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## SOFTWARE-AS-A-SERVICE PROMISES SIMPLIFIED COMPUTING

*But Will Fashion Companies Embrace 'Thin'?*

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Thin may be 'in' but, when it comes to enterprise computing, fat is still 'where it's at' for fashion companies. First, let me assure you that this is not another commentary on the growing waistlines of US apparel consumers or the diminution of fashion models. But a growing trend in technology towards 'thin' computing highlights a dichotomy of another type.

Thin-client computing, simply put, is architecture whereby software applications, data, and processing power reside on a server rather than on desktop computers. This is, of course, is not a new concept although it has evolved significantly since the days when mainframes ruled by communicating with dumb terminals. Today's thin-client computing goes by several names, most notably 'on-demand' or 'software-as-a-service' (SaaS) solutions. Most utilize a standard internet browser interface that provides users with familiar and convenient access to services provided by a network or web server.

Contrary to popular belief, on-demand deployment is not necessarily tied to subscription or pay-per-use pricing as it was with the ASP's of the dot.com era. Also, software-as-a-service may no longer mean hosted data since on-premise data has successfully been integrated with some solutions. When considering SaaS, we recommend decoupling the pricing and data storage aspects to focus on the potential benefits of the on-demand deployment model.

SaaS promises compelling benefits in today's global business environment. Even though PC's have become more reliable and powerful than ever, the decentralization of critical applications and data has added significant complexity to the enterprise. It has also increased IT management challenges such as supporting multiple versions of the same application on a global basis, managing increased network traffic, and maintaining security. With thin-client, almost everything is managed at the server level making applications relatively easy and inexpensive to implement and simpler to support and maintain. On-demand models also significantly reduce infrastructure costs, provide better availability of applications to users, and reduce data security concerns.

Experts predict that 25% of new business software will be delivered as services by the year 2011, up from about 5% today. With the success of Salesforce.com, a broad-industry CRM application that boasts more than 550,000 subscribers across 27,000 customers, software developers large and small are readying on-demand solutions for virtually every area of business. In the apparel-specific software space, several exciting new SaaS entries were launched in 2006 for product management, sourcing and logistics, even ERP. And more are coming with smaller software vendors leading the way while some larger players consider rearchitecting their products to offer the new deployment model.

But with all the promise of SaaS comes some harsh realities. Traditional enterprise solutions such as ERP are notoriously complicated. SaaS solutions will be challenged to deliver the highly customized solutions some buyers demand. But the prospect of no-hassle implementation and management offered by SaaS may drive buyers to rethink the value of this complexity. Indeed, thin computing requires a new organizational mindset that overcomes the resistance to change that so often prevents our industry from leveraging innovative technologies.

If you doubt that SaaS is here to stay, just consider recent announcements from Microsoft, SAP, and Oracle. The time for thin computing has come. The question is, are you ready?

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