You strive for value, agility, efficiency and reliability in your supply chain. You expect on-demand, touch-button, seamless services in your personal life. Yet procurement software is often out of step.

This is where cloud-native solutions are different. Keeping pace is what they do. In an ideal world, you'd have Bill Gates manning your IT desk, bottomless server capacity that never lets you down, instant system updates, and a cyber security guardian angel. It sounds not only pricey, but impossible. Yet cloud-native solutions come pretty close – and they do it for less.

Ninety per cent of large organizations and 74% of small ones experienced a cyber security breach in 2015, according to PwC. Stats like that often make enterprises huddle behind their firewalls – storing company data in the cloud for extra security sounds counter-intuitive. But clutching data close is no use if you're poorly armed. Individual enterprises have little hope of keeping pace with the inventiveness of cyber criminals. Global cloud providers, though, are at the cutting edge of cyber security technology, their platforms and infrastructure up to the minute. Data can be stored in the cloud in separate network segments, mimicking storage systems in local data centres, but without enterprises shouldering the cost of multi-layer security.

Then there's the other unknown in on-premise applications – employees. Data held behind the firewall is hard to access and soon ends up on portable drives and in emails, especially once procurement analysts have crunched the raw figures into useable report formats. It's small wonder most security breaches happen in on-premise environments. Cloud-based business intelligence services enable sharing across devices, offices, and countries without an organization's business critical information ever leaving the <u>private cloud</u>.

Paul Blake, product marketing lead at GEP, says the choice of <u>cloud providers</u> is really no choice at all. "It's hard to touch Microsoft's experience in running data centres," he says. "The access control, physical security, and environmental control you get with the Microsoft Azure Platform are world class. The data centres are super-efficient, plus you have rigorous levels of power redundancy and leading-edge recoverability capabilities. It's one of the most secure, reliable IT infrastructures out there, so it was the obvious choice for our procurement software platform, SMART by GEP®. It's illogical for companies to bear the up-front investments in IT infrastructure or the ongoing overheads of upgrading their systems when this level of service is available in a pay-per-use model that results in a lower total cost of ownership."

Peter Thiel once said he started PayPal only because he was a rookie, and therefore naïve enough to think new things could still be done in banking. So when an industry that entrenched and security-centric turns to the cloud it's compelling. Sixty per cent of banks could process the majority of their transactions in the cloud this year, according to Gartner.

Blake says: "Financial institutions trust cloud security, but in banking today – and procurement – the real carrot is the agility, flexibility and scalability the cloud gives you. Cloud performance can grow with a procurement practice over time, but it's elastic day to day too. It can upscale resource usage in a few minutes, whether it's a single system or hundreds of deployments in multiple locations. And of course it works in reverse as well. Say an organization wants to restrict data to a certain region – that can be done on the hoof. And when usage shrinks, there's no expensive IT infrastructure sitting idle." Since cloud-based platforms are already in place, all that's required is client configuration, a far quicker and less onerous process than setting up on-premise IT infrastructure. After that, acts of God, electricity grids or cyber criminals are a thing of the past, since cloud solutions are hosted across multiple data centres.

Organizations should beware though of escaping a clunky on-premise legacy system only to wind up with a clunky cloud-based legacy system. Look instead for the tag 'cloud-native'. The distinction sounds subtle – something perhaps for the tech or trend-obsessed, but the two solutions are different creatures. Software as a service (SaaS) systems are typically migrated from a legacy SaaS model to cloud-hosted infrastructure. (This means most current enterprise software.) Hosting capability increases, but it's the same old structure, and the solution provider bears the extra burden of maintaining the application infrastructure. Cloud-native systems (or PaaS – platform as a service) are built up from their mother platform, which owns and maintains the infrastructure, while the solution provider's energies are freed to deliver optimal workflow patterns and user interface. SMART is the only sourcing and procurement software native to the cloud.

Procurement makes the perfect pioneer for organizations still feeling some trepidation about the cloud – non-core business applications are a good place to start. Software born in the cloud offers a fresh solution, not an old one in disguise.