

TEAM

update

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SaaS - OLD DOG NEW TRICKS?

During an economic downturn, outsourcing of software and hardware becomes popular as a cost cutting measure, and up until now, traditional software vendors have ridden out these 'waves' with no massive loss of market share. The current wave is Software as a Service (SaaS), but is SaaS just another name for the ASP model of the nineties, which saw software vendors morphing into application service providers (ASP) using the internet as a delivery channel for their 'boxed' software?

By 2004 the ASP model of software distribution had gone 'belly-up' due to serious foundational flaws. First, software vendors didn't offer their software on a monthly rental basis which would rise and fall by the number of users. Instead they leased their software to users over a specified number of years so users still paid the same as they did when purchasing boxed or on-premise

software – just not up front. Secondly, vendors didn't rewrite their software for the web. It still required patches and customisation for each client, and it was never designed to run on centrally managed servers catering for multiple companies sharing the one data centre. In fact with the original ASP model, a separate server was often required to run each company's application.

SaaS – On-Demand Software

Once you start thinking of software as a service, specifically a rental model based on a shared server infrastructure, and pay-as-you-go licensing, then you start to get a picture of the new wave of software outsourcing - SaaS. Software delivered on-demand, over the internet, using a browser interface, with the same capability as on-premise software but without the massive up-front payment and ongoing drain for maintenance, customisation and skilled IT resources. No wonder it's gaining momentum!

According to the Gartner Group's applications industry analyst, Robert DeSisto, 25% of all new business software will be delivered as a service by 2011 compared to just 5% in 2005.

The Benefits of SaaS:

The main benefit of SaaS is to slash the cost of ownership. You now have a choice. You can pay up-front or lease 'on-premise' software as well as the hardware to run it on for thousands or millions of dollars, or rent it by the month on a per user basis and pay a fixed annual fee for automatic updates, maintenance and technical support. This includes the cost of staff and systems required to run the software on-site.

Another benefit is that the vendor looks after:

- Installation, support, infrastructure and planning.
- Bug fixes, patches and upgrades.
- Security and availability.

Applications are available anywhere, anytime. SaaS only needs a browser and internet connection, reducing the need for office-bound workers.

The elimination of large-scale customisation, means that systems integration becomes simpler.

Switching applications is far more economical for a company in the rental or subscription model. Yes, there are still implementation costs such as training of users however the software is far less entrenched than in the case of on-premise applications.

In addition, with the SaaS model, you can test the software until you are happy that it will work for you without having to spend a fortune or sign long term contracts.

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The Drawbacks of SaaS:

Cost savings occur only when applications are built on 'multi-tenant' architecture. If software is based on 'single tenant' architecture – one client on one server – the costs mimic traditional boxed software. The good news is that the latest generation of SaaS applications have been built using 'multi-tenant' architecture - multiple customers share the same application and hardware leading to massive cost savings.

SaaS is not fungible – yes, it's a SaaS buzz word. In a nutshell it is argued that SaaS software is not yet a commodity and as such one software application can't be swapped over for another as you would a pair of socks you didn't like. Hence fungible simply means commodities that can be substituted equally for each other. When switching from one software application to another, irrespective of the software/delivery cost, there is still the cost in man hours of retraining whole organisations. Detractors of the SaaS model call

this its Achilles heel however as noted above, SaaS exponents argue that there is more time to test an application, and the costs are greatly reduced in a rental model as compared to an on-premise model.

In the real world, the internet is not infallible, and things break – like wireless connections! Laptop batteries run out of power; the internet can run slow. When talking about email this may be acceptable but in terms of getting on with business? Network outages shouldn't stop people from doing their daily tasks nor hinder productivity. As a result SaaS providers often offer an 'uptime guarantee' in the Service Level Agreements (SLAs).

It is argued however, that the only way around this is to implement a smart client – a PC, smart phone or device which is fast, mobile, and not dependent on the network as it stores software and current data locally. In fact with the next generation of users, children who have grown up with highly mobile multimedia devices, this will be a basic expectation.

High transactional volumes may not be supported by the on-demand software architecture and may slow down productivity - especially where there are internet bandwidth problems and shared processing resources. Depending on the time of day, performance can fluctuate significantly.

Large organisations will still have to deal with the internal challenges of legacy systems and skills, competing departmental and

personal agendas, head office directives, security concerns, and other critical factors. These issues are business issues rather than IT issues and as such cannot be addressed by the SaaS model (or any model for that matter).

Because the SaaS model is known for its fast deployment, it is argued that users will have unrealistic expectations on time frame. As with any software, it must satisfy users, and so testing and training still has to be done by the client when deciding on and implementing an application.

Some SaaS applications can't be customised. Once again the work has to be done upfront to ensure that the software matches your business processes however current generation SaaS vendors now offer customisation platforms which are extremely robust and make integration as easy as point-and-click.

SaaS has the potential to allow smaller firms access to software they would traditionally have found out of reach. At Team, we've begun looking at ways to provide traditional applications as a service – applications that were once beyond the budget and ability to maintain of some organisations. These include sales force automation, B2B solutions and high availability offerings.

If SaaS is a concept you're considering then we'd love to hear your thoughts and share our experiences with this and other software trends.

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Undercurrent

Banging On About Backups

When I teach students about diving we talk about how much faster we lose our body heat in water – 20 times faster than air for those who are interested – and how important it is to wear wetsuits appropriate to the environment. This is important not only for comfort, but because our mental and physical performance degrades as we get cold. Our performance is affected by the environment in which we find ourselves.

It turns out the same thing can happen for tape storage too.

People tell me that I'm always banging on about backups, data integrity and availability, but just recently I've become more interested in just how secure and reliable these might be.

I'm sure it would come as a complete surprise to most of you to find your precious backup tapes unusable when you go to restore from them, but how many of us really take the time to ensure that they are stored appropriately and cycled as often as recommended? I've seen some really good solutions for tape storage, and some real shockers. From inadequate storage to improper backup procedures to non-existent plans for recovery, I've seen some beauties.

Let's look at storage. Many manufacturers list ideal operating and storage conditions for their tape media (and CD and hard drives). How many of us have ever bothered to read it? Did you know, for example, that on some LTO tapes (now the most popular media we supply) the minimum temperature in which they should be stored is as high as 16 degrees Celsius? We



For a tape that's used every day for a daily backup, it will require replacement in around 8 months.

have winter **days** cooler than that in Sydney. And the high end of the range? Just 32 degrees. Now obviously exceeding these ranges for a short time doesn't mean the tape is unusable, but it does definitely reduce the life of the media. It might interest you to know that those very LTO tapes are certified for 1 million passes, when stored in perfect conditions. This equates to around 250-260 full backups since each requires many passes. Think about that for a second. That means for a tape that's used every day for a daily backup, it will require replacement in around 8 months, even if stored **in perfect conditions!** I was amazed at this realisation.

Backup and recovery strategies are another area that is often overlooked. You have copies of your data, and diligently perform daily, weekly and monthly backups, hopefully storing them off-site (in perfect conditions of course!), but are you certain you can recover your entire system? Some of our clients are now investing in large capacity tape drives and backing up their entire system every night to ensure they have everything they need in the event of a failure. Still others we help to perform recovery

tests on a regular basis. I think both of these are great ideas, but not necessarily suited to all sites.

As you would know if you regularly read our newsletters, we help customers with a full spectrum of backup, recovery and availability solutions, and our job is to match their requirements with the appropriate solution. If you'd like to discuss your current or intended backup solutions I encourage you to get in touch with us. I recently reviewed our own strategy and closed the few gaps that we found. The review let me feel a little more secure in the knowledge that we can recover if required, and that all of our data is safe. We can do the same for you.

I'm on to my third wetsuit in 8 years of diving, and I shout myself a new pair of gloves every winter. Why? Because the performance of these seemingly passive pieces of kit decreases with each use, and eventually I find myself getting cold again. It might just be that we should do the same thing with our magnetic media, replacing them periodically, to prevent similar pain.

Peter Sanderson
General Manager, Team Computing Aust.

Put This Date in Your Diary

...and this date, and this one (even if it's next year). Oh, Yeah! Add this date too.

Sound familiar? If so then you're probably responsible for making sure all of your maintenance and licensing renewals are up to date.

It's painful, and it's all too easy to miss one, or find yourself scrabbling to renew something that expires that day.

There isn't any reason why you should have to do this, because we will do it for you for free - using our 'annuities reminder system'

We'll give you plenty of notice of renewals, which means more time to organise the payment, and we'll handle all the paperwork. And sometimes we're cheaper than renewing directly.

Before the renewal, we'll look at what you're paying for, and often

have money saving ideas, with no downside.

We process renewals for hardware maintenance, software maintenance, licencing renewals such as anti-virus software, backup solutions and Microsoft products, and even let you know if your backup tapes are approaching the end of their useful life.

This service is popular with customers big and small, and we're sure you'll find it a great time-saver.

Here's a few examples of how we can assist:

Co-terminus Contracts – If you've ever received multiple maintenance contracts from the one vendor for equipment you have spread out across your enterprise, call us to make these contracts co-terminus so

that they are due for renewal on the same date. We can also help you align different vendor maintenance contracts to one anniversary date. It will save you time and money.

Are you paying maintenance on decommissioned equipment? Working with a customer, we can navigate the terminology, consolidate hardware contracts, check serial numbers and ensure that only the correct equipment is covered.

Do you want to get accurate quotes on contracts months before their anniversary date for pro-active budgeting and forecasting? We can help.

Call David or Peter at Team Computing to get started, even if it's just one renewal!

Meet the Team

Pauline Lim
Senior Technical Consultant



Pauline's expertise is in the installation and customisation of application systems, high availability solutions, and enhancing the functionality of packaged systems. As one of Team Computing's most

senior and experienced technical consultants, Pauline brings a mix of technical flair and down-to-earth common sense to any project on which she works.

Beginning with the IMAS V2.1 development team at IBM, Pauline has worked on IMAS installations, customisations and migrations for companies such as Brother Industries, Sabre Corporation (distributors of the Fudge range of hair care products), Board of Studies NSW (serving 100,000 teachers and a million students in NSW) and TDK Australia.

She has also written telemarketing and CRM modules, and she has developed and implemented a solution to provide links for EDI and e-business trading for IMAS users.

Pauline is currently involved in the installation, training and support of Team Computing's high availability solutions. She also does analysis, programming and general system support for a variety of Team's clients.

Her skill and professionalism is such that her clients love her and so do we!

Can B2B Pay?

The challenges, opportunities and benefits when implementing B2B electronic messaging

Business-to-Business (B2B) electronic messaging first appeared in Australia during the mid 1980's in the automotive and retail industries, initially labelled EDI, or Electronic Data Interchange.

While initial participation was limited, the 90's decade saw this increase significantly with more than 60% of first tier suppliers to retail, and nearly 100% of first tier suppliers to automotive participating in B2B messaging by its close.

Much of the growth can be attributed to the reduced cost of B2B messaging software and services, maturity of the messaging standards,

integration software in recent years has seen the availability and cost of these solutions decrease substantially. In addition, the evolution of the internet has provided a new and low cost transport mechanism as an alternative to the traditional Value Added Networks (VANs). The result is software that is able to effectively integrate multiple B2B transaction types with ERP applications, and message transportation options with lower costs.

Improvement or elimination of poor and inefficient business practices between buyers and suppliers is a significant area of opportunity for

- The same publisher also identified a minimum \$28,000 saving per annum in staff and productivity costs from automating the receipt and processing of just 120 customer orders per week.
- An FMCG manufacturer has saved its accounts receivable department more than 30 man-days of manual data entry by receiving and reconciling Remittance Advice messages electronically from just one customer.

These are just a few practical examples of the real benefits available to business by 'electrifying' and automating some

A Sydney based publisher identified a minimum of \$10,000 savings in stationery per annum by sending electronic invoices to just 4 customers.

and proactive campaigns by industry and major buying groups. Participation however does not automatically mean increased efficiencies or reduced costs, with many businesses reporting the opposite.

Two key inhibitors to effective use for these organisations have been

- Limited transaction types available or implemented (eg. Customer Order only).
- Limited or ineffective integration with back-end systems resulting in continued manual processes, and in some cases continued data entry.

In addition, while technology issues, specifically cost and availability of solutions, were early inhibitors, today this is no longer the case.

The development of advanced and functional B2B messaging and

business to improve the efficiency and value of their B2B initiatives.

Manual steps involved in the processing of valid business documents should be reviewed by organisations to determine if these manual steps are adding any 'real' value and if automation is possible.

Review of additional business transaction types such as Invoices, Remittance, Advance Shipping Note, Forecasts and Sales or Stock-on-Hand/Inventory should also be considered as these are often overlooked as part of many B2B or efficiency enhancement initiatives.

Simple initiatives can produce practical examples of benefits:

- A Sydney based publisher identified a minimum of \$10,000 savings in stationary per annum by sending electronic invoices to just 4 customers.

of their business transactions. Benefits which are tangible and on going.

Team Computing helps business identify opportunities and address the challenges associated with B2B eBusiness implementations.

We are able to assist businesses maximise the operational efficiency opportunities afforded by B2B electronic messaging, and address the issues described.

We are committed to delivering achievable initiatives, and focus on identifying and solving the 'real' issues while seizing opportunities to improve the way companies interact with their trading partners, and with their employees.

Like to know how we can save you real money?

Call Richard at Team on 02 9438 4333

At Team, we have built our reputation on quality service, competitive pricing, and the ability to provide effective, flexible computer systems for a wide variety of business requirements.

With expertise in networks, systems, software and security, we are a leader in IT infrastructure services, specialising in the IBM System i, xSeries and all brands of PCs and accessories, networks and their inter-connectivity. In fact we can help you with advice, configurations (we're experts!), installation and support.

Our consultants are our greatest asset. With an average of about 15 years with Team, they provide the highest level of expert technical support for our clients - including specialist advice with the best products, service and support.

SOFTWARE

Financials
 Distribution
 APS
 CRM
 Retail
 B2B & eCommerce
 Business Analytics
 ERP & Supply Chain Management
 High Availability, & Disaster Recovery
 Electronic Document Management
 Lotus Notes / Domino
 Textile Integrated Manufacturing

I.T. SERVICES

Hardware: iSeries, xSeries, Wintel PCs and Servers
 eInitiatives – internet, extranet, intranet, knowledge management, email, EDI and supply-chain initiatives
 Network Support and Configuration
 System Administration and System Audits
 Infrastructure Management
 PC Support; Service Desk
 Anti-virus Solutions
 Lotus Notes / Domino
 Backup Solutions, High Availability and Disaster Recovery
 ERP Implementation and Project Management

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