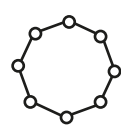# On-premises/hosted
vs
Multi-tenant cloud

Expect more from your enterprise vendors
Scalability and resilience • Continuous innovation • Lower cost of ownership • Faster time to value

Scalability and resilience

On premises/hosted	Multi-tenant cloud
• Scalability has to be manually configured for various workloads, usually resulting in oversizing	• Auto-scaling functionality within applications supports automatic scaling for various workloads
• Requires static sizing of hardware, which results in under utilisation of hardware during low volumes and performance issues during peak volumes	• Modern product architecture supports highly elastic applications to scale up/down automatically based on workload
• Static sizing results in higher cost as IT is always trying to adopt to business needs	• Elastic architecture provides a highly efficient and lower cost solution compared to other deployment methods
• Manual failover and resilient infrastructure	• Takes advantage of on-demand cloud platforms with high availability zones to provide resilience

Continuous innovation

On premises/hosted	Multi-tenant cloud
• Requires manual software updates and thus lags behind in versions	• Automated product updates at regular cadence are done either with zero or near zero downtime
• New features can only be available when deployment is upgraded to latest release	• New features can be previewed with feature toggle on/off switches giving control to customers
• Expensive as frequent software upgrades, testing and validation are time and resource intensive	• Zero cost upgrade for customers with subscription services that deliver upgrades on a regular cadence

Lower cost of ownership

On premises/hosted	Multi-tenant cloud
• Hardware costs are high as hosted applications are not elastic and have to be sized for peak performance	• Modern product architecture supports highly elastic applications reducing hardware costs significantly
• Security costs are higher as customer is responsible for managing their own security infrastructure and resources	• Security costs are lower compared to on-premises; MT cloud service providers will have put best practices in place for addressing multiple levels of security
• Minor cost reduction in operational costs from on-premises deployment as majority of activities require manual processes	• Significant reduction in operational costs such as performance optimisation, monitoring, patching, upgrades, integrations, testing

Faster time to value

On premises/hosted	Multi-tenant cloud
• Application installation is lengthy due to hardware and software version dependencies	• Automated provisioning gets applications up and running very quickly without hardware and software concerns
• Hardware and software failures need to be managed as hosting does not provide automated data replications across availability zones and regions	• Failures are automatically taken care of by on-demand cloud platform availability zones and replication
• Manual failover and resilient infrastructure	• Significant reduction in unplanned application downtime due to resilient infrastructure; increased uptime directly translates into higher productivity