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Warehouse Management Solutions:

On-Premises vs. Cloud-Based, Which Is Right for Your Brand?

Introduction

For many brands, selecting a [warehouse management system (WMS)](#) is one of the most important decisions you will make. Choosing the right WMS is essential to running a warehouse and increasing productivity, profitability, accuracy, and growth.

Once you find the right WMS for your brand, your next step will be to choose between one that is on-premises (the WMS will be installed and housed at your warehouse) or one that is cloud-based (a WMS that can be accessed via the Internet).

So, what exactly should brands know before they choose one of these options?

In this eBook, we'll walk you through the process and cover the following topics:

Understanding the difference between on-premises and cloud-based WMS

The pros and cons of each option

Advice on how to choose a WMS for your brand

How to grow your business at an exponential rate

Defining WMS Software Choices

Having a deep understanding of both on-premises and cloud-based software can help you make the best decision for your business. Here are the basics:

What Is On-Premises Software?

On-premises software (also called "on-prem") is installed at the site of the warehouse. Hosted and maintained on local servers or in the data center of the company who owns the software, it uses the company's own internal resources, hardware, and servers to both house and manage the software.

What Is Cloud-Based Software?

Cloud-based software, also known as Software-as-a-Service (SaaS), is stored in the "cloud," which refers to servers that are accessed over the Internet. Instead of only being able to access your data on-site, you can access it from any device (e.g., mobile phone, tablet) as long as you have an Internet connection.

Trends in
On-Premises vs. Cloud-Based WMS Software

Early warehouse management systems were typically on-premises, which at the time was incredibly innovative. However, next generation systems have focused mostly on cloud-based WMS because they provide much better scalability and accessibility, including the ability to share real-time data between multiple locations.

Market and Markets' Warehouse Management System Market Global Forecast to 2025 found that:

On-premises WMS is expected to grow at	Cloud-based WMS is expected to grow at
13.1%	**28.7%**
through 2025	through 2025

So, why is cloud-based WMS growing at more than double the rate of on-prem WMS software?

Advantages and Shortcomings of an On-Premises WMS

One of the most significant benefits of on-premises WMS is that it allows businesses to have full control over their operations. With an on-premises WMS, you can set up and customize your system based on your unique requirements, which gives you more flexibility in terms of workflow management and data access.

Another key advantage of an on-premises solution is that it provides greater security. Since all your data and systems are stored locally within your organization's network, there is less risk of confidential information or intellectual property being accessed by unauthorized users. This can be particularly important for businesses in regulated industries, such as healthcare and finance, where security is a top priority.

Additionally, with an on-premises model, you don't need to worry about subscription fees or ongoing service costs—since the software is installed locally, most of the time, the upfront cost is merely the purchase price.

But there can be exceptions to this: depending on your resources and your current systems, you might require in-house IT support and additional servers to manage your data. Additionally, each time you need to upgrade the software, you could face additional costs related to the upgrade itself, as well as the cost of implementing the upgrade.

Overall, if you are looking for full control over your WMS operations and the ability to customize your system to meet your specific needs and requirements, then an on-premises solution may be the right choice for you. Just remember to factor in the potential associated costs and complexities of implementation before making a final decision.
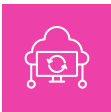
For most businesses though, a cloud-based system is the way to go.

Why Is Cloud-Based WMS Better than On-Premises?

Warehouses are increasingly using cloud-based management system for the following reasons:

Increase Access from Anywhere

With cloud-based WMS, users can access their WMS data anywhere, anytime, as long as they have valid user credentials and access to the Internet.

Higher Accuracy and Transparency

Get real-time information about orders and enjoy increased accuracy and inventory visibility.

Lower and More Predictable Costs

A cloud-based WMS is often more cost effective than on-premises since businesses will only have to pay for a quarterly or monthly subscription; it's also an attractive option for companies that don't have full-time in-house IT resources.

Less IT Maintenance

With on-premises WMS, IT staff will have to schedule updates, fix any system issues, and handle security. With a cloud-based solution, you'll spend less time worrying about upkeep and more time doing what you do best—running and scaling your brand.
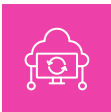
Increased Innovation

With on-premises WMS, you're limited to the functionality that is available prior to your date of purchase, so implementing new functions will take downtime. Cloud-based WMS generally offers more innovative functionality and will cut downtime since it can be easily added.

Faster Updates in Real-Time

With cloud-based WMS, maintenance is included and future updates appear in real time. If you need more functionalities and features, you can simply press a button instead of dealing with a costly and lengthy installation process.

Rapid Installation and Implementation

On-premises WMS solutions can take months (or even more than a year) to install and implement. Cloud-based WMS is implemented quickly and remotely, so you can get things running without burdening staff.

Cloud-Based WMS Helps Your Brand Grow

More Visibility

A cloud-based WMS can help your brand grow by providing more visibility, control, and agility. Plus, you can do it all from a single platform, which makes it easy to stay organized and efficient.

Higher Reliability

The cloud is a more reliable storage option than traditional storage methods. With the cloud, your data is backed up multiple times and never lost.

Increased Savings and Efficiency

A cloud-based WMS can help you reduce operational costs (e.g, installation, maintenance, labor), better manage time, keep better track of your resources, and free up your staff for higher level tasks.

It can also increase your savings and maximize your efficiency by tracking inventory accurately, generating packing lists, sending notifications, and helping with labor management.

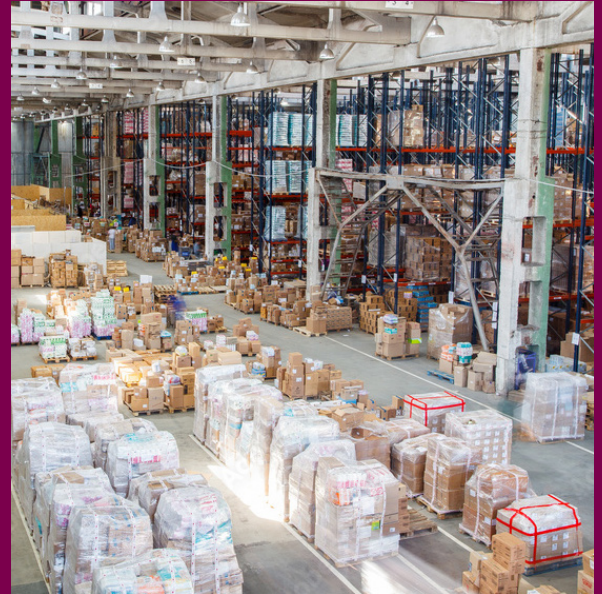## Increased Speed with Real-Time Updates

With cloud-based WMS, maintenance is included and future updates appear in real time. If you need more functionality and features, you can often add them online rather than going through a lengthy installation process.

With on-premises WMS, IT staff must schedule updates, fix any system issues, and handle security. Additionally, you're limited to the functionality that is available prior to your date of purchase.

New Levels of Scalability

Scalability tops the reasons why many companies select a cloud-based WMS. You can enjoy flexibility and grow as volume increases, without the need for staff to constantly update and maintain the system. This frees up your workload for more important tasks like growing your brand.

But What if You Could Take Scalability to Even Greater Heights?

That's the promise of next generation cloud-based WMS solutions. These systems are designed for extreme scalability, with features like horizontal scaling, load balancing, and clustering. This allows businesses to keep up with ever-growing volumes of inventory and order processing with ease.

In addition to scalability, cloud-based WMS solutions offer a host of other features that can help take your business to the next level:

Real-time dashboards and reports that give you instant insights into your business performance	Mobile barcode scanning drastically reduces the time and effort needed to track inventory accurately, eliminating errors and increasing productivity	A comprehensive set of features that covers all aspects of warehouse operations, from receiving and suggested putaway to shipping and tracking	Seamless integrations with your existing ERP and accounting systems, so you can get a complete view of your business performance

See the Difference
of Cloud WMS

Using a cloud-based WMS helps brands manage and fulfill more orders at a faster pace so you can enjoy:

- ◢ **More integrations**

- ◢ **Increased productivity and efficiency**

- ◢ **Higher accuracy and transparency**

- ◢ **Real-time information and data**

- ◢ **More growth and scalability**

All while being more cost effective and efficient than on-premises WMS solutions.

Cloud-Based WMS Features

Extensiv Warehouse Manager is a cloud-based WMS system that is simple to implement and easy to use. The web-based software provides real-time inventory visibility and control for brands of all sizes. The software is fully customizable, so it can be tailored to fit the specific needs of your warehouse operation.

A cloud-based WMS offers a wide range of features to streamline your warehouse operations, including:

Extensiv Warehouse Manager, a cloud-based WMS, is the perfect solution for businesses of all sizes. The software is packed with features to streamline your operation and is simple to implement and easy to use.

Inventory Management: Keep track of your inventory levels in real time, so you never oversell or run out of stock.

Order Management: Automatically generate pick tickets and packing slips and print labels directly from the software.

Shipping Integration: Connect to popular shipping carriers (UPS, FedEx, DHL, etc.) to print labels and track

Mobile Barcode Scanning: Extensiv's Warehouse Manager comes with built-in technology so you can use your smartphone or tablet to scan barcodes and track inventory to ensure you never oversell or run out of stock.

Shipping Tracking: Automatically update shipping applications and provide proof of delivery directly from your mobile phone or tablet—tracking information and delivery dates will be at your fingertips.

User Permissions: Control which users have access to which features, so you can limit access to sensitive data.

Reporting: Generate detailed reports on your operations so you can identify areas for improvement.

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On-Premises vs. Cloud-Based WMS

Conclusion

It's important to consider what your needs are now and how they might change as you grow your brand. Cloud-based WMS can help you scale your business and store your data in a more accessible way. And if you're looking to expand SKUs and/or add more warehouses, connecting with a 3PL through our **Fulfillment Marketplace** will be effortless.

Regardless of your goals, it's likely a cloud-based WMS can help you reach them.
Whether you desire more scalability or just increased efficiency and visibility, a cloud-based WMS is the best way to go.

Extensiv Warehouse Manager is the perfect cloud-based WMS system for your business. With features like inventory management, order management, shipping integration, and reporting, you'll be able to streamline your warehouse operation and improve efficiency. **Contact us** to learn more about Extensiv Warehouse Manager and how it can help your business.

Extensiv is a visionary technology leader focused on creating the future of omnichannel fulfillment. Through our unrivaled network of more than 2,000 connected 3PL warehouses and a suite of integrated, cloud-native warehouse, order, and inventory management platforms—we allow modern merchants and brands to fulfill demand anywhere with superior flexibility and scale without painful platform migrations. Book a demo with one of our experts to get a product tour of Extensiv Warehouse Manager!

REQUEST A DEMO

For more information, please call us at 833.983.6748.

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