



As APAC businesses navigate rapid growth and complex regulations, staying behind in cloud adoption risks falling behind competitors. Businesses that follow the lead of cloud-migration outperformers stand to unlock some \$1 trillion in value and only 15% of enterprises can clearly link cloud costs to business value, according to a [McKinsey](#). This guide gives you the insights needed to make the right choice between cloud and on-premise solutions, empowering you to drive agility and success in a fast-evolving market.

Cost & ROI

Cloud-Based

For **agile, growth-focused organizations**, cloud solutions offer the ability to expand quickly without significant upfront investments, turning CAPEX into OPEX. Flexibility is key to dynamically managing costs.

On-Premises

Organizations focused on **control over infrastructure** and long-term stability may choose on-premises, but costs can escalate over time due to expensive upgrades and maintenance.

Example

Cloud:

A mid-sized tech firm in Malaysia saw a 30% reduction in total operational expenses after switching to Zycus's cloud procurement platform, as they could scale their use based on changing project needs.

On-Premises:

A national telecom provider found its on-premises solution led to higher long-term costs as the company expanded, requiring continuous hardware investments to meet increasing data needs.

APAC Trend

In APAC's high-growth economies, where flexibility and quick scalability are key, cloud adoption is outpacing on-prem due to its ability to cut large upfront costs and support organizations focused on rapid growth.

Myth vs. Fact

Myth:

"On-premises solutions offer better long-term cost savings."

Fact:

While on-premises may appear cost-effective at first, they can lead to higher long-term costs due to maintenance, upgrades, and scalability challenges. Cloud solutions provide a more predictable and flexible cost structure, especially for growth-focused organizations.

Scalability & Flexibility

Cloud-Based

Cloud solutions enable **instant scalability**, allowing organizations to easily adjust their capacity. Cloud platforms support rapid deployment of new features, keeping businesses competitive without long lead times.

On-Premises

Organizations with **stable, predictable needs** may find on-premises sufficient, but scaling is costly and slow when faced with sudden growth. This lack of flexibility can be a major hurdle.

Example

Cloud:

A rapidly expanding logistics company was able to **scale procurement processes** across multiple regions by implementing Zycus's cloud solution that integrated with various suppliers in real time.

On-Premises:

A financial institution faced **delays in expanding** their on-premises procurement system due to hardware limitations, leading to missed opportunities during a period of rapid business growth.

APAC Trend

With economic fluctuations and rapid expansions common in markets like Southeast Asia, cloud's instant scalability is critical for businesses to adapt to changing demand without heavy infrastructure investment.

Myth vs. Fact

Myth:

"On-premises systems are more reliable for large-scale operations."

Fact:

On-premises solutions often lack the **flexibility to scale** rapidly. **Cloud solutions provide seamless scalability**, enabling businesses to adjust operations in real time based on market demands.

User Experience & Adoption

Cloud-Based

Cloud platforms provide modern, user-friendly interfaces, making them easier for employees to adopt. This is critical for distributed workforces where smooth adoption boosts productivity.

On-Premises

Familiarity with on-premises systems may feel safe, but outdated interfaces result in lower adoption rates and inefficiencies. Frustrated users often encounter operational roadblocks.

Example

Cloud:

A tech company improved procurement process efficiency by **20%** after moving to Zycus's cloud platform that simplified the user experience, reducing time spent navigating the system.

On-Premises:

A regional postal service using an on-premises system for procurement saw **frequent user errors** due to the complex interface, leading to operational delays.

APAC Trend

In **tech-forward markets** like Singapore and South Korea, where digital adoption is rapid, cloud platforms with user-friendly interfaces are boosting engagement and driving faster uptake than outdated on-prem systems.

Myth vs. Fact

Myth:

"On-premises systems are easier to adopt because they are familiar."

Fact:

Familiarity doesn't always translate into **ease of use**. **Cloud solutions**, with their modern and intuitive interfaces, tend to offer **higher adoption rates** and reduce operational errors.

Security & Compliance

Cloud-Based

Cloud providers with localized data centers ensure strong security and compliance with regional regulations. Compliance measures in the cloud often surpass in-house capabilities, especially for multi-jurisdictional operations.

On-Premises

Organizations that prioritize data residency or operate in highly regulated industries may prefer on-premises systems, as they offer full control over where data is stored and handled. This is crucial for complying with local data storage and residency laws.

Example

Cloud:

A multinational firm improved its **compliance capabilities** by moving to Zycus's cloud procurement platform that met data sovereignty requirements in each country they operated in.

On-Premises:

A government utility struggled to keep its on-premises procurement system secure as **regulations evolved but** opted for on-prem due to strict data residency laws in their region, ensuring complete control over where sensitive data was stored and accessed.

APAC Trend

With strict data sovereignty laws in regions like China and Australia, cloud providers offering localized compliance are crucial for navigating APAC's fragmented regulatory landscape. However, businesses with data residency concerns often favor on-premises to maintain full control over data location.

Myth vs. Fact

Myth:

"On-premises systems are inherently more secure than cloud solutions."

Fact:

Cloud providers now offer robust security measures and compliance capabilities that often exceed what on-premises systems can deliver, especially in regulated markets. However, on-premises may still be preferred by organizations with data residency requirements, as it allows them to have complete control over where data is stored.

Integration & Innovation

Cloud-Based

Cloud platforms are ideal for organizations seeking continuous innovation through integration with emerging technologies like AI and analytics. Cloud systems allow companies to quickly adopt new tools and remain competitive.

On-Premises

Organizations with legacy systems may struggle to integrate new technologies with on-premises infrastructure. Slower innovation cycles and higher costs often result from outdated on-prem setups.

Example

Cloud:

A company integrated its cloud procurement system with Zycus AI-driven analytics, enabling faster decision-making and a 15% reduction in procurement cycle times.

On-Premises:

A manufacturing company found that its on-premises procurement system couldn't integrate with IoT data, leading to delayed operational improvements.

APAC Trend

APAC businesses, particularly in tech and manufacturing hubs like Japan and Taiwan, are choosing cloud for its seamless integration with AI and IoT, keeping them competitive in cutting-edge industries.

Myth vs. Fact

Myth:

"On-premises systems integrate better with existing infrastructure."

Fact:

Cloud solutions often integrate more seamlessly with cutting-edge technology and other SaaS platforms, driving innovation and reducing operational inefficiencies.

Control & Customization

Cloud-Based

Cloud solutions offer flexibility and customization without requiring complex IT interventions, making them ideal for businesses operating in dynamic markets.

On-Premises

Organizations seeking complete control over infrastructure and custom processes may favor on-premises, but maintaining these customizations can become costly and complex, limiting the ability to adapt.

Example

Cloud:

A company quickly customized its procurement processes using Zycus's cloud platform to handle region-specific regulations without slowing down operations.

On-Premises:

A large enterprise valued the control of its on-premises system but struggled with the complexity of customizing it to meet evolving business needs, causing delays in critical operations.

APAC Trend

As APAC businesses expand across borders, the ability to quickly customize cloud systems to local market conditions gives them an edge over the rigid control of on-prem solutions.

Myth vs. Fact

Myth:

"On-premises systems provide superior customization because of greater control."

Fact:

While on-premises systems offer control, they often become overly complex and difficult to manage when customization is required. Cloud solutions offer customization without the associated maintenance burden.

Which Solution Fits Your Needs?

Cloud-Based Solutions

Flexibility to Scale: Easily scale up or down based on business needs.

Lower Upfront Costs: Avoid large capital expenses with pay-as-you-go pricing.

Minimal IT Management: Cloud providers handle updates, security, and maintenance.

Access to Innovation: Quick adoption of AI, automation, and other new technologies.

Global Access: Seamless collaboration for remote and distributed teams.

Data Managed by Provider: Data storage and management are handled by cloud providers.

Data Residency Flexibility: Cloud providers offer data centers in multiple regions to meet compliance.

On-Premises Solutions

Limited Scalability: Scaling requires significant investment in hardware and time.

High Upfront Costs: Requires significant capital investments in hardware and infrastructure.

Heavy IT Management: Requires in-house teams to manage updates, security, and maintenance.

Slower Tech Adoption: Implementing new technologies can be slow and resource-intensive.

Limited Remote Flexibility: Less flexibility for remote teams and global collaboration.

Full Data Control: Complete ownership of data, managed directly on-site.

Strict Data Residency Compliance: Keep data physically on-site to meet specific legal requirements.

Cloud-based procurement solutions like Zycus are increasingly essential for APAC businesses seeking to thrive in a region characterized by rapid growth, diverse regulatory environments, and a demand for innovation. Cloud solutions offer the flexibility, scalability, and regional expertise needed to navigate these challenges effectively.



Zycus, recognized by Gartner and Forrester as a leader in procurement technology, empowers teams to unlock deep value through its comprehensive Source-to-Pay (S2P) solutions. At the heart of our S2P solution is the Merlin AI Agentic Platform, which orchestrates intelligent AI agents to deliver simplified, efficient, and compliant processes.

The Merlin Intake Agent offers business users unparalleled ease of use, increasing adoption rates and significantly reducing non-compliant spending.

For procurement teams, Merlin Autonomous Negotiation Agent handles tail spend autonomously, securing additional savings, Merlin Contract Agent helps draft compliant contracts and reduces risks by actively monitoring them, and the Merlin AP Agent further enhances efficiency by automating invoice processing with exceptional speed and accuracy.

With the flexibility and autonomy of Merlin AI agents, teams can seamlessly guide workflows or delegate routine tasks for autonomous execution. Uncover the full depth of value and achieve procurement excellence with Zycus' AI-powered S2P solutions.

