

Why Small Businesses Must Consider Software As Service

It has been a decade since the high-speed race of eBusiness started on the Internet super high-way with its complex digital on/off ramps. However, millions of America's small businesses not only do not have a Web presence yet, according to a report from the Small Business Administration, they are also being left behind the Internet evolution. To compete and survive in today's Internet-based economy, small businesses need to take advantage of the World Wide Web to become more efficient, reduce IT infrastructure, and increase employee productivity.

According to AMI Partners, global analysts of IT, Internet, and Telecom trends in the global Small and Medium Business Marketplace, "in aggregate, small businesses spend almost as much on IT solutions as large firms, but individual small businesses IT resources and budgets are quite modest". The average small-size company [1-99 employees] has either no or maybe one half IT person, with an IT budget of less than \$10,000". Lack of time to plan or implement, the cost of implementation, the radically changing technology, limited expertise, and staff training are among the top main barriers that have caused small business to fall behind the Internet band-wagon that started its race ten years ago.

Small businesses need to learn to be more pragmatic in terms of technology utilization. Over the last ten years huge investments have been made by medium and large businesses in implementing Enterprise Resource Planning (ERP) systems using SAP, PeopleSoft, Oracle, and others. While most traditional ERP systems have helped companies distribute business information internally, they have become obsolete in regards to the Internet -- the ability to share information not just within a company but with suppliers, customers, partners, and share holders. Additionally, these software systems usually require huge IT investments – an unaffordable option for most small businesses.

The next generation beyond ERP is here, and the time has come for small businesses to competitively participate in the IT race. This new generation is called Internet Resource Planning, or IRP. The introductions of new technologies, such as MS Sql, and .Net architecture, have enabled the IT professionals and programmers to offer Software As Service (SAS), also known as Application Service Provider (ASP).

SAS can deliver software applications (business functions) over the Internet on a subscription or rental basis. In essence, SAS is a way for companies to outsource some or almost all aspects of their information technology needs. For example, Web-based applications such as Customer Relation Management (CRM) can streamline entire business processes and put the customers in the driver's seat and provide them full control, while enabling companies to cut operating costs and concentrate on process improvement and service enhancement. Utilizing the Internet allows a business to ubiquitously monitor, deliver, share and manage all business-related information with all constituencies, not just the information inside the company. It integrates the supply chain and selling chain into one mega-channel that can communicate to customers, deliver

product and service customers 24/7/365. Focusing only on the information inside the company is a thing of the past, and it will no longer suffice.

As recently as only a few years ago, the only choice for companies to automate business functions such as customer relations was to make significant IT investments building the necessary client/server infrastructure. Most of these investment went to purchasing new hardware, installing software and many months of implementation.

Today, web-based systems offer another popular choice, whereby the system and its functionality is not purchased, but leased in an ASP format. In this case, the customer relations management system is simply paid for per employee, per month fee.

Benefits of the ASP Model

As discovered by hundreds of companies utilizing SAS, the business advantages are endless. Among the most valuable benefits, following are worth considering why to adopt SAS:

	Software As Service aka (ASP)
Hardware: Network Server Installation Troubleshooting & Maintenance	No Investment Required No Investment Required
Software: Database: SQL / Oracle Software Licensing Installation on Network & User PCs Annual Maintenance Fee Version Upgrades	No Investment Required No Investment Required No Investment Required No Investment Required No Investment Required
IT Manpower: Database Administrator Network Admin. Support Daily Backups / Data Storage	No Investment Required No Investment Required No Investment Required
Access Any Where, Any Time	YES

For companies wishing to acquire new technology, eliminating the *fear factor* is perhaps one of the greatest benefits of an ASP application. Most SAS companies offer a trial (Test-Drive) period or short-term (monthly) contract period in which users can *test drive* the functionality of the system. Test-driving an application also has the side benefit of

testing how an organization will respond to the changes in work processes/culture. At the same time, employees feel like they are involved in the selection process. Empowering employees can go a long way towards a smooth enterprise-wide implementation.

SAS also eliminates the need for a dedicated IT department and/or contracted IT services. Most SAS systems are developed Internet-ready from ground up and are ready to run inside a browser without any implementation costs, expense and complexity of traditional systems. All that is required is Internet access, and a browser.

Finally, the most attractive advantage of using SAS solution is that there is no capital investment required at all. This benefit makes it very appealing to cash starved or startup companies who want all the same advantages in automation technology as their larger, established competitors, but can't afford it.

Industry experts agree that, without a doubt, SAS has enabled the small business to take a quantum leap into the technology evolution.

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