



## **Web-Based Software Evolves to a Higher Level of Value**

*But Is Software-as-a-Service Better Than Conventional Software?*

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As is often the case in the tech industry, the hype surrounding web-based software has reached epic proportions. Just when we were finally trained that it was incorrect to refer to this as hosted software, along came the terms on-demand, pay-per-use, software-as-a-service, and the latest tech moniker "cloud computing". While I assume the later name comes from those system architecture diagrams that depict the internet as a cloud in the sky, I do not understand how a name like this helps buyers better understand and embrace software. Of course, a more significant issue with buzzwords like this is that techies start using them to describe just about anything that has to do with the internet, or in this case software that is delivered over the internet.

The good news is that the hype around this relatively young (but certainly not new) software platform is giving way to a much more meaningful and defensible vision that focuses on the innovation that on-demand software brings to the fashion business. While the discussions of cost savings and IT benefits remain compelling, buyers are predictably bringing the discussion around to features, functionality, and end-user productivity.

In case you are out of the loop on all of this, on-demand or software-as-a-service (SaaS) is essentially an alternative delivery and pricing model for software. In SaaS, the software application runs on a server, often located at the vendor or third-party hosting site, and is then delivered across the internet to end-users. Rather than installing the software on each individual computer in a business, system users access the software using a standard internet browser. In addition to the delivery aspect, SaaS is also typically purchased on a subscription or pay-as-you-go model much like the way we buy our phone and utilities services. Of course, variations on this theme are offered by various software providers.

Some of the most obvious benefits of SaaS come as a result of the fact that the software vendor takes responsibility for the hardware, software, services, and maintenance of the system. This means that companies can benefit from the software much like conventional packages, but without the heavy upfront costs associated with hardware and perpetual licensing fees. But the most important advantage of SaaS may well be the speed in which businesses can start seeing benefits. We are now seeing specific cases where fashion companies are realizing benefits from SaaS in one-third the time of a conventional system implementation.

But is SaaS as good as conventional software? There is no easy answer here as the two cannot be measured in the exact same ways. For example, SaaS typically offers configuration for specific company needs, but often limits the level of software customization that is possible. While some fashion companies see this as a deal-breaker, others are rethinking the value of complexity, especially when considering enterprise software that historically requires a lengthy and expensive implementation project.

Due to the innovative web delivery, SaaS may actually be better suited for certain business needs that require broad-based collaboration, global order management, sophisticated goods tracking, landed cost calculations and the like. Small companies may consider SaaS as a way to get a high level of functionality at low up-front cost and risk, while big companies may choose SaaS because they need fast and easy solutions to problems or as a means of adding specific functionality to an existing legacy system. Of course, there are numerous other criteria for evaluating SaaS vs. conventional software.

While each option has its pros and cons, many companies have decided that the positives outweigh the limitations and see SaaS is a solid option. A couple of years ago, it was not clear if anyone was really interested in SaaS. But today's economic downturn, coupled with growing demand for fresh IT improvements on a budget, may well be brewing the perfect storm in favor of SaaS. As focus shifts to benefits and more companies buy-in, SaaS is clearly evolving to a higher level of value.

**Productive Solutions, LLC is a boutique consulting services firm specializing in the fashion industry's concept-to-delivery processes and enabling technologies. It brings a uniquely focused and personalized approach to an international client base of retailers, brands, manufacturers and vendors. Contact Rick Ludolph at [r.ludolph@productivesol.com](mailto:r.ludolph@productivesol.com) or visit [www.productivesol.com](http://www.productivesol.com).**