



# Software as a Service (SaaS) is Growing in Acceptance and Offers Many Potential Benefits

Is SaaS Right for Your Organisation?

A guide from Smartpath

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## **Software as a Service**

### **What is SaaS?**

Software as a Service, is defined as when a customer contracts to use a software application that is hosted by a third party. This is in place of buying a software license and installing the application on a customer's own machines. A relevant analogy is using the internet to access, read, compose and reply to emails via a Web browser. SaaS users can access and use business applications over the Internet, which provides users with maxim accessibility to key information from anywhere.

### **The Demand for On-Demand Software**

SaaS, sometimes also termed On-Demand software, is increasingly being adopted by large, medium and small businesses around the globe. Large traditional software vendors are now talking up SaaS such as Microsoft and Adobe. Salesforce.com started the trend and it appears that awareness is now high amongst business customers and acceptance is growing.

However, it appears that applications such as Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP), Payroll and other Financial software and systems have benefited most from this growing trend. Other applications are bound to follow as more customers look to increase efficiencies and reduce the direct and indirect costs associated with procuring, supporting and maintaining business critical applications.

SaaS demand is currently being driven by a number of reasons, primarily the ability to reduce upfront payments and total cost of ownership (TCO.)

In addition there is a move away from traditional client/server computing models to more flexible architectures; changing business requirements driven by ever changing technologies; a growing need to access applications 24/7 and support

applications remotely and the trend towards flexible, robust and secure application infrastructure which can be cost and technologically prohibitive.

Similarly, reducing bandwidth costs are providing the mechanism for organizations to put in place the connectivity to support the delivery of hosted applications.

### **The Benefits of SaaS Delivered Applications**

The benefits of the SaaS model are many for organisations that are considering moving to a **subscription-based** model for some or all of its applications. Just some of the benefits are purported to include:

- Immediate access to a valuable business tool;
- Removing the need for organizations to outlay a significant capital lump sum cost for an Enterprise-wide application;
- Reducing the cost of and dependency on skilled resources to maintain and support applications;
- More efficient version upgrades by reducing the need for costly, time and bandwidth intense distribution of upgrades
- Ability to go Global and quickly make the application available to an overseas branch office and where support capabilities may be limited;
- Speed of market entry allowing customers to quickly ramp up their business operations as market opportunities present themselves; and
- Provision of immediate scalability.

### **Is SaaS Right for Your Organisation?**

If you are an SMB and do not have the financial, human and IT resources in house to deploy and manage your business critical applications, considering SaaS may be a beneficial option for you.

Other considerations may be the speed at which you may need to scale in the future, is your company expanding rapidly now or considering expansion in the future? How important is speed to market for you and focusing on your company's core business?

Larger private and public organisations may have the necessary skilled resources in-house who can deploy and manage their business applications and who as a result would prefer traditionally styled licensing and support and maintenance model.

However as SaaS delivered software delivers lower operational costs and can be available rapidly both locally and to remote areas such as overseas offices etc, larger organisations may also consider the SaaS option.

Smartpath is a leading asset management and help-desk solutions software publisher. Its flagship product is Loc8, is used by many companies globally to track, manage and control assets

Smartpath has recently introduced a SaaS model option for the delivery of its Loc8 solution providing affordable and operating expense based subscription payments.

Contact Smartpath on the numbers below or visit the Smartpath web-site.

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