

# Software as a Service (SaaS)

## A paradigm shift in the IT industry

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## Some thoughts about SaaS – give aways

- SaaS is totaly changing the way in how we build, sell, provide and use software in the future.
- SaaS is already an established alternative model in the US
- SaaS is starting slowly to be recognized as an interesting model in Europe
- SaaS is a great opportunity for software companies
- SaaS is a great benefit for software users
- SaaS is not ASP or just “hosting some software”.
- SaaS is not just a hype.
- Most internet users have already used SaaS without being aware of it.

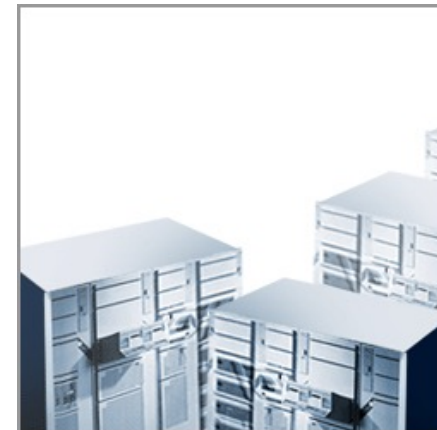
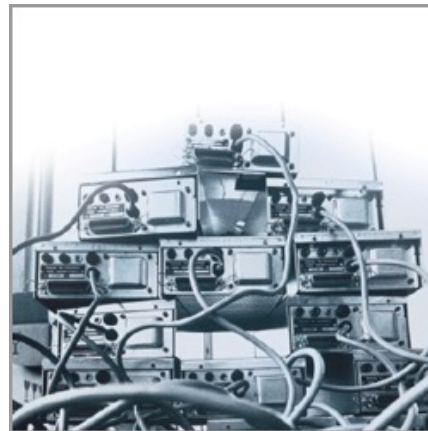
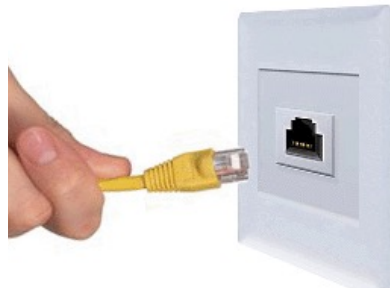
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## Disclosure

- I am a co-founder and partner of a company which is a Salesforce.com implementation partner in Switzerland.
- I will talk a lot about Salesforce.com because Salesforce is one of the leading companies in the world wide SaaS movement and a useful example for this model.

## Change and Continuity

*Is there any reason to believe that the way we use computers and software today will be the same tomorrow?*



## Access is key – obvious predictions

### **Pervasiveness**

Computers are already all around us, but this is just the beginning. They will be everywhere.

### **Allways on**

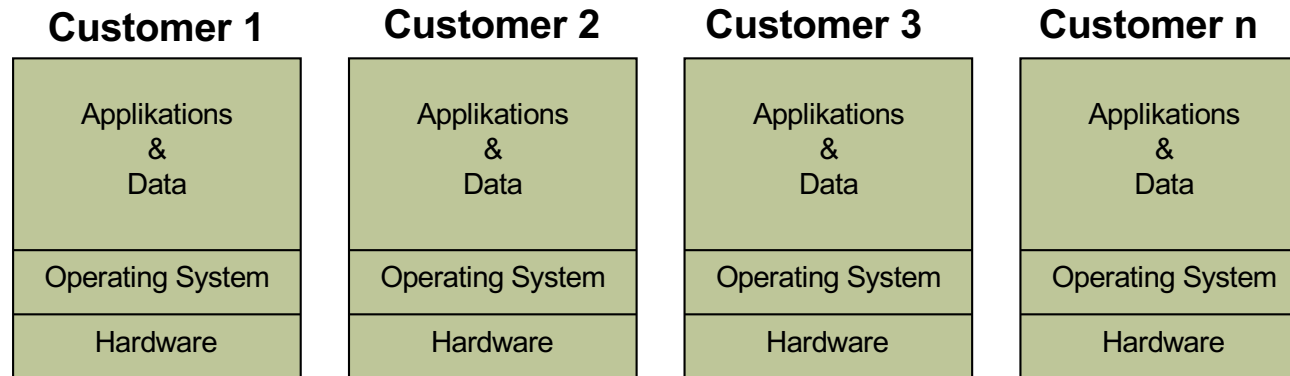
Every electronic device will be always connected to the internet. By then there is no need for local data storage or local applications anymore.

### **Reliability**

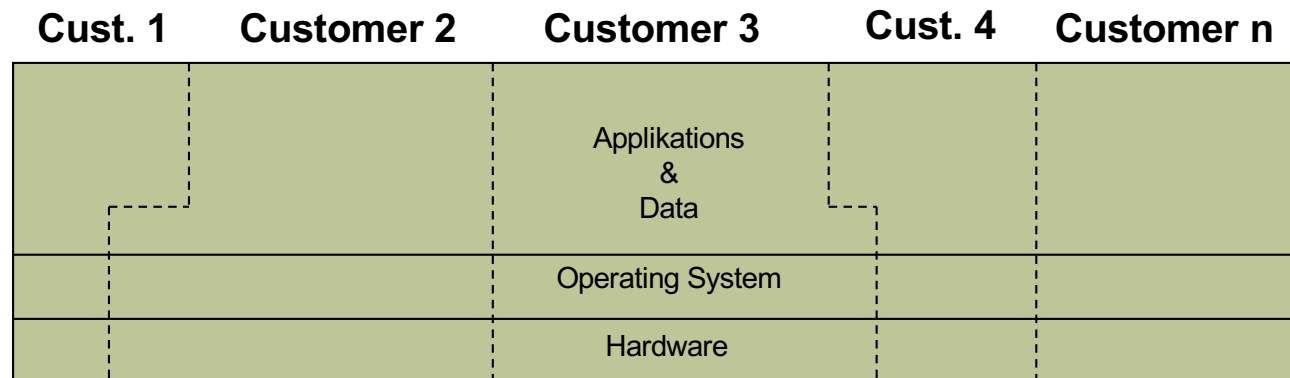
We will expect the internet connection to be available in the same way we expect power lines working.



# The application architecture difference or why hybrid models may not work



**single tenant architecture.**



**multi tenant architecture**

## The business model difference

- Rethinking software „ownership“
- Delivering Software as a Service means to take over the responsibility for the technology infrastructure on which the software relies on.
- Customer pays only for what he really uses (on demand)
- Selling to the „long tail“ of SME's

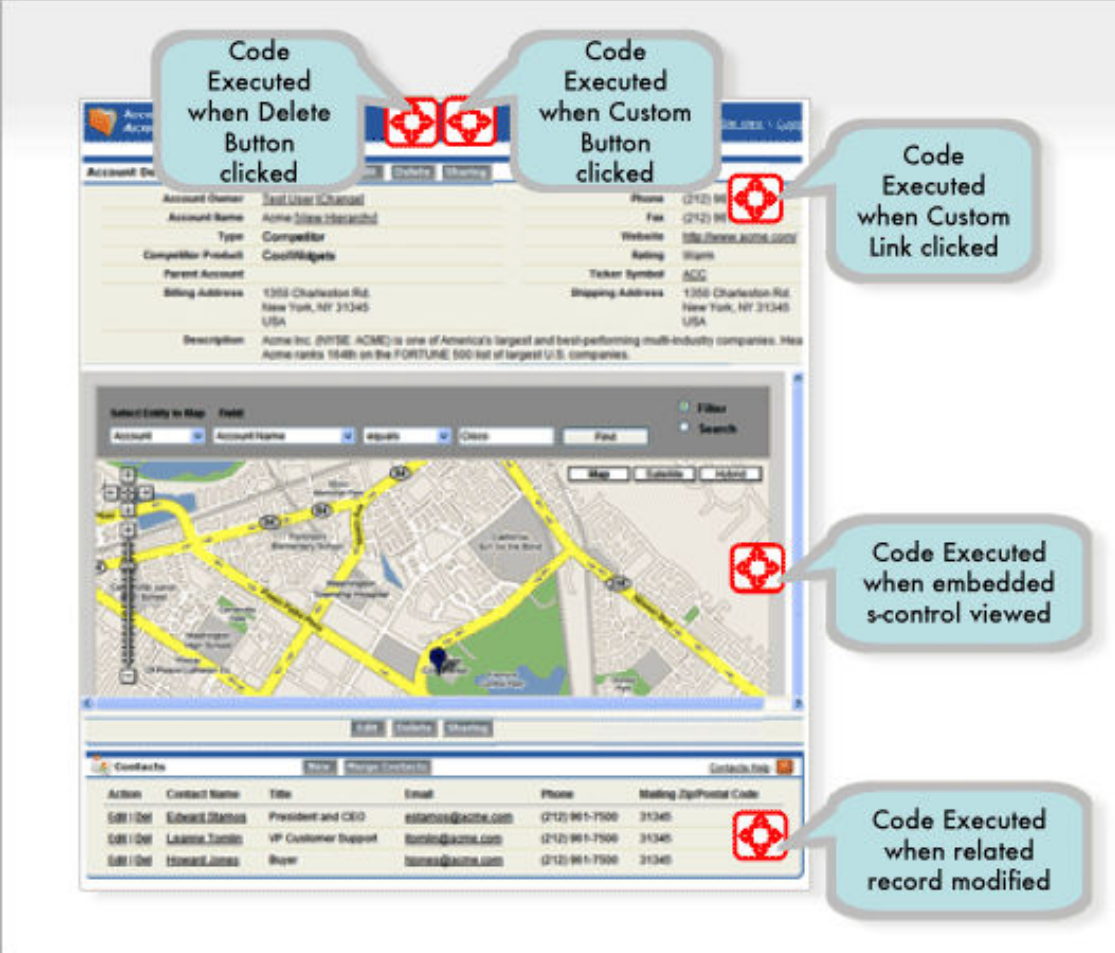
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## The organisational difference

- Being a Software as a Service provider means to be an infrastructure provider.
- Selling to the global long tail of SME's means to interact with prospects and customer through web technology.



# Customizing Functionality



The screenshot shows a Salesforce account record for 'Acme Inc.' with various fields and a map. Four callouts indicate where custom code is executed:

- Code Executed when Delete Button clicked:** Points to the 'Delete' button in the top navigation bar.
- Code Executed when Custom Button clicked:** Points to a custom button with a red cross icon in the top navigation bar.
- Code Executed when Custom Link clicked:** Points to a custom link with a red cross icon in the top right corner.
- Code Executed when embedded s-control viewed:** Points to a red cross icon on the map.
- Code Executed when related record modified:** Points to a red cross icon on the 'Contacts' table row.

Action	Contact Name	Title	Email	Phone	Mail Stop/Postal Code
edit   del	Edward Stasos	President and CEO	estasos@acme.com	(212) 961-7500	31340
edit   del	Laura Stasos	VP Customer Support	lstasos@acme.com	(212) 961-7500	31340
edit   del	Howard Stasos	Buyer	hstasos@acme.com	(212) 961-7500	31340

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## Concerns and Doubts

- Privacy
- Security
- Reliability
- Dependency

## Opportunities and Benefits

### For SaaS Customers

- Easy access
- Simple deployment
- Shorter Projects
- No Hidden Costs
- Focus on business and not on technology
- Higher reliability
- Lower TCO

### For SaaS Vendors

- Global reach
- Focus on functionality and not on compatibility
- Easy integration of other Services (Mashups)
- Simpler delivery of new releases
- Shorter Time to Market

## TCO – comparing is not an easy task

### **On premise**

- Software Licensee
- Additional Software to run the Application
- Hardware
- Maintenance
- Training
- Administration for Upgrade, Updates, Backup
- User Support
- Customization and Integration

### **SaaS (on demand)**

- Subscription Fees
- Training
- Customization and Integration

## Choosing an SaaS Provider

- Is the system architecture multi tenant?
- Is there a web services API and is it well documented?
- Is it possible to import and export all data in a standard format and without provider interaction?
- Is it possible to customize the application without provider interaction?
- Is it possible to integrate other services without provider interaction?
- Is it possible to test the service?
- Does the contract renew automatically?
- Which is the shortest possible contract period?

## Examples

- Salesforce.com with AppExchange (400 Apps) and Apex (More than 500'000 Subscribers with 24'800 customers, within 6 years)
  - 37Signals with BasecampHQ, Backpack and others (more than 500'000 Subscribers)
  - Squarespace, SiteKreator, iUpload
  - Quickbase, DabbleDB, Caspio
  - Zoho, Google
  - Coghead, Teqlo
- and many many more

## Links

- <http://msdn.microsoft.com/library/default.asp?url=/library/en-us/dnbda/html/ArchStratCtchLngTail.asp>
- <http://msdn.microsoft.com/library/default.asp?url=/library/en-us/dnbda/html/MlittntDA.asp>
- [http://en.wikipedia.org/wiki/Software\\_as\\_a\\_Service](http://en.wikipedia.org/wiki/Software_as_a_Service)
- <http://www.salesforce.com/developer/>
- <http://blogs.zdnet.com/SAAS/>

And my personal blogs:

<http://www.andreasvongunten.com> (german with other topics as well)

<http://www.ondemandnotes.com> (english, starting in november 2006)