

Software as a Service

What It Is and What It Means to You

Software as a Service, or SaaS, has become a fairly common term in today's business environment. Although the term is widely used, many people still do not understand what it means and how it can benefit their business. Learn more about what SaaS is today and what it could mean to your company in the future.

Over the last several years, Software as a Service (SaaS) has become one of the major buzz concepts surrounding the business world. According to Gartner, over half of the companies involved in their extensive survey have been using SaaS for over three years, and 95% claim that they intend to expand their company's usage of the service in the near future. But with all the talk surrounding the concept, many people still do not understand exactly what SaaS is or its potential benefits.

In simple terms, Software as a Service, or SaaS, is a model for software delivery via the web that removes the need for on-site hardware installation and the allocation of resources that go along with having hardware on-premises. The application is easily accessed through the Internet or via a local area network (LAN). Applications serving all functions are now offered in a SaaS delivery model — from entire Enterprise Resource Planning (ERP) suites to warehouse management systems.

When considering SaaS as a deployment model for your company's next software investment, you must take into account the following important factors to better ensure a successful implementation with a solid ROI:

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Domain Expertise

As with any major investment, finding a vendor that understands the complexities of your business processes is crucial. Finding a vendor that can work with you to consider how SaaS fits into your business and to ensure that you understand all the potential benefits of your new application will help you get the most out of your investment and feel more confident moving forward.

Budget

SaaS gives you the opportunity to purchase software with a subscription in which you can pay-as-you-go in order to receive the software when your company needs it most. The software ceases to be a capital investment, eliminating costs intrinsic to long-term investments such as software licensing, prolonged project timescales, significant hardware and implementation costs, and on-going support contracts.

Implementation Time

SaaS implementations, which require less hardware installation and on-site work, are much faster than those of traditional delivery models — allowing businesses to benefit from the software solution much quicker than ever before.

Resource Allocation

Minimal IT resources are needed for many SaaS applications. True SaaS applications only require a browser, so already over-stretched IT departments are not required to implement or support these key business systems. By transferring the responsibility for these "overhead" activities to a third party, the IT department can focus more on high-value activities that align with and support the business goals of the enterprise.

McLane Advanced Technologies has taken a proactive approach in utilizing SaaS by offering Microsoft Dynamics™ AX — an enterprise resource planning (ERP) application that can manage all of your business functions, from Human Resources to Accounting to Customer Relationship Management — on a subscription basis.

SaaS could inevitably be the next step toward the full adoption of cloud computing — a concept that involves acquiring and using applications completely over the Internet. If this is the case, traditional software deployment could become extinct as we see an expansion of the SaaS market. This will lead to lower IT costs and increased communication among collaborating companies.