

HARD facts on SOFTWARE – A fresh look at SAAS

Contributed by Immo Böhm
Tuesday, 18 May 2010

Fortunately this article is about SAAS – not SARS since nobody likes paying taxes. Although I must admit that South Africa has put some tax money to good use on the new and upgraded highways in Gauteng. What a pleasure to drive there now, even though not all projects are complete yet. Just think of what the airport in Johannesburg was like 5 years ago, and what the roads were like, and go there now. You will be pleasantly surprised.

Brought to you by Immo Böhm from Afresh Consult.

www.afreshconsult.com

info@afreshconsult.com

But we are talking SAAS here, not SARS, so lets focus on that. SAAS stands for Software as a Service. This, together with cloud computing is (and has been for a while now) the latest buzzword in IT. So what is this all about? This simply means you no longer host your own software. Some service provider is doing that for you, and they typically do so very well and cost effectively. Early systems hosted like this were e-mail servers – think yahoo and hotmail. You did not need to host an e-mail server to have e-mail. You simply logged onto a service and enjoyed e-mail.

For some time now HansaWorld has offered this in the ERP space. An ERP system, or business management platform, is obviously much more complex than e-mail, and hence not many ERP vendors have made their systems available in SAAS format. Other vendors like SAP have also offered some of their modules in such a model. And since SAP is used by large Corporations, with tens of thousands of users worldwide, it was obvious for SAP to follow such a route.

What then are the advantages of hosting your business software elsewhere, rather than on your own servers? The short answer is cost and risk management. Professional hosting organization, such as SALT in Namibia, Hetzner in RSA or Amazon in the USA have the right infrastructure to take care of your systems and data. They have fire and flood proof server rooms that are access and temperature controlled. They have racks and racks of servers running virtual environments ensuring that your system keeps running even if major calamities happen. They do regular risk assessments and ensure that they have redundancy in place to keep your systems humming along. They also have specialists on call 24/7. You get access to all this at a fixed monthly cost.

The software provider in turn gives you access to the business software that is installed on these servers, so you don't need to buy your own. You only pay for the privilege of using the software, you do not have to actually buy the software licenses. Pay per use models vary per industry. Some software vendors charge a fee per transaction, per report run or per waybill printed. You can have the same functionality of the software as any big business, but you do not need to spend the massive capital that would be required to run that software on your own servers.

The important point is that the software you use must be able to run over the Internet easily and efficiently. At least one vendor, HansaWorld, has now also made their software available to use via a web browser, with exactly the same look and feel as the normal application. But you don't need to install anything, simply access it via your browser. Many other vendors attempted this in the past, since their applications were not lean enough to run via the Internet efficiently, so they made limited functionality available in a browser, but typically the look and feel was way different to the application on your computer, and these screens were also not easy or efficient to use.

So expect more SAAS as bandwidth availability increases and online storage costs decrease.

Until next week, and remember……keep it (A)FRESH!

About the writer: Immo Böhm

Immo Böhm is the founder and managing director of Afresh Consult. He has been involved with business management systems for many years. He is an experienced implementation and process design consultant and has done in excess of 60 projects in this regard. Immo has a B.Sc degree, a diploma in IT and a MBA (UK).