



Innovation
Series

Cloud Native, Future Ready

How to move your enterprise ahead—
and stay there—with 100% cloud-native ERP.



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Get where you're headed, not where you've been.

The accelerated pace of change has repeatedly validated the business benefits of a cloud-native enterprise resource planning (ERP) solution. The advantages of bringing finance, HR, and IT applications together are significant—companies gain stronger, data-driven insights, previously impossible operational efficiencies and agility, better cost control, and much more. Perhaps above all, they gain confidence going into a wild future.

But today it's clear that not all cloud architectures are created equal. However clear the benefits, considering a move to the cloud brings multiple decision points that can add complexity—and risk—across the enterprise. Moreover, the competing solutions you'll see have different origins, capabilities, and limitations. These differences matter.

Workday was born in the cloud, proven in the cloud, and taken to the top of the market in the cloud. Others were not. This fact has implications for your journey and what you can realistically expect from different choices.

Start with five priorities.

This guide demystifies these critical choices and clarifies why a cloud-native solution is so important when comparing ERP systems. It suggests a proven pathway for enterprise leaders to realize the cloud's benefits now and far into the future. By the end, you'll see five priorities for your cloud deployment and learn how to embrace the cloud confidently and effectively.

More than 10,000 businesses have moved ahead with Workday Enterprise Management Cloud.



Which cloud ERP platform is right for you?

Just as clouds in the sky might look alike but differ in their composition and behavior, your organization's cloud setup can also take many forms depending on your business, organizational structure, number of employees, and more. So while you may not question the need to adopt a cloud solution, choosing the right one (or ones) is vital to helping you grow sustainably and profitably.

Expect more benefits.

Today, most IT leaders are now familiar with the cloud's basic benefits, even if achieving them has been elusive. Among them:

- Improving budget predictability by moving from rigid capital expenditures (CapEx) for infrastructure to manageable operational expenditures (OpEx) based on usage and consumption
- Compute power elasticity that flexes up or down based on system demands
- Business resilience through redundant systems and always-on responsive security

Companies are realizing that they need more from their cloud solution to move beyond basic benefits. Today's innovative cloud-based solutions are architected differently than older ones, designed to fuel new business and technology priorities, such as:

- Sustainability through optimizing resource utilization and clean energy sourcing, reducing IT's carbon footprint
- Enabling new ways of working by supporting remote and hybrid work securely and continuously
- Making remote access to business and IT capabilities cost-effective and reliable to decrease travel (for example, cars on the road) and on-site data center needs
- Enhancing companies' ability to attract and retain key talent through the promise of new technology and IT practices

In particular, the talent issue is top of mind for many business leaders today. Increasingly discerning and technology-savvy workforces view IT systems as prime indicators (both real and perceived) of a company's technical fluency and commitment to its people. Employees expect to develop and demonstrate new skills by working with an advanced IT ecosystem, and the lack thereof becomes visible to prospective employees even before they interview. Once they're part of the team, a strategic and steady IT evolution keeps employees productive, engaged, and more likely to stick around.

For these reasons and more, enterprise leaders embrace moving to the cloud as strategic and necessary. But what is the definition of "cloud," and which kind of cloud makes sense for your business?



Navigating through the clouds.

Many private and public cloud infrastructures exist to support your business workload, providing choice around whether to run your existing applications in a managed private cloud or a public cloud, or move to cloud-native SaaS.

In addition, industry-specific application clouds deliver a range of functions. For example:

- Hospital utilization and clinical systems for healthcare
- Loan management and deposit management for financial services
- Merchandising and point-of-sale (POS) for retail

In evaluating options, leaders in IT and finance should adopt a “full-cloud” mindset considering architecture, platform and business capabilities, and service delivery alongside questions about Infrastructure as a Service (IaaS) and SaaS. And, once your leadership team decides on a move to the cloud, the next critical decision is where to focus. This conversation should engage the full C-suite, as it could result in the most significant value-adding (or value-destroying) decisions you make along your cloud journey.



The best cloud solution is the one most suited to a future that hasn't arrived.

Focus first on your money and people.

Today's dramatic changes and operational uncertainty drive your cloud focus to the most important parts of your organization: your money and people. How you manage these critical resources often determines how you manage your business as a whole.

The adage that “the best job skills are the ones that prepare you for jobs that haven't been invented yet” applies to your cloud decisions. The best cloud solution is the one most suited to a future that hasn't arrived.

Why? Because the needs of your business continue to grow, and you must keep finding new ways of working—whether your people are working on-site, remotely, or hybrid. Moreover, your business needs are likely to outpace your ability to address them, creating an [acceleration gap](#). The acceleration gap is a key indicator that no matter how hard an organization works to deliver value to the business, it gets held back by legacy IT systems, stifled innovation, and slower competitive responses.

Enterprise teams need to rethink their legacy systems as they transition to the cloud. This brings us to the topic of SaaS and how IT organizations can use it to improve business elasticity, resilience to unforeseen changes, and more.

SaaS solutions and the move toward greater adaptability.

Many human capital management (HCM) and ERP solution providers promise significant business benefits by moving homegrown or legacy applications from an on-premise data center to an IaaS cloud provider. We call this a “lift-and-shift” approach, and it can look attractive initially by promising short-term benefits (see “Common cloud pitfalls to avoid,” [section 5](#)).

However, lifting and shifting solely to an IaaS is insufficient for the systems that manage your money and people, particularly for companies that are changing and growing. Moving an outdated system to someone else’s data center doesn’t address the real problem: the outdated system.

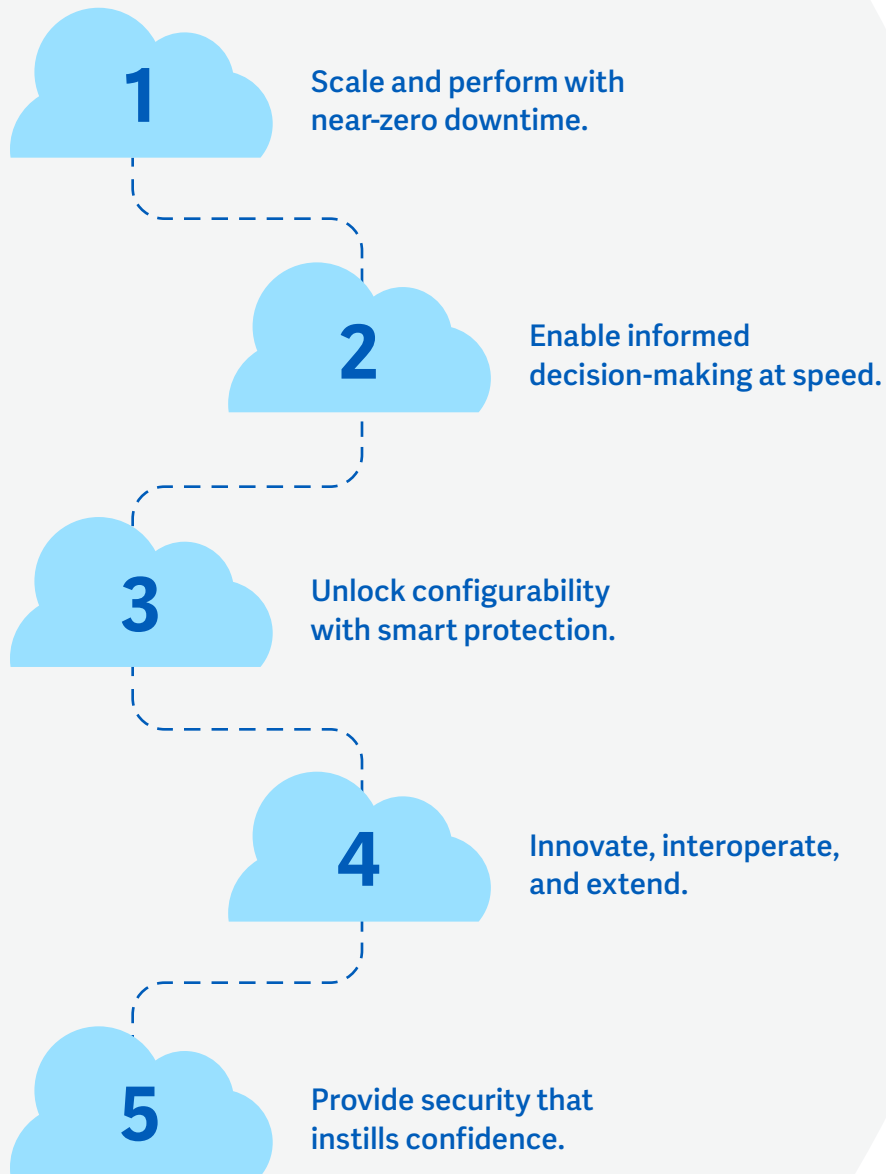
By contrast, cloud-native SaaS solutions provide trusted reliability and elasticity, making businesses resilient to unforeseen disruptions. In addition, they deliver continuous innovation with nonintrusive updates delivered securely and regularly, keeping operations moving and companies innovating. And since businesses today use more than one IT vendor, SaaS solutions built on an open, connected, and scalable cloud infrastructure are ideal for interoperating with other IT systems.

When faced with unplanned impacts such as fluctuating labor markets, natural disasters, and supply chain issues, SaaS solutions designed for the cloud adapt. They support unplanned demand and fluctuating workloads, enable reconfigured business processes, and incorporate real-time updates for compliance, business change, or security threats—and they don’t break under the weight of disruption.

With industry disruptions that could upend your business, such as new competitors, mergers and acquisitions, and regulatory changes, deploying the right cloud solution means you’re ready to respond and scale. Ready to change. Ready to integrate new systems, ideas, and business practices.

And ready to outpace your competition.





Five priorities when considering your cloud ERP selection.

Large enterprises must continuously recalibrate with quicker plan-execute-analyze cycles, insights leading to faster action, and better decision-making. For leaders, this means “running in the now,” breaking down silos, and operating in real time.

The right adaptable SaaS solution mitigates uncertainty to provide a full picture of financial, people, and operational data. It enables teams to rewire processes, onboard new entities, and spin up new organizational structures in days rather than weeks or months.

Selecting the right SaaS solution requires you to consider five key priorities.

1 Scale and perform with near-zero downtime.

Cloud infrastructure is only valuable when it delivers always-on applications with near-zero downtime and full application availability for the user. A predictable user and transaction performance experience won't degrade productivity, and a highly resilient cloud system keeps organizations immune to volume spikes or workload shifts.

This scenario depends on a cloud service provider consistently delivering against strong availability and performance service-level agreements (SLAs). When a provider meets these baseline commitments, the cloud becomes a true economic driver, where you can shift workloads and grow without surprise costs or overruns.

As a true cloud SaaS, Workday delivers scalability, performance, and reliability by providing:

- A single software version for all customers, which improves reliability and innovation for everyone
- The first and only response-time SLA for all customers, guaranteeing 50% and delivering 96.7% of all transactions with a response time of less than 1 second
- Planned and predictable application availability, regardless of usage, workload, or business process changes, with an SLA commitment of 99.7% availability (actual availability 99.98% in 2022)
- Proven performance from serving more than 120 million worker records, payroll processing for 500,000 employees, 75 billion journal lines, and 442 billion transactions (67% year-over-year growth), while maintaining transaction performance
- Planned weekly, monthly, and quarterly maintenance windows shared a year in advance
- Predictable subscription pricing that scales with business needs and eliminates surprise cost overruns



2 Enable informed decision-making at speed.

Having data doesn't create business outcomes—especially when it is siloed, not in the right format, or not readily available. Finance and accounting must be able to trust, organize, and analyze data to generate insights that drive business value.


This process happens through data unification. This demands a cloud solution designed for data at scale—one that maintains data relationships and timeliness, and integrates with other IT systems. A true cloud system for money and people unifies financial, HR, and operational data, while this significant advantage is impossible for users stuck with legacy HCM and related solutions.

Unification—made possible with the Workday intelligent data core—delivers up-to-date, reliable data to applications and their users in a timely manner for analysis and decision-making. The intelligent data core dissolves data silos between business functions and creates a trusted source for insights that lead to better and faster decision-making across the organization.



50%

of CFOs say they are forced to make financial decisions based on gut instinct—despite having the data they need—because the data is siloed, not in the right format, or not readily available.¹



¹ Source: Workday, "CFO Indicator Study: The CFO-CIO Partnership"; 2022.

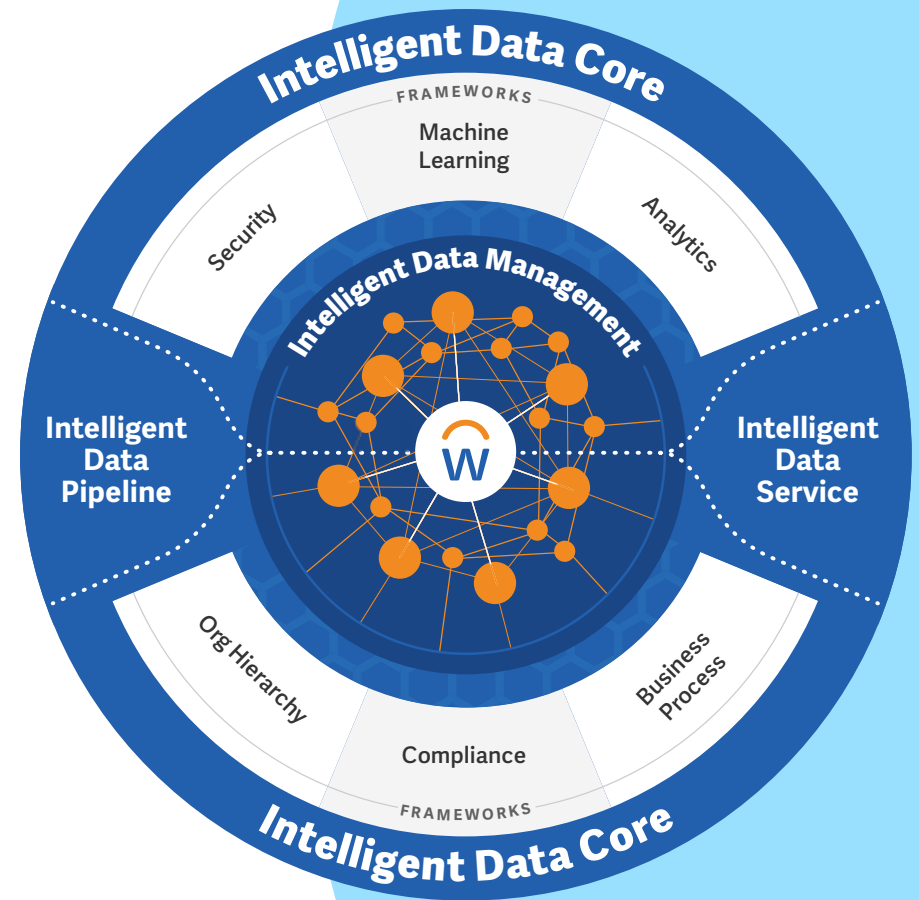
The Workday Intelligent Data Core

The intelligent data core in Workday includes three main parts:

- An **intelligent data pipeline** to rapidly infuse external data into Workday at scale
- **Intelligent data management** to provide a trusted, rich data foundation
- **Intelligent data services** to drive composite applications and highly personalized experiences

Learn more with our [helpful guide](#) on putting your data to work.

This data unification is especially valuable today because the volume and breadth of data are accelerating dramatically. To turn the fire hose of information into clear, actionable insights, finance and accounting departments need powerful, intuitive analytics that are only possible after data unification has been achieved. With the Workday Enterprise Management Cloud, teams are empowered with deeper insights and control, and more time to focus on innovation and generating forward-looking business outcomes—rather than looking in the rearview mirror.



3 Unlock configurability with smart protection.

When business changes rapidly, organizations must unblock constrained resources to respond. One way to do this is by enabling significant configurability by end users—freeing IT from laborious and time-consuming interventions, all while ensuring that those configurations are guided by prudent limitations and guardrails.

Workday empowers end users through frameworks that support change via configuration, constantly governed by a unified security model. Through configuration, business experts modify and rewire processes, make changes to support new compliance requirements, adjust organizational financial models while onboarding new entities, and spin up new organizational structures exactly when needed—in hours, not days or weeks.

Workday configurable business frameworks give business users flexibility and freedom while ensuring IT security and consistency, supporting change at speed and scale. This accelerates change without introducing new risks.

A cloud system such as Workday also gives enterprise organizations improved control over their data and processes, reducing the heavy lifts needed to create new functionality or improve working practices. Business users can adjust reports and processes and manage their data, giving IT more time to innovate with data that is safe and secure, and changes that are always auditable.

“

With Workday, we’ve completely transformed our finance function, including a radical reduction in our manual processes and spreadsheet usage.”

Vice President and Controller, The E.W. Scripps Company



Highly configurable frameworks in Workday

- Business processes
- Compliance
- Security
- Organizational hierarchy
- Reporting and analytics

“

Workday serves as the center of our technology ecosystem, and we look to leverage functionality within Workday first, prior to exploring any other technologies.”

Senior Director, Finance Technology and Operations, Blue Yonder

4 Innovate, interoperate, and extend.

All organizations have multiple applications and technologies supporting their operations. Examples include:

- Customer relationship management (CRM)
- Sales order management
- POS systems
- Supply chain and resource management
- Industry-specific solutions

Often these are cloud solutions, and organizations like yours frequently operate in multicloud environments. Your business platforms cannot stand alone—they must be open, interoperable with other systems, and extensible for building new capabilities.

SaaS must have powerful integration and orchestration capabilities built into the platform, supporting end-to-end processes and extensibility. Interoperability and extensibility help you consolidate costly, niche systems; respond to unplanned and urgent needs; and launch the unique organizational or industry innovations that keep you competitive. With these capabilities built in, you avoid additional costs and operational challenges stemming from procuring and implementing separate middleware and app development stacks, freeing up valuable resources.

Workday provides interoperability and extensibility in many ways.

- Integration is built into the core of Workday. IT can build and run integrations between Workday and third-party systems efficiently and economically, reducing or even eliminating the need to manage separate integration middleware.
- Workday extends the value of our applications with a platform for business and IT to build new people and financial capabilities for unique needs. With Workday open APIs, Workday Integration Cloud, and Workday Extend, developers and hybrid teams build with low-code, business-optimized developer tools; customizable integration services; drag-and-drop workflow orchestration; and built-in app lifecycle management capabilities. Users can then deploy these new applications and experiences with confidence in Workday Enterprise Management Cloud.
- Newly built integrations and applications gain Workday security and privacy; natively and consistently extend the data model and frameworks; and inherit the resilience, durability, and manageability of Workday.

With Workday, businesses can rapidly connect their multicloud environment and extend their Workday value across their IT ecosystem. IT reduces complexity and costs by eliminating procurement and training on a patchwork of application development, integration, and deployment platforms.



Embracing machine learning for continuous innovation.

Alongside interoperability, innovations must be introduced in a nondisruptive, continuous way and applied evenly across deployments and customers. Nowhere is this more apparent than with today's significant innovations in AI and machine learning (ML).

Paradigm-changing innovations such as ML are unworkable when they require enormous up-front costs and the acquisition of scarce talent. Workday democratizes these important advances, enabling a wide range of companies and end users to leverage them quickly and confidently.

Workday enhances finance and HR experiences by using AI and ML to elevate human capabilities. Humans play an essential role in business decision-making, and our technologies are best used to provide insights and predictions that help inform those decisions. Today, Workday has more than 30 live AI- and ML-driven features that automate and streamline tasks and processes across both HCM and finance. We target our AI and ML investments in three main areas:

- 1 Delivering engaging experiences, tailored to each person and organization, that produce more relevant digital services to improve the employee experience
- 2 Enabling touchless automation for repetitive, predictable tasks to improve accuracy, reduce the cost of doing business, and increase productivity while reducing business risks
- 3 Equipping people with AI-assisted insights and recommendations for faster, better decision-making; shoring up production; and freeing up scarce, high-cost talent to focus on value-creating activities



As one of the world's most ethical companies—and in line with our core values of innovation and integrity—Workday strives to lead the industry in the development of innovative and trustworthy AI and ML products. Our key ethical principles are cornerstones of our work in this space—they guide us in the development of AI and ML technologies that drive positive societal outcomes and expanded growth opportunities for our customers.

We've embedded AI and ML into the core of our technology platform, enabling our applications to natively leverage these technologies as part of the workflow. This has proven to be a great way to use our intelligent data core, since embedding ML at the core enables rapid innovation where advancements are applied as solutions through the lens of Workday applications, not a “build your own” tool bench that requires an IT team to procure, customize, and maintain.

Learn how our embedded machine learning capabilities can help remove friction from key finance processes so your team can save time and achieve faster, more accurate results. [Watch the demo.](#)



The value of one version.

Since Workday supports a single version for all customers, we focus on delivering innovation and new capabilities—including AI and ML—that benefit all and deliver immediate business value. Workday:

- Keeps customers on the same release, avoiding the distractions and stretched resources that frequently result from supporting competing products, multiple versions, point releases, and mixed delivery models
- Delivers immediate value as new features and functionality are easily consumed by all customers
- Enables targeted investments benefiting all customers; for example, Workday achieved FedRAMP® authorization status from the U.S. government on its single version, and now all customers benefit from meeting the U.S. federal government's rigorous cloud security requirements
- Leverages AI/ML efficiently, with deep personalization coupled with responsible, ethical, transparent practices applied evenly across all Workday products

5 Provide security that instills confidence.

Your security approach needs to be proactive, easy to manage, and as responsive as the systems and applications you're protecting. This allows you to stay ahead of sophisticated security threats and provide consistency and auditability while meeting and exceeding evolving compliance requirements.

While the security of many legacy systems was bolted on after the product was conceived, Workday was designed with [auditability and security built in](#) from the start. All Workday data, transactions, and services are governed by a consistent, configurable security framework and delivered with proven security and data privacy principles applied throughout. One example of our "privacy by design" is how Workday uses application metadata to move configurations between deployment environments, allowing users to easily adopt new feature releases without creating security exposures.

Case study: Man Group.

Read about how [Man Group](#) brought together its finance, financial planning, and HR processes in one secure system, where one version of data flows through every process, speeding up and improving the accuracy of reporting and decision-making.

With all Workday customers on the same version, security updates are deployed immediately to all customers, with no one left behind. Workday governs:

- All data, transactions, business processes, and applications
- All end users, administrators, and systems accessing Workday
- All access-method UIs, APIs, and integrations

Security for a cloud solution must also cover any third-party partners, such as data centers and contractors. Workday applications run in either Workday data centers or the public cloud. For customers running Workday in the public cloud, we partner with public cloud providers to ensure their security updates are passed along to Workday customers. And for customers running Workday applications in our state-of-the-art data centers, we protect mission-critical computer systems with fully redundant subsystems and compartmentalized security zones.

On the software level, we fully encrypt data, use TLS to protect user access via the internet, and secure network traffic. Workday secures access through a number of proven role-based methods, including LDAP Delegated Authentication, SAML for single sign-on (SSO), multifactor authentication (MFA), and x509 certificate authentication for both user and web services integrations.

Read more about [Workday security and trust](#).



Common cloud pitfalls to avoid.

IaaS lift-and-shift models that pretend to be SaaS:

- IaaS is not SaaS. Many IaaS vendors will lift and shift existing, on-premise ERP or HCM systems to another location or provider without addressing the systems' limitations or the fact that they were not built for the cloud.
- The lift-and-shift approach might provide limited IT benefits, such as operational cost savings, but it leaves businesses with the same outdated system—just in a new environment.
- Lift and shift also creates new integration challenges, ongoing maintenance needs, and long-term costs.
- Businesses are often unable to keep pace with change and can't achieve the adaptability they thought they were getting.
- The lift-and-shift approach also robs the business of new innovations such as AI and ML while continuing to expend resources on maintaining old customizations and integrations.

Vendors applying legacy on-premise practices in the cloud:

- These vendors, while promising the cloud, typically have not moved into a continuous delivery model or architected cloud-native solutions.
- Big releases require disruptive upgrades and a lot of downtime in order to leverage new functionality.
- Some vendors will take a legacy architecture solution and run it in the cloud using a SaaS business model (with subscription pricing, for instance), but this is still an incomplete transition and often just conceals a basic lift and shift.

Vendors that must support multiple versions of their offerings:

- These vendors must spend significant resources ensuring all past version permutations continue to work with each new release, service update, and security fix. This process increases costs and complexity for everyone involved. It also hinders the vendor's ability to deliver innovation and critical updates to all their customers.
- Solutions are not fully configurable SaaS systems.

A patchwork of outsourced services and separate app and platform stacks:

- Pieced-together tech stacks can demand significant IT resources to manage, and rob users of flexibility and self-help functionality.
- Customers often find it difficult to ensure the stack works together without having the vendor intervene and optimize it.
- A lack of services can result in delayed deployment and lower adoption, reducing time to value and ROI.



Eliminate risks during your cloud journey.

Partner with a leader.

The quality of the cloud journey is just as important as the end state. This is especially true for large enterprises, since they're often dealing with legacy ERP systems that are out of date—yet they're wary of disruptive change and embarking on a high-stakes procurement or migration process.

Workday can help navigate the risks and get you where you want to go.

In a context of rapid change, the path forward is a close partnership. Finance, HR, and IT teams require a partner committed to their long-term success, and Workday has been that partner since the cloud's early years.

We've honed our approach over thousands of deployments around the globe. Eliminating any risks during your journey starts on day one.

Your critical first steps are best guided by a proven cloud provider with focused deployment services that are rooted in experience and that ensure your success. More than 95% of Workday customer deployments are completed on time because our deployment methodology is repeatedly validated and improved.

Everyone managing a Workday deployment (partner, consultant, or Workday) uses the same tools and resources. We've developed important data migration automation tools, and we identify and test integrations throughout the deployment process. Workday leverages a vast library of business process configurations based on thousands of happy customers, reducing what is created from scratch and getting you through deployment faster.

[Workday Launch](#), for example, gets your organization live on Workday quickly using a preconfigured approach consisting of low-risk, fixed-fee packages based on our successful past deployments.

We also ensure value is delivered through our subscription-based [Workday Success Plans](#) that offer education, tools, and expertise so your teams can harness the full power of Workday skillfully and efficiently.

“

Transformations can be challenging. You have to partner with a software company that's going to evolve and understand your needs. And that's Workday.”

Chief Information Officer, Ivy Tech Community College





You won't move ahead by staying where you are.

Not all clouds are created equal. Although every business has a different cloud journey, a true cloud SaaS system such as Workday is the most effective, resilient, future-ready option out there.

Workday is purpose-built to leverage the unique capabilities of true cloud—taking your enterprise to new heights without the risk and complications that other cloud solutions might bring.

Learn more about Workday systems to see how they can change your business for the better. We're always here for you.

Unlock the power to adapt: workday.com/stayahead



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