

## **Cost-Based Analysis of Cloud and Traditional ERP Systems in Small and Medium Enterprises**

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**Abstract :** Cloud computing is the new buzz word today attracting high interest among various domains like business enterprises, Particularly in Small and Medium Enterprises. As it is a pay-per-use model, SMEs have high expectations that adapting this model will not only make them flexible, hassle-free but also economic. In view of such expectations, this paper analyses the possibility of adapting cloud computing technologies in SMEs in light of economic concerns. In this paper, two hypotheses are developed to compare the average annual per-user costs of using Enterprise Resource Planning systems in two ways, The traditional approach and the cloud approach. A web based survey is conducted apart from the Interviews with the peers to collect the data across the selected SMEs and t-test is performed to compare both the technologies on the proposed hypothesis. Results achieved are produced and discussed.

**Keywords :** cloud computing, small and medium enterprises, enterprise resource solutions, interviews

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