustainability, and a wealth of opportunities and directions that we can go based on having a network of suppliers ready and connected.

All of this to say: changing from on-premise to cloud-based P2P may seem like a mountain right now. But this company was able to get over the transition very quickly—faster than they thought they would. And they were able to then go to the next level and start doing some more projects.
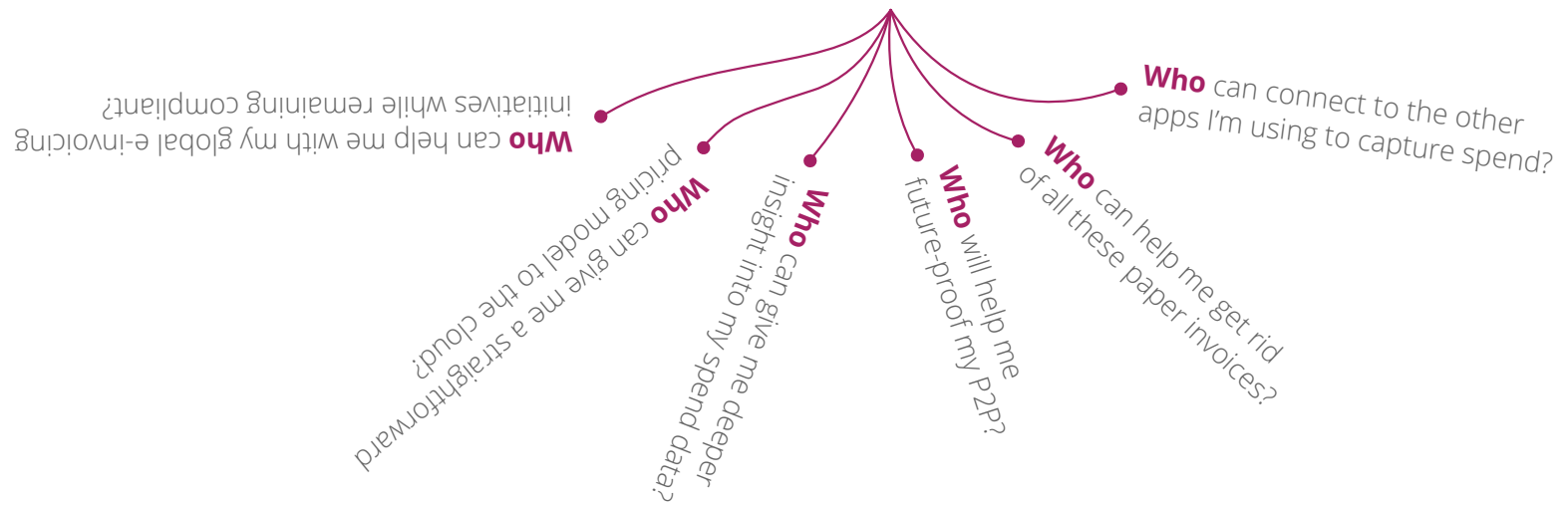
Outcome:

- 4,000 global suppliers active with in-process and historical data in 10 days

- 14,000 suppliers across 22 company branches and 101 supplier countries

- Reduced number of queries

- Zero support calls

Who should be on your shortlist?

Who can help me with my global e-invoicing initiatives while remaining compliant?

Who can give me a straightforward pricing model to the cloud?

Who can give me a deeper insight into my spend data?

Who will help me future-proof my P2P?

Who can help me get rid of all these paper invoices?

Who can connect to the other apps I'm using to capture spend?

QUESTION 6: **Who** should be on your shortlist?

Not all cloud providers are equal. Make sure when you're searching for new providers, they hit these key points. The ideal provider:

Ensures data security
Data security does only mean protecting your data but having a plan in place for something unpredictable. Do they have a contingency plan in place? And what would they do if something happened? How soon can they get you back in business? You want to be a 24/7 business. How can the provider help you to do that?

Offers a flexible platform
A platform means you aren't locked in, you can collaborate and cooperate with other business units such as AP, procurement, sourcing, and supplier management Also, a platform can enable you to set up private marketplaces, supply chain financing, sustainable sourcing, risk management, and whatever processes and programs you need next.

Supports internal and external collaboration
An ideal provider will reduce your phone call and swivel-chair processes with electronic connections. An electronically connected network will connect people and processes, not only in a tactical operation, but also in co-innovation possibilities.

Enables AI-driven processes and decision making
AI is important not only just for the sake of automation, but automation that actually works and factors your business practices and your differentiating points to make decisions based on your company value propositions.

Provides global coverage
Can you do business across the globe to collaborate and connect? It's easy to get a list of countries that the solution provider will support and check that against countries where you want to do business.

Makes it easy to use
The latest, greatest technology doesn't just look pretty -- it means adoption. This means the product is intuitive on its own and requires no training for users. Users should actually enjoy doing their work.

Facilitates quick onboarding of suppliers
Does the provider have service-level agreements for onboarding suppliers? Will they commit to onboarding a certain number of suppliers in a certain time frame?

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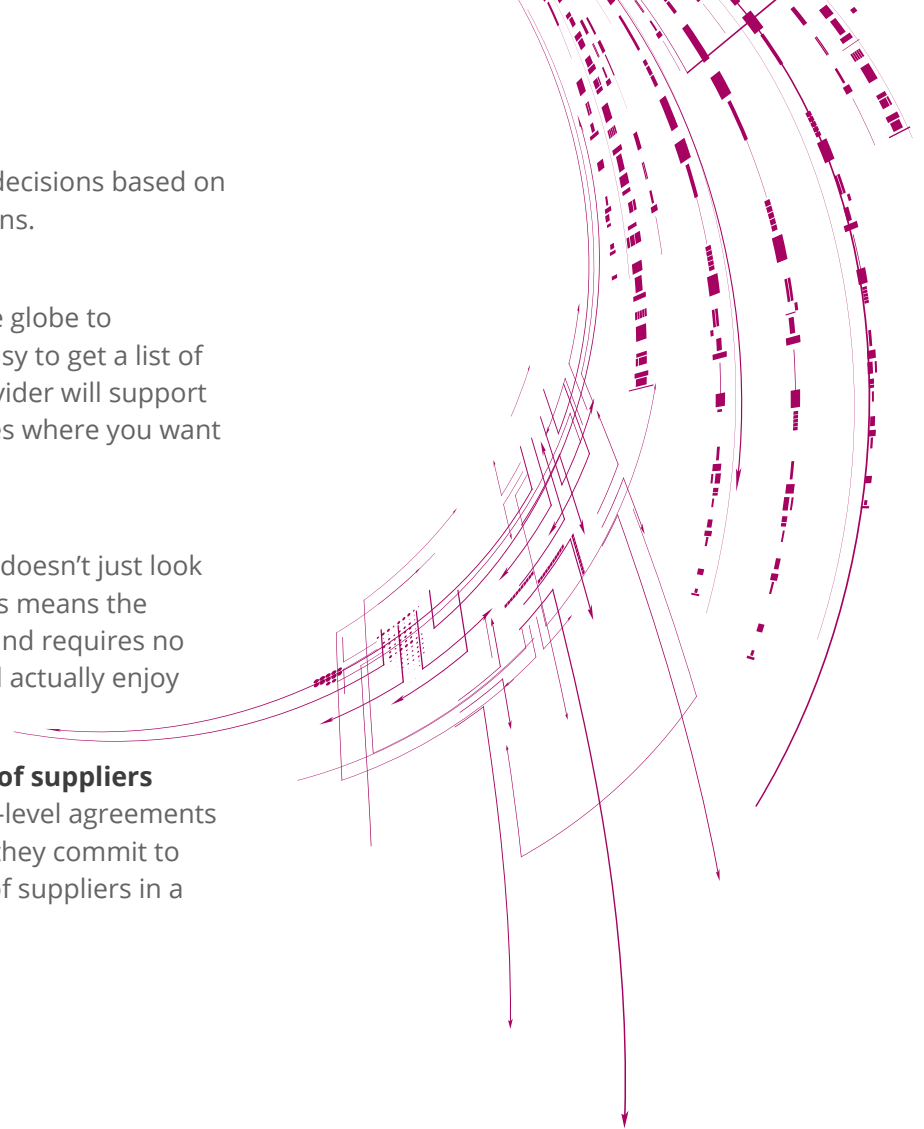
Summary

Transitioning your procure-to-pay from on-premise to the cloud is a purchase decision like any other. When you're looking at providers, there are many questions to go through. But in sum, if cloud enables you to leverage the latest technology and opportunities to network and collaborate, is the provider enabling you to take advantage?

When in doubt, make sure you do it on your own terms, and look at all your options. While there are a lot of factors and criteria to consider, moving to the cloud isn't as impossible as it might seem. In fact, it will open more opportunities that you will realize faster than you thought.

ABOUT TRADESHIFT

Founded in 2010, Tradeshift is the world's largest business commerce platform that connects buyers and sellers. Tradeshift connects over 1.5 million companies across 190 countries, processes over half a trillion USD in transaction value yearly, and has a marketplace containing 28 million SKUs. It offers solutions for procure to pay, supplier engagement and financial services, and enables companies and partners to build custom or commercial apps on its business commerce platform. Tradeshift is headquartered in San Francisco, with offices in Copenhagen, New York, London, Paris, Suzhou, Chongqing, Tokyo, Munich, Frankfurt, Sydney, Bucharest, Oslo, and Stockholm.