



## The Value of Software as a Service

### The Evolution

Few technology movements over the past decade can match the impact on business of software as a service (SaaS). This on-demand model has proven transformational for companies looking to leverage software to solve daily business needs. Rather than confront exorbitant costs, lengthy implementations and burdensome ongoing maintenance and support, companies can pay as they go for solutions tailored to their specific needs and require virtually no support from their internal staff. The cost-benefit ratio of this approach has delivered significantly positive impacts to the bottom lines across many key business functions, including Sales, Marketing and Human Resources. The same value can be realized in an organization's payroll process, and can yield equal, if not more impactful, results.

### The Model

Software as a Service (SaaS) evolved in response to the complexity and high costs of traditional enterprise level installations. Historically, software applications are rolled out on premise, requiring significant internal resources for infrastructure, implementation and ongoing support. Alternatively, on-demand follows a much more simplistic approach to application deployment. Software is hosted as a service by the provider and accessed by subscribers via a secure Internet connection. This approach relieves the customer of many of the typical burdens of installations, including maintenance, continuing operations and support. Additionally, this model drastically decreases the both the time and costs typical of software purchases.



## **The Advantages of Software as a Service**

Software as a Service (SaaS) provides numerous advantages for organizations considering such a methodology. While it is impossible to touch upon each of them, this document will concentrate on what we consider to be the most impactful and valuable advantages of the SaaS model.

### **Rapid Deployment**

Perhaps most significant, technology can be characterized by constant improvement. Innovative, new development standards and architectural frameworks are continually introduced. Software as a Service providers have embraced this fact and used it to their advantage.

By means of widely accepted Internet technologies and rapid development protocols, on-demand providers are able to introduce new features in very short periods of time. The bottom line: businesses realize shorter implementations, robust configuration capabilities and continual platform upgrades that further enhance the core functionality and, correspondingly, the overall value proposition.

### **Operational Simplicity**

Keep it Simple: unlike legacy counterparts, software as a service (SaaS) leverages a centralized data model that enables corporations to gain greater efficiencies in their various mission critical processes. Burdensome challenges of data integrity, workflow approval and system maintenance are managed via a common platform. Improved visibility and control over key processes yields significant time and cost savings.



## **Platform Independence: Ease of Ongoing Configuration, Maintenance and Support**

The days of software maintenance and platform compliance are over!! Or at least they could be. The core foundation of SaaS presumes that the provider hosts the application on the client's behalf and, accordingly, assumes full responsibility for procuring and maintaining all related hardware, software and infrastructure components. This relieves the customer of the burdens of software maintenance, ongoing operation, platform compliance and support.

Additionally, today's corporations need flexible solutions tailored to their complex and evolving specifications. On-demand applications are architected in that vein, typically combining a feature-rich interface with a robust configuration console. This enables clients to quickly customize their interface on the fly. Such flexibility allows SaaS solutions to meet expectations without complex development.

## **Increased savings**

Historically software rollouts mean expensive licensing and even costlier implementation fees. Software as a service (SaaS) delivers an economical alternative, replacing up front licensing costs with a predictable pay-as-you-go monthly fee.

Furthermore, on-demand models are architected with more advanced technologies, producing shorter implementation timelines. The result: dramatic savings in up-front costs, often times representing as much as a 75% decrease over their traditional counterparts.

Finally, while the on-demand model versus software purchase has a profound difference, perhaps nothing is more significant than eliminating obsolescence. Under software as a service, the provider is accountable for all hardware, software and infrastructure-related costs, as well as support of the platform. This relieves over-burdened IT departments of the maintenance and management of typical legacy systems.

## **Scalability**

With success comes growth. Software as a Service utilizes a per employee per month pricing model that allows companies to pay only for the services they need when they need them. This frees working capital for use in improving their core competencies.

## Focus on Strategy

HR is continually offered “A seat at the table”, as, in theory, they are tasked with strategic objectives linked to the core business goals. The reality is that, all too often, HR departments are entrenched in the tactical functions of their job, rendering them incapable of effectively executing their strategic duties.

On-demand software provides solutions that help businesses automate and improve efficiencies around many organizational processes. Amongst other things, this helps HR reduce time spent performing tactical functions, enabling an increased focus on the more global core strategies of the company that have a direct impact on the overall growth and success of their organization.

## The Bottom Line

Software as a Service can deliver a transformative impact on organizations. A flexible, configurable, and on-demand methodology, it yields numerous advantages for businesses, including:

- Rapid Deployment
- Operational Simplicity
- Platform Independence
- Ease of Maintenance
- Cost Savings
- Scalability
- Increased Focus on Strategy

Summarizing, the on-demand model helps companies achieve operational simplicity while meeting the productivity and cost-benefit objectives organizations seek.

