Cloud CRM vs on-premise CRM

By Paul Anderson

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For most companies which have adopted CRM or customer relationship management to improve their business performances the difficulty arises when it comes to choose between on-premise and cloud based CRM.

On-premise CRM

It is the conventional approach where the CRM is loaded to its destination system and managed by in-house IT team. The company enjoys complete control over the database while the IT department ensures its smooth functioning.

Cloud CRM

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The CRM is hosted at a remote location and available to its clients over internet. The client will log in to the system as it logs in to its in-house CRM.

Both on-premise CRM and Saas CRM (as cloud CRM is also known as) have certain advantages and disadvantages and before you make a decision it'll be useful for you to learn as much as possible about both to make an informed choice.

On-premise CRM	SaaS CRM
Normally involves big fund investment	Inexpensive compared to on-premise CRM
You would need to purchase the package from its manufacturer at one time cost	Expenses involve subscription, maintenance and customization
Installed in client's system	Hosted in a cloud with cloud service provider and available to its clients through internet
Takes time to fully integrate the CRM to client's business environment	Often preferred for easy deployment
Its performance depends largely upon the expertise of the IT staff of the company	Does not need the service of in-house IT staff and thus, reduces your IT budget
Functionality doesn't depend on the internet connectivity of the company	Depends on internet connection but has less downtime complains
Installed to a fixed destination	Can be accessed from anywhere since hosted in a cloud
Customization can be done to meet client's requirements	The SaaS CRM provider often allows the clients to customize the CRM with custom fields
It's a better choice for more complex business needs	More suitable for businesses with limited technological expertise.
Big enterprises with established IT infrastructure are often the appropriate client for on-premise CRMs	Often a preferred solution for small and medium size businesses (SMBs)
You'll need to maintain an internal server to host the CRM	Often the hosting facility is offered by the SaaS service provider
Need to maintain a set-up to ensure data security and data recovery	Data security services are also offered by the hosting service provider and thus, lowers your expenses further

You can either be a client of on-premise CRM or SaaS CRM. Often a concern with hosted CRM is that your sensitive data will be handled by a third-party service provider. But it also helps reducing your headache in managing the software and frees the workforce to concentrate on the actual business, i.e. sales. Some companies are also adopting a hybrid environment with features of both on-premise and cloud based CRMs. Weigh all your options before making your decision.

ABOUT PAUL ANDERSON

Paul Anderson is a software consultant based out in California. For over five years he has been offering CRM consultation services to a wide market. Paul is currently associated with Corelynx Inc., also a California based company, which offers wide range of software solutions to customers that includes cloud computing, applications development, open source software development and more. Follow him on Twitter at @pauland29268750.
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