Moving your company’s core financial systems to the cloud is no small thing. Before selecting a cloud-based ERP (enterprise resource planning) application, here are five critical questions you need to ask:

1. **IS IT A TRUE CLOUD?**
   Some ERP vendors simply host legacy applications in the cloud, and you wait years for new functionality. An ERP application written for the cloud can be updated several times a year, helping you adapt quickly and keep pace with business change.

2. **WHAT IS THE VENDOR’S FINANCIAL OUTLOOK?**
   What happens to your critical financial data if your cloud ERP vendor, or its third-party partner, goes out of business? Make sure you know. Their financial stability is important for your long-term prospects.

3. **WHAT IS THE PRODUCT ROADMAP?**
   ERP solutions that don’t continuously adapt will fall behind.

4. **ARE YOU CREATING A CLOUD HAIRBALL?**
   If your finance, HR, customer, and supply chain systems aren’t integrated properly, you may be in for a struggle when it comes to data management, consistency, and security. Avoid the “cloud hairball” that leads to the extra work (and cost) of integrating incompatible systems.

5. **HOW SCALABLE IS THE CLOUD ERP?**
   If your company is growing fast, you’ll need to process ever-larger volumes of financial transactions. If your ERP application isn’t highly scalable, you could slow down your business.